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ABC ALUMNI LIMITED SUBMISSION TO  
SENATE STANDING COMMITTEES ON ENVIRONMENT AND  
COMMUNICATIONS:

## **Inquiry into media diversity in Australia**

10 December 2020

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### **INTRODUCTORY STATEMENT**

ABC Alumni Limited represents a community of more than 300 former staff and supporters of the Australian Broadcasting Corporation – many of them experienced reporters, editors, and senior news managers. We support fully funded, high quality, independent, ethical and free public media in Australia. Our objectives are to promote excellence across all media platforms through advocacy, education, mentoring, public forums and scholarships.

## EXECUTIVE SUMMARY

The terms of reference for this inquiry are broad, and the issues involved complex and contentious. This submission takes it as a given (supported, among many other such reports, by the Final Report of the recent ACCC inquiry into digital platforms) that the business models of commercial media in Australia, and globally, are facing a crisis, and that as a consequence media diversity, and the provision of public interest journalism, especially at the local level, has suffered.

ABC Alumni has limited resources, and in this submission we do not attempt to address all the inquiry's terms of reference, or to engage in debates that others will undoubtedly pursue.

We have restricted ourselves to making three recommendations:

**In Section 1, (pp 4-5) we address access to reliable, accurate and independent news (term of reference a).**

We argue that as the most trusted source of public interest journalism in Australia, the ABC could and should be a part of the solution: but that it can only be so if sustained by stable funding, sufficient for it to meet its charter obligations, and to provide accurate, reliable and independent news to rural and regional Australia. At present, its funding is neither stable nor sufficient.

**In section 2 (pp 6-8) we address one effect on democracy of the concentration of media in Australia (term of reference b).**

We focus on the broadcast on one of WIN's free-to-air channels of the output of Sky News Australia. We point out that the Free TV Code of Practice, which governs free-to-air commercial television, no longer even implies (as arguably it used to do) that in news and current affairs programs, over time, licensees should give some coverage to all principal points of view on contentious matters; we submit that Sky News Australia (unlike traditional news and current affairs on free-to-air television) makes no attempt to do so; and we recommend that the Committee consider whether it should be required to do so, at least when it is broadcast on the public spectrum.

**In Section 3 (pp 9-10) we address aspects of terms of reference (e) (h) and (j): the impact of online global platforms such as Facebook and Google; the state of regional and rural media outlets; and the role of government in supporting diverse public interest journalism.**

We note that the government has decided to include the public broadcasters in the Mandatory Bargaining Code that will govern negotiations between news media organisations on the one hand and Google and Facebook on the other.

We suggest that, should these negotiations produce substantial payments to the ABC and SBS, the Committee consider the feasibility of those payments being earmarked for a Public Interest Journalism Foundation that could fund and administer a scheme similar to the BBC-funded Local Democracy Reporting Scheme in the UK.

## **SUBMISSION**

### **SECTION 1: Term of ref (a) – ‘barriers to voters’ ability to access reliable, accurate and independent news’:**

1.1 The ABC is the most trusted source of reliable and accurate news on the topics most relevant to Australians, from bushfire and flood to international affairs. This has been shown to be true in survey after survey over many decades.

1.2 Unlike the output of many commercial media organisations, the ABC’s journalism is freely available, on radio, on television, online and on mobile devices, almost everywhere in Australia. The main ‘barrier’ to a better service is the steady diminution, in real terms, of the ABC’s funding, especially since 2013. Despite the ABC’s crucial work informing the public during last summer’s bushfire crisis, and during the current pandemic, the government has refused to rescind the decision made in the Turnbull government’s 2018 budget that ABC funding should no longer be indexed, resulting in a cut, in real terms, of an estimated \$80 million over the ensuing four years.

1.3 Despite these cuts, the ABC under previous managing director Michelle Guthrie, and under current MD David Anderson, has directed substantial funds, generated partly by additional taxpayer funding tied to news gathering, and partly by savings elsewhere, to enhance the ABC’s regional news coverage. Most of the ABC’s 48 regional bureaux now employ at least one full-time video-journalist, contributing audio, video and text stories to local and state-based bulletins and web-sites.

1.4 The continued pressure by members of parliament, especially in the National Party, for more and better regional news coverage is understandable, but is incompatible with the simultaneous demand that the ABC do more with less. Many members of parliament do not seem to understand that reduced funding leads inevitably to centralisation. For example, the old state-based versions of the 7.30 Report cost many millions of dollars more than the Sydney-based national program that superseded them in the 1990s. Later, further cuts in funding forced the ABC, reluctantly, to drop the once-a-week state-based current affairs program, Stateline. In the view of ABC Alumni, the lack of a television forum for the scrutiny of state government and policy is deeply regrettable. But we accept that Stateline could have been retained only at the expense of even more savage cuts elsewhere in the ABC’s output.

1.5 As the Committee will no doubt hear from many other submissions, and as detailed in the Final Report of the ACCC Digital Platforms Inquiry<sup>1</sup>, the commercial media business models that sustained both print and television are under severe pressure, which impacts particularly on rural and regional media. Too many regional newspapers and television newsrooms have been closed down. Yet many, especially in the Coalition, seem to think that, since the commercial media are suffering, the ABC's budget should be reduced to inflict similar suffering on the public broadcaster. ABC Alumni deplores this faulty logic. Regional and rural citizens, and their ability to participate in a lively and well-informed democratic process, are the real victims.

**RECOMMENDATION 1: ABC Alumni endorses and applauds Recommendation 9 of the ACCC's Digital Platforms inquiry: that 'stable and adequate funding should be provided to the ABC and SBS in recognition of their role in addressing the risk of under-provision of public interest journalism'. In the past seven years, ABC funding has been neither stable nor adequate. To facilitate sensible forward planning, funding for the ABC and SBS should be agreed for a five-year period, rather than three. At the end of each five-year period, an independent inquiry should critically review the charter performances of both public broadcasters in the context of the media diversity prevailing at the time.**

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<sup>1</sup> ACCC Digital Platforms Inquiry Final Report, June 2019, Part 1, Chapter 6, section 6.8  
<https://www.accc.gov.au/system/files/Digital%20Platforms%20Inquiry%20-%20Final%20report%20-%20part%201.pdf>

## **SECTION 2: Term of ref (b) – ‘the effect of media concentration on democracy in Australia’**

2.1 News Corp Australia editors, columnists and TV presenters have been much given to criticizing the ABC, arguing that its commitment to impartial journalism is a sham. More than 500,000 Australian citizens, on the other hand, have recently signed a petition calling for a Royal Commission into the dire effects on Australian democracy of the political partiality displayed by News Corp organs.

2.2 ABC Alumni does not wish to involve itself in this argument, except to make the following points:

2.3 Since News Corp bought full control of Sky News Australia in late 2016, it has pursued a niche market of one political stripe, especially in prime time, making less and less attempt to provide its viewers with a range of views over time. (The recent reported claim by Paul Whittaker, CEO of Sky News, that its prime time programming offers the public ‘a much greater diversity of voices than the ABC’ is, in our opinion, laughable.)

2.4 WIN Television, whose licences cover a broad range of regional Queensland and NSW, has come to a commercial agreement with News Corp to broadcast Sky News on one of its digital free-to-air channels.

2.5 The Commercial TV Industry Code of Practice, approved and enforceable by the ACMA, used to require that ‘news and current affairs programs must broadcast factual material accurately and represent viewpoints fairly’.<sup>2</sup> (The subscription TV Code of Practice has always been less prescriptive in this area.)

2.6 Mainstream commercial news and current affairs on free-to-air TV traditionally took the code to mean that all principal viewpoints on a contentious topic should be covered fairly over time.

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<sup>2</sup> The Commercial TV Industry Code of Practice 2010, clause 4.3.1 This code is no longer available on the internet. It was provided to ABC Alumni by the ACMA.

2.7 The Commercial TV Industry Code of Practice was changed in 2015. It is now more specific: licensees must ‘ensure viewpoints *included in the program* are not misrepresented’.<sup>3</sup> There is no longer even an implicit requirement that all major viewpoints should be presented over time. Anyone complaining to the ACMA about the one-sided nature of Sky News’s analysis and commentary, whether on a free-to-air WIN channel or on its subscription service, would find that no clause of the relevant codes supports such a complaint.

2.8 By contrast, the ABC’s Editorial Standards<sup>4</sup> specifically require its program-makers to ‘present a diversity of perspectives so that, over time, no significant strand of thought or belief within the community is knowingly excluded or disproportionately represented’ (4.2), and NOT to ‘unduly favour one perspective over another’ (4.5). Citizens who believe that the ABC does not give adequate coverage to major viewpoints DO have grounds for a complaint to the Corporation, and ultimately, to the ACMA.

2.9 In the 1980s, the Reagan Administration in the USA abolished the ‘fairness doctrine’ that had been applied by the FCC to news and current affairs on TV and radio. It was Rupert Murdoch’s (and Roger Ailes’s) Fox News that first discovered the huge ratings available to broadcasters who did not feel constrained by the need to fairly represent a diversity of perspectives. Since the mid-1990s, cable news channels that espouse a particular political point of view (whether ‘liberal’ or ‘conservative’, in the American sense of those terms) have far outrated the original cable news channel, CNN, which has stuck obstinately to the ideal of impartial, objective news (in its own eyes, at least). The effect on the cohesiveness of the American polity of the rise of highly partisan subscription television and free-to-air ‘talk’ radio is all too obvious.

2.10 WIN TV, as a broadcast licensee, uses a public good – the radio wave spectrum. It is also a beneficiary, to the tune of some \$4.5m, of the government’s Public Interest News Gathering program, which aims to enhance public interest journalism in the regions (see section 3 below).

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<sup>3</sup> Commercial TV Industry Code of Practice 2015, clause 3.3.1, accessible at <https://www.acma.gov.au/publications/2019-10/rules/commercial-television-industry-code-practice-2015>

<sup>4</sup> ABC Editorial Policies, standards 4.2 and 4.5, <https://edpols.abc.net.au/policies/4-impartiality-and-diversity-of-perspectives/>

**RECOMMENDATION 2: *ABC Alumni is firmly against government-mandated censorship, and in favour of press freedom. Yet we suggest that the Committee might consider whether some requirement that diverse points of view be fairly represented over time should be an explicit requirement of broadcasters licensed to use the public spectrum.***



**SECTION 3. Terms of ref (e) (h) and (j): the impact of online global platforms such as Facebook, Google and Twitter; the state of regional and rural media outlets; and the role of government in supporting diverse public interest journalism**

3.1 The impact of the major digital platforms on journalistic output in Australia, particularly in rural and regional areas, has been well documented by the ACCC in its Final Report, and recognised by the government's proposed Mandatory Bargaining Code.

3.2 We note the government's decision to allow the public broadcasters to share in the proceeds (if any) of the current negotiations. The ABC has undertaken to allocate any proceeds to the enhancement of its rural and regional reporting; and the Minister has stated publicly that it would not be the government's intention to attempt to claw back any such payments by the digital platforms by further cutting the ABC's taxpayer-funded budget.

3.3 However, as we have seen many times in the past, the ABC's budget can be cut at any time, regardless of previous undertakings. And the pressure to do so might be greater if the ABC is seen (as it sometimes is) as using public money to outcompete commercial rivals, especially in the regions where funding difficulties are most acute.

3.4 In their joint comments on the proposed Mandatory Bargaining Code, the Public Interest Journalism Initiative (PIJI) and the Judith Neilson Institute (JNI) suggest that any funds payable to the public broadcasters under the Code should go to the foundation of a public interest journalism fund, rather than to the ABC and SBS direct.<sup>5</sup>

3.5 PIJI and JNI leave undefined the functions and governance of the proposed public interest journalism fund; and their submission does not mention the federal government's \$50m Public Interest News Gathering (PING) scheme.

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<sup>5</sup> Joint submission by PIJI and JNI on ACCC's *Treasury Laws Amendment Bill 2020 Exposure Draft*, pp 21-22 <https://piji.com.au/wp-content/uploads/2020/08/piji-jni-joint-submission-acc-c-draft-code-legislation.pdf>

3.6 The PING scheme is comparatively generous (probably more so than any expected payment by the digital platforms to the public broadcasters is likely to be). However, our understanding is that it is a one-off program aimed at alleviating the crisis for regional media companies caused by the COVID-19 pandemic.

3.7 There is, in our view, room for a different scheme which specifically targets public interest journalism in the regions, which does not involve direct government funding, and which encourages co-operative rather than competitive behaviour between public broadcasters and commercial providers.

3.8 We note that in the UK, Canada and New Zealand various versions of a scheme called, in the UK, the Local Democracy Reporting Service (LDRS) have been instituted. The UK scheme has been funded from the BBC licence fee. Some 150 specialist journalists, dedicated exclusively to reporting on the activities and decisions of local government, are funded by the BBC but are hosted and supervised by local newspapers and radio stations. Their output is available to all members of the LDRS, including the BBC.<sup>6</sup>

3.9 The scheme has the advantage that it is explicitly restricted to the production of public interest journalism of a particular kind, and is administered by the BBC, at one remove from government.

3.10 In its present state of funding, the ABC could not possibly undertake to fund such a scheme – and indeed the BBC is now seeking to transfer the scheme to a charitable institution to facilitate outside funding. However, if the public broadcasters were to be included in the Google/Facebook bargaining regime, and if substantial funds were forthcoming as a result, one potential use of those funds might be the setting up of a similar scheme, to be administered by the ABC or by some other independent body.

**RECOMMENDATION 3: *That the Committee explore with major stakeholders the feasibility and usefulness of setting up a scheme similar to the UK's Local Democracy Reporting Service, possibly funded, in part or in whole, by the public broadcasters' share of the proceeds of the Mandatory Bargaining Code.***

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<sup>6</sup> For more details on the UK LDRS see <https://www.bbc.com/lnp/ldr> For the New Zealand scheme see <https://www.rnz.co.nz/ldr/about>

We thank the Committee for its consideration of this submission.

ABC Alumni representatives are available to appear at Senate inquiry hearings, preferably in Sydney.

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**Submitted on behalf of ABC Alumni by:**

Jonathan Holmes, Quentin Dempster, Helen Grasswill, Greg Wilesmith and Matt Peacock

**Contact:**

[ABCAlumniAustralia@gmail.com](mailto:ABCAlumniAustralia@gmail.com) /

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*Authorised by Matt Peacock, Helen Grasswill and Greg Wilesmith  
Directors, ABC Alumni Limited [ACN 628 088 371]*