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Tim Dwyer

Associate Professor, Department of Media and Communications, University of Sydney

COVID-19, Media Policies and Structural Decline in Australian News Media

The COVID-19 pandemic in 2020 has been responsible for accelerating structural decline in the production of news media for traditional and new media platforms, which may well have on-going, and unforeseeable impacts. As in many other areas of public policy during COVID-19, neoliberal political strategies by the Morrison Government have prioritised business and economic outcomes over existing key societal objectives embedded in media policies in Australia.

Yet the market failure of advertising supported news media business models, and the rise of social media platforms as key sources of news for many people, are testament to the significant changes underway. At the same time, the place of the public broadcasters the ABC and SBS has become more precarious with ongoing cuts to their budgets, forcing them to lay off employees and cut programs.

During the pandemic there were a succession of business closures in 2020 as a result of falling advertising and revenue. This impacted quite heavily on media businesses in Australia and accelerated structural decline in the newspaper sector.

The advocacy group, 'Public Interest Journalism Initiative' (PIJI), has documented 200 news 'contractions' in the sector (meaning title, masthead or newsroom closures, the end of a print edition, a move to digital only, or a merger) since January 2019 (PIJI, 2020).

Closures and job losses

In May 2020 News Corp announced that it would cease printing 112 community and regional newspapers, transitioning 76 titles to digital only and closing 36 of their titles completely (Mason, 2020). A number of commentators noted that COVID-19 had accelerated a plan initiated by News Corp in 2018 to transition its print publishing operations to digital only. The company announced that it would retain 375 jobs in its regional and community sector. This was in a sector that was previously employing some 1200-1300 jobs. These closures and job losses are leading to a significant reconfiguring of local news often referred to by the shorthand term 'news deserts'. Researchers are pointing to the democratic deficit arising around public affairs content in general, and local government reporting and politics in particular.

In the context of these job loses, lobbying has intensified by regional media businesses to remove the few remaining anti-concentration ownership limits including the one TV licence and two radio licences to a market rules. Further deregulation of the 'voices test' is being called for. This requires a minimum of four separate voices (or distinct media groups) in any regional market. New media such as online news sites, streaming services or social media are not currently included in these limits (Mason, 2020).

Recognising these extraordinary times for the sector, the Government introduced a series of measures to assist the media sector. First, commercial television and radio broadcasters will receive a 100% rebate on their Commercial Broadcasting Tax for 12 months (2020-2021). This is expected to provide the commercial broadcasting sector with $41 million in tax relief for the use of broadcasting spectrum. The rebate is specifically intended to offset the sharp downturn in advertising revenue, which has significantly impacted the operating revenues of commercial broadcasters.

Second, an existing fund – the Public Interest News Gathering Program (PING) of $50 million receives $13.4 million of new money as well as repurposed unallocated funds from the Government's Regional and Small Publishers Jobs and Innovation Package. This is intended to further support public interest journalism delivered by commercial television, newspaper, and radio businesses in regional Australia, which have been particularly hard hit by the downturn in advertising. In addition to the PING Fund, the Government has brought forward the release of $5 million from its Regional and Small Publishers Innovation Fund. The Innovation Fund is being independently administered by the Australian Communications and Media Authority.

Third, in recognition of the disruption caused by the COVID-19 pandemic on production of Australian screen content, the Government suspended Australian programming obligations for 2020. This programming requirements relate specifically to Australian drama, Australian documentary and Children's and Preschool program quota obligations on commercial television broadcasting licensees. The government also announced the suspension of the licence condition requiring minimum levels of expenditure by subscription television broadcasting licensees on new eligible drama programs until the end of 2020.

Independent journalism received another hit in 2020 when the only news agency, Australian Associated Press (AAP), announced it would be closing mid-year. The two main shareholders, also the largest groups by market capitalisation, News Corp and Nine Entertainment made this announcement citing internet giants stealing their content, and thus rendering the wire business insufficiently profitable. However, a consortium led by former News Corp executive, has since rebooted a pared back version of the company.

The new 'Modernising TV Regulation' Green Paper

Speaking at an International Institute of Communications event in Sydney on March 1, 2021, the Shadow Minister for Communications, Michelle Rowland, put forward an incisive critique of the Government's *Media Reform Green Paper* ('Modernising television regulation in Australia') released in November last year. Ostensibly, the Green Paper is concerned to transition Australia to a 'platform-neutral' regulatory environment, a phrase that will no doubt evoke a sense of déjà vu for those who remember the Convergence and Finkelstein Reviews back in 2012. The specific objectives outlined in the paper are to:

- support the free-to-air television sector to move to a sustainable operating model, in both metropolitan and regional Australia;
- reduce the regulatory imbalance between free-to-air television and internet-based competitors;
- secure a new funding source to support Australian news and Australian content; and
- sustain the continued delivery of news and other Australian content across different platforms that Australians view.

In her keynote, Michelle Rowland queried, 'Is the Green Paper really about modernising TV regulation or more about a second digital dividend?'. The latter being a reference to embarking on another round of auctioning off profitable parts of the radio-frequency spectrum (especially to mobile telecommunications), following a restacking and reduction of various frequencies, by using shared multiplexing arrangements by free-to-air (FTA) TV businesses. The Green Paper also proposes removal of the existing licensing tax for FTA businesses and Australian content obligations for multichannels (but not their main channels).

Some of the funds generated by the sale of spectrum would then be channelled into two public trusts, one to be known as the 'Public Interest News Gathering Trust' (PING), and the other, a new 'Create Australian Screen Trust' (CAST). The establishment of these funds would hinge on whether or not a critical mass of TV licensees actually moves to the new model. The Green Paper is silent on the situation with ongoing funding for Screen Australia.

'Spectrum dividend' funds would also be put towards assisting regional media and ABC and SBS transition costs. In addition, the Green Paper proposes new regulatory obligations on Subscription Video-on-Demand (SVODs) and on

Advertising Video-on-Demand (AVODs) to ‘harmonise’ regulation with legacy media, by investing in Australian content and to make it ‘discoverable’ to Australian audiences; and, codification of the ABC and SBS in commissioning and providing new Australian content.

Notably, the Green Paper does not put forward proposals to ameliorate Australia’s dire print media sector concentration problem; and the general flavour of the proposals is consistent with the media mates approach to ‘reform’, as seen so vividly in the News Media Mandatory Bargaining Code legislation. The official consultation period ends on May 23, 2021.

Senate inquiries

Two Senate inquiries were set up in late 2020/early 2021 that were very significant for longer term media policies. One was to iron out some details of the legislation establishing a mandatory bargaining Code for news media and accommodate the unco-operative tech platforms Facebook and Google, while the other, into media diversity, was to respond to a 500k signature petition started by former PM Kevin Rudd into the outsized influence and power of News Corporation which had called for a Royal Commission.

Many of Australia’s news businesses have been on a hiding to nothing for more than a decade, as their revenue is undercut by the targeted advertising business model used by major digital platforms. The most visible casualty has been public interest journalism – with the prospect of a well-informed citizenry on a slower, less obvious burn.

The long-awaited mandatory code that now forces Google and Facebook to pay Australian media companies for news content was unveiled in December 2020. The Treasury Laws Amendment Bill 2020 (news media and digital platforms mandatory bargaining code) was introduced to parliament and then quickly referred to a Senate committee, who then handed down a report that recommended the law and code be implemented without delay.

After originally refusing to cooperate and actively campaigning on their own platforms to derail the new laws, the tech giants eventually caved in. But this was not without a fight, and in a public relations disaster, Australians had the plug pulled on their Facebook newsfeeds – including trusted government and community sources of health information and news; clearly demonstrating the disproportionate power Facebook wields, and at the same time providing ample evidence of the very issue the ACCC had been arguing all along. Facebook later admitted they had overstepped the mark (but have not ruled out using the nuclear option again either here or elsewhere).

Many are hoping that deals that have already been struck with major media companies including News Corp, Nine Entertainment, Seven West Media and the Australian Broadcasting Corporation, will ‘save’ public interest journalism. But will they? Tens of millions of dollars will now flow to these, the largest media corporations in Australia, so that will undoubtedly help journalism in those corporations for a period of time. However, smaller, regional and rural media organisations are less likely to benefit to anywhere near the same extent. A question mark remains over whether this is actually a short-term fix that will not address the longer terms sustainability and survival of public interest journalism in this country. Policy mechanisms for funding public interest journalism involving tax reform and the establishment of sustainable funds seem to be more plausible long-term measures.

The fact that Facebook and Google have deftly avoided being ‘designated’ under the code is further evidence that this is not a long-term mechanism to sustain public interest journalism. The Treasurer seemed happy to admit that the main purpose of the Code had already been served: to force the platforms into deals with Australian media companies.

The eyes of the world are on Australia for at least having made significant headway into the dominance and detrimental impact of these global, but US-based tech giants. Other countries are now proceeding down a similar path, and have begun comparable legislative processes, including, Canada, the UK and the EU.

And the Media Diversity Inquiry? Well, forgive my scepticism, but having seen a nil outcome on a number of similar parliamentary inquiries, why should this one instigated during the time of the Morrison conservative government be any different? The Inquiry has received 3585 submissions and numerous specific mechanisms for improving our concentrated media landscape have been suggested; however, it remains to be seen whether any substantive reforms will be actually implemented.

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About the author

Associate Professor Tim Dwyer is in the Department of Media and Communications, University of Sydney, and is a Visiting Foreign Professor in the College of Media and International Culture at Zhejiang University, China.

Email: timothy.dwyer@sydney.edu.au