Australian Public Broadcasting Under Review:  
The Mansfield Report on the ABC

Allan Brown  
Griffith University, Australia

Abstract: The Australian Broadcasting Corporation has been subject to a number of government commissioned reviews in its 68-year history, the most recent being that conducted by Bob Mansfield whose report was released in January 1997. The Mansfield Report, The Challenge of a Better ABC, comprises a brief 53 pages but contains a number of far-reaching recommendations for the role and functions of the Australian national broadcaster. This paper provides an examination of the Mansfield Review as a case study of a contemporary independent inquiry into a public service broadcaster. It analyses the content and recommendations of Mansfield's report, evaluates the extent to which the recommendations have been implemented, and assesses the current operations of the ABC to determine the impact of the Mansfield Review on the Corporation.


Introduction
The focus of this paper is the review of the role and functions of the Australian Broadcasting Corporation (ABC) conducted by Bob Mansfield in late 1996 and early 1997. The primary objective is to examine the Mansfield Review as a case study of a contemporary independent inquiry into a public service broadcaster. In this task it provides a brief outline of the structure, operations, and policies of the ABC and considers within the context of the Australian public broadcaster a
The ABC under review

The Australian Broadcasting Commission was established in 1932 to complement the commercial sector of radio, which developed at a very slow pace during the first decade of broadcasting, especially in the vast rural and remote regions of the country. The dual structure of the ABC and commercial stations was extended to television broadcasting when it commenced in Australia in the 1950s. The name of the organization was changed to the Australian Broadcasting Corporation in 1983.

The ABC operates five national radio networks and one national television network. It also provides an international radio broadcasting service, Radio Australia. In addition to broadcasting, the ABC manages symphony orchestras based in each of the six state capital cities. Its size and diverse functions make the ABC Australia’s largest single employer of actors, scriptwriters, musicians, and journalists, as well as a significant book publisher and producer of contemporary and classical music. To its supporters the ABC is a “rock of stability … a monolith in Australian cultural life” (Palfreyman, 1993, p. 20).

A notable feature of the ABC over the past two decades is that it has been the subject of several reviews initiated by the Commonwealth government. In 1981, the Dix Committee was appointed to review the structure and management of the ABC. Its report (Dix, 1981) led to a reorganization of the ABC in 1983, including the devolution of responsibility away from the centre to branch offices and programming departments, and the adoption by the ABC of a more managerial and entrepreneurial approach to its activities.

A 1988 departmental Discussion Paper on national broadcasting policy (Australia. Department of Transport and Communications, 1988) made a tentative step toward rationalizing the scope of public broadcast programming by canvassing a range of options for future ABC funding, including a proposal based on drawing a distinction between Charter and non-Charter responsibilities and programs for the Corporation. This proposal, however, was never implemented (Brown & Althaus, 1996).

In 1995, a Senate Select Committee was established to investigate a range of matters including the extent of the ABC’s involvement in commercial activities, and ABC budget funding generally. Richard Alston, who was to become Minister of Communications in the new government following the March 1996 general election, chaired the Committee. The Senate Committee’s report (Parliament of
Brown / Australian Public Broadcasting Under Review

...the Commonwealth of Australia, 1995) made a number of recommendations designed to increase the level of accountability of the ABC and to ensure accounting and reporting separation of the Corporation's commercial activities from its traditional services. Most of these recommendations were non-contentious and were subsequently adopted.

One of the early decisions of the new government led by Prime Minister John Howard was to appoint, in July 1996, Bob Mansfield to conduct yet another review of the ABC. Mansfield had been a high-profile and successful businessman but had no experience in public broadcasting. Moreover, he gave himself just 18 weeks to complete his inquiry. In his Terms of Reference, Mansfield was required to make recommendations on “the future role and functions of the ABC” having regard to “anticipated technological change affecting broadcasting services, … the need for consistency between the cost of future ABC operations and the Government’s broader fiscal strategy of delivery of Government programs and services as efficiently as possible” and the government’s desire for “a more focussed role for the ABC” (Mansfield, 1997a, p. 48).

Mansfield did not hold public meetings but met privately with a number of individuals and community groups selected mainly from those who made submissions to the Review. Although he initially intended to read all submissions, when 10,615 were received he found this impractical. His report was duly completed in January 1997 and is notable for its brevity, consisting of only 53 pages. It was, however, accompanied by a second volume that provided a concise analysis of the submissions and other formal information (Mansfield, 1997b).

While a number of Mansfield’s recommendations met opposition from ABC management and commentators, there was considerable relief that the general tone and recommendations of the report were less threatening to the ABC than had been widely anticipated. Many of Mansfield’s 19 recommendations related to five major issues concerning the role and functions of the ABC, namely, the ABC Charter, ABC funding, the outsourcing of television production, international broadcasting, and digitization. Mansfield’s attitudes to and recommendations in these areas are now examined, together with developments since the release of the report.

**ABC Charter**

The legislative basis for the ABC’s operations is provided by the *Australian Broadcasting Corporation Act 1983* (the “ABC Act”). Section 6 of this Act contains what is known as the ABC Charter, which sets out the functions and duties of the Corporation. The wording of the Charter is broad and all embracing. It requires the ABC: to provide innovative and comprehensive broadcasting services within Australia that inform, educate, entertain, contribute to a sense of national identity, and reflect cultural diversity; to encourage and promote musical, dramatic, and other performing arts; to take account of the other sectors of broadcasting; and to transmit to countries outside Australia.

The ABC Charter had long been subject to criticism from various sources and Mansfield was similarly critical. He found it too general and open to varying
interpretations, it ranked international and domestic services equally, and it made no specific mention of regional broadcasting. Mansfield recommended that a new charter should drop the word “comprehensive” and, instead, set out the program areas that the ABC be specifically obliged to provide, namely, news, current affairs, information, children’s, and youth. The ABC may, as “subsidiary functions,” transmit programs outside Australia and provide programs other than for general reception (Mansfield, 1997a, p. 19).

Mansfield’s proposal for a new ABC Charter was reminiscent of the 1988 departmental Discussion Paper, and has met a similar fate. The onus has been upon the government to respond to Mansfield’s recommendation by amending the *ABC Act*, but to date it has not done so.

**ABC funding**

The ABC has always been prohibited from selling advertising airtime on its stations and, during its early years, was entirely financed by revenue received from radio listeners in the form of licence fees. In 1949, the government decided that the ABC should be funded from annual appropriations of the federal parliament, although licence fees continued to be paid by the owners of radio and, later, television receivers, the proceeds going directly to consolidated revenue. The government abolished listener and viewer fees altogether in 1974.

The Dix Committee examined various alternative methods for funding the ABC, including advertising and the reintroduction of licence fees. It concluded that financing through parliamentary appropriation protected the editorial independence and integrity of the ABC and endorsed its continuation (Dix, 1981).

In 1996, the author estimated that the total revenue of the ABC represented 0.14% of gross national product, compared with 0.16% for the Canadian Broadcasting Corporation (CBC) and 0.32% for the British Broadcasting Corporation (BBC) (Brown, 1996). Similarly, in 1999 McKinsey & Company calculated that the *per capita* cost of operating the ABC was equivalent to 10 cents (Australian) per day, considerably less than the 14 cents for the CBC and well below the 33 cents for the BBC (McKinsey & Company, 1999).

*Better Broadcasting* was the Liberal-National coalition's broadcasting policy at the 1996 election. It indicated that “the Coalition will maintain existing [real] levels of Commonwealth funding to the ABC” (quoted in Friends of the ABC, 2000, p.2). Nevertheless, in July 1996, at the same time the Minister announced the establishment of the Mansfield Review, he also announced that the ABC appropriation would be cut by 12%; 2% in 1996-97, plus a further 10% in 1997-98. This decrease followed a steady reduction in ABC funding by the previous Labor government.

Table 1 provides data for ABC appropriations for each fiscal year from 1990 to 1999, in both nominal and constant (inflation adjusted) dollars. It can be seen that the ABC appropriation has fluctuated from year to year but has generally shown a downward trend over the decade.
Brown / Australian Public Broadcasting Under Review 111

Table 1: ABC Parliamentary Appropriations: 1989-90 to 1998-99

<table>
<thead>
<tr>
<th>Year</th>
<th>Nominal dollars (millions)</th>
<th>Constant 1989-90 dollars (millions)</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989-90</td>
<td>473.6</td>
<td>473.6</td>
<td>—</td>
</tr>
<tr>
<td>1990-91</td>
<td>513.5</td>
<td>486.9</td>
<td>+2.8</td>
</tr>
<tr>
<td>1991-92</td>
<td>501.7</td>
<td>465.0</td>
<td>-4.5</td>
</tr>
<tr>
<td>1992-93</td>
<td>508.1</td>
<td>463.8</td>
<td>-0.3</td>
</tr>
<tr>
<td>1993-94</td>
<td>531.5</td>
<td>476.5</td>
<td>+2.7</td>
</tr>
<tr>
<td>1994-95</td>
<td>515.1</td>
<td>447.8</td>
<td>-6.0</td>
</tr>
<tr>
<td>1995-96</td>
<td>522.2</td>
<td>437.5</td>
<td>-2.3</td>
</tr>
<tr>
<td>1996-97</td>
<td>531.2</td>
<td>437.6</td>
<td>—</td>
</tr>
<tr>
<td>1997-98</td>
<td>468.5</td>
<td>384.0</td>
<td>-12.2</td>
</tr>
<tr>
<td>1998-99</td>
<td>474.8</td>
<td>385.8</td>
<td>+0.5</td>
</tr>
<tr>
<td>Change 1989-90 to 1998-99</td>
<td>-87.8</td>
<td>-18.5</td>
<td></td>
</tr>
</tbody>
</table>

Note: All values in Australian dollars

Table 2 sets out the changes in real values for selected items of Australian Commonwealth government expenditures between fiscal years 1989 and 1999. It shows that over the decade there were increases in real expenditure both in aggregate and in the “big ticket” items of defence, education, health, and social security. Appropriations to the ABC, however, declined by one fifth. A further calculation (not shown in Table 2) reveals that when fiscal years 1986 (the peak year for ABC funding) and 1999 are compared, the real decline is 34%.

Table 2: Changes in Selected Australian Commonwealth Government Expenditures: 1988-99 to 1998-99 (in real values)

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defence</td>
<td>+9.7</td>
</tr>
<tr>
<td>Education</td>
<td>+16.2</td>
</tr>
<tr>
<td>Health</td>
<td>+57.9</td>
</tr>
<tr>
<td>Social Security</td>
<td>+69.6</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>+21.8</td>
</tr>
<tr>
<td>ABC Appropriations</td>
<td>-20.3</td>
</tr>
</tbody>
</table>


Mansfield made two main recommendations regarding ABC funding. First, he supported continuation of the legislative prohibition on broadcasting advertisements and sponsorship on ABC domestic services. He believed that it was “very difficult for public broadcasters to combine a public service role with the need to generate revenue from advertising and sponsorship” (Mansfield, 1997a, p. 5). Moreover, he found strong opposition to advertising on the ABC in the submis-
Mansfield did not consider the option of changing the method of funding the ABC, for example, by the payment of licence fees.

Mansfield’s second major recommendation concerning funding was that the ABC should receive an annual budget allocation “of around $500 million” (about Cdn.$415 million at December 2000 exchange rates) (Mansfield, 1997a, p. 15). This seems to be a pragmatically determined figure, pitched between the substantially reduced figure of $468.5 million announced by the government for fiscal year 1998 and the $525 million figure claimed by the ABC at the time to be the minimum amount required for its operations (ABC, 1997).

Soon after the July 1996 announcement of the 12% funding cuts, and during the period of the Mansfield Review, the ABC set about preparing its submission to the Minister for funding covering the 1997-2000 triennium (ABC, 1997). The submission unveiled the Corporation’s One ABC initiative by which it made some but not all of the savings required of it to offset the government cuts. A major part of One ABC was to restructure the organization so as to replace the existing media-based divisions with a cross-media production arrangement. Whereas previously there was rigid separation between radio and television, the newly created production units covered both media. The ABC estimated that the restructure would yield annual savings of $28 million.

Mansfield endorsed the restructure but argued that the ABC should go further in its cost-saving exercise. To this end he recommended the outsourcing of television production and cessation of funding for international broadcasting. These two recommendations signified areas of disagreement between Mansfield and ABC management.

**Outsourcing of television production**

In his report, Mansfield claimed that there were creative as well as financial reasons for the ABC to outsource a greater proportion of its television production. He recommended that the Corporation outsource a majority of its non-news and current affairs television production over a three-year period. Outsourcing was “the core of the progress the ABC needs to make” (Mansfield, 1997c, p. 122).

Mansfield assumed that savings would accrue to the ABC from outsourcing production but did not provide evidence in support of this assumption: “I have not been able to obtain reliable comparison of the production costs of the ABC and the independent production sector because of the different methods used and their lack of transparency” (Mansfield, 1997a, p. 37).

By the time Mansfield brought down his report, the Corporation had already indicated its intention to make the production of 30% of its non-news and current affairs programming contestable over a three-year period. Moreover, the ABC had partly conceded the cost question by estimating annual savings of around $10 million resulting from its planned outsourcing (Mansfield, 1997a, p. 37). The issues, therefore, were not whether or not the ABC should outsource its television production or whether or not outsourcing would yield cost savings, but the degree of outsourcing which should be undertaken and the extent of the savings that would result.
Information concerning the present proportion of non-news and current affairs programming outsourced is not publicly available. However, the ABC has reported that it continues to support a "mixed model" for production, with 54% of total television programming internally produced, 37% co-produced, and 9% “contestable” (ABC, 1998-99). This suggests that the ABC is well short both of its own 30% goal for non-news and current affairs programming and of Mansfield’s 50% recommendation.

**International broadcasting**
Mansfield’s second area of proposed cost reduction was the cessation of funding by the Commission of its two international broadcasters, Australia Television (ATV) and Radio Australia (RA). Full adoption of this recommendation would have saved the ABC approximately $26 million annually — $6 million for ATV and $20 million for RA.

ATV was an initiative of the ABC in international commercial television. It was established in 1993 to provide an English language free-to-air television service by satellite and cable to the countries of Southeast Asia. The ABC board decided that ATV should be financed by the sale of advertising and sponsorships and the ABC Act was amended accordingly. ATV thus became the first ABC broadcasting outlet to accept income from advertising. ATV was intended to be profitable or at least break even, but was in fact unprofitable during its brief period of ABC operation. By the time of the Mansfield Review it was being subsidized by the government to the tune of $6 million annually.

Prior to the release of the Mansfield Report, the government had made a preliminary decision to sell or close ATV. Mansfield thus merely reinforced this course of action. In July 1997, ATV was sold for an undisclosed sum to Network Seven, one of the three Australian commercial television networks. By September 2000, it appeared that Network Seven too had been unable to make ATV commercially viable and the government, in a reversal of its previous attitude, was taking steps to keep the service in operation (Callick, 2000). The form and extent of the government’s recommitment to ATV had not been publicly revealed at the time of this writing (December 2000).

Mansfield’s recommendation concerning RA proved to be even more problematic for both the ABC and the government. RA was founded in 1939, only seven years after the establishment of the ABC itself. At the time of the review, RA operated from Melbourne, independently of the other ABC radio services, and produced 43 hours of programming daily in English and eight regional languages (Cantonese, Mandarin, Thai, French, Bahasa Indonesian, Khmer, Vietnamese, and the Papua New Guinean patois, Tok Pisin). RA broadcast in short-wave, satellite, and diverse other delivery systems to a large number of countries in Asia and the Pacific, its programs comprising mainly news, current affairs, information, and education.

Mansfield saw the closure of RA as means to provide the ABC with another $20 million in cost savings. He argued that international broadcasting should not be a priority for the Corporation and, as already mentioned, recommended that it
be downgraded to a “subsidiary function” in a new ABC Charter. RA has always laboured under the difficulty that it is virtually impossible to estimate with any accuracy the size of its audience, especially in China and Vietnam. One estimate puts it in the broad range of 5 to 20 million weekly (Hodge, 1997). Mansfield’s recommendation to cut off funding to RA was therefore not based on any quantified cost-benefit analysis.

Both RA and ATV were particularly vulnerable to Mansfield’s search for cost savings because by their nature they did not have a domestic support group lobbying on their behalf. Only about 9% of the submissions mentioned the international broadcasting services, overwhelmingly in support (Mansfield, 1997b). Certainly Mansfield’s recommendation sits awkwardly with Australia’s stated desire to increase its profile and involvement in Asia-Pacific, particularly given the recent social and political instability in the region.

The Minister for Communications generally supported Mansfield’s recommendation regarding RA, describing the service as “expendable” in the context of the ABC’s core functions (Brewster, 1997). A major blow to RA was inflicted in June 1997 when the government deprived the ABC use of its major short-wave transmitter into Asia, situated at Cox Peninsula near Darwin in the Northern Territory. In June 2000, the government granted a 10-year lease on the transmitter to a British evangelical Christian group.

Notwithstanding these setbacks, the ABC has maintained RA, but in a diminished form. In spite of minor injections of funds earmarked for RA from both the Department of Communications, Information Technology and the Arts ($3.2 million) and the Department of Foreign Affairs and Trade ($4 million), RA’s budget and staffing have both been reduced by half. Its broadcasts in Cantonese, Thai, and French have been terminated, and those in Mandarin and Indonesian curtailed. With the loss of Cox Peninsula, short-wave reception to most parts of Asia has been adversely affected, particularly to Indonesia and Vietnam.

**Digitization**

In addressing the issue of digitization, Mansfield recognized the importance to the ABC of the conversion from analog to digital broadcasting and alerted the government to its urgency and high cost. However, he took a minimalist view of how this technological revolution might possibly be utilized by the Corporation. He considered only the implications for the ABC of providing existing services by digital means instead of analog, and his analysis and recommendations concerning digital broadcasting were confined to how the cost of digital conversion for the ABC should be financed.

He accepted the ABC estimate of $200 million for the conversion to digital production and distribution systems and the associated information technology upgrades. This amount was to come from: the ABC’s capital equipment budget, the proceeds of property rationalization, cost savings resulting from the outsourcing of television production and the cessation of international broadcasting, and “a modest one-off grant” from the government, if necessary (Mansfield, 1997b).
1997a, p. 8). By December 2000, the government had announced grants totaling around one third of the ABC’s estimated cost of digital conversion.

The major feature of digital broadcasting, of course, is that it significantly increases the number of radio and television channels that can be provided within any portion of the radio frequency spectrum. Nevertheless, in his report Mansfield deliberately pre-empted the conversion to digital broadcasting as a rationale for expanding the number of ABC channels. He envisaged the ABC being confined to its existing number of outlets: “I am concerned that a requirement for the ABC to provide ‘comprehensive services’ in the context of digital broadcasting will imply that the ABC must further expand its activities to utilize available channel capacity and offer new types of broadcasting services rather than concentrating its efforts on improving the quality of free-to-air services” (Mansfield, 1997a, p. 21).

The ABC, however, has other ideas and has sought government funding for a substantial expansion of its television services. ABC Plus is proposed as a state-based digital multichannel consisting of: ABC Knowledge, specializing in technology, community involvement, cultural identity, business, and the economy; ABC for Kids, a children’s channel “with emphasis on non-passive viewing”; and ABC Information, providing local and regional news, and health and arts programming (ABC, 2000, p. 7). The ABC “anticipates that it will be able to deliver a range of new digital television services at a marginal cost of the establishment of a new television service, because its national infrastructure already exists” (p. 5). The ABC estimates that the additional cost of implementing its digital initiatives over the 2000-03 triennium will be $226 million (ABC, 2000). To December 2000, however, the government had failed to provide any additional funding for ABC digital content and had given no indication of doing so.

Consequences of Mansfield for the ABC

Four years after the release of the Mansfield Report it is pertinent to consider the impact it has had on the operations of the ABC, and to speculate on the reasons why some of his recommendations have not been fully implemented or not implemented at all. His report contained recommendations in a number of areas not covered in this paper, including balance and objectivity in ABC programming, journalist training, rationalization of property holdings, transparency of commercial activities, and the administrative and financial relationship between the ABC and its orchestras. This evaluation however will be confined to the issues specifically examined in the preceding sections:

- The federal government has not moved to give the ABC a new Charter as recommended by Mansfield possibly because it sees little advantage to it in doing so. A government attempt to alter the ABC Act would probably be widely interpreted as attempting to diminish the role and functions of the public broadcaster, and would involve the government in an acrimonious public debate. Besides, replacing the ABC Charter
is unlikely to gain legislative approval because the government does not have control of the Senate, the upper house of federal parliament.

- One of the major shortcomings of the review was that, as mentioned earlier, the Terms of Reference required Mansfield to have regard to the government’s fiscal strategy of providing services as efficiently as possible and its desire for a “more focused” role for the ABC. Given the sizable reduction to ABC funding announced at the same time as his appointment, Mansfield was essentially allocated the task of identifying areas of savings for the organization. An alternative—and preferable—approach by the government would have been to require Mansfield to provide options of a range of service and programming possibilities for the ABC together with estimates of their relative funding requirements. The government, however, was intent to downsize the public broadcaster, and Mansfield accepted his role in this exercise.

- Related to funding is the issue of outsourcing of production that Mansfield recommended apply to a majority of the ABC’s non-news and current affairs television programming. Available information suggests that the ABC has not yet met the level of outsourcing recommended by the report. However, even before his report was released Mansfield was successful in not only having the principle of program outsourcing accepted by the Corporation, but also in having it concede that outsourcing can provide cost savings. This represents a significant change to the culture and operations of the ABC.

- Similarly, Mansfield has had a considerable impact on the ABC in relation to international broadcasting. Following his recommendation that ABC funding to both ATV and RA be terminated, the activities and financial allocation to RA have been greatly reduced, and ATV has been sold. Recent developments in the Asia Pacific region and public pressure have, however, caused the government to rethink the international broadcasting issue and to partly restore its commitment to ATV and RA.

- The implication and potential of digital transmission are sufficiently important to warrant a much more detailed examination than provided in the report. As indicated, Mansfield limited his treatment of this issue to considering only how the cost of digital conversion for the ABC could be financed. This is a notable deficiency of his report, but one predetermined by the funding restraint contained in the Terms of Reference. By refusing the Corporation’s request for additional funding for its ABC Plus proposal, the government has implicitly supported Mansfield’s view that digitization should not provide the means for the ABC to increase the number of its television outlets.
The consequences of the Mansfield report upon the ABC have thus been mixed. His recommendation to replace the ABC Charter has proved to be politically unacceptable. The impact in the other areas has been mainly conditioned by the funding constraint imposed by the government and endorsed by Mansfield. The ABC has been forced to reduce the costs of its operations by the funding cuts imposed at the time of Mansfield’s appointment. Mansfield identified outsourcing of television production and international broadcasting as major areas for such savings, and the ABC at least partly complied with his recommendations. ABC management has been strongly criticized for not more vigorously defending these areas of its operations (Dempster, 2000). Similarly, the unwillingness of the government to increase its allocation to the ABC inhibits the capacity of the Corporation to exploit digital transmission to expand its television services.

The Mansfield Review is subject to criticism at a more fundamental level for the manner in which it was established. The decision to appoint a single person with no experience of public broadcasting deprived the review of the depth of experience and diversity of viewpoints which was warranted. The short, 18-week period for the conduct of the review exacerbated the problem. Too much was attempted in too short a time with insufficient resources.

Conclusion
The principal objective of this paper has been to present a case study of a contemporary independent inquiry into a public service broadcaster. It has undertaken this task by analyzing the content and recommendations of Mansfield’s report into the ABC, evaluating the extent to which his recommendations have been implemented, and assessing the current operations of the ABC to determine the impact of the Mansfield Review on the Corporation.

The paper concludes that the funding cuts announced at the time of Mansfield’s appointment, and explicitly made the basis of his review, determined the direction, although not the particulars, of his recommendations. Mansfield’s task therefore essentially took the form of recommending how to implement government policy toward the ABC, rather than provide options to the government for the development of that policy.

Acknowledgment
The author is grateful for the helpful comments of the editor, two anonymous referees, Liz Jacka, and Mark Armstrong on an earlier version of the paper.

References