

THE AGE INDEPENDENCE COMMITTEE

Submission on media reform options

Submitted by William Birnbauer
on behalf of
The Age Independence Committee.
Contact: 03 9601 2556
www.maintainyourage.org

SUMMARY

The Age Independence Committee opposes the government's proposals to allow cross media transactions that could reduce the number of media groups to as few as four in regional markets and five in the mainland state capitals. It believes this proposal would impact detrimentally on the provision of news and current affairs by cutting both the number of editorial offices and journalists generating material for newspapers, radio and television.

Newspapers have a traditional role as the public's watchdog over government, business and institutions and they would be unable to adequately fulfil this role if cost cutting by merged media organisations reduced the levels of staff in editorial offices or if journalists were required to serve the needs of newspaper, radio, television and internet outlets simultaneously.

If, however, the government finds itself impelled to continue with the cross-media proposal, we would ask for the re-introduction of the part of the original Bill that provided for editorial separation in cross-held entities. Under this scenario, we believe there should be a minimum of four or five separate and distinct newsrooms – as well as media organisations - in each region or city market.

We believe this is a second-best option but the maintenance of separate and competing editorial teams would help preserve some semblance of diversity.

The Independence Committee is uncomfortable with the proposals to remove the current legislated television-specific foreign ownership restrictions and the newspaper-specific foreign ownership policies. It takes some comfort in assurances that safeguards will be maintained but would prefer the responsibility for decisions be removed from the Treasurer and given to body such as the ACCC or that federal Cabinet decides following a Senate committee inquiry.

WHO WE ARE

The Age Independence Committee consists of journalists from all sections of The Age and The Sunday Age newspapers. It is supported by the entire staff. The committee's mission is to protect the integrity, independence and quality of the newspapers.

The Age Independence Committee continues to strongly endorse The Age Charter of Editorial Independence (see page 13). The charter was conceived in 1988 as part of a campaign to prevent British press tycoon Robert Maxwell from taking over the newspaper.

The charter was signed by the then editors of The Age and The Sunday Age and was endorsed by the Fairfax board,

including chairman Sir Zelman Cowen. We would expect any new owner to sign the charter.

The Age Independence Committee is determined to ensure that editorial control of The Age remain in Melbourne so that the newspaper can reflect the concerns, hopes and aspirations of all Victorians.

THE SUBMISSION

Sometimes it is necessary to look at the past to see the future. The Age Independence Committee makes no apologies for dipping its quill into the inkwell of history to show how the newspaper industry has arrived at the position in which it finds itself today and to predict that our readers will in future have fewer news outlets.

While newspapers have embraced technology to improve the efficiency and speed of communication, they remain rooted in tradition from which journalists, editors and, although to a lesser degree in modern times, proprietors have maintained an important role as the public's watchdog.

This role is best described in the slogan adopted by a political party and it is "to keep the bastards honest". We believe, however, that the proposed changes to cross media and foreign ownership regulations will have a detrimental impact on this role.

The Age Independence Committee comprises many of the most senior journalists below management level working for The Age newspaper. It was convened originally as the 'Maintain Your Age Committee' by a meeting of the entire editorial staff in 1988 and has been re-instituted as the Independence Committee at various times by similar meetings when staff, numbering over 400, considered it necessary, such as at present.

Its only role is to protect the integrity, independence and quality of The Age. It is therefore concerned with the maintenance of editorial standards and committed to resisting interference in editorial affairs by individuals and organisations that have their own, usually political or corporate agendas. The committee is not a political group and has no role in the industrial relations of management and staff.

It is our belief that members of our most senior editorial management support our objectives.

The board of Fairfax including a former chairman, Sir Zelman Cowen, signed a charter of editorial independence under which they agreed that full editorial control of the newspaper was vested in the editors. Over many years directors, senior managers, editors and staff have upheld the principles set out in the charter. The independence committee recently asked the current chairman, Ron Walker, to seek the board's recommitment to the charter, and is awaiting a response.

Unfortunately, the imperative placed on public companies by the Corporations Act to maximise shareholder value has impacted on the ability of newspapers to provide as wide a diversity of views and reportage as they once did.

We believe the public interest is better served by having reporters competing vigorously and making that extra phone call to get a great scoop, rather than merely churning out stories to be used by their newspaper and also

their sister papers. Fairfax journalists from The Age, The Sydney Morning Herald and The Australian Financial Review might work for the same owners, but traditionally have competed ferociously.

However, cost-cutting has resulted in staff rationalisations that have led to the sharing of editorial copy, the joint publication by sister publications of entire sections of newspapers, and ultimately a diminution of the news gathering process. Fairfax recently shed a significant numbers of journalists in Melbourne and Sydney.

In an industry that is by its very nature labour-intensive, such cost cutting is detrimental and the proposed changes to the cross-media ownership laws will only serve to accelerate the cost-cutting and rationalisation processes unless the government adopts certain safeguards.

If, for instance, our parent company, John Fairfax Holdings acquired a television network and a string of radio stations as it wants to, we could expect it to create one coverall editorial office in each city with journalists expected to provide copy for all three media and probably for the group's internet outlets as well. Instead of fresh eyes looking at a story separately for newspaper, radio, television and internet, the journalist who produced the original version would have to rewrite his/her copy a number of times and regurgitate the same information for each service. Instead of making extra phone calls to verify stories or get an opposing viewpoint, journalists would be

busy writing various versions of their stories. This does not serve the public well.

Many of the Independence Committee members can recollect the time Melbourne was served with several competing radio stations, each with its own team of news reporters trying to outdo their competitors. Today Australia is reduced to two radio news networks that supply commercial stations across the country. Also many of the radio and television resources of our national broadcaster, the ABC, are combined so that at 7pm we see a television story delivered by the same reporter we have heard all day on radio.

At the same time we can recall a newspaper industry with more outlets. The Age and the Sydney Morning Herald were competitors, not stable-mates sharing copy. The Herald and Weekly Times published a morning and evening newspaper in Melbourne while in Sydney the Mirror and Telegraph were competing organs. The Australian, created by Rupert Murdoch's News Limited in the 1960s served a different readership to its Mirror stable-mate and therefore served up different editorial fare in each state. With the Australian Financial Review operating independently that made at least seven competing outlets in the two cities.

In today's newspaper world there are essentially only two versions of most stories, the Fairfax version in The Age and the Sydney Morning Herald and the News Limited version

in the Herald-Sun, the Telegraph-Mirror, the Brisbane Courier Mail and the Adelaide Advertiser. The Financial Review carries an independently produced version of stories within its specialised fields and The Australian oscillates between carrying its own version of stories and the News Limited version depending on its level of interest in the subject.

This very clearly shows that over a period of little more than 30 years, the level of competition in the newspaper industry has reduced dramatically.

Only television remains basically the same with the ABC and three commercial channels competing.

The Federal government's proposal for a minimum of five outlets in each capital city would, in our submission, amount to a considerable lessening of diversity and a reduction of competition.

Leaving aside the ABC and SBS we currently have three competing commercial television networks and two competing newspaper groups. In addition to that there are two commercial radio networks bringing the total of outlets to seven.

In recent times we have also seen the development of new media groups that use the internet exclusively. It is possible that these could be swallowed by bigger media groups or they could themselves become acquirers of media outlets. Are these to be considered under the new regime as outlets

to be counted in the five? If so, that would leave even more scope for reducing diversity.

So-called news web sites and blog sites that are not affiliated to major media groups should not be considered to be news providers or to be doing journalism. Many rely on unsubstantiated gossip, the 'news' reports often push political or commercial interests, and there is little objectivity or dispassionate reporting involved.

The face and shape of newspapers and the processes by which they are produced have undergone dramatic change in the last 150 years but the role of newspapers and their journalists remains as it always was. We provide the most comprehensive and diverse news services available to the public. We provide the widest range of analysis and commentary of all the mass media and we continue through our letters pages and feedback lines to provide our readers with a platform to express their opinions publicly.

A key element of this work is the requirement on reporters to find things out especially when other groups, such as governments, bureaucrats, corporate managers, lawyers and officials of organisations seek to conceal or suppress information. This requires a high degree of expertise that goes beyond simple reporting skills. It requires knowledge of specialised subjects and the development of contacts, many of whom must be assured that their identities will not be revealed.

This work is best suited to the newspaper journalist and the newspapers that do the best work are those that are well resourced in terms of numbers and experience.

The notion that radio and television stations maintain their own editorial offices, even inadequately staffed ones, is far better than the likely consequences that would stem from changes to the cross media ownership laws. At present there is at least an opportunity for the electronic media journalists to bring a fresh eye to stories and add to their development as the day progresses.

The Age Independence Committee believes that both from the perspective of the consumer, that is, our readers, television viewers and the radio audience, and of the democratic process served by a vigilant and questioning media, the nation's best interests are not served by the proposal to allow newspaper, television and radio outlets to merge.

If, however, the government finds itself impelled to continue with the proposal we would ask for the re-introduction of the part of the original 2002 Bill that provided for editorial separation in cross-held entities. Furthermore, we believe that there should be a minimum number of newsrooms as well as the proposal for a minimum number of media groups in each market. Our reason is that it is quite possible under the current proposals that organisations with large, active newsrooms may merge and that the two or three remaining media companies (eg small radio stations) may simply buy their news reports

from the merged entities without having their own newsrooms or journalists. Therefore, as well as the proposal for a minimum number of organisations we say there should also be a guaranteed minimum number of newsrooms.

We believe it a second-best option but the maintenance of separate and competing editorial teams would help preserve some semblance of diversity.

The proposed changes to the foreign ownership rules present us with yet another difficulty.

We appreciate that Australia has obligations under its various trade agreements to keep in step with the current push for globalisation but we would argue that the media is a special case, requiring special consideration.

Foreign ownership per se may not be detrimental to media diversity or the national interest. Indeed, it might increase the number of outlets and bring us a new perspective, nevertheless there are real issues with it.

We have witnessed the development of some very big overseas media organisations with enormous influence on an international scale. For example, Gannett, the publishers of the American national newspaper, USA Today, has acquired a large stable of local and regional newspapers in America and across the world. This includes some of Britain's bigger provincial newspaper groups.

Gannett allows its editors a high degree of autonomy over the affairs of their own communities but at a national and international level it imposes its corporate will on these newspapers and their readers. Editorial opinion on US and international affairs are written on instructions from central command and editors do not have the option of omission.

It would be a sad day for Australia if our media outlets were similarly dictated to, forced to carry a US view of the war in Iraq or the way this country should conduct its trade negotiations with America or China. Or worse still, an editorial on our own federal election as seen by a Washington based editor in chief.

The discussion paper highlights the sensitivity of other nations to the issue of foreign ownership of media groups and the Age Independence Committee trusts the government will bear this in mind when it comes to its own decisions.

We believe that the proposed retention of constraints on ownership and concentration are appropriate but question whether the Treasurer is the most appropriate person to carry the responsibility for important decisions on foreign investment in media organisations.

We believe a more independent body should assess the impact on diversity and the independence of local editors to control the content, staffing and editorials of their papers. Perhaps that could be done by the Australian Competition

and Consumer Commission, or by the Federal Cabinet,
following a full public inquiry by a Senate committee.

The Charter of Editorial Independence

1. The Board of Directors and its appointed management affirm their commitment to the principle of editorial independence.
2. The Board of Directors, the management, the editors and members of staff of The Age and The Sunday Age agree to uphold the Australian Journalists' Association (now Media Alliance) code of ethics and the principles declared by the Australian Press Council.
3. The Board of Directors acknowledges the responsibility of journalists, artists and photographers to report and comment on the affairs of the city, state, nation and the world fairly and accurately and regardless of any commercial, personal or political interests including those of any shareholder, director, manager, editor or staff member.
4. The right to appoint or dismiss the editors resides with the Board of Directors and its appointed management. Subject to this, full editorial control of the newspapers within agreed budgets shall be vested in the editors. They alone shall determine editorial content and point, dismiss, deploy and direct editorial staff.
5. The editors shall be directly responsible to the appointed management and shall at all times carry out their duties in a way that will preserve and ensure the independence and integrity of The Age and The Sunday Age in accordance with this charter.

Signed by:

Sir Zelman Cowen, chairman, John Fairfax Holdings Ltd

Greg Taylor, managing director, David Syme & Co Ltd

David Wilson, Age Independence Committee

Robyn Dixon, Age Independence Committee

Claude Forell, Age Independence Committee

Michael Smith, editor, The Age