

THE JUDITH NEILSON INSTITUTE FOR JOURNALISM AND IDEAS

**SUBMISSION IN
RESPONSE TO THE
ACCC DIGITAL
PLATFORMS
INQUIRY
PRELIMINARY
REPORT**

Introduction

The Judith Neilson Institute for Journalism and Ideas welcomes the opportunity to respond to the preliminary report of the ACCC Digital Platforms Inquiry.

The preliminary report acknowledges the conundrum which confronts news organisations and governments in democracies around the world - demand for quality news is greater than ever, but fewer people are prepared to pay for it.^[1]

The report examined the ways in which Google and Facebook have had a profound impact on traditional media. While digital platforms have helped create new ways to disseminate journalism (and they are now venturing into providing support for the production of news, albeit at a small scale) the loss of advertising revenue to digital platforms has undermined the viability of traditional media's business model.

The challenges facing traditional media have not arrived overnight. They have been brewing for the past 20 years or more as technology, changing consumer habits and other factors have influenced the production and consumption of news.

But we seem to have arrived at a 'moment in time' at which the role quality journalism plays in a healthy democracy is being increasingly recognised by policy makers, civil society and the wider community.

An opportunity exists for Australia to play a leading role globally in developing an innovative and considered approach to these issues. This Inquiry, and its final report, can provide the basis for just such a co-ordinated and holistic approach. There is much to be gained from examining international developments to understand how some initiatives in other markets could be adapted to form part of an Australian approach.

Canada has recently introduced a raft of reforms, including tax reform, to support and encourage the production of news. In the United Kingdom this week the Cairncross Review proposed a number of reforms aimed at doing the same.

Ideally, this Inquiry's final report should be considered by Government and policy makers as part of a wider approach to the issue of journalism and democracy and extend to the role these play in promoting Australian values around the world, and especially in our region.

For example, two other relevant reviews have been concluded recently. The first is the Commonwealth Government's Soft Power Review, which originated as a Foreign Policy White Paper commitment, and which aims to assess Australia's soft power strengths and capabilities, including through education institutions, the aid program, tourism assets, economic strength and lifestyle and culture. It has a particular focus on the Indo-Pacific.

The second is the Review of Australian Broadcasting Services in the Asia Pacific. This review aims to assess the reach of Australia's media in the Asia-Pacific region, including television, radio and online.

Journalism makes a vital contribution to the health of Australia's democracy by helping citizens to make informed choices and by holding the powerful accountable. We all have a stake in ensuring that journalism maintains the highest standards, and that the industry as a whole is viable and sustainable, even as it adapts to changing technology, business models and media consumption habits.

This is not to suggest that developing a fresh approach to these issues is straightforward. The role of public

broadcasting, competition between traditional and emerging media platforms, and even defining what constitutes “quality journalism” and its value to society are all contentious issues.

This Inquiry has already demonstrated its willingness and its capacity to examine these issues and propose creative solutions. The Judith Neilson Institute looks forward to its final report.

The Judith Neilson Institute for Journalism & Ideas

On 28 November 2018 Australian philanthropist Judith Neilson AM announced she would commit at least \$100 million to the creation of a world-leading journalism institute based in Sydney.

The Institute’s mission is to celebrate and encourage quality journalism in Australia and the world through education and grants and by hosting lively events on the big issues of the day. The Institute will collaborate with existing journalism schools and news organisations, both traditional and emerging.

The Institute will also play a vital role in examining ideas which are critical to and underpin democracy and civil society. While the Institute has an interest in news, media and journalism generally it recognises that these activities are informed by and in turn strengthen principles and institutions that encourage transparency, civil discourse, free thought and an inquiring culture that is open to new and challenging ideas. As such the Institute aims to promote free and respectful debate about all aspects of governance, international relations, and ways in which the Australian community

can become richer in every sense, more interesting and more engaged with public life.

One of the Institute’s early priorities will be to support more reporting on Asia, and to help journalists engage more closely with their peers across the region. While the Institute will be headquartered in Sydney it will aim to conduct many of its activities around Australia and collaborate internationally.

Part of the Institute’s work might involve offering professional, practical courses to provide journalists with the skills and knowledge they would not otherwise get at university or on the job, aiming to fill a critical gap in the market for professional development for journalists.

It will also aim to provide grants to journalists and media organisations, commercial and not-for-profit, to boost the quality of journalism in practical ways and help generate quality journalism that would not otherwise be produced. In other words, its emphasis will be on creating new and higher quality journalism rather than merely subsidising ‘business as usual’ for news organisations.

Already, the Institute has identified a number of ways in which even modest levels of philanthropic support can make the difference in helping bring untold stories to the public or shed light on important issues.

Philanthropy of the type that the Judith Neilson Institute is undertaking can inject new funds into the industry. But it can also help the media and correspondingly, the public, in other less immediate ways by taking the commercial risk out of innovation; by supporting emerging and local media that is not initially commercially viable; and by ensuring that issues that are neglected for commercial or other reasons receive appropriate coverage for the benefit of all Australians.

It is important to note that the Institute's ambition is to play a positive role in the middle of the ongoing evolution of journalism and media. It is media ownership and platform agnostic in the sense that it is open to working with, and acting as an intermediary, between legacy and emerging media, including the platforms that are the focus of this Inquiry.

In some important ways, the aims of the Judith Neilson Institute reflect a key recommendation of the Cairncross Review: *A Sustainable Future for Journalism* published this week in the United Kingdom. It recommended:

'the creation of a new Institute for Public Interest News. A dedicated body which could amplify efforts to ensure the future sustainability of public-interest news, working in partnership with news publishers and the online platforms, as well as bodies such as Nesta, Ofcom, the BBC and academic institutions. Its governance should ensure complete freedom from any political or commercial obligations, and its strategic objective would be to ensure the future provision of public-interest news. It would become a centre of excellence and good practice, carrying out or commissioning research, building partnerships with universities, and developing the intellectual basis for measures to improve the accessibility and readership of quality news online. It would collaborate with the many institutions seeking to contribute funds, organisation or ideas. If new business models fail adequately to support public-interest news, and especially local democracy reporting, the Institute might become a rough equivalent to the Arts Council, channelling a combination of public and private finance into those parts of the industry it deemed most worthy of support.'

One important distinguishing feature between the Judith Neilson Institute and that recommended by the Cairncross Review is that the JNI is being proposed as an entirely privately-funded initiative. Nonetheless, Cairncross does point to a new model of greater collaboration between centres like the Judith Neilson Institute and news organisations of all kinds.

Tax treatment and regulatory environment

As with historical transformational business developments (eg: the growth of railroads in the UK and US; or, the rapid expansion of the oil industry globally) it takes time for governments, regulators and society more broadly to fully appreciate the impact of such developments. So too with the rise of digital technology and its impact on the news industry and our way of life generally.

This is why the various reviews and reforms being undertaken in democracies around the world, including in Australia, are so timely.

Just one part of the response to current circumstances can be through philanthropy. The US in particular has seen an explosion in all kinds of journalistic projects of varying scale, funded in whole or in part by philanthropy.

While philanthropy in general in Australia is growing, the philanthropic support of journalism in Australia is still relatively modest. There are a range of reasons for this. It is difficult even for not-for-profit media organisations to access such support. There are also limited incentives for charitable giving to media organisations.

Despite the inherently altruistic objectives of the Judith Neilson Institute it does not appear to fit any of the existing Deductible Gift Recipient (DGR) categories which were formulated prior to the advent of digital platforms and their disruptive impact on the production and dissemination of authentic, quality journalism.

The Institute believes a re-examination of the broad framework of tax and charitable activities is timely. Philanthropy can support quality journalism in the public interest, but it must be enabled by government policy which encourages rather than deters it. Expanding the established categories of DGR- eligible recipient institutions to include those that specifically promote and support quality journalism would be a key way of encouraging greater philanthropy in this sector. This would also ensure that new initiatives to support public interest journalism did not need to rely on government funding. Philanthropic support of journalism would benefit all Australians. High quality, impartial journalism strengthens our democracy and is a force for public good.

Conclusion

As the preliminary report of the Inquiry notes, a range of measures need to be considered to improve the ability of media businesses to fund the production of news and journalism.

The report identifies several specific proposals for consideration and the Judith Neilson Institute encourages the Inquiry to examine what other regulatory changes and incentives might be created specifically to promote greater philanthropic funding for journalism.

We recognise that encouraging philanthropy is not the only way to increase support for quality journalism. But we also believe that with fewer regulatory obstacles and greater incentives Australian philanthropy could be making a greater contribution than it currently does to this vital industry.

[1] Amol Rajan on The Media Show, BBC Radio 4, February 2019