

Milne, Guthrie controversy raises bigger question: just what is the ABC?



ABC chairman Justin Milne apparently wanted staff sacked simply because the government hated them. Alex Ellinghausen

AFR, Sinclair Davidson and Chris Berg, 27 September

If the ABC board are to be believed Michelle Guthrie didn't have a good relationship with the government. She certainly didn't have a good relationship with her staff who were publicly gleeful following her demise. Apparently they want a bare-knuckle fighter who will defend public broadcasting.

It is not clear if bare knuckles is exactly what the board is looking for but it is clear there is a huge divide between what the board is looking for in a managing director and what the staff of the ABC would like.

To be fair to Guthrie, it is very hard to have a good relationship with the government when senior journalists are producing biased and factually challenged critiques of government policy. No sensible person would put up a bare-knuckled fight over some of the ABC's recent antics. Mind you, to Guthrie's credit, she resisted calls to have Emma Alberici sacked on political grounds.

Very likely the reason Michelle Guthrie got sacked is because she and ABC chairman Justin Milne disagreed on strategy. Milne wants to spend \$500

million on a digital archive. Guthrie apparently was less enthusiastic. Quite rightly so. Having moved into direct competition with many private media organisations the ABC now, it seems, wants to compete with the national library in storing and disseminating historical artefacts.

This simply demonstrates a much larger point. It is not clear what a public broadcaster should be doing in 21st-century Australia. Certainly it shouldn't be competing with the national library. The ABC is an anachronism – a \$1 billion solution in search of a problem.

The ABC was established at a time significantly unlike our own, facing a cultural and political environment greatly different to our own, with technological and economic challenges completely opposite to those we now face. Since then the ABC has embedded itself in the Australian political system and public consciousness as a great cultural icon. But the original rationales for the ABC have long since expired. Australia's politics and culture have changed. Technology has resolved the media concerns of the 1930s. We now live in a world of media surplus.

Michelle Guthrie horrified her staff by suggesting that Four Corners tell some good-news stories about Australian business leaders. Apparently that isn't "public interest" journalism – just commercial fluff. Yet that highlights another problem with the ABC. It doesn't need to attract an audience. The ABC is a \$1 billion government program that never gets scrutinised as being a government program. Rather there is a web of propaganda that sustains the ABC's existence.

Remarkably the ABC denies being a market failure broadcaster. There is very little the ABC does that various private competitors couldn't or wouldn't do. So the argument for the ABC becomes more subtle. We're told the ABC is "independent". While the ABC is independent of the need to attract paying customers, it's never clear from whom else the ABC is independent.



ABC staff walkout of the Ultimo office over ABC chairman Justin Milne email letter to former managing director Michelle Guthrie telling her to sack senior ABC reporter Emma Alberici.. David Porter

It is not independent of the government. After all, Michelle Guthrie just got sacked for not having a good relationship with the government. Justin Milne apparently wanted staff sacked simply because the government hated them. Maybe the government hated Guthrie too; Milne has a lot of explaining to do. It is not independent of the Parliament that funds it and that summons ABC executives to answer questions at Senate estimates. The ABC is independent of the influence of media moguls; yet even if media moguls did once have the power conspiracy theorists suggest, those days must be long gone.

Well-served markets

We tend to be left with fluffy arguments along the lines that the ABC provides "quality" media, promotes diversity and defends democracy. One particularly amusing argument is that the ABC provides a forum for Australians to jointly understand the world around us. The ratings figures undermine that notion.

So while it is unclear what and why the ABC does what it does, it does so at a cost of some \$1 billion per year. The ABC, being a government bureaucracy, behaves much like any bureaucracy – it attempts to expand its budget and

operations. Given that it doesn't need to make a profit and competes with media organisations that do need to make a profit there is a strong argument that the ABC crowds out private initiative.

Certainly Fairfax CEO Greg Hywood thought the ABC crowded out the private sector by paying to boost its Google results. The ABC has certainly entered markets well served by the private sector such as children's television and 24-hour news.



It is very likely the ABC board is looking for a "safe pair of hands" who will return the ABC to a business-as-usual path of mission creep and expansion into new areas and activities. The board should also be looking for a new chairman; Milne's position is untenable.

With this trifecta – new chairman, new managing director, and a new round of funding all in play – now is the time to have a debate about the role the ABC plays in Australian public life, and whether it should continue to be publicly funded.

Chris Berg and Sinclair Davidson in the School of Economics, Finance and Marketing at RMIT University and are authors of *Against Public Broadcasting: Why we should privatise the ABC and how to do it*, published by Connor Court.