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* Reporting the 2013 Federal Election

The conduct of the News Corporation Australia, the local subsidiary company of News Corporation, during the recent Australian federal elections, with their blatant propagandizing to dispatch the Labor government, has again shown how they routinely scrape the bottom of the news media ethics barrel. There was no civility in this discourse, and it was indicative of a sheer abuse of power and the fetishisation of media speech.

Seventy-seven complaints to the self-regulatory Australian Press Council (APC) regarding the Daily Telegraph's 'Kick this Mob Out' front page on the first day of the official election campaign period, were dismissed on the basis that they constituted 'editorial' content. After this had appeared on the front pages of News' flagship tabloid masthead, the Council wrote to all the daily newspapers (not just News' titles) to point them to the APC election advisory guidelines which state that "A paper's editorial viewpoints and its advocacy of them must be kept separate from its news columns" (APC, Media Release http://www.presscouncil.org.au/uploads/52321 /ufiles/APC_Media_Release_-_Advisory_Guideline_on_Reporting_Elections.pdf).

News Corporation Australia, as with the parent company's activities in other markets including the UK and the US, have successfully mobilised press freedom rhetorics to neutralise and ward off attempts to introduce more rigorous regulatory standards for the print media. The political economy of the news print media in Australia is well documented. News Corporation Australia itself claims it accounts for 63% of newspaper sales. Other figures indicate their dominant position in the market: they own 14 out of 21 daily newspapers and 65% of national daily circulation, and the top two companies, News Corporation Australia and Fairfax Media, accounted for 86% of newspaper sales in 2011, compared with 54% in the UK and 14% in the US (http://theconversation.com/factcheck-does-murdoch-own-70-of-newspapers-in-australia-16812). An international media concentration research project led by Eli Noam found that of 26 countries surveyed Australia had the most concentrated newspaper sector (Noam et al, 2011).

Future studies of the media election coverage will undoubtedly reveal the full extent of the concentration problem. ABC TV's *Mediawatch* did a very useful analysis of the biased coverage. When they crunched the numbers they found that:

> " Out of a total of 293 political stories we scored only six as pro Labor. While 43 were pro-Coalition, on the negative side there were just five articles which we judged to be anti Coalition. While a remarkable 134 were anti Labor. The rest we scored as neutral. "

(ABCTV *Mediawatch*, Ep. 32, 9 September 2013)

To this commentator, the Get Up Ad that was rejected by commercial television, 'Thanks Rupert but Australians can choose their own Government', provided persuasive advice, and was a very interesting case study of commercial TV media power in its own right. It's worth a look if you didn't catch it at the time (http://www.youtube.com/watch?v=grqp-JQMFuM). It has had over 700,000 views, and over 6000 likes.

The outlook for media policy reform in the interests of Australian democracy would have to be described as ominous. Divestiture scenarios of concentrated print media assets are difficult to imagine. Equally, the development of laws and policy that are responsive to the concentration issue and emerging cross-media and online news trends, as recommended by the Convergence and Finkelstein reviews are unlikely. It's concerning that Australia seems unable to have the kind of debate we're seeing in the UK with both an Ofcom consultation and a House of Lords, Select Committee on Communications, 'Media Pluralism' inquiry [http://www.parliament.uk/business/committees/committees-a-z/lords-select/communications-committee]. Recent witnesses have included leading UK academics, policy gurus, media managers and senior Ofcom executives. Some very interesting witness evidence has been generated through this process. For example, on 19 November, Baroness Fookes asked the UK Director of Policy for Facebook, Simon Milner and Peter Baron, Google's European Director of Communication and Public Affairs: "is there any positive evidence that the news stories that are picked up are making for a more diverse and plural system, or are people just circulating within narrow boundaries as before?" (Fookes, Evidence, Q382). Let's just say their answers were less than compelling.

Media Moves

One of the much-anticipated consequences of the change in government is the removal of the 75% reach rule, which Senator Stephen Conroy was unable to achieve with his failed package of reforms in the weeks prior to the 2013 federal elections. Without this rule in place commercial television networks will be able to expand and merge with regional affiliate networks. There has been considerable speculation about the expected shake-up in commercial TV and deals in the making. In 'Seven West Looks at Bigger Picture in Rule Changes', Fairfax Media reported that Seven West had signed a new affiliation agreement with regional TV partner, Prime Media (Kruger, *SMH, Weekend Business*, 12-13 October).

These program and facilities sharing agreements have shaped the content that rural and regional television viewers have been able to access for decades. They have also been a revenue goldmine for the networks. Until this recent round of renegotiations it's reported that "Prime was paying Seven about a third of its television revenue, WIN was paying around the same rate for Nine's signal, and Southern Cross was paying around 30 percent of its revenue to Ten" (Kruger, *SMH, Weekend Business*, 12-13 October).

This year Nine has already bought the Channel Nine TV stations in Adelaide and Perth, to further concentrate their network ownership. It's reported that Nine had reached an advanced stage of negotiations with Southern Cross in a plan to dump it's current affiliate WIN. That deal was apparently shelved because the rule stood. Had it proceeded, it was predicted that the new agreement would have added "$400 million in value for Nine and Southern Cross shareholders if the previous government had succeeded in lifting the reach rules in time" (Kruger, 2013) – the implication in this story being that it is all about value for shareholder. The Abbott government is backing the removal of the rule, as recommended by a parliamentary committee, but it has not announced when this is scheduled to occur. It appears that the trigger for Nine to merge with their affiliate WIN will be if the 75 percent rule is "materially amended or removed" ('Some of Nine's major backers may pull out, amended prospectus warns', Hutchens, *SMH, Business Day*, 11 November).

Also in relation to commercial TV, the ACMA, when appearing before a senate estimates committee, replied in response to a question about whether existing rules would prevent Murdoch's News Corporation from buying channel 10, that: "On its face, that alone would not necessarily be problematic. Based on the current information that we have available to us" (Battersby, SMH, Business Day, 'No objections if News Corp were to take over Ten', 21 November). Presumably therefore, they weren't too concerned about Lachlan Murdoch's investment in Ten of which he is the Chairman, nor with his stake in the DMG Radio Australia group.

There are other developments afoot at Nine: Nine Entertainment's Mi9 has recently bought out Microsoft's 50%, so it now fully owns the former joint venture. This is occurring in the context of an IPO that is planned for 6 December, to raise some $700 million, that will be a major payout for Nine Entertainment's new major financial backers – the US hedge funds Apollo Global Management and Oaktree Capital Group. However, Nine trails Seven as the leading network, and has around 2.5 percent less of the share of advertising than Seven.

Growth in Online News Media

Developments in Australian online news media indicate the interplay of both local and global dynamics: the arrival of online players *Guardian Australia* http://www.theguardian.com/au and The *Daily Mail Australia* from 2014 are evidence that these internationally successful English language brands can justify local investments. But it is also a litmus test in the paywall versus free provision models battle in the case of *The New Daily* http://thenewdaily.com.au/. It would appear to be gambling on a migration from the major local brands that are now behind their paywalls.

Wotif founder Graeme Wood's philanthropy continues in the *Guardian Australia* after his earlier investment at the *Global Mail* http://www.theglobalmail.org/. The main question there of course is whether his pockets will be deep enough, and whether other funding streams will be required.

The Daily Review http://dailyreview.crikey.com.au/ is a new niche addition from the Private Media/Crikey Eric Beecher stable and promises, in their own words, to offer "lively, opinionated and informed news, reviews, information, opinion and commentary about the arts scene across Melbourne, Sydney and Brisbane".

The alliance between Nine Entertainment and *Daily Mail* Australian edition, is interesting, and the latter will no doubt benefit from Ninemsn shared content and promotional boost through the Nine Entertainment brands.

But what do these moves mean for Australia's media diversity debates? My colleague Fiona Martin and I wrote in *The Conversation* [http://theconversation.com/the-hits-and-misses-of-journalisms-new-daily-20118] that *The New Daily* may actually represent a nascent turn to using online news sites as communication vehicles for associated business interests. In the case of *The New Daily*, it is the superannuation industry and it makes you wonder whether Gina Rinehart may see her Fairfax Media investment in this light. Both Fairfax Media and News Corporation must also be at least a little concerned at the encroachment of these online news sites into their readerships and advertising turf. However I think we need to avoid the easy assessment of more online news equals more diversity in our media. If you track the value chain of content provision and who's making it, the picture becomes more complicated, and it's frequently originating from another provider. In the case of *The New Daily* it's mostly from the ABC, AP and Getty Images.

In October, Fairfax Media announced that it would stop publishing the print edition of *BRW* magazine and move to an online-only edition. They also announced the closure of the *Sydney* magazine glossy, the Melbourne equivalent, and AFR's *Capital* magazine (Hartge-Hazelman, AFR, 11 October 2013). This cost-cutting is a sign of the times and needs to be seen as just one element in a cost reduction strategy that includes the move to tabloid formats by the SMH and the Age, and the on-going lay-offs of staff.

NBN update

One of the clear casualties of a change of government has been the dismantling of the NBN. The Turnbull-led team is now fervently undoing the innovative fibre-to-the-premises work that had been underway for several years. Former Telstra frontman Ziggy Switkowski has now been installed as the preferred Chairman after Turnbull requested directors from the NBN board might like to reassess their positions.

Fairfax Media are reporting that the NBN Co analysis report prepared for the incoming government argues that the "fibre-to-the-node NBN promised by the Coalition …would be unable to deliver the advanced digital services people expect" (Braue, *SMH*, *ITPro*, 29 November, 'Ziggy Switkowski warns of more NBN cost blowouts as services of the future in doubt'). Those services include "quality voice telephony and reliable-quality video transmission required for delivering e-health and education to rural and remote areas".

But the timely sideshow that has distracted from the vandalism underway has been the Huawei 'national security' issue. It has been reported that the Coalition government "has decided to uphold a ban on the Chinese telco participating in the national broadband network", with Huawei saying it is "extremely disappointed" by the decision (Cai, *SMH, Weekend Business*, 2-3 November, 'Huawei hits out over NBN').