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25 September 2006

Ms Roxanne LeGuen
Committee Secretary
Senate Environment, Communications,
Information Technology and the Arts Committee
Via email: ecita.sen@aph.gov.au

Dear Ms LeGuen

Please find attached a submission by Private Media Partners, publisher of Crikey.com.au, Australia's largest commercial independent internet news and current affairs platform, to the Committee's Inquiry into Broadcasting Services Amendment (Media Ownership) Bill 2006 & related bills.

We do not believe there is any justification on public policy grounds for the Government to abolish or amend the current cross-media restrictions.

Such a change, in our view, could result in a dangerous increase in the power of existing media companies to influence Australia's public and political agenda.

Yours faithfully

(signed)

Eric Beecher
Publisher

Private Media Partners

Submission to the Senate Standing Committee on
Environment, Communications, Information Technology
and the Arts

Inquiry into Broadcasting Services Amendment (Media
Ownership) Bill 2006 and related bills

September 2006

SUMMARY

1. Private Media Partners is the publisher of Crikey.com.au, Australia's largest commercial independent internet news and current affairs platform.
2. We do not believe there is any justification on public policy grounds for the Government to abolish or amend the current cross-media restrictions.
3. Such a change, in our view, could result in a dangerous increase in the power of existing media companies to influence Australia's public and political agenda.

THE BROADCASTING SERVICES AMENDMENT (MEDIA OWNERSHIP) BILL 2006 AND RELATED BILLS

1. Removing or weakening the cross-media rules will reduce the number of “media of influence”. The importance of the cross-media rules is not about the number of commercial media owners, it is about the number of media outlets which have the power to influence the public debate. Most media companies don't have that influence because they're in the entertainment business, not the news and current affairs business. The substantive “media of influence” are daily newspapers - which set the news agenda, publish editorials, run campaigns and are highly influential in their communities -- and a handful of TV current affairs and radio talkback programs. If the new laws lead to a reduction in the number of owners of these “media of influence”, media power will concentrate in even fewer hands. Furthermore, how can a law that legislates for the minimum number of media owners in the country's major markets to be cut from 11 to 5 be described as anything other than reducing diversity of media ownership?
2. Removing or weakening the cross-media rules is based on a myth about the current state of the media. The government's main rationale for introducing the new laws is that “new media” is rapidly assuming dominance over “old media”, thus making cross-media regulation redundant. We would argue strongly that this is not the case. Firstly, the old media still totally dominate the flow of serious information in Australia. The arrival of websites and blogs may have added more numeric voices to the debate, but they are minute blips on the information radar compared to the societal and political influence that is wielded by newspapers or talk radio. Moreover, as a statement of fact, the biggest news and current affairs sites on the internet are overwhelmingly owned by the old media companies.
3. Removing or weakening the cross-media rules will result in fewer journalists and diminished journalism. The new laws are constructed for industry consolidation, which is likely to result in acquisitions by existing media owners of existing Australian media assets. Based on previous experience in the media industry, this is likely to be a highly competitive process, resulting in high prices being paid for perhaps the last opportunity to acquire valuable strategic assets. To justify the prices paid, buyers are likely to be forced to cut

costs and, inevitably, journalism will be impacted by such a cost reduction process. Which raises a crucial question: is journalism simply another product in the marketplace, or does it have a direct connection to the quality of the public debate? And if it does, how can a government justify laws which treat it just like any other consumer commodity? If good journalism is vital for a functioning democracy, and there are identifiable threats to the viability of quality journalism in Australia at its current levels, is it the role of the federal government to introduce laws that are likely to accelerate that trend?

4. Removing or weakening the cross-media rules is against the spirit of a vigorous democracy. Axiomatically, the removal of the cross-media rules will result in fewer owners of the media that set the national agenda. By consolidating political and societal power in the hands of a tiny number of individuals, this legislation will curtail public debate and make Australia a less democratic country. In the process, the role of the fourth estate as the scrutineer of government will be weakened, perhaps irrevocably.
5. Removing or weakening the cross-media rules is unnecessary. Almost no-one has asked for it. A majority of the public and journalists don't support it, according to recent opinion polls. There is no empirical or independent evidence to show it is in the interests of Australia. There is no remotely discernable demand for it. It creates the impression that the Government is working in the interests of a small number of media owners instead of working in the interests of all Australians.

September 2006