

## SUMMARY OF POINTS

### Terms of reference

1. Term 1 implies that in order to cope with a reduced subsidy, the ABC should reduce the scope of its service. MCA contends that on the contrary, it is fundamental to the ABC's role that it should provide a comprehensive service in crucial support of a national agenda which prepares the country and its citizens to prosper in a world environment based on intellectual advantage .

2. Australia does not need a bargain basement ABC; it needs the best national broadcaster in the world.

3. A review of the role and functions of the ABC which goes beyond matters of efficiency into a fundamental examination of its Charter, should not pre-empt its own process with a premature assumption about the cost of the optimal service.

### The Charter

4. It is vital to Australia's cultural life that certain functions of the as specified in the Charter paragraph 1(a) and 1(c) are retained in the Charter:

that the service should be **innovative, comprehensive, and of a high standard**

that the broadcast programs should **contribute to a sense of national identity, inform and entertain, and reflect the cultural diversity of the Australian community**

that the service should include **programs of an educational nature**

that the service should **encourage and promote the musical, dramatic, and other performing arts in Australia.**

### ABC Classic FM

5. Classic FM makes accessible to 85% of the Australian population a representative presentation of the fine music performances and compositions of Australian musicians, at an additional cost to the Government of about 4% of the national expenditure on the live, local presentation of fine music. This is an extremely effective investment of funds.

6. The distinctive and invaluable contribution of Classic FM to the national cultural life depends upon its "live music" program of direct broadcasts and studio recordings of Australian musicians and music.

7. The direct cost to the ABC budget of the Classic FM live music program is one half of one per cent of total expenditures.

8. It is not possible to maintain the Australian content levels of Classic FM at an adequate level without a live music program, because the market will not support a sufficient production of commercially released discs. Further, the existing small production depends in part upon the Classic FM live music program.

9. Classic FM is the repository of most of Australia's recording producers, engineers and technical facilities in

the very highly skilled area of fine music broadcast and recording: a resource that has taken many years to build, which should be maintained and exploited, not carelessly depleted.

10. ABC management has instructed that cuts to the radio budget are to be met primarily from reductions in the live music program.

11. MCA contends on the contrary that the structure behind the fixed costs of the network should be examined for possible efficiencies, with the objective of transferring resources to maintaining and expanding the live music program.

12. The Mansfield review should propose some imaginative ways in which the live music program could be expanded, beginning with the evidence of successes to date.

13. Classic FM's broadcast of fine music from the live music program and from disc makes fine music accessible to *everyone*, regardless of wealth or class.

### Triple J Network

14. The live music program of the Triple J network should receive the same consideration as that of the Classic FM network.

15. The Triple J program of broadcasts of popular music from its live music program and from discs is highly distinctive, and supportive of Australian music and musicians, including many who have not yet achieved commercial success. This fills a cultural need ignored by the commercial radio broadcasters.

### ABC Television

16. MCA supports the maintenance and expansion of Australian content levels and cultural programming on ABC Television.

17. MCA proposes that the ABC should attend to its Charter requirement for innovative programming in exploring the possibilities for increasing its almost negligible programming of fine music and music theatre.

### ABC Orchestras

18. The ABC Orchestras are indispensable to the existence of a live classical music tradition in Australia, but it is not necessary to their existence that the ABC should own them.

19. In competing for players and for audiences, the orchestras must confront an international market and international standards.

20. The present level of subsidies to all except the Sydney Symphony Orchestra is inadequate to support the orchestras in competing with high quality overseas orchestras for players.

21. Any plan for divestment of the ABC Orchestras must be conditional upon the maintenance of Commonwealth subsidies at least at their present level.

22. In the event of divestment or partial divestment of the ABC Orchestras, it can be a condition of Commonwealth funding that the ABC should be able to broadcast their performances without payment of additional fees to orchestral members; also, a national body whether within the ABC or independent from it, can be established to service the needs of all Australian

orchestras for conductors and soloists and other matters where cooperation would be beneficial.

23. The present structure for Commonwealth support to orchestras does not assign responsibility for oversight and planning to any agency, and in effect limits the possibilities for new development as regional population centres expand.

24. The terms of reference for this review probably do not support a sufficient exploration of the ramifications of divestment of the ABC Orchestras nor, especially, the best means of Commonwealth support to Australian orchestral operations. Should this be the case, the Mansfield review may wish to recommend a further review of this matter.

#### **ABC Enterprises**

25. Relative to section (1) of the ABC Charter, the value of ABC Enterprises lies in its further dissemination of the product of the national broadcaster through purchasable items such as recordings, books and videos, at no cost to the taxpayer.

26. MCA argues that in the case of fine music, there is justification for this activity even in the face of a small financial loss because the incremental nett cost of the product is small compared to its total cost, and there is significant benefit from the resulting dissemination of Australian music through promotion, sales and broadcasts here and abroad.

### **THE SUBMISSION**

#### **THE MUSIC COUNCIL OF AUSTRALIA**

This submission is made by the Music Council of Australia, a national peak organisation for music. The Council has a membership of 50, including the nominees of 15 major national music organisations, and 35 positions for distinguished individuals. Each of the individuals is assigned to a particular category of musical activity: broadly speaking, the musical styles from folk music to experimental multimedia, the levels of education, and the various means of dissemination of music. The Council membership therefore represents the entire spectrum of Australian musical activity, with some emphasis on the non-profit sector.

It is the purpose of the Council to seek the best development of Australian musical life, both through advocacy and direct management of programs. It is an independent, non-profit, mainly volunteer organisation, established in 1994.

#### **COMMENT ON THE TERMS OF REFERENCE**

##### *Summary*

*1. Term 1 implies that in order to cope with a reduced subsidy, the ABC should reduce the scope of its service. MCA contends that on the contrary, it is fundamental to the ABC's role that it should provide a comprehensive service in crucial support of a national agenda which prepares the country and its citizens to prosper in a world environment based on intellectual advantage .*

*2. Australia does not need a bargain basement ABC; it needs the best national broadcaster in the world.*

*3. A review of the role and functions of the ABC which goes beyond matters of efficiency into a fundamental examination of its Charter, should not pre-empt its own process with a premature assumption about the cost of the optimal service.*

We refer to the first term: "The Government seeks a more focussed role for the ABC which strengthens its effectiveness in key areas by refining the scope of current ABC services and activities."

While the review is guided by its terms of reference, it must be noted that the first term begs the larger question of the best purpose and operation of the ABC, and proposes a solution to problems that are neither demonstrated nor even identified - other than the Government's desire (stated in the information paper) to reduce the ABC subsidy. The current fashion in the corporate world may be to re-focus on the core business; no doubt at some time in the future the pendulum will swing back to the virtues of diversification. Neither swing of the pendulum need have any relevance whatever to the ABC.

The privately owned free-to-air electronic media serve the intellectual and cultural life of Australia poorly. For instance, figures released in 1994 by the Australian Broadcasting Authority showed that the total arts programming over a year by all the privately owned television broadcasters was *zero* hours. There is a pretty comprehensive lack of service by the private sector to these needs, and from casual observation overseas, little indication that the private sector would look to fill any gaps created by a withdrawal of service by the ABC.

Along with those of other advanced countries, Australian citizens increasingly must depend on brain over brawn for a materially successful life - not simply a street-smart brain, but one with discipline and high skills. As it is for the citizens, so it is between countries in competition. The ABC can offer universal access and nourishment to the life of the mind and on this account, more than any other agency, turn the national ethos towards valuing those activities and personal accomplishments upon which Australia's future success depends.

This task therefore embraces the broadest span of subject matter. If there is to be a "re-focussing" of the ABC, it should only be in order to achieve this objective with programs even more convincing and more entertaining, and to eschew the trivial, the time-fillers that can as easily be provided at no public cost by the commercial media.

We Australians need to get it into our heads that we have the right to aspire to be the world's best, and the need to understand the depth of discipline entailed. Such an aspiration should not be taken as an endorsement of arrogance or jingoism, but rather a refusal to accept the idea that it is our lot to settle for the mediocre (in everything except sport). It would have been gratifying to discover some sense of this aspiration in the terms of reference. We don't want a bargain basement ABC. We want the best national broadcaster in the world. Despite the blemishes, what we have is pretty good. We are capable of making it even better.

How much should such a service cost? Mr Mansfield has made a statement on ABC radio that we should be able to have the service we want for \$500 million, since that is a substantial sum of money. It may be that the government has decided that it will allocate \$500 million to the subsidy of the ABC, and we must then seek the best service that this sum buys. On the other hand, to assert, before actually conducting the review into the role and functions of the ABC, that it can perform them adequately for \$500 million surely is premature. What role? What functions? Why not \$400 million, or \$600 million?

Why not propose the perceived best role and functions, establish the price, and take the discussion from there?

### THE ABC CHARTER

#### Summary

4. It is vital to Australia's cultural life that certain functions of the as specified in the Charter paragraph 1(a) and 1(c) are retained in the Charter:

that the service should be **innovative, comprehensive, and of a high standard**

that the broadcast programs should **contribute to a sense of national identity, inform and entertain, and reflect the cultural diversity of the Australian community**

that the service should include **programs of an educational nature**

that the service should **encourage and promote the musical, dramatic, and other performing arts in Australia.**

The Music Council of Australia recognises that it is appropriate for a major review to consider the ABC Charter. However, as the national peak music organisation, it is extremely concerned that in the following quotation from the Charter, the sense and spirit of the words shown in bold type are maintained.

(1) The functions of the Corporation are -

(a) to provide within Australia **innovative and comprehensive broadcasting services of a high standard** as part of the Australian broadcasting system consisting of national, commercial and community sectors and, without limiting the generality of the foregoing, to provide -

(i) **broadcasting programs that contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of the Australian community;**

(ii) **broadcasting programs of an educational nature;**

(b) .....

(c) **to encourage and promote the musical, dramatic, and other performing arts in Australia.**

*Concerning (1)(c).* The clause most directly relevant to the Music Council's concern is (1)(c). Virtually since its inception, the ABC has played a pivotal role in the encouragement and promotion of the musical arts in Australia. While, as the structure of the music "industry" has become much larger and more complex, the ABC's role is not as dominant as in earlier decades, it is still a

crucial player in ways that are detailed in following sections. It will be clear from our arguments that the removal of this obligation under the Charter would have a very broad and deleterious effect.

*Concerning (1)(a).* We have argued already that the ABC programs should be *comprehensive*. This requirement is of course qualified by the other Charter clauses concerning the ABC's place in an ecology containing also the commercial and community broadcasters. The ABC does not need to provide a radio service of the top 40 hits.

The requirement (perhaps invocation) to be *innovative* is important since it authorises the ABC to press the boundaries in a way that the commercial and community sectors, each dependent in its own way on earning income (through advertisements or voluntary listener subscriptions) will not dare. This is not a requirement that the ABC, mindful of another unstated and conflicting obligation - to prove its popularity - meets with unbridled enthusiasm. All the more important, therefore, that it should remain as a justification for innovation when it is tried or challenged. Its risk-taking innovation is one of the characteristics by which the ABC is, in a measure, distinctive and valued.

The requirement to achieve a *high standard* is one which might be so automatically included that it loses meaning. However, it is pertinent when, for instance, it is proposed that ABC radio might abandon responsibilities for its fine music broadcasting because they are provided by the community radio sector. The fact is that the community sector is equipped neither by financial resources nor professional expertise to offer programs of the quality - nor scope - of ABC Classic FM. Nor, it should be noted, does that community sector have anything like the audience reach or long-term dependability.

Concerning (1)(a)(i) The *sense of national identity* can be considered in two aspects. The usual meaning, born of the cultural cringe, is the clarification and development of national identity through its expression, for instance, in a *distinctive* style of drama or a musical idiom. The other sense, not so commonly articulated but clearly present in the national discourse, lies in creditable membership and achievement in various *international codes* such as those of sport or music. There is some conflict between the two inasmuch as a clear national voice may not be understood outside the country - even though its purpose presumably is to draw the attention of the outside world to particular aspects of our distinctiveness.

Both are important. Note that if they are to be about a *national identity*, each depends on a sensibility *shared* across the nation. In a country the size of Australia, this depends on national communication, as can be offered most ably by a national broadcaster. To an important degree, such communication is provided by the commercial broadcasters, but what is shared through them is confined by the limits of the commercial imperative. It is the ABC that can go more deeply.

*Cultural diversity* has been a sought-after and now treasured aspect of the Australian community and

naturally the ABC should reflect it. It might be hoped that it would be made redundant as an obligation of the Charter by its total integration into the thinking of those who control the ABC. However, cries are still heard that the ABC does not serve the majority...

The musical world, including the world of popular music, is increasingly diverse. Indeed, it seems unlikely that we will see any simplification of the ever more intricate and shifting array of musical tastes within our lifetimes. So far as the invocation to focus more narrowly is concerned, it runs in the face of the new realities of musical life.

It might be thought that the above requirements of the Charter are so obvious that they would be met by a public national broadcaster even were the Charter abandoned. In fact, in the late 80's the musical community discovered that ABC-FM radio was devoting as little as 1.5% of music broadcast time to Australian compositions: i.e. somewhere of the order of an average of 11 minutes in an 18-hour day. Even now, following upon a heated public campaign, only about one and a quarter hours in an 18-hour day are devoted to Australian compositions.

It is important that the ABC should remain accountable to a Charter which includes obligations to support the values and activities indicated above.

## **RADIO**

### **ABC Classic FM**

#### *Summary*

5. *Classic FM makes accessible to 85% of the Australian population a representative presentation of the fine music performances and compositions of Australian musicians, at an additional cost to the Government of about 4% of the national expenditure on the live, local presentation of fine music. This is an extremely effective investment of funds.*

6. *The distinctive and invaluable contribution of Classic FM to the national cultural life depends upon its "live music" program of direct broadcasts and studio recordings of Australian musicians and music.*

7. *The direct cost to the ABC budget of the Classic FM live music program is one half of one per cent of total expenditures.*

8. *It is not possible to maintain the Australian content levels of Classic FM at an adequate level without a live music program, because the market will not support a sufficient production of commercially released discs. Further, the existing small production depends in part upon the Classic FM live music program.*

9. *Classic FM is the repository of most of Australia's recording producers, engineers and technical facilities in the very highly skilled area of fine music broadcast and recording: a resource that has taken many years to build, which should be maintained and exploited, not carelessly depleted.*

10. *ABC management has instructed that cuts to the radio budget are to be met primarily from reductions in the live music program.*

11. *MCA contends on the contrary that the structure behind the fixed costs of the network should be examined for possible efficiencies, with the objective of transferring*

*resources to maintaining and expanding the live music program.*

12. *The Mansfield review should propose some imaginative ways in which the live music program could be expanded, beginning with the evidence of successes to date.*

13. *Classic FM's broadcast of fine music from the live music program and from disc makes fine music accessible to everyone, regardless of wealth or class.*

At the time of writing, rumours are beginning to circulate about an intention by ABC management to disband this network. While this no doubt is a product of needless anxiety, it does suggest a need here to present the argument for ABC Classic FM from the ground up.

PRO: There is no society known, present or past, which lacked music. The human desire for music, supposedly an option, a luxury, decoration on the serious business of life, in fact supports a major world-wide industry. Virtually every person is a consumer and/or maker of music.

Casual observation demonstrates that radio is a natural, and the most efficient, means of dissemination of music in a country such as Australia.

CON: This does not mean that the ABC should broadcast music. The commercial and community sectors broadcast music already.

PRO: The Charter says that the ABC should encourage and promote (presumably by broadcast) the musical arts, taking account of the services provided by the commercial and community broadcast sectors. ABC Classic FM clearly broadcasts to a large audience music that is ignored totally by the commercial sector and for which there are only three (east coast major city) specialised community stations.

CON: Those three community stations are accessible to a substantial audience. Why should the ABC duplicate that service?

PRO: It operates at a level of both quality and diversity of Australian content that is impossible for the community stations (see below). It is not duplicating the service. It exceeds it. Furthermore, it reaches a national audience, in both city and country, whereas they reach only a local audience in three cities.

CON: Classic FM broadcasts classical and jazz music that are of interest only to an elite. Why should the taxpayer pay for that?

PRO: By extension of that argument, the whole of the ABC should be disbanded because its programs are for an "elite" that prefers them to those of the mass market commercial stations. The music broadcast by Classic FM is from those traditions of our Western culture which are acknowledged by people broadly educated in Western music to be the most expressive, the most complex, the most durable. This music may not be for everyone, but nor are the paintings of Rembrandt or Arthur Boyd, the writings of Shakespeare or David Malouf. We don't on that account fill our art galleries with advertising illustrations or comic books - or close them down; we make them a place for public access to great art. Classic FM is a nationally accessible gallery of fine music. The

point about Classic FM is that it makes fine music available to *everyone*, regardless of wealth or class.

One of the great difficulties in making the argument for fine music is that decision-makers sometimes seem to be immensely able people verbally or visually, who unfortunately lack the personal experience of the value and profound meaning living in this music and so are not moved to support it.

Nevertheless, current ratings statistics indicate that around *one million* Australians listen to Classic FM during any week - not for a few minutes, but for an average of 8.5 hours.

How could the ABC write off such an audience?

***The most valuable attributes of ABC Classic FM.***

- *The most valuable and the unique contribution of this network is that it brings to a national "fine music" (i.e. classical, jazz and to an extent, "art" music of other cultures) audience the musical performances and compositions of Australians, broadcast or recorded in locations all around the country.*

- *These broadcasts and recordings are made with a level of technical and artistic competence that is possible for the most part only within the ABC. It is very important to understand that the production of recordings and broadcasts of this music to a fully professional level of quality involves complex skills which take many years to learn. As the industry is now structured, these skills (especially the production skills) are acquired, and exist, almost entirely within the ABC. After some enquiry into the possibilities, it is not clear to the MCA whether it would be possible to maintain them at a viable level in a private setting, even were the ABC to attempt to out-source product. Without the ABC's investment either internally or through out-sourcing, it seem very likely that most of this skills resource must be lost. A more formal exploration of the possibilities and advantages of out-sourcing might be advisable, but must take into account the need for the highest quality product and thus expertise. There is some in-principle interest within the music community in participating in production of tapes or even entire radio programs on contract to Classic FM.*

[While in some cities, community radio stations make and broadcast tape recordings of performances, they do not have expertise or equipment remotely comparable to that of the ABC.]

- *The Classic FM Australian content levels, now at approximately 25% of broadcast time (6.00am - 12.00 midnight) for Australian performers and 7% for Australian compositions, can be maintained only through its program of live concert broadcasts and studio recordings. There is not sufficient product available on commercially released disc to sustain anything like these levels, because the market will not support greater production. For instance, at the current content level, Classic FM would run through the entire catalogue of the Tall Poppies label, probably the largest producer of Australian content discs, in about two weeks. The bruited disc-only broadcast network would be in the invidious position of having a far lower Australian content level*

than adopted by self-regulation by the commercial radio broadcasters for popular music.

- *Furthermore, if the live music program is curtailed or abandoned, even the present modest supply of commercially available discs would be reduced, because of Classic FM's assistance in the production of master tapes. This arrangements, which become more and more cramped as the network is squeezed financially out of meeting its Charter requirement to encourage and promote the musical arts, have extended positive ramifications since the discs can be used to promote the musicians and Australian music elsewhere - as well as to source subsequent ABC broadcasts from disc.*

- *The cost of live presentation of professional classical and jazz music in Australia is well in excess of \$100 million; the current budget for the live music program of Classic FM is \$2.8million, producing for broadcast some 700 events per year. Adding attributed costs, we might estimate that for an extra investment of say 4% of the total, the \$100+ million worth of live events is taken beyond the small local live audience and made accessible to more than 15 million people (network reach) by broadcast. This is an extraordinarily effective investment!*

- *The ABC's direct expenditure on the live music program of Classic FM represents about one half of one per cent of its total budget.*

- *Classic FM programs reach a truly national audience, in nearly all but the most remote regions of the country. For many listeners in the regions, this is their primary access to fine music. In broadcasting Australian performers, the network fights the cultural cringe: Australians know that we are not only consumers of the product of foreign musicians, but the creators of musical performances and works of very high standard. This experience contributes to the national sense of competence and possibility. Further, the experience through broadcast of Australian performers encourages paid attendance at their live concerts, and so becomes part of a supporting ecology in which musical endeavours are made financially possible.*

- *Classic FM makes accessible the finest music our culture has produced, whether performed or written by Australians or artists in Europe, the Americas, Asia.*

- *The music broadcast by Classic FM is an international musical idiom, something we share with other countries, through which we can in a sense speak with each other. This is music that they value, and in Europe especially, support abundantly as a matter of national pride. Their investment in their own fine music education, performances and broadcasts makes the cost of Classic FM insignificant. For example, Norway, with a tiny population of 4.5 million, has 330 special publicly funded music schools for kids; Australia has about a dozen, user-pays. We may not wish to teach our kids this music, but we should at least let them hear it.*

- *It should be noted that with its current live music budget, Classic FM cannot afford to pay broadcast fees to Australian opera companies or other large professional musical aggregations such as choirs or*

independent orchestras. Nor can it afford to take advantage of the presence of international touring artists. As a consequence, performances by these performers are notably absent from the broadcast program excepting as they exist on commercial disc. In the case of the opera companies, there also is very little on commercial disc.

• *There is a very strong argument for stronger financial support to the live music activities of Classic FM, especially if linked to an inducement for exciting, imagination-grabbing programming.* The recent program of national auditions and the special broadcasts from music festivals and competitions are examples of such activities which take local events and for a very small incremental cost make them available to the whole nation, and in some cases through associated CD production, to a potentially enormous international audience. Some of these live activities already are subsidised by the Commonwealth, and for a small additional investment in broadcasting, the benefit is multiplied a hundred times. The obvious example is the Commonwealth subsidy of \$32 million to the ABC Orchestras for their concert performances, which then are broadcast nationally for a direct additional annual cost of presumably much less than half of the Classic FM live music budget of \$2.8 million.

### **Triple J Network**

#### *Summary*

14. *The live music program of the Triple J network should receive the same consideration as that of the Classic FM network.*

15. *The Triple J program of broadcasts of popular music from its live music program and from discs is highly distinctive, and supportive of Australian music and musicians, including many who have not yet achieved commercial success. This fills a cultural need ignored by the commercial radio broadcasters.*

The existence of this network is testimony to the extraordinarily narrow provision by the commercial radio broadcasters. Triple J has been able to carve out an important role in the broadcast of popular music in Australia because the commercial broadcasters are so driven by commercial caution that they exclude all but the mass market, lowest common denominator music. They offer almost no opportunity for new Australian bands to get a break.

Triple J's special value is akin to that of Classic FM: the broadcast of Australian performers and composition in styles of interest to a musically astute audience which is unserved by the commercial stations.

Its ability to serve this market from disc is probably somewhat greater than Classic FM's: there is a greater supply of commercially available Australian product, even of unpopular popular music, than of classical and jazz music.

Nevertheless, it is through its live music program, in which it records and broadcasts relatively unknown Australian bands, that it makes a very special contribution. Needless to say, then, it has been this aspect of the JJJ operation chosen by management to bear the brunt of the budget cuts.

### **THE CUTS TO THE RADIO BUDGET**

It is through the live music programs that the two FM networks earn their special distinction and value. From discussion with radio management, it seems that they think of the live music budgets as discretionary and the remainder of their budgets as essentially fixed.

**It is the view of the Music Council of Australia that the output of the live music programs must be maintained, since they are the most valuable activity of the networks both in terms of their contribution to the national culture and their own *raison d'être*.**

From anecdotal reports, we are not convinced that the operations of the networks cannot be reorganised so that the fixed costs involved in actually broadcasting are reduced, allowing the live music programs to continue unscathed or even expanded. This, of course, is only conjecture. However, the special skills of Mr Mansfield may be well suited to an investigation of this proposition.

### **TELEVISION**

#### *Summary*

16. *MCA supports the maintenance and expansion of Australian content levels and cultural programming on ABC Television.*

17. *MCA proposes that the ABC should attend to its Charter requirement for innovative programming in exploring the possibilities for increasing its almost negligible programming of fine music and music theatre.*

ABC Television broadcast in 1994-5 some 788 hours of Australian rock video clips. The Council supports the maintenance of this activity.

ABC Television in the same year broadcast only 14 hours of other music, of which only 3 hours were Australian produced, and only 20 minutes were Australian compositions. The Music Council recognises that television is a visual medium and that some special imagination is needed to make musical performances visually interesting. Nevertheless, examples of successful television presentation of music and music theatre are abundant. It is disappointing that the ABC does not show some commitment to exploring such possibilities. As it is, ABC TV is largely irrelevant to the interests of the music community, other than the commercial industry.

### **ORCHESTRAS**

#### *Summary*

18. *The ABC Orchestras are indispensable to the existence of a live classical music tradition in Australia, but it is not necessary to their existence that the ABC should own them.*

19. *In competing for players and for audiences, the orchestras must confront an international market and international standards.*

20. *The present level of subsidies to all except the Sydney Symphony Orchestra is inadequate to support the orchestras in competing with high quality overseas orchestras for players.*

21. *Any plan for divestment of the ABC Orchestras must be conditional upon the maintenance of Commonwealth subsidies at least at their present level.*

22. *In the event of divestment or partial divestment of the ABC Orchestras, it can be a condition of Commonwealth funding that the ABC should be able to broadcast their performances without payment of additional fees to orchestral members; also, a national body whether within the ABC or independent from it, can be established to service the needs of all Australian orchestras for conductors and soloists and other matters where cooperation would be beneficial.*

23. *The present structure for Commonwealth support to orchestras does not assign responsibility for oversight and planning to any agency, and in effect limits the possibilities for new development as regional population centres expand.*

24. *The terms of reference for this review probably do not support a sufficient exploration of the ramifications of divestment of the ABC Orchestras nor, especially, the best means of Commonwealth support to Australian orchestral operations. Should this be the case, the Mansfield review may wish to recommend a further review of this matter.*

It is only the orchestras (and opera companies) which can attract a sufficient audience to make viable an Australian practice in classical music. Without the orchestras and opera companies, the tradition offers only a repertoire of solo and small ensemble music, and observation shows that by and large this appeals to a much smaller, older audience.

To be a successful classical musician, training begins as soon one is big enough to hold and control an instrument - for string and keyboard players, around five years old - and continues usually until well into the 20s. It takes enormous commitment and discipline to persevere with this training - a commitment that no-one would give if there were only minimal prospects of a career. For most, that career is as an orchestral player. It is virtually impossible to make a full-time living from solo or ensemble music, unless through international touring, a career open to few.

It follows that if any city is to have classical music as a viable part of its musical life, it must have a symphony orchestra. This is well understood and acted upon in virtually every part of the West and Asia except the USA, where government has never given more than very marginal support to the arts, subsidy comes from the private sector, and in bad times or when the arts are out of fashion as targets of philanthropy, orchestras collapse. European countries mostly have many more full-time fully professional orchestras per head, more highly subsidised, than Australia. For instance, Finland, population five million, has eleven such orchestras. Australia, population 18 million, has ten.

As the Tribe Report of 1985 noted, the core support for an orchestra is its local paying audience. The ABC orchestras were founded as radio orchestras at a time when recording technology was primitive. They still belong to the national broadcaster, but their programs are now more dictated by the paying audience. Box office imperatives can force orchestras onto well-trying paths of programming, which however in the long term may not be conducive to survival for reasons that need not be

explored here. In this regard, ABC orchestras follow a middle ground, catering to their paying audience with a diversity of programming that would not be possible with a lesser subsidy.

Despite the fact that the core audience is local, orchestras actually operate also in the international economy. This is manifested in two ways. Firstly, the local audience has access to recordings and broadcasts of the performances of the best orchestras in the world, and its expectations of the local orchestra are, to an extent, framed accordingly. The local orchestra can achieve local support through a local sense of ownership and because performances are live. But if its performances do not bear acceptable comparison to international standards, the audience loses interest - as has been demonstrated in some cases in Australia.

Secondly, the market for orchestral musicians is international. An orchestra is only as good as its players. If it cannot compete for them, its quality suffers, and its audience is less impressed. If it is in that situation, it probably also cannot compete for conductors and soloists, critical to performance quality. With the exception of the Sydney Symphony (only recently better supported), Australian orchestral salaries are far lower than those in Europe. Even the Sydney Symphony salaries are half or less of those in the top European or American orchestras. Many of the better Australian performers live abroad in order to earn an income commensurate with 20+ years of training,

The currently threatened reduction in the subsidies to Australian orchestras therefore seems to mean that either

- 1) an orchestra is eliminated and a city/state is deprived of its live classical music life, or
- 2) salaries are reduced, which is probably industrially impossible but in any case means that the orchestras are even less capable of competing for players, or
- 3) the size of orchestras is reduced, which has a negative effect on the scope and liveliness of the programs and in some ways the perceived sound quality, the bases for attracting audiences. (When, with its windfall, the Sydney Symphony increased the number of players, it was in order to lift the quality of sound.)

Orchestras, of course, are a labour-intensive 19C invention, attempting to survive in a machine and electronic age. They cannot do it from the market. Nor, it must be noted, would it be feasible for them to survive on corporate sponsorships. While the Australian Chamber Orchestra has managed to do so, it is a very special case. It has a core of only 17 players, and tours continually in order to access a market large enough to keep it occupied and earning. These are not options, except at the margins, for Australian symphony orchestras. Their survival depends upon government subsidies, probably at the present level or better.

The Tribe Report has been influential on the conduct of the orchestras since 1985. It recommended divestment from the ABC to local managements - whether state or privately owned companies. This was not accepted at the time primarily because state governments were afraid that in the handover the Commonwealth would find a way to

diminish its financial support and leave them holding the babies. That is to say, the rejection was not based upon the merits of the argument for divestment. Subsequently, the ABC lifted its game and the orchestras have gained some autonomy and vitality - and audiences.

There is now a move within the ABC to corporatise the orchestras along the lines of the partial divestment of the Sydney orchestra. This would give them maximum autonomy while maintaining the tax advantages of inclusion under the ABC umbrella. The Music Council supports this move. The advantages of membership in the ABC seem to diminish as it becomes a political football, and there is no strong reason that the orchestras should be embroiled in this. However, Any plan for divestment of the ABC Orchestras must be conditional upon the maintenance of Commonwealth subsidies at least at their present level.

It would be possible to deliver the federal subsidies to orchestras in some other way - through a statutory body, or the Australia Council. It can be a condition of the subsidy that the player contracts permit ABC broadcast of orchestral performances without payment of additional fees to the players. There can be a national coordinating or service organisation, under ABC auspices or independent from it, that ensures cooperative arrangements - or the opportunity for them - in the hiring and touring of conductors and soloists, and any other activities that are more effectively organised collaboratively. This office also could be subsidised. Indeed, if independent, it could service all Australian orchestras, not the ABC orchestras only. That could prove something of a fillip to our orchestral life.

One of the difficulties for Australia in supporting the main orchestras through the ABC is that there is no body seen to have the responsibility for an overview of the national development of orchestral music. As regional centres such as Newcastle or Canberra reach metropolitan status, they have aspirations to build professional orchestras (and have vigorously taken such initiatives as are within their power). Clearly, the ABC is unlikely to be interested. The Australia Council has never really been given the responsibility or funds to support orchestral development, and might face internal political problems if it were. Any new arrangements for federal funding of ABC orchestras might take this into account by creating a funding authority with broad strategic and planning responsibilities for the future development of orchestras.

## **ABC ENTERPRISES**

### *Summary*

*25. Relative to section (1) of the ABC Charter, the value of ABC Enterprises lies in its further dissemination of the product of the national broadcaster through purchasable items such as recordings, books and videos, at no cost to the taxpayer.*

*26. MCA argues that in the case of fine music, there is justification for this activity even in the face of a small financial loss because the incremental nett cost of the product is small compared to its total cost, and there is significant benefit from the resulting dissemination of*

*Australian music through promotion, sales and broadcasts here and abroad.*

Through the issue of videos and compact discs, ABC Enterprises furthers the dissemination of Australian music and musical performances. Since this division of the ABC pays its way from earnings, presumably it is not affected by a diminution of subsidy.

Ironically, it is the experience of some in the music community that ABC Enterprises is more hard-nosed in its decisions than many in the normal business sector. It is sometimes rumoured that this will lead to difficulties for the record label, ABC Classics.

ABC Classics produces recordings of classical music, especially performances by the ABC orchestras.. As with Classic FM, for a very small expenditure additional to the costs of running the orchestras, discs can be produced which are then available for broadcast (including from-disc broadcasts by Classic FM) and sale within Australia and internationally. If the entire process is covered from earned income, wonderful. If, even with competent marketing, it is not totally covered, then it surely is in the national interest, if not quite within the brief of ABC Enterprises, to take a small loss and maintain the profile.

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*For the Music Council of Australia*

*Dr. Richard Letts AM, Chair*