



Senator Sam Dastyari
Senate Select Committee on the Future of Public Interest Journalism
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15 June 2017

Dear Senator Dastyari,

It is with pleasure that I forward to you Deakin University's submission to the Select Committee on the Future of Public Interest Journalism.

Deakin University believes this Inquiry, in examining the future of public interest journalism in Australia, is addressing a particularly important issue for the nation. Journalism conducted in the public interest is of vital importance to any democratic society. Journalism in the public interest is under threat at present due to a business model that has been overtaken by the digital media landscape, resulting in major job redundancies throughout the sector.

This submission has been prepared by Dr Lisa Waller, Dr Kristy Hess, Dr Julie Freeman and Professor Matthew Ricketson from Deakin University's School of Communication and Creative Arts. Their research on local news has been published in leading academic publications throughout the world and they have received funding from university, government, not-for-profit and philanthropic agencies to examine community, civic and/or hyperlocal news spaces in Australia and overseas. With support of philanthropic foundations, Deakin University created a research group in 2016 to focus intently on regional media in Australia.

I commend this submission, and the three recommendations contained within it, to the Senate Select Committee on the Future of Public Interest Journalism.

Yours sincerely

Professor Jane den Hollander AO
Vice-Chancellor



Deakin University

Submission

Select Committee on the Future of Public Interest Journalism

15 June 2017

Deakin University is pleased to contribute to the Senate Select Committee's Inquiry into the Future of Public Interest Journalism. The comments in this submission focus on two of the five terms of reference; namely, the issue of whether public interest journalism is under threat, and more particularly whether it is under threat in rural and regional Australia, and whether the Australian Broadcasting Corporation (ABC) and the Special Broadcasting Service (SBS) need additional funding to perform their public service role.

Deakin supports the select committee's intention to examine in detail the state of public interest journalism in Australia, especially due to the focus on the activity of journalism and its role in society as opposed to the media industry as a whole.

As an active contributor to the higher education sector, Deakin University believes in the creation of new knowledge. The University recognises the important role played by journalism in disseminating new knowledge to the general public and in providing a forum for debate about issues facing contemporary society. As a university with a core commitment to regional Victoria, Deakin University is keenly interested in ensuring citizens living and working in regional and rural areas are informed and able to engage in public debates.

Amid the rapidly changing digital media landscape, there are risks of ill-informed rural and regional communities, which can create debilitating democratic deficits. To inform evidence-based policy, Deakin University recommends that further research is urgently required to assess how Australian rural and regional communities could be better served for local news.

Deakin's specific responses to the Inquiry's Terms of Reference follow.

Responses to selected Terms of Reference

(a) The current state of public interest journalism in Australia and around the world, including the role of government in ensuring a viable, independent and diverse service.

The definition of public interest journalism can be cloudy, if not contested, but what is clear is that journalism is not simply what the public is interested in. A working definition of public interest journalism was articulated in the professional practice policy released in 1994 by Steve Harris, editor-in-chief of The Herald and Weekly Times, which was part of News Corporation Australia (known then as News Limited): *'The primary purpose of gathering and distributing news and opinion is to serve society by informing citizens and enabling them to make informed judgements on the issues of the time'* (Harris 1994). Journalists, and news organisations, independently scrutinise institutions in society on behalf of the public. According to the policy, the public interest includes:

- detecting or exposing crime or serious misdemeanour
- detecting or exposing seriously anti-social conduct
- protecting public health and safety
- preventing the public from being misled by a statement or action of an individual/body
- detecting or exposing hypocrisy, falsehoods or double standards of behaviour on the part of public figures or public institutions and in public policy.

It is not surprising that many people are confused about public interest journalism because news organisations also engage in journalism that is predicated on being interesting to the public and therefore driving circulation and sales. This is because news organisations – except for publicly funded broadcasters – owe their existence to profitability. They have, as C.P. Scott, the editor of *The Manchester Guardian* put it, *'a moral as well as a material existence'* (Scott 1946). No one need worry unduly about the future of journalism that is simply about being interesting to the public, it is in plentiful supply. What is worrying is the declining ability of news organisations to engage in public interest journalism as defined above. This is because the transition from traditional print media to online media has seen the vast bulk of advertising revenue migrate from newspapers to online content providers, such as Google and Facebook, which began as a search engine and social media companies respectively. As a result of declining advertising revenues, the two biggest privately owned media companies in Australia, Fairfax Media and News Corporation Australia, have laid off an estimated 3000 journalists over the past five years, according to the New Beats research team (www.newbeatsblog.com). This significant reduction of journalists across the country will have follow on effects on the quality of public interest journalism being produced in Australia.

A team of Australian academic researchers is engaged in a project entitled 'The Civic Impact of Journalism'. Interim results from their research indicates what kind of journalism is most at risk in the current environment: *'It is what was once called the "journal of record" functions – the continuous and non-glamorous work of covering parliaments, courts and local government – that has been hollowed out'* (Simons 2017). When the Independent Media Inquiry, under its terms of reference, examined whether there was a role for government to play in supporting the media industry to provide quality journalism it concluded that *'At this stage there is not a case for government support. Nevertheless, the situation is changing rapidly, and requires careful and continuous monitoring'* (Finkelstein, 2012). Four months later the two major media companies in Australia, along with Network Ten, announced one of the biggest redundancy rounds in the nation's media history. There have been further redundancy rounds, including at the ABC, each year since.

The issue of government support for public interest journalism urgently requires debate, in Parliament and around the country. If the case for it is strong, which it appears to be, then there

needs to be research and debate about the best way to implement support so that it is both an effective use of government funds and so that any funding or support mechanism does not undermine the editorial independence of those receiving it. Already, some proposals have been aired in a Senate Inquiry in 2016 that examined the federal government's proposal to amend the Broadcasting Services Act 1992 and repeal the 75 per cent audience reach rule for television networks and the two out of three cross-media rules that limit ownership of newspapers, radio and television. For instance, the Public Interest Journalism Foundation, a not-for-profit group, recommended the setting up of a statutory authority that would operate at arms' length from government and provide funds for individuals and organisations engaged in public interest journalism (PIJF submission 2016). That submission noted that considerable promise exists for independent journalism to take advantage of lower online cost structures and market reach and urged the establishment of a production fund to support projects that foster independent journalism in the public interest particularly in rural and regional Australia.

There are numerous models for such a production fund, including the UK-based innovation charity, Nesta, the Bertha BRITDOC Journalism Fund and screen production funds in several Australian states or Canada's Independent Production Fund that support the creation of independent content for diverse audiences in the public interest.

It should also be noted that in public hearings conducted in May 2017, the Chief Executive Officer of Fairfax Media, Greg Hywood, said he was willing for the Inquiry to canvas the option of government introducing a tax on companies like Google and Facebook that use journalistic content created by media companies to derive substantial advertising revenue. The tax raised would be funnelled back to the companies that created the journalistic content (Senate Select Committee Public Hearings, 2017, p. 22).

Deakin recommendation 1: The applicability of the innovative approaches detailed above to the Australian media landscape should be explored urgently with a view to developing effective and independent funding mechanisms to sustain, and in some cases, incubate, rigorous reporting in the public interest.

(d) The future of public and community broadcasters in delivering public interest journalism, particularly in underserved markets like regional Australia, and culturally and linguistically diverse communities.

Rural and regional news media outlets are facing increasing economic pressures in the digital media environment. Declining resources affect the availability and quality of local journalism, and limit capacity for news gathering, investigative reporting and independent analysis (Hess, Waller & Ricketson, 2014; Richards, 2014). Newspaper sales and advertising revenues are in parlous health and the closure of local newsrooms in favour of centralised production, together with the increasing homogenisation of news across print, online and broadcast platforms, results in content that is less relevant to local audiences in rural and regional communities. Research shows the availability of news is directly related to enhancing civic life and community social capital in regional Australia (Bowd, 2012; Hess, 2016; Richards, 2014).

Suggestions that media reform need not include a required quota of journalists or editors based in regional areas, but instead include a minimum number of minutes for local programming (Mitchell & Davidson, 2016) neglects consideration of the need for local content to be produced by people familiar with local areas. It also gives media companies discretion to homogenise local news services rather than invest in providing quality and niche information for small towns and cities. In parallel with this development, commercial television networks supporting the proposed media Bills have

been ambivalent about their commitment to the needs of local audiences. For example, in evidence to a Senate Inquiry into the media Bills in 2016, the Chief Executive of the Nine network, Hugh Marks, suggested that the provision of locally reported news and current affairs could be left to the ABC: *'...the local content provisions in the bill are attempting to address a market failure in the provision of local news in rural and regional Australia. Nine believe the ABC, as the public broadcaster, should be a mechanism for addressing what is a market failure'*.

Burns (2014) argues that considerable community benefit arises from local people telling stories for and about local people, with rural and regional media prime starting grounds for young budding journalists and a valuable source for local economies. Many rural and regional news reports are produced hundreds of kilometres away from the towns to which they are broadcast, with smaller communities often entirely overlooked in news reports. The ABC's structural reforms in regional areas bring threats to community ties and local employment, with programming cuts potentially creating news and information content gaps in rural and regional Australia, such as occurred when *Bush Telegraph* was axed in late 2014.

Declines in rural and regional news media do not mean that there are declines in demand for local news. A 2015 report on news consumption in Australia found that 20.8 per cent of consumers surveyed had accessed a regional or local newspaper in the past week. In comparison, 15.2 per cent accessed the Sydney Morning Herald, 12.1 per cent The Age, and 8.4 per cent The Australian (Watkins et al., 2015). While the ABC and SBS annual reports document that digital technologies are being used to access more news than ever before, the uneven rise of digital journalism is yet to fill gaps created by reductions in traditional regional/rural outlets (Nielsen, 2015). Consideration needs to be afforded to what is, and who it is, that determines, local news.

The Turnbull Government's recent proposed new media reforms should be approached with due caution for the complexity of ensuring access to local news content in rural and regional areas. The potential removal of the two-out-of-three and 'reach rules' for commercial providers, which currently prevent broadcasters from owning more than two media platforms in license areas and reaching more than 75 per cent of the population, have been deemed necessary for the industry to adjust to technological changes and encourage media diversity and local jobs. Australia's four independent regional broadcasters – Prime, WIN, Southern Cross Austereo and Imparja – argue that without change, local voices will be lost because they are at risk of shutting down or cutting back further on information services, and contend that the 75 per cent reach rule is redundant in the digital world. The practice of digital streaming, for example, means broadcasters can now reach a national audience, assuming the community have the tools and broadband internet service to access content. While regional broadcasters urge changes to media ownership laws to protect local news services, it is important to stress that abolishing the two-out-of-three rule may open the gate for more mergers and takeovers, limiting media diversity and plurality of reporting in the bush.

The abundance of international and national news available through digital platforms has created a media market demanding more local content (Waller & Hess, 2015). Media providers should focus on niche marketplaces where there remains money to be made, but arguably the profits must now be shared among a variety of players. Research in the UK highlights that relaxation of media ownership rules has resulted in a rapid period of consolidation, and success in the local and regional news sector has become increasingly dependent on scale. Mergers lead to centralised resources and this means more and more news gaps are created as journalism is practised from further afield by one company across multiple platforms. Commercial news sites rely increasingly on public relations as quick, ready-made news sources to help fill news bulletins (Hess & Waller, 2008). The question on policymakers' minds should be whether loosening media restrictions will mean a greater emphasis on and improved quality of local news in all corners of the country, rather than a better something

than nothing approach. The Federal Government should encourage and promote potential for diversity, rather than to reinforce existing power structures. We need to know more about what is meant by local news in the digital world, question whether traditional legacy media providers are the saviours and, if so, ensure they inform and give strong voice to regional communities. The fact that small towns and cities are harder to reach and more expensive to cover should not mean they miss out on quality coverage of regional affairs, and they deserve more than tokenistic media coverage of their regions.

The needs of society must be considered in conjunction with the economic and political concerns of media organisations (Picard, 2013). Consultation with audiences is necessary to fully assess the impact of changes to the availability and quality of local news (Meadows, 2013). This would help to determine if, for example, hyperlocal news media sites and community media initiatives may potentially be filling gaps created by closures to traditional news outlets in rural and regional Australia. Recent research undertaken in the UK found that community media and hyperlocal news sites have the potential to fill important gaps created by declines in traditional local media by contributing to local knowledge, extending the plurality of local opinions and ensuring democratic accountability (Barnett & Townend, 2015). This study recommended that policy interventions account for emerging forms of community news by helping to maximise existing operations, offering seed funding for new initiatives, and through organisational assistance by creating partnerships between the BBC and those running hyperlocal sites with demonstrated civic benefits. This type of media plurality may be essential to ensuring a variety of local viewpoints in rural and regional Australia's future.

Deakin recommendation 2: Reform of Australian media ownership and coverage capacity is necessary in the highly digitalised world, but provisions should be in place to protect local newsrooms and encourage diversity of voices in rural and regional areas. Policy settings need to accommodate how best to serve the news and information needs of rural and regional communities in a shifting media environment.

The role of publicly funded broadcasters is becoming even more important in the rapidly changing digital media environment. Because the ABC does not need to make a profit in the way that privately owned media does, it has always been able to provide public interest journalism. As commercial pressures undermine the capacity of privately owned media to devote the necessary resources to public interest journalism, the ABC's commitment to it is thrown into stark relief. Evidence of this shone through in the recent two-part ABC television *Four Corners* program about the Lindt Café siege of 2014. The program's team sunk time and skill into investigating what exactly happened during the siege and in making sense of seemingly senseless events. They showed care in gaining the trust of survivors and their loved ones and then enabling them to express their thoughts and feelings. The result was well-informed, deeply moving journalism that provided a great service to audiences around the nation struggling to understand the spread of terrorism (Ferguson and Stevens 2017).

Current and previous federal governments have significantly cut funding to the ABC in recent Budgets. In 2014 total funding for the ABC and SBS was cut by one percent and later that year the then Communications Minister announced that an efficiency review of the two organisations would mean a further 4.6 percent and 1.7 percent cut respectively each year over the next five years. This led to the loss of 400 jobs and the axing of the ABC's state-based Friday evening 7.30 television programs. Funding for the national broadcasters was cut again in the 2015 Budget and the following year \$18.5 million was taken from \$60 million that had been allocated by the previous Labor government in 2013 to extend the ABC's investment in journalism (Ricketson and Murphy 2016).

These funding cuts weaken the ability of the national broadcasters to meet their obligations in providing public interest journalism.

Deakin recommendation 3: Ensure that the publicly funded national broadcasters are able to fulfil their obligations to provide audiences with public interest journalism. Independent research should be commissioned to determine where news gaps exist in rural and regional Australia; where they are in danger of emerging and how the ABC's Charter might best address this. The findings will be integral to ensuring adequate resourcing and staffing of ABC rural and regional newsrooms.

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