

The BBC Charter Review

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Abstract

Both the British Broadcasting Corporation (BBC) and the Australian Broadcasting Corporation (ABC) are being subjected to close scrutiny, but from different quarters. During the lead up to the British general election in 2015, the Cameron Conservative government issued a Green Paper, *BBC Charter Review, July-October 2015*, which broke new ground in terms of the scope of such an enquiry for its level of institutional criticism. Whilst ostensibly the document only purported to raise options for future change, and invited public submissions for consideration, there has been widespread concern about the possible serious intentions of the government for the Corporation's future. Though the ABC appears to be subject to much less vitriolic attack than its British counterpart, it too faces a range of threats and abuses. Paradoxically, such aggressive scrutiny comes at a time when both broadcasting corporations enjoy record audiences, continuing high levels of public trust, and on-line market leadership as a result their successful development of new digital platforms.

Introduction

The British government recently launched a substantial review of the British Broadcasting Corporation (BBC), which received extensive attention and a great deal of criticism during the latter months of 2015. Whilst the Australian Broadcasting Corporation (ABC) has also been subject to sustained criticism, from multiple sources, in recent years, it has not had to face a formal wholesale government review comparable to what is widely perceived as an onslaught on the BBC.

John Whittingdale, Britain's Secretary of State for Culture, Media and Sport in David Cameron's Conservative government, released a Green Paper '[BBC Charter Review, July – October 2015](#)'. As the BBC's current charter is due to expire at the end of 2016, the Green Paper has raised many contentious issues about the broadcaster's future. It suggests that 'some hard questions need to be asked if we are to ensure the future success of the BBC':

What should the BBC be trying to achieve in an age where consumer choice is now far more extensive than it has been before? What should its scale and

scope be in the light of those aims and how far it affects others in television, radio and online? And what are the right structures of governance and regulation? ([BBC Charter Review 2015](#): p1)

The opening offers mixed messages. It begins with somewhat patronising high praise of the BBC for being ‘at the very heart of Britain . . . much loved by audiences, a valuable engine of growth and an international benchmark for television, radio, online and journalism.’ ([BBC Charter Review 2015](#): p1) But then it laments that the BBC has ‘fallen short of the high standards we should expect.’ To support this broad assertion what follows is ‘the revelations about Jimmy Saville and other former BBC celebrities brought to light appalling behaviour that went unchecked.’ (Jimmy Saville was found guilty of paedophilia, but the BBC management was subsequently cleared by an enquiry of having any knowledge at the time of abuses that occurred on BBC premises). It then adds blanket criticisms of ‘pay offs’ for BBC senior executives and the growth in the number of senior managers, and the size of their salaries. No comparative data is provided about their counterparts in the private sector or in government, nor is any assessment offered of the overall economic and cultural value of the BBC to Britain.

The paper calls for a review of the six broadly stated ‘public purposes’:

1. Sustaining citizenship and civil society;
2. Promoting education and learning;
3. Stimulating creativity and cultural excellence;
4. Representing the UK, its nations, regions and communities;
5. Bringing the UK to the world and the world to the UK;
6. Delivering to the public the benefit of emerging communications technologies and services.

([BBC Charter Review 2015](#): p4)

It suggests ‘that BBC would benefit from having a clearly defined set of values, establishing through the Charter a set of unique features of the BBC including its independence and impartiality.’

Government perceived BBC problems

A most unusual aspect of the Green Paper is the categorisation of the ‘negative effects the BBC can have on wider markets’, collectively in ‘Box 4: Market Impacts’ ([Charter Review 2015](#): p25). The term ‘wider markets’ refers to the BBCs alleged impact on other players in a

media market place usually presumed to be open and freely competitive in the British democracy.

The first perceived problem is that ‘the commercial television sector can struggle to compete with freely distributed BBC content.’ But in what sense is the term ‘free’ used here? Unlike in Australia, BBC viewers and listeners currently have to pay the equivalent of \$A 309 as a compulsory licence fee. Is it implied that the BBC should restrict the distribution of its content more so than it does now? If so, why? And if the BBC’s competitors cannot hold their own in the market place, is it a legitimate role of the government’s Secretary of State for Culture, Media and Sport to do something about that?

British commercial broadcasters leapt upon this point with glee in their response to the request for public submissions to the Green Paper. Even more remarkably, a major broadcaster, ITV, called for blanket bans to prevent the BBC from buying US films or comparable shows in any circumstances, arguing that ‘The BBC should not be permitted to acquire content that is already made. . . where another commercial rival is prepared to purchase that content or format’ ([Plunket 2015](#)). And Whittingdale is quoted in the same article as questioning whether it was ‘good use of the licence fee which is taxpayers’ money to buy’ shows he judges it as being ‘way outside of what I call public service broadcasting.’ So is it this minister’s intention to restrict the BBC to niche programs only, thereby threatening to reduce the number of households who will be prepared to continue to pay the licence fee? This is also a surprising call coming from ITV, a company with a commendable track record of defending the principle of freedom of expression for media organisations. Surely this is somewhat Monty Pythonesque – see how well you can survive once we’ve chopped your legs off!

The Green Paper also declares for another BBC medium that ‘there is a *risk* (author’s italics) that the BBC’s radio market share could grow further unless commercial advertising revenues remain robust’ ([BBC Charter Review 2015](#): p25). Certainly BBC radio as a whole presents a ‘problem’ to its competitors, given the widely acknowledged diversity and quality of the programs currently offered. At one end of the spectrum there’s the appealing but somewhat frenetic grabs on *Five Live*, ever energetically billing itself as ‘first in breaking news and the best in live sports.’ Radio for the regions have long commanded loyal and appreciative listeners for their distinctiveness. And for documentary lovers there are the more specialist offerings of the established BBC Radio 4 programmes, all available via podcast. Data quoted in *News In Brief* from the research body Radio Joint Audience Research Ltd (RAJAR) shows that three of BBC’s digital only radio stations – Radio 4 Extra, 5 Live Extra, and 6 Music – all posted record audience figures during 2015. This is at a time when there was concern over the future of the BBCs two premier radio channels. However,

the Minister has given Parliament an assurance that neither BBC radio 1 nor 2 will not be closed down in response to speculation that it might happen.

The Whittingdale document also expressed concerns that ‘The BBC has a variety of impacts on online markets . . . (which) has led to suggestions that ‘the scale of BBC’s online offering is impeding the ability of other news outlets to develop profitable business models’ ([BBC Charter Review 2015](#): p25). The popularity of BBC News is demonstrated by data provided on its [www.bbc.co.uk](#) media centre data showing its web site having an average of 27 million UK weekly browsers and over 65 million worldwide (also quoted at [BBC Charter Review 2015](#): p25) .

Apart from these remarkable intrusions into the affairs of the operations of the BBC, this ministerial criticism comes at a time when so many governments around the world are urgently seeking ways to diversify their economies, sometimes expressed as building a Creative Economy through more innovation. Yet the BBC has established a world-wide reputation for its programming experiments in broadcasting, the reach of its social media offerings, and ‘catch up’ programming. It raises the question of why Britain’s Secretary of State for Culture, Media and Sport apparently wants to ‘shirt front’ the world’s biggest cultural software organisation!

Furthermore, concern is expressed in the Green Paper that ‘The BBC’s ability to cross promote its own services has an impact on the wider market . . . (and) there is a case for arguing that the nature and extent of this cross-promotion needs to be considered (p25). Curiously then on the one hand it is government policy to foster investment in the development of new communications technologies as part of building a national creative economy strategy, but on the other, its own BBC – the world’s biggest and arguably most successful public broadcaster – ought not widely promote its services according to government. It’s a most curious call on the part of the British government to advocate a lessening of public awareness of the BBC’s multiple menus.

Responses to the review

John Whittingdale did not appear to have anticipated the breadth of condemnation that would follow his call for such a wholesale review of the BBC.

One critic, Westminster’s University’s Steven Barnett, offered a blistering critique soon after the release of the Green Paper in his article ‘BBC Charter Green Paper: Unprecedented threat to BBCs future’.

Today’s Green Paper on BBC Charter Review represents the biggest threat to the BBC’s scale, influence and effectiveness in the Corporation’s history.

Despite its enduring and international reputation, and despite being supported by the vast majority of UK citizens, the tenor of this paper is an unprecedented and full frontal government assault on the BBC's role at the heart of Britain's cultural and democratic life.

By raising the question “whether audience needs are better served by a more narrowly-focused BBC”, and by targeting specific entertainment programmes such as *The Voice*, the government has clearly indicated its preferred direction of travel: a smaller, less popular and more insignificant BBC. Quality popular programmes have been at the heart of the BBC's schedules since its birth, and this government's apparent willingness to emasculate the BBC's freedom to be popular will be damaging both to the nation's creative economy and to the BBC's engagement in British citizens' everyday lives.

Much of the Green Paper's approach appears to be concerned with the BBC's impact on commercial competitors and the notion that “a smaller BBC . . . would also be likely to have a reduced market impact”. The detailed assessment of potential market impact on p25, which purports to lay out the “positive and negative” effect of BBC activities, produced just two desultory positive impacts (raising overall standards and investment in UK content) while detailing five negative impacts almost entirely concerned with assuaging the concerns of BBC competitors.

The idea that BBC online news activities might be scaled back appears to be fueled by intense lobbying from self-interested newspaper publishers – which have been vociferously complaining about the BBC's damaging impact on their businesses through their own columns – despite the absence of any evidence that BBC regional news output damages the viability of local newspapers.

([Barnet 2015](#))

Other critics have focused on Whittingdale's ideological history. Robin Lustig pointed out that Whittingdale had consistently supported the conservative 'big end of town'. Back in 1996 he had voted against his own party's proposed broadcasting bill that would have prevented any newspaper proprietor with a circulation over 20% of the market from also owning a terrestrial television licence. Lustig concluded ‘as everyone recognised at the time there was only one proprietor in the frame’ (*The Conversation* 12.5.15).

Guardian journalist Nick Cohen in his article ‘Trauded by all sides, who will defend the BBC?’ described Whittingdale as ‘a Thatcherite politician’ who has been aligned with ‘half the

free market and anti-EU pressure groups of the past 30 years,' in a Britain where many of the same ilk perceive the BBC as decidedly pro the European Union.' He adds:

The Conservative right has long been the most Marxist of all. Whittingdale has already warned the BBC about its coverage of the EU, which he must know will be far more impartial than anything that will appear in the press. The flimsiness of the evidence used against the BBC is in inverse proportion to the level of outrage it generates. In all seriousness, Conservative MPs say that BBC journalists asking business leaders if they think Britain should stay in the EU is evidence of bias. The absurdity of the accusation does not bother the Tory right. It wants to intimidate the BBC into providing slavish coverage during the referendum campaign, then blame it for brainwashing the masses if it loses (Cohen 2015).

Cohen then offered his advice on how the BBC ought to respond to the Green Paper:

. . . stand up for its independence and appeal to the public over the heads of the politicians. If arguments were settled democratically it would win. The BBC remains one of the most trusted institutions in Britain. The trust has been earned by providing serious, accurate news for generations which almost everyone in Britain turns to when there is a major story (Cohen 2015).

The BBC response

Tony Hall, Director-General of the BBC, offered a carefully measured, politically cautious, evidence-based response to these government criticisms. In the BBC's programme *British, Bold, Creative* of September 2015 he offered a case for the defence:

The BBC has a very simple purpose. We're here to make good programmes and services. That's why people love the BBC. That's why they enjoy it. That's why they trust us. That's why they value it. That's what they pay us to do. (Hall 2015: p5).

He offered an overview of the BBC's overall performance using data based on the work of the Radio Joint Audience Research Ltd (RAJAR) and the Broadcast Audience Research Board (BARB), 2014-15, and also from comScore Mobile Metrix, June 2015:

46 million British citizens use the BBC every day...Our services reach 97% of the UK every week, with an average of around eight and a half hours of TV and over ten hours of Radio per head. Our top 10 apps have been downloaded 80 million times and BBC sites are the third most popular on mobile devices in the

UK, behind only Google and Facebook. Of the top 75 web sites in the world, only the BBC's is British. (Hall 2015: p11).

In terms of the public perceptions the BBC, Hall provided evidence to show that it has clearly enhanced its reputation in recent years:

Public Perceptions of the BBC (score out of 10)

	2007-8	2014-15
General impression of the BBC	6.6	7.0
I trust the BBC	5.9	6.3
I'm glad the BBC exists	6.9	7.5
BBC maintains high standards of quality	6.3	7.0
BBC is a great world ambassador	6.5	7.2
BBC helps people understand issues	5.9	6.3

Source: Kantor Media in *British Bold Creative*, BBC, September 2015, p12.

Surely if the BBC were a commercial organisation it would be commended by its board members, and possibly its shareholders, for achieving continuing improvement on its KPIs – key performance indicators – on the basis of the above data.

Yet the BBC is currently being clobbered in its budgets from the government. Hall argues that the BBC faces extraordinary tough financial challenges, having lost 40% of its revenue over the past ten years, and it is now required to save close to another 20% over the next five years! Whittingdale sees the current flat viewer licence fee of 145 pounds 50 pence as 'regressive,' and in need of 'overhaul' to further reduce its budget. Another sleight of hand in cutting it to the bone was when Whittingdale announced, before the release of his charter review, that the corporation would have also to absorb into its own balance sheet the 750 million pound subsidy for the free TV licences previously offered to the over-75-year-olds, currently paid by the Treasury. He is also considering plans to introduce in place of the licence fee a new 'household charge', based on a family's income, which would even further reduce BBC revenues. It is difficult not to come to the judgement from all of the above that this is a highly political exercise designed to emasculate the BBC.

Obviously such budget reductions would have dramatic negative effects on BBC programming, which apparently must be made to suffer following outstanding overall ratings success, especially in television, during 2015. Writing in *TV News*, Battersby points out that the 'Great British Bake Off' was the most watched television programme of the year

across all television channels, and scored 14 million viewers on the final night in October 2015. This topped *The Voice* which had attracted an audience one Saturday night of 8.4 million viewers. But if ITV gets its way, a list of similarly popular programmes can no longer be presented by the BBC.

The sports scene looks even bleaker for the BBC. The intense rights battle between Sky and BT Sport for the hugely popular live football broadcasts means that the BBC has not been able to afford to compete for some time now. It has also reportedly been unsuccessfully trying to re-negotiate its existing rights deal to broadcast Formula One to reduce costs. And the BBC has now lost the rights to the Olympic Games from 2022 to Discovery, owner of Eurosports. Also, the BBC may not be able to compete in the future to securing the rights to broadcast major sporting events, reality TV shows, American films, or popular imported dramas. However, if the BBC finds that its audience base is progressively eroded, more and more viewers will surely stop paying the licence fee.

The BBC is clearly facing a tough battle to survive as an institution as we have known it. The surprise recent election outcome handed majority government to the Conservatives. It's now without Nick Clegg, leader of the Liberal Democrats, who previously reined in some wild government proposals in cabinet. But if Cameron were to move towards some form of BBC privatisation, he would need to act early in his current five year term to clear the inevitable backlash before the next general election in 2020.

Cameron appears to be putting a toe in the water with Channel Four, a commercially self-funded but publicly-owned television broadcaster. Though well known for its respected high rating *Channel Four News* at 7pm, the organisation also has perennial funding problems. Ian Burrell wrote that 'Cameron is still open to Channel 4 privatisation' as he uncovered a 'sensitive government document' which outlines strategies for a sell-off for the broadcaster. He claims (not denied) that this states that 'work should proceed to examine the options of extracting greater public value from the Channel 4 corporation, focussing on privatisation options in particular.'

But could Prime Minister David Cameron look later at some kind of sell off of the BBC? If so he might need to be reminded of one of the lessons that Margaret Thatcher learnt in her policy considerations about the BBC. During the early period of her prime ministership of wholesale privatisations, she flagged the possible privatisation of the BBC to the commercial broadcasters, seeking their support if she moved to privatise the corporation. Their reaction was one of horror as they explained how major advertisers would flock in droves to a privatised BBC. 'Please don't put us completely out of business' they pleaded. She then dropped the idea! It's interesting to note that currently a private member's bill, the BBC

Privatisation Bill 2015-16, as proposed by a Conservative member of parliament, Peter Bone, is scheduled for debate in the House of Commons during March 2016.

However, a more likely future scenario of full or majority privatisation is the continuing emasculation of the BBC's annual budgets, and possibly the implementation of restrictions on certain forms of purchased programming. So the unstated strategy – by Britain's recently elected majority government of the day – may be to reduce the content base to heighten its fears and weaken the great influence of the BBC as a national institution. Perhaps though Whittingdale deserves some credit for at least bringing into the open the fears that commercial broadcasters have of being in the same market place with the BBC. But is the Conservative government's minister actually seeking to find new forms of protectionism for private sector broadcasters in Britain?

In Australia such generic criticisms of the ABC by government are generally more subterranean than those being experienced by the BBC. However, the strength of the vitriolic attacks by various opponents of the BBC should be heeded by Australians. Some of the forms of attacks may be different, but the level of passion is similarly threatening. The ABC's industry competitors, and disgruntled conservatives, have yet to yet spell out their case as openly as Whittingdale has done. But there have been plenty of spasmodic and fragmented attacks on the ABC, centred on multiple forms of its alleged 'left wing' bias, often coupled with personalised criticisms of the professionalism of particular ABC broadcasters, and appeals for programmes such as *Media Watch*, and especially *Q&A*, to be shut down. There has also been curious attacks on the credibility of the ABC's coverage of the Human Rights Commissioner for essentially doing her job in monitoring and criticising the effects of the asylum seeker policies of both major political parties. As well, passionate newspaper editorials have called for their designated culprit, ABC CEO Mark Scott, to resign, appealing for utterly pointless revisions of the charter of the ABC. The principal private sector opponent of the ABC is *The Australian*, which appears to have published more editorials criticising the ABC during 2015 than another subject it could have chosen to cover. Regular columnists Janet Albrechtsen, Gerard Henderson and Chris Kenny have created a new genre of destructive journalism where, on any number of subjects, their column devotes a substantial amount of text to attacking the ABCs coverage before adding some of their own comments.

Conclusion

There's an odd paradox now in play with some perceptions of the value of public broadcasters. Although both the BBC and the ABC enjoy record audiences, very high levels of public trust, and successful online leadership with their new digital platforms, both

- Plunkett, J. 2015. 'BBC should be banned from buying shows such as The Voice, says ITV', *The Guardian*, 29 October 2015, <http://www.theguardian.com/media/2015/oct/29/bbc-the-voice-itv-bbc1-bbc3>, Retrieved 22 February 2016
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