

Review of options to support the national broadcasters' independence

Terms of Reference

1. *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.*

ABC Friends NSW & ACT is very grateful that the Albanese Government promised 5-year funding terms for the ABC and SBS as this will deliver greater financial certainty to our national broadcasters. However, there have been \$526m in cuts to the ABC budget since 2014, with an ongoing reduction to base funding of \$106m per year to 2021-22 presided over by successive coalition governments with significant organisational consequences that are known to us all.

Taking the funding crisis out of the Rowland Review scope consolidates decades of funding cuts within the current and future 5-year funding terms. It also enables the continuation of a self-fulfilling prophecy that has been levelled against the ABC from its competitors and representatives of the hostile press, who for decades have frequently alleged that the quality of ABC journalism is in decline and has a left-wing bias.

As proof by assertion, one of the logical fallacies suggests, if you repeat a claim often enough [and take underhand actions to bring about the alleged circumstances asserted] it will eventually become a reality. The self-fulfilling prophecy will come full circle.

Recommendations:

- **That an independent review panel be established under the ABC Act and the SBS Act with appropriate financial expertise for the specific purpose of determining the financial requirements and forward budgets over a 5-year period for both the ABC and SBS so both public broadcasters can achieve their missions as public broadcasters.**
 - **The Minister of Communication approve an additional \$500 million in funding to the ABC to mitigate the current funding crisis and adjust the five-year fixed funding term on this revised basis. This will ensure the ABC, a public asset, is able to maintain journalistic quality, operational viability, increase audience confidence and help fund the digital transition for and on behalf of future generations of Australians. The downward spiral to mediocrity must be immediately arrested. All the current challenges faced by the ABC are related to funding.**
2. *Examining and making recommendations to support effective governance arrangements for the national broadcasters by considering:*

The Australian Broadcasting Commission (ABC, now the Australian Broadcasting Corporation) was established by Prime Minister Joseph Lyons on the 1st of July, 1932. The ABC television service was launched in 1956 and is now supported by an extensive range of digital and social media platforms. Australians readily agree that the 'ABC is the home of Australian conversations, culture and stories' ([Celebrating 90 Years of the ABC in 2022 - ABC News](#)).

However, as the ABC attempts to hold successive Commonwealth governments to account on behalf of the Australian public, it is regularly subject to a ferocious biased assault on its integrity, the quality of its journalism and rigorous, critical, political reporting. This hostility transitioned into a 'culture war' with the Australian public, fearful that Australian citizens were becoming increasingly politically progressive, demonstrating a concern for social equality and addressing the environmental impacts of climate change, issues conservative governments do not generally support.

Successive Coalition Governments have continued this ideological warfare, criticizing the ABC at every opportunity, reducing ABC funding on an annual basis, pausing indexation causing further financial hardship, resulting in a reduction in programs and loss of services, and attempt to wrest leadership control by making a number of appointments to the ABC Board of Directors, resulting in what has been described as 'self-censorship' (Secombe, *Saturday Paper*, March, 2023).

The current hostile socio-political-economic context in which the ABC is forced to operate, reflects a serious breach of governance responsibility by successive Commonwealth Governments, tasked by Prime Minister Lyons in 1932 to ensure the prosperity of the ABC for future generations of Australians.

Specific recommendations designed to improve current ABC leadership processes and governance culture are outlined below.

a) the boards' composition as required under the Australian Broadcasting Corporation Act 1983 (ABC Act)

The Charter of the ABC Act is set out in section 6. This specifies the purpose and intent of the public broadcaster framed within the importance of its mission.

Section 8 stipulates that it is the duty of the Board of the ABC to maintain the independence and integrity of the corporation. Section 12 of the ABC Act sets out the composition of the Board and the role of the Governor-General in appointing those members for initial terms not exceeding 5 years, with members being eligible for reappointment for a period not exceeding a total of 10 years. However, there are overriding powers granted to the Prime Minister, in the case of the Chair, and the Minister, in all other non-Executive appointments, guided by the following requirements:

- i. Experience and connection with the provision of broadcasting services or in communication or management or:
- ii. Expertise in finance or technical matters; or
- iii. Having cultural or other interests relevant to oversight of a public organisation engaged in the provision of broadcasting services.

While we make no criticism of Ita Buttrose, current Chair, who has done an excellent job in very difficult circumstances, there have been many direct Ministerial appointments to the Board over recent years thereby bypassing the checks and balances in the ABC Act that were designed to safeguard the integrity of the nomination process.

Individuals who have expressed views counter to the mission and purpose of the ABC should not be eligible for appointment. The appointment of former senior commercial media identities who may have previously demonstrated bias should raise questions as to the suitability of their appointment. The same can be said of the appointment of friends and acquaintances of former or current Ministers, and members of conservative 'independent think tanks', as it is foreseeable that these individuals could serve as 'proxies' for current or past politicians and thereby prejudice the Board's perceived independence.

The ABC Act should therefore make it explicit that the Managing Director, the Chair, staff-elected Director and the other Directors, must share the mission and purpose of the ABC and appreciate the ABC's critical role in supporting the Australian democracy, a critical component of effective leadership (Northouse, *Leadership*, 2020). As these members of the board are in a leadership position, they must also have the knowledge and skills to protect the ABC from political interference and be obliged to make decisions in the best interests of the ABC not in the best interests of the current government.

This appointment process should be made transparent to ensure merit-based appointments to the ABC Board which will help preserve the independence of the ABC intended by the legislation. The categories of non-Executive Board should be amended to 'highly esteemed' appointees rather than the broad-based criteria currently set out in the Act. This should be the case for all appointees from the Chair to non-Executive appointments, but not include the member of ABC staff elected by ABC employees. 'Highly esteemed' categories for all appointees will ensure that, whatever their skill sets, they are recognised as being of the highest calibre of person by the Australian public. The ABC deserves no less because of its role in the preservation of democracy which rests at the cornerstone of our society and political processes. See below for recommendations that will address this procedural flaw.

Additionally, the current constitution of the Board, made up primarily of white Australian professionals is not reflective of the socio-cultural, biographic and demographic diversity of the population of modern Australia. Nor does it reflect the respect the majority of Australians have for First Nations elders or appreciate the wisdom First Nations elders could bring to the leadership and governance of our significant public asset, the ABC.

Recommendations

- **The ABC Act should specifically prohibit the appointment of personal friends, former colleagues and acquaintances of current and former members of parliament, to ensure independence of thought, quality of strategic oversight and ensure impartiality of decision-making in the best interests of the ABC and its mission.**

- **The ABC Act should be amended to stipulate that the non-Executive Directors, including the Chair, be appointed from the following categories:**
 - **One (1) highly esteemed member of the Aboriginal and Torres Strait Islander community.**
 - **One (1) highly esteemed Member of ABC Friends elected by a majority of ABC Friends members. ABC Friends are constitutionally bound to protect the interests of the ABC and have a large and active membership and passion for protecting the independence and mission of the ABC.**
 - **One (1) highly esteemed communications, governance and/or leadership scholar.**
 - **One (1) highly esteemed member of the ABC viewer community with appropriate commercial/public communication experience.**
 - **One (1) highly esteemed retired Justice of the Supreme Court of a state or territory or Federal Court of Australia.**
 - **One (1) highly esteemed performer/artist/musician from the creative arts community.**
 - **One (1) highly esteemed member of the multicultural community with diverse ethnic, cultural, commercial/public leadership experience.**

A diverse Board such as the one constructed on the criteria specified above will reflect the diverse population of Australia that the ABC is tasked to serve, and bring a level of social, cultural, economic and cognitive diversity to the leadership and governance processes that should promote innovation, creativity and avoid the possibility of groupthink (Janis, 1972).

b) the appointment of members to the independent **Nomination Panel established under the ABC Act (the Nomination Panel)**

The ABC Act provides in Part IIIA Section 24A-24F a merit-based panel of up to four (4) members to put forward names for potential non-executive directors to the Board. Under 24E the Nomination Panel consists of the following members:

- i. Chair
- ii. At least two or no more than three other members.

Section 24F provides that a member of the Nomination Panel is to be appointed by the **Secretary of the Prime Minister’s Department** which may provide an opportunity for interference by the Prime Minister and the Department of the government of the day.

A review of the appointments made over the last twenty-seven years since the conservative Howard Government was first elected provides convincing and compelling evidence that the process is NOT independent or impartial and political interference in the Nomination process frequently occurs.

Recommendations:

- **The ABC Act should be amended to stipulate that the membership of the Nomination Panel be increased to five (5) members, including the Chair, to ensure it is small enough to enable the development of positive team norms and build team effectiveness, yet stimulate critical thinking and unbiased, ethical decision-making.**
- **The ABC Act should be amended to stipulate that members of the Nomination Panel be appointed from the following categories:**
 - i. **One (1) member of ABC staff elected by a majority of current staff, not currently serving on the ABC Board.**
 - ii. **One (1) highly esteemed member of the Aboriginal and Torres Strait Islander community, not currently serving on the ABC Board.**
 - iii. **One (1) highly esteemed member of ABC Friends, elected by a majority of ABC Friends members not currently serving on the ABC Board.**
 - iv. **One (1) highly esteemed communication, governance and/or leadership scholar not currently serving on the ABC Board; and**
 - v. **One (1) highly esteemed member of Australia’s multicultural community with diverse ethnic, cultural, commercial/public leadership experience, not currently serving on the ABC Board.**

The above recommended changes to the ABC Act will strengthen the integrity of the appointment process to the Nomination Panel and differentiate the membership from the non-Executive membership of the Board thereby providing a two-layer governance process. This should also help to minimise the potential for political interference and provide diversity of thought, expertise and experience to the ABC Executive.

[c\) the Nomination Panel’s functions under the ABC and SBS Acts](#)

Changes to the constitution of the Nomination Panel and the appointment process are specified above.

The Nomination Panel members currently hold office for a term not exceeding three years. The length of term differentiation between the ABC Board and the Nomination Panel should not be changed. This is important from a diversity perspective and will help to protect both governance bodies from becoming entrenched. This is particularly important as the Nomination Panel serves both national broadcasters.

[d\) the role of the Minister, national broadcasters’ board Chairs and other parties in the appointments processes under the ABC and SBS Acts](#)

There have been many appointments made to the ABC Board directly by the Prime Minister and Minister, bypassing the process outlined in the Act that were designed to protect the ABC from political interference. Although it is difficult to prevent this occurring within the legislative provisions of the Act, it should be actively discouraged and understood by all members of the government that it is a provision designed to be used in exceptional

circumstances only. It was not intended as a means for the government to make appointments that are more likely to be sympathetic to the government.

As the ABC is a public broadcaster, a national asset that is owned by the people, any prospective 'direct' Prime Minister or Ministerial appointment being considered should be announced to the public at least 14-days prior to the appointment being made. This announcement should provide an opportunity for the public to provide feedback, opening a communication channel with the people to determine if the appointment is merited and the individual so named has the esteemed character to serve the best interests of the ABC.

The 2019 Senate Report on political interference and governance arrangements of the ABC and the Grattan Institute Report 2022 made recommendations to minimise flaws in the governance processes. However, these recommendations were not implemented. Further action in this regard should await the Briggs Review findings.

e) other governance approaches which promote the stability and independence of the boards

Another aspect from a governance perspective of concern to the Friends of the ABC NSW & ACT is the Board's lack of effectiveness in dealing with risk and mitigating reputational damage. For example, the recent resignation of Stan Grant reflects the inability of the Chair, CEO, Board and senior management to protect Grant from a public vilification campaign.

Grant was invited to participate on the panel providing coronation coverage of King Charles III. Given the recent publication of Grant's recent book 'The Queen is Dead' this was perhaps an error of judgement by management given the clearly documented and widely accepted tragic history of dispossession, violence and attempted genocide of Aboriginal and Torres Strait Islander people since the British penal colony was established in Sydney Cove in 1788 and the 'colonisation' process began. Grant was invited by the panel to express his views on air during the coronation coverage. Grant is a scholar and truthfully did so as we would expect him to. Australia is a nation of well-educated individuals, critical thinkers. Many Australians are familiar with the horror of the frontier wars and understand the socio-cultural-economic and political consequences of this legacy. However, after Grant shared his views, intelligently and respectfully, he was subject to a barrage of vitriolic racial attacks against him as a Wiradjuri elder, author, journalist, and Australian citizen. The personal and professional hurt caused to Grant by this public, racist assault was visible to us all. Grant stepped down from his role as host of Q&A on 19 May stating "no-one at the ABC — whose producers invited me onto their coronation coverage as a guest — has uttered one word of public support. Not one ABC executive has publicly refuted the lies written or spoken about me. I don't hold any individual responsible, this is an institutional failure".

The CEO, David Anderson, did not apologise to Grant until 21 May. The Chair, Ita Buttrose, did not apologise or offer a statement of support to Grant until 26 May. In August 2023 Grant formally tendered his resignation from the ABC. This is an example of the logical fallacy *ad hominem* that attacks the person rather than the position they are taking.

This delayed and muted defence of one of the ABC's highly respected journalist, also reflects the lack of diversity in the ABC Executive, senior management and the Board in my view. Likewise, many women journalists have endured years of criticism for their clothing, body shape, the pitch of their voice etc. yet the ABC Board and senior management have been reluctant to negate this sexist criticism and calling it out for what it is – loud, public misogyny. The silence has been deafening.

Recommendations:

- **The ABC Board and Senior management team must undertake a thorough review of their governance structures and committees and upgrade them to corporate standards. This review should be undertaken as a priority.**
- **The ABC Executive and senior management team be compelled to undertake diversity management training and incorporate this knowledge into the ABC Strategic Human Resource Management as a fundamental change management strategy. “An effective diversity and inclusion strategy goes beyond legal compliance and seeks to add value to an organisation, contribution to employee well-being and engagement” ([CIPD, 2019, p.1](#))**

Concluding comments

This submission outlines some of the significant governance and financial challenges faced by the ABC in August 2023 that must be addressed with appropriate urgency and timely implementation. Current levels of ABC funding are 30% lower than in the mid-1980s and in 2022 the ABC operation funding was more than 10 per cent lower compared to 2013-2014. It will not be possible for the ABC to increase the range and diversity of programs to satisfy the information needs of a socially, culturally and generationally diverse population without increased funding and funding security. Nor will it be possible for the ABC to reinstate lost services, such as closure of shortwave transmissions to remote parts of northern Australia and across the Pacific in 2017, without funding restoration.

The ABC is a key component of Australia's critical accountability infrastructure. It must therefore have access to secure funding and protections from political interference so that it can protect and strengthen Australian democracy with its truthful, independent, reporting. As The Hon Susan Templeman, MP, Federal Member for Macquarie reminded the ABC Friends Blue Mountains branch recently, the B in the ABC stands for Broadcasting. The ABC has a duty to satisfy the needs of a broad, diverse audience, educate, inform and inspire the Australian public and must be resourced appropriately to deliver on this public expectation. The ABC has not been tasked to 'Narrowcast'. Narrowcasting targets a small narrowly defined audience of supporters, a tactic frequently deployed by hostile rival media organisations and amplified on various social media platforms.

These are the facts of the past, the sad logos of the ABC's current situation. However, ABC Friends NSW & ACT refuse to be limited by the past – we are determined to help charter a new future using our powerful political activism. ABC Friends NSW & ACT intends to magnify our activism and argue a positive case for change. Our national broadcasters are public assets

– assets that belong collectively to the Australian people. In so doing, we will invoke the emotions of our broad audience, ignite our pathos. Individually and collectively we will hold elected members of parliament accountable for attacks and deprivations of the ABC. The vast majority of Australians are supporters and deeply connected to the ABC in a range of emotive ways. Research by the [Australia Institute](#) demonstrates that 75% of Australians support increased funding for the ABC, particularly as our national emergency broadcaster, and that the ABC remains the most trusted news source in Australia.

We will also argue from our position of strength, our collective character, our leadership potential. ABC Friends is a large voluntary activist organisation comprised of highly qualified professionals, academics, public servants, teachers, business owners, former journalists, former politicians, unionists, students and thousands of committed ABC viewers. There are almost 70,000 members and supporters across Australia, and we intend to use our collective activist potential to protect our marvellous ABC.

We recently raised concerns about the strategic intent of the new ABC Five-Year Digital-First strategy with the ABC executive in a deputation led by Dr Michael Henry, acting President, ABC National. We intend to continue to engage with the ABC Executive to argue against the efficiency and reductionist agenda inherent in the new Five-Year Digital-First strategy. The context for this neoliberal efficiency agenda has been enabled by decades of funding cuts, constant, political attacks and an indexation pause resulting in significant internal organisational consequences that are well known to us all. The self-fulfilling prophecy has come full circle.

The ABC Five-Year Digital-First strategy is very different in tone and intent from former ABC strategic plans and from the Albanese Government's cultural and arts strategy, *Revive*. *Revive* suggests a number of opportunities for the ABC and is framed on themes of hope, celebration, and cultural revival. *Revive* recognises that the ABC has extensive capacity to deliver Australian stories, science, arts, religion and education programs and its unique ability to play an important role in shaping Australia's national identity, fostering social inclusion and encouraging myriad forms of cultural expression (p.87).

ABC Friends NSW & ACT must ensure the ABC is enabled to continue to create extraordinary, relevant, quality content; increase audience share by providing an outstanding diverse audience experience and strive to become an employer of choice. These strategic ambitions will be difficult if not impossible to achieve within the current funding envelope. We hope that we can walk together - ABC Friends, ABC Alumni, the government particularly the Hon Michelle Rowland, MP, Minister for Communications, respectfully, meaningfully, to build a strong and resilient future for our marvellous ABC. One of the cornerstones of our democracy.

Dr Tess Howes



President, ABC Friends NSW & ACT