

## Appendix A. ABC's Importance to Australian Life

- In modern times media plays a significant role in almost all aspects of our lives. Australia's high concentration of media ownership makes strong independent public broadcasting imperative for Australian culture and democracy.

The ABC and SBS play unique and important roles in Australian life. Independent in spirit and at law, the ABC is uncompromised by commercial or political influence and is able to report without fear or favour. It serves the public interest, scrutinising governments and other powerful bodies, including the media itself.<sup>1</sup>

Unlike commercial broadcasters, the ABC regards its audience as citizens, not consumers. The ABC's Charter requires it: to provide innovative and comprehensive services which contribute to a sense of national identity, to inform, educate, entertain and reflect Australian cultural diversity; to promote the arts; and to broadcast to other countries programs that will encourage awareness and understanding of Australia.

- The ABC is a service to all Australians, accessible without direct cost. Its significance grows when access to other forms of information, education or quality entertainment is limited by cost, geographical location, disability or other factors.

The present accessibility of current news on commercial websites is not guaranteed for the future. The major Australian news sites are presently resourced by journalism from other platforms. With the decline in newspapers, their owners are earnestly searching for ways to fund them in addition to the advertising they carry.

- The ABC is part of the glue that binds this country together. A national broadcaster - one that all Australians know to tune to in times of emergencies and one which has the trust of the nation is important to our future. It cannot be suddenly resurrected in times of need if it is eroded and loses its pre-eminent position in Australian life. Its importance will only become greater, as digital media technology fragments audiences and different groups in the community grow to have less in common.
- Public broadcasting provides Australian consumers of media with quality and real choices in broadcast and mainstream local online content, which is further enhanced by the ABC's range of network services. Unlike commercial broadcasters, ABC content is not determined by the need to sell advertising space, which results in the selection and development of programming to attract large audiences relevant to specific advertisers.

Content on Australia's free-to-air commercial television broadcasters is essentially the same. While the specific commercial outlet through which major sports events can be viewed may change from time to time, commercial television networks frequently screen the same types of programs. Any differences in the nature or quality of their programs is largely imperceptible.

- The ABC provides audiences with advertisement-free listening, viewing and online use. Many in the community regard this as essential. Citizens should be entitled to access information and entertainment without the promotion of commercial products being forced upon them.
- Public broadcasters set standards for other broadcasters. McKinsey & Co found that public service broadcasters can and do act as regulators of the television industry as a whole, providing the public broadcaster is in a position of strength in terms of its audience share. In the words of Michael Grade, former managing director of Channel 4 in the UK, "The BBC keeps us all honest." (*'Public Service Broadcasters Around the World', McKinsey and Co, 1999. A summary of Mc Kinsey's study is contained in the article 'Keeping Baywatch at Bay', The McKinsey Quarterly: 1999 No.4, pp.18-27 at [www.mckinseyquarterly.com](http://www.mckinseyquarterly.com)*)
- Commercial television depends on public broadcasting taking risks. Over the years, commercial television has attempted to replicate programming and has screened programs after they have been found to be popular on the ABC.

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<sup>1</sup> The 'Cash for Comment' scandal in 1999-2000, where investigations by ABC TV's *Media Watch* program resulted in the Australian Broadcasting Authority inquiring into two prominent radio station personalities who accepted payment for favourable editorial comment.

## Appendix B. The ABC at Risk from Commercial Media

Public broadcasters are not in competition with commercial broadcasters. They exist to meet responsibilities specified in legislation. Nevertheless, commercial media operators with an interest in broadcast or online delivery platforms regard public broadcasters as competitors because public broadcasters take potential audience share from them.

There is now no major local commercial media company that does not have a financial interest in the ABC's demise – the result of weak media ownership laws which have allowed already-prominent print media corporations to extend their ownership to broadcasting delivery platforms, along with technology change that has resulted in newspapers expanding to online and the failure of the commercial model that supported print media.

Anyone with sufficient financial resources to take ownership of a major media outlet to promote their own political or external business interests, presently allowed under Australian media laws, is also strongly likely to view the existence of a fearless and strong independent broadcaster as an impediment to be got rid of.

Commercial cross-media ownership has resulted in it becoming contrary to the business interests of all major media outlets to report on matters that inform their audiences of the value of public broadcasting or the ABC's under-funding, or alert the community when ABC independence is under attack from a hostile government, or to the public broadcaster's growing commercialisation.

The ABC is more likely to be marginalised from the lives of many Australians in the future, as commercial media outlets, now including newspapers, cross-promote their other media delivery platforms – not only through up-front advertising, but disguised in editorial content. In the future they may sell more services that include different content delivery platforms bundled together.