

Inquiry into the allegations of political interference in the ABC

Submission

The Australia Institute
November 2018

The Australia Institute welcomes the opportunity to make a submission to the Senate Environment and Communications References Committee Inquiry into the allegations of political interference in the Australian Broadcasting Corporation.

The Australia Institute has conducted research into the public broadcasters, especially the ABC, for many years. We have written three reports that are particularly relevant for this Inquiry, which we have attached as part of our submission.

This briefing paper outlines the three reports and explains how they correspond to the inquiry's terms of reference.

We are available for follow up questions from the Committee, whether in relation to our existing research or other issues as they arise during the inquiry.

Attached reports

Two reports directly concern the independence and governance of the ABC.

No politics at Aunty's table, written by former ABC manager Fergus Pitt, is particularly relevant. It calls for the depoliticisation of the ABC Charter, Board and funding, and details how each of these could be achieved. The report was originally released in March 2016, and anticipated some of the governance issues that have since emerged.

Depoliticising the ABC Board is a September 2018 update to the governance chapter of *No politics at Aunty's table* to reflect the governance dispute then underway in the ABC. It discusses the pattern of non-independent appointments that were made to the ABC Board and adds a recommendation in relation to the ABC Board chair.

The final report is our submission to the *Inquiry into the competitive neutrality of the national broadcasters*. The competitive neutrality inquiry is understandably part of this

inquiry's terms of reference. In our June 2018 submission to the competitive neutrality inquiry, we found that competitive neutrality has little relevance to public broadcasters. Competitive neutrality relates to participants in markets in which goods and services are bought and sold. Given public broadcaster services are largely given away, competitive neutrality is of little relevance.

Terms of reference

Our research is especially relevant for three elements of the inquiry's terms of reference.

(c) The structure, composition and appointments of the ABC Board

No politics at Aunty's table and *Depoliticising the ABC Board* identify clear weaknesses in the current Board appointment process, including:

- The Board has five to seven non-executive directors. The standard process is that they are appointed from a shortlist prepared by the Nomination Panel, but any person can be appointed by "direct recommendation" of the government. Communications Minister Mitch Fifield has bypassed the standard process to directly appoint four or five of the six non-executive directors currently on the ABC Board.
- Members of the Nomination Panel are appointed by the Secretary of the Department of Prime Minister & Cabinet, a potentially politicised position.
- While the government is required to consult on the appointment of the ABC Board chair, the consultation can be perfunctory.

Depoliticising the ABC Board makes five recommendations to improve the process of appointing people to the ABC Board, building on the four recommendations made in *No politics at Aunty's table*.

- The process of consultation on the appointment of the chair should be formalised and expanded to include genuine consultation with a cross-party committee, in addition to the Leader of the Opposition.
- A cross-party committee should be given responsibility for overseeing the ABC Board appointment process, either replacing the current nomination panel, or overseeing it.
- ABC audiences and the wider public should be more involved. Better publicity around upcoming vacancies and selection criteria should be provided.
- Consideration should be given to selection of an 'audience supported board member'. Candidates who wish to make their applications public could publish their profile, CV and interviews on the ABC website. Support from ABC

audiences for these nominations could be assessed through online or written submissions.

- The option for the minister to bypass the nomination process should be removed, or available only with genuine consultation with the shadow minister.

Full details are in *No politics at Aunty's table* and *Depoliticising 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

Our submission to the *Inquiry into the competitive neutrality of the national broadcasters* finds that competitive neutrality has little relevance to public broadcasters and criticises the premise of some of the questions asked by the inquiry's expert panel.

Most significantly, the panel's questions do not seem to consider either that competitive neutrality is the wrong lens through which to look at the public broadcasters, or that differential treatment of the ABC and SBS could put them at a disadvantage – not an advantage.

The inquiry was called despite there being no specific complaints to the Competitive Neutrality Complaints Office – as noted by the inquiry itself.

The Government's *Competitive neutrality policy statement* clearly outlines the criteria for competitive neutrality, and the ABC satisfies them. The similarity between public and commercial broadcasters is superficial.

(e) governance, legislative and funding options to strengthen the editorial independence and strength of the ABC to prosecute its charter obligations

As well as the problems with the Nomination Panel and ABC Board appointment process discussed above, *No politics at Aunty's table* finds issues with the politicisation of the ABC Charter and funding cycle.

With regards to the Charter, National politicians have called for “sweeping changes” to the ABC Charter to impose strict quotas on regional or local news.

The Australia Institute considers that the ABC should equitably serve regional and rural communities and be adequately funded to do so. However, the *ABC Act* is not an appropriate mechanism for enforcing granular decisions on operational matters.

No politics at Aunty's table recommends:

- Increasing services to regional Australia, but *not* through the mechanism of changing the ABC Charter. Governments should not adjust the Charter for their own benefit.
- Mentioning the ABC Charter in the Australian Constitution to help ensure that it is changed only with the support of the Australian people

With regards to ABC funding, recent decisions by government to change ABC funding outside of the standard three-year cycle make it difficult for the ABC to plan ahead and threaten to exacerbate the risk of political interference. While governments must retain the ability to adjust the Federal Budget year by year, governments need a greater incentive to respect the ABC's triennial budget convention.

No politics at Aunty's table recommends:

- The Communications Department should, when the end of each triennial approaches, call for public submissions regarding ABC funding. The call-out should be appropriately publicised to reach current and potential ABC audiences, industry groups, and stakeholders with special interests.
- When submissions are made, the Communications Department should hold physical and digital forums to examine the submissions and their implications. These should be held in a range of locations, and at a range of times.
- At the end of the consultation process, the Communications Department should publish a report summarising the debate.

Please do not hesitate to contact us for more detail on these points and reports. We can be reached via our website – www.tai.org.au – or on 02 6130 0530.