

Appendix C. Media Content is Influenced by Ownership

Media companies are not solely a means to earn income. They are frequently also a vehicle for furthering the interests of their owners. Expression of an owner's political interests is rarely as overt as it was in 1995 when Kerry Packer appeared on his own Nine Network and declared that John Howard, then leader of the Liberal-National Party Opposition, would make a good Prime Minister. It usually occurs in subtle ways, through the appointment of senior management and, in turn, the selection of stories and the way in which information is presented to the public.

The public is frequently unaware of information that should but does not come to its attention. For example, back when Nine promoted itself as the major television news network and was owned by the Packer family, which also had strong financial interests in casinos, it was highly unlikely that Nine would have screened weighty content on serious social problems that have resulted from the proliferation and promotion of legal gambling.

The editorial position of News Corporation's newspapers around the world in support of the 2003 US-led invasion of Iraq is one example of homogeneity of perspective on a crucial matter of public interest.¹ Undertakings given by media companies bidding for AFL rights to support and promote the sport rather than 'bag' or 'demonise' it provide another one.²

In his recently published book, 'Rupert Murdoch - An investigation of political power', David McKnight (Associate Professor and a Senior Research Fellow at the Journalism and Media Research Centre at the University of NSW) has described Rupert Murdoch's use of his media empire to further his political agenda over decades.³

There has been widespread speculation by media and business analysts and commentators that shareholdings which Gina Rinehart (mining magnate and Australia's richest person) has recently acquired – in the Ten Network last year, and recently in Fairfax – are in pursuit of influence for her mining interests, not investment potential.⁴

Productivity Commission Findings

Theoretically, there is not necessarily a connection between diversity of media ownership and diversity of media views. A single media company may establish common or closely aligned newsrooms, with reporters working across radio, TV and newspapers, leading to a reduction in the variety of views. Alternatively, a single proprietor could maintain separate newsrooms for each of their media outlets.

However, whereas media ownership is readily monitored and regulated, it is not possible to do the same with regard to determining whether or not a cross-media company's editorial policies across different outlets are diverse and truly separate from those of its owner. Concepts such as 'diversity of views' are difficult to measure. The influence of a media proprietor on the output of editorial staff is in most instances impossible to regulate.

The Productivity Commission Broadcasting Inquiry found that "the likelihood that a proprietor's business and editorial interests will influence the content and opinion of their media outlets is of major significance. The public interest in ensuring diversity of information and opinion, and in encouraging freedom of expression in Australian media, leads to a strong preference for more media proprietors rather than fewer. This is particularly important given the wide business interests of some media proprietors" (p.314). The Commission also noted that it was not necessary for proprietors to be heavy-handed about editorial direction, as self-censorship by journalists may achieve similar outcomes.⁵

Even if it was theoretically possible to regulate commercial media so that it did not act contrary to the public interest, which is unlikely, the strong trend away from government regulation at the micro-level makes it unlikely the political will would exist to adequately resource a body to regulate the operations of powerful media companies.

¹ Robert Manne, 'Murdoch and the War on Iraq', in Robert Manne (ed) *Do Not Disturb: is the media failing Australia?* (Melbourne: Black Inc, 2005), pp. 75-98.

² Jeni Porter, 'Soccer chief denies any attempt to silence critics', *The Age - Sport*, 9 Nov 2005, p. 7.

³ Allen & Unwin. ISBN 9781742373522

⁴ Two examples of analysts who made similar comment: Tim Threadgold, Perth-based financial analyst interviewed on ABC AM program 1.2.2011; and Peter Cox, Media analyst, Cox Media, reported in the *Australian Financial Review* 1.2.2012

⁵ *Productivity Commission Broadcasting Inquiry Report* (2000)

Appendix D. Need for Media Diversity not Diminished by New Media

The fact that a vast range of information is now available online is frequently touted as the answer to media diversity. But all forms of media are not equal. They differ in their capacity to gather and investigate news, in their influence, and in their audience reach.

Blogging (or 'citizenship journalism' as it is sometimes called), has an important role to play. But, like talkback radio, it is not an alternative to the serious journalism of the mainstream media. There is little original reporting on these sites which operate on limited budgets. Without professional journalism in the mainstream media, blog sites would have little to discuss.

The platforms used by Australians to access news

New media access is still well below the near universal household penetration of free-to-air television and radio.

FABC has been unable to readily locate current research on the extent to which the Australian public, and different groups within the community are accessing different media platforms for news, so is presently relying on information which, in some instances, is several years old. It may be that the Committee has access to more recent, reliable research.

Based on the information that FABC has available to it:

- “The largest proportion of Australians’ media time is still spent watching TV”¹
- TV, radio and newspapers remain the most important sources of news and information in Australia. The growth of online and mobile media is supplementing established media forms in important ways but it is not occurring in ways that substantially diminish the importance of the need for diversity in those platforms.²
- The most popular online news sites for Australians in 2007-08 were those owned by existing traditional media outlets.³
- “When Australians go Online for News their main sources are Fairfax or News Ltd., the two giants of print media in Australia,”⁴
- Much of the news content in new media comprises reformatted versions supplied by existing established media operators, or, in the case of pay TV, overseas channels.⁵ Even though it may take time for all of Australia's existing prominent media players to maximise their use of online, their huge opportunities and resources to promote and cross-promote their own services means there is little chance that online is likely to deliver any significant increase in Australian media ownership diversity.

¹ Roy Morgan Research, 2009, www.roymorgan.com/news/press-releases/2010/1038 (24.3.2010)

² These points are persuasively argued by Christian Downie and Andrew Macintosh in 'New Media or More of the Same? The Cross-Media Ownership Debate', Australia Institute, May 2006: <http://www.tai.org.au/> (25 September 2006).

³ Roy Morgan Research data published in Sally Young, *How Australia Decides: Election Reporting and the Media*, p.212 & 213, Cambridge University Press, ISBN 978-0-521-14707-1

⁴ Roy Morgan Research, www.roymorgan.com/news/press-releases/2006/464/ 2005 research (1.3.2006)

⁵ 'Cross-Media Ownership Rules', Communications Law Centre briefing paper prepared for FABC Vic (April 2005)