ABC RESPONSE TO EDITORIAL REVIEW No: 8

IMPARTIALITY OF ABC BUSINESS COVERAGE

The ABC welcomes this detailed and extensive review of business coverage across all of our platforms.

The overall conclusion of both the reviewer, Kerry Blackburn, and the adviser to the review, Mike Smith, is that there is no discernible 'anti-business' bias in the ABC's coverage, and that the coverage reflects a rich and diverse range of views, curated by competent and knowledgeable presenters and reporters and packaged in accessible and interesting ways.

No significant breaches of editorial standards are identified.

In terms of overarching observations, the ABC acknowledges the comments from Mr Smith that our business coverage can be unfocussed and uncoordinated by trying to be all things to all people, as well as the findings in the body of the review that the ABC is not a 'specialist publisher' and so the language and framing of business stories needs to be as inclusive as possible in order to appeal to a mainstream audience.

In response, the ABC acknowledges that there is always room to improve the focus and resource allocation of key coverage and the report provides useful advice on ways to approach that. It should also be noted that, while there is always merit in making business coverage accessible and relevant, the ABC has a wide range of programming where business content can be found. While much of this is general programming for a broad audience, the ABC also has more specialist programs which cater to target audiences and so it is to be expected that content will be pitched and constructed in a range of ways to serve the needs of different audiences.

This editorial review was more extensive and different in focus to some earlier reviews, most notably in that it sought and carefully considered a range of feedback on ABC business content in addition to reviewing the content itself. That feedback included comment from a number of organisations that, while favourable overall, included specific criticism of the ABC's coverage of coal and other energy or mineral stories as unbalanced.

The ABC takes all such criticisms seriously, so it was useful to note that the review's own investigations into these criticisms found no evidence of this. While not subjected to an analysis of every example raised, the review nevertheless concluded that in relation to the content under review the ABC's coverage was balanced, impartial and properly included a range of relevant perspectives.

The report also raises a number of specific concerns about aspects of ABC business coverage and makes a series of recommendations designed to improve coverage for audiences across all platforms.

These specific criticisms and recommendations are addressed in more detail below, with input from the relevant content areas.

RESPONSE TO SPECIFIC RECOMMENDATIONS ON NEWS COVERAGE OF BUSINESS

ABC News agrees that authoritative coverage of business and the economy are essential in these changing times – events in Britain since the review was written have only served to highlight this.

ABC News welcomes the recognition that it does not exhibit an 'anti-business' bias or that any individual piece of content was lacking impartiality. ABC News recognises the central role of private business and the economy in the lives of all Australians and seeks always to present a diversity of perspectives in the public interest and consistent with it editorial policies.

The reviewer has made a number of very sound recommendations that ABC News will seriously consider in its ambition to make ABC News coverage of business and economics 'fit for purpose'. These include recommendations to nurture talent; increase awareness and expertise of business and economics issues in the News Division; give creative attention to the look and feel of the regular branded business output; and to monitor compliance with editorial polices.

7pm News and 7.30

The key findings of the review in relation to the 7pm News and 7.30 can be summarised as finding that these programs overemphasise politics and under represent economic issues. This, the review says, can be manifested as a failure to present key perspectives, an underrepresentation of ABC business experts on the programs, a failure to develop and nurture new talent and an overreliance on a 'Canberra narrative'.

Historically, much of the discussion of macroeconomic and taxation policy in prime-time daily news and current affairs has been reported by journalists in the Canberra Parliament House Bureau while coverage of markets has been done from Sydney and Melbourne. ABC News concedes that this potentially results in favouring political analysis over economic analysis, particularly in areas such as taxation and regulation where Federal Government policy is central.

ABC News is pleased that the reviewer does not believe this indicates pro or anti business bias but rather an inadvertent failure, on occasion, to adequately reflect the range of perspectives on each issue. ABC News does not agree that any such failure amounts to a pattern that jeopardises the impartiality of its output or to a perception that impartiality has been compromised.

None the less, ABC News will seriously consider whether there are structural or other responses that would result in a broader range of perspectives being presented on business and economic stories in the 7pm News and 7.30.

ABC News also notes that in the sample week 7.30 produced a number of stories not discussed in the report that included strong business elements. Of the 19 stories broadcast during the period, seven (7) included business and economic commentary. In addition to the GST story referred to in the review, a story on privatising Medicare payments touched on productivity and efficiency as well as political considerations. In addition, there was an interview with retiring Trade Minister Andrew Robb in which he discussed the international economy and tax issues. Later in the week an interview with incoming National Party Deputy Leader, Fiona Nash discussed the impact of the "backpacker tax" on rural businesses. All touched on economic issues, although largely in a political context.

There were two predominantly business reports during the week with a strong consumer elements: a story about IVF marketing covered advertising and profitability in the commercial IVF sector marked against success rates; and an investigation into a collapsed Ponzi scheme run by an unlicensed financial trader. One other story 'Virus decimating Tasmanian Oyster Industry' was a sympathetic story highlighting the plight of a specific regional business sector. The Ponzi scheme story was done by a specialist reporter from the National Business Team. The others were done by general reporters.

These stories reflect one of the priorities of ABC News to deliver original journalism, including business and economic content, across a wide spectrum of subject matter.

GST coverage

The findings in relation to the 7pm News and 7.30 are based largely on an analysis of the coverage of the Prime Minister's comments on *Insiders* that the government would not proceed with a rise in the GST and the subsequent reaction.

The reviewer concluded that in the immediate aftermath of the Prime Minister's decision, it was seen as a primarily political story but criticised what it described as a 'patchy' coverage of the economic considerations underlying the decision and bemoaned the lack of specifically economic analysis in the 7pm News and 7.30.

The reviewer herself noted that the political impact was the most significant aspect of the story and there was coverage of the economic aspects of the GST debate both before and after this time period. Indeed, the reviewer herself recognises that the principal relevant perspectives were well represented over time and more generally that "on any one day for any one story the ABC can point to where a relevant main perspective has been adequately reflected".

The decisions of 7pm News and 7.30 to focus on the political impact and Mr Turnbull's political motivations were reasonable at the time. The Prime Minister argued in announcing his call that government modelling showed little economic benefit for raising the GST to 15% once lower income families were compensated. There was not a lot of dissent in the community about this modelling — and the ABC did not have alternative modelling at hand. There were advocates for a GST hike on economic grounds but they too focused on the politics arguing that the Prime Minister had capitulated for political reasons.

While there may have been grounds for a more in-depth economic analysis, the decision to focus on politics in this context did not "jeopardise the impartiality of the output".

Market Crash

The major financial story in the sample week was a sharp sell-off in the equities market. In fact, on 12 February the key market index hit its lowest point since 2012. Financial markets have been volatile, more or less continually since 2008. Notwithstanding the rather arbitrary milestone of being "officially" in a bear market, the market moves that week were less dramatic than other recent periods and as many market watchers expected, they recovered the following week.

ABC News welcomes the reviewer's conclusion that "the coverage overall was comprehensive, informative and on many occasions exceptional in its clarity"

ABC News notes the criticism that on occasions there was excessive use of unexplained jargon and agrees that this is something that should be avoided wherever possible.

In relation to 7.30, subsequent events vindicated the program's decision not to rush into coverage of short term market movements. This is not and should not be the brief of 7.30. ABC News does not accept that "such judgements can impact on perceptions of impartiality".

The Business

The reviewer asks whether *The Business* has a clear vision of its target audience and writes that she gained the impression, evidenced by the choice of questions and language, that it seems to be 'business talking to business'. She advises that the program should instead be seeking to engage 'the widest possible audience'. ABC News accepts that the program's remit may not be sufficiently clear even among the program's staff and agrees that *The Business* should focus on a general audience rather than a niche of business aficionados. The comments about insider language and jargon are pertinent; the use of acronyms and specialist language unnecessarily alienates non-specialist viewers and ABC News accepts that there is room for improvement in tailoring the program to achieve its audience goals. These issues are very much on the agenda of News Management.

The reviewer reasonably queries why JB HiFi's Richard Murray wasn't asked about the week's news and in particular that the government had taken a GST increase off the table. ABC News would like to point out that the interviewer did ask about the GST which was included in the long form of the interview run online. http://www.abc.net.au/news/2016-02-08/extended-interview-with-jb-hi-fi-ceo-richard/7150510 The program advises that the GST question and answer were excluded from the broadcast version in favour of other more newsworthy comments in the interview. In addition, Peter Ryan had covered much the same ground in on AM that morning. Many of our interviews are pre-recorded, and The Business is able to record longer interviews for online. This adds to content availability.

The reviewer also refers to the interview with the head of Vodafone Global, Vittorio Colao. This built on a more Australian-focused interview with the Vodafone Australia head, Inaki Berroeta a few months earlier. Given the Australian focus of the previous interview with the Australian head, the editorial decision was taken to devote three minutes of the five minute interview with Mr Colao to more international telecommunications issues. A 16 minute long version of this interview was published online. http://www.abc.net.au/news/2016-02-11/extended-interview-with-vodafone-group-ceo,/7161550

Commercial references

Controversy over the size of corporate logos in 'crosses' to analysts' corporate offices is a longstanding issue. The requirement outlined in the editorial policies to avoid undue prominence and frequency of commercial references is intended to avoid the perception that the ABC's independence or integrity has been undermined by any association with, or endorsement of, commercial goods or services. The policies recognise that commercial references are inevitable if the ABC is to reflect the world as it is and that labelling and naming companies may be essential to

provide relevant context to viewers. Furthermore, ABC News believes there is no harm in a company gaining an incidental commercial benefit from its association with the ABC as long as the ABC's independence and integrity are not undermined.

ABC News has taken a pragmatic approach to this question. It agrees that diligence is required to ensure that references do not become unduly frequent or prominent but ABC News does not believe the size of logos in this context materially affects the perception of our independence.

RESPONSE TO SPECIFIC RECOMMENDATIONS ON COVERAGE OF BUSINESS ON RADIO

ABC Radio welcomes the opportunity to respond to this review into business coverage by the ABC, and is pleased to note the overall finding that the ABC as a whole does not favour particular perspectives in its business content, but presents a 'rich and diverse' range of views.

While we have read the report in its entirety and will disseminate the key findings and recommendations to all relevant editorial managers and program teams, there is comparatively little attention paid to the relatively limited formal business content produced by the Radio Division. The focus of the review is largely on the output of the News and Regional divisions. Our remarks will therefore be brief and largely confined to the matter of commercial references.

Comment on the summary of recommendations (page 14).

In terms of the recommendation that output is consistently monitored across all platforms to ensure compliance around commercial endorsement and undue prominence issues, Radio welcomes the reminder to remain vigilant in this regard to ensure that the ABC's independence and integrity are not undermined by unduly prominent or repetitive commercial references.

In dealing with a wide range of issues and matters firmly connected to the commercial environment in which we work and live, Radio notes the acknowledgement contained in the ABC's Editorial Policies section 12, Commercial References, that "The ABC needs to be able to reflect the world as it is, and this involves referring appropriately to commercial organisations, products and services".

In meeting this standard, Radio programs also rely heavily on our relatively sophisticated adult target audiences who are equipped to appreciate the difference between commercial references per se and endorsement.

In reference to those recommendations not directed specifically towards ABC News, Radio agrees that there would be value in regular, cross-divisional discussion about the nature and purpose of business coverage, and also of the role and management of external commentators.

However, Radio has reservations about the recommendation that the ABC 'improve engagement' with business by a variety of means including 'staff swaps with industry'. We would like greater detail on what is actually suggested here, including an explanation of what is meant by 'business' and 'industry' in this context. There are also many issues around 'embedding' journalists within any

enterprise on which they are then expected to report with full impartiality, and this would require very careful attention.

Response to criticism regarding commercial references on 612 ABC Brisbane Mornings

In relation to criticism of excessive commercial references during an interview with entrepreneur Andy Grieg on 612 ABC Brisbane Mornings with presenter Steve Austin - specifically that it was "the presenter who was doing most of the spruiking, and the guest who, with one exception, sought to play down the commercial aspect and focus on the topic more generally" Radio does not agree that Mr. Austin could reasonably be seen to have been "spruiking".

It is standard procedure for a presenter to introduce and back-announce a guest, usually by name and position (often with a commercial organization) to establish relevance and/or expertise. It's also usual for the audience, particularly listeners who have just tuned in, to hear a guest's name and their credentials periodically throughout any lengthy on-air discussion.

612 ABC Brisbane Mornings has for the past three years run a series of stories on digital disruption and innovation, and looking at looming changes in employment categories and trends. Listeners have frequently contacted the program asking, "How do I commercialise my idea?" or "How can I turn my idea into reality?" Listeners calling the program this particular morning had a wide range of questions for Mr Greig, some of which were clearly going to be complicated by commercial-inconfidence and other secrecy considerations, and they were consequently advised to either contact Mr Greig directly off air, or directed to his website, which resulted in more frequent mentions of both his name and his business details.

We note that in addition to being given details about this particular expert, listeners were also encouraged to explore both state and federal services dedicated to helping start up enterprises.

Radio acknowledges, however, that the "it's fantastic" comment in relation to the travelbra.com.au was intended to refer to the success of the enterprise rather than encouraging listeners to buy the product, the reference could be interpreted as endorsement. Mr Austin has been reminded that particularly in the context of a live program comments can easily be misinterpreted.

General remarks

Radio notes that interviews on RN Breakfast were commended for providing a suitably broad range of perspectives, 'independent of the Canberra spin', on the GST debate, and that RN Breakfast's Business Editor Sheryle Bagwell is mentioned favourably on several occasions.

In other places, coverage on various of our capital city (local) stations is described as offering audiences useful information via an appropriate variety of commentators.

Our only other general comment is mild disappointment that there was so little attention, overall, to Radio content. We understand that the Reviewer was given a broad remit and a mountain of material to absorb, but given the resource invested in formal business coverage on RN Breakfast and Saturday Extra, and the wealth of consumer-focused material on the capital city stations, we would have welcomed some further analysis of the success or otherwise of this investment.

RESPONSE TO SPECIFIC RECOMMENDATIONS ON REGIONAL COVERAGE OF BUSINESS

The Review draft notes that selected regional radio content from 81 business-related items was reviewed in addition to Landline, all of which sit under the Regional division.

We note the Review's reference to two submissions which made the point that "people living in rural and regional Australia were particularly reliant on the ABC as their main source of news, and that it placed an added responsibility on the ABC to be accurate and impartial".

We welcome the Reviewer's comments that regional radio output met that challenge, with geographical proximity to the story allowing for sophisticated treatment of issues, resulting in a more nuanced debate than had the content been aimed at a statewide and nationwide audience. We also note the Reviewer's commentary on Landline and accept those conclusions.