

# Submission to the Inquiry into the allegations of political interference in the Australian Broadcasting Corporation by the Senate Environment and Communications References Committee

## **Prepared by**

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on behalf of the Journalism Education and Research Association of Australia (JERAA)

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On 16 October 2018, the Senate referred matters related to the allegations of political interference in the Australian Broadcasting Corporation (ABC) to the Environment and Communications References Committee for inquiry and report by 29 March 2019. The full terms of reference are:

- (a) the termination of ABC Managing Director, Ms Michelle Guthrie;
- (b) the conduct of the Chair and the Board;
- (c) the structure, composition and appointments of the ABC Board;
- (d) the political influence or attempted influence of the Government over ABC editorial decision-making, including:
  - (i) outcomes of the Competitive Neutrality of the National Broadcaster Inquiry and Efficiency Review – ABC and SBS, and
  - (ii) the role of funding uncertainty in facilitating political influence;
- (e) governance, legislative and funding options to strengthen the editorial independence and strength of the ABC to prosecute its charter obligations; and
- (f) other related matters.

The Journalism Education and Research Association of Australia Incorporated (JERAA Inc.) welcomes the opportunity to make a submission to the Senate Environment and Communications References Committee's Inquiry into allegations of political interference in the Australian Broadcasting Corporation.

JERAA is the peak body of Australian journalism educators and researchers from tertiary education and industry organisations. JERAA's primary aim is to raise the standard of teaching and training in journalism in order to foster excellence and integrity in the future generation of journalism practitioners. JERAA also supports research, with the understanding that research can help communities to identify trends and issues, resolve problems, and promote or celebrate excellence in journalism and journalism education. JERAA runs annual awards and grants for journalism students and journalism researchers to recognise and encourage quality in journalism practice, study and research.

This submission, prepared on behalf of the association by its president and secretary, addresses some of the questions posed to stakeholders of the national broadcasters in the inquiry's terms of reference paper. As a core role of the ABC is to provide news and current affairs, and as JERAA members are responsible for educating the next generation of journalists, we consider ourselves an interested stakeholder.

### **Recommendations:**

JERAA has two major recommendations for the Inquiry:

- a) Overhaul the funding model for the ABC to ensure it adheres to the act of parliament governing the ABC's activities. This would mean funding is set at levels sufficient to maintain the "independence and integrity of the Corporation" into the future, including the required funding to maintain its technological competitiveness in a fast-changing broadcasting environment .
- b) Revamp the selection process for board appointments to ensure a bipartisan nomination panel, and to reduce or preferably remove political interference, real or perceived, in the panel's recommendations to the Minister.

### **Overview:**

JERAA strongly supports the public sector broadcaster, the ABC, and is concerned by increasing reports in recent years of political interference, whether real or perceived, in its operations. The independence and integrity of the ABC is enshrined in its governing act. The ABC is vulnerable, though, to political interference because it is funded by the federal government of the day and one of the ABC's primary responsibilities is to report without fear or favor on the activities of government. Independent scrutiny of government, regardless of its party political affiliation, inevitably means that at some stage the ABC will air reports critical of government. Politicians, again of any party affiliation, may well disagree, sometimes vehemently, with such reports and are likely to try and combat individual reports and reporters and to curtail the ABC's operations. Politicians can complain to the ABC about its reporting, and, if they are unsatisfied with the outcome, can take their complaints as far as the Australian Communications and Media Authority (ACMA). They can make partisan appointments to the ABC's board. They can also reduce the ABC's funding, meaning there are fewer journalists employed by the corporation to do the kind of independent reporting that can anger politicians. Governments both Liberal and Labor have done all of these things, as has been amply documented across the 1166 pages of Ken Inglis' history of the ABC. Inglis' two volumes, it should be noted, take the ABC's history up to only 2006.

The ABC, then, is in the delicate position that the independence of its operations are protected by its governing act but it is reliant for funding on a body that it is duty-bound at times to criticize. The proverb "Don't bite the hand that feeds you" is a counsel for self-interested caution; that is hardly the

way to encourage fearless journalism but that is the ABC's unenviable lot. Which is why protections of its financial – as well as editorial – independence need to be welded into place. We might wish that all politicians abstained from interfering with the day-to-day running of the broadcaster but that brings to mind another proverb: “If wishes were horses, beggars would ride”. It may seem that we are laboring the point about the importance of the ABC's independence but one of the most striking things in the *Four Corners* program about the forced departures of the managing director and the chairman that aired on ABC television on 12 November 2018 was that neither the chair nor the managing director expressed unequivocally the importance of resisting pressure from government over the editorial operations of the public broadcaster. Indeed, the former chair, Justin Milne, described the federal government as the ABC's shareholder, its banker and its regulator. This is an extraordinary misunderstanding of the ABC Act (1983). The government may be the ABC's banker but it is not the ABC's shareholder. That role belongs to the general public and even the term shareholder defines people narrowly as financial stakeholders rather than as citizens. Nor is the government the ABC's regulator; that role belongs to ACMA, a statutory authority that acts independent of the executive. That an unequivocal expression of the ABC's independence was not uppermost in the minds of either the chair or the managing director speaks volumes about the wearing effect on ABC executives and staff of years of relentless complaining, carping and browbeating by politicians.

The ABC has many functions, including provision of entertaining and educational programming, and these are important to the nation's cultural health. It is in the provision of news and current affairs, in particular investigative journalism, that the ABC not only informs Australians but plays a role in scrutinizing institutions and people in positions of power and authority, which is vital for the health of Australia's democracy. The significant number of award-winning reports by ABC journalists over the decades, which have prompted governments to set up royal commissions and, at times, make legislative changes, show the enduring need for a well-resourced ABC in Australia. This is as important as ever right now with commercial news organisations still struggling to adapt their business models to the digital age. In the recent 2018 Henry Mayer lecture, Morry Schwartz, publisher of Black Inc., asserted that the ABC had become Australia's “paper of record”.

The recent tumultuous events at the ABC stand out for the forced departures of both a managing director and chair of the board, but tumult and controversy have been entwined in the ABC's history precisely because of its entwined financial relationship with government. Governments of all persuasions have, since its inception, put pressure on the corporation from time to time with the recent funding cuts and funding freeze putting significant pressure on the organization. Further to that, in the past three years there have been a multitude of inquiries into the ABC either directly or indirectly that have impinged on the national broadcaster and its ability to meet its charter responsibilities. These include but are not limited to the following:

- Inquiry into the allegations of political interference in the Australian Broadcasting Corporation (ABC) 2018
- The Review of Australian Broadcasting Services in the Asia Pacific 2018
- Inquiry into the National Broadcasters Legislation Amendment (Enhanced Transparency) Bill 2017
- Inquiry into the Communications Legislation Amendment (Regional and Small Publishers Innovation Fund) Bill 2017
- Inquiries into the ABC Amendment (Fair and Balanced) Bill 2017
- The ABC Amendment (Rural and Regional Measures) Bill 2017
- Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015

In addition, complaints to the broadcaster from politicians (amplified and in some cases inflamed by commentators sympathetic to the current federal government) about various reporters and reporting has put pressure on managers within the ABC, and eroded staff morale. Journalists are unlikely to admit to self-censorship in a bid to mollify the government but it would be a brave journalist at the ABC right now who did much that might anger a Federal Coalition MP, lest they find

themselves being attacked in a manner similar to that experienced by national economics correspondent Emma Alberici or national political reporter Andrew Probyn. Further, substantial cuts to the ABC budget have seen a large number of experienced journalists depart for other broadcasters or exit the news media industry altogether. Hence the urgency of restoring funding to the ABC and strengthening its independence from potential government interference.

### **Trust in the ABC**

It is also important to underscore the regard in which the ABC is held by the Australian public. The ABC is trusted by 80 percent of the Australian public, according to the Roy Morgan *MEDIA Net Trust Survey* which revealed in May 2018 that the ABC was by far the nation's most trusted media organization. To quote the report: "Australians told us that their trust of the ABC is driven by its lack of bias and impartiality, quality journalism and ethics."

### **Funding:**

JERAA believes the current funding of the ABC is inadequate for the task of a public sector broadcaster charged with the provision of accurate, impartial and robust reporting and certainly not appropriate to prepare the ABC for significant changes to the broadcast environment. Figures show that Australia's two national broadcasters, the ABC and SBS are vastly underfunded compared to other public sector broadcasters internationally. According to figures compiled by the ABC in mid-2018, "Australia invests 34% less per person in public broadcasting than the average of comparable democracies, leaving the ABC with one-eighth the funding of the BBC to serve one-third the population". Clearly the government (and previous governments) have used the triennial funding system to reduce budgets, and threatened to reduce them. JERAA has previously argued that the Australia Government has both a national and global responsibility to properly fund the ABC to ensure it can produce public interest journalism. The recent funding cuts to the public broadcasters run counter to this goal. The ABC should be funded to at least the level before the last round of cuts that began in 2014.

Other democratic countries that support public sector broadcasting provide funding through schemes that are at arm's length of the government of the day. These include the license fee for the BBC in the United Kingdom, or, in Scandinavia, as part of an electricity bill. A study published in 2011 of democratic European countries showed that government funding of public broadcasters did not hinder the broadcasters' editorial independence. A report from the London School of Economics and Political Science further argued that: "Such support need not compromise media independence if safeguards such as statutory eligibility criteria are in place" (Schweizer et al. 2014, p. 3).

Benson, Powers and Neff (2017) outlined a matrix of provisions that are necessary to protect the editorial independence of government-funded broadcasters. These include:

- Multi-year rather than single year funding agreements; the latter work against long range planning and are susceptible to being used by governments as leverage in editorial matters;
- A preference for license fees levied on all households owning a television rather than provision of direct government funding. In the digital age, the fee can be levied on devices which are used to stream content on television screens;
- Whatever the nature of the funding stream, it needs to be adequate to enable broadcasters to produce public interest journalism;
- Legal charters guaranteeing editorial independence and setting out its terms are essential;
- Governance of broadcasters should be distanced from direct government involvement. Boards of directors should not have a direct say in the day-to-day running of the broadcaster and the appointments process for boards should be kept at arm's length from ministers;
- There should be some form of external regulation or oversight of publicly funded broadcasters to ensure accountability for spending public money but this body needs to be independent from the government of the day (pp. 1-22).

### **Board Appointments:**

It is fair to say that when in government both major political parties have made partisan appointments to the ABC board since the setting up of the corporation in 1983. It is also fair to say that the federal Labor government, when it was last in power, made a serious attempt to reduce the possibility that either side of politics could unduly stack the board, and that the Coalition governments that succeeded Labor have exploited loopholes in the appointments process and continued to politicize it. The process urgently needs to be overhauled and on this issue, JERAA supports the proposals made by the Australia Institute in a September 2018 paper on the issue entitled “Depoliticising the ABC board and appointment process”.

### **Sacking of the Managing Director:**

JERAA has no particular insight into the internal workings of the ABC board, or the decisions of the chair and board which led to pressure on the corporation’s senior managers and ultimately the sacking of the managing director. However we note that the termination of the managing director is currently before the Fair Work Commission and we acknowledge that the legislation states that the managing director holds office, on such terms and conditions as are determined by the board, and therefore it appears that the board is within its rights to terminate the managing director. Whether proper processes were followed in this case is still being debated; the *Four Corners* program aired on 12 November contained a good deal of new information about the events in question and will no doubt be required viewing for this committee.

### **Complaints about the ABC’s editorial direction**

JERAA appreciates that all news organisations, including the ABC, will from time to time have issues with their news reporters. This is probably inevitable given the necessarily rushed and contested environment that is daily journalism. However, there are already mechanisms in place to hold the ABC to account when issues arise. Indeed, the ABC is subjected to more layers of accountability than any other news organization in the country. Beyond the layers of internal editorial standards and complaints processes, there is also ACMA which can and does play the role in regulating the ABC. It is noteworthy, though, that of the 90 complaints made to ACMA about the ABC in the past three years fewer than five have been upheld. It can certainly be argued that this level of regulation is appropriate given that the ABC is funded by taxpayers but the many layers of accountability, which includes regular appearances by ABC executives before senate estimates committees, gives politicians and other critics far more ammunition to fire at the ABC than at other news organisations.

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