

FOREWORD

Radio Australia survives, but in a radically reduced and fatally enfeebled form. This report attempts to put into perspective the reasons why an international broadcasting organisation, almost sixty years old and widely respected abroad, was, in late 1996, almost without warning, threatened with extinction. We describe how it has barely survived, as a skeleton service; its budget slashed to less than half; its foreign language services either substantially cut or cancelled; and its transmission capability reduced to a virtual whisper.

In late June 1997, the last transmissions in French (established in 1940) and Cantonese (established in 1964) went to air. The huge transmitters near Darwin were shut down, and are now available for lease presumably to the highest bidder. More than half RA's staff have taken redundancies. The mood among the remainder is sombre and depressed.

The authors of this study were involved in two previous inquiries into Radio Australia. The first was in 1989 when Stuart Revill was the ABC's Assistant Managing Director, and Rodney Tiffen, Associate Professor in Government at the University of Sydney, was engaged as a consultant. The second was in 1994-95, when Dr Tiffen wrote a report on future directions for Radio Australia for the ABC. In the course of preparing this report, we have drawn on the information gained from the previous inquiries as the background for recent developments. We also interviewed (both on and off the record) persons on the ABC Board, senior management and staff from Radio Australia, the Director of Australian Television International, and officers from the Department of Foreign Affairs and Trade and the Department of Communications and the Arts. We have obtained the major relevant policy documents and transcripts of public hearings, plus various internal documents, some confidential. Pertinent documents are attached to this report.

Many of the issues and characteristics surrounding Radio Australia will look familiar to a reader from the BBC World Service, but sometimes that familiarity may be deceptive.

Some simple features of Australian politics and geography and the history of Radio Australia are easily overlooked. Unlike, the twenty minute walk between Broadcasting House and Bush House, Radio Australia's headquarters in Melbourne are 900 kilometres from the corporate heart in Sydney, and RA's chief executive for many years occupied a status below that of regional managers, in your terms about the equivalent rank of the officer in charge of Bristol. Radio Australia has never owned its transmitters, or controlled its transmission budget, severely limiting its choices in program delivery strategies. RA has never had the political security, the almost consensual recognition of its role and its independence that the BBC World Service has enjoyed.

RA's budget was a separate one-line appropriation within the ABC's budget, but always tied to the larger organisation's budgetary fate. Since 1973, the ABC's budget has been part of general revenue, rather than funded from a separate licence fee. This has made it more vulnerable to fluctuations in general political and budgetary strategies.

Like the BBC, the ABC operates under parliamentary charter, and the Act mandates international broadcasting as part of its role. Abolition of Radio Australia would require parliament changing the Act. Unlike Britain, Australia has a strongly bi-cameral parliamentary system. All legislation must pass through both houses, and no government since 1980 has had control of the Senate, whose proportional representative electoral system has allowed minor parties and independents more representation.

In this report, we describe the events of 1996-97, which led to Radio Australia's present circumstance. The key decisions, resulting in effective abandonment of international broadcasting, were only possible, however, because of vulnerabilities which RA had accumulated over a much longer period. We begin with an introduction to RA, and traverse those aspects of its history we think necessary for an understanding of recent developments. We then detail the politics of its near-demise.

I AN INTRODUCTION TO RADIO AUSTRALIA

The legislative basis for Radio Australia's operation is in the ABC Act of 1983, which in Section 6 (1) sets out the functions of the service as: 'to transmit to countries outside Australia broadcasting programs and television programs of news, current affairs, entertainment and cultural enrichment that will

1. encourage awareness of Australia and an international understanding of Australian attitudes on world affairs; and
2. enable Australians living abroad to obtain information about Australian affairs and Australian attitudes on world affairs.'

In 1996 Radio Australia broadcast a total of 43 hours daily in nine languages. It broadcast in English, Indonesian (5 hours daily), Mandarin (4.5), Cantonese (1), Vietnamese (1.5), Khmer (1), French (.5), Thai and Tok Pisin (3) to Papua New Guinea.

This was a reduction from its levels in 1989, when it broadcast 49 hours daily, making it then the thirteenth ranked international broadcaster in terms of output. The Japanese service was dropped in 1990, and Khmer, the first new service in two decades added in 1994. The Thai service had been reduced from one hour daily to a taped five minute capsule of news and current affairs for re-broadcast by local radio stations in Thailand. Vietnamese and Tok Pisin had been increased somewhat and all other services shaved by varying degrees in the intervening seven years.

Radio Australia conceived of itself as primarily a regional broadcaster to the Asia Pacific. Its regional priorities, established by the ABC Board in 1988, were to broadcast to the Southwest Pacific, North Asia and Southeast Asia.

The bulk of Radio Australia's broadcasting was transmitted by short-wave - principally from transmitters near Darwin and in Shepparton, 220 km from Melbourne, as well as a small transmitter at Brandon, Queensland for transmission to Papua New Guinea. In 1995, as part of a deal with the government to secure continuing funding for Australia Television, the transmitter at Carnarvon in Western Australia was closed.

There had been increasing delivery by other means, such as re-broadcasting arrangements and satellite delivery. However, even though RA had, since 1989, conceived 'of its role as an international communicator rather than as an international short-wave broadcaster alone', the bulk of its activity remained as a short-wave broadcaster.

As mentioned earlier, the ABC did not control RA's transmission budget. Nor did it have control of the transmitters from which it broadcast. These were owned and controlled by the National Transmission Authority, an off-shoot of the Department of Communications and Arts.

Radio Australia's programming was centered on news and current affairs, other informational programming and English lessons. Over the years, partly in recognition of the limits of short-wave as a medium, entertainment broadcasting, particularly music, had declined.

In 1996, RA's headquarters were in the ABC's Melbourne radio building at Southbank. It employed 144 staff, a substantial reduction from its late 1980s peak of approximately 223, although redesignations of common functions within the larger ABC account for some of this decline.

Radio Australia's budget was determined by a one-line appropriation from parliament as part of the ABC's budget. In 1995-96, its programming budget was \$13.5 million, around 2.6 per cent of the ABC's total expenditure. Its transmission costs were officially given as \$7 million, but a year before internal documents had put them at nearer \$17 million.

The best estimate of Radio Australia's regular audience, those listening once a week or more, was 4-5 million. The largest audience was in Indonesia, with substantial numbers also in China and Vietnam. As a proportion of the indigenous population, RA's biggest audiences were in Papua New Guinea and the small countries of the South Pacific.

The 1996 election saw a conservative government in Australia for the first time in thirteen years. It immediately set out on a course of reducing the public sector and cutting the budget. Within the context of a substantially reduced budget for the ABC, in July 1996, the government set up the Mansfield inquiry to investigate the ABC's role and functioning.

Mansfield reported in late January 1997, recommending the closure of Radio Australia. After a vigorous public campaign, including a Senate committee inquiry, RA was salvaged but only just.

From July 1, 1997, its budget for both programming and transmission is reduced to \$8.8 million, its staff down to 69, and its language services reduced from nine to six.

II THE HISTORY

The events which led almost to the disappearance of Radio Australia in 1996-97 were only possible because of some vulnerabilities which the organisation had acquired over a much longer period. These vulnerabilities did not cause the recent assault on RA, or make it inevitable. They did, however, make it more likely to occur.

We isolate four clusters of factors in Radio Australia's history and institutional context:

1. For much of its life, RA had to struggle to assert its independence from government, and to face a constituency within the foreign affairs establishment hostile to its role and purpose. The scars from those battles made it more difficult to mobilise political support for its role in serving the national interest in the 1990s.
2. Secondly, both RA's relations within the larger ABC, and its own internal structure and management, have been detrimental to effective strategic planning for international broadcasting.
3. RA's transmission has lagged behind its competitors, while its lack of control over its own transmission budget produced rigidities and irrationalities, which inhibited adaptation.
4. The perception that short-wave was a dying medium, and that RA was a shrinking service (especially after the advent of the ABC's international television service, Australia Television) also made it more vulnerable when options for cutbacks were considered.

POLITICAL CONTESTATION OVER RA'S ROLE AND VALUE

Officially, Radio Australia, like the BBC World Service and like the ABC itself, operates independently of the government of the day. In practice relations were much more ambiguous and contested. As we have said, some of these long running political tensions had ramifications in the politics of 1996-97.

The service was born at the beginning of the Second World War, seven years after the BBC's empire short-wave service. The Australian overseas service was established to counter Nazi broadcasts to Asia - an instrument of war to explain Australia's (and

Britain's) policies to the peoples of Asia and the Pacific. Across more than half a century it is instructive to recall the nation's mood reflected in Prime Minister Menzies' words in opening the service on December 20, 1939: 'My purpose is to tell you something about the War. Something about why it is that although we are twelve thousand miles from Europe, we are nevertheless involved in a European war and in full partnership with Great Britain in its conduct.' 'The time has come to speak for ourselves.'

During World War II, there was considerable institutional instability about where Radio Australia was housed, but throughout it operated essentially on the American model - run for much of the period by the then existing Department of Information. This was uncontested during wartime, but after war's end, government influence continued. The most significant influence on News and Commentary programmes was then, and for almost thirty years to follow, the Department of External Affairs (now Foreign Affairs and Trade.) In particular, each day commentaries featured on the news by Australian based experts, were vetted, and influenced in many ways by the Department, whose presence was also felt much more pervasively, from the Minister's office to lower Departmental levels.

Indeed Radio Australia's independence from governments of the day was slow to develop. Even when responsibility for external broadcasting was transferred to the ABC in 1950, there were tensions over the Minister for External Affairs, Mr Spender's, desire to issue instructions. He did not mind what music was played but he had an abiding interest in which words were spoken. In a letter to the then Chairman of the ABC, Sir Richard Boyer, on May 9, 1950, he said: 'I think it is important that Radio Australia be looked on as an instrument of foreign policy and that arrangements be made so that it can continually be brought into line with the requirements of foreign policy.'

Sir Richard (1891-1961), one of the few chairmen who fought consistently for Radio Australia's independence, urged the Minister to allow the service the same responsibility

for programme content as was entrusted by the British and Canadian governments to the BBC and CBC. Spender was unconvinced, as were many of his successors.

Long after Sir Percy had passed from active politics, there were always voices ready to echo his views. It is fair to say that his approach influenced Australian diplomats for a generation. Those young officers who joined the diplomatic service during the Spender, Casey and even Hasluck regimes, and who rose to ambassadorial rank in the 1960s and '70s, continued to regard RA's right to broadcast unfettered news and current affairs programmes as a national liability. Although the Department's official attitude changed substantially over the years, this group would play an influential role detrimental to Radio Australia's interests through the 1980s.

From the late 1960s, as Australian media became more assertive domestically, the Department's influence was diminishing in practice. The Whitlam Government (1972-75) was the first to give unqualified public endorsement to the principle of RA independence. In 1975, government-vetted news commentaries disappeared into well-deserved and long-overdue oblivion. With them went the role of the Department's liaison officers, and, although formal consultations between them continued intermittently over the years, RA became increasingly assertive about its own prerogatives.

However, at other levels, recognition of independence was less than complete. An official inquiry into Radio Australia by former diplomat Sir Keith Waller in the mid 1970s endorsed the role and value of the international broadcaster, but was equivocal when talking about its independence. Similarly the far-reaching inquiry into the ABC, chaired by Alex Dix, which reported in 1981, was less than forthright in asserting the need for RA's independence.

However, these two inquiries signalled important advances in the relationship between RA and Foreign Affairs. Implicit in the Waller Report was the idea, which became increasingly explicit over the next two decades, was an acknowledgment of the

importance of public diplomacy, that RA projected the nation in the region, and in so doing served the national interest. There is now wide recognition that an important means by which a middle-sized power, like Australia, in a region of major powers, can exert diplomatic leverage is in the projection of national values and viewpoints through public diplomacy. It marks a departure from the earlier generation of diplomats and their penchant for secrecy and the avoidance of embarrassment above all.

The Dix inquiry represented a watershed in the official thinking of the Foreign Affairs Department. The Department's submission endorsed the idea of editorial independence as the *sine qua non* of Radio Australia's value, 'whatever the occasional embarrassments' that might be caused in relations with particular countries. This has remained the Department's official position in all inquiries and controversies since. In its submission to the 1989 review, conducted by the authors, the Department reiterated that:

Australia's national interest is served most effectively by Radio Australia's status as an independent broadcaster, which delivers a product with balance and objectivity. In this context, we see it as essential that Radio Australia not be seen merely as a Government mouthpiece. To be perceived as a propaganda organ for the Australian Government would very quickly devalue its impact among Radio Australia's considerable audience ...

We see it as fundamental to Radio Australia's reputation that the Government be able to assert to the governments of neighbouring countries that Radio Australia is beyond the editorial or programming control of the Australian Government. In the end Radio Australia's independence, along with a record for accuracy, has been the source of its authority and, we judge, a major reason for its large audience. National interest, apart from liberal principles, suggests that we should not interfere with that.

It is evident that a new generation of Australian diplomats both had a greater appreciation of the value of public diplomacy, and were more comfortable co-existing with domestic forces over which they lacked direct control having an impact on international relations.

While RA had successfully thrown off the Cold War shackles, a new threat to its role arose as sensitivities with Indonesia increased. Broadcasting in Indonesian to Indonesia had always played a special role in RA. During the Sukarno era, many Indonesians looked to RA for their most comprehensive and reliable source of news. This continued with the advent of the New Order regime in 1966, which came to power with generally positive treatment in the Western media. By the mid 1970s, there was increased probing by the international media of corruption and authoritarianism under President Suharto, and greater expressions of internal dissent at home (especially with a series of large demonstrations in 1974 and 1978). The key event in Australian-Indonesian media relations was Indonesia's annexation of East Timor, then undergoing a somewhat problematic decolonisation process from Portugal. After covert destabilisation over several months, Indonesia invaded on December 7, 1975, beginning a period of heavy-handed rule which even today meets with substantial challenge.

In no other of Australia's bi-lateral relationships has the media played such a central role. From the mid 1970s, the Indonesian Government adopted increasingly restrictive attitudes to the Western media, and in particular to the Australian media. From the late 1970s, the New Order regime's desire to control media reporting within Indonesia started to focus particularly on Radio Australia, and its large audience in that country. By 1980, RA's representative in Indonesia had been banned, and the ABC foreign correspondent, Warwick Beutler, had been expelled with no replacement allowed. It was not until 1991 that the ABC was permitted to have a resident correspondent in Jakarta again.

It is not necessary or possible here to consider the merits of the case against Radio Australia. Suffice it to say that there were false claims spread about RA reports; that some reports which were criticised would have been considered legitimate reporting by most Western observers; and that also there were some instances of sloppy and unbalanced reporting. To the (limited) extent that the controversies revealed weaknesses in RA's performance two problematic procedures, since addressed and rectified, were the uncritical use of agency reports, sometimes in preference to the version

offered by the ABC's own correspondent, and some lack of sensitivity and proportion in the use of Australian based commentators in current affairs programs.

These tensions in the relationship between RA and the Indonesian government had substantial domestic reverberations. Leading critics of RA included members of what has loosely been labelled the Indonesia lobby, while the 1950s generation of diplomatic recruits, many of them now retired and acting as commentators on public affairs, responded with varying degrees of acerbity. The Indonesia lobby is a very loose term for a group of former ambassadors to Jakarta, plus some other bureaucrats, politicians and academics, who take the view that Indonesia is much more important to Australia than vice versa, that we must respect Indonesian nationalist sensitivities by tempering criticism of what occurs there, that the New Order regime represents the best type of Indonesian government Australia can hope for, and that the only scope for influence lies in quiet diplomacy and public restraint.

In domestic commentary, the idea that to broadcast to another country in its own language was an intrusion into its domestic affairs gained currency, and a small but vocal group argued that by contributing to displeasure by the Indonesian government with Australia, RA was a national liability.

Former diplomats came to the fore in these controversies. Malcolm Booker, who cut his teeth as an external services liaison officer at RA, took the hardest line. Much earlier, as ambassador to Thailand, he wrote to a colleague: 'Radio Australia's news commentaries are useless. There is no point in being objective. Asians would prefer to get the Government line.' Ironically Booker was, during the period in the 1980s when he was a trenchant public critic of RA, also the father-in-law of the ABC's then managing director David Hill.

Booker's views reflected those of many senior establishment figures. Sir Arthur Tange, a former secretary of the Department of External Affairs and later Defence, and William Pritchett, another former Secretary of Defence, are examples. As late as 1988, Sir

Arthur was not sure there was any justification for the existence of Radio Australia. Pritchett, also in 1988, found Radio Australia 'at best irrelevant to the management of our foreign relations, or at its frequent worst, a source of damage. I have long held it should be closed down.'

Even though this strain of criticism was never officially adopted, it had a pernicious effect on RA. Most tangibly it probably contributed to the lack of expenditure on RA transmission during the 1980s, when it fell substantially behind competitors such as the BBC and VOA for audibility in many of RA's target regions. It meant that there was always a constituency, albeit a minority one, ready to question the value of RA, and even the legitimacy of its existence and an independent role.

RA, unlike the BBC World Service, was always vulnerable to unexpected attacks emanating from right field that questioned its whole existence. In 1976, immediately after the Whitlam Government had seemingly given greater recognition to RA's independence than any preceding government, the Fraser Government appointed a new Chairman, Sir Henry Bland, to 'clean up' the ABC. He suddenly questioned RA's whole *raison d'être*:

How on earth does anyone imagine that Radio Australia could go its own way?
How can anybody imagine that Radio Australia can put out programs in direct contradiction to government policy?

Even during the pivotal debates of 1996-97, the same forces could be seen at work, never central, but muddying the waters sufficiently to complicate the main issues. The only vocal critic of RA's performance was a retired diplomat, Duncan Campbell, who citing his 'forty years experience', told a Senate committee that his 'peers' in foreign affairs largely shared his view that RA did not serve the national interest. Similarly in June without warning, the Queensland Premier, Rob Borbidge, during a visit to Jakarta, suddenly railed against Australia Television, because it has a) reported a domestic controversy in Australia over Aboriginal issues and b) had carried a report on corruption in Indonesia. Mr Borbidge's motive was probably to gain media attention within

Australia, in which he succeeded. Finally after the release of a Senate report, the senior Liberal member, Senator Troelth, said at a press conference that

If a coup takes place in Transylvania, let's say for argument's sake that Radio Australia might want to broadcast an opposite point of view, well I would see that as being intrusive on the sovereign rights of Transylvania.

It is crucial to recognise that by the 1990s, instead of the Department of Foreign Affairs being RA's greatest threat, it was its most important ally in Canberra. Nevertheless two generations of experience to the contrary made it hard for RA to recognise the sea-change. It also made it hard for it to protect itself against a new political enemy. Psychologically ready to wage the battle over protecting independence, it was less ready to adapt to the new age of public sector stringency by showing that it tangibly served the national interest. The authors had attempted to show not only how this could be done with an assertion of independence, but with a recognition that independence was its necessary condition in the ABC's review of Radio Australia in 1989:

Radio Australia should, through its own performance, show a nation which allows an open flow of information, which nurtures broad debate on policy and holds its government accountable through close and critical examination of its actions. News and informational features should project a national capable not only of independence from government, but also with standards of accuracy which bear constant examination.

The existence of Radio Australia and the orientation of its programming should be an expression of international partnership, a commitment to sharing information and understandings across national borders, projecting an outward-looking nation, capable of sympathetic engagement with the cultures and aspirations of people in its neighbouring regions, communicating a commitment to excellence and to the nurturing of friendships across social and political boundaries.

Similarly Tiffen's submission to the Senate committee in 1997 argued the same case:

Discussions about Australia's national interest are often conducted in overly narrow terms. As a middle-level power, Australia's scope for international

influence is affected by its capacity to use transnational channels to project itself. Within the dynamic Asia-Pacific region, many of Australia's comparative advantages lie in such areas as our high educational standards, the richness of our cultural life, our expertise in media and journalism, the cosmopolitan and democratic nature of our society. A high profile as an international broadcaster is a relatively cheap means of projecting these. It may sometimes benefit Australia directly, as in increasing trade in educational services, and more often indirectly in making potential trade partners and customers more receptive to examining Australian options, and to enhancing our diplomatic interests. Presumably also, they help to give Australian values more resonance in international discourses.

It follows that serving the national interest in this way must not be compromised by any short-sighted pursuit of particular diplomatic or commercial goals. The credibility of an international broadcaster is hard earned, but easily squandered. The official position of the Department of Foreign Affairs, repeated in several official statements since its submission to the Dix inquiry in 1980, has adopted this enlightened attitude. The international broadcaster should pursue the same purposes and standards internationally as does a democratic public service broadcaster domestically. Independence is the precondition for effectiveness.

In conclusion, RA has never enjoyed the consensual recognition of its role that the BBC World Service has. Independence only came slowly, and there were always important constituencies questioning its whole rationale. Although never dominant, these criticisms impeded RA's growth through the 1980s, and complicated considerations of its value in the 1990s.

RA WITHIN THE ABC - ISOLATION AND ERRATIC ATTENTION

A variety of organisational features conspired towards making Radio Australia too inward-looking and resistant to change, able to chart its own course in an uncertain and changing environment.

While there is some social distance between broadcasters and audience in all media organisations, it is particularly acute for international broadcasters, transmitting programs to an overseas audience from which they are physically separated and from which they receive only limited feedback. It is easy for members to be selective, even self-deluding, in the way they respond to the limited feedback they receive. The remoteness from the external audience gives internal considerations freer rein. Each language section has its distinctive audience with its own interests and outlooks. In such an organisation it is a delicate balance to avoid becoming a tower of Babel while giving due weight to the special needs and interests of particular national and linguistic audiences, to maintain both sensitivity to diverse audiences and a sense of common purpose and uniformly high editorial standards.

The flavour of Radio Australia's internal operations has been centrally affected by several curiosities of history. Firstly the middle management, especially those in charge of foreign language services, was drawn overwhelmingly from the military language training school at Point Cook, an establishment, allegedly involved in the non-operational aspects of military intelligence. They presided over groups of immigrants to Australia, who were able to employ their bi-lingual skills in RA, some of whom's residential status depended on continuity of employment. Gradually the old hierarchical character of several of these sections changed. The most notable feature of these sections was the stability of employment in each, which had both advantages and drawbacks for RA's performance. The advantages included a strong identification with the organisation and a good understanding of its values and procedures. The disadvantage was a tendency towards inertia, of stability threatening to become stagnation.

The other main group in the building was the newsroom. For a long period, this tended to be a den of mediocrity, a place for cast-offs from elsewhere in the ABC, people with sub-editing but not reporting or broadcasting experience, who had a stronger sense of overtime rates than of news values, and who had little empathy with their audiences or their foreign language broadcasting colleagues.

Despite these unpromising origins, during the 1980s it was apparent that there was a core of talented and dedicated people within the organisation who could form the nucleus of a very successful international broadcaster. The news room in particular underwent huge improvement in personnel and procedures. But to utilise these talents would depend on management properly setting the strategic directions.

The gap between RA and the larger ABC was one obstacle to this. Anyone seeking to understand RA's history must also grasp the impact of place. As noted RA began its existence during WW2 in Melbourne. As it grew in the 1960s, accommodation was very tight in the ABC, and as a result the organisation was spread around a number of rental properties. In the mid 1970s, a plan was conceived to unite the ABC properties in Melbourne on a large new site in East Burwood, which was duly purchased. East Burwood is in the centre of Melbourne demographically, but is about 15 km from the city centre, and at least 35 km from the airport. Radio Australia was the first to move to the new site, with the plan that domestic radio and television would follow. For various internal reasons, this plan was later abandoned, so RA was for over a decade alone at this suburban site.

This isolation, even from the rest of the ABC in Melbourne, let alone from the Sydney headquarters, had several subtle but far-reaching consequences for the relationships between RA and the larger ABC. The horses on agistment in the surrounding paddocks became sources of amusement for visiting ABC executives, at least one of whom referred to it as the holiday farm. The isolation was damaging to RA middle management's and staff's identification with the larger ABC.

During the long isolation at East Burwood, the temptations to become inward rather than outward looking increased. It was easy to make decisions on the basis of habit, or on what would produce the greatest internal harmony. One got the impression - especially for example in the lack of response to the dramatic decade long decline in the audience for the Japanese service - that many of the staff would have been happy making their programs even if no-one were listening. Schedules sometimes seemed to be decided by

internal staff convenience or by arbitrarily imposed transmission access rather than to accommodate the audience.

In September 1994, RA moved into the new headquarters for Radio in Melbourne at Southbank. This had several benefits, including access to more advanced technology and much closer relations with the domestic ABC staff. But it carried a severe financial down-side for RA. The East Burwood site was debt-free (although reaching the stage where it needed large investment in new equipment). But after the move, a sizeable share of RA's budget (almost 5 per cent) had to be committed to paying for the new building.

The intensifying need for change over the last decade coincided with increasing budget constraints. Between 1989 and 1996, RA's staff fell from 213 to 144. So even before the events of 1996-7 reduced it further, down to 67 for 1997-98, there had by slow attrition occurred a very considerable reduction over the preceding years. (Some of this staff reduction, although a minority of it, is explained by re-designations of technical and support staff after the move from East Burwood to Southbank.)

Perhaps the most important aspect of the budgetary restrictions was that RA always sought to make the softest blows, to take the immediate path of least disruption. No-one relishes the idea of forcing diligent workers into unemployment, but in retrospect RA management decisions manifested an admirable sympathy with their employees more than the harder task of setting a long-term direction. Redundancies were voluntary rather than targeted. All sections were shaved, rather than the more marginal ones being cut altogether and the higher priorities fully maintained. In 1994-95, 81 per cent of RA's budget was devoted to salaries, much too high for optimal effectiveness. In particular it meant that insufficient funds were devoted to such activities as promotion in target countries; travel by foreign language staff to their target countries, to enhance program-making and re-orientation with their audiences; and the use of expert contributors. The budget squeeze meant a narrowing down to the routine.

Overall, the pressures on RA's budget - unfair though they may have been - were met with regret and short-term coping tactics rather than hard-headed consideration of what optimal strategies would be with the reduced levels of funding. It bolstered a bunker mentality and dampened initiative, when it was most important to accentuate out-reach and plan for long-term effectiveness in an uncertain environment.

Against that background, those executives placed in charge of Radio Australia were faced with a sea of troubles, ill-equipped by previous training or experience to deal with pressures from outside sources or, in large measure, to cope with internal issues relating to staff and other resources. It needs to be understood that there were considerable differences in relationships between Radio Australia and the ABC as against World Service and the BBC. While we can recall Managing Directors of BBC External Services, Sir Ian Jacob and Sir Charles Curran, who became Directors General of the BBC, the Radio Australia managers were, until the mid 1980s, appointed at levels below that of regional managers. Thus Radio Australia chief executives had, until 1984, no real voice in management affairs. In later administrations they became members of the executive committee (in BBC terms, Board of Management) but far below the salt.

In the last forty years, five executives in charge of Radio Australia have not only found difficulties in solving long-term problems, but their tenure at RA has led not to career advancement, but to stagnation or more commonly unhappy departures from the national broadcaster. Peter Homfray, a former British Army officer, and director 1957-1975, in sheer frustration, attempted to by-pass the ABC's chief executive (Sir Talbot Duckmanton) to put a case to the government for Radio Australia as a separate organisation. Whatever the virtues of his suggestion, his corporate naivete led to his departure. Homfray's two successors, Phillip Koch (1975-1980) and Peter Barnett (1980-1989) were both former foreign correspondents, adept at protecting Radio Australia's journalistic principles, but less successful in management terms. Inertia persisted, and internal morale, never high, sagged. Koch went to a nondescript managerial position in Canberra, while Barnett left the ABC during the RA review of 1989.

After that review, what was intended to be a new broom brought the appointment of a Foreign Affairs officer, Richard Broinowski. This unhappy interlude (1990-1992) ended with Broinowski's forced departure. A long-time senior employee, Derek White, was appointed in 1992. White presided over a difficult period, in retrospect one of shrinkage. After a staunch rearguard defence of the international broadcaster in 1996-97, he retired in June. Despite 37 years in the ABC, he was not given a formal farewell.

For most of the contemporary period, RA represented slightly less than 3% of the ABC's budget. While it is likely that the ABC Board and management gave RA more than 3% of their attention, it is also the case that consideration of RA's special problems and needs was often buried under the urgency of domestic concerns. Although some senior staff and Board members cared deeply about international broadcasting, attention tended to be sporadic rather than consistent, and crisis-driven rather than pro-active and strategic. RA's response was like that of an adolescent child, complaining about neglect but resenting attention as interference. The most important ingredient in this relationship, however, especially in the East Burwood decade, was that RA rarely had leadership, which could effectively represent its needs to the ABC, or represent ABC views within the organisation. At those times when the ABC gave strategic leadership there was resistance rather than full-scale implementation.

Viewed internally, the constraints inhibiting initiative and the obstacles to change were considerable, but viewed from the outside and especially in hindsight, RA's operations were too influenced by inertia and internal considerations. It was never governed by a culture of effectiveness, where output to actual and potential audiences was the key measure for all its operations. This basic organisational tendency to be too inward-looking was compounded by a gradual budgetary squeeze from above and by staff and union conservatism from below. Neither the relationship with the larger ABC nor either the standing nor the disposition of RA's own chief executives encouraged pro-active strategies for adaptation.

LACK OF CONTROL OVER ITS OWN PROGRAM DELIVERY

One of the most consequential and curious features of Radio Australia's situation has been its lack of control over its own transmission. Unlike commercial broadcasters, the ABC has never had control of its own transmitters, which are owned by the Department of Communications and since 1991 by the National Transmission Agency (NTA). The consequences of this arrangement have been an irritant for the domestic ABC, but hugely damaging for RA.

The effective transmission of its programs is the basis for every other activity it undertakes. No matter what the quality of programs, if they can't be heard, all other effort is irrelevant. Yet Radio Australia lacked control of this, the central precondition for its viability.

Until two years ago, a triangular relationship prevailed. The transmitters were owned by the NTA, and operated by Telecom (now Telstra) under contract to the NTA to transmit RA's programs. RA was the only party which had a substantial stake in the effectiveness of operations, but it was less the client than the captive of the other two.

The absurdity of this triangular relationship, a fool-proof formula for rigidity and lack of accountability, is immediately apparent, but the scale of its negative consequences when combined with developments in the international broadcasting environment was central to all other of RA's recent problems. Before exploring this further, a brief history is necessary.

Until 1996 RA transmitted its high frequency signal from four sites. The oldest was Shepparton in Victoria, only 200 km from Melbourne. Transmission began there for security and logistical reasons during World War Two, and despite its disadvantages it has ever since remained the primary means of RA transmission. It is unable to deliver a primary service (single hop) to most of RA's target regions, and although substantially

refurbished during the 1990s, was for most of its life operating with under-powered and antiquated equipment.

Radio Australia's transmission position looked most promising after the construction of three 250kW transmitters in 1969 on the Cox Peninsula outside Darwin. Unfortunately Cyclone Tracy took these out of commission on Christmas Day 1974. The site was not re-opened until 1984, and the original plan to have five transmitters operating there was abandoned, until belated action in the 1990s.

Carnarvon on the coast of Western Australia came into operation as a short-term measure a year after Cyclone Tracy using an old NASA station. Although well-positioned for a service to Southeast Asia, it was built on a poor site for HF transmission, without room for the optimal aerial system, and with extremely expensive electricity. In late 1995, it was decided to close Carnarvon as part of a deal to secure funding for Australia Television. The decision was partly justified on the grounds that it would soon need substantial new capital investment.

Brandon is a site in northern Queensland. Opened in 1990, it has three 10kW transmitters designed to broadcast to Papua New Guinea.

A series of official reviews has been critical of the damage to RA's effectiveness caused by its inadequate transmission. In 1989, the authors' review was very critical of how RA's transmission capacities had lagged behind its competitors, and seriously compromised its capacity to reach target audiences. The review coincided with a variety of pressures to improve transmission, included complaints about lack of RA audibility during the Tiananmen Square crisis. The Department of Transport and Communications (as it then was) commissioned a report by VOA on RA's transmission.

Perhaps the main outcome of the 1989 Review was a 1990 Cabinet decision giving the first substantial capital expenditure since the restoration of the Darwin transmitters in the early 1980s. Over four years, it committed \$12 million, to allow the expansion of

Darwin to its originally intended configuration of five transmitters, and the reconstruction of the antenna system at Shepparton which had been in a state of advanced decay.

In fact, 'significant upgrading of Australia's short-wave transmitters amounting to \$23.2 million has taken place between 1991 and 1997', according to the 1997 Senate report. Most of this money was spent in 1994-95 bringing state of the art transmission facilities to the Cox Peninsula, an investment now available for lease, so that ironically RA's competitors, rather than RA, can reap the benefits.

While the technical weakness of RA's transmission capacities has received considerable comment, the institutional basis of it is, in our view, more fundamental. The triangular relationship led to several irrationalities. Most simply, none of the normal accountability mechanisms in a service provider-client relationship applied. Apart from moral suasion, RA's leverage was nil, and there was a lack of transparency about basic costs and possibilities.

A second irrationality lay in the disjuncture between ease of acquiring quite considerable sums routinely expended on maintenance and operating costs and the difficulty of procuring even small sums for capital expenditure. This led to less than optimal outcomes in terms of effectiveness, and in an era of rapidly changing technological capacities the lack of investment in infrastructure was a recipe for inferiority.

The third and most far-reaching irrationality resulted because there was no single cost-centre. Different aspects of program delivery were costed to different bodies. While RA covered studio to transmitter costs and the costs of delivering messages by all means other than short-wave transmission from its own budget, short-wave transmission itself was funded through the NTA. This made it impossible for RA to itself decide on optimal trade-offs about the most effective forms of delivery. Lack of control over its own budget decisively inhibited cooperative arrangements with other short-wave broadcasters. On several occasions, RA investigated the possibility of off-shore transmission, and had the aim of allowing some international broadcasters to transmit

from within Australia. But the budgetary bases for the latter remained unclear, while the cost of getting the signal to an off-shore transmission point had to be taken from the already over-stretched programming budget. Similarly the costs of diversifying the means of program delivery had to be drawn from the program budget. The lack of a single cost centre was a disincentive to change and to achieving rational integrated strategies of program delivery.

The trends towards micro-economic reform have gradually, but far too belatedly, impinged on these unaccountable bureaucratic arrangements. In 1995, the NTA, instead of automatically giving the contract to Telstra, held competitive tenders for the operation of various domestic and international transmitters. While Telstra won a majority of those offered, the operation of the Darwin transmitters went to a New Zealand company - still answerable to the NTA rather than RA. During 1996, this led to greater loss of transmission time from Darwin than had occurred previously. The incoming coalition government promised to give the ABC control of its own transmission, and has also agreed in principle to the privatisation of the NTA.

In one of the cruellest ironies, RA was to gain control of its transmission from July 1, 1997. Instead, on that date, the largest transmitters at the Cox Peninsula fell silent, RA's reduced programming only delivered by satellite and by the less effective facilities at Shepparton and Brandon. The NTA retains control of the transmitters at Darwin and, as you will be aware, is conducting negotiations with any foreign broadcasters which may wish to lease transmission capacity from them.

THE WRONG SIDE OF HISTORY

The threat to Radio Australia in 1996-97 was made possible because of a perception among some key participants that the international broadcasting environment had changed in ways that made short-wave radio increasingly marginal, that satellite television was the way of the future and that RA in particular had failed to adapt to these changes.

Perception of Short Wave as a declining medium. Radio Australia, principally an international short-wave broadcaster in the Asia-Pacific region, achieves its largest audiences in East and Southeast Asia. (See attachment 1.) However these countries have manifested probably greater economic dynamism in the last generation than anywhere else on the globe. The consequent social changes have been far-reaching, and most pertinently for present purposes, these countries manifest an increasingly sophisticated media mix, in which the traditional audiences for short-wave are declining in favour of other media.

To take the case of Indonesia, domestic radio transmission had traditionally been via short-wave, but a 1991 survey for the BBC found that only two per cent of Indonesians used SW for picking up local radio. Whereas in 1989 there was no commercial television in Indonesia, now there are five competing stations in major urban areas. With the opening up of commercial broadcasting in Indonesia, there has been much more effort to make programming appealing to audiences in entertainment - although news is still tightly controlled. Moreover there has also been the spread of cassettes and CD players, and the much greater availability of pop music than two decades ago, so people are much less inclined to go to an international short-wave broadcaster for entertainment.

The trend has been a declining audience for regular short-wave listening. A 1994 Indonesian survey found that 49 per cent of foreign radio listeners said their listening to such stations had decreased in recent years. For Radio Australia, regular (weekly or more) listening was down from 2.6% in 1991 to 1.4% in 1994. Audience reach (any listening in the last twelve months) was down from 11% to 7%. In RA's case, the decline had been disproportionate compared with its principal competitors, the BBC and VOA, especially in countries like China and Vietnam, where their audibility had improved considerably and RA's hadn't.

An irony about such figures should be noted. RA paid the price in the 1990s for the careless exaggerations about its audience size in earlier decades. Before there was any systematic survey research, audiences were calculated by extrapolating from numbers of

letters received. This allowed Radio Australia to claim to the Dix inquiry into the ABC in 1980 that it had 100 million listeners. They exploited the useful ambiguity over what audience meant, with no attempt to distinguish between regular and occasional listeners, nor to state the extremely problematic basis for their claims. The movement from earlier unreliable claims of audience size to more reliable and sober, survey-based estimates has accentuated the sense of decline. RA's critics have used the inflated base line in arguments about the decline in audience. Senator Alston, for example, made the claim that RA's potential short-wave audience had dropped from 100 million to 20 million.

The limits of the downward trend should also be briefly stated. Despite the hype to the contrary, audiences are still very considerable. As Tiffen's 1995 report began, 'Radio Australia still secures the largest audiences per dollar expenditure that the ABC reaches with any of its services.' Some parts of RA's target regions have not been so affected by these trends, in particular in the Pacific. In Papua New Guinea, for example, RA's regular listenership was 39% of the population. Even in the most dynamic Asian societies, listenership remained substantial, and increased markedly during times of crisis, when the domestic news services were considered most suspect. Short-wave retained advantages of access, cheapness and freedom to cross international borders which meant that it should remain a central plank for any international broadcaster.

Nevertheless, it is perceptions which have political force. It became all too easy for the proposition that short-wave was a declining medium to become the claim that it was a dead medium - or that if declining, death would soon come, and it was better to move now and anticipate the future. The perception among some key participants was that satellite TV was the way of the future in international broadcasting.

The Advent of Australia Television International. The ABC Act of 1983 required the organisation to broadcast programs abroad in both radio and television. Until the early 1990s, the ABC was meeting this responsibility only in the very weak sense of selling its programs abroad. No-one seemed bothered by this apparent failure to meet its charter,

and certainly no-one was proposing to fund this potentially major new endeavour. The growth of satellite television, however, increased the interest in the ABC moving into international television.

As elsewhere in the world, the attention to CNN during the Gulf War increased enormously the interest in international satellite television and in pay TV services. This coincided in Australia with a radical re-construction of the broadcasting Act, which would pave the way for the imminent introduction of pay television. This was the beginning of a prolonged circus, but for present purposes, it is only necessary to observe that ABC Managing Director David Hill was determined that the ABC should be part of this new era. He devoted great energy to this, despite opposition from the Labor government, from commercial operators and from a strong constituency of ABC traditionalists within the organisation. His interest in satellite TV was also keen at this time, and in some ways the two were linked.

In September 1992, the ABC wrote to Cabinet asking for \$5 million to trial a television service to the region. Cabinet deferred the decision, but suggested the ABC consider using commercial sponsorship to fund the project. The Labor Government was, by this time, operating under tight budgetary guidelines, and wary of any new ongoing spending commitments. Moreover, a strong antipathy towards the ABC had developed among its leading members.

ABC Managing Director, David Hill, was however keen to launch the new service, and argued with the government that after an initial seed grant, the service could be self-supporting through advertising and subscriptions. It was therefore the first ABC broadcasting venture to carry advertising. From the outset, this made Australia Television (as it is now called) controversial within the ABC. The suspicions regarding pay TV compounded this attitude.

Australia Television International was launched in February 1993, via Indonesia's Palapa B2P satellite. Its initial period was marked by considerable instability with three chief

executives passing through the organisation in its initial stages, until the arrival of the current incumbent Michael Mann in August 1994 brought both a more stable and effective managerial regime.

It had been decreed that no funds could be diverted from ABC domestic programming to the new venture. However, as is universally acknowledged, ATVI had been launched on the basis of completely unrealisable projections for both income and expenditure. There was widespread suspicion within the ABC that domestic resources were being diverted. There was also a suspicion at Radio Australia, not without foundation, that MD Hill had hopes of diverting large parts of RA's budget to Australia Television. As ATVI's debt increased, a crisis was looming, especially as the time neared for a new transponder leasing agreement to be signed.

In 1995, an inter-departmental committee, which included an ABC representative, reviewed international broadcasting policy. It was clear that unless there was an injection of funds from the government, or a substantial re-direction of funds within the ABC's current budget that Australia Television could not continue. There was widespread fear within Radio Australia that both Foreign Affairs and the ABC would argue that RA should be down-sized in order to support Australia Television. Indeed for the first time, the Department of Foreign Affairs and Trade did argue that satellite TV should be a higher priority than short-wave radio. Nevertheless the committee eventually endorsed the continuing need for both services. However the government was determined that there be some trade-off, that there not just be extra funds given to the ABC. The result was that the government committed \$6 million per annum for the next three years to support Australia Television, but that \$2 million of this was derived from savings from closing RA's transmissions from Carnarvon. This was done without consulting RA, and severely inhibited future transmission planning. But given their initial fears that the committee would recommend the wholesale diversion of funds from RA, it was not a totally negative outcome.

In 1996, Australia Television's prospects were good. It was operating well within budget, and revenue was increasing substantially, as, it seemed, were audiences. The Senate committee in 1997 concluded that 'in only four years Australia Television has, through satellite transmission and rebroadcasting arrangements, made its mark in the Asia Pacific region. A December 1995 study showed that its penetration of the Asian market equalled that of CNN and BBC and was second only to Hong Kong Star Television. What is remarkable is that Australia Television has achieved this for a cost of between six and eight million dollars a year. In fact, after subtracting revenue, Australia Television cost only \$2.38 million in 1995-96.'

Then in July 1996, without warning, the Government announced its intended privatisation. In July 1997, it was announced that the successful tenderer was one of Australia's three commercial TV licensees, the Seven network, whose principal share-holder and chairman is Mr Kerry Stokes.

The consequences for Radio Australia from the launch of Australia Television were almost wholly negative. It heightened the view that short-wave services were on the way out. It set up a new arm of international broadcasting, which was seen to be competing with RA rather than being a complementary part of a total strategy. Internally it was de-stabilising, heightening tension and uncertainty. Finally ATVI's privatisation closed many options regarding the creation of viable international broadcasting strategies in the future. None of these negative consequences necessarily flowed from the advent of satellite television as such. Rather they stemmed from political decisions, lack of coherent management, and competition for scarce resources.

III THE DENOUEMENT 1996-97

There is no evidence of a plot to destroy Radio Australia. Rather a series of relatively unconnected events moved towards a conclusion which none of the participants had necessarily intended or foreseen. In March 1996, there was no discernible threat to RA. Yet a year later its fate was effectively sealed. With almost no warning, Radio Australia's very existence came under threat.

While no-one had RA in their sights, the incoming government was determined upon cost-cutting in general, and had an animus against the ABC in particular. RA proved, for many of the key participants to be expedient collateral damage.

We address these events essentially in narrative sequence - the incoming government's announcement of cost-cutting measures, the Mansfield inquiry into the ABC, the campaign to save Radio Australia, why it partially succeeded, and RA's immediate future and prospects.

THE COALITION'S ELECTION VICTORY AND FUNDING CUTS

On March 3, 1996 the Liberal and National parties won a sweeping election victory. John Howard became Prime Minister with a majority of 44 seats in the House of Representatives, a record margin.

During the campaign the coalition parties had made apparently firm guarantees to maintain funding for the national broadcaster. In some of their earlier, unsuccessful campaigns they had said there would be cuts to the ABC, at the least consistent with their planned cuts in general government spending, and these had become matters of contention, possibly causing electoral damage. In 1996, they were much more reassuring.

Reading the Liberal National Party policy document on communications and broadcasting, *Towards Better Broadcasting*, prior to the March 1996 election, one could be forgiven for thinking that the national broadcaster and its satellite overseas service had

reached safe harbour. The coalition's document promised 'ABC funding would be maintained at present levels', and gave greater and more explicit rhetorical endorsement to the ABC's role than had earlier policy stances. International broadcasting could also bask in the sunshine of coalition reassurance: 'Radio Australia has a proud place in the ABC ... The Coalition is strongly supportive of Radio Australia's existing services and will ensure that they are not prejudiced or downgraded in any way.'

It could not bask for long. The post-election glow was immediately dulled by the 'discovery' of a huge budget deficit. All bets and most promises were off. The government announced that the size of the deficit forced them to cut much more deeply into public spending than they had realised before the election. (It is common ground among observers that official estimates of the budget deficit under Labor needed substantial revision, although there is dispute over the amount. Nearly all economic commentators had however drawn attention to the looming problem well before then. Before the election there was a bipartisan refusal to publicly acknowledge the problem, because it raised questions over both parties' promises.) The post-election 'discovery' gave the government a licence to break spending commitments, and so cuts in many government programs were much deeper than anything canvassed beforehand. This extended to the ABC with a vengeance.

A few months after the election, there was a flurry of announcements affecting the national broadcaster. Donald McDonald, head of the Australian opera, and a close friend of Prime Minister John Howard, was appointed as the new Chairman. At the same time, deep spending cuts were imposed. When the coalition was elected, the ABC had one more year of a triennial funding arrangement with the government to run. The discovery of the deficit led the government to break that agreement, with an immediate cut of 2 per cent in the ABC's budget for the financial year 1996-97. It was also announced that in the following financial year the ABC's budget would be cut by a further \$55 million, as the basis for the next triennial agreement. The ABC's budget would then be reduced to \$540 million in 1996-97 and to \$500 million for 1997-98. (It needs to be stressed that even before these cuts the ABC was financially stretched, due to

a long period of restraint under the Labor Government, and the legacy of outgoing MD, David Hill's, policies of expansion.)

In a statement which took everyone by surprise, in July 1996, the Minister for Communications announced that Australia Television would be sold. We know that this was a complete shock to the director of Australia Television and to ABC management. As far as we can gather, it was a decision made at the Government's Expenditure Review Committee, and the initiative came from the Prime Minister rather than the Communications Minister. Rumour has it that it followed suggestions made by a business figure close to the Liberal Party interested in buying the service. Whatever its antecedents, it was a decision made very quickly by government, and without any preparatory work coming from any section of the bureaucracy.

The decision to dispose of Australia Television had implications for RA, in that although the two services had operated separately, and indeed there had often been tensions between them, it removed forever the option of an integrated strategy for international broadcasting by the ABC, in which resources could be moved to areas of increasing effectiveness, and traditional strengths used to build into emerging services, a strategy adopted by the BBC.

In the same statement, in July 1996, the Minister for Communications and the Arts, Senator Alston, announced a review of the role and functions of the ABC. He said 'the Government is seeking a more focussed role for the ABC ... In examining the ABC and the very significant future funding pressures which its many activities are likely to place on the Budget the Government has decided that the current level of funding cannot continue indefinitely ... There is a need therefore to review ABC activities in line with the new funding levels' (ABC Review Information Paper, July 1996). The task was given to Mr Bob Mansfield.

THE MANSFIELD REPORT

Mansfield was a prominent business figure in Australia, having been chief executive of McDonalds, then of Australia's second telecommunications carrier, Optus, and finally, and briefly, of John Fairfax newspapers. He was to report by the end of the year (and in fact reported in late January 1997).

Given his terms of reference, there was considerable foreboding about what Mansfield would recommend, and much public speculation that his secret brief from the government was to carry out a 'hatchet job' on the ABC. The Mansfield inquiry held no public hearings. However, in what is believed to be the biggest public response to any government inquiry, he received approximately 11,000 submissions. The great bulk of these supported the ABC.

While all inquiries cause a certain corporate nervousness the ABC's record of survival more or less unscathed in previous inquiries had been quite good. Not surprisingly, the corporation responded that it would co-operate fully, and in fact mounted a very substantial behind the scenes operation to assist Mansfield. The style of Managing Director Brian Johns needs to be noted here. Johns had become MD in March 1995, replacing the high profile David Hill. Hill had incurred the severe displeasure of the Labor Government by his forceful public advocacy. Johns had been a strong proponent of the view that visibility did not equate with effectiveness, and had sought to achieve more by private negotiation. With his very strong party connections, Johns was described by one observer as 'the quintessential Labor mate'. Ever since the change of government, there was speculation on how secure his tenure was at the ABC. However, he had adopted essentially the same route under the new government as the old, preferring to avoid public confrontation and direct criticism.

There can never be any certainty about the success of alternative political strategies, comparing the actual with the hypothetical. ABC management took the view that the Government was unshakeable in its determination to cut the ABC by the announced amount (\$55 million), and that to arouse government antagonism by public campaigning would only result in more severe cuts. Some ABC staff thought that a stronger public

defence might have produced a government compromise. Others thought that management handled the Mansfield inquiry skilfully, achieving the best outcome possible given the larger political forces.

When the Mansfield inquiry began, there was no special apprehension at Radio Australia. No-one identified them as being in greater danger than any other part of the ABC. The Corporation's submission to Mansfield affirmed that Radio Australia 'contributes a unique service by providing a long-established and respected voice into Asia and the Pacific', and while a small player in the international broadcasting arena, it had a key role as a regional broadcaster. Only a small proportion of public submissions to Mansfield touched on RA, mostly in a positive way, but the focus was very much on how the ABC as a whole might survive. No-one knew that RA could be in the sights for special attention.

In December 1996, the Board announced a major restructuring of ABC administration. Under the slogan One ABC, with the professed aim of making structures more integrated and focussed, and increasing the overall cohesiveness, it was announced that this streamlining and cutbacks in some areas would save the ABC \$28 million (although there is some dispute among staff about just how 'real' this figure is). The Corporation announced that any further savings had to come directly from programming. The sum achieved by administrative savings was almost exactly half the amount the government was demanding in cuts. Some have speculated that the ABC was hoping that by showing its willingness to 'meet the government half way', it was hoping the government might modify its decision on the total amount it must cut. If there were such hopes, they proved forlorn.

In January 1997, Mansfield reported. (See Attachment 12.) In many ways, it was a positive document for the ABC, certainly when compared with the fears surrounding its formation, and judged against the hints and leaks coming from the government about the possibility of yet more savage cuts. Mansfield endorsed the continuing need for the ABC, acknowledged the strong public sentiment in its favour, affirmed that it remain

wholly funded by government subvention rather than by advertising, and while endorsing the feasibility of the previously announced cuts, warned against cutting further. He commented on the valuable role the ABC played in our national life, and commended the management re-structuring announced in December.

Mansfield's main criticisms of the ABC's domestic operations concerned its real estate holdings, recommending that they could free themselves from many capital costs by renting more; its production of TV drama, recommending that less be done in-house and moving towards out-sourcing up to 50 per cent of drama and information programs; and that in the medium term the ABC divest itself of responsibility for orchestras.

His major recommendation for cutting expenditure involved the abolition of Radio Australia, at an estimated saving of \$20.5 million. Specifically, Mansfield recommended

- ‘that the requirement for the ABC to broadcast programs outside Australia should cease;
- that the ABC should retain the ability to transmit programs outside Australia if it chooses;
- that the ABC should be permitted to apply net savings from the closure of Radio Australia to the achievement of its savings target - this should include any transmission savings, consistent with the government's commitment to fund the ABC directly for its transmission costs; and
- that if an appropriate commercial arrangement for the operation of Australia Television is not entered into before June 1997 the service should be closed down.

In the body of his report, Mansfield argued that ‘the current ABC charter accords overseas broadcasting equal priority with domestic broadcasting. I do not believe that there are compelling reasons for this to continue ... The ABC cannot continue to maintain its domestic services and also provide an overseas broadcasting service within the funding allocated to it from 1997-98, particularly given the dual requirement to

downsize and to invest in new technology. Put simply, maintenance of an overseas broadcasting service will be at the cost of domestic programming.’

He refrained from commenting directly on RA’s value or performance, preferring to rest his case on asserting the primacy of domestic over international priorities. Nevertheless he also scattered adverse comments or raised questions, never pursuing them systematically or in depth, but in raising them insinuating rather than arguing that there were problems with the service, and may be a case for closure. He questioned the continuation of four small ‘marginal’ foreign language services, which each broadcast less than 90 minutes daily. He made passing comment on what he took to be the lack of precision in the purposes of overseas broadcasting, and said this made it difficult to evaluate its effectiveness. He concluded there was insufficient evidence to attempt this, although he did note the declining audiences for short-wave.

Nevertheless while the supposed decline of short-wave led to an argument for divestment, the growth of satellite services led to exactly the same conclusion: ‘I endorse the Government’s decision (to tender Australia Television to the commercial service). With more than 100 satellite television channels operating in Asia, I do not consider that the ABC should be allocated funding to enable it to operate competitively in the Asian market. If no acceptable relationship with the commercial sector is found, I believe the service should be closed down. This decision should be made by June 1997.’

Mansfield did not seek to address directly or in detail the value of overseas broadcasting. There was little of substance in the evidence before him to justify the decision. The Department of Foreign Affairs and Trade’s submission echoed its recommendation to the authors’ 1989 review and to the 1995 review of the continuation of Australia Television. While it noted the decline of short-wave broadcasting, it concluded ‘RA plays a valuable role in advancing Australia’s interests and should be maintained.’ If there was a cloud, no bigger than a man’s hand, it appeared in part of one sentence buried in the Department’s submission. It said ‘while it is clear that Radio Australia and Australia Television have a key public affairs dimension ... neither service is presently meeting its

full potential and re-structuring is necessary to address their shortcomings.’ Mansfield pounced. That sentence, the most critical in a six page submission, was the only one extracted and quoted in his report. He added the ABC is not in a position to address the problem.

The Minister, Senator Alston, immediately endorsed Mansfield’s recommendations, and described the report as ‘excellent’. Indeed Mansfield’s report was unveiled at a joint press conference. Both sides denied, however, that there had been any direct contact between them during the preparation of the report.

The ABC’s carefully worded response praised some parts of the report, but concentrated especially on the damage which would be done by out-sourcing TV programming on the scale Mansfield recommended. In the Managing Director’s statement of response (see Attachment 4), Radio Australia is not mentioned until the sixteenth paragraph. He noted - without endorsing or criticising - ‘Mansfield’s view that the Corporation should be released from the requirement to operate international broadcasting services’ because it ought not to be a core activity. Therefore, said Johns, ‘I have to agree that in the context of the already announced budget cuts, the ABC must do everything it can to protect its domestic services’. While noting Radio Australia’s proud history, and that ‘it serves Australia’s interests well, the future of Radio Australia needs to be seriously considered in the light of the report’s recommendations.’ (ABC Media Release, 24th January 1997)

Such public stances by the managing director then and in the months ahead trod a careful middle path. He never initiated dissent against the decision on Radio Australia, but neither did he endorse it. He never sought to mobilise any campaign to retain RA, but neither did he make any public remarks critical of its performance or value. He pictured the issue as one of resources not one of the ABC’s commitment to international broadcasting. But if the resources given by government were not to be what the ABC wished, he never rejected the closure of RA as the most viable means of coping with budget cutbacks. It was a deliberately equivocal stance, which infuriated RA’s embattled management.

There is conjecture about when between August and January and by whom the decision was reached to focus upon cutting Radio Australia as a means by which the ABC could live within its budget. We are reliably informed that no-one in RA had caught a whiff of trouble until October 1996 when a staff member contacted one of the authors of this report. Around this time, leaked press reports said that Mansfield had canvassed with the Department of Foreign Affairs the possibility that they assume responsibility for the service.

Inside Radio Australia agitation began as it became clear that the ABC's head office was perhaps contemplating sacrificing Radio Australia to lessen the impact of cuts to the domestic service. In the latter few months of the year, RA management was very concerned that complete abolition was one of the options being contemplated, especially when they felt increasingly excluded from access to ABC decision-making. The meeting of the ABC Board in late October discussed Radio Australia, but made no decisions. It was not discussed at Board level again until after the release of the Mansfield Report.

Some have suggested that the idea to target international broadcasting came from Mansfield himself, others that the idea came from within DOCA. Both point back to the influence of a report prepared in 1987 for then Minister Gareth Evans on the future of national broadcasting, which distinguished core and non-core functions for the ABC. Included among non-core were international broadcasting and the orchestras, both of which were, almost a decade later, also singled out by Mansfield.

Others, however, suggest that the initiative came from within the ABC itself, that senior management guided Mansfield towards that option. The only documentary evidence for this is in the supplementary and confidential submission the ABC made to Mansfield in December. The ABC's September submission, an openly available document, spoke of Radio Australia's 'unique service to Australia by providing a long-established and

respected voice into Asia and the Pacific in the languages of the region'. (See Attachment 2.)

However in December, in a section headed 'Prioritising Output', it gave a coded but clear green light that it would not strenuously contest a recommendation by Mansfield to close Radio Australia. (See Attachment 3.) It noted declining audiences for international short-wave radio and the expansion of alternative information sources, the progressive shrinking of Radio Australia's capacity to maintain services, and, finally and most significantly, it said 'the future of Radio Australia needs to be considered in the context of the changing broadcasting environment and the ABC's funding constraints. Recently the ABC Board has looked at whether the Corporation should reconsider the priority accorded to Radio Australia in the overall portfolio of broadcasting services'. The submission confirmed the forebodings of Radio Australia management, and they described the document as damning them with faint praise.

The attractions for ABC management of closing Radio Australia as a means of coping with their severe budget constraints are apparent. There was no easy or painless way to cut \$55 million from the ABC budget. Cutting the international service minimised the impact on domestic services and isolated the damage. In addition, the government had already decided to privatise Australia Television, and the creeping budget cuts on RA over the previous years meant that further reductions were really approaching the critical point at which questions about the viability of continuing the organisation would soon be reached.

Moreover a bonus for the ABC was that included in the savings from closing RA would be its transmission budget, now officially listed as \$7 million. The new government had promised before coming to office that the ABC would gain control of its own transmission, and the transmission budget for RA was to pass from the NTA to the ABC from the beginning of the 1997-98 financial year. While it is clearly legitimate for the ABC to include this sum as part of its savings for 1997-98, it was also a bonus in that it was money they had never before had. Together, RA's program budget (\$13.5 million)

combined with the transmission budget (\$7 million) meant that the ABC was then three-quarters of the way to achieving the further \$27 million it must save beyond the administrative re-structuring announced in December.

Whatever the precise sequence of events, and whatever initiatives were taken by particular individuals, it is clear that when the Mansfield report was released, there was a tacit consensus among key groups - Mansfield, senior ABC management, DOCA and the Minister - that abolishing RA was the best way to cut.

THE CAMPAIGN TO SAVE RADIO AUSTRALIA

The release of the Mansfield recommendations marked the beginning of a vigorous public campaign to save RA. What had been rumour before was now fact, and the forces in defence of RA mobilised quickly and vocally. Derek White, aware of tepid, he would say torpid, support from head office, began to lobby Canberra politicians and the Foreign Affairs establishment, much to the irritation of the ABC's managing director, who ordered him to cease public comments, an instruction which later leaked to the press.

Mansfield's recommendation was greeted by a torrent of testimonials to the worth of RA from both domestic and foreign sources. Senior figures from media organisations in Vietnam and China endorsed RA's value. A string of senior government figures from the Pacific islands spoke in RA's defence. Even the Indonesian Foreign Minister praised the service. Most colourfully, the Papua New Guinea Prime Minister, Sir Julius Chan, offered to return \$1 million of aid money to keep RA's service to PNG going.

The Labor Party and the Australian Democrats immediately came out denouncing the recommendation, as did several other groups and individuals. The Labor Party's shadow minister for foreign affairs, using a leak from the Department, criticised the Mansfield report's misleadingly selective quotation from the Department's submission.

Parallel to this public controversy was frenetic activity at the bureaucratic and ministerial levels, only partially visible to the public. The Foreign Affairs Department was

immediately concerned at the foreign affairs implications of Mansfield's recommendation. However Foreign Minister Downer was initially reluctant to become involved. Downer had been leader of the Liberal Party for a very short tenure of just seven months before being replaced by Howard. He had become Foreign Minister as a result of the internal dealings in the Liberal Party at that time. In the ten months the government had been in office Downer had made some embarrassing gaffes. His place in Cabinet was tenuous - Canberra gossip had it that he was on his 'last chance' from Howard. His influence in the government, despite his nominal seniority, was limited, and he was reluctant to be on the losing side in any government decision. As one official put it to us, somewhat euphemistically, the Minister's responses were politics-driven rather than policy-driven.

Downer was out of the country when the Mansfield report was released. We were told that his personal staff, largely political appointees, initially urged him to refrain from any support for RA. However, after urgings from his Department, Downer did agree to write a confidential letter to the Minister for Communications and the Arts, Senator Alston. In the letter, dated February 2, Downer wrote 'that the recommendation to close Radio Australia ... failed to take proper account of the genuine foreign and trade policy implications of such a move. While I appreciate the need for the ABC to concentrate primarily on its core domestic constituency, to do so at the expense of Australia losing an international broadcasting presence in our region would be a mistake.'

He continued: 'the suggestion ... that my Department should in some way take budgetary responsibility for RA is not a viable proposal.' The minister also questioned the linking of Radio Australia and his own department with the funding of the BBC with the British Foreign and Commonwealth Office. 'I believe it is unsustainable to compare seventy years of British broadcasting concentrating particularly on Europe and the Middle East with the difficulties we would face selling the sudden reversal of sixty years of Radio Australia's independence from government to our region where notions of the editorial independence of the media are much less accepted. The linking of diplomacy with broadcasting would pose a credibility problem for Radio Australia and raise many prickly

diplomatic difficulties for the government by associating this portfolio directly with news gathering and reporting activities.’ At the end he said the two departments might consult. (See Attachment 6.)

The public heat on the government increased in mid-February, when the Senate Committee on Foreign Affairs, Defence and Trade References announced an inquiry into international broadcasting. The Government lacked control over such Senate committees, where the Labor Party and the Democrats would form the majority. The Minister made it plain that the government would ignore its recommendations.

The ABC’s response to the announcement of the Senate inquiry was less than enthusiastic. Chairman Donald McDonald complained that it ‘comes at a difficult time for the ABC’. He concluded ‘the ABC needs to have certainty about its roles and responsibilities in sufficient time to plan for the 1997-98 Budget year’ (ABC Media Release 13 February 1997).

The Senate Committee began public hearings in April, and these attracted some news coverage. Most importantly, it provided a public forum for a variety of witnesses to put their case, and not least for RA to report publicly on its own activities, including its receipt since the release of the Mansfield report of over 4000 responses from listeners urging its retention. The Senate committee itself attracted 2,211 written submissions, and all except three supported the retention of RA and ATV in their current forms.

Around the same time as the announcement of the Senate committee, and clearly in response to the mounting public controversy, the Prime Minister also became privately involved, telling his Minister for Communication and the Arts, Senator Alston, that decisions on the future of international broadcasting required a whole of government approach, and instructing him to undertake an investigation of a full range of options for the future of Radio Australia ranging from closure as well as options for the private sector or government providing Radio Australia-like services within the modern communications environment. In this mid-February letter, he instructed Alston to

provide him with an options paper by mid-March. 'With the sensitivities associated with the recommended closure of the Radio Australia services, I believe it is important that we have a full range of options available to us, prior to Cabinet's consideration.' (See Attachment 7.)

If the Department did provide such a paper, it did not change its own thinking. The Department of Communication and the Arts in its draft cabinet submission for the 1997-98 budget, 'a cabinet-in-confidence document' dated 21 March, envisaged only a minimal existence for RA.

This marked the beginning of the most crucial private battles over the future shape, if any, of RA - those centering on the budget for the coming year. DOCA's budget submission was already a fall-back from the Mansfield recommendation for complete abolition. At one level it could be read as a minimal response to the public reaction. At another it was a recognition of the political reality that the government could not abandon international broadcasting without parliament changing the ABC Act, a course which would not succeed in the Senate, and which promised a protracted and messy process. The Department's position was based on the assumption that 'if the government is inclined to preserve a Radio Australia presence in the Asia Pacific region, the ABC be requested to maintain a regionally targetted English language service, available via satellite throughout the Pacific region, accessible to local broadcasters at a cost to the ABC of approximately \$3.2 million per annum, and to negotiate re-transmission arrangements with other short-wave broadcasters.'

The Department of Foreign Affairs and Trade immediately responded to this recommendation by urging the retention of a much greater role for Radio Australia, arguing that DOCA's proposal did not 'constitute a viable or credible international broadcasting service'. 'The Department believes that RA strongly serves Australia's foreign policy interests in Papua New Guinea and the South Pacific by being a primary source of news and information on events in the region and in the wider international context. In addition, RA supports broader public diplomacy aims in East Asia where it

has sizeable audiences, particularly in China, Vietnam and Indonesia.’ ‘The transfer of the transmission mode from short-wave radio to broadcast via satellite would severely limit the potential audience for RA.’

In turn, pressure was then brought on to the Department of Foreign Affairs to match its rhetoric with funding, to itself provide the financial support for RA to continue. These moves occurred very late in what is a protracted cycle of budgetary preparations. Over the last decade or so, where the political imperatives for budgetary restraint have been paramount, the most important committee in Canberra has been the Expenditure Review Committee. This committee typically agrees on a total spending figure, and then progressively works down to details of departments and programs, whose figures are fashioned less by their intrinsic needs and more by an imperative to make the total figures conform to a desired bottom line.

The Foreign Affairs budget parameters had already been set by the time these discussions over RA were occurring. It should also be pointed out that over recent years, Foreign Affairs has been hit more severely than most other government departments by cut-backs, and its capacities also affected by fluctuations in the international value of the Australian dollar. There was also talk that money for RA be found from the foreign aid budget, but that budget has also been cut disproportionately over the last decade. (The suggestion was met with a perhaps predictable response within AusAid that any such money would have to be taken from that allocated for starving children in East Africa.) In the end, the Department of Foreign Affairs and Trade did make a limited financial commitment to enable RA to transmit in short-wave and in Tok Pisin.

These likely budget parameters were privately made known to the ABC some time in April. The bureaucratic device by which RA's budget is supported to this sum involves 'one-off transfers' from these two departments to the ABC, in other words this sum was permanently cut from their budget this year to be part of the ABC's budget from now on. After this year, those sums will be no different from any other funding for the ABC. In

effect, this is money clawed back from the Government's \$55 million cut, although it was not politic for the ABC to publicly proclaim this.

The April meeting of the ABC Board knew of these likely budgetary concessions towards RA, but the question remained whether the ABC would commit any of its own funds, which would be necessary to continue any Asian language services. Fortuitously the meeting was held in Melbourne at Southbank. In a very effective and emotional demonstration, RA staff had strewn the foyer and stairwells with the thousands of letters they had received supporting continuation of the service. There was conflict in the Board about the commitment of the final \$1.6 million, which RA had requested, and eventually a vote was taken, with the commitment to RA being won by one vote on the nine member board. A leaked report some time later actually gave the voting disposition in the Board, revealing that Chairman McDonald, and MD Johns were on the losing side. (Our discussions confirm that the record of voting was accurate.)

In the first week of May, the Senate report was released. (See Attachment 8.) Because of parliamentary timetables, the report was released on the eve of the 1997 budget. Moreover the government had pre-empted the committee by already making public RA's fate for the coming financial year. As a result, the report received little attention.

Nevertheless, it provided valuable documentation about trends in international broadcasting. Moreover, the majority report was a strong endorsement of Radio Australia. It recommended that 'the Government provide sufficient funds at least at current levels for Radio Australia to continue its current range of English and foreign language services' to expand the Khmer language service and to fund a Burmese service. It also recommended that Australia continue to operate international public broadcasting services to the Asia Pacific region, and that such services continue to be associated with the ABC, *but with separately identified funding*.

The Liberal and National Party Senators made a minority report. It is not an impressive document, with the Senators citing at length the derogatory views of retired diplomat

Duncan Campbell, in the end endorsing the government's stance, and, in somewhat of a contradiction, wishing more funds were available.

The shape of Radio Australia's immediate future was confirmed by Senator Alston's budget night (13 May 1997) media release (Attachment 9). He announced 'a \$7.2 million RA service to Pacific Island nations will be funded by the Government. Foreign Affairs and Trade will provide \$4 million a year to cover Tok Pisin programming and National Transmission Authority transmission costs. Communications and the Arts will meet the \$3.2 million costs of English language programming and satellite costs.' (Senator Alston's release also contains the following wonderful specimen of double-speak: 'A total of \$11.2 million from reduced Radio Australia programming costs will be available to the ABC for the maintenance of domestic services.') The final part of RA's budget for the coming year is \$1.6 million from within the ABC's budget to support (reduced) Asian language services in Indonesian, Mandarin, Khmer and Vietnamese. Thus, in sum RA has a budget of \$8.8 million for the coming year to cover both programming and transmission costs (See Attachments 10 and 11).

Essentially, in the government's vision, the fall-back from closure has been that RA will be a Pacific rather than an Asia-Pacific broadcaster. The DOCA commitment was for an English language only service, transmitted exclusively by satellite. Apart from cheapness, this has the rationale of broadcasting to those countries most dependent on RA, many of which now have as a principal means of delivery, domestic re-broadcast after reception of a satellite signal. DFAT added to this some contribution for short-wave transmissions, in recognition of how this was still the principal link between RA and its audience even in the Pacific. It also funded a Tok Pisin service, in recognition of how vital RA is in Papua New Guinea, a country vital to Australia's interest, faced with considerable internal political turmoil, and whose own national broadcaster has all but collapsed as a source of reliable news.

Finally, the ABC Board has committed funding from the ABC budget for the continuation on a reduced basis of four Asian language services. However, funds are

only sufficient to support short-wave transmissions from Shepparton and Brandon. The major facility in the Cox Peninsula near Darwin is now closed, and there is still uncertainty over its future. The government wishes to lease transmission capacity, and it may be - although no guarantees have been given - that RA will be allowed to transmit from Darwin if enough income is generated by such sales. If transmission continues from Shepparton only, the relative weakness of RA's signal would make the value of continuing the Mandarin, Vietnamese and Khmer services extremely problematic.

THE POLITICS OF CLOSURE

As people become caught up in the minutiae of how to cut the ABC's budget or the details of the government's cost-cutting preoccupations, it is easy to forget the enormity of the decisions taken. The arguments and evidence of RA's proponents were considerable, based not only upon historical achievements, but upon contemporary Australian interests and international media trends. It is a truism among all within the political mainstream that the quality of Australia's future will be determined in how well we make our way in the Asia-Pacific region. The timing of this threat to RA coincided with the enormous attention given to independent MP, Pauline Hanson's anti-Asian and racist appeals, and amid apparent doubts about the new government's commitment to the region. It occurred despite the risk that it is likely to be seen as further evidence of a withdrawal into a smaller, less confident, less engaged Australia.

Transnational broadcasting and communication in all forms have increased in volume and intensity. Australia should be well-placed to project itself in this emerging environment, with Radio Australia's established reputation and expertise, and Australia Television's rapid development. Instead the ABC is less of an international broadcaster than it has been for two generations. At the very moment when the value and importance of international broadcasting is increasing rapidly, Australia is abandoning an established reputation and expertise, and giving up the enterprise entirely. It is hard to envisage a more irrational, historically bizarre policy.

The most basic question is why when many larger trends seemed so propitious RA proved so vulnerable. What brought RA to the brink of extinction? In our view, the combination of three conditions sealed RA's fate:

1. That its funding was tied to the ABC's, and with a cost-cutting government, it became a soft target in a larger budgetary game.
2. That the key decisions were made by strategic groups, none of which had a central interest in foreign affairs, and the forces in favour of international broadcasting were essentially sidelined during the key decisions.
3. RA had lost support within key sections of the ABC, at least sufficiently for enough to concur that in the face of an impossible budgetary situation, it was better to sacrifice RA than more valued domestic services.

The first reason for RA's demise is that its fate was tied to the ABC. If Radio Australia had not been part of the ABC's budget, there is little to suggest that the Government would have singled it out for such drastic cuts. RA became a convenient target when a government intent on cost-cutting in general and on punishing the ABC in particular radically cut the ABC's budget. An ABC management confronted by stark budgetary choices zeroed in on international broadcasting. The high profile Mansfield review discovered its simple rationale that domestic audiences were more important than international ones. The Minister no doubt saw it as a way of minimising political damage while also cutting the ABC. Once so targetted RA proved vulnerable because, as always, it was perceived to lack a strong domestic political constituency. ('There are no votes in Radio Australia', a former Cabinet Minister told us.)

More particularly it lacked a strong constituency within the ABC. In an organisation which itself has undergone several management upheavals in the past two decades, there were no sacred cows and precious little institutional memory. Moreover, for a variety of reasons, there was a lack of professional respect for RA within important parts of the ABC. RA also was vulnerable because it lacked a coherent vision of the future. The removal of Australia Television and the perception that short-wave was a declining

medium, and that RA was being slowly squeezed into ineffectualness made it easier for some ABC staff to acquiesce to the recommendation for closure.

While RA also had many allies in the ABC, they were never able to offer in a sustained way an alternative means by which the ABC could meet its budget cuts. In the central organs of the ABC, the part most sympathetic to RA was, in theory, the ultimate governing body, the ABC Board. But this group was only intermittently rather than continuously involved, reacting to management initiatives rather than guiding policy direction. Moreover, faced with the inexorable demands of cost-cutting it also lacked an alternative strategy.

The other aspect of the process was the relatively minor role played by international considerations in the process. One official observed to us that none of the people directly involved - Mansfield, the DOCA officials or Minister Alston and his staff - had ever listened to an RA broadcast abroad. The part of government most sympathetic to international broadcasting was Foreign Affairs. Yet there was no tradition of fruitful involvement by that Department with RA, and especially no tradition of financial involvement. However in the key decisions in Canberra regarding the fate of RA foreign affairs involvements were marginal.

This was partly because of peculiarities of Canberra politics in 1996-97. With a Foreign Minister who had more leverage in Cabinet, RA's fate may have been different. One journalist described Downer to us as the least effective foreign minister, since Tony Street, an affable but barely visible foreign minister in the final years of the Fraser Government (1981-83), who had replaced Andrew Peacock in that role after the latter's resignation and ill-fated leadership challenge against the Prime Minister. (Street, however, had the advantage that he was a close personal friend of his Prime Minister and enjoyed a private access which Downer patently lacked.)

What (partially) saved RA? In February, RA was faced with complete closure. Three months later it had won a reprieve. After frantic public and private lobbying it

had reversed the decision, and won a future for several of its services. In our view, it is not a sustainable basis for effective international broadcasting, but compared with extinction it represents a victory of sorts. What made this possible?

Most basically, RA was saved because the Government lacked control of the Senate, and because international broadcasting was mandated in the ABC Act, and so required parliamentary approval to abandon it. If ever the Government thought it could neatly achieve this, it soon abandoned the idea, given the vocal reaction of RA's supporters and its immediate defence by the Labor Party and the Democrats. (Nevertheless those hoping a change of government might revive RA's fortunes should abandon the illusion. The next Australian election must be held by March 1999, and is likely to be in the second half of 1998. The last Australian government to be defeated at its first attempt at re-election was the Scullin Labor Government during the depths of the depression in 1931. Given the size of Howard's victory and the difficulties of Labor mounting an effective opposition so soon after thirteen years in government, it is fairly certain that the Howard Government will be re-elected.)

RA was also saved by the enormous public response to news of its imminent demise. The respect and affection which it had built over the generations, both domestically and internationally, was mobilised - assisted, of course, by RA staff and management. It is hard to be definitive about how such an intangible affected the concrete deliberations of government ministers, bureaucrats and the ABC Board, but it is safe to assume that without the uproar the outcome would have been even worse for RA.

The Diffusion of Responsibility. The processes and justification of the decision to cut Radio Australia are a telling example of where the assumption of responsibility is everywhere elsewhere. Equally curiously, those recommending closure overwhelmingly avoided public consideration of the international broadcaster's performance and value.

It is important to clarify what Mansfield did and did not say. Mansfield's report, and his subsequent public comments, cannot be construed as arguing that international

broadcasting should be eliminated. Rather he is quite precise in arguing that they should not be part of the ABC's budget.

Mansfield's method was to set domestic and international broadcasting in opposition, and argue that if forced to choose between the two, everyone he spoke to would choose the former. He made no judgement about the intrinsic worth or effectiveness of international broadcasting. Then, whatever aspect of the issue was raised, Mansfield simply kept parroting his simple mantra: if you had to choose between domestic and international, anyone would choose domestic. In private commentary, the view was frequently encapsulated in a phrase, whose author remains prudently anonymous, that a peasant in Longreach was worth more than a peasant in Guangdong. As mentioned earlier, Mansfield offered no substantial case for closing Radio Australia or selling Australia Television. He did not examine their effectiveness or performance.

He made much of his claim that the ABC charter gave 'equal weight' to domestic and international broadcasting, but as the Senate committee concluded this was specious, when put alongside the fact that international broadcasting represented around three per cent of the ABC's budget.

At a public meeting in February, Mansfield said:

My terms of reference were to look at the ABC. I wasn't asked to look at Australia's foreign policy. I recognised very clearly when I made the recommendation to close down Radio Australia that there was another spectrum of consideration. The government has set up a Senate sub-committee to look into that. From the ABC's point of view, it must face the fact of living within the budgetary restraints the government has made. Spending more than \$20 million on Radio Australia could eventually mean cutting reporters in Townsville, Cairns, Rockhampton, Alice Springs and Central Australia. The Australian community was unanimous in telling me it wanted no more cuts to the local ABC services. There was an absolute commitment to domestic broadcasting. And

it's in that vein that I made that recommendation for Radio Australia. (Quoted, Report of the Senate Foreign Affairs, Defence and Trade References Committee).

Even here Mansfield committed a basic error. It was not the government which set up the Senate committee. In fact, it was set up despite opposition from the government, which said it was a waste of time, that the decision on RA was already made.

At this meeting, one of the authors put to Mansfield that on the figures quoted in his report, with RA's program budget an annual sum of \$13.5 million and its weekly audience of perhaps 5 million, then each weekly listener was costing less than \$3 annually, and asked by how much it would need to be cut to be in his view value for money. He replied that that was not his way of approaching the matter, that his task was to look at the ABC, not at foreign policy. When asked whether he was saying that intrinsically international broadcasting was not worth doing, or whether given the government-imposed budget cuts, the ABC could not afford it, he said that he could only repeat his previous answer, and added that people in business were used to having to work within a budget.

In the report itself, Mansfield had said that 'I am strongly of the view, that if the government wishes to maintain an overseas broadcasting service that, as in the United Kingdom, the funding of these services should be considered in the context of the public diplomacy effort' (p.42). Whatever one's reservations about the reasoning and quality of argument in the Mansfield report, it is true that international broadcasting is a separate priority from general funding for the ABC. That is of course a quite different proposition from saying it should cease to exist, but especially in the absence of any positive recommendation from Mansfield that it should be funded separately by parliament, it became in effect a recommendation for closure.

Similarly the ABC's public stances deflected its own role in the decision. For example, on April 2, at the Senate committee's first day of public sittings, Managing Director Brian Johns began his statement to the committee (see Attachment 5) by declaring:

The issue for the ABC is not whether we still have a commitment to international broadcasting. Without hesitation I can assure you we do have a commitment. A commitment which dates back more than half a century.

That is not the central issue for the ABC. The issue is funding ... Reduced funding of the magnitude proposed must lead to a reduction in programs and services. That is the unavoidable reality.

For the ABC decisions about the future of Radio Australia will occur within the context of funding. *They will not be made on the basis of judgements about its performance or the future of short-wave transmission.*

The statement is disingenuous in that it masks any active role by the ABC in setting priorities. It studiously avoids any consideration of the question of why with a budget of \$500 million, international broadcasting is impossible, but with one of \$520 million it can be done.

The public statements of Government ministers likewise manifest several inconsistent rationales. One common theme was to argue that it was simply a decision for the ABC, nothing to do with the government. For example, when questioned by a Radio Australia reporter, while on a visit to China, Prime Minister Howard disavowed responsibility, saying it was the ABC's decision, not the government's. The Minister for Communications, Alston, sometimes took up this theme, but it was accompanied by several brief derogatory statements about the value of short-wave broadcasting and the impossibility of competing in the crowded international satellite TV market, and also somewhat threatening noises about further possible cuts to the ABC if it chose to continue supporting Radio Australia.

The political process by which RA has been reduced to ineffectualness was marked by the avoidance of responsibility, by the key participants all denying their role in the decision. The arguments and evidence mounted in RA's defence were rarely rebutted. Rather they were deflected or ignored.

CONCLUSION

Unless there is some currently unsuspected benefactor for international broadcasting, the future for RA looks bleak. The current truncated operation is not a formula for effective international broadcasting. The ABC's funding problems are far from over. It is likely that, especially those Asian language services where audibility will be most problematic (Mandarin, Vietnamese, and Khmer) will be squeezed or abolished in coming years unless some new transmission arrangements are made. Further cuts are not likely to provoke the strong public outcry just seen.

Almost immediately, developments in Asia highlighted the changes. Firstly, of course, the closure of the Cantonese service coincided exactly with the handover of Hong Kong back to China. The closure of the Cox Peninsula transmitters from July was followed a few days later by a tense and dangerous period of factional fighting in Phnom Penh. At a time when RA's voice could have been of vital importance and comfort to expatriates prior to their evacuation, RA's transmissions in Khmer and English were barely, if at all, heard.

On July 17, Communications Minister, Senator Alston, was in Bangkok on an overseas tour. Asked by an ABC correspondent about the lack of Radio Australia's reception in Cambodia, he said 'no-one has raised that with me here.' Did he regret the closure of transmitters? He replied 'I don't think there's any shortage of information sources either in Australia or the region. People know precisely what's going on. They either tune to CNN or they pick it up through a variety of local broadcast facilities. So I don't think short-wave service is being relied upon to any significant extent in this region.'

A coup de grace from afar?