

ACMA news media bargaining code eligibility assessment report

News business name: News Cop

News business ID: ACMA-NBC 4626ZGOF86

News sources: News Cop

Date submitted: 14/05/2021

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

Initial assessor: Elizabeth Press (EL2)

QA assessor: Lachlan Habgood (APS6)

Officer recommendation: More Information Required

Revenue test

Assessment: Fail

The Applicant has provided profit and loss statement for 'so far' in the financial year. The News Business has only been registered with an ABN (69 648 118 352) since February 2021.

Further information such as the News Cop annual report or Business Activity Statements could be requested if QA suggests the accounts and Statutory Declaration are inadequate.

Response to preliminary view

On 9 June 2021, in response to the preliminary view that the applicant had provided insufficient information, the applicant stated it understood that the full financial year had not elapsed.

The applicant stated that the profit and loss statement did cover the entirety of the financial year to the date of application, but was presented on a full financial year basis, which the applicant considered accorded to 'Generally Accepted Accounting Principles'. The applicant considered that the statutory declaration supported the financial statements.

The applicant stated that News Cop Pty Ltd had generated [REDACTED] in revenue to the date of the application to the ACMA, for the financial year ending 30 June 2021. The income being from [REDACTED].

On 10 June 2021, the ACMA emailed the applicant requesting it provide interim financial accounts representing the News Cop financial situation at the date of application (14 May 2021) and that a full set of financial accounts be provided for the financial year ended 30 June 2021 be submitted when available.

At 23 June 2021, the applicant has not provided the interim financial accounts and it is considered that the applicant has been provided sufficient time to produce the interim financial accounts. The applicant was telephoned to enquire about the status of the financial statements, but no response was received.

Based on the information before the ACMA the applicant has not provided sufficient financial information to meet this eligibility test. Financial statements that have been prepared for a time period prior to the completion of that time period are not considered to have been prepared in accordance with generally accepted accounting principles.

As this is the case and no other financial accounts have been provided, the applicant has failed to meet this criterion.

Professional standards test

Initial assessment: Pass

The Applicant say they are subject to the Australian Press Council Standards but they are not members of that council. On the New Source www.newscop.com.au there are no complaints handling mechanisms and no professional standards appear on the news source website.

The Applicant failed to provide any link to, or submitted other information concerning editorial standards and complaints handling processes.

The applicant states it is not owned or controlled by a party with political or commercial interest.

The applicant does not meet this criterion as it has not demonstrated it is subject to the required professional standards. The phone number on the website 1300 132 132 is for an insurance company and the phone number provided in the Contact information is also for an altogether different business.

Response to preliminary view

On 9 June 2021 in response to the ACMA preliminary view, the applicant stated that it had not claimed APC membership, only that News Cop Pty Ltd had adopted the APC professional standards after consultation with them. The applicant also stated that it, as of 3 June 2021, made available internal editorial standards and a complaints mechanism on the news source link at www.newscop.com.au.

A review of the main page shows a link at the top of the page titled 'Complaints and professional standards'. Clicking the link resolves to a page with for headings, Professional Standards, Making a complaint, Handling of complaints, Submit a complaint. The Professional Standards page provide policies relating to the accuracy and impartiality, along with policies related to honesty, privacy, fairness, independence, privacy, avoidance of harm and respect. They appear to be based on the APC model.

The complaints handling provisions also meet the standard. The 3 pages that make up the complaints mechanism collectively contain a form to submit a complaint and instructions on how to do so, information about what a complaint can be about and who can make it and details about how a complaint will be dealt with, a resolution process and referral to an adjudication process.

It is considered that the complaints process meets the professional standards test (as set out in the Guidelines) as it provides a mechanism for accepting, adjudicating and notifying complainants of the outcome of a complaint about editorial content.

Content test

Initial assessment: Pass

The site produces and publishes core news on the News Source. It has done so since early March 2021. The Content is written by a number of different journalists although the application and news source "about section" doesn't provide detail about the way content is produced or the writers producing the core news. New content appears on the new source 2 or 3 times per week.

Australian audiences test

Initial assessment: Pass

The News source operates in Australia and the content seems to be serving Australian audiences. International news is also featured but many of these stories have an Australian interest to them. For example, news about the Indian Travel Ban and a Story about the Tokyo Olympics and Australian athletes.

Connection requirements

Initial assessment: Pass

The Applicant has provided a Statutory Declaration meeting the connection test.

Recommendation for further information (if applicable)

Decision maker: Elizabeth Press (EL2)

Comments from decision maker

Further information such as the News Cop annual report or Business Activity Statements could be requested if QA suggests the accounts and Statutory Declaration are inadequate.

The applicant fails on Editorial Standards unless a recent ACP application has been made.

We should potentially also query if they have any additional material on the core news production given the News Source has not been operating very long.

QA comments – Lachlan Habgood 26 May 2021

- Revenue test. Statutory declaration is properly made and submitted ie it is declared by the CFO that revenue and prepared in accordance with accepted practices etc. I agree that the Financial statements provided is confusing and more info should be sought as they claim it is for the end of the 2021 financial year. The Code requires that 'annual accounts' be submitted. These clearly are not properly made annual accounts as they project into June 2021. The validity of a stat dec made for projected income/ improperly made annual financial statements may also need to be determined.

- Applicant fails the professional standards test as it is not APC member

- The news sources passes the content test because it produces core news.
- The new source passes the Australian audience test as it operates in Australia for the purposes of an Australian audience.
- The Applicant passes the connection requirement.

The preliminary decision that the application failed to meet the Revenue and Professional Standards tests was sent to the applicant on 2 June 2021. A response to the preliminary view was received 9 June 2021 and this is considered in the assessment.

Response to preliminary view

On 9 June 2021, in response to the ACMA preliminary view, the applicant provided further information on its financial revenue and the internal professional standards and complaints processes.

Further information was requested on 10 June 2021, asking for interim financial accounts representing the News Cop financial situation at the date of application. The additional information was sought in order to confirm that the Financial statements provided were produced in accordance with generally accepted accounting principles and the request was based on the suggestion of ACMA finance. As the applicant did not respond to the additional request and 'annual accounts' were not submitted as we expected under the code, a decision cannot be made that the applicant has supplied properly made annual accounts for 2020-21.

Final decision

Decision maker: Elizabeth Press (EL2)

Date of final decision: 23 June 2021

Final decision: Fail

Comments from decision maker

The applicant passes 4 eligibility criteria but has not supplied enough information to satisfy the revenue test.

At 23 June 2021, the applicant has not provided the interim financial accounts requested at the beginning of June 2021. The decision-maker remains concerned that while accounts were supplied and a statutory declaration from the CFO was given that accounts were produced according to generally accepted accounting principles, the information supplied did not cover full annual accounting information and project future profit and loss into June 2021. For this reason, the applicant fails the revenue test.



Signature of delegated officer:

Name: Elizabeth Press

Date: 23 June 2021