

**SUBMISSION – AUSTRALIAN COMPETITION AND CONSUMER COMMISSION DIGITAL PLATFORMS
INQUIRY**

Associate Professor Margaret Simons
School of Media, Film and Journalism
Monash University

Introduction

Thank you for the opportunity to make a submission to this inquiry.

I am a journalist, author and journalism academic and have published a number of books and numerous articles regarding the future of public interest journalism and news media more generally. I make this submission in a personal capacity. While it draws on my academic research and work for the Public Interest Journalism Foundation, it does not necessarily reflect the views of Monash University or the PIJF.

Over the last five years I have made submissions to, or appeared before, many of the parliamentary inquiries into aspects of journalism and media regulation, including the Finkelstein Independent Media Inquiry in 2012 (which operated as part of the Convergence Review); the 2013 Senate Inquiry into reforms to media regulation proposed by the then Minister for Communications, Senator Conroy; the 2016 Senate Environment and Communications Legislation Committee inquiry into the Broadcasting Legislation Amendment (Media Reform Bill) 2016 and most recently the Senate Select Committee into the Future of Public Interest Journalism, the report of which you make reference to in your issues paper for the current inquiry.

Over this period, I have observed some ideas that were initially dismissed, indeed vigorously attacked, become more accepted. For example, five years ago most media companies strongly rejected any suggestion that government assistance might be needed to nurture public interest journalism. At the most recent inquiry there was a consensus that some government action might be required.

I attach a timeline of the relevant inquiries.

While the thinking of the stakeholders has been moving and changing, action by governments has been very limited. The Convergence Review, for example, envisaged a system of media regulation around the size of “content service providers” regardless of platform. While the specifics of the recommendations may have been lacking, the concept of what a modern, fit for purpose system of media regulation might look like was there.

No government has yet acted in line with these recommendations. Government action has been mainly to do with removing outdated regulations, without much evidence of thought around what modern media regulation should aim to achieve.

Meanwhile, the collapse of the business models that have supported most journalism has continued apace. In 2012 it was possible for Mr Finkelstein to conclude, having studied the economic health of

the news media industry, that while the challenges were enormous the main media companies were capable of dealing with them without broad impact on journalistic capacity.

Mr Finkelstein rejected suggestions in some submissions that government assistance was needed to “heal weaknesses ... likely to emerge”, while acknowledging that there were some “pressure points” (Finkelstein and Ricketson 2012: 54–100). The Finkelstein Report noted that it was too early to predict how these pressures would be resolved in Australia and recommended that the Productivity Commission undertake further study (10–11). The mass layoffs that occurred months after the release of the report suggested early on that these conclusions were at best optimistic. Six years later it is abundantly clear that on this aspect at least, Mr Finkelstein was simply wrong. Meanwhile, the recommended Productivity Commission inquiry did not take place.

This inquiry is therefore most welcome, and arguably overdue.

Since Mr Finkelstein wrote his report, the move of advertising revenue online has been exacerbated by the increasing dominance of Facebook and Google. As US journalism academic Emily Bell remarked in the 2015 Hugh Cudlipp lecture:

“The most powerful trend in journalism today is full integration with reporting, presentation and distribution of journalism through the social web. The sharing and liking economy is literally changing the shape of what we do at a pace we are running to keep up with.”
(<https://www.campaignlive.co.uk/article/emily-bell-google-facebook-twitter-taking-mainstream-media/1331404>)

Dealing with and learning how to optimise content for social media platforms has become central to what journalists do. Meanwhile the social media companies operate with very limited transparency, are reluctant to share data with the companies that produce content and have become platforms both for democratising and profoundly malignant influences.

We would be wrong to assume change has stopped, or even slowed down.

This inquiry’s recommendations will need to encompass this extremely challenging and fast changing area.

Previous work

I had a hand in authoring two submissions to the recent Senate Select Committee inquiry into the Future of Public Interest Journalism (Dodd et al. 2017; Simons, Sullivan et al. 2017). Given that the committee is clearly aware of that inquiry, I will not here recap their contents but I would urge that the inquiry take into account their contents.

I have also attached to this submission two articles I have written recently commenting on issues of relevance to the inquiry.

As well as drawing the inquiry’s attention to this previous work, in this submission I would like to respond further to some of the issues highlighted in the discussion paper, drawing the inquiry’s attention to some trends in media.

My expertise and main area of interest is of course journalism and news content, and I focus my comments on these matters.

Which Digital Platforms are Relevant to this Inquiry (Questions 1.1 and 1.2)

In responding to these questions, I am drawing on research completed in China over the last two years with my colleague Dr David Nolan. This research involved interviews with dozens of journalists across China. On our most recent trip we interviewed journalists in a number of regions, all of whom have some professional background but who are now producing different forms of work that make use of popular social media platforms – particularly WeChat, giving rise to a phenomenon they describe as “self-media”. I believe this work (which has not yet been published) is relevant to the current inquiry because of the intention of Tencent, owner of WeChat, to launch its platform in the West.

Two frameworks predominate in contemporary scholarship about transformations in Chinese journalism. The first of these analyses the emergence of new media practices following new opportunities for journalists and netizens to interact through digital platforms, which can support more freedom. These scholars present a generally optimistic picture of emerging opportunities that are available for journalism, while not denying continued censorship and restrictions. They draw on celebrated case studies how of journalistic professionalism, netizen communication practices and social media platforms have combined to generate agenda-setting stories. A second set of more pessimistic and critical studies suggest that the flourishing of these new opportunities and of investigative journalism has been brief and is now passing. Authorities have stepped up their control over journalism, at the same time as Chinese media organisations have experienced similar financial pressures to their Western counterparts.

Other studies resist this ‘binary thinking’ about Chinese journalism, wherein an image of a controlling, monolithic state stands in contrast to a set of brave, dissident figures – in the form of journalists and netizens – who use available opportunities to speak truth to power. Wenming Dai (2013), for example, has used the term ‘hybrid journalists’ to analyse a more complex reality.

Our research shows how journalists take advantage of, and value, opportunities for both higher earnings and (to some degree) increased freedoms that social media platforms such as WeChat offer. Our findings suggest, however, that the reality of contemporary hybrid journalism in China is complex, presenting both new opportunities and possibilities and, simultaneously, new constraints and risks for journalists.

This is of interest and concern to the inquiry for a number of reasons. First, WeChat, unlike Facebook and Twitter, is explicitly in the content business. It commissions journalism as well as entertainment-related content. According to our interviewees it actively encourages freelance journalists to submit content, paying better rates than many organs of party media and providing them with both formal and informal forms of support and encouragement. The content commissioned includes journalism which is, in the Chinese journalism parlance, “edge ball” – a term taken from table tennis that indicates content that pushes the rules or aims to be “on the line” of the permissible. This gets around censorship restrictions by, in some cases, being badged as “history” or “travel writing”. TenCent, according to our informants, values such content because it draws a highly engaged

audience. On the other hand, it pushes journalists into increasingly risky relationships with government.

WeChat has greater functionality than either Facebook or Twitter. While it is an open question whether it will succeed in the west, the experience of using it and seeing its use for journalism – including in a highly censored environment of China – reinforces to me that the current inquiry should not assume that Western digital platforms will be the only ones to gain a foothold in Australia.

WeChat is, in China, a dominant social media engine, having achieved dominance over the older Weibo in very short order, largely because it is “an app for everything” encompassing financial services, instant messaging, audio messaging, news and entertainment content. WeChat has over 900 million monthly active users. This makes it both enormously profitable and, potentially, the most potent surveillance mechanism ever invented.

Given the shadowy ownership of Chinese companies, I think the possible future dominance of WeChat, or something like it, is of concern. It makes it urgent that we achieve greater transparency around how digital platforms collect data on users and use this to determine how they are served content, including news and information.

On the other hand, the fact that WeChat clearly sees commissioning journalistic content as part of its business model potentially points a way forward and raises the possibility that the big newsrooms of the future may be run by social media companies.

I provide below some links to articles concerning WeChat and its western ambitions.

<https://www.technologyreview.com/s/608578/can-wechat-thrive-in-the-united-states/>

<https://www.fastcompany.com/3065255/china-wechat-tencent-red-envelopes-and-social-money>

What ‘news and journalistic content’ is particularly relevant to this inquiry? Should the ACCC consider a broad range of specialist suppliers of news and journalistic content? (Questions 1.3 and 1.4)

I would encourage the inquiry to think broadly about ‘news and journalistic content’, while also understanding that while social media enabled ‘citizen journalism’ is here to stay, it cannot on its own replace the kind of ‘journal of record’ and investigative functions that have been fulfilled by traditional ‘old media’ newsrooms. These are issues covered in more detail in the submissions to the Senate Inquiry into the Future of Public Interest Journalism to which I have previously referred.

News and journalistic content today is produced in a news ecology in which the contributions of news makers and audience members is often aggregated into traditional media reports, which in turn generate more social media response.

This symbiosis has many strengths. My own research suggests that this has resulted in some issues, such as domestic violence, being recognised by newsrooms as newsworthy partly because they draw a strong response on social media (Simons and Morgan 2017).

Another more recent and potent example is the #metoo movement, in which a social media enabled protest movement, defined by a hashtag, both lead to investigative journalism and was in turn fuelled by that journalism.

There is an obvious downside. It is now commonplace for false or unsubstantiated allegations to spread widely on social media. This includes both the deliberately mendacious and politically motivated 'fake news', potentially including deliberate manipulation by foreign powers, and mere gossip made visible.

It is still the case that most traditional media outlets seek verification before amplifying rumours, and it is important that society retains this capacity for verification and fact checking, whether it is conducted in traditional newsrooms or elsewhere

If the findings of this inquiry are to remain relevant in this rapidly changing area, "news and journalistic content" should be broadly defined, to include the products of a news ecology that is made up of many actors who are not professional journalists.

However, while journalism may be conducted in many places and develop new methodologies, the essential values of journalism remain largely unchanged, and arguably more important than ever.

I would urge the inquiry to focus on these purposes or functions of journalism, rather than on the locations in which the journalism takes place.

Geographic boundaries are not easy to draw. For example, #metoo had local implications, yet was an international movement. Most consumers of news content concerning #metoo would have moved seamlessly between content generated within Australia and that originating overseas.

We have also seen how social media can enable international journalistic collaborations. For example, Andy Carvin as an NPR reporter was able to use his Twitter account to "anchor" real time reporting on the Arab Spring that relied on numerous social media users who were in the Middle East. Carvin, meanwhile, never left the USA (Carvin 2012).

Other examples of international collaboration include the work of the International Consortium of Investigative Journalists in reporting the Paradise Papers and The Panama Papers. In these investigations journalists from many countries – including Australia – collaborated to draw stories from millions of leaked documents. The results were shared in numerous traditional media outlets, as well as through social media.

For these reasons, any attempt to confine the inquiry's focus to journalism produced in Australia is likely to condemn its findings to rapid irrelevance.

As I argue below, I believe an international law-making effort is required to ensure transparency and responsibility around the operations of social media and digital platforms.

Impact of algorithms on news diversity

This issue is difficult, precisely because the algorithms that determine who receives which news content are not transparent. Current research, such as that conducted by the University of Canberra's News Media and Research Centre and referenced by the Senate Inquiry into Future of

Public Interest Journalism (Watkins et al 2017) suggest that the 'filter bubble' effect has been overstated, and that young people accessing news through social media see a wider range of sources than those going to traditional media sites. However, because the algorithms that govern how news is distributed are not transparent, we cannot be confident about this. Even if it is so, it could change overnight at the behest of the social media companies, without this being apparent to users and other stakeholders.

The power to determine what news and information we see in our social media feeds lies in a few hands. Media ownership has always brought with it political power, and this has through history been the justification for regulation of media ownership. However, in the modern age the operations of this power are more opaque than ever. A newspaper reader in the past could choose which outlet to patronise, with some knowledge of the type of content in which it specialised. Social media news feeds on the other hand are governed not by the consumer's purchasing decisions but by the algorithms' anticipation of what they might purchase. The model relies on its capacity for manipulation, with this being conducted in an opaque fashion.

The software algorithms that create social media news feeds are black boxes. We have no idea what they are designed to achieve, and they can change quickly without any possibility of scrutiny, criticism or regulation.

For this reason, I believe there are powerful arguments for digital platforms to have to meet standards around transparency of their algorithms, with the regulatory effort being focussed on digital media platforms, or "content service providers" to adopt the Convergence Review language, above a certain size.

The former chairman of the USA Federal Communications Commission, Mr Tom Wheeler, has proposed that the input/output information for social media should be released as "public interest APIs" (Application Programming Interface), a common software practice that allows third-party access to information. This, he says, doesn't open the algorithm itself, or the privacy protections of users, but it does capture select inputs and outputs of the algorithm.

Using similar open API's, writes Wheeler, it becomes possible to build public interest algorithms to monitor and report on the effects of social media algorithms (Wheeler 2017).

This level of transparency would take international law-making efforts. The difficulties would be considerable. However there are precedents.

The rich history of legislation concerning copyright and intellectual property has resulted in laws that vary by country but are largely standardised through international agreement. Likewise, as I am sure I do not have to inform the ACCC, the attempts of governments to regulate competitive markets for goods and services was fraught and hard fought, but lead to modern competition and antitrust laws around the world which have broad consensus and substantial internationalisation.

The modern power of digital media platforms, and their power to be both beneficial and malignant forces I suggest justifies a similar effort of international law making.

Conclusion

The points made in this submission should be read in conjunction with the earlier submissions to previous inquiries in which I have had a hand, in particular the submission of the Public Interest Journalism Foundation and the Civic Impact of Journalism Project to the Senate Inquiry into the Future of Public Interest Journalism.

The issues in this current inquiry are vitally important across almost every aspect of Australian public life. They justify sustained attention and intelligent regulatory effort.

I thank the ACCC for the opportunity to make this submission, and with the inquiry well in its deliberations.

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The Guardian

After endless political handwringing over journalism, glimmers of hope emerge

Margaret Simons

Rapid technological changes are at last being reflected in a shift in attitudes to funding public interest journalism . *Support our independent journalism by giving a or contribution*

Fri 23 Feb 2018 04.00 AEDT



If there was an award for the most parliamentary inquiries leading precisely nowhere, the plethora of handwringing investigations into the future of journalism over the last decade would have to take the gong.

There was the fuss in the dying months of the Gillard government in which then communications minister Stephen Conroy tried to push forward more ethical regulation of journalism, to howls of outrage from everyone in the media.

There was the 2016 exercise when a Senate committee looked in to journalism as part of proposed changes to media ownership legislation. A Groundhog Day exercise if ever there was one.

Most recently, on the fifth of this month, the report of the Senate select committee into the future of public interest journalism was released and almost totally ignored. This latter

committee is a bit of a zombie, dead before it even reported. All three of the senators who were behind its establishment - Labor's Sam Dastyari, Nick Xenophon and the Greens Scott Ludlam - are now out of the picture.

This, combined with the reflex hostility of the government to the committee's existence, let alone its findings, guarantees its recommendations will be ignored, just like those of its predecessors.

Given this woeful history, it's reasonable to ask why the issue of the future of journalism keeps being investigated, and why so little action results.

The answers to both questions are pretty obvious. Journalism is important. All of these committees have parroted the truism that news media and democracy go together. Damage journalism and you damage our ability to be well governed. So why no action? Because the measures that might be taken by governments involve a fundamental shift in thinking. They also raise potent issues about independence and freedom of the media.

For most of my career, it has been a given that the very last people who should be involved in deciding the future of journalism are the politicians who are on the end of its barbs.

But everything is changing. Media is the fastest changing industry on the planet. News media used to be a relatively simple business. Provide news, commentary and analysis to draw an audience. Sell the attention of that audience to advertisers. Make money.

Everything in that equation has changed fast. Over the last decade the business model that supports most journalism has come unstuck. On best estimates, about 3,000 journalists have lost their jobs over the last five years in Australia. Digital advertising revenue, never as big an earner for news media as old-fashioned ads, now flows overwhelmingly to Google and Facebook without a single journalist's salary being paid. So where are we at, after all this inquiring and so little action?

The political fixes

The negotiations over the most recent changes to media ownership legislation did result in a small sop to Xenophon. We have a regional and small publishers cadetship program and a regional and small publishers' innovation package designed to support training for journalists and innovation in the industry, with an emphasis on regional Australia.

The amounts of money are small, the process and the outcomes of setting them up was politically compromised (not least in the stiffing of Guardian Australia) So far nothing has been rolled out. The bureaucrats told the recent Senate committee the first cadetships would be offered in the next financial year, and the guidelines for the innovation fund "are currently being developed".

It's easy to be cynical. At the same time as these piecemeal and dysfunctional efforts are made, the Turnbull government has continued the trend of introducing legislation that could undermine freedom of the press and see journalists jailed for doing their jobs.

Yet despite my pessimistic tone so far, there are some significant shifts over the last few years that are worth noting. I suspect they will be significant as the crisis in news media continues.

First, despite its paltry nature, the cadetship program and innovation fund establishes a precedent of government support for news media other than through funding for the public broadcasters. We might see in this the glimmerings of concern for news media as a vital part of cultural industries.

Second, an idea that was ridiculed just two years ago has become mainstream, and indeed has close to bipartisan support. That idea is that not-for-profit public interest journalism enterprises should be able to receive philanthropic donations, and the donor should be able to get a tax deduction - similar to registered charities.

This idea was floated in the 2016 inquiry, and ridiculed. Yet in the submissions to the most recent inquiry even the fiercely free market-oriented Institute for Public Affairs grudgingly admitted it had merit.

The Liberal senators on the committee appended to the report a few pages of narky comments (waste of resource, substance-free, blah blahdy blah) yet conceded that they were “open” to the idea of encouraging philanthropic investment in not for profit journalism through the tax system. This may seem like small beer but in the US not-for-profit philanthropically supported journalism outlets have become some of the best sources of investigative journalism, which is then often copublished in mainstream media outlets. Over time, tax deductibility for gifts to journalism could mean a significant change to our own news ecologies.

Another recommendation of the committee was that ordinary taxpayers should be able to claim a tax deduction for the price of subscribing to news media outlets. That would surely help, particularly given the new importance of the audience in funding news media, about which more later.

The acceptance of these ideas - their move from being roundly mocked to broadly accepted - suggests a serious attempt to get them implemented might soon be successful. The other recommendations of the recent committee suggest “adequate” funding for the public broadcasters (whatever that means) training in media literacy in schools and an audit of legislation that infringes on freedom of speech. All good ideas, but don't hold your breath. The zombie committee is, in fact, dead.

Other ideas remain too hard, at least for now. These include the suggestion that the media behemoths of Google and Facebook should be taxed or levied to fund moves to support journalism.

The committee considered various ideas of this sort, but did not recommend them.

I think that as the crisis in news media deepens, these ideas might also become respectable. All sides of politics accept that commercial broadcasters should produce and screen Australian content, and there are regulations to make them do so. This is because Australian content is seen as culturally important.

Journalism is surely one of the most important kinds of cultural content. Why is it radical to suggest that the new international titans of commercial media, earning rivers of gold from Australian citizens consuming Australian news, should also be forced to contribute to the culture?

The new business model

There are other straws in the wind, some of them emerging in submissions and evidence to the committee. First, News Corp reported that some of that company's publications now draw more than half of their revenue from readers, in the forms of digital subscriptions. Meanwhile, the Guardian's international parent has been phenomenally successful with its appeals to readers to donate to support its journalism. There, too, about half of revenue now comes direct from readers, and the Guardian is moving from losing money fast a few years ago to being on track to break even next year.

For as long as I have been in journalism it has been a truism that subscriptions accounted for only a small amount of revenue, with the bulk - about 80% for a typical newspaper - coming from advertisers. That gave advertisers the whip hand in the media game.

The move to close to a 50-50 model, if it persists, is a fundamental change in the economics of journalism, and it means the audience has unprecedented consumer power. This brings with it, of course, an intensified obligation to serve the public rather than the advertisers or other special interests, or indeed the egos of the journalists.

In this context it may be that ideas about ethical regulation of journalism that were sneered at only a short while ago may, over time, get traction. How issues of editorial independence and press freedom are to be balanced with that is a thorny and vitally important issue.

Another straw in the wind. Too many media commentators - often those who are too old and set in their ways to be big users of social media - readily spread the view that social media is bad because it creates "filter bubbles" in which people are never confronted with views with which they disagree.

The evidence for this has always been shaky, but in a submission to the recent inquiry, the excellent news and media research centre at the University of Canberra presented research that suggests the reverse is true. Those who consume most of their news through social media are, it found, more likely to consume a wider range of news and views than those who straight to the website of conventional news media outlets.

Will this happy fact remain the case, though? Here we get into questions about what modern media regulation might look like. Which news and views pop up in our social media feeds is determined by algorithms that are completely opaque. We are powerless before the behemoths of Google and Facebook.

A modern system of media regulation might impose some transparency here - forcing Google and Facebook to disclose. This would take an international lawmaking effort but that is not impossible.

It's been done before with copyright. Meanwhile the crisis continues. PricewaterhouseCoopers told the inquiry its research showed media revenues would continue to fall in the next few years and that "that the ongoing shift of income away from news-generating media means there will be continued cost-cutting, particularly to areas that are harder to monetise like quality journalism".

Overseas other governments are taking action. The British prime minister, Theresa May has, announced a press review to look at ways of injecting funds into the failing business model of journalism. Canada is also considering a range of measures. Many European governments have already taken action to support news media

What hope for Australia? The history of media policy in this country doesn't give much cause for optimism. In fact, it's a long while since anything worth of the name "media policy" has been sighted on either side of politics.

We have had two competing NBN policies, and we have had a lot of grab bag attempts to appease the now fading or departed emperors of media by removing laws that prevent them owning more.

The emphasis has been on removing regulations, but neither side of politics has given any apparent thought to what a modern, fit-for-purpose system of media regulation might look

like, let alone what enlightened industry policy is needed to ensure that the bedrock of democracy - an informed citizenry - survives into the future.

. Margaret Simons is an associate professor in journalism at Monash University She is also a member of a number of bodies concerned with the issues canvassed here. She made submissions to most of the inquiries mentioned and appeared before, and was co-author of two submissions to, the Senate select committee on the future of public interest journalism

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The new media ownership law doesn't address the real crisis journalism is facing

Margaret Simons

You have a better chance of reading news about what Turnbull had for dinner than what the water quality is in the local river. The new bill is not enough to change that

Fri 15 Sep 2017 11.28 AEST



Never before in the history of Australian parliaments has so much labour been spent by so many governments over changes to laws that that almost everyone agreed needed to go. Such is the nature of media power.

One of the reasons we now, at last, have change to media ownership regulation in Australia is that desperation has forced commercial rivals to come to some agreements about what they want. Previous governments were too timid to move in the face of division and opposition, even from the diminished media moguls of our time.

But we still don't have a media policy - from either side of politics - worthy of the name. It is all ad hoc and behind hand - puddling around the edges and lacking vision and understanding.

Another reason we now have change is the founding and conduct of a Senate inquiry into public interest journalism.

This, together with some serious behind the scenes lobbying by the new kids on the media block, has resulted in a deal under which Nick Xenophon has won a promise of government funding for journalism start-ups, regionals and independents as a counter to the increased concentration of ownership that will be the immediate effect of the changes.

But the deal is not as good as it looks if you know the history and the context.

Other proposals, including tax breaks for investment in journalism, have fallen by the wayside.

Over the last five years there have been plenty of inquiries and parliamentary committees into aspects of media regulation. All have agreed, with variations, that the present method of regulating media diversity is outdated. All have resulted in great heat, little light and next to nothing in the way of change.

Meanwhile the crisis engulfing commercial media, and particularly public interest journalism, has deepened.

The 2012 convergence review was launched by the Labor government and reported in its last months. It recommended the creation of a converged content production fund, financed by all media players above a certain size. This would, by now, include Google and Facebook.

This fund would have “a broad focus that supports traditional Australian content, new innovative content, and services for local and regional distribution”.

The convergence review directly addressed journalism in the context of the content fund, noting that

“the importance of local news to regional communities was one of the key messages from the Review’s consultations around Australia.... Content providers should also have access to the converged content production fund to encourage a diverse range of local services on new platforms.”

So the deal that Nick Xenophon and his team have secured for a \$60 million fund to make grants to independent and regional publishers is hardly a new idea. What’s missing is the levy on Google and Facebook and other publishers of size.

The convergence review recommendations disappeared in the mire of controversy surrounding its proposal for statutory regulation of journalism standards. After much rubbish (remember the News Corporation tabloid front pages comparing communications minister Stephen Conroy to Stalin?) it all came to nothing.

Then there was another Senate inquiry in March 2016 into an earlier attempt to pass reforms. All the same issues were chewed over - including the crisis in local and regional news services. The bill was not considered before parliament was dissolved, and it lapsed.

So will the changes passed by parliament be good or bad?

Underlying the legal changes is the simple fact that it won't be ownership legislation that determines the future of media. Rather, it will be the speed of technological change and the success or otherwise in adjusting to it. Government could make real contributions here, but there is no sign of the necessary understanding or vision.

The 75% reach rule is one of the things to go. It prohibits any one organisation from broadcasting to more than 75% of the Australian population. It is utterly meaningless in the era of Netflix, web pages and delivery of content via mobile devices. Nobody defends it.

The two out of three rule refers to the three old-fashioned media platforms - television, radio and newspapers - and prohibits anyone from owning all three kinds in a single area. It is also outdated in the era of podcasting and the web, but this rule has its defenders for the simple and pragmatic reason that its abolition will result in more concentration of media ownership in the cities.

For example, we are likely to see a merger between a commercial television network and Fairfax Media - which owns both newspapers and radio stations.

The medium and long-term results of this change are very hard to predict. Things are moving very fast, and legacy media organisations such as Fairfax and Channel Nine are only part of the story.

It is rare in human history for companies that have dominated one technology to successfully make the transition to dominating the next. Cobb and Co ran the stagecoaches, but never owned a steam train.

In our own time Google and Facebook have quickly become the most powerful publishers the world has ever known, feeding partly the content created by legacy media. Most online advertising revenue flows their way, and most young people consume news through their apps - regardless of where the journalists who wrote the news are employed.

It is the future employment of those journalists that is the most important issue in all this. There is an increasing body of research to show that the crisis in journalism is not, or not yet, in investigative journalism. Legacy media companies have safeguarded it, and some of the new players, such as BuzzFeed and the Guardian Australia, have also invested in it.

Yet there are real deficits emerging in our capacity to satisfy the information needs of a democratic society. The crisis is in the hollowing-out of the traditional, non-glamorous, non-award-winning yet essential reporting of state parliaments, courts, local governments and other local public events and issues.

None of the new players report state affairs in detail, do a solid job of court reporting, or touch local government except when there is a national issue at stake (such as citizenship ceremonies and Australia Day). Meanwhile legacy media has withdrawn from the local.

How are dubious apartment buildings approved? How is it that flammable cladding endangers residents throughout the nation? How is it that grants go to government held marginal electorates? These are national stories that arise from the local.

Even that is to put the local in terms of service to the nation. It is more immediate than that.

In the modern media world, you have more chance of finding out what Malcolm Turnbull had for dinner than why there were half a dozen ambulances at the end of your street last night, or what the water quality is in the local river, or what is happening with the eyesore half completed building in your main street that hasn't been touched for years, or what's happening to crime levels in your area, or whether the local police station is under-staffed and why the local school principal has suddenly been moved on.

Increasingly, the journalists aren't there to, as the code of ethics puts it, "describe society to itself".

For these reasons, the \$60 million fund for independent and regional media is a good thing. It recognises that we have a crisis that merits a concerted civic response.

But it is not enough - and in fact doesn't come close to what has already been cut, including by government. It is one step forward following several steps backwards.

On the best available estimates (which are necessarily partial and imperfect) 3,000 journalists have lost their jobs in Australia over the last five years - many in regional areas. If we assume an average \$70,000 salary cost each, back of the envelope figuring suggests it would take over \$200mn a year just to get back to where we were.

Or to offer another benchmark, the government gave the Australian Broadcasting Corporation \$41.4million over three years for "enhanced newsgathering" in the 2016 triennial funding round - but this was a cut from the \$60 million a year for the same program that the previous Labor government had provided.

In other words, Xenophon's fund doesn't even keep up with money that has already been cut from government support for news reporting in Australia - including local and regional news.

Speaking about the ABC, what of the One Nation backed move for an inquiry into its "competitive neutrality" - that is, whether it unfairly competes with its commercial counterparts? The devil will be in the detail. Who will conduct the inquiry, and what are the terms of reference?

Certainly, there is a lot of angst about this in the ABC headquarters at Ultimo. It is one of the greatest threats of recent times.

Meanwhile, changes requiring the ABC to have board members from regional areas and to have a reference to rural and regional in its charter are feel good measures that will not make much difference. There has for some time been rural representation on the board, and the current managing director, Michelle Guthrie, last March announced a raft of new positions in regional areas, funded by cuts to management.

Yet there is no doubt that one of the main narratives of the last decade of the ABC is its increasing centralisation in Sydney, including the end of local television production in Adelaide, Hobart and Brisbane.

Why? Internal politics are part of the answer, but the rest is about funding. If you want a better local presence, it must be paid for.

So what are the answers? While few can argue with the abolition of outdated media ownership regulations, there are now powerful arguments for good media policy and a concerted rather than piecemeal response to the challenges in this vitally important sector.

This might include increased government investment in journalism as an underpinning of democratic forms, as well as regulation and potentially levying of Google, Facebook and their yet to emerge competitors and successors.

Most of all, we need a media policy. Actual policy, with strategic objectives.

Anyone seen one recently?

Margaret Simons is an associate professor of journalism at Monash University. She was a co-author of two submissions to the Senate committee inquiry into public interest journalism - one from the Public Interest Journalism Foundation and the other from the Civic Impact of Journalism research project, which she led. She also made submissions and appeared before many of the other inquiries mentioned here

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Topics

- Australian media
- Opinion
- Nick Xenophon
- Nick Xenophon Team
- Australian politics
- Fairfax Media
- News Corporation
- comment

Timeline

2012

Convergence review & Finkelstein inquiry

Senate inquiry into the *Freedom of Information Amendment (Parliamentary Budget Office)* Bill

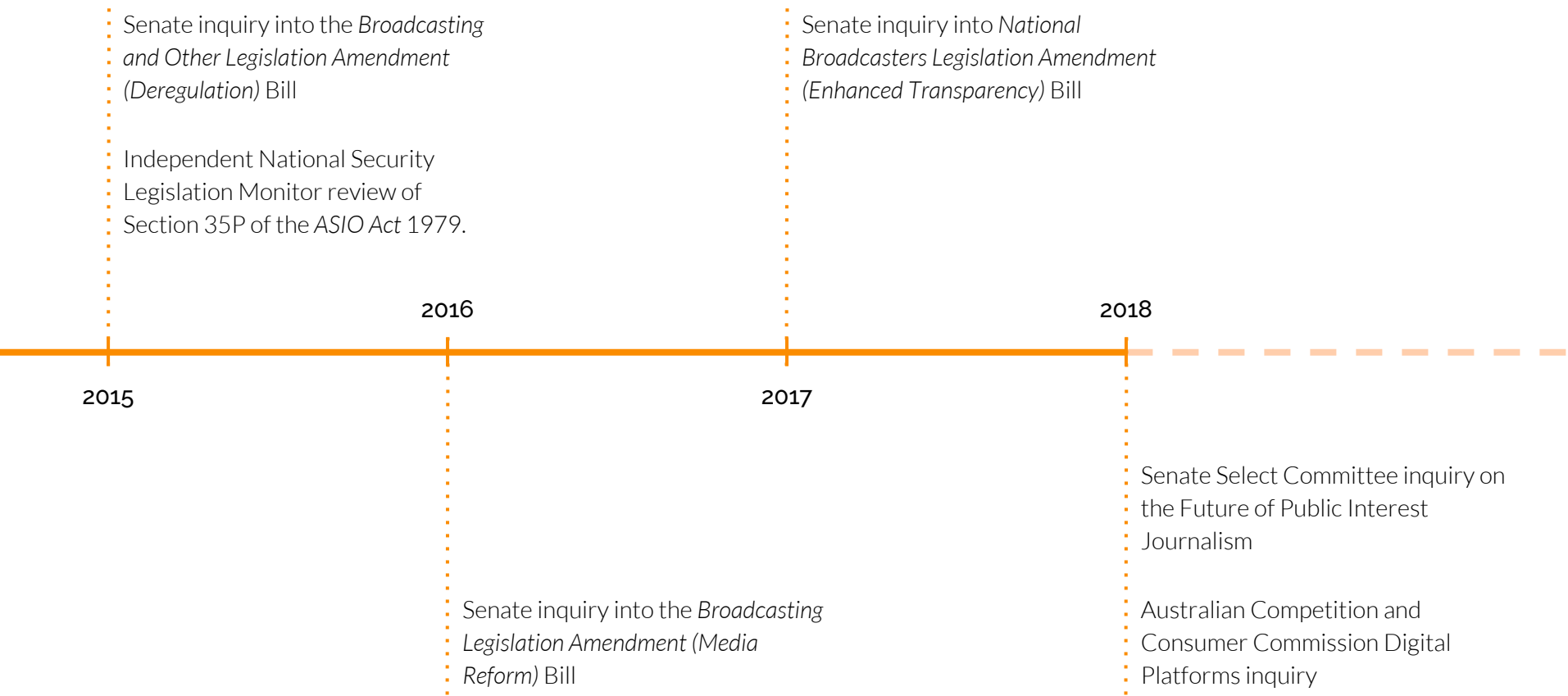
2013

Senate inquiry into the Media Reform Bills Package (Government response to Convergence Review)

Senate inquiry into the *Public Interest Disclosure* Bill

2014

Senate inquiry into the *Freedom of Information Amendment (New Arrangements)* Bill



Ideas

Replace the Australian Press Council with a statutory, government-funded body

Introduce a Public Interest Media Advocate

Increase government funding for the public broadcasters

Media literacy in the school curriculum

Place a levy on content aggregators like Google

Public funding for journalism

Regional and small publisher fund and cadetship program

Tax deductible news subscriptions for all Australians

Extend deductible status to gifts to non-profit media organisations

Review defamation law to better protect public interest journalism

Expand whistleblower protections and shield laws, and harmonise across jurisdictions
