

## **Senate Environment and Communications Legislation Committee Broadcasting Legislation Amendment (Media Reform Bill) 2016**

### **Submission by the Public Interest Journalism Foundation**

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#### **Introduction**

PIJF welcomes the opportunity to provide a submission in response to the Senate Standing Committee on Environment and Communications Inquiry into the Media Reform Bill.

#### **About PIJF**

The Public Interest Journalism Foundation promotes and enables innovation in public interest journalism. It brings together practitioners from journalism, publishing, technology, broadcasting, education, government and the wider community to explore, develop and test new and emerging models of journalism. PIJF supports the annual New News conference, hosted by the Centre for Advancing Journalism at the University of Melbourne.

<http://www.pijf.com.au/>

#### **1. The Proposed Amendments**

The Broadcasting Legislation Amendment (Media Reform) Bill 2016 is designed to amend the Broadcasting Services Act 1992 (BSA) to repeal the ‘75 per cent audience reach rule’ and the ‘2 out of 3 rule cross-media control rule’. The Minister’s Explanatory Memorandum presents these changes as a modernization of media law, in that they will remove outdated restrictions on the ownership and control of traditional Australian media platforms, and better reflect the range of online sources now available.

##### **The ‘75% rule’**

Under the current arrangements, the BSA prevents a person from being in a position to exercise control of commercial television broadcasting licences where the combined licence area populations exceed 75 per cent of the population of Australia. This rule is known as the ‘75 per cent audience reach rule’. It effectively prevents mergers between the major-city commercial television broadcasting networks (Seven, Nine and Ten) and the regional commercial television services (Prime, WIN and Southern Cross).

##### **The ‘2 out of 3 rule’**

The BSA currently prohibits a person controlling more than two out of three regulated media platforms (that is, a commercial television broadcasting licence, a commercial radio broadcasting

licence and an associated newspaper) in any one commercial radio licence area. This rule regulates commercial television, commercial radio and newspapers. The Minister's Explanatory Memorandum points out, as many others also have, that it does not take into consideration the emergence and influence of non-traditional online media sources, as well as now well-established platforms such as subscription television.

## **2. PIJF Comments**

While it is true that the BSA's restrictions on mergers and acquisitions for Australian media firms are outdated, the emergence of online platforms should not be taken to signal the end of media concentration in Australia, or the end of governments' responsibilities to ensure a diverse range of sources of news and information for all Australians. Any complacency that technology has solved the media diversity problem is likely to be misplaced.

We note that:

- In the absence of any sector specific regulation, a reliance upon competition law cannot meet policy objectives in this area. Competition law is a vital tool for regulating media markets, but does not satisfactorily address the non-commercial interests of citizens as media audiences.
- While there are now few regulatory barriers to entry for online media, industry dynamics in this sector as elsewhere are likely to encourage both concentration and disruption. A healthy blogosphere is certainly an important addition to the Australian public sphere, but if the platforms that support it and other new forms of expression are tightly controlled, the benefits of diversity and plurality may well be lost.
- After at least two decades of digital disruption in traditional media businesses, restructuring continues and stable business models supporting public interest journalism are yet to emerge. The recent announcement of further job losses at Fairfax underlines the continuing volatility of the sector.
- In relation to digital media platforms, ongoing transformation, disruption and restructuring is also endemic. While new consumer-facing intermediaries such as ad-blockers are challenging the viability of conventional web publishing, alternative social media platforms are rapidly gaining market traction. Former UK *Guardian* digital editor Emily Bell has recently described the new dominance of Facebook.
- While the national broadcasters play an essential role in ensuring that high quality, independent news and information are available to all Australians, they cannot on their own provide the diversity or plurality of voices necessary for a robust liberal democracy.

## **3. Proposed Additional Measures**

In these circumstances, we recommend some additional measures to protect and monitor the plurality and diversity of Australians' sources of news and information.

We recommend the Committee's consideration of the following measures:

### **3.1 A regular review of media diversity.**

Despite a substantial body of commercially-oriented media industry research, we know far less than we should about the diversity of Australian digital media from the perspective of their users.

The Foundation recommends that the legislation be amended to require the government to establish an independent committee to review and report every three years, on:

- (1) the degree of plurality and diversity in the sources of news and information in Australia, including the degree of concentration or diversity in the ownership and control of news media operating in Australia; and
- (2) the adequacy of local news services in regional and rural parts of Australia. Such a review would seek community views, undertake public consultations, and if necessary conduct research into Australian news and media markets.

### **3.2 An independent production fund for public interest journalism**

The foundation sees considerable promise for independent journalism which can take advantage of the benefits of online cost structures and market reach. We recommend that the legislation be amended to establish a production fund for independent journalism, designed to encourage innovation and experimentation in digital journalism, especially in regional and rural Australia. Such a fund could make small grants (up to around \$20,000) to support public interest. The production fund would be of benefit to private, public and community media bodies and to a wide range of journalists to report topics of public interest. Journalists from within and outside established media companies would apply for funding, based on criteria which reflects the organisation's mandate to promote public interest journalism. journalistic projects.

There are numerous models for such a production fund, including the UK-based "innovation charity", Nesta, which began with an endowment and through the National Lottery gained an on-going source of income to foster innovation and a culture of "risk taking" to support projects with long term goals. Another model worthy of consideration is the Bertha BRITDOC Journalism Fund, an international film fund "dedicated to supporting long form feature documentaries of a journalistic nature." We might also look to the screen production funds in several Australian states or Canada's Independent Production Fund, which sponsors web-based and television content. These models, and many others, demonstrate how production funds foster creativity and the creation of content for diverse audiences. As business models for quality journalism become increasingly stressed, we recommend greater exploration of these innovative approaches in order to incubate and sustain independent and rigorous reporting.

### **3.3 Incentives to promote a culture of philanthropy to promote quality journalism**

The foundation notes the considerable role philanthropy plays in the funding and promotion of quality journalism in the United States, where as many as 100 independent centres have been established to foster quality journalism and investigative reporting. These bodies now make a significant contribution to the journalistic output of both established and emerging media outlets and add to the breadth and diversity of public interest reporting. Government support, including tax deductibility and the granting of charitable status, plays a role, and offers possible models for consideration in the Australian market.

Thank you for your consideration. The authors and the board of the Public Interest Journalism Foundation would welcome the opportunity to discuss this submission at the Inquiry's convenience.