

ABC shows spending can grow like Topsy



THERE is a young slave called Topsy in the book *Uncle Tom's Cabin*. She has no mother or father. When she is asked "who made you?", she replies: "I 'spect I grow'd. Don't think nobody never made me."

That is how the expression "to grow like Topsy" entered the English language. I was reminded of that when Treasurer Scott Morrison handed down the midyear economic and fiscal outlook last week.

The Budget is in deep deficit. Spending as a proportion of the economy is 25.9 per cent, the level Kevin Rudd said we needed as an "emergency" response to the financial crisis of 2008. If spending returned to the level it was before that, the Budget would now be in surplus. But it hasn't. Spending has grown like Topsy. There was no plan to it. There was no design in it. It just grow'd.

Now that spending has grow'd, some people say we should put up taxes. That would create room for spending to grow some more.



PETER COSTELLO

Government spending has a momentum all its own. You have to cut and prune just to keep it where it is.

Let me illustrate Topsy's principle by reference to the Australian Broadcasting Corporation. The ABC has gone through a great deal of reorganisation but its origins lie in a private company, the Australian Broadcasting Company, which was nationalised in 1932 to set up a government-owned radio network to be funded by listeners who paid licence fees. There were many private radio stations that preceded it and continued to compete with it afterwards. When television came to Australia in 1956 for the

Melbourne Olympics, various radio and newspaper interests were given TV licences. The ABC was authorised to set up a national TV network as well.

The advent of digitisation in the early 2000s meant that television stations could introduce multichannels. That came across my desk as federal treasurer when the ABC wanted new money to "digitise" and set up new TV channels such as ABC2, ABC3, ABC News 24 and so on. Some feared that by spreading content across multiple channels, the standard would fall.

But government has a way of growing and various communications ministers thought that since commercial networks were multiplying their channels, the ABC should be allowed to multiply too. The various private print and television interests were also trying to launch businesses in the digital or internet sphere so the ABC management said that meant the ABC should get into that too.

From a nationalised radio broadcaster in 1932, the ABC is

now a multichannel FM and AM radio network, a multichannel television network and an internet company. Listeners no longer fund it. Taxpayers fund it with well over \$1 billion each year. The new managing director of the ABC, Michelle Guthrie, who was previously with Google, is expected to push it further into the digital space. But along the way no one stopped to ask the question: Why does the ABC need to be across all this different media? Why does the taxpayer need to fund a competitor in an internet space that is crowded with private operators?

NOW, critics may say I write for this newspaper and I am a director of a television network, both of which compete with the ABC in the internet space. It is true they compete but they don't get taxpayers' money to do it. They have customers and shareholders who put up their own money to pay for it.

There are so many things that taxpayers are asked to pay for. How high, as a priority, is digital

communication and entertainment? In my long experience as treasurer, I never saw a proposal for new spending that didn't look brilliant when it was proposed. Few worked out the way they were promised.

A fortnight ago ABC TV programmed a whole week for voyeurs on its ABC 2 channel. There was a program called *Australians on Porn* and a BBC documentary, *Twilight of the Porn Stars*. There was *Websex: what's the harm?* There was a three-part, three-night series, *Strippers*, filmed in various Scottish lap-dancing clubs. To show a bit of cultural diversity, there was an Australian who showed what it was like to work in an Australian brothel and a program on *A very British brothel*.

Nor is the ABC sexist because there was another program called *Male Hookers Uncovered* and one on transgender called *Ladyboys*.

Friends of the ABC will tell you that its role is to broadcast programs that the commercial networks won't. In this case that was probably true. A commercial

network would not be game to run programming like that every night for a whole week. But let me ask whether Australia would be the poorer if taxpayers' money was not used to put this stuff to air? There may be a great audience for it but couldn't they look up the internet? It is full of this stuff. The big difference is the user might then pay for it rather than the taxpayer.

Now if you suggest to a friend of the ABC that you can ever cut costs or in any way limit the growth of the organisation, you will get a howl of protest. They will tell you that if you cut funding to the ABC, the next thing you know Hitler or some other dictator will come to power in Australia.

That's another reason things grow like Topsy. Government spending creates a clientele that benefits and grows with it so there will always be a group ready to defend it, especially if it comes out of other people's taxes.

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