

GOVERNMENT SENATORS REPORT

BY

SENATORS TIERNEY AND LIGHTFOOT

Government Senators of the Committee reject the findings of the reports compiled from an inquiry that is an unprecedented encroachment on the independence of the Australian Broadcasting Corporation by the Australian Labor Party and the Australian Democrats. This is more than ironic given their constant claims that they are staunch defenders of ABC independence.

The ABC Act sets out the duty of the ABC Board to maintain the independence and integrity of the Corporation and to ensure that gathering and presentation by the Corporation of news information, is accurate and impartial. It is the responsibility of the Board to ensure that arrangements entered into by the ABC conform with its Charter and policies. What is particularly important is that the Board ensures that its own statutory obligations are met when it enters into these arrangements.

There is no evidence that the ABC or Telstra have erred in terms of the contract that provides clear benefits for both the ABC and Telstra.

We hold the view that such decisions are properly a matter for the consideration of the ABC's management and Board, and have every confidence that they can exercise their discretion in a way that preserves the ABC's commercial and editorial interests. This has been the case in broadcasting environments and ABC products in ABC shops, and, continues to be the case in relation to ABC online alliances.

There is no requirement for rolling inquiries into the ABC as there are ample opportunities through the Parliamentary process, to scrutinise the ABC, including questions on notice and the estimates process.

We view the recommendations of the reports by the Australian Democrats and ALP as an unwelcome interference in the discretion of the ABC Board. We support the ABC's desire to become a strong player in the emerging online context, to seek new audiences and to adapt itself to a circumstance in which the lines between broadcasting, online and other media are becoming increasingly blurred. In entering into this new commercial relationship, we have every confidence that the ABC will be able to carefully and expertly manage this transition.

The ABC and the new online world

The ABC, while operating in a tight fiscal environment, receives in excess of \$600 million in Federal Government funding. High quality content places the ABC in an excellent position to take advantage of the current online environment and future developments as full audio-visual material in online technologies become more accessible.

Accessibility to the ABC's Australian online content will allow increased exposure for the ABC in both Australia and overseas and will promote Australia's cultural identity in an increasingly globalised environment.

The ABC offered strong reasons for wanting to sell its online content to other websites and online portals. According to its Manager of Corporate Strategy and Communications, Dr Julianne Schultz:

There were two key interests. One was to ensure that ABC Online content ... was as widely as possible available in as many platforms as possible, but that that was done within our editorial control. The Board recognised at the same time that there was a commercial value in ABC Online content.¹

As Dr Schultz suggests, the ABC must develop new strategies to maintain and broaden its reach in a circumstance where 'there will be increasing audience fragmentation'.² In response to the views of some witnesses that the ABC should not be entering into online commercial relationships at all, Government Senators emphasise Dr Schultz's persuasive argument that:

...[if we are stopped from selling our content] ABC content will become increasingly less visible. You will increasingly find that there are many other entry points to the online world where people go for their online shopping - whatever it may be. You would find that the ABC content would not be visible and not be present and not be present in those sites. I think it would be a disservice to all Australians.³

The Government Senators also support the ABC's legitimate, commercial freedom to position itself so that it has future access to broadband delivery systems such as cable. As the former Managing Director of the ABC, Mr Brian Johns, has argued:

The second important feature [of the Telstra agreement] is that it centres ABC in the development of new media delivery systems ... Under the emerging news era that we have [other broadcasters] have delivery systems that we do not have of our own and will never have of our own - broadband services, for example. So this arrangement gives us access to that.⁴

The alliance with Telstra will allow the ABC to take advantage of cutting-edge technologies and skills in order to develop new and innovative online products. Co-productions will ensure that the use of these technologies are maximised and that ABC online skill requirements are enhanced.

Until recently, organisation of information on the internet has been largely haphazard. These days consumers are increasingly relying on portals which classify information and services and provide a launching pad to a vast and growing amount of material on the internet. These

1 *Proof Committee Hansard*, Canberra, 17 March 2000, p 2.

2 *Proof Committee Hansard*, Canberra, 17 March 2000, p 16.

3 *Proof Committee Hansard*, Canberra, 17 March 2000, p 7.

4 *Hansard*, Senate Environment, Communications, Information Technology and the Arts Committee, Additional Estimates, 10 February 2000, p 106.

providers and distributors of internet content are competing on the basis of the package they offer. Features such as "Freemail accounts" (ie free email) are an increasingly important way of competing for customers. Freemail provides a tangible benefit to consumers particularly those who are not paid up subscribers to an internet service provider or those who are travelling.

Editorial Independence and Integrity

With regard to advertising, the important issue is not advertising itself but rather the issue of maintaining the independence of the ABC with respect to content (and particularly with regard to its news and current affairs).

The Government Senators reject the assertion of the Australian Democrats that agreeing to engage in co-productions now will compromise the ABC's freedom of decision-making. As Mr John Rolland, Director of Online Services for Telstra, assured the Committee:

in terms of co-production, the ABC has the absolute right to veto any weird and wonderful idea we may have; equally, Telstra has the right to go and choose another co-production partner.⁵

ABC co-productions have been commonplace with the ABC maintaining control over content. Co-productions involve the co-operation, on a commercial basis, of the ABC with outside organisations and the value of ABC radio and television content has been *enhanced as a result*. Transparency in terms of co-productions is to be supported as long as commercial confidentiality is respected.

The ABC has emphasised its commitment to preserving its independence. Dr Schultz assured the Committee of the ABC's attention to these values:

I can say to you that the non-commercial nature of the ABC and the preservation of the integrity and independence of its services and content are of paramount importance to the organisation, the Board, to senior management and to all these who work for it.⁶

Non-Government revenue

The ABC, while operating in a tight fiscal environment, receives some \$600 million in funding.

The ABC has traditionally sought opportunities to supplement its funding from external sources such as the ABC shops. Despite these shops reselling products not produced by the ABC, neither Labor nor the Democrats have raised the issue that the stock in ABC shops has jeopardised the independence of the ABC. All Australians will benefit from the reinvestment of non-government revenue derived from the ABC-Telstra agreement into additional programming and content development.

5 *Proof Committee Hansard*, Canberra, 24 March 2000, p 58.

6 *Proof Committee Hansard*, Canberra, 24 March 2000, p 96.

Conclusion

This inquiry is a demonstration that Labor and the Democrats are quite willing to intrude on the independence of the ABC when it suits them.

The ABC must be allowed to participate in the online environment without the fear of constant interference from politicians trying to manage the day-to-day activities of the Corporation.

Senator R Lightfoot

Senator J Tierney

