

Rt Hon Karen Bradley
Secretary of State for Digital Culture Media and Sport

July 14 2017

Dear Secretary of State

Twenty-First Century Fox Inc and Sky plc; European Intervention Notice

The Campaign for Press and Broadcasting is responding to your request for new submissions on the test of commitment to broadcasting standards. We are pleased to submit this short supplement to the submission we provided for Ofcom in March. As requested, the information is up-to-date, but we are adding an appeal to you to reconsider Ofcom's recommendation to accept the 21CF bid on this ground, which we find wholly unconvincing in the light of the evidence we submitted.

SKY NEWS IN AUSTRALIA

In a pre-echo of the current buyout bid in the UK, Sky News Australia, previously jointly-owned with other media owners, became wholly owned by the Murdochs on December 1 last year. When the CPBF made its submission on the Commitment to Broadcasting Standards EIN to Ofcom in March there were three months of operation by which to judge the direction of the channel, but now there are three months more. A number of commentaries have been published.

The Murdoch entity that controls Sky Australia is News Corporation rather than 21FC but the service is clearly following the Fox formula about which the CPBF commented to Ofcom. Indeed it is taking the model of broadcasting high-octane right-wing political commentary in peak viewing times even further. While Fox News has three continuous hours of talk shows on weekday evenings, Sky News Australia has five.

As we stated in our submission to Ofcom, the political talkshow is the Murdochs' favoured means of transforming a news channel into a vehicle for political partisanship without apparently breaching regulations requiring accuracy and impartiality in news. Rupert Murdoch has spoken publicly of this strategy many times, with specific reference to his ambitions for Sky News in the UK.

In Australia from 7pm till midnight Monday to Thursday Sky News now airs non-stop talk, to which observers (not all from rival media) have reacted with growing alarm. One of the most respected is Paul Barry, host of the Media Watch programme on ABC, the public broadcaster. He said last week:

There's long been talk of the Foxification of Sky News. Since News Corp took full ownership in December it's been looking and sounding more and more like its famous American counterpart, especially in the evenings, when its conservative commentators are often in furious agreement. (1)

The Australian BuzzFeed News website has conducted an investigation, speaking to current and former Sky News presenters and reporters on the condition of anonymity. One long-long-term Sky News presenter told them:

It's like Frankenstein's monster comes out after 7pm - it's big and ugly enough that you can tell the difference to what's going on during the day. (2)

Two of the five hours are hosted by Paul Murray, the most aggressive of the presenters. A Sky News presenter told BuzzFeed:

It's pretty clear what Murray is doing, he's aping Sean Hannity ... He's closely watched the Hannity and (former Fox News host) Glenn Beck style and now he's putting it on Australian TV.

Hannity is famously the loudest of the talkshow hosts on Fox News in the USA.

Paul Murray Live is the highest rated show on Sky News, averaging 43,000 viewers a night. The show opens with a monologue by Murray reportedly littered with crude taunts and attacks against perceived "lefties". In a six-minute rant on June 26 Murray called coalition government minister Christopher Pyne "an arsehole" and "a wanker" and added:

If you were on fire, he wouldn't piss on you! (3)

The viewing figures are low, because Sky News is a subscription-only cable channel, but there are reports that News Corp co-chairman Lachlan Murdoch is looking to buy a terrestrial TV network, Channel 10, and that Sky News content could be broadcast there. (2)

Murray's attack on Pyne was seen as part of a specific Sky campaign to undermine the coalition government of Malcolm Turnbull and promote its right-wing critics. Sky has been interviewing former Prime Minister Tony Abbott, the leader of this faction, several times a week, having employed Abbott's close adviser Peta Credlin as a regular commentator.

The leader of Australia's far-right One Nation party, Pauline Hanson, is a regular guest on Murray's and other Sky News shows. In January, Murray introduced her as the "queen of the revolution". At the same time the channel is promoting the Australian Conservatives party, a right-wing breakaway from Turnbull's Liberal Party led by a disgruntled Senator, Cory Bernardi. Murray has called on viewers to leave the Liberals and join Bernardi. (2)

But the problem is not just a matter of right or left; nor even of party support. Sky News features Australian Labour Party figures, though they are right-leaning. In March CEO Angelos Frangopoulos sacked commentator Mark Latham, a former Labour Party leader. He

had attacked several of his colleagues on air, including fellow pundit Kristina Keneally, who herself is a former Labour leader, having been Prime Minister of New South Wales between 2009 and 2011.

Latham also attacked a Sydney schoolboy who appeared in an International Women's Day video on feminism, but the last straw was his comments on the well-known writer and journalist Wendy Harmer, who is a radio host at ABC. Latham said she was

a proven commercial failure, so naturally she got a job at ABC Radio at the sheltered workshop there for all the lefties.

Ms Harmer has lodged a formal complaint and is demanding an apology. (4)

This kind of broadcasting is not necessarily in breach of broadcasting regulations. The Australian Communications and Media Authority code specifically exempts "current affairs programs" from the requirements for news. It says:

Clause 3.3.1: in broadcasting news and current affairs programs, a licensee must present factual material accurately and ensure viewpoints included in the Program are not misrepresented.

Clause 3.4.1: in broadcasting a news program, a licensee must present news fairly and impartially.

Clause 3.4.3: current affairs programs are not required be impartial and may take a particular stance on issues.

In the UK Section 319 puts the same requirements on news and implicitly a similar flexibility on programmes, by not setting requirements.

The real issues are not about specific bias, nor adherence to codes, but a blurring of the distinctions. The strategy of converting news to comment has been acknowledged by Frangopoulos, who has said

the era of 'autocue' newsreaders is over. We need people who can 'host' a show and handle events as they unfold without relying on words on a screen.

This is consistent with the direction Rupert Murdoch has publicly been setting for his TV news channel interests for many years. The policy is to load the peaktime schedule with boisterous right-wing political commentary that itself creates the news for the bulletins, so that the news can follow a political agenda without breaching regulations; the CPBF spelt this out at length in its submission to Ofcom.

The media page of his Australian national newspaper, the Australian, is sometimes regarded as a defender of his interests, yet in March this year carried a column by Mark Day questioning the policy. He wrote:

Sky's shift to full prime-time opinion programming — or 'engaging conversation' as insiders characterise it — broadly follows the highly successful Fox News format in the US, frequently criticised for its strong conservative leanings. Our Sky presenters generally lean towards conservative — sometimes disconcertingly so. Paul Murray, for instance, presents as far right by wearing his admiration for Pauline Hanson on his sleeve...

I have been an occasional guest freely dishing out my opinion on Sky panels but increasingly I have felt that opinion programming may have gone a step too far. Would it not be better to pull back to the core function of providing more news? (5)

Another former Murdoch luminary who has come out against the company is John Menadue. He was general manager of News Ltd, Murdoch's Australian newspaper company, from 1967-74, as well as an ambassador, a Prime Minister's private secretary and head of civil service departments. Menadue told ABC in June that News Corp was

not just rogue individuals, it's a rogue organisation and the Australian government should resist any attempt to expand the media power of the News organisation. (6)

This "rogue" broadcasting is established now in the USA and Australia ... and in the UK: not at Sky as yet, but in the Murdoch press. The values of Fox are those of Murdoch's newspapers. Rupert Murdoch is a seasoned press baron, well-practised at exploiting the potential of his outlets to sensationalise, to attain his journalistic, commercial and political ends. His various statements of intent to mould Sky in this pattern, so casually dismissed by Ofcom in their consideration of your Intervention Notice, represent a serious ambition it would be a grave mistake to ignore.

These show contempt for regulated broadcasting, and more than that, for the very notion of responsible public interest journalism. There is a cavalier attitude to conformity with standards of any kind. Murdoch's outlets revel in a brash and boorish arrogance.

The consequences have been shown in recent events in all three countries. In Australia Sky News had to sack Mark Latham for callous remarks about his own colleagues and a schoolchild. In the USA Fox have had to sack in succession Glenn Beck, Roger Ailes and Bill O'Reilly, central figures in his operations, as a result of their crude and high-handed behaviour.

In the UK there is no need to rehearse the practices on the News of the World and the Sun that were carried out with not just the approval but the encouragement of senior executives. But this year the Sun has had to sack Kelvin MacKenzie and Katie Hopkins for columns that were too shockingly offensive even for London newspapers, where virtually anything goes.

OFCOM'S CONSIDERATION OF COMMITMENT TO BROADCASTING STANDARDS

Outrageous content is generally agreed to be acceptable in newspapers, but not in broadcasting, and all the material in the cases above stands in breach of both the letter and the spirit of the UK broadcasting code. But without doubt, if 21CF succeeds in controlling Sky, it will be appearing on British TV screens. Murdoch will introduce his noisy right-wing talkshows that will come to dominate Sky's news agenda. Regulation will not be able to stop it – as Murdoch said himself in 2007. (7)

We strongly urge you to look again at the assessment of 21CF's commitment to broadcasting standards. In its report to you, Ofcom has conducted the test solely on the basis of the few breaches of the code Fox has been found to have committed in the UK in the last five years, none of which, it says, warranted a sanction. The report itself says the average Fox audience is around 2,000 viewers. It is hard to see how the outcome of the few complaints received from such a tiny (presumably supportive) audience can be the basis of anything.

In any case, Ofcom concedes that Fox News is

a US news channel, directed at US audiences The people who watch it in the UK are aware that it is a US channel and their expectations are different. It is not a main source of news in the UK.

In other words, in applying its "due accuracy" or "due impartiality" tests it makes allowances for its niche status. (Even so, it is notable that all of the 13 complaints that Ofcom was called upon to adjudicate concerned the talkshows.)

But Sky under 21CF control would not be a niche broadcaster; it is the UK's second 24-hour news channel. It is completely inappropriate to apply the same test as that to Fox in the UK. We are sorry to say that the same goes for Ofcom's judgement on the "fit and proper person" test; we recognise that this test was not pursued on reference from yourself, but it has (paragraph 10.49-51) applied it to the broadcasting consideration and again cleared Fox without any stated reasoning.

Ofcom did however report that it had followed two of your own references to the corporate governance of News Corp newspapers:

The Secretary of State referred to the Culture, Media and Sport committee's findings of huge failings of corporate governance at the News of the World and its parent, News Corporation in the period up to 2011. She indicated that she considers it would be appropriate for us to consider and report on the implications, if any, of these matters for the broadcasting standards public interest consideration.

In fact, it has not considered these factors at all, simply dismissing them, and judging the governance of the newspapers on their record under IPSO for the last three years (which it found acceptable). On your second governance reference:

The Secretary of State also asked us to consider the effect of any failures of corporate governance [at Fox News] on this public interest consideration.

Ofcom produced this remarkable judgement, again with no reasoning:

We have concluded that the behaviours alleged at Fox News amount to significant corporate failure, however, the overall evidence available to date does not provide a reasonable basis to conclude that

if Sky were 100% owned and controlled by Fox, they would not be fit and proper to hold broadcast licences.

We trust that you find these recommendations as perfunctory and unsatisfactory as we do, and will reconsider the matters more thoroughly yourself.

We thank you for the opportunity to state this case.

NOTES

1. ABC Media Watch July 3 2017
2. BuzzFeed, Australia's News Channel And What It Learned From Fox News, July 9 2017
3. Sky news, Paul Murray Live, June 26 2017
4. The New Daily, March 29 2017
5. The Australian, March 27, 2017
6. ABC Melbourne, Mornings, June 23 2017
7. www.theguardian.com/media/2007/nov/24/bskyb.television



Campaign for Press and Broadcasting Freedom
23 Orford Road, London E17 9NL
07729 846 146
www.cpbf.org.uk
freepress@cpbf.org.uk