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Election Promises

The Abbott government is making many of the media policy changes that they promised they would while in electioneering mode in 2013.

Communications Minister Turnbull's team continues to fervently undo the innovative fibre-to-the-premises work that had been underway for several years, and replacing it with the Coalition's fibre-to-the-node 'vision'. The executive team for Australia's largest infrastructure project is to be led by former Vodafone Hutchison Australia boss Bill Morrow. Labeled a 'turnaround' expert for his record of slowing the exodus of customers from the troubled number three positioned telecommunications carrier in Australia, he is tasked with the implementation of the Coalition's perversely retro copper wire version of the NBN.

The question of competition in fibre provision, undermining the NBN monopoly, has emerged as a contentious issue for the NBN's management. TPG Telecom for example is not happy that NBN chairman Ziggy Switkowski wants to retain the NBN monopoly against competitors. TPG Telecom is building a competitor fibre-to-the-basement network to around 500,000 apartments in capital cities around Australia. This rollout is taking advantage of a loophole that allows telcos to extend their pre-2011 fibre footprint by up to a kilometre (Ramli & Hutchinson, *AFR*, 'NBN opposes opening up fibre market', 26 March). The move is likely to be followed by iiNet and Telstra, if TPG Telecom is permitted to proceed. Clearly the NBN model, instituted by the former Labor government, of cross-subsidising the construction of regional broadband access by charging city users a premium, is not in favour with companies like TPG Telecom.

By all accounts a Senate Committee that is inquiring into the NBN is split along party lines. Dominated by government senators, their interim report has called for a rewrite of the NBN's strategic plan, and is "essentially an exercise in undermining the rationale for Labor's fibre-to-the-premises model", according to *Business Spectator's* Supratim Adhikari (<https://www.businessspectator.com.au/article/2014/3/27/technology/senate-committee-nbn-blood-feud>). Judith Brett, writing in *The Monthly*, convincingly argues that the inquiry into the NBN is part of the government's 'revenge' agenda that includes royal commissions into union governance and corruption and the home insulation schemes, the national curriculum review, an inquiry into the former government's \$300 million boost to childcare wages, the appointment of a human rights commissioner who had previously called for the commission's abolition, and the Coalition's 'concerted attack on the ABC' (Brett, 'The triumphalism of Tony Abbott', *The Monthly*, April 2014).

ABC Under Attack

Of serious short-term consequence for news diversity in Australia, the Abbott government is poised to take a 'reviewing' razor to the 'left-leaning' public service media organisation, the ABC. Again, these were textbook pre-rehearsed moves on the part of a dismantling conservative government, but the absence of wider public

benefit or community logic has been staggering. The government has been on the attack after having been spurred on by several high profile 'trigger' news stories. In particular, the breaking of news (with *The Guardian Australia*) based on Edward Snowden leaks that the Australian intelligence service, ASIO, monitored the phones of Indonesian president Susilo Bambang Yudhoyono, his wife and other prominent figures, has been a thorn in the new government's side. It was particularly galling for the conservatives that the ABC had partnered with an organisation they perceive as wildly left-of-centre. These attacks on the ABC have played into their wider neoliberal critique which sees the ABC as a sprawling red menace media behemoth that exceeds its legitimate role in the Australian media scene (typically most forcefully expressed by puppet-master Murdoch's News Corporation Australia who regard the ABC as a threat, particularly their online media outlets, to their commercial operations). The fact that popular sentiment sides with the importance of the ABC's place in an otherwise highly concentrated media landscape won't help the organisation against a belligerent Abbott government.

The battle lines were very clear as I prepared this commentary. On one side the News Corp machine churned out hilarious propaganda that celebrated 50 years of 'impartial information' of 'Australia's greatest paper', referring to the 50th birthday milestone of News' *The Australian*. One commentator quipped that it must have been a late April Fool's Day media release, others were astounded by the sheer hubris out of the Kool-Aid HQ (*Mumbrella*, 2 April). http://mumbrella.com.au/the-australian-50-years-of-impartial-information-217914?utm_source=DailyNewsletter&utm_medium=email&utm_campaign=Daily-02-04-2014&utm_content=ContinueReading

Editor-in-chief of the Australian Chris Mitchell was quoted in the *Mumbrella* story saying: "Over five decades, *The Australian* has strongly supported economic liberalism, championed entrepreneurs and held governments to account." This is the same masthead that is reported to have made some 30 million in losses in 2013, and pursued a tawdry campaign against the Labor government.

Meanwhile, the previous evening, ABC managing director Mark Scott had given a speech ('New Journalism for a New Public') at the University of Melbourne arguing that: "Given the aggressive editorial positioning of some of their mastheads and their willingness to adopt and pursue an editorial position, an ideological position and a market segmentation, you could argue that News Corporation newspapers have never been more assertive in exercising media power." <http://events.unimelb.edu.au/recordings/136-new-journalism-for-a-new-public-centre-for-advanced>

The Plan to Remove More Rules

Further concentration to Australia's media is just around the corner with the removal of long-standing diversity preserving rules for commercial free-to-air network television yet again in the Government's sights (Lynch, *SMH, Business Day*, 'Coalition flags media reform', 10 March). In the sights are the 75% audience reach rule for commercial television networks, and the 2-out-of-3 rule, only permitting single ownership of a possible two traditional media platforms in a market (Radio, TV or newspaper).

Already there have been divestitures as owners position themselves for a commercial television shake-up. Regional television company Prime Media, with an affiliation agreement with the Seven commercial free-to-air network, has seen its chairman Paul Ramsay divest his dominant holding for around \$100 million in anticipation of legislative changes.

Ownership of Network Ten itself is again being speculated upon. A return to the News Corp stable can't be ruled out, especially in light of recent comments from the regulator. In late March, News Corp and Network Ten in separate media releases announced that Lachlan Murdoch had been named Non-Executive Co-Chairman of News Corp and 21st Century Fox by the Board of Directors. Murdoch Jnr. retains his 8.8 percent shareholding in the TV network. It was also announced that Ten CEO Hamish McLennan has replaced Murdoch as chairman of Network Ten. Critics noted that the media releases forgot to mention various tragic business decisions that Murdoch Jnr. has had a hand in, including Super League, One Tel, MySpace that together have cost News Corp over 1 billion.

The Australian media policymaking tradition of cozy relations between proprietors and ministers is clearly alive and well. It was widely reported that internet utopian Minister Turnbull held a two-hour meeting with some of the country's most powerful media chiefs at his electorate office in Sydney, all of whom are keen to repeal existing concentration rules. Fairfax Media, a critical player in these events, did not attend the meeting. Their flagship daily, the *Sydney Morning Herald*, quoted Ten's CEO Hamish McLennan as saying: "The minister was a very good ringleader and it was a constructive discussion" (Mitchell, *SMH, Business Day* 'Media executives join forces to put their case for repeal of regulations to Turnbull, March 8-9, 2014).

Turnbull's pro-Murdoch, deregulatory position is no mystery – it is after all the prevailing view in the Government. But lately there has been even more smoke from the gun. At a launch of Morry Schwartz's new weekend title *The Saturday Paper* in March, Turnbull attracted some media attention for his comments about

Schwartz at the event: "You are not some demented plutocrat pouring more and more money into a loss-making venture that is just going to peddle your opinions", he said (Ireland, *SMH*, 'Murdoch just an everyday mogul: Turnbull, 10 March). Asked later if this was a reference to Murdoch Sr., Turnbull backtracked claiming that: "Murdoch is the most normal media mogul I know". It was surprising then that at the time the media had not made any observations in relation to Turnbull's own normalcy. A multimillionaire with extensive offshore telecommunications investments (including Spain's Telefonica, France Telecom and the US's Sprint), a former investment banker and legal adviser to media mogul Kerry Packer, deregulationist extraordinaire, Turnbull is hardly run-of-the-mill 'normal' himself – especially for a Communications minister who should normally, presumably, be acting in the public's interest (Murphy, *The Guardian*, 'Media laws should serve everyone, not just the moguls' 10 March, <http://www.theguardian.com/world/2014/mar/10/media-laws-should-serve-everyone-not-just-the-moguls>). The tech press have also pointed out Turnbull's self-interested and contradictory position on broadband rollout (<http://www.zdnet.com/au/turnbulls-nbn-french-kiss-is-right-but-so-wrong-7000002969/>). He's keen to invest in France Telecom with a sophisticated fibre-to-the-premises model, and yet he's content with soggy old copper wires to premises in Australia. Oh-là-là, French socialism is such a blue chip investment.

EMMA Survey

Newspaper publishers are now showing a preference for EMMA ('Enhanced Media Metrics Australia') readership data over the previously dominant Roy Morgan audience research data. The EMMA framework offers a cross-platform audience analysis service that can provide data that follows usage in print, websites, mobiles and tablets.

According to the latest data, Fairfax Media's *The Sydney Morning Herald* is again Australia's 'best read' masthead with a total audience was 4.76 million for the year to January 2014. News Corp's the *Herald Sun* in Melbourne followed with 4.13 million and the *Daily Telegraph* in Sydney improved to just over 4 million (Heffernan, *SMH, Business Day*, 'Herald retains crown as News Corp closes gap', 17 March). Readership of Fairfax Media's *The Age* in Melbourne fell to 3.05 million from 3.2 million, while News Corp's flagship *The Australian* was steady at 3 million (and, as noted above reported to have lost 30 million in revenue last year). News Corp's *The Courier Mail* was up at 3.16 million readers, while Fairfax Media's *Australian Financial Review* dropped to 1.27 million readers.

A News Corp spokesman, Stephen Browning, was reported as saying the company was "delighted that each month almost 15 million Australians read its print and digital publications" (Heffernan, *SMH, Business Day*, 'Herald retains crown as News Corp closes gap', 17 March).

A detailed newspaper industry 'state of play' analysis report has been published by the News and Media Research Centre at the University of Canberra. *State of the Newspaper Industry in Australia, 2013* is authored by the Centre's Adjunct Professor Franco Papandrea, and it contextualises and presents detailed data on the structure and performance, advertising, revenue and general trends impacting the newspaper sector. The report card on the industry is informed mainly through publicly available data on circulation and advertising revenue. It contains a great deal of interesting information, including for instance, that total revenue in the sector has been in decline from 2008, and that in 2012 total revenue was slightly over \$4 billion, "the lowest level ever for the past decade". On the other hand, "circulation revenue did not experience much change before 2011", and this was most "likely due to increases in copy prices" (p.7). The revenue decline is of course due to the surging migration of advertising to the internet and changing news consumption habits more generally. Papandrea notes that "Digital is expected to be the only growing sector of revenue and by 2017 is forecast to be 29% of the much shrunken total revenue accruing to newspapers" (p.11). He makes the point that "because gains from digital advertising are insufficient to make up for the loss in print advertising... this suggests that the transition of newspapers to a digital market is expected to be a hard and drawn out process" (p.22). The report has some terrific graphs and a useful case study of Fairfax Media to illustrate "the impact of the Internet on newspaper" (p.23).

Fairfax Media and Macquarie Radio Network Merger Cancelled

The \$200 million dollar merger between Fairfax Media's stable of radio stations and John Singleton's Macquarie radio network looks to have been permanently derailed. The main reason for the collapse of the talks appears to have been that celebrity presenters Ray Hadley and Alan Jones could not imagine/allow the marriage to work out. Jones and Hadley deny they even knew about the proposed merger. The merger talks, which had been underway for about two years, hit the rocks when the parties both acknowledged that Hadley and Jones's reactionary views would have been "a difficult fit with Fairfax Media's more liberal mastheads (White, *SMH, Business Day*, 'Jones, Hadley stymie radio merger plans', 24 February). Had the joint venture proceeded between Macquarie's 2GB and 2CH, and FM's 2UE, 3AW, 4BC and 6PR analysts have suggested the savings would have been in the order of \$5-\$10 million by creating a national advertising network. Looming in the background to the merger was Gina Rinehart, FM's largest shareholder with just below 15% of the stock, who may have sought a direct stake in the new entity. Some weeks after these events, the mining magnate was again

in the headlines after emails between herself and John Singleton were made public. In the emails she supports the merger and Singleton personally in his vitriolic battle with FM chairman, Roger Corbett. Singleton was one of Rinehart's supporters in her quest for a seat at the FM big table. Rinehart says in the emails that "when Roger goes" the board would reconsider the deal (Elliot & Markson, *The Weekend Australian*, 'Rinehart backs Singo on Fairfax', 15-16 March).

2DayFM Wins... and Losses

The slick and popular 2DayFM, the jewel in the crown of the Southern Cross Austereo network, has had an appeal win in the Federal Court after a ruling that overturns an ACMA finding from last year that the station had breached the NSW Surveillance Devices Act. Following the disastrous prank call which left UK nurse Jacintha Saldanha dead after taking her own life, the full bench of the Court has now upheld the station's claim against the ACMA's original breach finding.

The court found that the ACMA had acted ultra vires in ruling that the station had committed a criminal offence and therefore breached its licence conditions. The station argued that the ACMA had acted "as policeman, prosecutor, judge, jury, prison warden and parole officer" in making its preliminary finding in June 2013 (Bibby, SMH, '2DayFM wins appeal on hoax call', 15-16 March).

But the station has had a severe financial loss since the defection of commercial radio 'bête noires' Kyle Sandilands and Jackie O, now the property of the Australian Radio Network's KIIS FM. *The Sun-Herald* reports that ARN chief executive Ciaran Davis was the driving force behind the defection, and "with just two signatures, Davis dragged 242,000 listeners and 6.6 ratings points from the once all-conquering 2DayFM to leave it languishing up the back of the pack with Radio National, beaten even by FM boofy blokes such as Nova FM's Fitzzy and Wippa, and Triple Ms Matty, Gus and Mark" (Murphy, *The Sun-Herald*, 'Love 'em or loathe 'em, Kyle and Jackie O rule, 16 March).