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12 February 2018

Parliamentary Joint Committee on Intelligence and Security
PO Box 6021
Parliament House
CANBERRA ACT 2600

By email: picis@aph.gov.au

Dear Committee Secretary,

The Joint Media Organisations – logos that appear above – appreciate the opportunity to make a supplementary submission to the Parliamentary Joint Committee on Intelligence and Security regarding the *Foreign Influence Transparency Scheme Bill 2017* (the FITS Bill).

Our original submission is published as submission number 19 on the relevant PJCIS webpage. That submission expressed grave concerns regarding the impact of the FITS Bill on the commercial and editorial aspects of media companies.

Since making that submission our concerns have become more acute. The FITS Bill is fundamentally flawed and cannot be 'fixed' through the current process.

This Bill requires significant review of its purpose/intent and operation.

We now recommend that the FITS Bill be removed from its current process and be removed from the Parliament.

The FITS Bill requires significant narrowing in its scope and stakeholder engagement outside of Parliament before being re-introduced to the Parliament for scrutiny.

We make this recommendation because:

- It is clear that the impact of the FITS Bill on the day-to-day activities of media companies – both commercial and editorial – is not understood outside of the media companies themselves; and
- There are stark differences of understanding across advisers to government as to the intention of the FIT Scheme, who it applies to, how it would operate and its impact on those businesses.

We raise this because it applies to:

- (i) Media companies; and
- (ii) Any company with a foreign principal operating in Australia – and therefore subjects those companies to the FIT Scheme and its requirements including (but possibly not limited to) registration, continuous disclosure of activities that could influence government policy and/or politics, lodging of any documentation in a central register, and the criminal sanctions for non-compliance.

We note from evidence given the PJCIS that the application of the FIT Scheme is not limited to companies but also includes industry bodies making representations to government on behalf of any company in their membership base (and it could be just one member of their membership) that is a company with a foreign principal operating in Australia.

Both (i) and (ii) are of concern to media companies as BOTH matters impact the commercial and editorial aspects of our businesses. There is also the matter that some of the media companies to this submission are themselves foreign principals.

Our previous submission recommended that the legislation:

- ONLY apply to foreign governments and businesses and/or individuals operating on behalf of foreign governments with a common purpose; and
- Regardless of the above, it is essential that a broad exemption for media organisations be incorporated in the Bill. This is the only way to ensure public interest reporting can continue and Australians are informed of what is going on in their country, and the business of media organisations is maintained.

We continue to believe this is the case.

To achieve this we recommend that the Bill be removed from its current process and be removed from the Parliament.

This Bill requires significant review of its purpose/intent and operation. It must be narrowed in its scope and requires stakeholder engagement outside of Parliament before being re-introduced to the Parliament for scrutiny.