



13 November 2018

Committee Secretary  
Senate Standing Committees on Environment and Communications  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Committee Secretary

I write to you in the context of the current Senate Environment and Communications References Committee inquiry into allegations of political interference to the Australian Broadcasting Corporation (ABC). The matters raised in this inquiry go to the substance of public service broadcasting, why our society chooses to invest in a public broadcaster and the critical function the ABC performs in our democracy.

Australians have a deep and abiding trust in the ABC, recognising that because it is free from political agendas and commercial imperatives the only reason for its being is to serve the public interest. Public confidence in the ABC and in its integrity is essential if it is to fulfil its role as the national broadcaster. This level of confidence can only be sustained through the protection of editorial independence, operational self-determination and budgetary security.

First and foremost, the ABC's independence is enshrined in the *Australian Broadcasting Corporation Act 1983* (the **Act**). The legislation sets out that:

- It is the duty of the Board to maintain the independence and integrity of the Corporation.<sup>1</sup>
- The Managing Director manages the affairs of the Corporation.<sup>2</sup>
- The ABC is responsible for the development of its Code of Practice, which informs the Corporation's editorial and programming decisions.<sup>3</sup>
- While the Minister may bring Commonwealth policy to the attention of the ABC, the ABC need only give consideration to that policy.<sup>4</sup> The ABC must also provide the details of such ministerial advice in its annual report.<sup>5</sup>
- The Corporation has the power to do all things necessary to perform its functions.<sup>6</sup>

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<sup>1</sup> *Australian Broadcasting Corporation Act 1983* (Cth) s8(1)(b)

<sup>2</sup> *Australian Broadcasting Corporation Act 1983* s10(1)

<sup>3</sup> *Australian Broadcasting Corporation Act 1983* s8(1)(e)

<sup>4</sup> *Australian Broadcasting Corporation Act 1983* s8(2)

<sup>5</sup> *Australian Broadcasting Corporation Act 1983* s80(e)

<sup>6</sup> *Australian Broadcasting Corporation Act 1983* s25(1)

- The Corporation must develop and maintain an independent service for the broadcasting of news and information.<sup>7</sup>

The protective powers of the Act ensure a strong foundation upon which the ABC has built an editorial framework, which includes:

- Comprehensive editorial standards and guidelines.
- A process of upward referral that delivers practical and effective editorial oversight and responsibility.
- Editorial training for all ABC content-makers.
- An independent public complaints process that allows the public to raise concern over potential editorial breaches.

Recognising that the ABC is the steward of public funds, this independence is coupled with accountability to the taxpayer through obligations to report on its management and operations, parliamentary scrutiny through the Budget Estimates process, and public recourse for editorial complaints through the broadcasting regulator, the Australian Communications and Media Authority.

The enabling legislation in the Act and the maintenance of effective practice and protocols have stood the ABC in good stead in protecting it from any real or perceived external editorial influence, leaving it free to act only in the public interest.

The prohibition of advertising on the ABC ensures that it is unencumbered by any commercial imperative that may influence its editorial or operational decisions. However, while the Corporation has absolute discretion as to the application of such funds available to it, as the majority of its funding is delivered through government appropriation there is an inexorable link between government and the Corporation.

By convention, since 1989 the ABC has been funded through a triennial cycle. However, since such funding decisions are an exercise of ministerial power or government policy decisions, they are discretionary. In effect this has two overlapping and potentially detrimental outcomes for the Corporation:

- The funding amount and timing of such appropriation is unilaterally made by the government of the day.
- The exercise of this financial control may create an environment where perceived or real political influence on the ABC's editorial independence is possible.

In order to ensure the ABC's statutory role is carried out and independence not only safeguarded but seen to be safeguarded, it is essential that the Commonwealth guarantee stable and sufficient funding for the national broadcaster. This will ensure that the ABC is not under threat of capricious or arbitrary political decisions that may influence or be perceived to influence ABC editorial or management decisions.

The Corporation would welcome consideration of alternative funding arrangements that would deliver a greater level of financial certainty, provided that the model includes two key elements:

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<sup>7</sup> *Australian Broadcasting Corporation Act 1983* s27(1)

- A level of funding sufficient to allow the ABC to meet its obligations, including indexation settings that reflect rising industry costs.
- Funding set a number of years in advance, both to protect against actual or perceived political interference and to provide the Corporation with the ability to plan for the future.

Through this Inquiry it may be possible to explore alternative models that will ameliorate the ABC's funding processes and therefore protect and enhance its social contract with the Australian people. I welcome the opportunity to discuss this further with the Committee.

Yours sincerely

**David N Anderson**  
**Acting Managing Director**  
**Australian Broadcasting Corporation**

