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### **Hector Crawford Oration 2017 – Justin Milne**

- Good morning everyone and thanks for inviting me here today. I want to talk about the Australian media industry, some of the challenges and opportunities facing the ABC today, our relationship with Australia's Independent Producers and technology.
- But let me start in 1960. That's when the ABC started broadcasting in Adelaide, my home town and when my family took delivery of our first wooden cased HMV TV, of which we were immensely proud. It brought us the ABC but also an almost constant diet of American movies and TV shows. This had an effect on us all and pretty soon kids all over Australia played Cowboys and Indians and aped the culture we learned from the US.
- There was no Australian film industry at that time. The 30's to 60's were a wasteland for Australian film production and this might have been a factor in the cultural cringe – the idea that anything Australian was a bit second rate.
- But people like Hector Crawford changed all that. He is a towering name in the Australian creative landscape. He built a giant career in Radio and then with the advent of TV, created an extremely productive Australian TV production house. At last we had TV with real Australian characters, locations, accents and stories. So Hector, with all of the shows that followed, was a cornerstone of what our industry has become today.
- He said in 1959: "*Australia as a nation, cannot accept, in this powerful and persuasive medium, the present flood of another nation's culture, without danger to our national identity.*"
- Many others shared Hector's view. People like John Gorton, Philip Adams, Joe Skrzynski, Kim Williams and Paul Keating to name but a few, who wove together the fabric of Government assistance, film investment bodies and tax legislation that has enabled us to build a healthy Australian film and TV industry. Partly as a result of this, today I don't think we feel substandard to anyone anymore. Australia has become a proud and successful nation – the envy of many others. If you're in the Government business, this relatively small investment in the media industry should seem trifling compared to the benefits.
- When it comes to the importance of national identity Australia's production companies, Hector Crawford and the ABC are, I think, united. The ABC's charter is to produce and distribute "*programs that contribute to a sense of*

*national identity*". To bring Australians together, to bind us and to support our democracy. We do that with news stories, kids stories, docos, drama, specials, funny stories, heartbreaking stories – and the Australian independent production sector is the partner we look to to help us create those stories and bring them to life.

- With a number of reviews underway into the funding and regulation of the Film and TV business in this country, Australian quotas are again a hot topic. The ABC's contribution to Australian content is occasionally questioned by some but if you follow the money over the last five years you'll discover that the Commercial free to airs generated a combined total of \$1,083M of production on Australian drama but in that same time the ABC has generated \$576M of production activity. That's over 53% of the combined levels of production across Seven Nine and Ten. And last year we generated 62% of the levels of production of the FTA combined networks so, through collaboration with industry, the gap is increasing in terms of the investment we make in the actors, writers, technicians, producers and directors of Australia.
- Quotas do not apply to the ABC. There are good reasons for that: the ABC has charter commitments to a range of genres that go beyond the regulatory systems applying to the commercials. Australian content is firmly baked into our Charter.
- The vast majority of Australians – over 80% - trust the ABC more than any other media organisation operating in Australia – and that includes the Commercial FTAs, News Ltd, Fairfax, Google, Apple, BuzzFeed – everyone, and about the same number, 80%, think we are "valuable". Our deal with Australians is to use a tiny portion of the tax they pay to bring them unbiased, accurate news and to tell them Australian stories – for free and without ads. Australians love that service. We love seeing a full program ad-free and we love getting iView, Radio National and so much more, for nothing.
- The ABC's relationship with the independent production sector of Australia has had its moments. Before the mid 90's the ABC produced most of its own drama but that changed when the Board opened the doors to collaboration with Indies. Under the bold leadership of Sandra Levy and then Penny Chapman (who incidentally gave me one of my first jobs as an editor at the SAFC), the ABC dramatically increased its drama, entertainment and documentary production in conjunction with Australian independent producers.
- Under Levy and Chapman, the ABC produced some landmark collaborations: *Phoenix*, *True Believers*, *Brides of Christ*, *Police State*. From that springboard, came *Frontline*, *Blue Murder*, *Seachange* and John Clarke's *The Games*.
- Since then we have worked hard to increase our investment in Australian

Drama, despite a variable funding environment. Next year we are launching three new dramas that stem from collaboration with the independent sector. And today ABC TV is launching its impressive children's slate for 2018. It features quality productions that tell important local stories – again in concert with independent production companies.

- Let me turn now to some of the challenges facing the ABC. They're not too dissimilar from those facing almost every other large organisation with a long history. All organisations are having to re-examine their business models, their structures, their technology, their markets - because of the internet. We do now live in the Global Village. We are all connected and so are our machines. It really has changed everything – and these changes have probably only just begun. Newspapers have lost their rivers of gold and scheduled TV stations are selling ads to declining, older audiences.
- These days consumers know what technology can provide so they want every movie, radio program, newspaper article, book and TV show available to all the time. They want them wherever they are and on any device they choose. They want the technology to remember where they're up to so they can say stop reading a book at page 135 on an iPad and then pick it up on their phone in the train the next day at the same page. And, of course, they want that for movies and podcasts. They expect the media company who provides the service to use machine-brains and consumer data to make intelligent suggestions about things they might enjoy. Oh – and they'd like that as cheaply as possible and ad-free.
- Turns out, this is a major opportunity for the ABC because that's what we do. High quality, free content. It's true that today most of our content is broadcast and scheduled but we are adding a very significant on-demand service – the beginnings of which can be seen with iView and ABC Listen.
- There's a lot more to do. Only yesterday, the ABC's Managing Director, Michelle Guthrie, announced a reorganisation of our content teams that responds to the dramatic shifts in audience behaviour. The new structure encourages collaboration and creativity. It eliminates duplication and siloed thinking. It recognises that audiences just want to immerse themselves in better content at a time and place convenient to them. It enables our content teams to organise and work together in ways that accord with the way audiences think. So for example, you'll have one arts team, not several. And by bringing together our specialists, we'll produce better content and reach more people. All of which aids the broader industry. The more impact we have, the better opportunities exist for the independent producers who help make our great content.
- But that is only the first step. The ABC will develop the systems and tools that make it easier for audiences to discover our content. If the ABC is to be relevant and impactful in this new era, we must master advanced

authentication capability, big databases which can catalogue and retrieve all of our media assets, and connected databases which can track the assets that our customers request. We can use advances in machine learning to identify improvements for both the ABC and its users. I will provide more details about this new platform at our first Annual Public Meeting in February. The APM is a new initiative to increase transparency. I want to emphasise here that the ABC is in synch with Hector Crawford: content will always be king. But just as Hector was able to move deftly from radio to television, the ABC must be aware of where its audiences are. And where they will be. Adaptation is the key to survival.

- And just to be clear we have NO plans to turn off radio or TV broadcasts. Those services will continue far into the future but a modern and exciting on-demand service will be added progressively.
- It's hard to predict exactly how technology will play over the next 20 years in our business but there's no doubt big data and machine learning will be important.
- Think about Amazon. They dominate the cloud, have huge data about shopping all over the planet and are one of the world's leaders in Machine Learning too. They can match data sets about the things you buy, the books you read, plus all the data about the movies and shows you watch, when and for how long. Put all this together and their capacity to significantly improve the odds as to what sort of shows will succeed are enhanced. Their data and analytics can help them decide what elements scripts should have, up and coming actors who are likely to be a big hit tomorrow, themes that are likely to be big next year. If this doesn't help them produce more hits it may at least help them produce less misses.
- I'm not saying for a minute that there's no place for human talent, intuition, and experience. There really is, but talented producers and writers *combined* with great data analysis will become an increasingly successful combination.
- Should Australian producers be afraid? Not so much in my view. In Australia we have always had to punch above our weight to compete with the US. Today there are new players who seek world domination - just like the old ones. I think the opportunity exists for Australian Producers to find ways of working with these new big guys – as some are already doing - and bringing the unique blend of can-do, creativity and quirky irreverence to the equation. I do think big data and machine learning will be added to the media mix but I don't think that means the end of days for Australian producers. Look how well our local animation houses are succeeding on the world stage in production and computer-generated imagery.
- But as the policy makers search for the right framework it's important to remember the last 50 years have shown us all that a combination of

regulation and targeted assistance is vital to building a local industry, which in turn nourishes our nation. Now we are entering a new phase with the arrival of Netflix, Amazon et al it is important that they too are required to make a strong contribution to the local industry, as indeed Europe and Canada are requiring them to do.

- Being in the middle of dramatic change is always unsettling. There are a lot of changes to come but if I look back on my 8-year-old self, glued to the HMV watching Pancho and Cisco it's hard to believe how much things have changed already. Film, videotape, digital, connectivity, CGI that makes anything possible, AI – all unimaginable back then.
- Many businesses, executives and even politicians long for what seem like simpler times but this fast-evolving technology world *is* the new normal and I know that the production industry has always been especially good at dealing with change, embracing it and moving forward. I for one, look forward to the future and sharing it with you together.
- Thank you.