

ACMA news media bargaining code eligibility assessment report

News business name: SGC Media Pty Ltd

News business ID: ACMA-NBC-1540MCVJ61

News sources: Purple Sneakers|Countrytown

Date submitted: 8/03/2021

Link to CRM entry: [Click here to open the CRM record in a new window](#)

Initial assessor: Trent Fuller (EL1)

QA assessor: Elizabeth Press (EL2)

Officer recommendation: Ineligible

Revenue test

Assessment: Pass

The applicant provided a profit and loss statement showing revenue for the financial year ending 30 June 2020 exceeding \$150,000. A supporting statutory declaration was provided by the CFO stating that the P&L statement is true and accurate.

Professional standards test

Initial assessment: Fail

For Countrytown, the applicant provided a link to an internal statement of journalistic ethics on its website. This requires ethically sourced journalism, and honest, independent, respectful, and culturally sensitive reporting. There is no explicit requirement for accuracy and impartiality in reporting, however the statement notes that commercial considerations will not impact on decisions to cover important stories, and also notes that any errors will be corrected promptly with an apology issued. Finally, the website also lists an email address that consumers can contact to provide feedback or complain about breaches of the ethics, and commits to respond within 14 days.

While this statement signals the intent of the applicant to apply broad journalistic ethics in its reporting, it cannot be considered analogous to an external professional standards regime. The applicant hasn't provided any evidence of a functioning complaints handling process, and there is evidence that the ethical statement has only been created for the purpose of the application. The website hosting the statement, for example, does not appear to have existed before March 2021.

Further, the applicant has declared that it is not owned or operated by a party with a commercial interest in the news coverage. However, the applicant corporation (SCG Media) appears to be owned by SCG Group, which is a full-service publicity firm for the Australian music industry. This raises questions about editorial independence. The home page of CountryTown, for example, includes both an advertisement and a news article related to one the clients listed on the SCG Media website - the

Savannah in the Round music festival ('Thirsty Merc, Adam Brand, Darlinghurst announced for Savannah Summer Series Pool Party' – 18 March 2021).

For Purple Sneakers, the applicant provided a broken link to its code of ethics, however based on the name it appears to be the same code adopted by Countrytown. Similar concerns about editorial independence also apply for Purple Sneakers.

Collectively, these issues indicate that the news source is not subject to appropriate professional standards.

Content test

Initial assessment: Fail

The news content of both news sources was examined on 18 March 2021, based on the primary links provided.

For Countrytown, articles on the front page exclusively focused on entertainment news and event information related to the country music industry in Australia. Along the top-half of the page, the website prominently displayed 5 recent news stories. The top news story highlighted the release of a new single from country music artist Kaitlyn Thomas. The other four articles in the top fold highlighted particular songs and artists. No news articles displayed on the home page addressed matters of broader public interest. As such, the primary purpose of the website appears to be the promotion of country music, rather than the publication of core news.

For Purple Sneakers, articles on the front page heavily focus on indie and alternative music premiers, festival line-ups and music reviews. Like Countrytown, the top of the website prominently displays featured articles or stories. The top article '#TrustedForTaste Best Songs of the Week' promoted new artists and provided readers with a curated Spotify playlist. 2 of the 7 featured articles could potentially be considered of broader public interest - one discussed the use of blockchain technology by artists, and another provided commentary on the response to International Women's Day in light of ongoing concerns around domestic violence and research into gender inequality in the Australian music industry. However, in examining the most recent 40 articles on the home page, only 12 were marked as 'News', and only one of these had a public interest lens ('VICTORIA OVERTAKES NSW FOR HIGHEST PROPORTION OF COCAINE USE AS DRUG'S POPULARITY CONTINUES TO SURGE'). As such, the primary purpose of the website appears to be the promotion of indie and alternative music, rather than the production of core news.

Australian audiences test

Initial assessment: Pass

The applicant is an Australian corporation, with offices located in Brisbane. From an examination of the front-page content, both Countrytown and Purple Sneakers primarily report on Australian music artists and Australian music events. Both also have Australian domain names, and the applicant provided additional Google Analytics data showing the majority of its website visitors were from Australia (77% for Countrytown and 50% for Purple Sneakers).

Connection requirements

Initial assessment: Pass

The applicant provided a statutory declaration from the CEO that they solely operates and controls the 2 news sources.

Final decision

Decision-maker: Elizabeth Press (a/g SES1)

Date of final decision: 18 May 2021

Final decision: Fail

Comments from decision maker

The applicant was advised of the preliminary decision on 11 May 2021. The preliminary decision assessed the applicant as meeting the Revenue test, the Australian audience test and the connection requirement. The preliminary assessment also advised that the applicant and its 2 news sources failed the professional standards test and the content test.

- the two news sources have internal professional standards but these are not totally analogous to those listed in the Code. The editorial independence of the two news sources is unclear as the parent company of the applicant represents musicians who advertise and are featured in the sources. The sources do not distinguish advertorial content. The sources Fail the first limb and possibly the second.
- The news sources show a primary purpose of promoting music, musicians and music festivals. *Countrytown* promotes country music and *Purple Sneakers* promotes alternative and indie music (both being matters of special interest). Any news content nearing the definition of core news, is not given particular prominence. The sources Fail the content test because they do not produce core news.

On 18 May 2021, the preliminary decision was finalised noting that the applicant's news sources remained ineligible against the professional standards and content tests.



Signature of delegated officer:

Name: Elizabeth Press

Date: 18 May 2021