

Submission for the Review of Options to Support the Independence of the ABC and SBS

Bruce Stevenson, on behalf of ABC Friends Northern Tablelands branch

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Formal submission, public submission

I note that a related review is currently being undertaken by Ms Lynelle Briggs; [Review of Public Sector Board Appointments Processes](#). I assume that the final report of this review, to be submitted to the Minister for the Public Service, has not yet been published on the [APS Reform](#) website.

Funding Arrangements

*Examining and making recommendations to support stable **funding arrangements** for the national broadcasters by identifying potential mechanisms to implement and maintain 5-year funding terms at the amount announced by the government, while retaining the ability to provide additional funding during these terms.*

1. In order to ensure appropriate funding that will allow for certainty of yearly budgets, long-term planning, and that funding arrangements are independent of political and commercial interests, full support for continued 5-year funding which is independent of the federal election cycle.
2. Base funding initially committed to a 5-year period needs to be legislatively protected from reductions during that 5-year period. It also needs to be annually indexed, tied at least to the CPI, so as to ensure that the real financial value is retained over the 5-year period. Failure to legislate on either of these measures reduces the independence of both the ABC and SBS from political interests which may threaten funding reductions, undermining their status as independent public broadcasters. This would extend the recommendations of the 2019 Senate Environment and Communications References Committee. I don't believe that simply incentivising governments to treat the ABC budget *with respect* is a realistic, or objective, option. Nor is opening the funding process to public input given the range of vested interests that would normally be reflected in that public input; e.g., rival commercial media organisations.
3. Public reporting of base funding needs to clearly specify that funding which is awarded to the ABC and SBS is for delivery of services, and does not include transmission and distribution funding which is allocated to BAI Communications (a private company) for transmission infrastructure. It is noteworthy that public funding to the ABC for delivery of services is significantly less than the \$1 billion that is regularly reported.
4. Non-ongoing funding is appropriate, as required, but then may change to ongoing if it reflects a structural need; e.g., as technology changes.
5. A reversal to the 1989 decision to enable SBS to partially finance its operations using advertising/sponsorships should be considered. Relying upon advertising arguably reduces the independence of SBS, as a public broadcaster, from commercial interests. Any reliance

on political or commercial interests is contrary to the requirements of an independent public broadcaster, and it is only through this independence that ABC and SBS can achieve their services for the public good.

6. Determination of funding at the end of each 5-year cycle would best be in the hands of an independent statutory authority, at arm's length from political considerations, which can nonetheless take submissions from various sources, parliamentary and public, while being guided by a set of criteria which reflect the public good that an independent public broadcaster provides.
7. Additional (normally, non-ongoing) funding over a prescribed 5-year period may be provided by the government of the day when an appropriate case has been made, but no reduction in ongoing base funding which negatively impacts the 5-year budget.
8. Provision/extension of non-ongoing funding would rely upon an appropriate case which addresses specific criteria. These criteria may include:
 - a. Compensation for additional resources required by a part of the ABC's operation which drain other parts; e.g., extensive and unprecedented demands on emergency broadcasts in the face of severe floods or fire.
 - b. Provision of funding for innovations sought by the Australian Government for reasons domestic, such as the expansion of local, rural media coverage, or external, such as expanding Australia's media presence internationally. This may, in turn, become ongoing funding.

Governance Arrangements

*Examining and making recommendations to support effective **governance arrangements** for the national broadcasters by considering:*

- (a) *the boards' composition as required under the Australian Broadcasting Corporation Act 1983 (ABC Act) and the Special Broadcasting Service Act 1991 (SBS Act)*
- (b) *the appointment of members to the independent Nomination Panel established under the ABC Act (the Nomination Panel)*
- (c) *the Nomination Panel's functions under the ABC and SBS Acts*
- (d) *the role of the Minister, national broadcasters' board Chairs and other parties in the appointments processes under the ABC and SBS Acts*
- (e) *other governance approaches which promote the stability and independence of the boards.*

1. What is the rationale for no Staff-elected Director on the SBS Board? The rationale for inclusion of this position needs to be stated re the ABC Board, and then determined if it is also appropriate for the SBS Board. An explicit rationale is required.
2. Similarly, a rationale for the number of non-executive Directors is required, and why this number is different across the two boards.
3. For ABC/SBS Chairs:
 - a. What are the qualifications of those on the Nomination Panel and how are they appointed? It would be expected that the members of this panel would have complementary qualifications (i.e., not all the same) reflecting the criteria listed by Ministerial Determinations. Selected members of the Panel should also be under no obligation to either political or commercial interests. How is the selection of such a group to be achieved? Appointments should not be determined by the Secretary of

the Department of the Prime Minister and Cabinet, given that this individual owes their position to the Prime Minister. To break this circle of interests, appointments to the Nomination Panel need to be in the hands of a non-politically aligned individual/group.

- b. To what degree is the recommendation of the Nomination Panel binding on the Prime Minister? When the Prime Minister recommends a chair other than recommendations by the Panel they are required to provide criteria-based reasons for their appointee to both Houses of Parliament. This process should also include reasons for why their appointee is a stronger candidate than any of the three individuals recommended by the Nomination Panel, and not simply be an assessment of their appointee independent of the Panel recommendations. The Chair should be the best person for the job, based on merit, not just an individual who might meet sufficient selection criteria.
 - c. Given that the Chair is not meant to be a political appointment, why does the Prime Minister have any role in this at all? The Nomination Panel could report their ranked recommendations directly to the Governor General, who then acts on these recommendations.
 - d. What are the minimal requirements for the Prime Minister's consultation with the Opposition Leader? Do they both have to agree on the Prime Minister's subsequent recommendation to the Governor General? This would seem to be a minimal requirement if this consultation is to have any meaningful role.
4. For ABC/SBS non-executive Directors:
- a. Same points hold for the members of the Nomination Panel. As a group they should reflect (i) a complementary range of qualifications which are criteria-based, and (ii) appointed through a non-political process.
 - b. Same point concerning the observance of the Nomination Panel's recommendation. There have been multiple times over the past 12 years in which these recommendations have not been observed by the minister at the time, and although a rationale to Parliament is required when the minister recommends someone other than those listed by the Nomination Panel, the rationale of the non-recommended appointee does not appear to be directly compared with that of the Panel recommendations. The result may be a developing convention of politically motivated ministerial appointments to the boards of our two primary public broadcasters, who should be independent of political and commercial interests. This independence is being undermined, and ministerial prerogative needs to be removed from this process.
5. To ensure the ongoing independence of ABC & SBS, no former members of Parliament nor senior political staff members should ever be eligible for appointment to either the ABC or SBS Boards, regardless of how long ago they held these positions. Having an arbitrary period of 12 months, or whatever, is meaningless if we want to remove the direct influence of political or commercial interests.