



The ABC's Review

The ABC has been conducting its own review of its role and functions, and presents its interim findings to the Mansfield Review - in the form of a submission.

The ABC's submission notes that the ABC had already undertaken a reshaping process prior to the announcement of the Review, but stresses that the severity of total funding cuts announced by the government this year exceed any savings achievable from efficiency gains and restructuring. Consequently, the cuts will cause a deterioration in the level of service the ABC can provide.

The ABC advocates the retention of the basic elements of the Charter, opposes sponsorship or advertisements, as well as any change to the existing levels of its accountability to parliament. It supports the continuation of triennial funding but argues for the abandonment of the 'non-farm GDP deflator' adjustment formula, which does not adequately take account of the ABC's cost structure (in particular, the high component of labour costs).

One ABC

The ABC mentioned its *One ABC* strategy extensively in the submission. This strategy, which the submission describes as 'perhaps more radical' than the restructure effected by the 1982 Dix Report, seeks to provide a greater integration of ABC activities, the creation of a 'leaner' management structure and the devolution of editorial and administrative responsibility to State branches. Key elements of *One ABC* include:

- development of closer relations between radio and television production for news and current affairs, and the integration of news and current affairs activities;
- re-engineering of infrastructure and support activities;
- greater outsourcing of television program production;

- restructuring of domestic radio and greater collaboration between ABC Radio and Radio Australia; and
- devolution of responsibility for orchestras to the States.

Production

The submission considered both the commissioner/broadcaster (so-called 'Channel 4') and broadcaster/producer (BBC) models for program production. Under the first model, the ABC would retain internal production capacity in only news and current affairs programs and would acquire all other programming from the independent sector. The ABC rejected this approach. It regarded the comparison made with Channel 4 as inappropriate: Channel 4 occupies a specifically 'complementary' role in a market also served by the BBC, in which a fully developed production industry exists which is able to meet all programming requirements. The ABC noted that it is required to produce innovative programming and provides crucial training and creative opportunities within the production industry, and added that Channel 4 is better funded and pays considerably more for commissioned material than does the ABC.

Instead, the ABC advocated the broadcaster/producer (or 'producer choice') model, whereby ABC Television would establish separate broadcasting, production and resources groups, with the former two groups having the ability to commission some of their requirements externally. Since adopting this model in 1993, the BBC has enjoyed reduced production and internal resources costs through competition, a general maintenance of staffing levels in the production section (but reduced staff and facilities requirements in the resources sec-

tion) and a general acceptance within the BBC of the new culture. The ABC posits that its adoption of this model would occasion similar benefits and safeguard its crucial role in Australian television programming. The ABC also plans to adopt funding initiatives that will reduce the commitment of the programming budget, by way of such measures as co-funding arrangements and distribution guarantees for advances against sales.

In radio, the ABC plans to reconfigure its domestic radio networks in order to improve efficiency and streamline its management and decision-making processes. While this change, prompted partly by budget cuts, will result in a significant decrease in program production, the submission argued the importance of maintaining its existing number of radio outlets so as to take advantage of the multichannel opportunities offered by the introduction of digital audio broadcasting. The ABC also plans the greater use of combined bulletins for both domestic and international use and the inclusion of Radio Australia in the overall radio organisational and management structure.

Organisation

The ABC's Review of Organisational and Management Structure is due to be completed in November. A review of the ABC's business support services is expected to achieve savings of \$7-10 million (or approximately 10% of current expenditure). It is also reviewing its management of fixed assets (including both real estate and plant and equipment) and various ownership and operational models for its international television service, Australia Television. □

The full text of the submission is available on the Internet at <http://www.abc.net.au/corp/pubs.htm>.