



## THE HONOURABLE KEVIN RUDD AC

26<sup>th</sup> Prime Minister of Australia

### SUPPLEMENTARY SUBMISSION TO THE INQUIRY INTO MEDIA DIVERSITY IN AUSTRALIA

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“I think the important thing is that there be plenty of newspapers with plenty of different people controlling them, so that there’s a variety of viewpoints — so that there’s a choice for the public ... Freedom of the press mustn’t be one-sided, just for a publisher to speak as he pleases and try and bully the community.”

**Rupert Murdoch, 1967**

Senators,

I first appeared before this inquiry nine months ago, with one core recommendation:

That a Royal Commission be established to ensure the strength, vitality and diversity of the Australian media across all platforms to underpin the long-term health of our democracy.

As your inquiry has progressed, the case for such a Royal Commission has only strengthened. You have taken thousands of submissions from industry experts, academics, scientists, journalists, former News Corporation figures and members of the public. Outside the committee, numerous experts – ranging from former US Director of National Intelligence Lt. Gen. James Clapper (retired) and former Fox News contributor Lt. Col. Ralph Peters (retired), to former long-serving Murdoch executives such as Preston Padden and James Murdoch – have backed a Royal Commission or echoed my submission’s concerns about the dangers for democracy.

There is clearly deep public concern about the state of our media, evidenced not only by the more than 500,000 signatories to last year’s petition but the public outcry since. There are also great concerns about the unintended consequences and rent-seeking behaviours encouraged by piecemeal media reforms of the kind we have seen over so many years – most recently the News Media Bargaining Code, which is failing small- and medium-sized outlets.

The media industry is extremely complex. Any effort to regulate or deregulate involve balancing complex values of press freedom, the public interest, competition and privacy. Your inquiry has barely begun to scratch the surface of these questions.

No Australian who has followed your inquiry could think that Australia's media landscape is healthy. Nor could they think it is fair that a panel of senators, considering these issues part-time during a busy parliamentary year, should be asked to devise a solution to this crisis when there are clearly no easy fixes. More work needs to be done before the parliament can confidently take substantive action.

Only a Royal Commission has the power to properly scrutinise and propose solutions on Australia's endemic failures of media regulation.

The sobering evidence of News Corporation's two regulators — their print 'self-regulator' the Australian Press Council (APC) and their broadcast 'co-regulator' the Australian Communications and Media Authority (ACMA) — have exposed their purely symbolic role in upholding media standards in 21<sup>st</sup> century Australia. It is quite clear that no journalist in the country genuinely fears being reprimanded by these regulators, as evidenced by the journalists' union announcing its withdrawal from the APC midway through your inquiry.

News Corporation's witnesses attempted to justify and downplay the scale of their company's power, their abuses of that power and, perhaps most troubling, the systematic implementation of divisive disinformation-for-profit business models pioneered by the 'culture warriors' of Fox News in the United States. Each of you understands personally the power that News Corporation wields in our nation's capitals by virtue of its monopoly status, and the consequence of this company spreading lies about basic public health information during a pandemic.

There was diversity of opinion among witnesses about the urgency of a Royal Commission. However, only News Corporation embarked on a campaign of attacks on this committee to delegitimise its work and chill debate about any policies that might diminish the power of the Murdoch media relative to its competitors (even if they resulted in a bigger, stronger and more diverse news industry overall). This is because media law reform threatens News Corporation's ability to exert excessive political influence on our democracy.

The Murdoch media's overblown attacks on this inquiry elucidate its deep fear of scrutiny. While insisting they have nothing to hide from a Royal Commission, their response to this committee's work indicates that they view such an inquiry as an existential threat to their political power. There has been no similarly heated reaction from other media organisations that would be investigated by the same Royal Commission.

Much of News Corporation's case in its own defence has been forcefully refuted, either by witnesses to the inquiry, or outside of it.

News Corporation claimed calls for a Royal Commission were driven solely from the "far left" — a claim that was blown apart by the evidence of Malcolm Turnbull, a former Liberal Party prime minister, and a cabinet minister in the governments of Tony Abbott and John Howard.

News Corporation claimed that the petition which prompted this inquiry, EN1938, was inflated by false signatures and therefore lacked legitimacy — a theory that was comprehensively discredited by the House of Representatives Standing Committee on Petitions.

Sky News host Peta Credlin claimed the petition was a ‘data-harvesting exercise’ to invade Australians’ privacy – a claim which she retracted and apologised for as part of a confidential legal settlement (which many ordinary citizens would be unable to obtain given the legal costs involved).

News Corporation’s claim not to tolerate denial of climate science was exposed by the evidence Michael Mann, and the wilful misrepresentation of the science continues despite its supposed ‘Mission Zero’ conversion, particularly through the weekly programme, *Sky News Weather & Skeptics’ Ice Age Watch*.

News Corporation’s claim that it adheres to industry standards were undermined by its rush to delete videos that spread disinformation about COVID-19 vaccines and pushed unproven alternatives. This followed a suspension by YouTube, which exposed the failure of ACMA’s co-regulatory model, given the offending videos were broadcast live to millions without consequence. Even after these videos were presented to ACMA, no enforcement action has been taken.

Esteemed former Murdoch editors, executives and photojournalists have given detailed evidence of the company’s abusive workplace culture, its character attacks, lobbying and political campaigns, and its vendetta tactics.

Some will argue that News Corporation chose not to trouble itself with the particulars of this inquiry given its error-riddled five-page submission, Lachlan Murdoch’s refusal to appear as a witness, and its withdrawal of Sky News anchors Alan Jones, Rowan Dean and Rita Panahi as witnesses. I disagree. The sheer weight of News Corporation’s campaign to delegitimise this inquiry, even before its findings are handed down, and its attacks on other witnesses – both publicly and through backgrounding of senators and other media – demonstrates that Rupert and Lachlan Murdoch have taken this inquiry, and its potential findings, very seriously indeed.

Appended to this letter are responses to News Corporation’s three core claims put to this inquiry.

It is clear that the Murdochs do not consider themselves accountable to the Australian Senate, nor to any other institution which they cannot control. You have begun to lift their veil, and they are scared of what a Royal Commission would further uncover.

I commend senators for their insightful questions especially in the face of pressure – explicit or implicit – from News Corporation and those who benefit from its continued domination.

I trust this supplementary submission will assist the Committee in its final deliberations.

Yours sincerely,

The Hon Kevin Rudd AC

## **APPENDIX**

# **NEWS CORPORATION'S CLAIMS**

### **Claim 1: The Murdoch media does not hold a monopoly in Australia.**

Australia has the most concentrated media market in the West and the third most concentrated market in the world, behind China & Egypt ([The Conversation](#)). This market is dominated by News Corporation and the Murdoch family's other core assets.

Below is a list of the Murdoch family's key media holdings in Australia:

- **Australia's only 24/7 commercial free-to-air news network** (Sky News)  
(9.1 million monthly viewers)
- **Australia's largest suite of online news sites** (News Corporation News Network)  
(16.59 million reach per month)
- **Australia's largest commercial news site website** (news.com.au)  
(11.2 million monthly readers)
- **A monopoly in daily newspaper circulation** (around 70% nationally; and almost 100% in Queensland)
- **Australia's only national general interest newspaper** (The Australian) and the largest network of regional newspapers, many with local monopolies.
- **Four streaming platforms** (Binge, Kayo, Foxtel Go, Flash)
- **Australia's biggest news streaming service** (Flash)
- **A monopoly in Australian cable/satellite media** (Foxtel, controlling stake)
- **A monopoly in online real estate advertising** (realestate.com.au)
- **One of the two national newswires** (NCA Newswire)
- **Australia's No.1 metropolitan radio network** (Nova Entertainment, via Lachlan Murdoch's Illyria)
- **The largest & fastest-growing YouTube current affairs channel** (Sky News Australia and associated accounts with 1.47 billion views; 2x the size of ABC News; 3x Nine News; 4x Seven News; 57x Ten News)

For the avoidance of doubt, News Corp and Fox Corp hold other major media assets around the world, many of which are directly synergistic with their Australian monopoly:

- **One of the largest media companies in the world** (Fox News)
- **One of the five major book publishing companies** (Harper Collins Publishers, which recently also acquired Houghton Mifflin Harcourt)
- **Major US online & print news outlets** (New York Post, Wall Street Journal)
- **Major UK online & print news outlets** (The Sun, The Times, The Sunday Times)
- **UK TV and radio assets** (Times Radio, talkTV)

- **Real estate advertising businesses** (REA Group, realtor.com)
- **Financial news & market reporting** (Dow Jones, Market Watch, Investor's Business Daily)
- **One of the world's largest sports broadcasting companies** (FOX Sports)

**Claim 2: The Murdoch media does not abuse its monopoly power for commercial or political purposes.**

The Inquiry has dozens of submissions and witnesses who attest to the uniformity of News Corporation's editorial coverage. Consider, for example, the media coverage of the first hearing of this committee. On 20 February, across eight cities and eight different newspapers, the News Corporation online and print news outlets printed the exact same article – regardless of the different media diversity challenges in each community. Sky News initiated an attack on the evidence provided at the committee, but quickly escalated this analysis to now decry the inquiry as an “absurd witch hunt”. No other news organisation has set about such a campaign.

Rupert Murdoch, in an interview [broadcast by the ABC](#) as early as 1967, that he interferes with editors:

*Yes, I do, a bit. I get very involved in the newspapers themselves and, sometimes, in public arguments that we're conducting or involved in. But, on the other hand, I think that I give my editors tremendous freedom and the only people who claim that I don't give enough freedoms now are the people that didn't know how to use it.*

Lachlan Murdoch, in an interview highlighted by the ABC Four Corners programme, was quoted in respect of his interference:

*I don't tell journalists what to say or what to write. That's not my role... What I do do, running a media organisation is obviously, you know, work closely with the managers of those newsrooms and with the managers of those newspapers and it's important that they get the ah, the ah, the positioning and the messaging right.*

Abuse of power is endemic to News Corporation. It's practically in their corporate DNA.

**Claim 3: Evidence of monopoly or abuses of power can be ignored because Australian regulators are well-empowered.**

News Corporation cites three regulators in their written submission to this Inquiry.

**Australian Communications and Media Authority (ACMA)**

- The ACMA's Chair, Nerida O'Loughlin, repeatedly told the Inquiry it is a “co-regulator” and has no “monitoring role” over TV or online media;
- The ACMA-facilitated voluntary code for online platforms, the *Australian Code of Practice on Disinformation and Misinformation*, and in it excluded mainstream news content on the basis of notional adherence to ‘a published editorial code’ (s 4(4.4));

- According to ACMA’s evidence, complaints are handled by the following process:
  1. The viewer seeks out the ACMA’s complaints form;
  2. The ACMA directs the complaint to the media company, with 60 days to respond;
  3. Where unsatisfied, the viewer must seek out the ACMA to make a further complaint and provide supplementary information;
  4. The ACMA then commences an investigation, which is guided by ‘internal investigation frameworks’ to report between 4 and 6 months.
- The ACMA has declined to commence an investigation into climate or COVID-19 misinformation by Sky News, even when it was highlighted by global reporting and put directly to ACMA’s Chair at the Inquiry.

### **Australian Competition and Consumer Commission (ACCC)**

- In 2016, the ACCC ruled that News Corporation outlets and Australian Provincial Newspapers operated in substantially different markets despite both operating newspapers sold at the same newsagents in the same towns. This acquisition resulted in almost total newspaper market concentration by News Corporation in Queensland and the ultimate closure of 112 previously vibrant newspapers;
- In 2019, the ACCC similarly ruled that the acquisition of Prime Media by Seven West Media would not impair market competition; it appears inclined to make a similar ruling in the newly proposed merger.

### **Foreign Investment Review Board (FIRB)**

- The FIRB’s primary responsibility is to advise the Treasurer, a political officeholder whose political fortunes are tied to the political influence by News Corporation.
- The FIRB’s position would be complicated by the presence of board members with some stake in decisions, including Seven West Media non-executive director Teresa Dyson and Sky News regular and Responsible Wagering Australia Chair, Nick Minchin, who appeared in a recent special attacking critics of Murdoch’s monopoly.

The fact that News Corporation neglected to mention the Australian Press Council speaks to the body’s standing within the media landscape.