



1946

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

FOURTEENTH REPORT

of the

PARLIAMENTARY STANDING COMMITTEE ON BROADCASTING

relating to

THE BROADCASTING OF NEWS

Canberra, 4th July, 1946.

MEMBERS OF THE PARLIAMENTARY STANDING COMMITTEE

ON BROADCASTING

(Seventeenth Parliament)

Chairman ... .. Senator Stanley Kerin Amour (a)  
Vice Chairman ... .. The Honourable Josiah Francis, M.P. (b)

Senate

House of Representatives

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| Senator the Honourable<br>Herbert Hays (c) | George James Bowden, M.C., M.P. (b)      |
| Senator Richard Hawry<br>Nash (c)          | William George Bryson, M.P. (b)          |
|  | Cyril Chambers, M.P. (b)                 |
|  | The Honourable James Allan Guy, M.P. (b) |
|  | David Oliver Watkins, M.P. (b)           |

(a) Appointed 30th  
September, 1943.

(b) Appointed 14th October, 1943.

(c) Appointed 14th September, 1944.

NOTE:- The late Senator Richard Darcey ceased to be a member of the Committee when his term as Senator expired on 30th June, 1944. Senator the Honourable Allan Nicoll MacDonald resigned from the Committee on 20th July, 1944. They were succeeded by Senators Hays and Nash.

the Australian Broadcasting Commission desires to enter into with the Australian Associated Press Pty. Ltd. and with the Australian Newspaper Proprietors' Association for the right to broadcast overseas news and Australian news supplied respectively by these two newspaper organisations.

2. Copies of the draft agreements are attached as Appendix "A" (overseas news) and Appendix "B" (Australian news).

3. The proposed agreements are for one year, and the payments involved for that period amount to £20,000, comprising £12,500 for overseas news and £7,500 for Australian news, these being the sums suggested in an arbitration determination by the Commonwealth Prices Commissioner, a copy of whose findings on the price aspect of the agreements is given in Appendix "C".

4. In this report A.B.C. means Australian Broadcasting Commission; A.A.P. means Australian Associated Press Pty. Ltd.; A.N.P.A. means Australian Newspaper Proprietors' Association; and B.B.C. means British Broadcasting Corporation.

5. Previous draft agreements on these subjects were dealt with in the Standing Committee's Fourth Report, tabled in March, 1944.

#### General Considerations

6. In presenting the Commission's case in favour of the two agreements as a whole (for the newspaper interests will not agree to implement one without the other), the Chairman of the A.B.C. has pointed out that the fundamental principles which should actuate the news service of a national broadcasting instrumentality are that it should have a complete coverage of available news, both home and foreign, from which to select items for its bulletins; that it should be in the best position to deal with news objectively and dispassionately and to broadcast when and in what manner it deems fit; that its objective should be to develop the service to the highest degree of reliability and independence of any group or section of the community; and that an independent news coverage is regarded by the Commission as a long term and desirable objective.

7. As an alternative to the draft agreements, the Commission favours the principle of getting all its news completely independently of outside sources, but four of the five Commissioners believe that this alternative is not yet practicable under the financial resources available to the A.B.C. at the present time.

8. The fifth Commissioner, who has had forty years experience in all spheres of journalism and is an editor of a newspaper, does not favour the proposals; he does not see how they can be implemented successfully, and considers that with very little additional expenditure the Commission could provide its own independent services in Australia and secure its overseas news by cable from its London staff, who would select the items from material to be supplied to them from three or four of the best agencies to which the Commission could directly subscribe. Nevertheless, having agreed to submit the matter to arbitration,

he feels that the Commission should go ahead with the draft agreements.

9. The Chairman of the Commission has also pointed out that although the present proposals will involve a total extra cost of approximately £4,000, compared with the previous proposals, the Commission would be buying a measure of freedom to secure the confidence of the public and to remove objections irrespective of their validity, as it is for the good of the Commission to get as far away as it can from any possible ground for suspicion, it being most vital that the A.B.C. should have the complete confidence of the community in its news services. The Commission had budgeted for an expenditure of £56,000 on news; under the proposed agreements the cost would be £83,000, which is not considered by the Commission to be too great to cover the principles involved. The prices contemplated in the previous draft agreements were not intended as value for the services; they were to be ex gratia payments in consideration of the Commission not extending its news services, particularly in Australia.

10. In a summing up, the Chairman of the Commission says:-

"I regard the confidence of the public in the A.B.C., particularly in its news service, as so vital that I would go a long way to gain and retain that confidence. I go further and say that if we cannot solve this problem the existence of the A.B.C. is, in my view, in jeopardy. We are spending about 300,000 of public money annually on programmes. If the system is to persist, we must somehow attract the confidence of the community. Some of the suspicions of the community may be ill-founded - I think they are - but the fact is that there is suspicion. If we can clear the line, even by the expenditure of this amount of money, we shall have done something worthwhile."

11. The General Manager of the Commission has indicated that unless the A.B.C. can get more money to improve its programmes it will not be possible to implement the proposed agreements because at present the Commission could not afford to do so. He would be in favour of spending £50,000 or £100,000 on the news services provided sufficient funds were made available to build up programmes on either side of those services. As receiving sets are installed in 80 per cent of Australian homes, it means that at any time there may be from 3,000,000 to 4,000,000 people listening to news broadcasts, whereas the metropolitan newspapers combined have not a circulation in excess of 1,500,000; yet no individual newspaper spends less than £80,000 on its news service. Furthermore, the Commission is now in competition with networks of commercial stations, which are supplied with news from news agencies, and the national service cannot envisage with equanimity the idea of taking second place to the commercial stations for speed or accuracy. News is regarded as the most important item in the A.B.C. programmes, but it is necessary to have attractive programmes surrounding it.

12. The Commission's Director of News, who has had ten years experience with the A.B.C., is of the opinion that the proposed agreements are unnecessary and undesirable and that the proposal in respect of Australian news is unworkable. He has drawn attention to the fact that for a long time the A.B.C. has been independent of other interests in regard to music etc. and pays a lot of money for that independence. For instance, it does not depend upon the Tivoli or any other commercial concern for its light entertainment; it originates it. He considers that the Commission should adopt the same independent policy in respect of news. Having regard to the expenditure incurred on other programmes, a

substantial sum could be added to the Commission's news costs without the total exceeding that of some of the Commission's other major commitments. If the Commission did expend 383,000 for news, that is, 180,000 more than at present, its expenditure on news, notwithstanding the vital importance of that service, would still occupy a comparatively low position in contemplated expansion of programme commitments. £3,000 would not be excessive if it enabled listeners to receive the news service to which they are entitled. He (the Director of News) would be at a disadvantage in performing the duties of his office if the draft agreements were accepted and if he were not allowed to implement fully his recommendations for an independent service.

13. In addition to his evidence on the proposed agreements, the Chairman of the Commission has referred to issues arising out of the provisions of Section 21 of the Broadcasting Act, which requires the Commission to seek Ministerial approval of proposals exceeding 25,000. Those issues were dealt with in the Standing Committee's Third Report, dated 22nd February, 1944, and further terms of reference would be necessary before it would be competent for us to re-open them.

14. In traversing the circumstances which led to the previous draft agreements and the present draft agreements, the President of A.A.E. and A.N.P.A. has elaborated the following points:-

- (1) In discussions with the Commission's Chairman it was made clear that the newspapers preferred to have no dealings with the A.B.C.; that they preferred the Commission to establish its own service because they felt that whatever they did would be wrong; that there were certain political complexities; and that whatever they did they would "get it in the neck".
- (2) The newspapers had an agreement with the Commission to supply it with a news service at a token payment. If they honoured that agreement and charged the Commission the full rate they would be accused of making money out of it. On the other hand, if they cancelled the agreement and kept their news away from the Commission they would be charged with withholding news from the Commission which it could not otherwise get.
- (3) So far as the newspapers were concerned, there was an objection to being associated with a news service which, rightly or wrongly, they felt to be subject to certain political influence.
- (4) In response to representations from the Commission, negotiations were entered into on a basis of absolute equality. The service offered under the 1944 draft agreements was at a very reduced rate in consideration of certain qualifications, but that position was changed at the request of the Commission, which wanted to be completely independent of the newspapers and to pay its own way.
- (5) From time to time there is evidence that the A.B.C. is including in its services, without acknowledgment, news of which the newspapers own the copyright. The newspapers are constantly getting cases of that kind, and protests are made to the A.B.C. The Commission investigates, but these incidents continue to happen. Quoting specific instances, the witness suggests that the A.B.C. staff, in their keenness, overlook ownership in news and every now and again take news to which they are not entitled. If they get their own independent service and do that, it will leave them open to a very

grave charge.

- (6) The witness has always known the matter to be a political one and that Government policy is involved, whatever the views of the A.B.C. may happen to be. In sheer desperation and self protection, the newspapers said to the Commission: "We do not want to make an agreement with you. Go ahead and provide your own service." The Commission pressed the point of making an agreement. The newspapers said: "Write out your terms." They did so and the newspapers agreed to them 100 per cent. The only disagreement, which did not arise until later, related to the cost of the service. The newspapers said: "We do not want to have anything to do with you, but if you press the matter, here is our decision - an overseas service for £20,000 and a local service for £10,000, making a total of £30,000. If that is unsatisfactory, go ahead with your own service." The price was eventually fixed by arbitration.
- (7) There is still no suggestion that, because the newspapers cannot get their own way with the Commission, they want to terminate the agreement. They consider that a national interest is involved and that, if the A.B.C. insists upon taking its news from them, they are obliged to supply it. That goes, regardless of cost or any other factor.
- (8) The newspapers wanted to be able to terminate the agreements if experience showed that they were inimical to their interests. That is why they suggested a term of 12 months. The Commission also had certain reservations that it wanted to try out. It was paying a price for an unrestricted service, and it wanted to give the arrangements a trial to see whether they would be advantage us. The term of the agreements was fixed as a test period. There is no reason to believe that fresh agreements will not be made on the basis of experience with the proposed agreements.
- (9) The relationship between the A.B.C. and the newspapers now is very good, although it was very bad.
- (10) Proper publicity abroad for Australia will not be secured until there is some central point from which news of this country can be dispatched. To send Australian news abroad at present there must be correspondents at about ten different points. The major agencies realise what a grave disability this is.
- (11) An agency must give a factual, objective and impartial report of Parliamentary proceedings, because it serves newspapers with conflicting political views. Two Melbourne papers with conflicting political views draw their cover of Parliament from one source, which therefore must be absolutely objective. An agency reports what a Member of Parliament actually says, not what a particular newspaper might like him to say.
- (12) If news is to be of any value at all, there must be absolute impartiality. The witness stands or falls by that. He is indifferent whether the draft agreements are accepted or not.
- (13) The newspapers have been attacked on all sides since details of the draft agreements have been published. They have been depicted as a great octopus seeking to put over agreements which are inimical to the interests of the community. The amount of money they will get out of them is infinitesimal by comparison with the costs involved. On the other hand, if they get rid of the agreements they will be attack-

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ed because they are unmindful of the need to give the man  
outback an adequate news service.

#### Overseas News

15. In the Committee's Fourth Report, dealing with the previous draft agreement, the majority of the members expressed the conclusion that they saw no objection to the A.B.C. entering into an agreement with A.A.P. for a service of overseas news, provided it (the Commission) maintained a staff correspondent in London, also in the United States or in Canada, so that independence of viewpoint on political, social and economic questions might be maintained, with an unqualified right to supplement, by direct cables when necessary, press news in regard to these questions and in regard to unconfirmed reports; and provided the agreement was framed in such terms that it would not exclude the possibility of an arrangement developing between the broadcasting organisations of the Empire for the mutual exchange of news of special interest from the broadcasting standpoint.

16. In a document, attached to our terms of reference, the Chairman of the A.B.C. says:-

"The present (draft) agreement meets all provisos mentioned in the Committee's conclusions (on the previous draft agreement):-

- (a) It provides for complete freedom to establish correspondents in all parts of the world both for checking of agency news and for the relaying of independent news at the Commission's discretion.
- (b) The present agreement is framed in such terms as will not exclude the possibility of arrangement between Empire broadcasting organisations for the mutual exchange of news.
- (c) The agreement goes even further by making explicit the right of the A.B.C. to subscribe to news agencies outside the control of the A.A.P. as it thinks fit."

17. Following are the principal points elaborated in oral evidence tendered on behalf of the Commission in regard to the draft agreement on overseas news:-

- (1) The previous draft agreement provided for a payment of 35,000 per annum to the A.A.P., compared with £12,500 under the present proposal, which contemplates that the A.B.C.'s overseas representatives would have greater freedom to collect and use news independently without consultation with the A.A.P. and to subscribe to news agencies.
- (2) In January 1946 the A.B.C. entered into an agreement with the British United Press agency, whose news is not included in the A.A.P. service. There had also been some unofficial talks with representatives of the Associated Press of America, but these were discontinued when the Commission decided in favour of proceeding with the draft agreement with A.A.P.
- (3) So far as is known, the exclusive rights of the A.A.P. to Reuters' service were established when the draft agreement was being negotiated. If the A.A.P. did not have exclusive rights and if it were possible for the A.B.C. to get the news at a rate less than that charged by the A.A.P., that would have a great deal to do with the basis of any agreement.

- (4) At present the A.B.C.'s American news items come from the British United Press, the Exchange Telegraph Agency and the B.B.C. broadcasts. The A.B.C. pays for Reuter news contained in the B.B.C. broadcasts; it is not known how long this arrangement, which was a war-time provision, may continue.
  - (5) The A.B.C. does not know what it would cost to get a direct agreement with the Associated Press of America or with Reuters, as there have not been any firm negotiations.
  - (6) The Commission contemplates continuing and expanding its newsgathering staff in London and hopes to re-establish its representation in America, which was discontinued when the agreement with British United Press was entered into.
  - (7) At the moment the Commission does not think that any proposal which will not give it Reuters' service will be in the best interests of national broadcasting, that service being regarded as essential.
18. Invited to express his views on the proposal, the General Manager of the Commission has pointed out that although the present draft agreement is almost identical with the previous draft, it involves a payment of rather more than twice as much. He does not think that there was any justification for increasing the amount of £5,000 in the previous draft agreement to £12,500 in the present draft agreement. There are indications that the Commission might be able to negotiate agreements direct with certain additional agencies, but in view of the action taken by the Commission he feels that there is an obligation to go ahead with the draft agreement and examine alternatives during the proposed twelve months of its tenure.
19. The submissions of the Commission's Director of News in regard to the overseas proposals are condensed as follows:
- (1) With the exception of minor aspects, the draft agreement differs from the 1944 draft only in the matter of price, which is now two and a half times greater.
  - (2) The A.A.P. service is supposed to cover all the "hard" news of the day. It really amounts to a selection of the news fed into the A.A.P. office in London by various agencies. That selection is made by the A.A.P. staff and consists of what they consider would best suit their subscribers in Australia. It is no reflection on them to say that it would not necessarily be the A.B.C.'s selection.
  - (3) The present wordage that comes from the A.A.P. service, is, at the most, only a small proportion of the material available to the A.A.P. in London. They claim, probably with some foundation, that they have exclusive rights in Australia to Reuter's service, that is, that they have the broadcasting rights as well as the newspaper rights. That is why broadcasting organisations in Australia are paying A.A.P. £3,000 for the right to re-broadcast whatever Reuter material there may be in the B.B.C.'s news bulletin.
  - (4) Quite a lot of material in which the A.B.C. would be interested comes outside of the A.A.P. service. It is for that reason that the witness prima facie has always been opposed, and is still opposed, to accepting a cable service in Australia which has been selected by people overseas who are not employees of the A.B.C. staff.



- (5) At present the Exchange Telegraph and the British United Press services are being fed into the A.B.C.'s London office, and the A.B.C. staff makes the selection that is to be cabled to Australia.
- (6) For some years the A.B.C. has been completely independent of the A.A.P., with the exception of an unspecified amount of Reuter material used in compiling the B.B.C. broadcasts. Nobody seems to know exactly what that amount is.
- (7) In addition to the £3,000 paid for such Reuter material (of which the A.B.C. pays £1,500) there is a charge by the Australian Post Office of approximately £2,500 a year, for picking up overseas broadcasts and supplying them to the A.B.C., making a total payment by the A.B.C. of £4,000 per annum.
- (8) At one time the A.B.C. took the A.A.P. service on a wordage basis. During a test period it was found that only ten words a day were used, and the Commission decided to discontinue this arrangement. It is no reflection on the A.A.P. service to say that the A.B.C. was getting what it wanted by other means.
- (9) The main overseas agencies are Reuters, Associated Press of America, British United Press and the Exchange Telegraph service. There is also a Press Association in Great Britain which is really Reuters and collects home news.
- (10) The B.B.C. gets the bulk of its world news from the agency "tapes", just as the witness thinks the A.B.C. should.
- (11) It would be better for all concerned if the Commission bought the world cable services direct instead of through the A.A.P. and allowed the selection of news to be made by its own staff in London for cabling to Australia. The staff is doing that now and, within their limits, very well. Probably two additional A.B.C. officers in London would be required. At present the Commission is subscribing to the British United Press and Exchange Telegraph agencies and has access to Reuters through the B.B.C. broadcasts, but that is not as satisfactory as having direct access to it. The witness believes that the cost of securing this service direct would not be more than the amount involved in the draft agreement with A.A.P. The prospects of getting an agreement direct with the Associated Press of America are excellent.
- (12) It would be in the interests of the press, as well as the Commission, if the Australian public were able to test one news service against the other, or if the press ran news about something that the A.B.C. did not have, and the A.B.C. ran news about something that the press did not have. The net result would be that the Australian people would be getting more news and a wider coverage. That would be much better than having only one selecting agency in London (A.A.P.) to decide what news should be printed as "hard" news in all Australian newspapers and broadcast by all the broadcasting stations, commercial and national.
- (13) Under existing arrangements the A.B.C. is not missing any important overseas news, and it could continue these

arrangements provided the B.B.C. broadcasts are also continued, .., as they contain Reuters agency news.

- (14) It is understood that if A.A.P. subscribes to the Associated Press of America on a non-exclusive basis, then the exclusive clause in A.A.P.'s contract with Reuters would cease to operate; that is, Reuters would not agree to be tied to A.A.P. exclusively if other agencies were free to sell, not only to A.A.P. but also to other people as well.

(i).  
20. Submissions by the President of A.A.P. and I.N.P.A. are condensed as follows :-

- (1) The cost of the A.A.P. service this year is over £180,000. Last year the cost was £158,000, and of that amount wages totalled £39,000. Transmission charges cost £27,000 for 2,500,000 words. It will be argued that the A.B.C. would not require that wordage. That is true; they confine themselves to 40,000 words a week, including repeated matter. But they must have all the news in order to select and discard. It takes as much manpower and effort to get a four-line report as to get a column report. It is utterly impossible to get a service for anything comparable to the figure which the A.B.C.'s Director of News gave.
- (2) An overseas service, known as Globe Reuter, could be obtained at a very much lower figure than those mentioned by the witness in the preceding sub-paragraph. He had discussed this with the late Prime Minister (Mr. Curtin), who expressed strong opposition to it. The major news agencies broadcast an omnibus service at regular intervals, perhaps 16 times a day, on short wave. It is very comprehensive and may be purchased from the agencies at a very low rate, but the Post Office pick-up charges increase the cost to a prohibitive figure. Mr. Curtin's views were that it was quite wrong to allow any service to come into Australia purporting to be a cover of world news, which was not selected by and was not within the control of Australian journalists, but was under the domination of another authority, - perhaps the British Government, the American Government or an organisation independent of them. Mr. Curtin had said that the Government would not agree in any circumstances to bringing into this country news which Australian authorities were not in a position to control. That was during the war. "If you get an omnibus service, the selection and control of that service are taken out of your hands".
- (3) The estimate of the Director of News is in conflict with not only the experience of other newspaper organisations and with his own officials, but also with the finding of the arbitrator, who stated it would be impossible for the A.B.C. to get an independent service at a cost comparable with the cost under the draft agreement with the A.A.P. After investigating all the costs, he (the arbitrator) concluded that the Commission could not get a service under £20,000.
- (4) The reported statement of the Director of News that, except for part of Reuter's service, the A.B.C. is practically independent of A.A.P., has shocked the witness. The A.A.P. owns the rights of Reuters, ~~Associated~~ Press of America and formerly owned the rights of United Press. The I.N.S., which is the only other major agency is a Hearst service owned by Mr. Norton (of Truth and Sportsman Ltd.) They are the four major agencies. The B.B.C. bulletins include Reuter and United Press. They did include Associated Press, but whether there has been a change within the last few months or so, the witness does not know. In addition, A.A.P. has an arrangement with the Press Association of Britain and certain newspapers. What the Director of News probably meant is that the A.B.C., by the use of B.B.C. plus certain other sources, is independent of the A.A.P. But the B.B.C. bulletins comprise a number of services owned by A.A.P. for which the A.B.C. is paying A.A.P.

- (5) In the past the A.A.P. has not had to pay more money for exclusive rights than for non-exclusive rights, but the reverse will probably be the case in the future.
- (6) The payment of \$12,500 in the draft agreement would not include material from a newspaper's special correspondents.

Standing Committee's Comments

21. On the question whether the Commission should rely exclusively on the news supplied by the agencies or whether it is justified in incurring additional expenditure in maintaining independent correspondents, it is common knowledge that there have been public complaints of the "processing" or suppression of overseas news by certain international agencies, as narrated, for example, in "Barriers Down" by Kent Cooper, General Manager of Associated Press of America. In that book, published in 1942, the author says that those news agencies "brought under their control the power to decide what the people of each nation would be allowed to know of the peoples of other nations and in what shade of meaning the news was to be presented."

22. More recently the existence of similar complaints has been indicated in the following news published in April 1946 in at least one Australian daily newspaper:-

"The annual delegate meeting of the National Union of Journalists at Liverpool has carried a resolution urging the Government to appoint a Royal Commission on the Press of Great Britain. It recommended that the commission should inquire specifically into the ownership, control and financing of all newspapers, news agencies, and periodicals; the extent to which the growth of powerful chains of newspapers was creating monopoly ownership; the ability of independent newspapers to withstand increased competition from syndicated companies; the influence of financial and advertising interests on the presentation and suppression of news, and the dispersion or suppression of essential facts in home and foreign news".

23. It is of interest to note what is being done by the B.D.C. as shown in the following extract from its Year Book for 1946:-

"B.D.C. reporters and correspondents are now to be found covering events of public interest over a very wide field. Some appointments have been made to posts abroad as regular foreign correspondents, thereby laying the foundation of what it is hoped will be a valuable addition to the news services."

24. We consider that at all times, and particularly in the crises confronting the world at present, it is of the utmost importance that the Australian people should be reliably and adequately informed on international trends and happenings. Accepting the view expressed in the B.D.C. Year Book for 1946, that "broadcasting, because of its ubiquity, is an unrivalled means for the dissemination of ideas", and bearing in mind that the national service is the medium on which the community should be confident of relying for impartial presentation of what is occurring in other countries, we endorse the aim of the A.B.C. in proposing to have its own independent correspondents abroad for the checking of agency news and for the relaying of independent news. It is particularly important, in our opinion, that the utmost caution should be exercised in determining the wisdom or otherwise of broadcasting unconfirmed reports, particularly from anonymous sources.

25. The real issue is the extent to which the Commission actually intends to maintain independent correspondents and the method which it proposes to adopt in checking and choosing agency news. Under the proposed agreement the A.A.P. officials abroad would be the arbiters of selection of the news received by them from the agencies to which the A.A.P. subscribes. As has been pointed out in evidence, however, what those officials might select as suitable for publication in Australian newspapers would not necessarily be what A.B.C. officials would select as suitable for the Australian national broadcasting service. That does not imply any reflection on the A.A.P. selecting officials;

it simply means that, as the Chairman of the Commission has said, "the national service should be in the best position to deal with news objectively and dispassionately." And it cannot be in that position unless it has access to the news before any selective process is applied to it by an intermediary.

26. Obviously, the only way in which the Commission could expect to have complete public confidence in its overseas news service would be to have its own news gatherers, but that is an impractical ideal because of the colossal expenditure involved in actually gathering the news itself in the various countries of the world. The nearest approach to that ideal is an arrangement under which the Commission would receive agency news direct from the agencies so that its overseas staffs would themselves make the selection for cabling to the Commission's headquarters in Australia for broadcasting in this country.

27. As previously indicated, that would be no reflection on the A.A.P. officials overseas; it is just a matter of having the opportunity of exercising independent judgment and establishing a situation in which responsibility for that judgment can be fixed on the Commission and not delegated to A.A.P. officials, especially in connection with any broadcasting of unconfirmed reports in international relations. For that reason, the Commission should, in our opinion, enter into direct negotiations with overseas agencies through their representatives in Australia with the object of arranging suitable agreements independently of the A.A.P. This course was not practicable at the time the Standing Committee reported on the previous proposals in 1944, as the A.A.P. possessed exclusive rights in Australia to news disseminated by Reuter's agency. We understand, however, that there may be a change in this situation in the near future.

28. Figures and information submitted by a responsible A.B.C. official (the Director of News), whose opinion is supported by a member of the Commission who, as previously stated, has had forty years' experience in all spheres of journalism, show that if the A.B.C. negotiated direct with the news agencies it might secure contracts on terms possibly less costly than the expenditure involved under the proposed agreement. Even if they were more costly, it might be found wise to accept them, because, by having these direct contracts, the objection to A.A.P.'s selection of news for the Commission would be overcome. As the Chairman of the Commission has said, payment of a lot of money would be justified to remove objections, irrespective of their validity, in order to secure universal public confidence in the Commission's news service.

29. The Chairman of the Commission has also said in evidence on the draft agreement for Australian news (referred to later in this report) that one of the essential provisions for a national news service, if its prestige and reliability are to remain high, is the "untrammelled right of selection". As shown above, this right would not be secured under the draft agreement for overseas news, as the selection of agency news for the Commission's use would be made by the A.A.P. staff in London.

#### Australian News

30. In the Standing Committee's Fourth Report, dealing with the previous draft agreement for Australian news, the majority of members expressed the conclusion that the A.B.C. would be well advised to refrain from relinquishing its right to collect news independently, and supported the general principle underlying the attitude previously adopted by the Commission that, in addition to obtaining certain news from newspapers, the establishment of its own news gathering service was a sound policy in the development of a national broadcasting organisation in Australia; also that monetary considerations should not unreasonably retard ultimate attainment of that objective, and that in the long run competition for news should ensure better service to the community.

31. The majority of the committee recommended that as a minimum the A.B.C. should maintain its present scope and range of Australian "straight" news-gathering arrangements and extend them to include a nucleus of staff journalists in each of the six state capitals as well as in Newcastle and any regional area which at any time might be brought into the same status as Newcastle; also that consideration should be given to the establishment of Parliamentary roundsmen in each of the states on the same basis as the Parliamentary roundsman (with ancillary staff) at Canberra.

32. Subject to that recommendation the majority of the Committee saw no reason why the A.B.C. should not enter into an arrangement with the daily newspapers for the supply of general news not likely to be subjected to certain disadvantages (e.g. war communiques and other news from general headquarters of the fighting forces), provided that complete independence was guaranteed in the collection, treatment and broadcasting of all Parliamentary matter, including reports setting out the viewpoint of Opposition parties as well as the government of the day.

33. The majority of the Committee considered, however, that the A.B.C. should approach the news question from the long range view of a determination ultimately to set up its own completely independent news-gathering organisation, and that it should not commit itself to any course of action which would prevent the logical development of this aim when and as the necessary manpower and finance became available.

34. In a document attached to our terms of reference, the Chairman of the A.B.C. has said that each individual point of objection has been met by the present draft agreement as follows:-

- (a) The Commission has not relinquished its right to collect news independently in any section of the Australian field. This is specifically set out in the agreement and agreed to by newspaper proprietors.
- (b) The A.B.C. has maintained its full scope and range of Australian news-gathering, and has extended this service where it has felt it to be requisite.
- (c) The Commission's objective is the complete independence of its staff in the selection of news whether such news is gathered by its own or Press organisations. In the case of Press organisations, the present agreement purchases the right to view news in Press offices before publication, that is, before Press editors and sub-editors have exercised their choice. It will, therefore, be competent for the A.B.C. to make its own selection and rejection of news entirely on its own independent judgment in respect of all news available to it.
- (d) It is to be noted that the Committee, subject to the above considerations, sees no reason why the A.B.C. should not enter into an arrangement with the daily press for the supply of general news with the proviso that independence is guaranteed in the collection, treatment and broadcasting of parliamentary matter. Such complete independence is guaranteed under the present arrangement, parliamentary news being collected, treated and broadcast by our own staff. The agreement with the daily newspapers as approved by the Committee, subject to such provisos, has been concluded in the manner recommended. The question of cost was referred to an Arbitrator as recommended by the Joint Committee on Broadcasting. With a view to retaining in the Commission's hands the discretion as to whether in future all Australian news should be gathered as well as chosen by the Commission's own staff in the event of the present arrangement proving unsatisfactory or inadequate, the present agreement is limited to one year.

35. In another document attached to our terms of reference, the Chairman of the Commission says:-

'All the issues on which there was formerly disagreement have been resolved to our satisfaction. In the first place, the agreement gives us the right not formerly held of securing news at its source rather than after publication, thus establishing the Commission's full right and ability to free selection according to its own estimate of news value. Secondly, the agreement contains no limitation on the right of the Commission to expand its own news services from any source whatever. Thirdly, there are no restrictions as to times of news broadcasts or wordage used, the only proviso being that if at our discretion we chose to

increase or decrease the wordage above or below 10 per cent, on the present use, it would be competent for either side to establish a claim for revision of payment. Finally, the agreement is for one year only, at the expiration of which either body has the right of review."

36. Following are the principal additional points elaborated in oral evidence tendered on behalf of the Commission in regard to the draft agreement for Australian news:-

- (1) Canada leaves all news gathering, with the exception of special events, to the news agencies, even including Parliamentary news. South Africa has no machinery for the collection of news as such; it has a contract with the South African Press Association for all its basic news. The B.B.C. also has an agreement with British Home News Services for the supply of basic home news.
- (2) In every material regard the draft agreement meets the objection raised to the previous draft agreement.
- (3) The combination of the Commission's own gathered news, together with the resources of existing news agencies, is a guarantee that all the news will be available and that it will be open to the Commission's own selection and to no other. Such a policy is an essential provision for a national news service, which, if its prestige and reliability is to remain high, must combine the availability of all news and the untrammelled right of selection.
- (4) The Commission has no objection whatever to securing all its news by its own staff as an objective. It proposes to continue the process of expanding its own news gathering services as and when finances and the needs of the service require. Such a process will take time in the securing of suitable staff.
- (5) At present the A.B.C. covers political news with its own staff, a principle which the Commission feels is most desirable from all points of view.
- (6) The twelve months term proposed in the draft agreement allows the Commission time to test the satisfactory nature of the agreement and to see its way more clearly as to finances and personnel of its news-gathering staff.
- (7) The draft agreement has not been the result of any pressure on the part of the Australian press, whose representatives would much prefer the Commission to secure its own news by its own staff.
- (8) The Commission has experienced considerable financial stringencies, and until its financial position is clearer it is essential to exercise reasonable economy.
- (9) The Commission still requires to be satisfied as to the cost of an entirely independent service. Various figures from time to time have been submitted as an estimate, but have varied very considerably. Much more evidence is required before the Commission can visualise the financial implication of a complete cessation of news of press origin.
- (10) The Commission should be in the position of being able to select its own news from the basic source; a newspaper selects the items that it publishes according to the judgment of the proprietors or the editorial staff. Different newspapers do not necessarily exercise the same judgment. The policy of various papers decides the news value of items. The A.B.C. has no policy like that. It is trying to set a standard of completely non-policy news, the criterion of which will not be that it is sensational, or that it serves to high-light something. Press standards of judging news value are not necessarily the Commission's standards. The A.B.C. staff has to keep a wary eye on sensationalism for its own sake.

A statement which it is of value to the community to know is of more value to the A.B.C. than one which might be merely thrilling.

- (11) As the result of the draft agreement the Commission plans to increase its news-gathering staff very substantially. The incurring of the additional expenditure involved will depend upon the view which the Standing Committee takes of the Commission's financial position generally in relation to its request for an increased proportion of the Listeners' licence fee.
- (12) The Commission is trying to create a position in which the public will know that the news it broadcasts has been selected by the A.B.C.
- (13) To implement the draft agreement nineteen additional journalists will be required by the A.B.C. for duty in newspaper offices to select news from proofs in those offices. It is doubtful whether their services as independent news gatherers would be as effective as their activities in the newspaper offices.
- (14) On the question whether the combined wisdom of the newspaper editorial and reporting staffs should be sufficient to decide what news the public should be given, the position is that the news published in the press is dictated by the space available. Many newspapers tend towards sensationalism; an immense amount of real news is crowded out of the newspapers.
- (15) Under the proposed arrangement the A.B.C. will make its own selection of what it shall broadcast, whereas under the present arrangement the selection has already been made for the Commission by the newspapers. The confidence of the people is so vital to the Commission's future that on that basis alone the proposed expenditure is justified. That confidence is so important that if the Commission loses it, it may as well "shut up shop". The people must have confidence first in those controlling the A.B.C. and second, in the integrity of the Commission's news.
- (16) With due respect to the dissenting Commissioner and the Director of News, other editors and newsmen have made very much higher estimates of the costs of a completely independent news service. One editor of a leading metropolitan daily estimates that to obtain an adequate coverage of news services in Australia would cost six times the amount mentioned as sufficient, and would require between 50 and 60 news gatherers. Nevertheless, an independent service is regarded by the Commission as a long term and desirable objective.
- (17) In evidence given by the former Chairman of the A.B.C. on the previous draft agreement, it was pointed out that earlier estimates of news gathering activities had been greatly exceeded as time went on. That is background in which the Commission must consider the matter in view of its public responsibility to keep its expenditure at reasonable level.

37. Invited to comment on the draft agreement, the General Manager of the Commission has pointed out that the A.B.C. is in competition with the network of commercial stations which are supplied with news from newspaper organisations. The Commission cannot afford to be beaten by the commercial stations for speed or accuracy. That is why, in the draft agreement, the A.B.C. must have staff in newspaper offices to get the news at its source. If the figures supplied by the Director of News as to the cost of an independent service are accurate, an important issue arises. At the time the draft agreement was made, he (the General Manager) thought it reasonable, but he did not realise that it would cost so much to implement until he had discussed the matter with the Director of News later.

38. In reply to further questions, the General Manager has stated that the dissenting Commissioner's contention that the draft agreement cannot be implemented has yet to be proved; the newspapers have assured the Commission of their goodwill in carrying out the proposals, and in the opinion of the General Manager and the other four Commissioners it can be carried out.

39. The submissions of the Commission's Director of News are condensed as follows:-

- (1) The witness quoted instances to demonstrate that newspaper journalists' reports are not always reliable and that the Commission has been embarrassed by having to correct inaccurate information taken from press sources. In his opinion the system of collecting news should be such that when mistakes are made the responsibility for them can be fixed directly on the Commission's staff so that remedial action can be taken.
- (2) The Commission at the present time is 99 per cent. independent of the metropolitan newspapers of Australia in regard to Australian news, that is, news broadcast from the Commission's headquarters in Sydney to all States as the national Australian news. In regard to State news the Commission is at present 40 per cent. independent.
- (3) For all practical purposes the Commission now is, and has been for some time, completely independent of newspapers in Sydney and Melbourne, and on most days the A.B.C. mid-day bulletins of State news broadcast from Melbourne are compiled entirely from the Commission's own sources. At Canberra the Commission has been completely independent of newspapers for a long time.
- (4) The Commission's independence has been improved ever since it began to get men back from the war; the improvement has been particularly noticeable during the past twelve months. The Commission's position was not nearly so strong when the previous draft agreement was considered in 1944.
- (5) The Commission does more independent news collecting in Australia than is done anywhere else. The Commission can take credit for broadcasting morning and mid-day news sessions long before that practice was adopted by the B.B.C. Up to 1938 the B.B.C.'s first news broadcast of the day was at 6 p.m. The A.B.C. was then broadcasting morning and mid-day services. Hence, for a long time the Commission has taken its news very seriously and has done its best to give the people a service at convenient times.
- (6) To take full advantage of the draft agreement the Commission will have to employ another 19 journalists to cover all the newspapers belonging to the A.N.P.A. in the capital cities. If the Commission does not exercise the right to place a man in each newspaper office to sight news before publication it will have to be content with getting its material from the newspapers as is done at present, that is, by buying a copy of each paper in the street. This is not just a "scissors and paste" service because the staff selects and writes the material taken from the papers to make it easier to follow. That is not a reflection on the newspaper style of copy. One is for the eye and the other for the ear, and there is a difference.
- (7) Taking news from a paper after publication is always unsatisfactory as it limits the A.B.C. to the choice of items appearing in the paper. That is why the Commission has gradually built up its own cover of Australian news. This independent service will still have to be kept in operation even if the 19 men are engaged for service in the newspaper offices to sight copy and proof. The witness had been unable to obtain acceptable assurances in discussions with the President of A.N.P.A. that the facilities which the newspapers would be prepared to give to these 19 men, or which it would be practicable for the newspapers to give them, would be sufficiently satisfactory to the witness to guard against the risk that copies of reports of news breaking near the deadline could be secured and processed by the A.B.C. staff in time for inclusion in the sessions in which they are included at present under the Commission's independent news gathering arrangements. The



obligation of newspapers to supply news to commercial stations and the priority which the newspapers would naturally give to their own requirements tend to be delaying factors in this situation.

- (8) For an up-to-date service there is no substitute for an independent cover of news.
- (9) At present the A.B.C. receives about 25 per cent. more news than can be used. It would be a waste of money to get more material than this unless more air time were made available to use it, except that there would be something of advantage in having a wider selection.
- (10) The Commission does not send men to cover court proceedings on speculation or to get stories which, although valuable to a newspaper, are not necessarily valuable to the Commission. Men are sent there only when there are proceedings of public interest. Also, broadly speaking, the Commission is not interested in all the commercial information printed in newspapers. When there is something special it is covered, but the A.B.C. staff is not scouting all the time for news because there is not sufficient air time to use it.
- (11) In the collection of its Australian and State news, the A.B.C. is frequently ahead of the newspapers and is at least level with its competitors (the commercial stations), some of which have all the resources of the metropolitan daily newspapers behind them.
- (12) The coverage of country news in both press and radio is not good. Until quite recently the only country news printed in the newspapers was of the sensational type which the Commission is not anxious to use. The Commission has only a skeleton news representation in the country, but the organisation it has works fairly well. That service can be extended independently of the newspapers.
- (13) There has been considerable hostility amongst people in the areas of the recent floods in Victoria because of the exaggerated pictures that have been drawn by the three Melbourne newspapers, on which the A.B.C. normally depends for its State news service. An A.B.C. journalist who had just returned from the war, and who was sent to cover the floods, estimated that about 25 per cent. of the newspaper stories were without factual basis or were the product of unsubstantiated reports or unwarranted speculation. Many stories of the position at Port Fairy alleged to have been written by correspondents of one of the papers could not be confirmed from any official or semi-official source.
- (14) Hence, even if the A.B.C. could get all this news direct from the newspapers at the times it was wanted and as promptly as it was wanted there would still be the principle mentioned by the Chairman of the Commission - the necessity for complete confidence in the A.B.C. news service.
- (15) If the Commission is to spend £7,500 in payment to the newspapers under the draft agreement, plus the cost of stationing 19 men in the newspaper offices at, say, £13,000, making a total of approximately £20,000, he (the witness), could hardly put up a recommendation that the Commission's news gathering staff be sent here and there to gather the same news that the newspapers were gathering. Therefore, although the draft agreement gives the A.B.C. the right to collect news independently, the cost of doing so would have to be superimposed on a very considerable cost under the agreement and would be a very strong barrier against implementing the right proposed to be conferred by the draft agreement to collect news independently.
- (16) If the Commission spent the £7,500 in arranging a direct cover of country news, the A.B.C. would receive a better coverage of such news than would be provided under the draft agreement.

- (17) If, instead of engaging the 19 journalists at £13,000 to implement the agreement, the Commission added them to its independent news-gathering organisation, then there could be an independent news-gathering service, including the 60 per cent. of State news at present provided from newspaper sources, at approximately the same amount as the expenditure proposed under the draft agreement. The witness is confident that his organisation would be able to cover all the metropolitan news if the 19 men were added to his independent news gathering staff instead of being employed in the newspaper offices under the agreement, as the great bulk of the news is available at particular places. The draft agreement is unworkable in the sense that the theory of having access to the news in the newspaper offices would not work out in practice; a year's trial of the agreement would be a year wasted.
- (18) Even if there were any sudden cancellation of agreements, the A.B.C. news staff are competent to organise a service at very short notice. Their capabilities in this respect were demonstrated during the recent newspaper strike in Sydney when the Commission ordered the staff not to draw on either of the two newspapers which continued publication.
- (19) In reference to the advice tendered to the Chairman of the Commission as to 50 or 60 journalists being needed to provide an independent service, the position is that if the 19 journalists required to implement the draft agreement were added to the Commission's present news staff of 35, the total would be 54, although they are not all news gatherers.
40. The following is a summary of submissions by the President of A.N.P.A. and A.A.P. :-

- (1) During the negotiations, A.N.P.A. expressed the view that it is wrong for the Commission to broadcast news acknowledged to various newspapers, as the A.B.C. service contains a lot of propaganda. The newspapers desired that the A.B.C. Canberra service be broadcast first or last, but at least separate from the newspaper service. On representations from the Commission, the newspapers gave way on that point.
- (2) Two witnesses of the A.B.C. (Mr. Hanlon, one of the Commissioners, and Mr. Dixon, Director of News) are not competent to express an opinion regarding the cost of news services.
- (3) Quoting figures in detail to show the cost of running the Sydney Morning Herald, the witness states that that cost would be enormously increased if the newspaper did not have an interlocking agreement with another paper in each of the other States. His newspaper had only to keep a staff to cover one shift six days a week, but the A.B.C. has a service involving two and a half shifts, the equivalent of a morning and evening paper and an in-between paper seven days a week. To cover news in Sydney alone, Monday to Friday, requires a staff of 39 men, including reporters, roundsmen, writers and sub-editors; on Saturday 27 are required. The expenditure involved is £45,000 per annum for wages alone. In addition, it is necessary to make provision for the other States and for important centres like Newcastle, as well as for country cover.
- (4) The circumstances which account for the difference between the proposed payment to A.N.P.A. under the previous draft agreement and the present draft agreement are that under the former the A.B.C. undertook to draw its news from A.N.P.A. with the exception of certain roundsmen in Canberra; the Commission undertook not to establish a competitive or rival service. Speaking from memory, the witness thought that there were certain limitations in regard to times; and it was not proposed to give the A.B.C. a proof service.

- (5) The omission of the "Age" from the present draft agreement is a mistake; that newspaper is included in the proposals.
- (6) The present attitude of A.N.P.A. to the idea of the A.B.C. having an independent news-gathering service is one of supreme indifference.
- (7) In discussions with Ministers on the previous draft agreement, the witness encountered a conflict of opinions. Some Ministers wanted what they regarded as an absolutely balanced news service, but they meant by that "balanced against their rivals and in their favour" - a service that would be available to them personally. A number of Ministers had told the witness that quite frankly. The late Prime Minister's attitude was that he wanted a great national news service that would be objective, impartial and free, but he said: "Of course, a lot of my colleagues will not agree with me on that. They just want something to publicise their activities." (Standing Committee's note: As Mr. Curtin has passed away, we have no means of verifying this statement.)
- (8) The newspapers would not agree to a service that would serve only to publicise Ministers.
- (9) In other countries, Parliament is covered by agencies. Without an agency service it is impossible to secure an adequate cover of Parliament. An ironical fact is that evidence given to the Standing Committee in opposition to the Canberra agency advocated at the same time the obtaining of overseas news from agencies.
- (10) Part of the A.B.C.'s news service is pure propaganda of a political nature. From a check made in Sydney on nine consecutive Sundays, the bulk of the 9 o'clock service on each of seven of those days consisted of a statement by Mr. Haylen (M.P.).
- (11) On another night a statement was broadcast that in the opinion of an officer of the Department of External Affairs, Dr. Evatt was the greatest Minister for External Affairs that Australia has ever had. That was an expression of views, not of news. Many such instances could be cited.
- (12) A statement attacking an organisation has been broadcast, but the correction, although it has been made available to the Commission, has never been broadcast.
- (13) Rightly or wrongly, the newspapers consider that the Commission's Canberra service is used for propaganda purposes, although the position now is not as bad as it was. The newspapers consider that it is desirable, in their own interests, for their service to be divorced from the Commission's own service, so that the listener will know from which source the news he hears is derived. The Chairman of the Commission (Mr. Boyer) and the General Manager (Mr. Moses) raised objections to this; they did not make any admission; there were technical reasons why news taken from the two services should not be presented separately. The newspapers gave way, but are still anxious for the separation.
- (14) A proportion of the national news service is taken from the newspapers, but the items are frequently not acknowledged. The witness has never known any newspaper to get an absolutely exclusive news item. A newspaper may get an item exclusively, vis-a-vis the other newspapers, but never vis-a-vis the A.B.C. The lifting of an exclusive item about General Bennett was a noteworthy incident. Whilst this was permissible under the existing arrangement, it should have been acknowledged.
- (15) The witness is not in a position to combat the claim by the A.B.C. = Director of News that the Commission provides 40 per cent. and the newspapers 60 per cent. of State news.

- (16) If the Commission established its own service in Sydney and contemplated full coverage, it would require approximately the same staff as the Sydney Morning Herald employs. Admittedly few police court cases would be reported, but reports would have to be obtained covering the financial news, Stock Exchange prices, etc. It is true also that social news would not be broadcast to the extent that it is covered by the newspapers, but a certain amount of social news is put over the air and coverage would have to be supplied.
- (17) An assessment of whether a news item is important or is inconsequential can only be made if the news has been collected. Capacity to decide on what should be published or broadcast depends on capacity to get the news. For every line a newspaper publishes it probably rejects eight lines.
- (18) It is not fair to blame the Commission for isolated instances of the kind the witness cited. Whenever he has gone to the Commission with a complaint he has invariably received satisfaction.
- (19) The newspapers have been charged on all sides with suppression, distortion, and the like. As a protection against such charges, the Commission would have the right under the draft agreement to sight copy before or after it was sub-edited, and, if it so desired, to obtain carbon copies within reason, thereby enabling the Commission to take its news from the reporters direct, rather than from the newspapers.
- (20) Journalists make mistakes, and when they do so people impute improper motives to the owners of the organisations which employ them. The witness is not at all sure that acceptance of the draft agreement would avoid unfair criticism of that kind; on the contrary, he is inclined to believe that it might have the opposite effect.
- (21) As the Commission is charged with the maintenance of broadcasting, there does not appear to be any necessity for the Standing Committee to examine and report upon an agreement which the Commission believes to be in the national interests. The witness does not suggest that the Committee might be influenced by political factors.
- (22) The witness referred to evidence tendered by the former Chairman of the Commission (Mr. Cleary) on the previous draft agreement, concerning his experiences in connection with certain ministerial directions as to matter which should be broadcast. The witness believes that these experiences occurred subsequent to 1942. (Standing Committee's note: Mr. Cleary's evidence showed that those incidents occurred when different governments held office before the present Broadcasting Act came into operation on 1st July, 1942. Mr. Cleary also pointed out that under the previous Act successive governments of different political parties could, and did, issue instructions verbally to the Commission in regard to political broadcasts, but that under the 1942 Act the Commission has been empowered to refuse to accept them. If any such instructions had been given since 1st July, 1942, the 1942 Act requires that they shall be in writing and that the Commission shall advise Parliament about any such instructions, verbal or in writing, in its annual reports. No such advice has appeared in any one of the Commission's annual reports since the new Act came into operation in July, 1942.)
- (23) The estimated cost to cover Australia for news would be between £160,000 and £170,000 for salaries alone. The Commission could not collect all its news under a cost of £110,000.
- (24) It would be reprehensible for any national organisation to establish what it calls an independent service, and arrange to cover the highlights and then lift the remainder of the matter from any newspaper.
- (25) It is conceivable that opinion might influence reports of a strike, or industrial gathering, or political meeting.

Standing Committee's Comments

41. In our discussion with three of the Australian broadcasting Commissioners it transpires that one of them would have preferred an independent service but had agreed to abide by the award of the arbitrator. But the issue placed before the arbitrator was the amount which should be paid to implement the draft agreement with A.N.P.A. As the arbitrator himself points out in his judgment "the A.B.C. and the A.N.P.A. have reached an agreement . . . This agreement had been reached before the question was referred to me."

42. It is therefore not correct to assume, as has been suggested in evidence, that a democratic principle underlies acceptance of the arbitrator's finding. The arbitrator was only called upon to adjudicate on the question of price after the other terms of the agreement had been accepted by the parties immediately concerned; he was not called upon to make an award on the question of policy involved in an independent service vis-a-vis the draft agreement for a service from A.N.P.A. As the Commission's evidence shows, the price aspect which the arbitrator was requested to determine is not the paramount consideration, it being most vital that the Commission should have the complete confidence of the community in its news services. Hence, it is necessary to consider whether the terms of the draft agreement, apart from the question of price, meet that vital requirement.

43. Although the draft agreement overcomes one of the main difficulties experienced in previous negotiations, namely, independent newsgathering by the A.B.C., there is expert evidence of serious risk that important news items might miss the sessions in which they could be included if the Commission's staff gathered the news itself. To that extent, therefore, the agreement would fail to secure public confidence in the Commission's service for up-to-date news. Moreover, the proposal does not meet the situation which was disclosed in evidence tendered on behalf of the Australian Journalists' Association when the previous draft agreement was under consideration, and which was referred to in paragraph 9A of the Standing Committee's Fourth Report. That evidence was to the effect that there were "innumerable instances of press men being directed to supply news according to the policy of the newspapers on which they serve", the case of the Allied Works Council enquiry being quoted as an outstanding example. Consequently, even with access to journalists' reports in newspaper offices before they are edited for publication in the newspapers, it could not be said that the Commission, in arranging for its own staff to make selections from these pre-edited reports, could guarantee their impartiality. Obviously, therefore, the only way in which the Commission could overcome the objection brought under notice by the Australian Journalists' Association would be to establish its own independent newsgathering service throughout Australia, as the suggested trial of the agreement for 12 months could not possibly remove that objection. The trend of the Commission's evidence is to the effect that this would be the ideal arrangement to ensure public confidence in the impartiality of its news service, and that the Commission would be in favour of it if it could be financed within the resources at its disposal in relation to its other programme requirements.

44. The Chairman of the Commission has said that according to advice he has received from the editor of a leading metropolitan daily newspaper the Commission would require between 50 and 60 newsgatherers to render an independent service in Australia, in contrast with the 54 (not all of whom are newsgatherers) which would comprise the Commission's news staff if the 19 additional men required to implement the draft agreement were employed on newsgathering instead

of viewing reports in newspaper offices. The Chairman feels that he is under an obligation not to disclose the name of the editor to us, and consequently we have no way of cross-examining him to ascertain whether the kind of Australian coverage he envisages is based on the requirements of a newspaper which provides staff for all sorts of court proceedings etc. at great cost in pursuit of sensationalism in which the Commission would not be interested.

45. In any case, and in contrast with that editor's opinion, there is expert testimony from one of the Australian Broadcasting Commissioners who has had 40 years' experience in all spheres of journalism and is himself an editor of a newspaper, also from the Commission's Director of News, that very little additional expenditure, if any, above that involved in the draft agreement, would be required to extend the Commission's present news-gathering staff to meet all its requirements independently, in city and country. As the Director of News would be immediately responsible for carrying out the service and is confident of being able to do so on his figures, it would seem reasonable to accept his expertly supported testimony in preference to that of the witness unknown to us, whose opinion we have no opportunity of testing to discover whether he has had experience in national radio news requirements and whether his estimate of staff for an independent service is based on such requirements or on newspaper needs, which, as other evidence shows, are not the same.

46. With regard to the Chairman's reference to the former Chairman's evidence as to early estimates of news-gathering activities having been greatly exceeded as time went on, it is necessary to recall that according to evidence before the Standing Committee when the previous draft agreement was under consideration the increased cost of news-gathering has been partly due to issues associated with an arbitration award to journalists and the A.B.C.'s five-day working week, and partly to the additional staff engaged to implement the Commission's co-operation in war-time arrangements made at a conference with the Government in January 1942. These matters are referred to in paragraphs 69, 70, 71 and 74 of the Standing Committee's Fourth Report.

47. The evidence of the President of A.A.P. and A.N.P.A. is to the effect that even though the radio service would only use a portion of the news it would collect under an independent service, it would nevertheless have to plan to get all the available news in order to be sure that its selections were made from a full coverage. His estimate of the cost of such coverage is £110,000.

48. As previously indicated, cost is not the paramount consideration, and even if it were necessary to spend that much, it is not too high a price to pay, in our opinion, to get up-to-the-minute service and to secure untrammelled selection, as well as to remove the objections to using newspaper journalists' reports referred to in the evidence of the Australian Journalists' Association and the Director of News. Sanction of the necessary expenditure would enable the Commission to attain its objective of a completely independent service almost immediately instead of postponing it as a long term plan. It would be far better to provide the means of getting complete public confidence in the Commission's service now than to defer attainment of that indispensable desideratum indefinitely.

#### RECOMMENDATION

49. After weighing the evidence, we are convinced that the Commission should have adequate means to ensure sustained public confidence in its activities by all sections of the community, and we agree with the Commission that payment of a lot of money is

justified to secure that confidence by removal of any ground for remediable complaint. Just as it has a special charter in the Broadcasting Act to establish groups of musicians for the rendition of orchestra, choir and band music of high quality, so also, we consider, it should have a special charter in the Act to establish groups of journalists for attainment of its objective of independence in the sphere of Australian news, and, as far as possible, overseas news. To that end, we recommend that the Act be amended to provide that the Commission shall, subject to the Act, -

- (1) establish its own independent service in respect of Australian news; and
- (2) procure its overseas news direct, through its staff abroad, from such overseas agencies as the Commission deems fit, as well as from such independent sources as the Commission deems it desirable to use.

50. Pending the introduction of the legislation thus recommended, and as the A.B.C. already gets direct services from two overseas agencies, we suggest that the Commission should enter into negotiations with the remaining overseas agencies whose services it considers necessary.

51. In making this recommendation, we desire to make it clear that its object is to fix responsibility on a publicly-owned instrumentality, accountable to the community for selection of the news which it broadcasts; it is not intended to cast any reflection on newspapers which select news according to their judgment of what is suitable to publish or withhold either through lack of space in their journals or for any other reason which in their opinion is justifiable, but which, as shown in the evidence of the Commission's Chairman, would not necessarily influence the A.B.C. in the exercise of its independent judgment.

S.K. AMOUR, CHAIRMAN  
R.H. NASH  
W.G. BRYSON  
C. CHAMBERS

(x) DAVID WATKINS

4th July, 1946.

(x) Mr. Watkins was unavoidably absent when a motion to report to Parliament in the foregoing terms was determined. Having perused the evidence and the report, he has signed the latter to signify his concurrence in the comments and recommendation made therein.

#### ADDENDUM

(Minority Report)

1. We disagree with the comments and recommendation in the report for the following reasons:-
  - (1) The question of the Commission establishing independent services is not mentioned in the terms of reference, which are restricted to reporting to Parliament on "the question as to whether approval should be given for the Commission to enter into the proposed agreements."
  - (2) The recommendation is not consistent with the weight of evidence presented by the Chairman of the Commission

and his colleagues, and by the President of A.A.P. and A.N.P.A., in favour of approval of the draft agreements.

- (3) The only oral evidence against the proposals is that of the fifth Broadcasting Commissioner and the Director of News, and the former has indicated that he is prepared to accept the agreements in view of the Arbitrator's finding.
- (4) The only other dissenting evidence is contained in a brief letter from the Australian Journalists' Association (whose representatives were unable to attend the hearings), intimating that its attitude was expressed during the evidence on the previous draft agreements in 1944.
- (5) The Australian Broadcasting Commissioners comprise a statutory body constituted under the Broadcasting Act to conduct the national service, and we feel that there should be the highest degree of confidence in their judgment of what is best for that service in the public interest, and that greater weight should be attached to their submissions than to contrary opinions.
- (6) The proposed agreements are for a period of one year only, thereby affording the Commission the opportunity of giving further consideration to the question of a completely independent service, concerning which, in our opinion, as indicated in (1), it is not competent for the Standing Committee to make a recommendation.
- (7) The recommendation, if adopted, would place the onus on the Commission of carrying out a service at a cost which is largely speculative, especially as regards the overseas news, there being no conclusive evidence of the costs involved.
- (8) The evidence of the General Manager shows that the newspapers have assured the Commission of their goodwill in carrying out the Australian news proposals, and, in his opinion, as well as that of four of the five Commissioners, they can be satisfactorily implemented.

2. We recommend that approval be given for the Commission to enter into the proposed agreements for the period of twelve months contemplated.

JOS. FRANCIS, VICE-CHAIRMAN  
HERBERT HAYS  
GEO. BOWDEN  
J. ALLAN GUY

4th July, 1946.



APPENDIX "A"

DRAFT AGREEMENT FOR OVERSEAS NEWS

AGREEMENT dated this            day of            One Thousand Nine Hundred and Forty Six between AUSTRALIAN ASSOCIATED PRESS PTY. LTD. of the first part AND the AUSTRALIAN BROADCASTING COMMISSION, a body corporate under the Australian Broadcasting Act 1942 (hereinafter called THE BROADCASTER) of the second part, WITNESSETH the parties hereby mutually agree as follows:-

- (1) A.A.P. hereby bargains and sells to the Broadcaster the full right and privilege of broadcasting in the National Broadcasting Service radiation from Australia A.A.P.'s full overseas cable service without restriction as to form, quantity, length or frequency of broadcasting periods, which right and privilege shall include the right to rebroadcast any overseas transmissions which include A.A.P. matter.
- (2) Full A.A.P. cable service shall be delivered to the Broadcaster in the same form as that in which it is delivered to member newspapers. It shall be conveyed from the A.A.P. office to the address or addresses supplied by the Commission
  - (a) by teleprinter if and when the teleprinter is available at no extra cost to the Commission other than the rental of the teleprinter.
  - (b) by drop copy at the Commission's expense until the teleprinter is available.
- (3) The full A.A.P. service shall consist of a complete cover of the factual news of the day.
- (4) The Broadcaster agrees to pay to the said A.A.P. in respect of the A.A.P. service the sum of Twelve Thousand Five Hundred Pounds (£12,500) for one year from            payable quarterly on the days of the months of            and            PROVIDED THAT A.A.P. shall refund to the Broadcaster any portion of the above amount which exceeds 5/8ths of the highest amount paid by any member newspapers in accordance with the Articles of Association of the A.A.P. and for this purpose the accounts of the A.A.P. shall be submitted at the end of the year covered by this agreement to a person mutually acceptable for a report thereon (to be added in the event of the agreement covering a year that does not coincide with the accounting period of the A.A.P.: "The amount of the charge for the overseas A.A.P. service for the purpose of the qualification of 5/8ths of the highest payment of any member of the A.A.P. shall be calculated by taking the proportion of each accounting period determined by the ratio of the currency of the agreement in each period to a year of time"), ALSO PROVIDED THAT if there is a departure by the Broadcaster from the existing practice of the Broadcaster by more than 10% of wordage used by the Broadcaster or frequency of broadcasts by the Broadcaster, either of the parties may apply to a mutually acceptable person sitting as a private arbitrator for a review of the rate for the news concerned, and the decision of such Arbitrator shall be adopted by the parties. Existing practice in connection with overseas news shall be taken to be approximately 40,000 words, including repeated news, per week, used by the Broadcaster in the Broadcaster's Overseas News Sessions emanating from the Broadcaster's Studios and excluding any B.B.C. rebroadcasts, but the Broadcaster shall have the right to give news flashes or to extend its wordage of broadcasts to cover some important world event and such last mentioned wordage and broadcasts shall not be included in calculations or wordage or number of broadcasts.
- (5) The Broadcaster shall have the unrestricted right to collect, and use in such manner as it thinks fit news and information relating to current events in any part of the world and to subscribe to News Agencies and News Services.

(6) The Broadcaster shall supply A.A.P. at the office of the Broadcaster with a copy of each of the Broadcaster's overseas news broadcasts.

(7) A.A.P. overseas cable service shall include news drawn from the following sources:-

Reuters  
Associated Press of America  
Exchange Telegraph  
Press Association of Great Britain  
"The Daily Mirror"  
"The Daily Telegraph"  
"The Times"  
"The Manchester Guardian"  
"The News Chronicle"  
etc.  
etc.

If at any time during the currency of this contract A.A.P. ceases to enjoy the right to supply the Broadcaster with any of the following cable services -

Reuters  
Associated Press of America  
Exchange Telegraph  
and

The Press Association of Great Britain  
the Broadcaster shall have the right to cancel this agreement on giving one month's notice in writing or to negotiate a variation in the terms hereof.

#### APPENDIX "B"

#### DRAFT AGREEMENT FOR AUSTRALIAN NEWS

AGREEMENT dated this            day of            One Thousand Nine Hundred and Forty Six between AUSTRALIAN NEWSPAPER PROPRIETORS ASSOCIATION of the first part AND THE AUSTRALIAN BROADCASTING COMMISSION, a body corporate under the Australian Broadcasting Act 1942, (hereinafter called THE BROADCASTER) of the second part, WITNESSETH the parties hereby mutually agree as follows:-

(1) A.N.P.A. hereby bargains and sells to the Broadcaster the full and unrestricted right and privilege of broadcasting in the National Broadcasting Services radiating from Australia, the local news services supplied by A.N.P.A., in such form as the Broadcaster deems fit, and shall make available to the Broadcaster or its representatives from time to time as required by the Broadcaster at the offices of member newspapers Australian news in copy or proof as requested by the Broadcaster or its representatives for which purpose the Broadcaster or its representatives will be provided with suitable accommodation, telephone and other facilities in the newspaper offices aforesaid and full access at all time to Australian news in copy or proof which Australian news may be used by the Broadcaster at any time without restriction as to amount or frequency of broadcast.

(2) The Broadcaster agrees to pay to the said A.N.P.A. in respect of the A.N.P.A. service the sum of Seven Thousand Five Hundred pounds (£7,500) for one year from            payable quarterly on the days of            the months of            .. .. and .. PROVIDED THAT if there is a departure by the Broadcaster from the existing practice of the Broadcaster by more than 10% of wordage used by the Broadcaster or frequency of broadcasts by the Broadcaster, either of the parties may apply to a mutually acceptable person sitting as a private arbitrator for a review of the rate of payment,

and the decision of such arbitrator as to rate of payment shall be adopted by the parties. Existing practice shall be taken to be approximately 21,000 words, including repeated news, per week, of Australian news, and broadcast on National relay, and with respect to news restricted to State broadcasts, the following approximate wordages represent existing practice -

|                   |              |
|-------------------|--------------|
| N.S.W.            | 17,000 words |
| Victoria          | 21,000 "     |
| South Australia   | 16,000 "     |
| Western Australia | 21,000 "     |
| Queensland        | 17,000 "     |
| Tasmania          | 17,000 "     |

but the Broadcaster shall have the right to give news "flashes" or to extend its wordage of broadcasts to cover some important event, and such last mentioned wordage and broadcasts shall not be included in calculations of wordage or number of broadcasts.

(3) The Broadcaster shall have the unrestricted right to collect and use in such manner as it thinks fit news and information relating to current events in any part of the world and to subscribe to News Agencies and News Services.

(4) This agreement shall have no bearing whatsoever on the Broadcaster's sporting sessions.

(5) The metropolitan newspapers from which the news may be taken include the following papers:-

|                   |   |
|-------------------|---|
| <u>SYDNEY</u>     | Morning: Sydney Morning Herald: Daily Telegraph |
|                   | Evening: The Sun                                |
|                   | Sundays: Sunday Telegraph: Sunday Sun           |
| <u>MELBOURNE</u>  | Morning: Argus: The Sun                         |
|                   | Evening: Melbourne Herald                       |
| <u>BRISBANE</u>   | Morning: Courier Mail                           |
|                   | Evening: Telegraph                              |
|                   | Sundays: The Mail                               |
| <u>ADELAIDE</u>   | Morning: Adelaide Advertiser                    |
|                   | Evening: News                                   |
|                   | Sundays: The Mail                               |
| <u>PERTH</u>      | Morning: West Australian                        |
|                   | Evening: News                                   |
| <u>HOBART</u>     | The Mercury                                     |
| <u>LAUNCESTON</u> | The Examiner                                    |
| <u>NEWCASTLE</u>  | Morning: Newcastle Morning Herald               |
|                   | Evening: Newcastle Sun                          |

If at any time any of these sources are no longer available to the Broadcaster, the Broadcaster shall have the right to cancel this Agreement on giving one month's previous notice in writing, or to open negotiations for a Variation hereof.

#### APPENDIX "C"

#### ARBITRATION DETERMINATION

I have been asked by the Australian Newspaper Proprietors' Association, the Australian Associated Press Pty. Ltd., and the Australian Broadcasting Commission by letter of 12th September, 1945, to arbitrate upon the rates which the Australian Broadcasting

ing Commission should pay for the overseas news service supplied through the Australian Associated Press and the local news service of the Australian Newspaper Proprietors' Association. The Australian Broadcasting Commission and the Australian Newspaper Proprietors' Association have reached an agreement under which the Australian Broadcasting Commission shall have the right of access to the news, local and overseas, supplied by the services in question without limitation as to the length or daily frequency of news broadcasts by the Australian Broadcasting Commission. This agreement had been reached before the question was referred to me, but the parties were in disagreement on the rates of payment. At that stage it was mutually agreed that I should arbitrate and that my decision was to be accepted. It was a condition of arbitration that I should hear the parties before coming to a decision. I agreed to the proposal and requested that I should hear the parties together. Both the Australian Newspaper Proprietors' Association and the Australian Broadcasting Commission agreed to this condition.

The parties met me in conference on October 20th at the office of the Deputy Prices Commissioner of N.S.W. in Sydney. The Australian Broadcasting Commission was represented by the Chairman, Mr. R. J. F. Jøyer and the General Manager, Mr. C. J. Moses; and the Australian Newspaper Proprietors' Association by the President, Mr. R. A. G. Henderson. No other discussions have taken place with either of the parties, but both parties have supplied me with all the documents relevant to the problem at issue, including copies of the correspondence that has passed between them.

I am satisfied that both parties desire to reach an agreement that will be in the public interest and will enable the Australian Broadcasting Commission to function as an effective medium for broadcasting news that will be both comprehensive and "up to the minute". Whatever controversy may have centred round the broadcasting of news in the past did not affect the discussions that took place at the lengthy conference I had with the parties on October 20th.

The Australian Associated Press is a co-operative enterprise run by the participating newspapers through which a comprehensive world overseas news service is supplied to members and subscribers. I have had an opportunity of examining the articles of Association of the Australian Associated Press, the terms of membership and subscription, the method of control and the financial arrangements. The Australian Associated Press is a strictly co-operative enterprise in which the members share the costs and benefits, inclusive of income from subscribers for which the conditions are clearly prescribed. But the enterprise was obviously designed to meet the needs of newspapers, and did not make provision for the peculiar circumstances of a national broadcasting service. Newspaper members contribute to the cost on an agreed basis in which the population of the metropolitan area served by the papers is a determining influence. In Sydney a member paper pays at present approximately £20,070 per annum, but the rate will fluctuate in accordance with -

- (a) the scale on which the service is organised,
- (b) the level of costs overseas, and
- (c) the number of members and subscribers

The tendency has been for the annual cost to rise in recent years because the Australian Associated Press has sought to improve its service, and costs overseas have risen at a rate relatively greater than the membership or the number of subscribers. I think it can be agreed that this tendency is on the whole in the public interest.

As compared with a newspaper the Australian Broadcasting Commission has a number of distinctive features. First, it is a nation-wide service and considerations of the population of a metropolis or an area are not relevant. Secondly, the news announcements have a greater frequency than is possible with any newspaper. Thirdly, the Australian Broadcasting Commission gives only summaries of the news and does not in the ordinary course of its activities report cables at length as does a newspaper. Theoretically the Australian Broadcasting Commission could use the whole of the cables reported in a leading newspaper but in practice such a course would be regarded as bad broadcasting technique. Whilst the Australian Broadcasting Commission desires to have access to the full cable reports of the Australian Associated Press as they come in, it can only use normally a fraction of the wordage supplied and must maintain a staff to prepare appropriate summaries of its broadcasts. Parts of these summaries are necessarily repeated in the course of a day. Finally the Australian Broadcasting Commission is at times broadcast flashes of striking world news apart from its advertised times for broadcasting news. It can thus anticipate the newspaper in giving the public headline news of dramatic events.

All this makes the task of determining an appropriate rate for the use of the Australian Associated Press service by the Australian Broadcasting Commission different from that of fixing a rate for a newspaper. Consideration of the cost of an independent service offers little guidance, though it is relevant to point out that the aggregate cost of the Australian Associated Press Service is now more than \$150,000 per annum. Despite the fact that the Australian Broadcasting Commission would incur much less expense in the cost of cables for its summarised news, it is certain that the cost of running an effective independent service would exceed the sum paid by any single newspaper at present for the Australian Associated Press service. Nevertheless, it would not be strictly relevant to pass any determination of a rate on the cost of an independent service. The use by the Australian Broadcasting Commission of the Australian Associated Press service is advantageous to the members of the Australian Associated Press in that any payments by the Australian Broadcasting Commission relieves them of some costs they would otherwise share among themselves. Moreover, it may be contended with good reason that the broadcasting of news stimulates interest in that news, and therefore in the sale and reading of newspapers. The problem should therefore be considered to some extent in the light of the benefits that would accrue to the Australian Associated Press by the Australian Broadcasting Commission if it used the Australian Associated Press service and paid an appropriate charge.

Whilst not dismissing altogether the cost of an independent service as of some relevance to the issue, the matters that appear to me to merit consideration are -

- (1) the cost of the Australian Associated Press to a leading metropolitan paper;
- (2) the fact that the Australian Broadcasting Commission has Australian rights in the use of the service;
- (3) the limitations of the medium of broadcasting in virtually enforcing the use of a fraction only of the "wordage" that would be reported in a leading paper;
- (4) the benefits accruing to the members of the Australian Associated Press through the payment by the Australian Broadcasting Commission and the broadcasting of cable news by the Australian Broadcasting Commission;

- (5) the fact that the British United Press service is no longer included in the Australian Associated Press service.

It is impossible to allot a precise value to each of these elements in the problem. The Australian Newspaper Proprietors' Association offered a rate approximating to the amount paid by a leading metropolitan paper in Sydney, namely, £20,000 but this was based on the terms of the contract that the Australian Broadcasting Commission had the right to the full use of the cables as supplied by the Australian Associated Press. It is important that the Australian Broadcasting Commission should have that right, and that it should not be under any restrictions in its contract with the Australian Associated Press in respect of the words used or the frequency of its broadcasts. These are matters to be determined by the Australian Broadcasting Commission at its discretion in the management of a national broadcasting service. The representatives of the Australian Broadcasting Commission, however, have pointed out that there is an automatic limitation of both wordage and frequency imposed by the nature of its medium. I have therefore made an important assumption in arriving at a rate, namely that the existing practice of the Australian Broadcasting Commission with regard to wordage and frequency will be maintained. This practice is to use approximately 40,000 words, including repeated news, per week in its overseas news, and 10 broadcasts per day including the British Broadcasting Commission broadcasts. I have assumed that any departure of more than 10% above or below these figures would entitle either party to a review of the charge determined.

The Australian Broadcasting Commission offered a payment of £10,800 or an appropriate figure. This would be about 50% of the cost to a Sydney Metropolitan paper. The Australian Broadcasting Commission has also stipulated that it desires to be a subscriber on an experimental basis for one year. It will, therefore, not participate in the management of the Australian Association Press or in any obligations for increasing costs that might arise through higher cable charges or rising costs of operating the service overseas. In view of this I have taken the view that a 50% charge would be somewhat to the advantage of the Australian Broadcasting Commission. On the balance I think an amount of £12,500 would be appropriate, subject, however, to two qualifications -

- (1) The amount paid should not exceed  $\frac{2}{3}$  of the highest amount paid by any member newspaper in accordance with the Articles of Association of the Australian Association Press.
- (2) If there is a departure of more than 10% from existing practice of wordage used or frequency of broadcast by the Australian Broadcasting Commission, the charge should be reviewed on application by either party. In the case of a rise above 10% it would be open to the Australian Newspapers Proprietors' Association to apply for an upward revision. In the event of a reduction of more than 10% the Australian Broadcasting Commission could apply for a lower rate of payment,

The second qualification should not be construed to prevent the Australian Broadcasting Commission from giving "flashes" of highly important value occasionally, or extending its wordage to cover some important world event.