Submission to the Editorial Review of ABC Business Coverage

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The IPA’s specific research areas include the environment, deregulation, workplace relations, energy, political governance, intellectual property, telecommunications, technology, housing, education, health and agriculture.

The IPA publishes a wide variety of research papers and supporting opinion pieces, as well as host conferences and lectures across the country. The IPA also publishes the IPA Review, Australia’s longest running political magazine. In 2008, the IPA Review was awarded the Sir Antony Fisher Memorial Award for best magazine.

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Executive Summary

The ABC, as the nation’s largest public broadcaster, with a significant television, radio and online presence in all major media markets throughout metropolitan and regional Australia, plays an important role in setting the news, current affairs and wider political agenda.

However, the examples cited in this submission make it clear that ABC News and Current Affairs consistently pursues, or at least allows itself to be a party in the pursuit of, political campaigns against sections of the business community.

If the ABC is to have a long term future as a public broadcaster, this attitude, particularly to those companies in the mining and non-renewable energy sector, has to change.

Too often, story selection, introductory comments by comperes, selection of interviewees, or non-existent, tokenistic or immediately rebutted comments from pro-business spokespeople, have the effect of casting these businesses or industries in a negative light.

There is also no good reason why mining and energy stories should continually be viewed through an environmental or political prism, or for the environment to have its own news distribution channels.

This submission to the Editorial Review of ABC Business Coverage cites examples from ABC News, as well as its flagship PM, World Today, Radio National Breakfast, 7.30, Four Corners and Lateline current affairs programs, which suggests that this problem is widespread.

The Institute of Public Affairs has previously published three papers that question the ability of the ABC to deliver objective news content.

The observations of the February 2015 Ryan Review, which were delivered in the context of the 2014 Federal Budget, should be applied more broadly across the whole of the ABC’s television, radio, and internet coverage.

Mainstream news and current affairs programs should incorporate genuine economic and business coverage, and Australians shouldn’t have to watch the ABC’s solitary business program, to get a more balanced perspective.
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1. Introduction and Context

The Institute of Public Affairs (IPA) appreciates the opportunity to make a submission to the Australian Broadcasting Corporation’s (ABC) ongoing review of its editorial performance, in particular its business coverage.

This the IPA does in the context of the ABC’s existing Editorial Policies – Principles and Standards (2015) ¹ and with reference to the findings of the ABC’s Editorial Review No.4 - Budget 2014, which was released in February 2015. ²

There is no doubt that the ABC, as the nation’s largest public broadcaster, with a significant television, radio and online presence in all major media markets throughout metropolitan and regional Australia, plays an important role in setting the news, current affairs and wider political agenda.

To this end, the ABC has a unique responsibility to support high quality, unbiased journalism and the objective reporting of facts.

In particular, the IPA notes that the ABC’s Editorial Policies – Principles and Standards specify that the ABC must:

• “Ensure that editorial decisions are not improperly influenced by political, sectional, commercial or personal interests;” and that
• “External activities of individuals undertaking work for the ABC must not undermine the independence and integrity of the ABC’s editorial content.”

We also note that the ABC:

• will “make reasonable efforts to ensure that material facts are accurate and presented in context;”
• “has a statutory duty to ensure that the gathering and presentation of news and information is impartial...;” and
• recognises the need for “fair treatment” and “open mindedness.”

The Impartiality section of the Editorial Guidelines says that, “The ABC takes no editorial stance other than its commitment to fundamental democratic principles including the rule of law, freedom of speech and religion, parliamentary democracy and equality of opportunity” and “do(es) not unduly favour one perspective over another.”

The IPA is also cognizant of the approach and the findings of Ms Colleen Ryan’s Editorial Review No.4 - Budget 2014, (henceforth described as the ‘Ryan Review’) and that she had “approached each program from the perspective of the first time viewer and attempted to assess it as would an average ABC viewer in terms of its impartiality.”

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The Ryan Review highlighted Section 4 of the ABC’s Editorials - Principles and Standards, and its Guidance Note on Impartiality, particularly the requirement that coverage be “accurate, impartial and objective and therefore avoid bias.”

The Ryan Review is particularly relevant because the ABC’s attitude to, and coverage of, business, financial and economic issues has recently been examined, with some critical observations made, that appear to have had little effect.

An important example can be found on pages 5 and 6 of the Ryan Review in relation to the treatment of business/economic/finance coverage by ABC News and Current Affairs:

“Firstly there is a lack of balance in the coverage of the mainstream current affairs programs (7.30 and Lateline) between the political implications of the Budget as opposed to the economic and financial implications. These implications were covered, and covered quite thoroughly, but the average viewer would have needed to watch The Business program each night to get the full benefit of the ABC’s coverage of the economic and financial implications.

In my view, it would be beneficial if the mainstream current affairs programs incorporated the economic and financial coverage as well as the political and social elements of the Budget.

Secondly there was an over-reliance on political reporters, as opposed to business reporters, in the Budget coverage...Quarantining the bulk of the business coverage to a late night program, such as The Business, shortchanges the viewers and skews the coverage towards the political elements...In my view, not enough emphasis is placed on economic coverage by ABC television...”

In this submission, which is brief given the tight timeline between notification and closing dates, the IPA intends to make two points - that:

• while the existence of economics and business reporters as well as one separate business program is acknowledged, ABC news and current affairs coverage is hostile to business, too often running stories through a political and environmental prism; and

• the attitude of ABC news and current affairs to mining and non-renewable energy businesses is of particular concern.

This submission will examine a selection of recent examples of the ABC’s energy coverage as well as its coverage of the release of corporate taxation statistics in December 2015.

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2. The IPA on the ABC - Public Broadcaster or Green Activist?

This is not however the first time that the IPA has considered the question of the ABC’s approach to news and current affairs.

In August 2014, the IPA published a policy paper, *Public Broadcaster or Green Activist – How the ABC Spins Australia’s Energy Choices*.  

This followed earlier IPA papers:

- in 2004 on the ABC’s coverage of the Iraq War, which found it to be “negative, defeatist, anti-American, and skewed heavily against the Australian Government;”  
- and in 2007 revealing the failure of the Australia Network to broadcast the core Australian values of liberal democracy, human rights and free markets, with the IPA finding that “the ABC is limited in its support for these values, surprisingly neutral and on occasions not supportive.”

The 2014 paper included IPA-commissioned research by media monitoring firm iSentia, which analysed 2,359 ABC stories on energy issues broadcast between 15 September 2013 and 15 March 2014.

The iSentia data revealed that the ABC treated the renewable energy industry highly favourably, the coal industry unfavourably and the coal seam gas industry highly unfavourably, through the content of stories, framing of debate, and selection of spokespeople.

iSentia that the dominant messages broadcast by the ABC were that the coal and coal seam gas industries had a negative impact on the environment, but that the renewables industry needed more investment and provided economic benefit.

It also found that the ABC highlighted the environmental consequences of energy generation from fossil fuels, real and imagined, but downplayed their economic benefit.

The evidence included in this submission suggests that this pattern of behavior has continued.

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3. The ABC and Coal – Five Examples

One of the most contentious aspects of the national energy debate in recent years involves the mining and use of coal, both for domestic consumption and for export.

According to the Minerals Council of Australia, the coal industry:
- is Australia’s second largest export earner, responsible for $40 billion in export income in 2013-14;
- fuels 71 per cent of Australia’s electricity, including
  - 87 per cent in NSW (black coal)
  - 75 per cent in Qld (black coal)
  - 86 per cent in Vic (brown coal)
- directly employs over 40,000 people and is indirectly responsible for the employment of an additional 110,000 people; and
- paid $37.8 billion in company tax and royalties between 2007-08 and 2013-14.

Yet, in public discourse, the desirability of the ongoing extraction and consumption of coal is being challenged by various rural, environmental and political interests, as well as the renewable energy lobby.

While no person, company or industry should be exempt from criticism or scrutiny in a modern liberal democracy, the nation’s leading public broadcaster should avoid either taking sides, or the perception of taking sides, in this debate.

Unfortunately this can’t be said of the ABC's coverage of mining, and the coal industry in particular, where the claims of environmental campaigners are accepted and reinforced, and their opponents marginalised.

Below are five examples of ABC coal coverage – all of which followed the publication of the Ryan Review.

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3.1 Coal Example 1 – Four Corners, 15 June 2015 and Earlier

On 15 June 2015, ABC TV’s Four Corners program broadcast “The End of Coal?” 8 with the first sentence on the episode page accurately summing up the tone of the piece:

“With the price of coal plummeting and our biggest customers turning to renewable energy, is Australia backing a loser?”

In a textbook example of one-sided journalism, over a 43 minute period, the program made only passing references to coal’s economic, employment and social value, instead overtly setting out to depict it as an old, dying industry, on the verge of being overtaken by renewables.

The first, framing words of compere Kerry O’Brien’s introduction were “Tonight on Four Corners, Australia against the world on the future of coal” and his last words: “Is Australia digging itself into a hole with its continuing attachment to this unfashionably dirty fossil fuel?”

The first, framing words of journalist Geoff Thompson’s story were: “The final gasps of a dying coal mine, dug down to the dregs” and his last words: “Australia’s challenge is not to be dependent on coal if the rest of the world leaves it behind.”

Structurally, the program began with the journalist on site at an ageing Australian coal mine, then moved to cover the structural challenges facing the coal industry and the development of renewables, and finished with questions about future coal finance.

Negative commentary (defined as ‘anti-coal’) was included in multi-sentence blocks, backed up either by other parties, or by the journalist himself, whereas the small number of ‘pro-coal’ comments were either single sentence, defensive or immediately rebutted.

Over the course of the episode, negative commentary was included from:

- the compere and the journalist’s opening and closing comments (as described above);
- the Chair of the Rockefeller Brothers Fund, well-known for its support of renewables, on the declining value of coal stocks, and the need to protect Australia’s environment;
- two mine workers and the manager at the ageing coal mine each anxious about their future;
- the United Nations’ Chief Climate Change Negotiator on the need to reduce global emissions, the lack of space for ‘new coal,’ and emerging battery technology;
- a union official worried about industry transition and jobs;
- an energy analyst, well-known for coal skepticism and pro-renewable views, talking about coal company share values, the low international coal price, declining

international demand, and the economic viability / jobs impact of the proposed Adani coal mine;

- a prominent Australian economist, who also talked about declining international coal demand and the non-viability of coal carbon capture;
- an environmental campaigner opposed to the proposed Adani coal mine who cited the lack of local road and rail infrastructure, and need to protect water resources;
- US President Barack Obama on the need for climate change action;
- A representative of the Asset Owners Disclosure Project questioning the viability of the Adani coal mine and of companies that invest in coal;
- India’s Energy Minister talking about India seeking to increase its own coal production and the potential for domestic energy storage;
- A second energy analyst (this one from Bloomberg New Energy Finance, though only cited in the Report as being from ‘Bloomberg’) talking about declining international coal demand, Australia’s high coal costs, the non-viability of coal carbon capture, and fossil fuel divestment;
- Tesla CEO Elon Musk on his company’s new household battery;
- The CEO of an Australian energy storage company on the development of new storage technologies;
- The Secretary General of the United Nations on the need to cut emissions;
- A YouTube rapper calling for fossil fuel divestment;
- Former US Vice President Al Gore supporting divestment; and
- The Executive Manager of an Industry Superannuation Fund supporting a ban on new coal investments.

The report was also peppered with additional pejorative comments from the journalist including:

- “Victoria’s Latrobe Valley is the smoking heart of Australia’s addiction to coal consumption”;
- “Sitting alongside the plants is 500 years’ worth of dirty brown coal, with no export market but ready to burn. Hazelwood is not just the most polluting power station in Australia but one of the worst in the world”;
- “Because their dirty power remains cheap to produce...” and
- “Four days ago it was announced that two dirty coal-fired power stations are to be shut down as early as next year, with the loss of more than 400 jobs.”

In contrast, comments from coal-industry supportive figures were few and far between:

- Two single-sentence quotes from the NSW Minerals Council on the variability of coal prices and increased Chinese energy demand, both of which were immediately rebutted by the journalist who backed up his own rebuttal with a hostile comment from one of the critical energy analysts;
- Two single-sentence quotes from the Queensland Resources Council (on Adani jobs figures and India’s coal demand) that abruptly disagreed with a previous point;
- A four sentence quote from the Queensland Resources Council about the need for the Adani mine to have a port, though the last of these sentences: “Why would you be lending to a project that doesn’t have a port solution?” ended up framing the whole quote as a negative; and
• A single three sentence quote from then Prime Minister Tony Abbott on the importance of coal.

The only section of the report where the ‘supportive of coal’ perspective was given an opportunity to lay out an argument, was on the topic of coal carbon capture and storage (which is only one of the coal industry’s typical rebuttals – for example there was no coverage of supercritical or ultra-supercritical coal-fired power stations).

However, while the journalist ran five sentences on carbon capture and storage from the Queensland Resources Council and three from a spokesman for a currently operating plant, he immediately questioned the cost, and backed up his own rebuttal with supportive comments from the economist and one of the energy analysts.

All up, there were twenty one spokespeople (including the compere and journalist) providing critical commentary in this episode, compared to four spokespeople on the other side.

Only 64 sentences in the program transcript could be described as balanced or positive with 250 sentences accurately described as negative.

World leaders, economists, finance industry representatives, workers, environmentalists and business owners were all deployed to argue against coal from an economic, environmental, and political perspective.

Unfortunately Four Corners has a well-established track record of campaigning against the mining industry. The Australian Financial Review’s Rear Window column of 15 June 2015, “Four Corners Attacks Mining Industry Yet Again” 9 highlighted some of its recent critiques, which included:

• Battle for the Reef on 18 August 2014 10 where journalist Marian Wilkinson tackled the impact of the proposed Abbot Point coal terminal on the Great Barrier Reef. The first paragraph of the program summary observed that: “the body tasked with protecting the Great Barrier Reef approved a plan to dump three million cubic metres of dredge spoil inside the marine park;

• Power to the People on 8 July 2014 11 where journalist Stephen Long looked at developments in the renewable energy industry overseas, claiming that Federal Government would be left in a difficult situation because “if it decides to wind back the policy clock and downplay renewables, it will lose a high-tech cutting-edge industry while it props up old-style big polluters.”

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• **Gas Leak** on 1 April 2013 12 where journalist Matthew Carney looked at the coal seam gas industry, warning of methane and chemicals in water supplies, larger than expected greenhouse emissions and flawed development approval processes;

• **Casualties of the Boom** on 28 May 2012 13 where journalist Andrew Fowler looked at the negative effect the mining boom was having on rural communities. Even the photo caption on the story page “*How massive mining developments are killing communities in regional Australia*” is critical of the mining industry;

• **Great Barrier Grief** on 8 November 2011 14 where journalist Marian Wilkinson looked at the impact of various mining and related infrastructure projects on the Great Barrier Reef;

• **The Gas Rush** on 21 February 2011 15 where journalist Matthew Carney investigated the impact of coal seam gas exploration and development on farming families, water supplies and food production; and

• **A Dirty Business** on 12 April 2010 16 where journalist Andrew Fowler looked at “*how the people of a once picturesque valley found themselves surrounded by coalmines, dust and toxic chemicals.*”

This is by no means an exhaustive list.

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12 ‘Gas Leak’, ABC Four Corners, 1 April 2013, [http://www.abc.net.au/4corners/stories/2013/04/01/3725150.htm](http://www.abc.net.au/4corners/stories/2013/04/01/3725150.htm)
13 ‘Casualties of the Boom’, ABC Four Corners, 28 May 2012, [http://www.abc.net.au/4corners/stories/2012/05/25/3510948.htm](http://www.abc.net.au/4corners/stories/2012/05/25/3510948.htm)
3.2 Coal Example 2 – Radio National Broadcast, 12 February 2016

On Friday 12 February 2016, *Radio National Breakfast* broadcast an interview with visiting Indian Energy Minister Piyush Goyal, who revealed that in spite of India’s desire for thermal coal self-sufficiency and additional renewable energy supplies, some of that country’s coastal power stations were in fact “designed” for imported coal, which Adani’s proposed new mine in Queensland is well placed to supply.

While at one level these comments merely re-inforced previous statements, an exclusive ABC interview where the Indian Energy Minister confirms that there is genuine interest in Australian coal should have generated significant ABC News and Current Affairs coverage.

However this story does not appear to have been covered by ABC News that day, and did not feature on the following The *World Today*, *PM* or *AM* radio programs, or on the ABC’s *Lateline*, 7.30 or The *Business* television programs.

The program summary on the Radio National website was instead headed “India heading for self-sufficiency in thermal coal as massive village power scheme ahead of schedule” and while it did make a passing reference to coastal power stations and coal imports, it finished with “Piyush Goyal tells RN Breakfast that Indian thermal coal imports had declined more than 30 per cent in the past three months.”

The following exchange from this program confirmed India’s interest in Australian coal despite the obvious cynicism of interviewing journalist and *Radio National Breakfast*’s Environment Editor Greg Borschmann:

*Journalist:* “So are you even bothering to talk to the Australian thermal coal exporters given your success in curtailing import demand?”

*Minister Goyal:* “Well I have not exactly talked to anybody in particular because I let the market forces decide that, but I recognize that Australia can play an important role in providing low sulphur, low fly-ash coal. Particularly for these coastal plants which need that coal. And that’s why I’ll be happy if we can have low cost coal supplies on a sustained basis coming in to fuel those power needs.”

*Journalist:* “But this falling import demand is very bad news for Indian company Adani’s plans to open up Australia’s Galilee Basin, isn’t it? That’s the brutal truth.”

*Minister:* “I don’t think so, because he already has a plant which is set up on the back of this coal mine which requires imported coal and that’s at a port where we don’t have the rail infrastructure to take indigenous coal. So instead of Australia, he is now importing that coal from other countries. The loss is really Australia’s. What could have been added to your GDP,

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the jobs, the 10,000 jobs that people in Queensland could have got have been delayed by a few years...”

In isolation, this could be considered an opportunity missed, or even a genuine clash of perspectives. However, ignoring what is an obvious story, the coal-cynical questioning and subjective program summary, suggests that it doesn’t fit in with the ABC’s environmental agenda.

It is also not clear why one Radio National program needs its own Environment Editor.
3.3 Coal Example 3 - Allegations against Adani Australia CEO, 12 November 2015

However, when the content of a story does fit in with the ABC’s environmental agenda, the contrast in treatment is stark.

On 12 November 2015, ABC TV’s 7.30 program broadcast an ‘exclusive’ story that the CEO of Adani Australia, Mr Jeyakumar Janakaraj, had previously been in charge of a mining operation in Zambia which had polluted a local river. The segment headline was: “Adani Australia boss Jeyakumar Janakaraj oversaw mine behind massive African river pollution disaster.”

The segment featured critical comments from the journalist, a lawyer (who is actually associated with Greenpeace a fact not declared by the ABC), two Zambian farmers, and a representative of Environment Justice Australia. While the proposed Australian mine’s local National Party MP made three ‘supportive’ comments towards the end of the piece, each of these comments was immediately rebutted by a critical spokesman.

A preview of the 7.30 story was run on ABC Radio’s PM program that evening under the headline: “Adani Australia CEO linked to mining offences in Africa” with the compere’s opening comments noting that:

“...the ABC can reveal that Mr Janakaraj’s suitability to run the projects been called into question. Environmental lawyers here, in the US and Britain have told the ABC that the Adani Australia CEO was the director of operations of the biggest copper mine in Africa when it was convicted of serious offences in a Zambian court, including polluting the environment and wilfully failing to report it.”

The number of references to Mr Janakaraj’s company position in the news item on the ABC website that evening, which interestingly only made a passing reference to the fact that the mine’s pollution problems began in 2006 prior to Mr Janakaraj starting with the company, make it clear that the ABC had a point to make:

- “Adani Australia boss Jeyakumar Janakaraj oversaw mine behind massive African river pollution disaster” (story headline);
- “Adani Australia’s chief executive officer was in charge of an African copper mine which allowed a flood of dangerous pollutants to pour into a Zambian river”;
- “Mr Janakaraj was director of operations of KMC when the company was charged in 2010 with causing a serious pollution spill, which saw a toxic brew of highly acidic, metal-laden discharge released into the Kafue River”;

18 ‘Adani Australia Boss Jeyakumar Janakaraj oversaw mine behind massive African River Pollution Disaster,’ ABC TV’s 7.30, 12 November 2015, http://www.abc.net.au/7.30/content/2015/s4350974.htm
20 ‘Adani Australia CEO linked to mining offences in Africa’, ABC Radio’s PM Program, 12 November 2015, http://www.abc.net.au/pm/content/2015/s4350893.htm
• “The 2009 annual report of KCM’s parent company, London-listed mining conglomerate Vedanta Resources, said Mr Janakaraj was “responsible for overall operations of KCM’’”;
• "On [Mr Janakaraj’s] watch, significant pollution events happened," lawyer Ariane Wilkinson of Environmental Justice Australia said;
• “In 2011, while Mr Janakaraj was the company’s chief executive, the Supreme Court of Zambia upheld a claim over that incident brought by 2,000 Chingola residents”;
• “Mr Day said the period between 2008 and 2013, when Mr Janakaraj was KCM’s director of operations and then CEO, was a time when the levels of pollution were bad”;
• "I would say that there are many questions one would want to put to this chap, as to what he knew, what he was aware of at the time, how all of this was going on under his watch."
• “The ABC understands the claim lodged in the High Court in London on behalf of the Zambian claimants names Mr Janakaraj as one of the company executives expected to have detailed knowledge about KCM’s mining operations and its pollution control measures.”

To re-iterate, these quotes are all from the same story.

It appears that ABC News and Current Affairs’ story treatment went a step further the next morning, given the content of this Correction, which was published on the ABC’s website on 27 November 2015:

“On 13 November 2015 ABC Local News in Queensland, News Breakfast and News 24 News broadcast a story which suggested that the Chief Executive of Adani Australia, Mr Jeyakumar Janakaraj, had a ‘criminal history’. This was incorrect. Mr Janakaraj was director of operations of KCM, a mining company operating in Zambia, when the company was charged and pleaded guilty in 2010 with causing a serious pollution spill. No criminal or other charges were brought against Mr Janakaraj in relation to this or any other matter. ABC News apologises to Mr Janakaraj.”

Given that that week the Australian Conservation Foundation launched another legal challenge against the proposed Adani mine 21 the ABC needs to guard against the possibility that it could be used as a taxpayer-funded publicity vehicle for the environmental movement.

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3.4 Coal Example 4 – Vic/SA Interconnect Failure, 1 & 2 November 2015

On the evening of Sunday 1 November 2015, an electricity interconnector, a major transmission line that links the Victorian and South Australian electricity grids, unexpectedly failed.

As a result, power blackouts hit 110,000 South Australian households and businesses. 22

While it is a two-way interconnector, it has increasingly been used to supply South Australia with brown-coal generated electricity from Victoria, 23 given the increasing reliance of South Australia on its own intermittent wind power. In fact, net electricity imported from Victoria almost tripled between 2010-11 and 2014-15. 24

ABC Radio’s PM program covered the story on the evening of Monday 2 November 25 with compere Tim Palmer’s introductory comments framing the story as if coal were responsible:

“A massive blackout in South Australia has been linked to the state’s reliance on imported coal-fired electricity from Victoria.”

The body of the report began with a generic comment from green energy analyst Tristan Edis, included two balancing quotes about the shortcomings of wind power from Frontier Economics spokesman Danny Price, then rounded off with three more quotes from Mr Edis.

Comments from Mr Edis were included that brushed away South Australia’s obvious reliance on largely coal-fired Victorian electricity, noting that “sometimes things break down” and pointing out that: “We could have 100 per cent reliable power if we wanted it, but it would cost an awful lot of money.”

He also said that, “During hot days when demand is high, typically wind farm output is low, but they know that and they take that into account in planning to ensure that there is enough power supply.”

25 ‘SA Blackouts Caused by Faulty Powerline Importing Coal-Fired Electricity from Victoria,’ ABC Radio PM Program Transcript, 2 November 2015, http://www.abc.net.au/pm/content/2015/s4343855.htm
This latter comment is demonstrably wrong, given that:

- there was a blackout;
- wind power cannot be turned off and on;
- the last of South Australia’s coal-fired power stations will close in March 2016 making local electricity supply even more unreliable; and
- a long-awaited interconnector upgrade will not be ready before mid-2016.

Again, the assertions of environmentalists and the renewables industry are unchallenged.

The journalist also claimed that Mr Edis said that “it may be better for the hip pocket if customers are prepared to pull out their torches and candles on the odd occasion,” a flippant comment that made light of a serious situation.

Even though South Australia’s increasing reliance on the interconnector is due to the shortcomings of wind power (i.e. it can’t be controlled), and that it is largely coal-fired power from Victoria that fills the gap subject to the capacity of the interconnector, the ABC’s report sought to place the blame for the blackout at the feet of coal.
3.5 Coal Example 5 – The Business, 20 November 2015

Given that the purpose of this submission is to argue the need for balance in ABC reporting, it would be remiss to not cite a positive example, albeit with a caveat.

On 20 November 2015, ABC TV’s The Business program broadcast a segment on the changing climate for bank financing of fossil fuel projects.

The journalist, Neal Woolrich, contacted the IPA in the weeks before the program, aware of public statements it had made on the issue.

An appointment time for Mr Woolrich to visit the IPA was made and kept, and the pre-recorded interview conducted in a professional and respectful manner.

The segment, which was called The Burning Issue for Banks on Fossil Fuel Projects, was well balanced, with a factual introduction (albeit one which implied that China’s smog problems are the fault of coal pollution, which is contested) and explanation of the position of Australia’s banks, as well as four grabs each for the anti-coal (350.org) and pro-free market (IPA) perspectives.

As an individual news item, it was a decent and objective piece of journalism, covering both ‘sides’ of the debate evenly.

However, the IPA notes a line from p.19 of the Ryan Review, which highlighted a balanced 2014 Budget segment on The Business in the context of the ABC’s overall Budget coverage:

“Most viewers would not watch The Business – so it doesn’t seem to be a particularly thorough approach to leave the business analysis of ABC reporters to the end of the evening. It is not giving the average viewer comprehensive coverage and points back to my earlier point that there is a disproportionate amount of reporting on the Budget by political reporters versus business and economic reporters.”

The Business demonstrates that balanced coverage of contentious issues is possible. This is an approach that needs to be followed more broadly by ABC News and Current Affairs.

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4. Energy Stories Formally Organised Through an Environmental Prism

It is also concerning that the ABC formally organises the presentation of energy news through an environmental prism.

4.1 ABC Environment Homepage, Blog and Twitter Feed

The ABC maintains its own environment home page 29 which features sections for Editor’s Choice, Environmental News, Opinion, Features, Video, Audio, Exclusives and Photos.

This home page also has its own blog. 30 It is interesting that the top blog piece (which also appears to be the most recent), which was written by the ABC’s Environment Reporter, is titled “A Splash of Climate Hope as Turnbull Knifes Abbott.” 31

Energy news is listed as a sub-category of environment news alongside other topics including waste, weather and water.

Needless to say, there is no ABC energy blog, and while there is an ABC mining news portal, it is buried on the ABC Rural homepage, 32 alongside Livestock, Fibre, Grains and other rural sub-categories.

ABC Environment even has its own Twitter feed, 33 consisting of typically ‘pro-environment’ comments. On 24 February 2016, the tweets going back 24 hours were:

- New gene added to GM cotton
- Senate committee to investigate whether BP should drill for oil in the Great Australian Bight
- NSW EPA to investigate whether legacy toxic chemicals are in the water supply
- Concerns for Sydney’s drinking water quality as science jobs go
- Foresters to promote their product as biomass for renewable energy
- Space mining: could it ever be a thing?
- 35% of oil and gas companies predicted to go bankrupt in 2016
- 2 rare Japanese devil rays killed by Qld shark control program
- BHP Billiton posts $7.8 billion loss, slashes dividend. Oil and gas prices blamed.

While ABC Rural also has its own Twitter feed 34 there are very few mining or energy tweets, with only three in the last week:

29 ABC Environment Homepage, http://www.abc.net.au/environment/
30 ABC Environment Blog, http://www.abc.net.au/environment/?type=blog
33 ABC Environment Twitter account, https://twitter.com/ABCenvironment?lang=en
34 ABC Rural Twitter account https://twitter.com/abcrural
• BHP Billiton reports half year loss of $5.7 billion, much worse than analysts expected (note use of smaller AUD figure compared to the similar ABC Environment tweet and not blaming oil and gas)
• The contentious Shenhua Watermark coal mine has cleared its final legal hurdle today
• Job losses are stacking up outside the cities, but the mine closures are being felt there too

The ABC clearly puts a lot of effort into promoting the environment, as well as stories from an environmental perspective.

Even the release of new Australian Bureau of Statistics (ABS) figures on the supply and use of energy becomes an environmental story.

On 9 February 2016 the ABS released its updated Energy Account Australia statistics with one of the lead findings that household energy prices had increased by 61 per cent between 2008 and 2014, despite energy usage per household declining by 7 per cent. 35

However, despite the merits of this data release being considered economics or energy policy news, or perhaps even social policy, it was covered by the ABC’s Environment Reporter Sara Phillips.

The story that went to air 36 led with five substantial quotes from green energy spokesman Tristan Edis (who also featured in the 2 November 2015 ABC Radio piece on the failure of an electricity interconnector) talking about energy efficiency, appearing to take a swipe at mining, then blaming energy network companies for price rises.

Two energy association representatives then effectively corroborated Mr Edis’ network charge comments, whereupon he then got three additional quotes on how increasing electricity costs are not a big deal anyway, claiming that:

- “This was an overblown debate about the cost [of electricity] when in fact these are not the main drivers of cost in the economy”
- “They are in fact a small proportion of industry costs and household costs;” and
- “It’s been an absolute disgrace of our policy discussion that so much effort has gone into this issue when there are other things that are far more important.”

It is unlikely that many household or business electricity consumers would agree with these quotes, yet again, the claims of an environmental spokesman go unchallenged.

4.3 Federal Budget 2014 – Proposed Abolition of ARENA


The Ryan Review drew attention to the fact that while this was a ‘reaction piece’ to a 2014 Budget proposal, the story featured four interviewees critical of the proposal (two solar industry representatives, one from ARENA and an ‘energy specialist journalist’ who actually writes for a pro-renewables publication) and none in favour.

As the Ryan Review said “…the report could have benefited from an opposing point of view.”

5. Corporate Taxation Story

The ABC’s highly critical attitude to business, is not restricted to energy and mining companies. Its coverage in late 2015 of the release by the Australian Taxation Office (ATO) of the tax details of 1,500 large corporations is a case in point.

On 17 December 2015, the ATO published this information as part of a “global push for improved corporate transparency,” 38 with the data including each company’s name, Australian Business Number, Total Income, Taxable Income, and Tax Payable for the 2013-14 financial year. 39

Under Australia’s taxation laws, corporate tax is liable on a corporation’s Taxable Income (which is broadly Total Income minus Expenses), not its Total Income. 40 For that reason, speculating about the amount of tax a company pays as a proportion of its Total Income does not accurately reflect the intent, or operation, of the law.

It was therefore disappointing when the ABC’s sensationalist coverage of this data release mirrored that of many other media organisations including the Sydney Morning Herald. 41

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5.1 General News Story One

The morning of the release of this information, the ABC ran a preview story, which led with three comments from Tax Justice Network Australia, an organisation that in late 2014 released a heavily criticized report claiming widespread tax avoidance by Australian companies.

The Tax Justice Network’s comments in this news item, which called on these companies to “explain,” themselves, were then followed by:

- a single-sentence balancing comment from a CPA Australia spokesman;
- a comment by the ALP’s Assistant Shadow Treasurer on multinational debt shifting;
- a comment by an ALP Senator on the need for greater transparency and disclosure; and
- three comments by the Leader of the Australian Greens about transparency and how the information release would “force(s) companies to justify their behaviour and explain why their tax affairs are structured in a way where they pay little or no tax.”

This was clearly framed as a negative story, with four critical spokespeople and only one positive, and this was even before the figures had been released.

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5.2 General News Story Two

After the release of the actual data, the ABC’s coverage did not improve, with the follow-up story leading with the statement that “Almost 600 of the largest companies operating in Australia did not pay income tax in the 2013-14 financial year.”

This was followed by the obligatory two sentence balance: “The ATO said no tax paid did not necessarily mean companies had been engaged in tax avoidance” and “Some of those companies incurred tax losses, while others used prior financial year losses or offsets to minimise their tax payment” before going on to highlight:

- the Total Income and Taxes Paid figures of three technology companies (large Total Income, low Tax Paid); and
- a cleaning company, “which has been accused of underpaying its staff...made about $2.2 billion, but paid no tax.”

The report then singled out an additional twelve companies including two car manufacturers, two airlines, a tyre manufacturer, a “petrol company”, a competitor media organisation, and a gambling company before ominously declaring that “immigration detention centre manager Transfield also paid no tax in 2013-14.”

While the piece went on to cite the large tax bills of Australian mining companies and banks, it did so in the context of highlighting their Total Income and made no effort to explain any reason for the disparity between Total and Taxable Income.

- For example, “BHP made more than $40 billion in 2013-14, but its taxable income was closer to $14 billion. Its tax bill was almost $4 billion.”

The report finished with three brief quotes from the Commissioner of Taxation on how the release of this information helped to build trust, then comments attributed to the Assistant Treasurer (just the one sentence saying that there were many reasons why a company may not pay tax in a given year) and the Shadow Assistant Treasurer, who was said to have alleged that “It was the sort of information the Liberal party had worked hard for the public never to see.”

In summary, the report managed to besmirch large companies in general, manufacturers, fossil fuel consumers and producers, an ABC competitor, gambling company, detention centre operator and the Liberal Party.

There were no Australian renewable energy companies with a sizeable Total Income, but with zero dollars in the Tax Payable column, that were featured in this story.

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5.3 The World Today Program Coverage

ABC Radio’s *The World Today* also covered the data release that lunchtime 46 under the headline “Large Australians corporations found to be shirking big tax bills.” The compere’s introductory comments framed the story as “The Australian Tax Office (ATO) has found that well over half of Australia’s top energy and resource companies pay no tax at all.”

The piece gave a number of individual company examples, again contrasting their Total Income with Tax Payable, with the journalist highlighting that:

- “It’s essentially a naming and shaming exercise and it’s thorough” (the journalist’s opening comments);
- “According to the Tax Office 52 per cent of manufacturing companies paid no tax at all”;
- “Among energy and resources entities, 60 per cent paid no tax.”
- “Patterns are starting to emerge among Australia’s tax avoiders.”

BHP Billiton was the first named victim, with the journalist stating that:

“One company that sticks out is Australia’s largest miner, BHP Billiton. According to the ATO’s numbers, BHP’s total income last year was $40.5 billion. Its taxable income was just $13.7 billion. Tax payable came to $3.9 billion.”

The story went on the feature four substantial grabs from an ALP Senator on multinational tax avoidance, two substantial grabs from the ALP Shadow Assistant Treasurer also on multinational tax avoidance, yet only one from the Assistant Treasurer.

Unlike the earlier general news story, where the Commissioner of Taxation was said to have talked about the release of these figures building trust, the journalist chose to include the following quote:

“We will continue to challenge the more aggressive arrangements to show that we are resolute about ensuring companies are not unreasonably playing on the edge. If they do, they can expect to be challenged.”

There was virtually no distinction at all between Total Income and Taxable Income in this story, which made a concerted effort to single out whole industries, and associate the business community with phrases such as “shirking tax bills”, “Australia’s tax avoiders” and “paid no tax at all.”

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46 ‘Large Australian Corporations Found to be Shirking Big Tax Bills,’ ABC Radio’s ‘The World Today’ Program, 17 December 2015, [http://www.abc.net.au/worldtoday/content/2015/s4374371.htm](http://www.abc.net.au/worldtoday/content/2015/s4374371.htm)
5.4 PM Program Coverage

ABC Radio’s PM Program also covered the data release that evening, with the first three comments from the compere framing the story:

“The big end of town is in uproar tonight after an apparent name and shame exercise by the tax office which released a list of the 600 large companies that paid no income tax in 2013.

Qantas, Virgin Australia, General Motors - they all headline the list, along with the mining and resources sector, where 60 per cent paid no income tax at all.

The tax commissioner says he will challenge companies which are "unreasonably playing on the edge".”

Notwithstanding the introduction, on this occasion journalist Naomi Woodley appears to have made more of an effort at balance than her predecessors:

- beginning the piece with a substantial grab from the Assistant Treasurer which asked the public not to rush to judgement and that just because a company doesn’t pay tax doesn’t mean it is avoiding it;
- noting that BHP had paid the most tax in dollar terms;
- observing that Qantas had no taxable income because it actually made a loss that year; and
- including significant grabs from the Shadow Assistant Treasurer and Leader of the Greens about transparency and loopholes alongside additional commentary from the Assistant Treasurer as well as a defence from a prominent business organisation.

While the PM piece was closer to a balanced story than any of the others on the ABC that day, the compere’s introductory comments framed it in a negative light for the average listener.

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47 ‘ATO: 579 Big Public Companies didn’t pay tax in 2013-14’ ABC Radio’s PM Program, 17 December 2015, [http://www.abc.net.au/pm/content/2015/s4374759.htm](http://www.abc.net.au/pm/content/2015/s4374759.htm)
6. Conclusion

The gathering and presentation of news in the modern, highly competitive, 24/7 media environment is a complex task, and all individuals and institutions are fallible.

However, the examples cited in this submission make it clear that ABC News and Current Affairs consistently pursues, or at least allows itself to be a party in the pursuit of, political campaigns against sections of the business community.

If the ABC is to have a long term future as a public broadcaster, this attitude, particularly to those companies in the mining and non-renewable energy sector, has to change.

Too often, story selection, introductory comments by comperes, selection of interviewees, or non-existent, tokenistic or immediately rebutted comments from pro-business spokespeople, have the effect of casting these businesses or industries in a negative light.

There is also no good reason why mining and energy stories should continually be viewed through an environmental or political prism, or for the environment to have its own news distribution channels.

The ABC’s troubling inability to question the assertions of environmental campaigners clearly helps to promote this anti-business agenda.

This submission has cited examples from ABC News, as well as its flagship PM, The World Today, Radio National Breakfast, 7.30, Four Corners and Lateline current affairs programs, which suggests that this problem is widespread.

The observations of the February 2015 Ryan Review, which were delivered in the context of the 2014 Federal Budget, should be applied more broadly across the whole of the ABC’s television, radio, and internet coverage.

Mainstream news and current affairs programs should incorporate genuine economic and business coverage, and Australians shouldn’t have to watch the ABC’s solitary business program, to get a more balanced perspective.
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