



**Australian Government**

**Department of Infrastructure, Transport,  
Regional Development, Communications and the Arts**

# INQUIRY INTO THE MURDOCH MEDIA INQUIRY BILL 2023

## SUBMISSION TO THE ENVIRONMENT AND COMMUNICATIONS LEGISLATION COMMITTEE

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## Table of Contents

<b>Introduction</b> .....	3
<b>News Media Sector</b> .....	4
<b>Current state</b> .....	4
<b>Current and emerging challenges</b> .....	5
<b>A Principled Framework is required</b> .....	7
<b>News Media Assistance Program</b> .....	7
<b>Establishing the Evidence Base</b> .....	8
<b>Existing programs are in place to support news and public interest journalism</b> .....	8
<b>Support for the National Broadcasters</b> .....	8
<b>News Media and Digital Platforms Mandatory Bargaining Code</b> .....	9
<b>Journalist Fund</b> .....	10
<b>Broader Media Reforms</b> .....	11
<b>Modernising Media Regulations</b> .....	11
<b>Consultation on new laws to combat online misinformation and disinformation</b> .....	11
<b>Media Literacy</b> .....	12

## Introduction

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the department) welcomes the opportunity to make a submission to the Senate Environment and Communications Legislation Committee Inquiry into the Murdoch Media Inquiry Bill 2023.

The department recognises that quality news and public interest journalism play an important role in the functioning of Australian society and democracy and are essential to informing local communities. Government has long been involved in media policy. There are significant policy interventions in place to support a diverse and sustainable media sector, including long-standing funding of the national broadcasters. There are also a range of established mechanisms to monitor and protect public interests. Australia's media sector is primarily regulated by the *Broadcasting Services Act 1992* (BSA), which contains rules regarding the diversity of media ownership and control in Australia.

Importantly, regulation is focussed on the diversity of media ownership, and aims to promote a strong, independent media sector, capable of producing trusted public interest journalism. In contrast, regulation of content must be carefully balanced with the freedom of the press. The importance of a free media is recognised through an emphasis on industry playing a lead role in the development and administration of content standards that reflect community expectations.

Under the BSA, the Australian Communications and Media Authority (ACMA) is required to maintain a number of registers of media operations, including the Associated Newspaper Register, the Register of Controlled Media Groups, and the Register of Foreign Owners of Media Assets. The BSA, and by extension the ACMA, does not regulate all news media services. For example, print media is predominantly self-regulated and only a limited number of provisions in the BSA apply to newspapers. Oversight falls to independent industry bodies, such as the Australian Press Council. In the case of commercial TV the ACMA oversees and enforces compliance with industry codes of practice.

Digital-native media services, including online-only news publishers and internet streaming services, are not broadly captured by current media regulation in Australia. The BSA rules consider the contribution of the services that were most influential in 1992 – those being commercial television broadcasters, commercial radio broadcasters and some print publishers. While these services remain integral in Australia, audiences are increasingly accessing a range of media sources including online aggregators and publishers. These trends are likely to continue and new technologies, such as generative Artificial Intelligence (AI), will continue to develop.

The ongoing technological change in Australian media brings benefits for consumers and society, such as access to a greater range of sources online, however it also brings challenges and risks. For example, misinformation and disinformation spread via digital platform services is a major issue worldwide. That is why the department is working on a draft Bill to combat mis and disinformation including undertaking a public consultation process.

The Government is working to modernise our regulations to keep pace with ongoing changes to the media landscape. In doing so, the department can draw on numerous reviews, which have made the case for regulatory modernisation, such as the Australian Competition and Consumer Commission's Digital Platforms Inquiry (2020-25) and the Senate Environment and Communications References Committee Inquiry into Media Diversity (2021).

The broader media reform program involves a number of work streams, with extensive opportunity for those interested to contribute to these processes. As part of the reform process, the department

is developing a News Media Assistance Program (News MAP). News MAP is a program of work that will lay the foundations for principled, targeted and evidence-based intervention to support the news media sector. The department will continue to work openly and collaboratively to progress these important reforms.

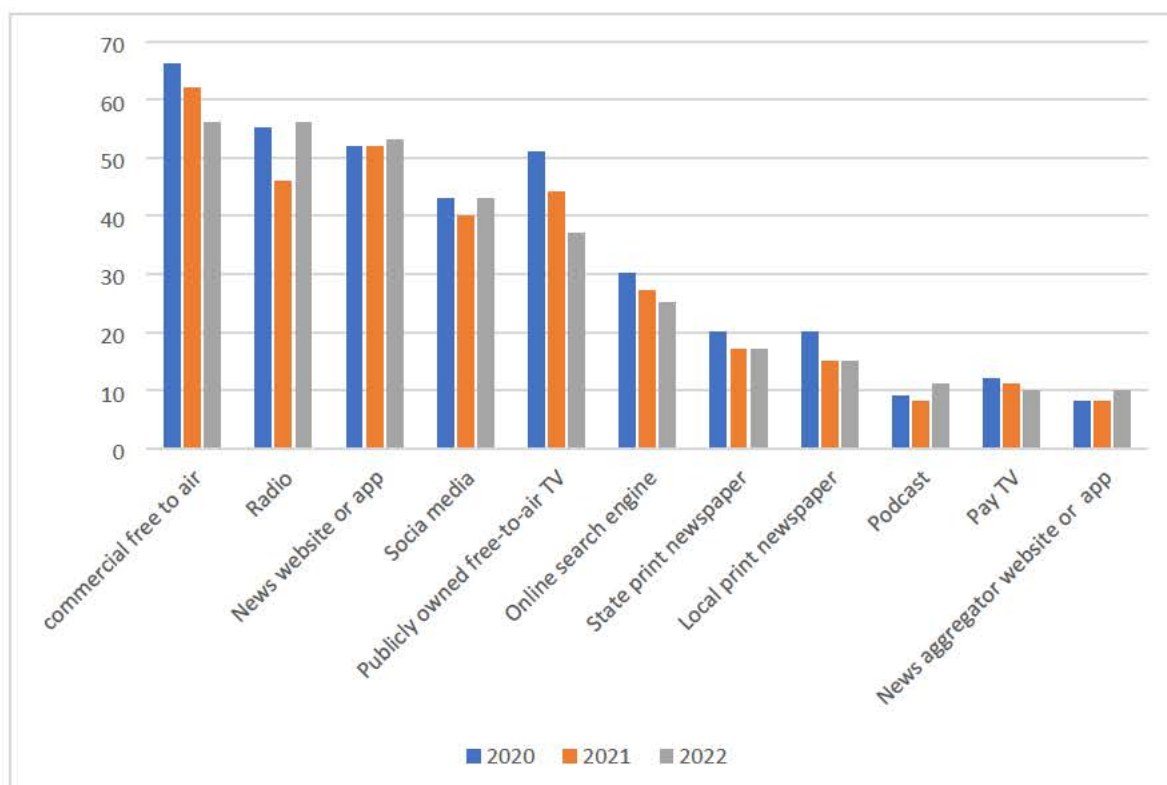
## News Media Sector

### Current state

Historically, mainstream news media has operated through broadcasting and newspapers. With the exception of the ABC, revenue has been largely raised through advertising. However, the way people access news is changing and news services are increasingly being accessed online.

For the past three years, the department has commissioned the Social Research Centre to conduct the Media Content Consumption Survey (MCCS) to explore news media consumption behaviours of Australians. The survey has found that Australians are using a range of sources to access news content. In 2022, when asked how they currently access most of their news and current affairs the primary methods that respondents reported were commercial free-to-air TV (56%), radio (56%), and news websites or apps (53%).

**Figure 1. Primary methods that respondents report accessing news and current affairs 2020-2022<sup>1</sup>**



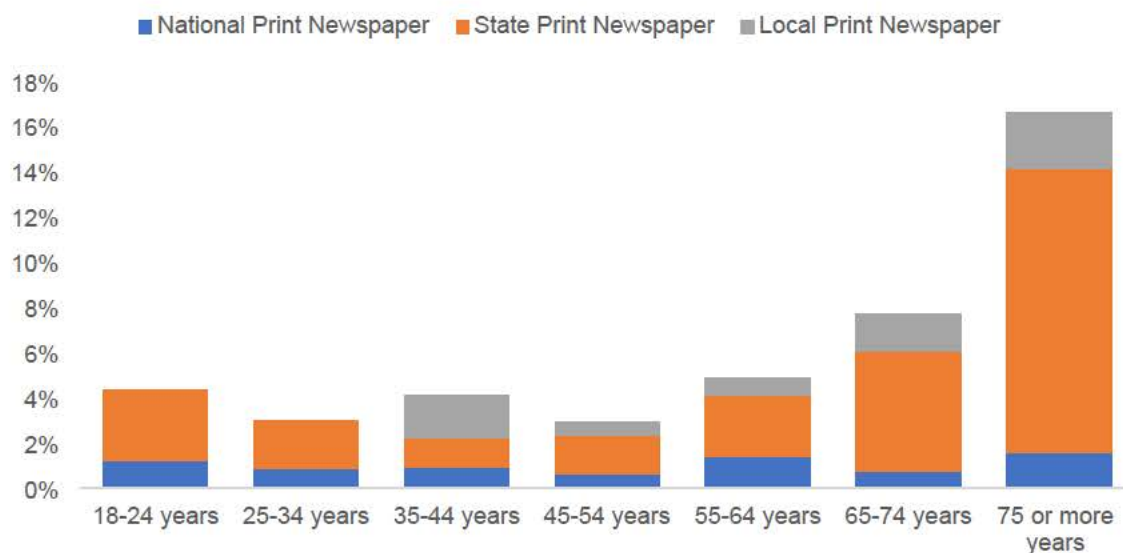
In 2022 the MCCS found that Australians consume local and national news in roughly equal measure, whilst consumption of international news is slightly lower. A similar proportion of respondents

<sup>1</sup> Social Research Centre, [The 2022 Media Content Consumption Survey – Summary Report](#)

consume Australian national news (37%) or local, state or territory news (39%) more often than five times per week.

In relation to newspapers, the figure below shows the proportion of respondents who considered print newspapers to be their 'main source' of news by age range.

**Figure 2. Australian Newspapers as the main source of news, by age range<sup>2</sup>**

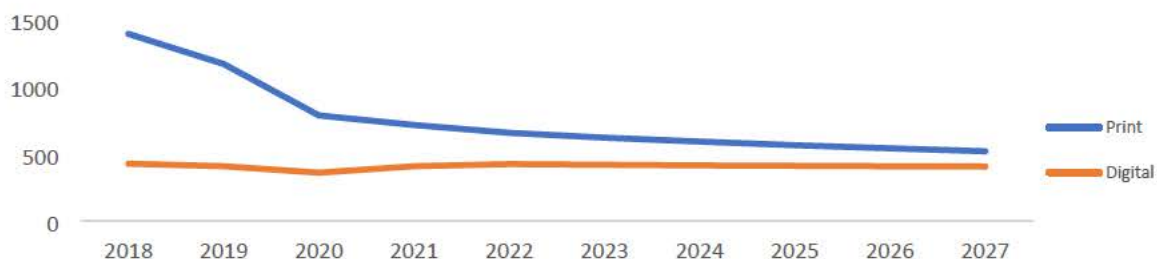


### Current and emerging challenges

#### *Changing business models have led to structural pressures*

Traditional media’s advertising revenue has declined as advertisers shift to products offered by digital platforms, such as Facebook and Google. Print newspaper advertising revenue has decreased since 2018, and is projected to continue its descent while digital news advertising revenue remains steady.<sup>3</sup>

**Figure 3. Advertising revenue based on news format (in AUD\$ millions)<sup>4</sup>**



<sup>2</sup> Social Research Centre, [The 2022 Media Content Consumption Survey, departmental analysis](#)

<sup>3</sup> PwC, [The Global Entertainment & Media Outlook 2023-2027](#).

<sup>4</sup> PwC, [The Global Entertainment & Media Outlook 2023-2027](#).

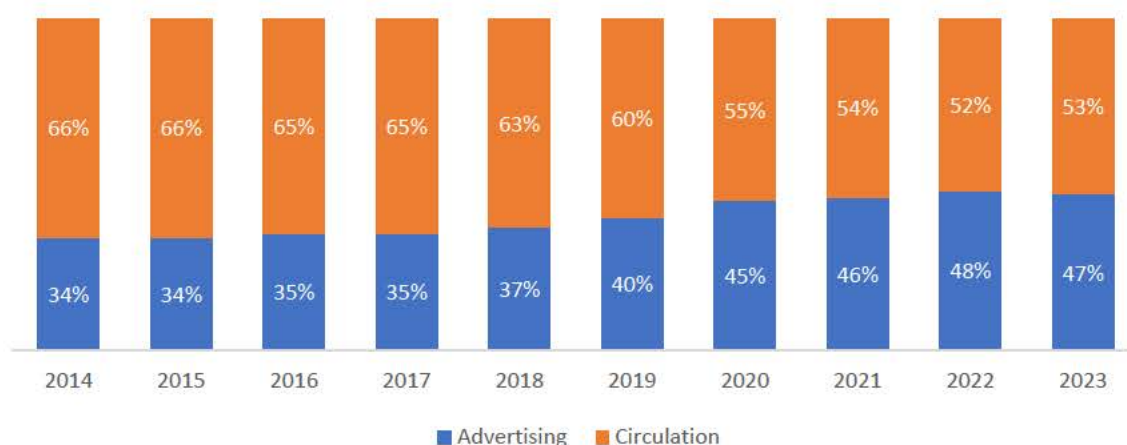


Moreover, social media has had an impact on how people access the news. In 2022, when asked how they currently access most of their news and current affairs, 43% of respondents indicated the use of social media. Of those who use social media to access news, 82% of respondents indicated that it was important to have access to news content on social media.<sup>5</sup>

The proportion of people that access most of their news from online sources is increasing, in contrast to newspapers and broadcast news sources, which appear to be declining over time, while remaining an important part of the Australian news media landscape.

Additionally, digital newspaper circulation revenues are projected to increase by 8% between 2022 and 2027, in contrast to print newspaper circulation revenues, which are projected to decrease by 3.9% over the same timeframe.<sup>6</sup>

**Figure 5. Mix of advertising and circulation revenue for print and digital news publishers<sup>7</sup>**



*Short-term exogenous shocks have compounded the impact of long-term trends*

Over the past two decades, the longer-term trends affecting the news media sector have been compounded by short-term, exogenous shocks, such as the impacts of the COVID-19 pandemic. These shocks had a greater impact on small and regional media.<sup>8</sup> The department has delivered a number of initiatives aimed at supporting the news media sector to respond to these challenges.

The **Regional and Small Publishers Jobs and Innovation** program (RASPJI under the Broadcast and Content Reform Package) allocated \$60.4 million over three years from 2018 to deliver the Innovation Fund, Cadetships and Scholarships.

The **Public Interest News Gathering (PING)** program was a \$50 million program and part of a package of measures to support Australian media businesses during the COVID-19 pandemic. PING was part funded from unspent funding from the RASPJI package. It commenced in mid-2020 and aimed to support regional broadcasters and publishers to maintain or increase their production and distribution of public interest journalism in regional Australia during the COVID-19 pandemic.

In 2022, the department engaged ACIL Allen to evaluate the RASPJI and PING programs.<sup>9</sup> The evaluation assessed program design, delivery, outcomes achieved and improvement opportunities.

<sup>5</sup> Social Research Centre, [The 2022 Media Content Consumption Survey – Summary Report](#).

<sup>6</sup> PwC, [The Australian Entertainment & Media Outlook 2023 – 2027](#)

<sup>7</sup> PwC, [The Australian Entertainment & Media Outlook 2023 – 2027](#)

<sup>8</sup> [Report - Evaluation of RASPJI and PING \(acilallen.com.au\)](#)

<sup>9</sup> [Independent evaluation of RASPJI and PING | ACIL Allen](#)

Overall, the evaluation found most stakeholders who received grant funding were satisfied with their involvement in the programs. They considered the programs to be helpful in supporting the Industry during a period of transition (with respect to RASPJI) and crisis (with respect to PING).

Opportunities were identified to better coordinate, sequence and promote the programs to amplify the impacts and public value delivered. The evaluation also suggested ensuring that in future similar programs clearly identify and target areas of need, consider the design of the funding formulas and guidance provided to applicants, and better design the programs to focus on outcomes.

The evaluation has and will continue to inform the department's future policies and grant programs.

### A Principled Framework is required

The long-term trends affecting the news media sector call for systemic, principled and evidence-based solutions relevant to the contemporary media business landscape and consumer consumption behaviours.

#### News Media Assistance Program

The Australian Government has committed to developing a News Media Assistance Program (News MAP) to secure the evidence base needed to inform longer-term news media policy interventions and to develop measures to support public interest journalism and media diversity.

At a practical level, it is anticipated the News MAP policy framework will help guide decisions around when Government intervention is warranted, the purposes to which it should be applied, and where it should be targeted.<sup>10</sup>

The department is currently developing News MAP and will provide advice to government later in 2023 on the proposed policy framework. In developing the policy framework, the department is mindful of the benefits of news and public interest journalism and its important role in Australian society.

The Australian Government has funded two early initiatives to gather data and build capacity while the News MAP is being developed.

#### *Public Interest Journalism Initiative – maintaining news market data across Australia*

Public Interest Journalism Initiative (PIJI) is an independent, non-profit company that produces the Australian News Data Report, which assesses media diversity and plurality. PIJI is investigating a sustainable future for public interest journalism.<sup>11</sup>

In February 2023 the Minister for Communications, the Hon Michelle Rowland MP, announced \$900,000 would be provided to PIJI to support data projects aligned with the objectives of the News MAP.

This funding is supporting continued provision in 2023 of PIJI's data maintenance, collection, analysis and visualisation activities relating to public interest news and journalism in Australia.

PIJI's data is assisting the department and the Australian Communications and Media Authority (ACMA) to assess the current evidence base for the News MAP.

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<sup>10</sup> The Hon Michelle Rowland MP, Minister for Communications, Speech to the Local and Independent News Association (LINA) Inaugural Summit, 31 March 2023

<sup>11</sup> [About - Public Interest Journalism Initiative \(piji.com.au\)](https://www.piji.com.au)

### *Local and Independent News Association – capacity building among independent and hyperlocal news publishers*

The Local and Independent News Association (LINA) is an industry association supporting digital, hyperlocal and independent news publishers.

In March 2023, the Minister for Communications announced \$1.5 million will be provided to LINA to gather information and evidence related to activities that build capacity among local and hyperlocal news publishers. The funding is supporting LINA to assist digital and hybrid news publishers increase the diversity and relevance of news services in communities across Australia.

#### **Establishing the Evidence Base**

Through the News MAP, the government has flagged the need for a more robust and long-term evidence-base to inform policy interventions and other measures that support the provision of public interest journalism and the longstanding objective of media diversity. In November 2022, the Minister for Communications announced that new and better approaches were needed to measure news diversity, and signalled that she had asked the ACMA to resume its earlier work and to consult on a media diversity measurement model to inform News MAP.

In January 2023, the ACMA released a short consultation paper seeking public feedback on the draft News Measurement Framework and its implementation. The ACMA asked 13 questions based on the scope and likely effectiveness of the 2020 framework, new sources of third-party data and research that could inform the examination, and opportunities for further research projects to address outstanding data gaps.

The consultation resulted in 24 stakeholder submissions. During this time, the ACMA also held three workshops with key industry and academic stakeholders. The submissions, along with summaries of the stakeholder workshops, are available on the ACMA's website: [acma.gov.au/consultations/2023-01/new-framework-measuring-media-diversity-australia](https://acma.gov.au/consultations/2023-01/new-framework-measuring-media-diversity-australia).

The AMCA is providing advice to the Government on the outcomes of the consultation and recommendations on the next steps towards finalising and implementing the News Measurement Framework. This work is expected to directly contribute towards News MAP and help build a robust evidence-base to support ongoing government decision-making concerning the regulation of the news media market and other media reform priorities.

#### **Existing programs are in place to support news and public interest journalism**

##### **Support for the National Broadcasters**

The national broadcasters – the Australian Broadcasting Corporation (ABC) and the Special Broadcasting Service (SBS) – are trusted institutions that strengthen Australia's media diversity, contribute to the cultural and social fabric of the nation, and represent a major Commonwealth contribution to public interest journalism.

Under their Charters established through their respective Acts<sup>12</sup>, the ABC and SBS are required to provide high quality, innovative and comprehensive services to inform, entertain, educate, and reflect the cultural diversity of the Australian community. Consistent with this, the national broadcasters deliver programs and services including news and emergency broadcasting, cultural

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<sup>12</sup> The *Australian Broadcasting Corporation Act 1983* and the *Special Broadcasting Service Act 1991*



events and educational initiatives, as well as international broadcasting and regional capacity-building

The Australian Government moved the ABC and the SBS to 5-year funding terms commencing 1 July 2023 as part of the 2023-24 Budget. These new arrangements extend previous multi-year funding arrangements – funding for the ABC and SBS has been agreed in 3-year periods (‘triennia’) since 1988 and supported by successive governments.

Over the 5-year term to 30 June 2028, the ABC will receive \$6.0 billion, and the SBS will receive \$1.8 billion. The transition to 5-year funding terms will provide the national broadcasters with more funding stability, allowing them to plan with more confidence.

The funding includes additional funding to extend previously terminating measures to 2027-28 and make these parts of ongoing funding. This includes additional funding in direct support of public interest journalism by the ABC and SBS:

- \$52.4 million over 3 years for the ABC to provide news services in areas outside major city centres by local and thematic reporters under the Enhanced News Gathering (ENG) program. In 2021-22, ENG funding supported 72.3 full-time equivalent (FTE) positions across Australia, including regional and local reporters and videographers in Parramatta, Geelong, Ipswich, Wollongong, Renmark and Bunbury, regional live link camera operators to support breaking news in Broome, Alice Springs and Newcastle, and specialist reporters in the National Reporting Team who produce explainers, fact checking articles, and long-form content. ENG funding supported more than 10,000 digital stories each year and allows the ABC to elevate local stories to a national level, against a backdrop of contraction, closures and retrenchments in regional news.
- \$45.0 million over 4 years for the SBS to increase the availability of news and content to Chinese and Arabic speaking communities in Australia under the Media Sector Support (MSS) program. SBS uses this funding to provide in-language news bulletins for Chinese and Arabic speaking communities, subtitling in Simplified Chinese and Arabic for its full portfolio of commissioned and locally produced content, and a free English language learning program for migrants.

This additional funding builds on the decision in the October 2022 Budget to provide an additional \$83.7 million over 4 years to the ABC, which the ABC will invest in emergency broadcasting, ABC Education, and digital services. The ABC also received \$32.0 million over 4 years from 2022-23 to expand transmission, content production, and capacity-building in the Indo-Pacific region.

### News Media and Digital Platforms Mandatory Bargaining Code

The *Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code) Act 2021* (the Act) commenced on 3 March 2021. The Act establishes the News Media and Digital Platforms Mandatory Bargaining Code (the Code), which provides a framework to address bargaining power imbalances to ensure that digital platforms remunerate news businesses for the news content distributed on digital platform services, thereby helping to sustain public interest journalism in Australia.<sup>13</sup>

The Code applies to digital platforms designated by the Treasurer. The criteria that the Treasurer must consider creates incentives for digital platforms and news businesses to reach commercial

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<sup>13</sup> Explanatory Memorandum, Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code) Bill 2021, para 1.1.

deals before formal application of the Code. If that is not possible, it provides a framework (following designation of a digital platform) for good faith negotiations and mediation between the parties. Where agreement cannot be reached, it sets out an arbitration process to determine remuneration payable by a digital platform. To date, no digital platform service has been designated under the Code.

Nonetheless, since the commencement of the Code, digital platforms (Google and Meta) have entered into over 30 commercial agreements with a cross section of Australian news businesses. These include agreements between:

- major news organisations such as Nine Entertainment, Seven West Media and News Corporation;
- the national broadcasters, including the ABC;
- several small-medium publishers; and
- two groups of smaller publishers through collective bargaining – Country Press Australia (81 Publishers) and Public Interest Publishers Alliance (24 Publishers).

The Code's governing legislation required that a review of its operation commence within 12 months of this date. The Treasury undertook a review of the Code and published the report in November 2022.<sup>14</sup>

Noting the deals made, Treasury's review considered it reasonable to conclude that the Code has been a success to date. It considered that many of those agreements were highly unlikely to have been made without the Code. The review made 5 recommendations for improving the operation of the Code in the future, including that:

- the Government consider directing the Australian Competition and Consumer Commission (ACCC) to prepare periodic reports on extending the Code to other platforms;
- the Government consider the need for additional ACCC information gathering powers in relation to agreements between platforms and news businesses, in the context of its response to the ACCC's recent proposed major digital platforms reforms; and
- the Government consider commissioning another review of the Code after it has operated for 4 years.

The Government is currently considering these recommendations. Other countries such as Canada are introducing similar legislation.

### Journalist Fund

The Journalist Fund program aims to support regional news businesses to hire new cadet journalists to produce locally relevant news content in regional areas. As part of the Journalist Fund, up to 61 new cadet journalists are being employed in 34 regional and First Nations newsrooms across the nation.

These outputs of the program deliver on the October 2022-23 Budget commitment to allocate \$5 million to engage cadet journalists to produce locally-relevant content. The funding is being provided in partnership with selected regional and First Nations news organisations to employ new journalists under a co-contribution arrangement, with a 2-year package of up to \$150,000 per cadet.

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<sup>14</sup> [News Media and Digital Platforms Mandatory Bargaining Code - The Code's first year of operation | Treasury.gov.au](https://www.treasury.gov.au/NewsMediaandDigitalPlatformsMandatoryBargainingCode-TheCode'sfirstyearofoperation)

The Government will contribute 70% of each cadetship package, up to \$105,000, and successful grant recipients are required to contribute the remaining 30%. The design of the fund was informed by lessons learned from an evaluation of a previous cadetships program undertaken by ACIL Allen<sup>15</sup>.

The lessons learned included providing a more generous funding package per cadet and paying more to grantees earlier so they are set up to succeed. The department also engaged early and strategically with stakeholders to ensure rigorous program design.

## Broader Media Reforms

### Modernising Media Regulations

The department is supporting the Government's commitment to modernising media regulations for the digital age that reach beyond the news media. The case for modernisation has been made through successive reviews of Australia's media regulatory framework, including:

- The ACMA 'Broken Concepts: The Australian communications legislative landscape' and 'Enduring Concepts—Communications and media in Australia' reports (2011);
- The Australian Law Reform Commission's 'Classification – Content Regulation and Convergent Media' report (2012);
- Independent Inquiry into the Media and Media Regulation (2012);
- Convergence Review (2012);
- Australian ACCC Digital Platforms Inquiry (2019);
- Review of Australian Classification Regulation (Stevens Review) (2020);
- Senate Inquiry into Media Diversity in Australia (2021);
- ACCC's Digital Platform Services Inquiry (2020-2025); and
- The ACMA's position paper on 'What Audiences Want – Audience expectations for content safeguards' (2022).

This long-term reform will involve a number of work streams with an **immediate term** focus on:

- a review of the anti-siphoning scheme and list;
- legislating a prominence framework for connected television devices;
- implementing Australian content requirements on streaming platforms;
- reform of the National Classification Scheme; and
- working with state and territory governments to address gambling-like content in computer games.

Work on these immediate priorities is well underway and is being informed by a range of recently completed or current consultation processes.

### Consultation on new laws to combat online misinformation and disinformation

Misinformation and disinformation pose a threat to the safety and wellbeing of Australians, as well as to our democracy, society and economy. Efforts to address these harms are an important reform for the information environment in Australia, but must be balanced to ensure they do not endanger the public benefits provided by quality, independent media.

In January 2023, the Minister for Communications announced that the Australian Government would introduce new laws to provide the independent regulator, the ACMA, with new powers to combat online misinformation and disinformation.

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<sup>15</sup> [Independent evaluation of RASPJI and PING | ACIL Allen](#)

On 25 June 2023, the department released an exposure draft of the Communications Legislation Amendment (Combatting Misinformation and Disinformation) Bill (the Bill), which was open for public consultation until 20 August 2023. The draft Bill would provide ACMA with powers to place obligations on the platforms to do more to protect Australians through measures such as stronger tools to empower users to identify and report misinformation and disinformation, ensure more robust complaints handling, and enable more extensive use of fact checkers.

The draft Bill has been designed carefully to balance the public interest in combatting seriously harmful misinformation and disinformation, with the freedom of expression that is so fundamental to democracy. For instance:

- the proposed framework focuses on systemic issues aimed at encouraging digital platform providers to have robust systems and measures in place to address misinformation and disinformation;
- the ACMA will not have the power to request specific content be removed from the internet;
- it will include strong protections for electoral and referendum content, professional news content, user privacy, and educational content;
- if the ACMA uses its reserve code registration or standard making powers, it will be required to explicitly consider whether there are any potential burdens on freedom of political communication, and if so, to consider whether they are reasonable and not excessive; and
- private messages will not be within scope of the powers.

Professional news content will not be within the scope of the proposed powers. Therefore, platforms will not be expected to determine if professional news content is misinformation or disinformation. The Australian Government does not seek to influence the editorialisation and reporting by the free press.

In order for their content to be excluded for the purposes of misinformation, content produced by Australian professional news organisations must satisfy certain criteria that is the same as the professional standards test in the *Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code) Act 2021* (NMBC).<sup>16</sup> Content produced by international professional news providers will need to be subject to analogous rules or internal editorial standards to be exempt from the scope of the misinformation powers. A key element of the definition is that news providers have editorial independence from the subjects of the news source's coverage

The release of the draft legislation provides industry and the community the opportunity to provide feedback on the proposed Bill, before it is introduced in Parliament later this year. To find out more visit <https://www.infrastructure.gov.au/have-your-say/new-acma-powers-combat-misinformation-and-disinformation>.

## Media Literacy

Speaking at the Australian Media Literacy Summit on 24 March 2023, the Hon Michelle Rowland MP, Minister for Communications highlighted that media literacy in every stage of life is essential to support a healthy democracy.

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<sup>16</sup> Communications Legislation Amendment (Combatting Misinformation and Disinformation) Bill 2023



In May 2023, the Government announced \$2.5 million in funding over two years (2023-24 and 2024-25) to support improved media literacy in culturally and linguistically diverse (CALD) communities. This includes:

- \$1.0 million to develop and implement improved community engagement strategies via a new policy partnership with the Federation of Ethnic Communities Councils of Australia (FECCA) to reach CALD populations, including hard to reach populations. These strategies will have a focus on improving media literacy to combat mis- and disinformation and scams, and support economic and civic engagement.
- \$1.5 million for FECCA to administer a small funding program to support community organisations to develop and/or deliver media literacy resources focused on combatting misinformation and disinformation impacting CALD communities.

The department has begun work with FECCA to initiate the delivery of these important resources.

