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## Australian Media Monitor

# How is Media Diversity Tracking in Australia?

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In the media pluralism policies of liberal nation states, access to diverse news sources is widely regarded as key to the maintenance of an informed citizenry and healthy democracy. This assumption, and its relation to the risks of concentrated media power, underpins media diversity and media pluralism – or anti-concentration – laws and policy across the world.

Yet the evolving mix of curated (human or machine edited) and algorithmic (computer-generated) news, is stretching our understanding of media pluralism. The implications of these shifts are having a profound impact on our news diets. A combination of factors including network infrastructure, recommendation algorithms and personalisation, strong and weak ties in social networks (and related ideas of ‘filter bubbles and echo chambers’), all may have an impact on how people discover or access news, how deeply they engage with it, and then how it shapes knowledge.

With the near ubiquity of internet access, and ‘smartphonification’, there’s a utopian neoliberal narrative, frequently heard in the rhetoric of both industry professionals and politicians, that online news (and it’s often paired with ‘sharing’) is somehow now capable of providing a more democratic, and therefore more relevant, form of news dissemination than the kind previously provided by legacy media. This claim needs to be assessed in relation to enduring ideas of media diversity and pluralism.

Algorithmic processing of news content has destabilised old certainties of distribution and made access and exposure to news less transparent. As citizens and consumers, we rely on news for decisions we make for political knowledges and elections, and for everyday purchases. Therefore, to understand online news distribution there is an urgent need to develop literacies in relation to the idea of algorithmic accountability. To paraphrase Nick Couldry, our ‘ technologies of connection and economies of attention are on a collision course’. In my new research, my colleagues and I are aiming to build the knowledge base of these transformations so that policy makers, citizens and consumers are better placed to make informed choices.

### Media concentration in Australia

So, what’s the current situation with media concentration in Australia? Essentially the two major media companies News Corporation Australia and Fairfax Media together own well over 90% of the print and online news outlets. These corporations can tend to play an agenda-setting role. According to several sources:

- ‘Australia has a high concentration of traditional media ownership dominated by News Corporation and Fairfax Media who together own the majority of national and capital city newspapers’ (Oxford University, Reuters Institute, 2016);
- An extremely small number of firms, most notably News Australia and Fairfax Media, publish content that reaches the large majority of Australians (IBISWorld, 2016);

- One owner – News Corporation – owns over 63% of the total national market when their online sites of their newspapers are included the reach is much higher (News Corp, Annual Report, 2017);
- Only Egypt (72%) and China (100%) have one owner with more market share than News Corp does in Australia (Noam, 2016).

The main competition regulator, the ACCC, will soon decide on the takeover of Fairfax Media by a major commercial free to air network, the Nine Network – and this will of course significantly further concentrate the news media market in Australia – as well a national TV network this group own a major online news portal – <https://www.9news.com.au>.

But maybe you're thinking, isn't there a lot of diversity in online news sites these days? Well, actually, not so much it turns out. When we review Australia's 20 leading news websites, according to data from Roy Morgan, nearly half of them (nine), are direct extensions of leading Australian newspaper mastheads led by the *Sydney Morning Herald* on 5.3 million, *The Daily Telegraph* on 3.4 million visitors, *The Age* on 3.4 million and the *Herald Sun* on nearly 2.9 million. A further seven of the leading websites are primarily site led by news.com.au (News Corporation).

In Australia, the role of digital platforms in the supply of news is the subject of a two-year inquiry by the national competition regulator, the Australian Competition and Consumer Commission (ACCC). The inquiry was one of several by-products of a wave of legislative and policy change in 2017 which included the repeal of Australia's remaining cross-media ownership laws. While there are still some sector-specific ownership and control rules, they are limited in number as well as in scope, applying only to legacy media of commercial television, commercial radio and associated (print) newspapers.

The review by the ACCC, and the possibility of a regulatory intervention using competition law, is of considerable significance. In addition to looking at aspects of market power in relation to advertising, the inquiry directly confronts the role of search engines, aggregators and social media platforms in the current news environment. The Issues Paper released in February 2018 noted that the inquiry would consider 'the potential impact of big data technologies and the use of algorithms by key digital platforms on media diversity'.

If the ACCC green lights the takeover of Fairfax before the end of the year, as seems likely, Peter Costello (the former treasurer in the conservative Howard government) will chair the new entity and oversee a multi-platform business that will include TV, radio, newspapers and a host of key news websites.

Various media commentators have noted that if Peter Costello, Rupert Murdoch and the other media 'mogul' Kerry Stokes then wanted to, they could orchestrate not only most media coverage of leadership challenges, but entire election campaigns and key government strategies and policies too. With a Federal election on the horizon, the prospects of this kind of media power are very concerning for Australian democracy.

## **New models of regulation**

In recent times, ideas of regulation are being reassessed in the platform governance space. We can see this in a series of competition law investigations in the European Union in relation to first Google and then Facebook, along with high fines, which we interpret as clear evidence of these shifts. Prior to that, the European Commission imposed a 13-billion-euro fine on Apple Corporation. Appearances by Facebook CEO Mark Zuckerberg before US Congressional hearings and the European Commission also underscore a new phase of regulation.

For Andrew Keen (2018) in his book *How to Fix the Future*, these developments signal that 'regulation is, indeed, innovation'. Keen argues that state regulation needs to look to the innovative trends and legislation in the European Union, which has demonstrated a clear desire to rein in what he sees as the hegemony of US corporations.

In a recent contribution to LSE Media Policy Blog, Jelena Dzakula invokes the term 'anticipatory regulation' to suggest a way forward for platform governance. Again, this is about experimenting with new models of regulation.

The idea is that with anticipatory, or dynamic regulation media regulators are already aware of what platform corporations are working on and where there are real problems. She argues that this:

... would enable a continuous conversation and feedback loop between regulators and industry players in all stages of service/product development. Therefore the regulators have sufficient information to create the rules ex-ante and anticipate revisions before potential failures happen on a grand scale. What this enables is responsible rather than permissionless innovation that has often proven to be unethical and harmful.

It's an interesting idea, and one that assumes a degree of co-operation with industry, and a willingness on the part of regulators to intervene that has been very watered down in recent deregulatory times.

## About the author

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