



INVESTING IN AUDIENCES

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Address to ABC Staff

Tuesday, 7 March, 2017

I joined the ABC because I knew it to be a trusted, much loved and treasured Australian institution. Our audiences and the broader community appreciate the critical role that the national broadcaster plays in the fabric of everyday life.

My ultimate objective as Managing Director has been to strengthen that bond.

Over the past 10 months, I've learned that the ABC has an extraordinary engine: the creativity and drive of its people. Daily, I'm impressed by the energy and passion that goes into your work and the amazing content that springs from it. I know that the ABC has a vibrancy and a community service ethic that needs to be nourished and protected.

The ABC Act and Charter provide a valuable road map for the organisation, providing a sense of direction and purpose, even in times of change and uncertainty.

However, these great assets: The Charter, our strong community support and trust and the energy of our people, don't make the ABC immune from the changes that are transforming the media sector.

We're all familiar with the fast-moving landscape:

- The emergence of new media players, from nimble start-ups to the powerful global giants of Apple, Amazon, Facebook, Google and Netflix
- The rapid growth in new platforms and services
- An explosion in the range and availability of content

The consequences are all too evident. Audiences are changing their behaviour. They want content at a time that suits them, via a device and format that they prefer. They are impatient; demanding better experiences and wider choices. They're no longer "rusty on".

We lack the flexibility to quickly adjust to the fast-changing audience trends. Our reach on television and radio is declining and digital is struggling to bridge the divide.

We have significant audience gaps: socially, culturally and geographically. This means we're falling short of properly and effectively representing, in our employees, content and audience impact, the modern Australia in which we live.

Our funding situation is tight. While we have certainty over a three-year cycle, we have funding cuts locked into our base. While the Board retains its right to seek extra funding that delivers important public benefits and protects our Charter role, we must continually look at our own capacity to shape our destiny. That means unlocking the money we need NOW to enable our storytellers to deliver the programming and services that audiences want.

A CLEAR SENSE OF DIRECTION

Challenges bring opportunities. We know we start with great strengths:

- Strong community support
- A trusted, independent brand.
- A reputation for innovation, creativity and quality.
- Talented and passionate people.

We have a clear vision: To be the independent source of Australian conversations, culture and stories.

In the past few months, I've had very direct and constructive conversations with the ABC Board, with my leadership team and with employees across our organisation. I'm confident that we're all aligned, both on the need for change and on the general shape and direction.

Today, I'm releasing an ABC strategy that identifies four priorities that directly address the challenges I've raised. Our emphasis must be toward:

- Creating, collaborating on and sourcing extraordinary content for more Australians
- Delivering outstanding audience experiences
- Reaching more people and
- Building a great place to work.

More information on the strategy will be provided today by email and the intranet. All of you will be given opportunities over the next few days and weeks to talk to your managers and colleagues about the strategy and how it can empower you to do your work effectively, efficiently and for the benefit of the community.

INVESTING IN AUDIENCES

Today, I'm announcing the **first steps** to deliver on this ABC strategy. They acknowledge that incremental reform isn't the answer and that if the ABC is to realise its full potential, then transformational change over the next year is essential. Change that strengthens the organisation, empowers our people and delivers long-term results for audiences.

I'm very proud to announce the establishment of a Content Fund to realise creative and innovative ideas for new programming and services. The Fund will have \$20 million immediately available for initiatives over the next financial year and will quickly build to \$50 million a year. This is the biggest sum the ABC has ever committed to such a venture. It is warranted and timely.

The Fund is contestable and open for business. We need big ideas, fresh thinking and a willingness to take risks. The Fund enables us to respond with flexibility and speed to shifting audience trends and to extend our reach and engagement, especially with

audiences who are infrequent ABC users. It will be administered by a new Audiences Team, designed to assist our program makers in a whole-of-ABC approach to audience strategy and content delivery.

Regional investment will be a priority for the Fund. We're committing to an injection of funds ultimately building to \$15 million a year to provide more reporters and content makers, better tools and expanded digital and video output. ABC Regional will recruit up to 80 new content roles within 18 months.

This is the ABC acknowledging the important role it plays in the regions at a time of media decline elsewhere. It is an unprecedented investment from our own funds in this area. It ensures that the stories, issues and interests of the one-third of Australians who live outside the capital cities are well-represented across the range of ABC services and have a stronger voice in national conversations. Of course, regional audiences will also benefit from other Fund initiatives.

I expect competition to be fierce for funding allocations. I'd like to capitalise on the very best ideas that address our most pressing needs and make the best use of our collaborations inside and outside our buildings. For example, I'd love a creative solution that gives us a strong lead-in to the all-important [7pm](#) ABC News program.

We need to expand digital storytelling in News and take a fresh look at bolstering key genres like the arts, science, business and sport. There'll be a premium on ideas that utilise our strength as a national broadcaster to tell stories that contribute most to our sense of national identity.

The guidelines for the Fund will be published on the Intranet today and made available to external stakeholders so we all have a clear idea on the priorities. We'll report back regularly on our investment decisions.

A NEW WAY OF WORKING

My commitment is to a leaner, less cumbersome management structure that minimises costs, provides a more effective, streamlined service in support areas and facilitates quicker decision-making. To drive the transformation, there'll be a smaller leadership team. We've replaced the previous 14 divisions with a new structure involving nine key Teams, with a more appropriate balance between content and support.

In rationalising the support divisions, we're taking the opportunity to better focus on the key activities that will drive our strategic priorities. I'd like to officially welcome on board our new Chief Financial Officer, Louise Higgins, to lead the Finance Team. We'll have new Engagement, Audiences and Technology Teams, led by Sam Liston, Leisa Bacon and Dave Pendleton, until Dave leaves us at the end of the financial year. We are actively recruiting for a Chief Technology Officer to take over this very important responsibility.

In content, Gaven Morris will continue as the Director of News, Fiona Reynolds will continue to head ABC Regional and Michael Mason will do the same in ABC Radio. I want to congratulate David Anderson on his well-earned appointment as Director of Television.

Alan Sunderland will retain his role as Director of Editorial Policies.

We are proposing that ABC International will be integrated into the ABC so that we utilise the team's full resources and skills across the Corporation, while making better use of our cross-platform capabilities and output, to deliver on this very important Charter objective.

The new structure will mean some change for people in many former divisions and individual work areas. At the end of this address, there'll be a short presentation that provides more information on where teams will now be located. The intranet will also have more detail on the new structure and work functions.

As well as making changes to the organisational design and consolidating the support divisions, we'll be reducing the number of management roles across the ABC.

This is in line with the feedback across the Corporation and with the need to be resourceful in how we find money for the Content Fund. You've told me, in no uncertain terms, that we need to make people more accountable for their successes and failures. You want us to address choke points that frustrate workflows and decision-making. You have demanded that we fix the technology problems – from the lack of shareable video-players to inadequate and outdated content management systems.

Importantly, you have said, in unison, that we need a fresh approach that facilitates dialogue, eliminates the silos and better reflects audience expectations and priorities.

MAKING THE ABC STRONGER

Today, we start the process of addressing those issues: empowering our people and making them more individually accountable while protecting content as much as possible in our search for efficiency. It involves some tough decisions to deliver immediate and long-term benefits that ultimately make the ABC stronger.

The immediate response delivers the new structure, with reduced management layers across the Corporation and a process to address duplication in support functions. The savings will go directly into content creation. We aim to reduce management roles by 20% across the Corporation, with support areas to bear a heavier percentage of this cut. I've asked my leadership team to begin work immediately on identifying how this will be accomplished.

This afternoon, we'll be implementing additional efficiency measures in production and support in ABC TV and ABC News. This is part of ongoing work to meet efficiency targets, reduce fixed costs and free up additional funds.

It's expected that across these separate activities – reducing management, eliminating duplication and achieving production and support efficiencies – between 150 and 200 staff will leave the ABC by the end of this financial year.

The ABC isn't alone in the media sector in having to make painful decisions to reduce employee numbers. These changes are essential to the long-term health of the Corporation, but I acknowledge that this is little comfort to those whose roles are impacted. We face a tough few months. I want to say at the outset that the decisions we make shouldn't be seen as an adverse reflection on those who are affected. We are addressing legacy issues and a new streamlined structure will expose areas of overlap and inefficiency. We will be open and move as quickly as possible to end the uncertainty in affected areas. We'll provide regular and full updates on our progress.

Decisive action will produce immediate and long-term benefits for the communities we serve. Concurrent with the implementation of these first steps, we will be embarking on another key mission: designing and implementing a new alignment of our content teams with a much sharper audience focus.

Like every media organisation, the ABC must make the transition away from platform-based approaches. Our audiences don't think of us as ABCTV, ABC Radio or ABC News. We are ALL the ABC. We need to ensure that what we put in place is consistent with our strategy and leaves us better equipped to respond to audience and industry trends. Our content makers will be actively involved in the design. Let me be clear: this concurrent work isn't about reducing employee numbers. It is about removing duplication between content silos and having a unified approach to pursuing audience opportunities.

We can't lose sight of our audience responsibilities while undertaking this transformation. The pressure remains to continually reassess our schedules and programs to ensure they're relevant and effective. Over the next 12 months, the objective is to develop new ways to deepen and enhance our content. But it doesn't mean that every program should and will remain in place forever. That isn't how our Charter should be interpreted.

A CULTURAL CHANGE

We're reshaping the organisation so that it's more responsive to the needs of our people and audiences and targets investment where it's most needed. Our most important asset - our people - are passionate and have pride in their output. However, we will require elements of cultural change to improve accountability and to better empower each of you.

We haven't lived up to our rhetoric in reducing red tape and eliminating over-management. The workshops we've engaged in over the past couple of months (and which are continuing) have identified some of the bottlenecks. We now need your help in tackling them. I want my new leadership team to achieve immediate tangible results in this area. We want the ABC to be a great place to work where what we do makes a difference to the lives of all Australians.

I appreciate that people around the country will be seeking more information. The new leadership team and I are committed to meeting with as many people as possible over the next few weeks to explain the strategy and to involve you in discussion about the changes. I will be speaking with employees in Melbourne tomorrow and then travelling to Adelaide to talk to people based there and also with some ABC Regional editors. Other members of the leadership team will be travelling to state and territory

offices to answer questions. I will also conduct an open Yammer session on Thursday.

As I have flagged over recent months, 2017 will be a year of change. The actions announced today will result in a stronger, more confident and better-equipped ABC. An ABC that unlocks our full potential and puts our investment directly where it matters – with audiences.

Thank you.