

# **SUBMISSION TO THE SENATE STANDING COMMITTEE ON THE ENVIRONMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS CONCERNING ITS INQUIRY INTO THE BROADCASTING SERVICES AMENDMENT (MEDIA OWNERSHIP) BILL 2006**

## **Overview**

As a citizen who has a long-standing interest in Australians having access to a diversity of media voices, in the interests of being able to form opinions based on information and comments from various sources and to have a range of educational and entertainment programs from within and outside Australia, I am very concerned about the likely effects of this legislation. It is designed to increase aggregation of media ownership with minimal protection of media diversity. Australia already has one of the most concentrated media ownership situations in the developed world – yet this bill is likely to increase that concentration substantially.

The 5/4 voices approach is not only wrong in principle, as it will reduce the number of media players in many parts of Australia, but will be ineffective in ensuring media diversity as it will lack the necessary sophistication to take into account the power and influence of different media organisations – treating PBL or News as one outlet and small local organisations equally, in terms of the number of voices permitted..

## **Existing foreign ownership**

The possibility of having more media owners from overseas - owners who will not be concerned about Australia's national interests – does not mitigate my concern. Rather, it increases it. Already the largest media corporation in Australia (and one of the largest in the world)- News Corp Ltd - is owned overseas. Its head office has been transferred to the United States, and the chairman, Mr Rupert Murdoch, who was for many years an Australian citizen, renounced that citizenship in the 1980s, in favour of US citizenship.

## **Future constraints on Governments legislating for greater diversity**

Once this legislation is passed and comes into force future governments will have very little scope for passing amendments which diminish the power of the media corporations that will then be producing television and radio programs *and also* producing newspapers in a number of states and territories and operating radio stations in those jurisdictions. One or more will have national newspapers as well. This situation will occur because such companies will have even greater capacity than they do now to strongly and effectively oppose such changes if they see them as impacting adversely upon them.

## **Implications for our democracy**

The ownership and control of media corporations is of great significance in any democracy. This is exemplified by the fact that in the United States it is not possible for a foreign national to control a media company which operates in that country. Yet as a result of this bill the only effective control of foreign corporations establishing operations in Australia, or taking over Australian media corporations which provide television or

radio services, will be the very broad discretion of the Treasurer under legislation such as the Foreign Takeovers Act. This will mean that there is very little protection for the Australian public in terms of the influence such foreign owners could have on policy debates on issues that very much affect Australians.

### **Potential increase of existing media concentration**

If one looks at the reality of the present situation, we already have News Ltd controlling two thirds of the newspapers around Australia - having the only daily newspaper in several State jurisdictions, a major national newspaper (the Australian) and by far the largest circulation newspapers in the most populous states - New South Wales and Victoria. If News Corp can take over one of the major television networks, and also have radio stations in any of those jurisdictions it will then have a massive influence on the provision of news and current affairs, and of information and comment throughout Australia.

News Corp has a very powerful position in much of the world and pursues a strong editorial line in its outlets in most of the major national and international issues of the day. Thus if the company has control of media outlets in television and radio as well as newspapers in particular jurisdictions, governments of the day, Federal, State and Territory, are likely to be very reluctant to adopt policies with which News disagrees. Thus we, the electors will find it much more difficult than we do at present to obtain information and commentary from alternative sources.

Similarly, if Publishing and Broadcasting Ltd, is able to take over, say Fairfax, which has a generally liberal attitude to the editorial policies of its newspapers, there is likely to be a severe diminution of the diversity of our sources of information and opinion. Leaving aside the two other Free to Air organisations, we could then have only two very large media organisations instead of the three we now have - a very serious loss of diversity. We have seen in Italy, what can happen when there are very few media sources -- a dumbing down of publicly available information and comment and a substantial narrowing of access to objective news and current affairs material. The situation in the UK, particularly in relation to ownership of newspaper corporations, is very different, providing the sort of diversity that would be very desirable in Australia.

### **Regional media**

As to regional media, the reduction in the number of media owners in many regional centres, as a result of this Bill, will be a very serious matter, not sufficiently addressed by the government giving the ACCC a specific role in seeking to prevent market dominance by a particular media corporation. The Bill will make the task of the ACCC a difficult one, because the Bill specifically encourages greater aggregation of media ownership and does not provide an adequate test of market dominance in this area.

### **No public call for this legislation**

The Bill does not derive from any public pressure for these changes - it is based on an election commitment which was given in very broad terms. The explanatory memorandum is deceptive in the way it expresses the outcome of the consultation process

following the publication of the Government's discussion paper. It gives the impression that there is general support for the Bill, but does this by referring only to the responses of the media companies which have a vested interest in the potential benefits for them of the legislation - making no reference to the responses from independent organisations such as the Communications Law Centre in Victoria or the views of the Media, Arts and Entertainment Alliance and members of the general public. There has in fact been a great deal of criticism from organisations and groups other than the major media organisations. It is submitted that the committee should give considerable weight to the views of these groups.

The media industry is not just another industry in which goods or services are provided. It is an industry which impacts on the effectiveness of our democracy, and therefore the government should take responsibility for ensuring, in the legislation itself, by clear-cut restrictions, that there will be adequate diversity of ownership, information and opinion on matters affecting our nation – something successive governments have done until now.

In relation to the availability of other media outlets such as the ABC, SBS and community television and radio stations, these outlets cannot make up for the loss of a major media player such as Fairfax, nor should they be expected to do so. Of the national newspapers, "the Australian" is owned by News Corporation, and the Financial Review by Fairfax. Suggesting that these national newspapers provide additional diversity is not logically sound. If News Corp were to acquire a national television channel and radio stations also, and/or if PBL were to take over Fairfax and have radio stations these national newspapers would simply increase the concentration and control of information and opinion that would be held by these two major corporations.

As to other sources of information, the evidence is that much of the online information that people obtain at present comes from the main news outlets themselves, which are available online. Only a relatively few people read on-line services such as Crikey.com or access blog sites. In any event, online services rely, to a significant degree on the major media companies as the basis for their news stories and commentary

### **More diversity needed, not less**

In this age of increasing the extent of choice available to people, something that the government often advocates, this legislation should be encouraging more diversity in sources of information and opinion on current affairs, the environment, drama, music, comedy, history, and the arts generally, not less. The government's case for the consolidation of media ownership and the removal of the cross media constraint is ill-founded.

The Bill should not be enacted, but instead, an independent inquiry should be conducted to determine the most appropriate and equitable way of proceeding with media reform.

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