

April 3, 2018

Digital Platforms Inquiry,  
Australian Competition and Consumer Commission  
(by online submission)

Dear Sir/Madam

This is a brief and personal submission on issues currently relevant to the role and survival of the Australian media in the face of technology disruption. My views are founded from 35 years as a working journalist, including 12 years as the senior editorial executive of News Corp in Queensland and, more recently, as a higher education executive at QUT immersed in the impact of digital disruption. My premise is that there is public worth in retaining large, viable media businesses and that this should be encouraged

I am also an Adjunct Professor of Business at QUT, sit on a number of corporate boards and am the author of *Wake Up – The Nine H#htags of Digital Disruption* (UQP, 2017).

Some issues to consider

1. **Consumer need:** Disruption has created means of entry for new participants in the news business who no longer confront the barriers of printing plants and elaborate distribution networks. They have also dealt with consumer needs not being satisfied by existing media organisations, offering focus, flexibility and convenience in many specialist areas (from food to high finance) as well as some degree of competition, albeit at some cost to the stratospheric earnings margins of a decade ago. They have not, however, met the public interest need for

detailed news gathering which (in truth) has never been funded by the traditional advertising model. Consumers, in the main, are not complaining about the increased diversity but they are unhappy at the loss of depth from traditional news sources. This is an issue of choice for the traditional media who choose where they invest – some choose to invest in trivial, others in serious, journalism and consumers can choose where to place their attention;

2. **Educating practitioners:** Newsrooms are run by professional journalists who, largely, come from non-technical backgrounds. The corporations that own them have largely operated defensively in the face of the technology support in an effort to convince advertisers there is continued life to their audiences and products. Better understanding of the technology solutions to some of the current challenges will help news organisations become more nimble. Eg, the use of AI in investigative reporting. This is a matter of education and, as in other industries that have been challenged in the past, government incentive to reskill for modern market needs may enhance their prospects of survival;
3. **The role of truth:** Governments, in particular, have a role to play as “model citizens” in the modern exchange of news and opinions. The number of media practitioners with journalistic skills employed in government departments and political offices now substantially outweighs the number employed in private and public media organisations. Journalists are required by their codes of ethics and by Australian Press Council guidelines to deliver news or opinion based on truth. A voting public that cares about the quality of news would also expect that requirement of its publicly funded “journalists” who are a vital (and increasingly unchecked) link in the information chain;
4. **Social licence to operate:** Such licence has re-entered the political vernacular, particularly in reference to the profits earned by larger mining and financial corporations. The extra tax applied to bank earnings is

effectively a tax on social licence to operate. The super profits enjoyed by digital media businesses (with minimal matching contribution to community good) are in a similar category and should be considered in the same way;

5. **Standards:** Quality is differentiator in every aspect of commercial life. Adherence to standards and a transparent recognition of shortcomings (whether in factual reporting of news, imbalance of commentary or failing to meet community standards) is an asset traditional media bring into this business battle and one which they should continue to maintain and be encouraged to maintain.

Yours Sincerely

David Fagan