

SUBMISSION TO THE SELECT COMMITTEE ON FUTURE OF PUBLIC INTEREST JOURNALISM

FROM THE PUBLIC INTEREST JOURNALISM FOUNDATION

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Introduction

PIJF welcomes the opportunity to provide a submission in response to the Senate Inquiry on the Future of Public Interest Journalism. In this submission, we will address Terms of Reference (1) (a) (b) (d) and (f).

About PIJF

The Public Interest Journalism Foundation promotes and enables innovation in public interest journalism. It brings together practitioners from journalism, publishing, technology, broadcasting, education, government and the wider community to explore, develop and test new and emerging models of journalism. PIJF supports the annual New News conference, hosted by the Centre for Advancing Journalism at the University of Melbourne with the Wheeler Centre for Books Writing and Ideas. The PIJF is also involved in research projects regarding journalism futures.

<http://www.pijf.com.au/>

Summary

On best estimates about 3000 journalistic jobs in Australian mainstream media have been lost in the last five years. More job losses are in progress.ⁱ

In this submission, we argue that the crisis in public interest journalism in Australia justifies a cohesive and vigorous public response, both in providing direct and indirect government support and in taking measures to encourage private investment and philanthropic support.

We detail the context, precedents and models that might be referred to in constructing such a response, and point out the recommendations of relevant previous inquiries which have not been implemented but which remain relevant, and indeed urgent.

We recommend:

1. That journalism be understood as a vital type of Australian content, eligible for the same kinds of support and study already available for Australian screen and

multimedia content through Screen Australia, and to a lesser extent literary journalism through the Australia Council.

2. That journalism, particularly regional and rural journalism and other communities and topics under-served by the market, be considered as part of the current government review of Australian Content regulation and support and the current changes proposed to media ownership regulation.
3. That legislation be amended to require the government to establish an independent committee to review and report every three years, on:
 - (1) the degree of plurality and diversity in the sources of news and information in Australia, including the degree of concentration or diversity in the ownership and control of news media operating in Australia; and
 - (2) the adequacy of local news services in regional and rural parts of Australia and other under-served communities. Such a review should seek community views, undertake public consultations, and if necessary conduct research into Australian news and media markets.
4. That an independent production fund for public interest journalism be established, offering small grants on a competitive basis that takes advantage of online cost structures and market reach. The fund should be designed to encourage innovation and experimentation in digital journalism, especially in regional and rural Australia and for other communities and topics under-served by the market. Such a content fund could also support development of new governance and organisational structures for public interest journalism, given the lack of expertise in these matters among many journalists.
5. Consideration be given to providing tax offsets for investment in public interest news media, with a focus on rural and regional news production, and other communities and topics that are not well served by the market. The relevant model for this could be the three tax offsets for Film Industry production expenditure that were previously outlined in Division 376 of the Income Tax Assessment Act.
6. That legislation be amended to allow tax deductibility for philanthropic donations to not-for-profit journalism enterprises.

In addition to these recommendations, the PIJF also supports the recommendations contained in the submission by Professor Mark Pearson to reduce the legal impediments to the practice of public interest journalism (see submission #7), and those concerning the measures to determine suitability for applicants for DGR status contained in separate submission by PIJF board member, Dr Bill Birnbauer (see submission #1).

The Crisis in Journalism

The crisis enveloping journalism is well documented in other submissions to this inquiry and a variety of academic publications. According to best estimates, about 3000 journalistic jobs have been lost in mainstream media outlets in the last five years, and these came after significant losses in the years before that. This is not an exact estimate of the loss in journalistic capacity. Some of those made redundant have found other jobs, including in other forms of communication and in the web-based journalistic and quasi-journalistic outlets launched by individuals, universities, companies and NGOs. As well, a few have been re-employed by the new entrants to the Australian market, including *The Guardian in Australia*, *Buzzfeed* and *The Daily Mail*. Nevertheless, there is no doubt that Australia has lost a significant amount of its journalistic capacity.ⁱⁱ Other submissions to this inquiry, including that by the Civic Impact of Journalism Project, detail what we know of the impact on civic society and democracy.

This is a fundamental structural change in the way in which the information needs of society are served. News media for most of the last century appeared to be one relatively simple business. Gather an audience by providing content, including news, and sell the attention of the audience to advertisers. The internet and its applications have brought that business undone. As any householder can attest, the audience no longer assembles in the same concentrations. The family no longer gathers around the television news. Most homes have multiple screens and news is absorbed as it happens. “Appointment television” is nearly dead, at least for those under 50.

At the same time, the technology has torn apart the two businesses – advertising and news- that used to be bound together by the physical artefact of the newspaper. Once, those who wanted to find a house, a job or a car had to buy a newspaper to read the classifieds. Now, it is cheaper and more efficient to advertise and search online, with not a single journalist' salary paid.

Publishers and broadcasters have moved online, but here the advertising model fails. Advertisements on websites earn a fraction of the amount that used to be charged for the equivalent in a newspaper or program break.

In the last five years the landscape has shifted again because of the dominance of Google (which also owns YouTube) and Facebook. These social media engines, now ranked among the ten biggest companies by market capitalisation in the world, have quickly become the world's most powerful publishers. Yet Google and Facebook don't employ journalists. They serve advertisements and news to the audience members based on what they know about their interests. It has been estimated that up to 90c of every advertising dollar spent online flows to Google and Facebook, without a single journalist being employed.ⁱⁱⁱ

The issue of the future of public interest journalism is increasingly urgent because of these rapid changes which directly threaten the large newsrooms, the traditional representatives of the main centres of journalistic capacity.

These changes raise questions about how the information needs of communities are being met, and are likely to be met in the future. As the big newsrooms shrink, there are suggestions that specific areas of information deficit are emerging, including regional journalism and "accountability" or watchdog journalism.^{iv}

At the same time, the barriers to entry in the publication business are now significantly lower than before the onset of digitalisation in journalism, and this creates areas of opportunity, but there are doubts as to whether the information needs of communities can

be or are being met by bottom-up media production.^v While there have been new entrants to the new media business in Australia, all have relatively small numbers of journalistic staff, and none cover state and local politics, the courts or the other traditional “journal of record” functions of public interest journalism.

Technological change, at the same time, has supported the emergence of networked communication and social media, which place the means of publication in many more hands, and with potential for far broader participation in the publication of news.^{vi}

Cumulatively, these technology-driven changes represent radical alterations to the operations of news media in Western democracies.

The structural changes to newspapers and challenges to their institutional authority are not unique to Australia but, rather, part of a fundamental change confronting the press across liberal democracies in the digital era. In the US, it is estimated that 39 per cent of journalistic jobs disappeared between 2005 and 2015 and the losses continue^{vii}.

The impact on Australian civil society of the collapse of traditional media business models is likely to be substantial. An exhaustive recent study of US news media conducted on behalf of the Federal Communications Commission concluded that technology and its effect on media business models had created a deficit in “accountability reporting” particularly at a local level, and that this was likely to lead to “more government waste, more local corruption, less effective schools, and other serious community problems”.^{viii}

No similar study to this exists in the Australian context. A smaller Australian study conducted as part of the Finkelstein Independent Media Inquiry was limited to the economic health of news media, rather than its journalistic impact, and concluded that while the challenges were enormous, the main media companies could deal with them without broad impact on journalistic capacity. The inquiry rejected suggestions in some submissions that government assistance was needed to 'heal weaknesses...likely to emerge', while acknowledging that there were some 'pressure points'. It should be noted that all the

mainstream media representatives who appeared before the inquiry rejected suggestions that government support was needed. ^{ix}

The Finkelstein Report noted that it was too early to predict how the pressures would be resolved in Australia, and recommended that the Productivity Commission undertake further study.

This recommendation for further study was not implemented. Meanwhile the mass layoffs that occurred months after the release of the report, followed by several rounds of further redundancies at mainstream media outlets, is powerful evidence that its tentative conclusions were optimistic.

What is Public Interest Journalism?

In this submission, we recommend substantial public intervention to address the crisis in public interest journalism. However, nobody would argue that all the activity that takes place in the news media industry is deserving or in need of public support and action.

The public interest is not simply or solely or always what is interesting to the public. Journalism that is sensational or titillating or entertaining usually attracts a mass audience. Aside from any questions about its value, such journalism has paid its way in the past and even today, when Facebook and Google are re-wiring the economics of the news media business, it has a good chance of surviving. There is no case for it to seek any form of support from government.

However, the issue is complex. Journalism that is in the public interest may also be interesting to the public. The most striking recent example of journalism that is in the public interest and is interesting to the public – compelling and profoundly moving, actually – is the Four Corners programs about the Lindt Café siege on ABC television.

Equally, though, journalism that is in the public interest may be important but not overly popular. How taxpayers' money is spent on submarines is clearly in the public interest but questions about the innards of defence contracts are arcane and not easily made interesting to the public.

As well, the affairs of a local council or what happens in a regional courtroom may be of intense importance and interest to a relatively small – and non-commercial - audience.

Journalism can be in the public interest both because of its cumulative impact – such as the presence of court reporters over time, and their impact on the administration of justice – and because of individual acts of revelation and exposure, such as a piece of investigative journalism. As well, it is important to acknowledge that new models for public interest journalism are emerging outside of the domain of traditional media organisations.^x

The Civic Impact of Journalism Project delineated the following “functional categories” of journalism:

Campaigning journalism: Journalism that focuses on a particular cause or issue with the objective of achieving societal change and where the media platform transparently declares its objective.

Investigative journalism: Journalism that requires substantial original inquiry by the journalist(s) which results in the creation of an evidentiary basis for a story or stories, without which that story/stories would not have existed.

Civic Forum journalism: Journalism that focuses on the processes, proceedings and activities of public institutions such as parliaments, courts and local councils.

Reportage: Journalism that describes society to itself, including events, social problems, trends, public policy, business, culture, education, science, media, industry, environment, religion, health and other centres of power/influence.

Commentary and opinion: The provision of a forum for debate and the exchange of ideas and opinions, enabling discourse in the public sphere.

That project also stratified a number of different kinds of journalistic impact:

Engagement – assessed on a sliding scale, from thinking about or being informed by a news story, through to sharing or discussing it with others, and culminating in civic action, such as protest, letter writing or campaigning.

Reach – paying attention both to audience numbers and to the different demographics within an audience (for example, general public versus opinion leaders/decision makers).

Relational – capturing the social/institutional web in which journalism operates, and its relationship to audience, including how other institutions such as governments, NGOs and businesses have responded to journalism, both over time and in relation to particular news media outputs.xi

Similar ideas were captured and articulated in the professional practice policy released in 1994 by Steve Harris, the then editor-in-chief of The Herald and Weekly Times, which was part of News Corporation Australia:

“The primary purpose of gathering and distributing news and opinion is to serve society by informing citizens and enabling them to make informed judgements on the issues of the time. The freedom of the press to bring an independent scrutiny to bear on the forces that shape society is a freedom exercised on behalf of the public. Journalists are committed to ensuring that the public’s business is conducted in public, and must be vigilant against anyone who would seek to exploit the press for selfish purposes or seek to restrict the paper’s role and responsibilities. Good faith with the reader is the foundation of good journalism.” xii

We note that the public interest roles of journalism are not only performed by people who identify primarily as journalists. Engaged citizens and professionals from diverse fields can contribute to many of these roles, and increasingly public interest journalism is performed in collaboration with communities and networks.

Journalism that independently scrutinises “forces that shape society” inevitably will bring it into conflict with them on occasion. When journalists invade people’s privacy or protect the identity of confidential sources or engage in subterfuge to get a story, their actions can only be justified where they are acting in the public interest. The HWT policy states that in these circumstances the public interest includes:

- Detecting or exposing crime or serious misdemeanour;

- Detecting or exposing seriously anti-social conduct;
- Protecting public health and safety;
- Preventing the public from being misled by a statement or action of an Individual or organisation;
- Detecting or exposing hypocrisy, falsehoods or double standards of behaviour on the part of public figures or public institutions and in public policy.

If our recommendations to establish a means to support and encourage public interest journalism is accepted by government, then the criteria for such support and encouragement should be based a working definition of public interest journalism encapsulating the functional categories, types of impact and ethical principles outlined above.

Changes to Media Ownership Regulation

The Broadcasting Legislation Amendment (Media Reform Bill) 2016 is the latest attempt by successive federal governments to amend and update the framework of media ownership in Australia including by repealing the '75 per cent audience reach rule' and the '2 out of 3 rule cross-media control rule'.

These will remove outdated restrictions on the ownership and control of traditional Australian media platforms, and better reflect the range of online sources now available.

These changes are likely to directly impact public interest journalism. While it is true that the Broadcast Services Act's restrictions on mergers and acquisitions for Australian media firms are outdated, the emergence of online platforms should not be taken to signal the end of media concentration in Australia, or the end of governments' responsibilities to ensure a diverse range of sources of news and information for all Australians.

Any complacency that technology has solved the media diversity problem is likely to be misplaced.

We note that:

- In the absence of any sector specific regulation, a reliance upon competition law cannot meet policy objectives in this area. Competition law is a vital tool for regulating media markets, but does not satisfactorily address the non-commercial interests of citizens as media audiences.
- While there are now few regulatory barriers to entry for online media, industry dynamics in this sector as elsewhere are likely to encourage both concentration and disruption. A healthy blogosphere is certainly an important addition to the Australian public sphere, but if the platforms that support it and other new forms of expression are tightly controlled, the benefits of diversity and plurality may well be lost.
- After at least two decades of digital disruption in traditional media businesses, restructuring continues and stable business models supporting public interest journalism are yet to emerge. The recent announcement of further job losses at Fairfax underlines the continuing volatility of the sector.
- In relation to digital media platforms, ongoing transformation, disruption and restructuring is also endemic. While new consumer-facing intermediaries such as ad-blockers are challenging the viability of conventional web publishing, alternative social media platforms are rapidly gaining market traction. Former UK *Guardian* digital editor Emily Bell has recently described the new dominance of Facebook.^{xiii}
- While the national broadcasters, the ABC and SBS, play an essential role in ensuring that high quality independent news and information are available to all Australians, they cannot on their own provide the diversity or plurality of voices necessary for a robust liberal democracy.

While technology has rendered current media ownership regulation largely obsolete, we believe there is still a need for government action to ensure continued supply of news and information to the Australian population.

The Government's Review of Australian and Children's content

We note the Government's recently announced review of Australian and Children's Screen Content. The terms of reference for this review make clear the importance of Australian content, and the need for ongoing government support.

In his speech to the ACMA conference announcing the review, the Minister for Communications, Mr Mitch Fifield said:

First and most fundamentally, Australian stories need to be told. People need to hear our stories, our perspectives, our ideas. We have got a lot to share, and our stories and voices do matter.^{xiv}

While the review is currently focussed on screen content, and includes journalism only as it relates to the documentary genre, we point out that the same arguments that are used to justify government support for screen content apply even more powerfully to public interest journalism.

This content, in particular, is about the importance of Australian stories, perspectives and conversations.

There is a long history of government support for screen content, including documentary production. Such support has at different times included tax incentives for private investment, producer offsets, research and information and direct government investment. As is appropriate, this government support has varied from time to time as the needs of the industry have changed.

As well, government money has been used to support journalism in long form via the Australia Council's support for individual journalists, publishing subsidies for journalistic books and grants to literary magazines that publish journalism. This support has in the past included grants to major newspaper publishing companies, such as the support given some years ago to *The Australian* newspaper to publish the *Australian Literary Review* monthly lift out – which contained essay-style journalism, literary and arts news as well as other forms of literary content. Governments in Australia have, for many years, in different ways supported the media industries, as summarised in Annexure K of the Finkelstein Report, pages 437-39.

Now is clearly a time when journalism should be firmly defined and understood as an important kind of Australian content, and a range of similar measures considered to safeguard and build the health of the industry at a time of fundamental change.

Research on News Media at a Time of Change

Despite a substantial body of commercially-oriented media industry research, we know far less than we should about the diversity of Australian digital media from the perspective of their users.

As previously noted, a recommendation for a Productivity Commission brief on media futures, arising from the Finkelstein Inquiry, was not taken up. However, the need has only grown more urgent.

The Foundation recommends that the legislation be amended to require the government to establish an independent committee to review and report every three years, on:

(1) the degree of plurality and diversity in the sources of news and information in Australia, including the degree of concentration or diversity in the ownership and control of news media operating in Australia; and

(2) the adequacy of local news services in regional and rural parts of Australia, and other under-served communities. Such a review would seek community views, undertake public consultations, and if necessary conduct research into Australian news and media markets.

An Independent Production Fund for Public Interest Journalism

The foundation sees considerable promise for independent journalism which can take advantage of the benefits of online cost structures and market reach. We recommend that the legislation be amended to establish a production fund for independent journalism, designed to encourage innovation and experimentation in digital journalism, especially in regional and rural Australia and other under-served communities or areas and for coverage of under-represented topics.

This is not radical idea, although its explicit applicability to journalism is new. We believe this kind of support for news media is a logical extension of measures that have already been applied to other kinds of Australian content, as discussed earlier.

The 2012 Convergence Review recommended the creation of a converged content production fund with “a broad focus that supports traditional Australian content, new innovative content, and services for local and regional distribution”. The review recommended that in addition to direct funding from government, this fund could be supported by spectrum licence fees from broadcasting services and contributions from content service enterprises under the uniform content scheme.

The Convergence review directly addressed journalism in the context of the content fund, noting that

“the importance of local news to regional communities was one of the key messages from the Review’s consultations around Australia.... Content providers should also have access to the converged content production fund to encourage a diverse range of local services on new platforms.”^{xv}

As well, the federal government, through Screen Australia, already provides a variety of funding and other support for Australian screen content. This includes:

- Providing funding for the production of features and documentaries, drama, children's programs and web content.
- Tax breaks under the federal government's Producer Offset scheme, which allows a tax rebate for Australian producers that helps them attract investment.
- Providing authoritative research to government on the health of the industry
- Providing funding support to facilitate innovation and audience engagement

To the extent that it funds and supports documentary content, Screen Australia, and through it the federal government, is already engaged in support for journalism.

Meanwhile the Australia Council provides support for journalism as a branch of literature and the arts in the following forms:

- Career development grants for individual writers.
- Publishing subsidies, including for journalistic books (eg for editing, manuscript development, production, digital conversion, permission fees or any large costs, associated with the publication of one-off special titles)
- Fellowships for individual writers
- Funding for organisations, including literary magazines, that engage in journalism (eg *Griffith Review* and *Meanjin*, and in previous years *The Australian* newspaper's *Australian Literary Review*.)

A dedicated production fund for public interest journalism would allow both a broadening and a focussing of the types of government support already provided.

The support should be broadened to include more kinds of public interest journalism – not only literary and screen documentary.

Meanwhile it can be focussed to support journalism specifically, rather than journalism as a branch of screen and literary content. Measures can also be introduced to focus on rural, regional and other under-served audiences.

Such a fund could make small grants (up to around \$20,000) to support public interest journalism. The production fund would be of benefit to private, public and community media bodies and to a wide range of journalists to report topics of public interest.

Journalists from within and outside established media companies would apply for funding, based on criteria which reflects the organisation's mandate to promote public interest journalism.

There are numerous models for such a production fund, including the UK-based "innovation charity", Nesta, which began with an endowment and through the National Lottery gained an ongoing source of income to foster innovation and a culture of "risk taking" to support projects with long term goals.

Another model worthy of consideration is the Bertha BRITDOC Journalism Fund, an international film fund "dedicated to supporting long form feature documentaries of a journalistic nature." We might also look to the screen production funds in several Australian states or Canada's Independent Production Fund, which sponsors web-based and television content. These models, and many others, demonstrate how production funds foster creativity and the creation of content for diverse audiences. As business models for quality journalism become increasingly stressed, we recommend greater exploration of these innovative approaches in order to incubate and sustain independent and rigorous reporting.

Incentives for investment in news media production

Consideration should be given to providing tax offsets for investment in public interest news media, with a focus on rural and regional news production, and other under-served communities and topic areas. The relevant model for this could be the three tax offsets for Film Industry expenditure that were outlined in Division 376 of the Income Tax Assessment Act in previous years.

Incentives to promote a culture of philanthropy to promote quality journalism

The foundation notes the considerable role philanthropy plays in the funding and promotion of quality journalism in the United States, where as many as 150 independent centres have been established to foster quality journalism and investigative reporting. These bodies now make a significant contribution to the journalistic output of both established and emerging media outlets and add to the breadth and diversity of public interest reporting. Government support, including tax deductibility and the granting of charitable status, plays a role, and offers possible models for consideration in the Australian market. We are aware of the separate submission detailing this from Dr Bill Birnbauer, whose PhD research is the most comprehensive study of these models.^{xvi} PIJF endorses that submission and its recommendations

Conclusion

Thank you for your consideration. The authors of this submission and the board of the Public Interest Journalism Foundation would welcome the opportunity to discuss this submission at the Inquiry's convenience.

Endnotes

ⁱ ARC Linkage project "New Beats: mass redundancies, career changes and the future of Australian journalism." The Project's redundancy timeline can be found at <http://www.newbeatsblog.com/redundancy-timeline/>

ⁱⁱ *ibid*

ⁱⁱⁱ Bell, Emily and Ownen, Taylor. (2017) *The Platform Press: How Silicon Valley Reengineered Journalism*. Tow Centre for Digital Journalism. Retrieved from https://www.cjr.org/tow_center_reports/platform-press-how-silicon-valley-reengineered-journalism.php

^{iv} Waldman, S (2011) *The Information Needs of Communities: The Changing Media Landscape in a Broadband Age*, Federal Communications Commission report, Washington. See also the submission to this inquiry from the Civic Impact of Journalism Project.

^v Simons, M. (2013) *Journalism at the crossroads : crisis and opportunity for the press*. Scribe, Melbourne.

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- ^{vi} Bruns, A. (2005). *Gatewatching: collaborative online news production*, New York, Peter Lang; Simons, Ibid; Jericho, G. (2012). *The rise of the fifth estate: Social media and blogging in Australian politics*, Scribe Publications; Dunlop, T. (2013). *The New Front Page: new media and the rise of the audience*, Scribe Publications; Latimore, J, Nolan, D and Simons M, (2017), *Reassembling the Indigenous Public Sphere*, Australian Journal of Information Systems.
- ^{vii} Birnbauer, Bill, (2017) Project title: The creation, evolution and contribution of non-profit investigative reporting in a new subfield of American journalism. (Unpublished PhD Thesis).
- ^{viii} Waldheim, *ibid*.
- ^{ix} Finkelstein, R. and M. Ricketson. (2012). Report of the independent inquiry into media and media regulation, Department of Broadband, Communications and the Digital Economy. Retrieved from www.dbcde.gov.au/digital_economy/independent_media_inquiry/.
- ^x Simons (2013) *ibid*; Latimore et al (2017) *ibid*.
- ^{xi} Simons, M., Tiffen, R., Hendrie, D., Carson, A., Sullivan, H., Muller, D., & McNair, B. (2016). Understanding the civic impact of journalism: A realistic evaluation perspective. *Journalism Studies*, 1-15.
- xii** (Harris, S. 1994 'Professional practice policy', Australian Press Council News, February 1994, pp. 8-9. Note that later versions of this policy, including the one in current use, do not include this statement of principles. Available here: <http://www.theaustralian.com.au/help/editorial-code-of-conduct>).
- ^{xiii} Bell and Owen, *ibid*.
- ^{xiv} Fifield, M. (2017) Speech to ACMA Conference – Australian Content Conversation, Tuesday 16 May. Retrieved from http://www.minister.communications.gov.au/mitch_fifield/speeches/acma_conference_australian_content_conversation_tuesday_16_may_2017#.WTSuTWiGNQI
- ^{xv} Boreham, G., Long, M., & McElvogue, L. (2012). *Convergence Review Final Report*. Retrieved from Department of Broadband Communications and the Digital Economy website: www.dbcde.gov.au/digital_economy/convergence_review#report/
- ^{xvi} Birnbauer, *ibid*.