An audience study of the Australian community broadcasting sector
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A copy of the Executive Summary, and pdf versions of the full report, can be accessed at cbonline.org.au or can be obtained in hard copy from the researchers.

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Executive summary

This report presents the results of the first national qualitative research study into Australian community broadcasting audiences. It explores why a significant and increasing number of Australians listen to community radio and/or watch community television, what they value about it, and how it meets their needs. Community broadcasting in Australia began in the early 1970s with the establishment of the first metropolitan community radio stations. Community television is a comparatively recent development dating from the early 1990s. Today, Australian community radio is a mature industry catering to a wide variety of interests. Our study deals with audiences for ‘generalist’ stations in metropolitan and regional Australia and explores responses from two major interest groups — Indigenous and ethnic communities. Audiences for the nascent community television industry provide a further focus.

The data on which our findings are based has emerged from a series of audience focus groups, interviews with individual listeners/viewers and station managers, and representatives of community groups accessing community radio and television. Our primary findings are detailed in separate chapters in this report, but are outlined in brief below.

For metropolitan and regional radio stations, audience members primarily ‘tune in’ for these principal reasons:

• They perceive community radio to be accessible and approachable;
• They like the laid back, ‘ordinary person’ station presentation style;
• They want to access local news and information;
• They want access to specialist and diverse music formats; and
• They appreciate the diversity represented in station programming.

A wide range of audiences access Indigenous radio and television across Australia with both Indigenous and non-Indigenous listeners and viewers identifying the following as key attractions:

• They feel Indigenous media offer an essential service to communities and play a central organising role in community life;
• Indigenous media help people to maintain social networks;
• Indigenous media are playing a strong educative role in communities, particularly for young people;
• They offer an alternative source of news and information about the community which avoids stereotyping of Indigenous people and issues;
• They are helping to break down stereotypes about Indigenous people for the non-Indigenous community, thus playing an important role in cross-cultural dialogue; and
• The stations offer a crucial medium for specialist music and dance.

Audiences listening to specialist ethnic programming on generalist community radio stations or full-time ethnic community radio stations are tuning in because:

• Station programming plays a central role in maintaining culture and language;
• Programs help them to maintain community connections and networks;
• Stations enable them to hear specialist ethnic music unavailable through other media;
• They want to hear local community news and gossip; and
• They want to hear news and information relevant to their lives in Australia, from their home countries, and from neighbouring countries/regions.
Audiences for community television watch because:

- They want to access alternative programming than that offered by commercial and national public television stations (ABC and SBS);
- They want to access information that they feel is unavailable anywhere else;
- They want to receive this information in non-traditional formats;
- They like the diversity of programming, particularly from niche interest groups; and
- A significant number of viewers of community television are frustrated by poor or unreliable broadcast signal reception.

While there are different perspectives offered by the various sub-sectors of the Australian community broadcasting industry, a number of key themes have emerged which draw them all together. A common thread running throughout our analysis of community broadcasting audiences is a need and desire for local news and information. Audiences feel they cannot receive localised or community-specific information from any other media sources, although they often access public broadcasters like the ABC and SBS for state or national news, and occasionally, commercial media. Another common theme to emerge, regardless of the sub-sector, is a desire to access and hear diverse music formats. Audiences regularly express either boredom or general dissatisfaction with the narrow range of popular and, usually, international (US and UK) music broadcast particularly on commercial radio. Thirdly, community broadcasters are providing an important ‘community connection’ role by publicising local events, engaging in community ‘gossip’, using local people as presenters, and projecting an approachable and accessible front to the community and their listeners. While this theme is less likely to be mentioned by community television audiences, it is prominent in comments from metropolitan/regional generalist, ethnic and Indigenous audiences and thus permeates much of the data. A fourth theme is the sector’s ability to present social and cultural diversity in its programming. For many of the participants in this study, this is an important social responsibility function performed by their local community radio stations, in particular, with which they identify and support.

In summary, we conclude that the community broadcasting sector in Australia is fulfilling four broad functions:

- Providing alternative sources of local news and information;
- Offering diverse audiences diverse music program formats and styles;
- Enabling community members to ‘connect’ — either socially or by engaging with radio programming — thus ‘creating communities’; and
- It more accurately represents Australian social and cultural diversity than other media outlets.

We will investigate these four over-arching functions in more depth throughout this report.
Chapter 1 - Introduction

This report is the culmination of more than two years' work with the Australian community media sector and their audiences. It is informed by the authors' seven years' research experience with the community radio sector, beginning with a study of managers, workers and volunteers in 1999 and continuing with this qualitative audience study. In this time, we have witnessed an increasing focus on community broadcasting from both the research community and within policy circles.

The increasing attention being paid to Australian community broadcasting is tied to growth in the sector, which, at the time of writing, has 361 radio licenses, 79 Indigenous community television licences, and four permanent community television stations with two additional services (Adelaide and Lismore) operating on Open Narrowcast licences. During 2006-06, an additional 30 temporary community radio licenses were issued (ACMA, 2006a:83-84; ACMA, 2006b:17; CBF, 2005). Based on these figures, the number of community media outlets has trebled since the early 1990s. More than 99 per cent of the permanent community radio stations are broadcasting 24 hours a day, seven days a week (CBOonline, 2006a:1).

The community radio sector in Australia is far bigger than the commercial radio sector which boasts 274 operating licenses. But in terms of resources, as indicated by financial turnover, the comparison reveals a stark contrast — the commercial radio sector annual turnover is currently around $945 million (ACMA, 2006) while the community radio sector operates with total annual revenue of just under $51 million (CBOonline Survey, 2006). Despite this disparity in resources, community radio produces more local content, plays more Australian music, and supports a greater diversity of Australian cultures than its commercial counterparts. As well, it has achieved substantial national audience reach — just over 4 million listeners in an average week, compared to 10.7 million for the commercial radio sector, and 7.3 million for the national (ABC/SBS) radio sector (McNair Ingenuity, 2006:30).

It is for these reasons that we offer — for the first time from an audience perspective — an analysis of why community media is succeeding in the current broadcasting environment. Our project has been helped by an increasing level of research in Australia into community radio and television audiences, most notably, the McNair Ingenuity quantitative audience research study which now occurs every second year. This research reveals that community broadcasting audiences have increased from 2004 to 2006 — and that about 47 per cent of the Australian population (around 7 million people) tune in at least monthly to a community radio station. About one in six community radio listeners are 'exclusive' listeners — that is, they do not listen to either commercial radio or ABC/SBS — and their primary reason for listening is to hear local news and local information (McNair Ingenuity, 2006:8). This study both tests and complements the McNair Ingenuity data. In doing so, we attempt to 'explain' the numbers to provide the research and policy communities, and the sector itself, with more detail about 'why' Australians tune in to community radio and television and 'how' they do it.

We have been able to go beyond what has been possible with approaches to industry research thus far (including McNair Ingenuity) in terms of the scope of fieldwork, and have included for the first time community television, ethnic and Indigenous audiences. The ethnic and Indigenous sub-sectors of the community broadcasting industry did not participate in the McNair Ingenuity study, believing that reducing an evaluation of their activities to 'numbers', along with the method adopted (telephone surveys), was an inappropriate way of evaluating their community and cultural contributions. Thus, the data presented in this report is the first to offer specific and qualitative analyses of the sector’s ethnic, Indigenous and community television audiences.

This study has been further assisted by the growth in international academic literature examining community media, in no small part urged on by the recent official establishment of the UK community radio sector and an expected sudden growth throughout the country. Based on its 30 years' experience, the Australian community broadcasting industry offers an ideal case study from which its counterparts in Europe and the United States might draw. Our project aims to inform international community media practitioners and researchers of the strengths and weaknesses of the Australian community broadcasting network. It is impossible, though, to report on our findings without placing them in their true context. At the time of writing, the Australian parliament had introduced and passed two pieces of legislation which will have a significant impact on our nation's mediascape in the coming years — changes to media ownership laws and amendments to facilitate the full introduction of digital broadcasting by 2010-2012. We will consider these broader contextual issues before focusing on the project findings in detail.
Assessing the growth of community media

Since our previous study of the community radio sector (Forde, Meadows & Foxwell, 2002b), there has been growing academic attention directed towards community media research. This is evident in a significant increase in numbers of published journal articles, including establishment of the 3CMedia electronic journal (published on the sector’s portal, CBOnline — www.cbonline.org.au), book titles, and special journal editions dedicated to community and grassroots media forms (see Journalism, Special Issue, 2003; Transformations, Special Issue, 2004, Howley 2004; Chitty and Rattichalkalakorn, 2007; and Kidd, Stein & Rodriguez, 2007 [in press]). We note, too, a growth in the number of conferences with a ‘community media’ theme, alongside an increase in the number of groups seeking membership from community broadcasting activists — the World Association of Community Radio Broadcasters (AMARC), for example, recently established an Asia-Pacific arm and held its inaugural conference in Jakarta, Indonesia, in 2005. The official establishment of the UK community radio sector is another sign that this type of media will attract more attention in the future. Japan’s fledgling yet expansive community television industry set up its first peak representative body late in 2006 — further evidence of a growing global interest in media alternatives (Kawakami, 2006). The gathering momentum in Australia suggests this research on community broadcasting audiences is particularly timely.

This rise in community media research — and indeed in community media forms — could be quite simply attributed to increasing globalisation and the need for people to feel ‘connected’ to their local communities and to the people who create them. Internationally, scholars are beginning to consider seriously the impact of the community media sector within the context of globalisation and its potential impact on local cultures. Howley (2005:30) voices the conclusions of many when he asserts that ‘locally orientated, participatory media organisations are at once a response to the encroachment of the global upon the local as well as an assertion of the local cultural identities and socio-political autonomy in the light of these global forces’. The importance of such community-based media is growing within the context of the ever-expanding global media industry. By 2003, ten multinational corporations — including AOL-Time Warner, Disney-ABC, General Electric-NBC, Viacom-CBS, News Corporation, Vivendi, Sony, Bertelsmann, AT&T, and Liberty Media — controlled most of the production of information and entertainment around the globe. The result, according to Kellner & Durham (2006:xxix), amongst others, is ‘less competition and diversity, and more corporate control of newspapers and journalism, television, radio, film and other media of information and entertainment’. It is indicative of the community media sector’s importance in a globalised world where the maintenance and representation of local cultures through the media has increasingly become a commercial enterprise rather than a community service. In this media environment, audiences are perceived as ‘consumers’ rather than ‘citizens’.

The dominance of the ‘global’ in this era plays some part in the increasingly popularity and prevalence of community media. In addition, dissatisfaction with mainstream and particularly, commercial media forms, appears to be playing a significant role — not only because of their increasingly global or international nature, but also because of their continued and persistent need to generate greater profits and to ‘thin the product’ as a result of this quest for audiences as consumers (Pew Center, 2003; Project for Excellence in Journalism, 2005). Hamilton (2004) cautiously identifies a trend for contemporary media organisations to base primary news decisions and content on economic considerations, leading to a greater emphasis on entertainment news — infotainment — the rise of the celebrity journalist, and an increasing focus on issues of interest to demographic groups targeted by advertisers (Chomsky 1997; McChesney, 2003; Hamilton, 2004). This is occurring alongside trends which show a steady decline in audiences worldwide for mainstream news content (Davis, 1997; Lewis, 2001; Hamilton, 2004; Project for Excellence in Journalism, 2004 & 2005; Deuze 2006). Thus, we attribute the growth in community media and the subsequent increasing attention given to them by the research and policy community to the combined effect of the rise of globalisation and the well-established public dissatisfaction with mainstream media form and content.

Australian media policy, digital frameworks and what they mean for community broadcasting

This study of community broadcasting audiences emerges at a particularly critical point in Australian media history. A perennial issue in Australian media policy has been a debate over ensuring adequate provisions to foster diversity of ownership and content. At the heart of this issue are the needs of regional Australian audiences and, in particular, requirements for local news and information and local content. Two key pieces of legislation passed by Parliament on October 16, 2006, to be enacted in 2007 — the Broadcasting Services Amendment (Media ownership) Act 2006 and the Broadcasting Legislation Amendment (Digital Television) Act 2006 — represent significant changes to the Australian media policy environment. The Broadcasting Services Amendment (Media Ownership) Act 2006 has relaxed existing cross-media and foreign ownership laws, allowing major media owners to own different media formats (e.g. radio and newspapers; television and radio) in the same media market, and for foreign investors to own more than 15 per cent of an Australian media enterprise. At the same time, the amendments have employed some safeguards to retain diversity and to ensure the needs of regional Australia are met by commercial broadcasters, including a requirement that at least five independent media groups remain in State capitals and four in regional markets, and that any merger may involve no more than two of the three regulated platforms (i.e. radio, television and the press) in any one license area. The assumption is that the number of media owners in both metropolitan and regional Australia will decrease when the changes take effect (Gardner-Garden & Chowns, 2006).
Alongside the relaxation in cross-media ownership and foreign ownership restrictions are increased roles for both the Australian Competition and Consumer Commission (ACCC) and the Australian Communications and Media Authority (ACMA) in ensuring compliance with competition regulations and local content provisions. In relation to regional areas, the legislation specifically requires minimum levels of local content on regional commercial television, a minimum level of local content on regional radio (4.5 hours) — currently subject to review (a proposal to incorporate 12.5 minutes of news is also under consideration) — and special rules pertaining to ‘trigger events’ such as changes of ownership in regional areas which aim to ensure continued local content (DCITA, 2006). While the government has argued that information diversity will not decrease under the new laws — primarily because of increasing diversity offered by online and digitized media services — there are concerns that a further concentration of media in fewer hands will have a significant impact on the boundaries of public debate and discussion (Manne, 2006). Following the announcement that Parliament had passed the new laws, major Australian media proprietors — including the Packer-owned Publishing and Broadcasting Limited, Kerry Stokes’ Channel 7 group and the Southern Cross group — immediately initiated moves to re-organise their ownership portfolios. The prospect of increasing concentration of ownership in the mainstream media sector both nationally and globally suggests an even greater role for localised and independently-run broadcasting services typified by those in the community broadcasting sector.

The second piece of media legislation with implications for the broader Australian media environment enacted by the Australian Government is the Broadcasting Services Amendment (Digital Television) Act 2006. This Act is primarily concerned with existing free-to-air commercial stations and arrangements for conversion to digital and multichannelling. It heralds another step towards a digital future and has strong implications, particularly for the community television sector. According to its proponents, the impact of digitisation and convergence on the Australian media environment will transform it. The Minister for Communication, Information Technology and the Arts, Senator Helen Coonan, in an address to the Country Press Association Annual Conference (2006) shared her enthusiasm for this shift:

The pace of change in all of the industries involved in my portfolios is breathtaking. In telecommunications, ICT and the media, the constant evolution of technology means content can be delivered in all manner of ways to all manner of devices anywhere you want it, anytime you want it. This is the reality of the new consumer, the 21st century consumer. News and entertainment are always on, always available whether it is on the TV, over the phone or on the computer.

However, it is unclear and by no means conclusive that Australian audiences are enthused or eager for digital services. Some indication of this is the rescheduling of conversion to digital from 2008 to 2010-12. This has occurred in other countries too — the UK, United States, Ireland and The Netherlands have also put back their conversion dates (Commonwealth of Australia, 2006:6). The ACMA survey, Digital Media in Australian Homes (2005) found low levels of awareness of digital television. More than 16 per cent of surveyed households that had not taken up free-to-air digital television had not heard of it, more than 28 per cent had heard of it but did not know if it was available in their area, and 38 per cent of all surveyed households did not know that analogue services would eventually be switched off. The ACMA survey further reported that almost 42 per cent of households surveyed were not interested in digital television. While these figures are from 2005 and the digital take-up has gained some momentum since then, audiences still appear to be in no great hurry to acquire access to the digital spectrum. They also seem reluctant to spend time watching more television or accessing this through mobile phones — despite prophetic announcements about the desirability of the technology and its additional services.

Ready Get Set, Go Digital — A Digital Action Plan for Australia (Commonwealth of Australia, 2006) deems that the entire community media sector will face the emergence of a digital future which presents both hurdles and possibilities for new services, especially in regional Australia. In February 2007, the community television sector was still awaiting a firm commitment from government on the arrangements for the transition from analogue to digital — particularly relating to capital expenditure required for digital technology. The House of Representatives Standing Committee on Communications, Information Technology and the Arts inquiry into community broadcasting has recommended that the Federal Government support the transformation when the analogue spectrum is switched off in 2012. However, the existing situation with CTV channels being excluded from the digital spectrum has yet to be formally addressed (2007: xi). Despite the sector’s optimism that the government’s Digital Action Plan would enable the sector to simulcast in both analogue and digital formats until the digital switchover in 2012, the plan — released in November — appears to encourage the sector to either ‘strike a deal’ with an existing digital platform carrier or failing that, to change the sector’s analogue signal to a digital one. At the time of writing, and despite considerable lobbying, no firm commitment from the Federal Government to fund CTV’s change to digital or to provide an additional digital channel to the sector for multi-channelling has been forthcoming (Kelly, 2006:5; Commonwealth of Australia 2006:21).
The digital switchover to radio seems more straightforward, particularly as radio audiences seem even more reluctant to take up digital radio signals. Community radio stations, at this stage, are not being greatly disadvantaged by their lack of a digital signal. And in contrast to digital television, digital radio is not expected to fully replace the analogue services — they will operate alongside each other, with digital radio acting as a supplement, rather than as a replacement for, the current analogue services (Coonan, 2005):

International experience shows that digital radio will supplement existing analogue radio services for a considerable period, and may never be a complete replacement. Accordingly, the Government’s framework has been built around digital radio being a supplement to existing services in Australia rather a replacement technology, as it is in television.

The revised media laws — both in terms of cross-media ownership and digitisation — are, according to the Federal Government, necessary to accommodate the convergence in media platforms enabled by digitisation.

Within the context of these changes — both current and proposed — we have canvassed in detail the thoughts and opinions of a sample of Australia’s diverse community broadcasting audiences. Our analysis offers a contrast to prevailing rhetoric. While commercial media proprietors, preparing for the relaxation in ownership laws, jostle for position to be the first, most profitable and/or biggest on the Australian media block (Knight, 2006), audiences for community radio and television maintain their enthusiasm for local content relevant to local communities. The imminent reduction in the number of media owners suggest that the services offered by community broadcasting are entering a new age of importance.

**Analysing community media audiences**

While there has been an increase in research into community media, there is still much to be completed. This is especially the case for community broadcasting audience research. To date, the majority of research projects have focused on the production of community media rather than its reception. Downing (2003:625) notes the lack of attention to the user dimension:

> ... Given that alternative media activists represent in a sense the most active segment of the so-called ‘active audience’...

One would imagine that they above all would be passionately concerned with how their own media products are being received and used.

The community broadcasting sector’s lack of resources has been readily identified as one of the primary reasons why it has been unable to undertake substantial audience research without government support (Forde, Meadows, & Foxwell, 2002). Policymakers have recognised the need for more data on the sector to help determine their own funding and planning priorities and as a result, have offered financial assistance for recent quantitative audience research — the 2004 and 2006 McNair Ingenuity projects are the prime examples. In the interest of exploring the nature of ethnic and Indigenous audiences in particular, the Federal Department of Communications, Information Technology and the Arts provided funding through the Community Broadcasting Foundation to assist with the completion of this project. Funded primarily by the Australian Research Council, the project received in-kind support from a wide range of community broadcasting sector organisations, detailed in Appendix D. The research evolved through a cooperative process, managed by the Qualitative Audience Research Advisory Committee (QARAC), made up of representatives from across the industry and the project research team. This enabled us to develop and apply a series of reliable qualitative audience research methods in order to produce the findings presented in this report. The research methodologies and theoretical frameworks we have used throughout this study are detailed in subsequent chapters. We have endeavoured to present our findings in a language and context which is useful to the sector, but which also enables national and international research communities to access and utilize the data. One of the primary outcomes of this project has been the development of a practical, economical and accessible audience research method which we hope will be of use to both the sector and other researchers attempting to conduct similar or allied studies. This will be made publicly available through the sector’s web portal, CBOOnline.

Chapter 2 of this report outlines the background issues and theory which offer a current and international framework for this study. We had to not only grapple with the suitability of an entirely qualitative research framework, but also to consider current theoretical ideas around community media to contextualise the data we gathered from Australian community broadcasting audiences. Were local news content and current affairs services, for example, most important to audiences, suggesting the predominance of a ‘public sphere’ service being offered by community broadcasters? Were audiences tuning in more because of the organic, grassroots, or alternative nature of community radio and television, suggesting ideas of ‘alternative media’ might be more relevant? While academically-oriented, this chapter provides an overview of the issues we had to consider in carrying out this study.

Chapter 3 outlines our research methodology and the process of its development in consultation with our advisory committee and relevant scholarly literature. It was an important objective that the study generates a portable and use-able research method for future community broadcasting audience studies, and the methodology was designed with this outcome in mind.

Chapter 4 begins the presentation of the study’s findings, with results from the largest component of our project, metropolitan and regional community radio stations. This reports on the data gathered from 25 participating station focus
groups around Australia. Coupled with this data are comments from community group representatives also involved in community radio. Analysis of these interviews provides greater insight into the audience focus group data.

Chapter 5 focuses specifically on Indigenous audiences encountered by our researchers over the project’s span of more than two years. Chief Investigator Associate Professor Michael Meadows worked primarily with Indigenous researcher Derek Flucker to access Indigenous audiences in metropolitan, regional and remote areas, with assistance early in the project provided by Indigenous researcher Christine Morris. The sample was drawn from a broad range of Indigenous communities following consultation primarily with the peak industry media organisation, the Australian Indigenous Communication Association (AICA). It included eight focus groups and additional on-the-ground interviews with listeners and viewers in an additional 12 regions around the country. Although our ‘generalist’ metropolitan and regional station sample included more audience focus groups (25), the nature of our Indigenous fieldwork — detailed further in Chapters 3 and 5 — meant many one-on-one interviews were conducted, generating hundreds of hours of interviews and travel to remote, regional and urban areas.

Chapter 6 concerns ethnic community radio and reports on the 10 focus groups completed with audience members from a range of established and emerging ethnic communities. The cooperation and advice from the leading ethnic broadcasting sector body, the National Ethnic and Multicultural Broadcasters’ Council (NEMBC), made a vital contribution in determining sampling for this component of the study. While additional and subsequent translation issues had to be considered in both the Indigenous and ethnic community fieldwork, the results from these two elements of our project have provided useful new data which past researchers generally have found difficult to access.

Chapter 7 reports on the findings from the community television fieldwork, and again provides important data, particularly in light of the issues discussed previously in this chapter regarding the impact of the digital switchover. Indeed, this was a topic of great discussion at the recent Community Broadcasting Association of Australia’s 2006 annual conference as the CTV sector feels its potential audience reach is suffering greatly from its inability to currently access the digital spectrum. Perhaps the most interesting data to emerge from our CTV fieldwork was the subtly different ways that community television audiences ‘see’ their local community television station — it provides a contrast to the sense of ownership that community radio audiences see as inherent in the way they engage with local stations and their programming.

Chapter 8 provides a summary of project findings, and suggests pathways to the future for the sector. It also offers some commentary on community audience research futures.

For those particularly interested in our research methods, we have provided a series of Appendices at the completion of this report — a fieldwork schedule with a full list of the stations and organisations who participated in the study; a series of interview questions for community group representatives who ran programs on community radio; and questions which guided focus group discussions with each of the sub-sector audiences.

The Chief Investigators on this project, all from Griffith University in Brisbane, welcome comments and questions from sector representatives or fellow researchers, and can be contacted by email: Associate Professor Michael Meadows, m.meadows@griffith.edu.au Dr Susan Forde, s.forde@griffith.edu.au Dr Jacqui Ewart, j.ewart@Griffith.edu.au Dr Kerrie Foxwell, k.foxxwell@griffith.edu.au It is our hope that this report will continue to be of interest and use to the sector in the coming years and that it will help others to identify Australia as an international leader, not only as a proponent of innovative forms of community radio and television, but also in terms of its contribution to the examination and analysis of these forms of media.
Summary

The case put forward by the Federal Government and major media proprietors for repealing the cross media ownership laws is based on the belief that we ‘are at the dawn of the greatest era of pluralism in our history’ brought on by the rise in new media sources, particularly the internet (Mitchell cited in ABC 2006). They argue that new media sources will guarantee that a diverse range of information and opinions will be freely exchanged in accessible and commonly used forums. Consequently, the existing cross-media laws can be relaxed to encourage greater innovation and efficiency without any threats being posed to the health of Australia’s system of representative democracy.

This paper assesses the validity of this argument by examining media consumption patterns in Australia. It draws mainly on data compiled by Roy Morgan Research. The study finds that despite the rise of new media over the past decade, only a very small proportion of Australians rely on the internet for news and current affairs and, amongst those who do, the vast majority turn to websites that are either controlled by traditional media providers or draw their content from traditional media sources. Important findings include the following.

- On average, only 14 per cent of the time that Australians spend on consuming media is devoted to the internet, compared to 44 per cent on television and 32 per cent on radio.

- Television, newspapers and radio are the main source of domestic news and current affairs for over 95 per cent of the population. By comparison, only three per cent of people say the internet is their main source of domestic news and current affairs.

- Around 75 per cent of the population never or rarely use the internet to obtain domestic and international news.

- Of the roughly 25 per cent of the population that access the internet on a reasonably regular basis for domestic news and current affairs, approximately 90 per cent rely on a small collection of websites that have a close association with traditional media providers.
• It is estimated that as little as one per cent of Australians rely on an alternative media provider as their main source of news and current affairs.

In short, to the extent that internet-based news and current affairs are a source of news and comment, it is little more than the old media repackaged.

Despite the assertions made by the Federal Government and the major media proprietors, new media adds virtually nothing to the diversity of news and current affairs in Australia. Consequently, repealing the cross-media ownership laws would result in a further concentration of an already concentrated media sector thereby reducing opportunities for independent sources of news and opinion.
1. Introduction

On 15 March 2006, the Federal Minister for Communications, Senator the Hon Helen Coonan, launched a discussion paper, *Meeting the Digital Challenge*, that outlines the Government’s case for reform of the laws governing cross-media ownership. The argument put forward by the Government is that the rise of new electronic forms of media permits reform of the current regulatory environment. More specifically, it asserts that modern technology is breaking down barriers between the different forms of media and that existing laws are stifling innovation and the efficient operation of the media and information technology sectors.

In response to concerns about the impacts of the concentration of media ownership on democratic processes, the Government argues that the rise in the new media sector will ensure the free exchange of a diverse range of information and opinions on political issues. The crux of the Government’s argument is captured in the following extracts from *Meeting the Digital Challenge*.

> Traditional media services are being challenged by new digital technologies resulting in the emergence of new players, content, services and delivery platforms. For consumers, this means an ever-increasing number of new sources of information and entertainment. For the media sector, while it poses challenges as audiences are attracted away from traditional media sources, it also presents significant opportunities to embrace new ways of doing business. From the Government’s perspective, the impact of digital technologies means the current regulatory settings, which are largely designed for an analogue world, require review.

It continues:

> [d]igital technologies blur the lines between the traditionally distinct telecommunications, broadcasting, print and IT sectors as they deliver an increasingly common range of services. This shift has impacted not only upon entertainment services, but also on sources of news, public opinion and information. For instance, use of internet-based news media has been growing rapidly. While many popular news sites are provided by traditional media companies, the emergence of weblogging, news via mobile phones and independent online news services means news and current affairs reporting has become more interactive (Commonwealth of Australia 2006, p. 3).

The Government’s case has received strong support from large media proprietors. Rupert Murdoch, head of News Limited, has pronounced the end of the media baron claiming ‘power is moving away from the old elite in our industry - the editors, the chief executives and, let’s face it, the proprietors’ (Gibson 2006). Similarly Editor-in-Chief at *The Australian*, Chris Mitchell, has argued that:

> it’s been clear since Paul Keating’s media reforms in the mid-’80s that our industry would be better off with less regulation. I think people who want to...
see more pluralism in media are at the dawn of the greatest era of pluralism in our history (Mitchell cited in ABC 2006).¹

The Ten Network, in a submission to the inquiry of the Senate Environment, Communications, Information Technology and the Arts Legislation Committee (SECITALC) into the Broadcasting Services Amendment (Media Ownership) Bill 2002, has also argued that:

the cross-media prohibitions between commercial television, radio and the major print media impede efficiencies which could be available through cross-media acquisitions or other arrangements such as joint ventures; and have declining relevance as internet, on-line, digital and interactive services provide new media and create convergence across traditional sectors of the media (Network Ten 2002, p. 1).

These sentiments were shared by most other major media proprietors who made submissions to the Committee, including News Limited, Seven Network, Publishing and Broadcasting Limited (PBL) and John Fairfax Holdings Limited.

By examining media consumption patterns in Australia, this paper seeks to test the validity of the argument that the new media sector will guarantee a greater diversity of information and opinions.² In particular, it looks at whether the internet is challenging the traditional forms of media, television, radio and newspapers, as a source of news and current affairs. The statistics relied upon to analyse these issues are drawn primarily from data compiled by Roy Morgan Research.

2. Australian media and regulation

Freedom of communication and diversity of opinion in the media are essential to the proper functioning of a democratic society. As the former Chief Justice of the High Court of Australia, Sir Anthony Mason, once said:

[the efficacy of representative government depends … upon free communication on [public affairs and political issues] between all persons, groups and other bodies in the community. That is because individual judgment, whether that of the elector, the representative or the candidate, on so many issues turns upon free public discussion in the media of the views of all interested persons, groups and bodies and on public participation in, and access to, that discussion.³]

The free exchange of ideas and opinions cannot be assured in a modern society if the primary forms of media are controlled by a small number of people. Concentration of media ownership undermines the capacity of citizens and institutions to share information and views and places media proprietors in a position to exert undue influence on public opinion and democratic processes.

¹ The Australian is owned by News Limited.
² For the purposes of this paper, ‘new media’ is confined to internet-based media and does not include other potential new sources of news and information such as mobile phones and digital television.
The *Broadcasting Services Act 1992* (Cwlth) (BS Act), is intended to guard against the risks associated with the monopolisation of media markets. To do this, the BS Act places restrictions on the concentration of ownership of the main types of media (radio, television and newspapers) in particular geographic areas through a system of licensing. The relevant provisions of the BS Act can be divided into two categories - concentration of control and cross-media (Bailey 1997).

The concentration of control provisions prevent a person from gaining control of a specific type of media in a market (for example, a person must not control more than two radio licences in the same licence area). The cross-media provisions restrict the capacity of a person to control two or more different types of media in a market (for example, a person cannot control a television licence and a radio licence in the same licence area, or control a television licence and a newspaper associated with the licence area of the television licence) (Bailey 1997). The object of these provisions is to prevent undue concentration in media ownership so as to ensure diversity of content and opinions in the public sphere (Brown 2000). For simplicity, we refer to these two sets of restrictions as the cross-media ownership laws.

Despite the operation of the BS Act, by OECD standards the Australian media industry is heavily concentrated (Brown 2000). News Limited and John Fairfax Holdings dominate capital city newspapers with more than 80 per cent of the market. In capital city radio markets, four companies dominate, while three corporations (Seven Network, Channel Seven and PBL) control the majority of capital city and regional television audiences (SECITALC 2002). Any relaxation of the cross-media ownership laws could result in a further concentration of media ownership, which would have repercussions for the integrity of Australia’s democracy.

3. **Patterns of media consumption in Australia**

Australians spend just over 50 hours (50hr 50 min) a week consuming media (Roy Morgan Research 2005a), which constitutes more than 50 per cent of average total leisure time (Productivity Commission 2005). Television occupies 44 per cent of total time spent on media each week, followed by radio (32 per cent), internet (14 per cent), newspapers (7 per cent), then magazines (4 per cent) (Roy Morgan Research 2005a) – see Figure 1.

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4 See BS Act, section 3.
The continued dominance of television, especially over the internet, can in part be explained by access. Data from the Australian Bureau of Statistics (ABS) show that 33 per cent of Australian households do not have access to a computer at home (ABS 2005). Similarly, only 56 per cent of households have home access to the internet (ABS 2005). In comparison, 99 per cent of Australian households have access to at least one television (Productivity Commission 2005).

The dominance of traditional media is even more pronounced when it comes to news and current affairs. Polling conducted in 2004 found that for 96 per cent of Australians, television, newspapers and radio are their main sources of domestic news and current affairs, with television being the most favoured source at 56 per cent. Only three per cent of people said that the internet is their main source of domestic news and current affairs (Roy Morgan Research 2004a) – see Figure 2.
Although domestic news and current affairs is of primary importance in the context of debates about pluralism in Australian democracy, these trends are consistent with those found in relation to international news and current affairs. Sixty-six per cent of Australians said they relied on television as their main source of international news and current affairs, with 17 per cent turning to newspapers and 11 per cent to radio (Roy Morgan Research 2004a) – see Figure 3. It would seem more likely that Australians would turn to the internet for international news than domestic news because of the greater range of choices and the advantages that overseas media providers have in reporting this information. However, only five per cent of people said the internet was their main source of international news and current affairs. In short, whether it is domestic or international news, Australians still rely overwhelmingly on traditional media, not the internet.
4. Media consumption in regional Australia

Media ownership is already more concentrated in regional areas than in urban areas, with many major regional centres having six media operators compared to 11 or 12 in cities such as Sydney and Melbourne (Lehmann and Lewis 2006). Under the Federal Government’s proposal, regional centres could be left with four media entities.

The tendency for people to rely on traditional media for news and current affairs is also more pronounced in regional areas. Thirty per cent of people in regional areas have never accessed the internet, compared with 21 per cent in capital cities (Roy Morgan Research 2004b). Moreover, 22 per cent of people in regional areas are heavy commercial television users compared to 18 per cent in capital cities (Roy Morgan Research 2004b) – see Figure 4. Similarly, there is also an 11 percentage point (29% Vs 18%) difference in heavy internet usage between capital cities and regional areas.

Figure 4 Heavy media consumption in capital cities and regional areas, per cent, by media type, 2004

![Graph showing media consumption in capital cities and regional areas]

* Heavy traditional media consumption refers to more than four hours of television or radio a day or reading more than seven newspapers in the last week.
** Heavy internet consumption refers to using the internet eight or more times in the last week.
Source: Roy Morgan Research (2004b) - survey of people aged 14 and over taken between October 2003 and September 2004 from 24,718 respondents.

These figures suggest that the diversity of information and opinions will be more negatively affected in regional areas than in capital cities if there is an increase in the concentration of media ownership as a result of changes in the regulatory framework.

5. Patterns of internet consumption in Australia

Most popular websites for news and current affairs

The Federal Government asserts that the repeal of the cross-media ownership laws will not negatively affect diversity of content and opinion in the media because of the proliferation of alternative sources of information, particularly the internet. However, as discussed in Section 3, only a very small proportion of people rely on the internet as their main source of news and current affairs. Further, the most popular sites for domestic news and current affairs are either controlled by traditional media providers or draw their content from traditional media sources.
In a survey conducted by Roy Morgan Research, 75 per cent of people were unable to specify a favourite site for domestic news and current affairs. It would seem likely that these people can be divided into two main groups: those who do not use the internet for domestic news and current affairs and those who use the internet very rarely and therefore cannot specify a site. This leaves only around a quarter of the population that regularly access the internet for this information.

According to Roy Morgan Research polling data, of the 25 per cent of people who do regularly use the internet to obtain news and current affairs, approximately 90 per cent of them rely on websites controlled by or, associated with traditional media sources – see Table 1 (Roy Morgan Research 2004a). The most widely used sites were Nine MSN, the Sydney Morning Herald site and the ABC site. (Roy Morgan Research 2004a).

Table 1 Most popular specified internet sites for domestic news and current affairs, per cent, 2004

<table>
<thead>
<tr>
<th>Internet site</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nine MSN</td>
<td>44</td>
</tr>
<tr>
<td>Sydney Morning Herald</td>
<td>14</td>
</tr>
<tr>
<td>ABC.net.au</td>
<td>10</td>
</tr>
<tr>
<td>News Interactive</td>
<td>8</td>
</tr>
<tr>
<td>Fairfax Digital</td>
<td>4</td>
</tr>
<tr>
<td>Yahoo.com.au</td>
<td>4</td>
</tr>
<tr>
<td>The Age</td>
<td>4</td>
</tr>
<tr>
<td>Via Google</td>
<td>4</td>
</tr>
<tr>
<td>CNN</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total answers</strong></td>
<td>120*</td>
</tr>
</tbody>
</table>

*Note: Percentages may not sum to a 100 due to rounding and because some people named more than one internet site.

Source: Roy Morgan Research (2004a) - survey of people aged 14 and over taken between 18 and 19 of August 2004 from 664 respondents.

As Table 1 shows, approximately 26 per cent of those able to nominate specific sites use ‘other sites’ as their most popular sources of internet-based news and current affairs. It is possible that some of these people are using independent sites such as

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5 Polling conducted by Roy Morgan Research between January 2005 and December 2005 confirms that the most popular websites for news in Australia are either controlled by traditional media providers or draw their content from traditional media sources (Roy Morgan Research 2006). It found that most popular sites for this information were Fairfax Digital, News Interactive, NineMSN and the ABC site. Crikey ranked sixth in the survey with 190,000 visitors, well behind the almost 1.2 million who relied on Fairfax Digital and 1.16 million who turned to News Interactive.

6 The NineMSN site is controlled by PBL, the Sydney Morning Herald, Fairfax Digital and The Age sites are controlled by John Fairfax Holdings Limited, the News Interactive site is controlled by News Limited, the CNN site is controlled by the Cable News Network (which is part of the Time Warner group of companies), and the ABC site is controlled by the Australian Broadcasting Corporation. Yahoo site obtains most of its domestic news and current affairs from Australian Associated Press (AAP), which is owned by News Limited, John Fairfax Holdings Limited, West Australian Newspapers Pty Ltd and the Harris Group.
web logs that do not rely on traditional media providers for the majority of their content. However, given the nature of existing websites that provide news and current affairs, it seems likely that a significant proportion of this group are using sites that have some affiliation with traditional media sources (this is discussed in more detail below).

Some inferences can be drawn from this data. As noted, only three per cent of Australians rely on the internet as their main source of domestic news and current affairs. Moreover, of all internet users who specify a website for news and current affairs, 90 per cent identify websites associated with traditional media providers. Given the consumption patterns of all internet users it is unlikely that more than one per cent of Australians rely on an alternative provider as their main source of domestic news and current affairs.

These conclusions are supported by the results obtained in relation to people’s internet habits concerning international news and current affairs. Again, the Roy Morgan Research survey found that the most popular sites for international news are either controlled by traditional media providers or draw their content from traditional media sources – see Table 2.

Table 2 Most popular specified internet sites for international news and current affairs, per cent, 2004

<table>
<thead>
<tr>
<th>Internet site</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nine MSN</td>
<td>40</td>
</tr>
<tr>
<td>Sydney Morning Herald</td>
<td>13</td>
</tr>
<tr>
<td>ABC.net.au</td>
<td>10</td>
</tr>
<tr>
<td>News Interactive</td>
<td>5</td>
</tr>
<tr>
<td>Fairfax Digital</td>
<td>3</td>
</tr>
<tr>
<td>Yahoo.com.au</td>
<td>5</td>
</tr>
<tr>
<td>The Age</td>
<td>5</td>
</tr>
<tr>
<td>Via Google</td>
<td>8</td>
</tr>
<tr>
<td>CNN</td>
<td>5</td>
</tr>
<tr>
<td>BBC</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>25</td>
</tr>
</tbody>
</table>

**Total answers** 123*

*Note: Percentages may not sum to a 100 due to rounding and because some people named more than one internet site.

Source: Roy Morgan Research (2004a) - survey of people aged 14 and over taken between 18 and 19 of August 2004 from 664 respondents.

Approximately 86 per cent of respondents identified websites that are associated with traditional media providers as their most popular sources of internet-based international news and current affairs, with Nine MSN, the Sydney Morning Herald site and the ABC site being the most widely used.
Blogs and alternative news sites

The growth of the internet has prompted the emergence of a small number of alternative sources of news, current affairs and other political information, the most notable domestic examples being Crikey, Online Opinion, New Matilda and Australian Policy Online. These sites all provide a forum for dialogue and the exchange of opinions and policy analysis, but Crikey also reports breaking news stories. In some respects, the content of the opinion forums is dictated by traditional media sources, as a significant proportion of the discussion on these sites relates to news and current affairs that is reported elsewhere. Yet, although they are partially reliant on traditional media providers, these sites are important forums for the exchange of information and opinions on political issues.

Web logs, or blogs, are another potential new internet-based source of news and information. Reliable data on blogs is lacking. However, as with other internet opinion forums, it appears that the content on many domestic blogs is often sourced from traditional media providers or influenced by mainstream sources. A number of popular blogs are also maintained by people who work for, or have a close association with, large media proprietors. Tim Blair, who is employed by The Bulletin, is a case in point. Considered one of the most popular bloggers in Australia, he is assistant editor at The Bulletin and much of the information on his site is directly sourced from the traditional media. Others, such as John Quiggin, also a regular contributor to the Australian Financial Review, comment primarily on news already in the mainstream news cycle.

Both blogs and online opinion sites do provide a useful forum for people to express opinions and analyse policy and political issues. However, very rarely do they act as alternative news gatherers and breakers. Further, only a small proportion of the population appears to access regularly these sites for news and current affairs. In a survey conducted by Roy Morgan Research that asked people which source they turn to first for breaking news on events in Australia, 61 per cent of respondents answered television, followed by radio (18 per cent), while less than one per cent answered internet blog sites (Roy Morgan Research 2005b). These results are consistent with those reported above in relation to people’s access to the internet and their preferred sources of news and current affairs. In addition, the content of these blog and opinion sites is heavily influenced by the information reported by traditional media providers, which reflects the nature of the news gathering process.

News gathering is expensive and labour intensive, often requiring contacts with individuals in government and non-government institutions that take years to develop. These characteristics of the business make it very difficult for new media providers to successfully compete with the established media proprietors.

6. Implications

There is no evidence to support the argument that Australia is ‘at the dawn of the greatest era of pluralism in our history’, nor is there any evidence to support the argument put forward by the Federal Government and major media proprietors that the rise of new media, particularly the internet, is precipitating a range of alternative

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7 See Martin (2005).
media sources that large numbers of Australians are using to receive information and opinions on political issues. The overwhelming majority of Australians still obtain their news and current affairs from traditional media sources.

Television, newspapers and radio are still the main source of domestic news and current affairs for over 95 per cent of the population. By comparison, only three per cent of people say the internet is their main source of this information.

These findings are supported by the evidence about people’s habits concerning international news and current affairs. Approximately 94 per cent of Australians rely on television, newspapers and radio as their main source of international news, with five per cent turning primarily to the internet.

Adding weight to the argument that the internet contributes little to pluralism in Australia’s democracy is the fact that even when people do access the internet for information on political issues, they rely on sites that are either controlled by traditional media providers or draw their content from traditional media sources. Statistics compiled by Roy Morgan Research show that around 25 per cent of the population regularly use the internet for domestic news and current affairs, but that 90 per cent of these users rely on a small number websites that have a close association with traditional media providers. In all, it is unlikely that more than one per cent of the population rely on a non-traditional source for their domestic news and current affairs.

Whether media is new or old, digital or analogue, is irrelevant in the context of concerns about pluralism if the information provided to consumers is sourced from the same media provider. Far from undermining the rationale for the existing cross-media ownership laws, the permeation of the traditional media players into new media markets such as the internet, reinforces their value. News gathering is an expensive and time consuming process. Hence, to date, new service and delivery platforms have mostly sought to extend the economic advantages of the established media entities rather than providing a forum for new media providers that is capable of undermining the dominance of the old.

The patterns of media delivery, consumption and ownership will change in the future and may result in a more diverse public sphere. However, at present, the internet is incapable of ensuring plurality in Australian democracy. Too few Australians access it for their news and amongst those that do, the overwhelming majority rely on a repackaged form of the mainstream news. Consequently, repealing the cross-media ownership laws will risk a further concentration of an already concentrated media sector, thereby threatening the integrity of our political system.

These concerns appear to be widely held in the Australian community. A Newspoll survey conducted in 1995 explored this issue, asking whether respondents thought it is important that ‘there should be a lot of different proprietors of Australia’s media’. Seventy eight per cent of respondents thought it was important, with support for this view being fairly consistent across age groups and socio-economic status (Newspoll 1995). Similarly, according to the Senate Inquiry into the Broadcasting Services Amendment (Media Ownership) Bill 2002, which considered loosening the cross-media rules, the submissions:

The Australia Institute
contained almost no support from members of the general public, staff associations or consumer groups. Almost all of the support for the Bill came from media proprietors only (SECITALC, p. 49).

It seems that the former Prime Minister and architect of the existing laws, Paul Keating, was correct when he remarked that ‘policy changes of this kind are always sold on phoney arguments and an almighty sleight of hand’ (Keating 2005).
References


The Future of Journalism
 Address by John Hartigan
 Chairman and Chief Executive, News Limited
 National Press Club, Canberra, Wednesday July 1, 2009

Embargoed until 1.30pm July 1, 2009
Check against delivery.

Thank you and good afternoon.
My name is Pollyanna.
I’m here to tell you about the bright future facing journalists, particularly newspaper journalists.
I realise my proposition is wildly out of whack with accepted wisdom – that we are doomed.
I’m here to celebrate the future of journalism. Not to consign it to the analog archive.
It’s true we are in the midst of the most traumatic and uncertain transformation in our history.
But I see some strong and encouraging trends for the future.
Newspapers can adjust to the digital age, adapt their business models and continue to reach mass audiences.
What it will take is a complete rethink of the very essence of what is “news”.
We have never been challenged as we are now, to justify why someone should pay for our content.
I believe people will pay for content if it is:
- Original...
- Exclusive...
- Has the authority
- and is relevant to our audiences
Journalism that doesn’t help people live their lives is going to be a low value commodity.
Media companies and journalists willing to embrace these challenges will thrive.
To some of you, that probably sounds like motherhood.
But, let’s test these ideas.
How many journalists in this room have written a story recently that was original, exclusive, highly relevant and genuinely useful to your audience?
I’m not saying there haven’t been stories like this. But, there have been too few. And I reckon it’s much the same in general news, business and sport, even the lifestyle sections. Newspapers in the US are disappearing left, right and centre. Fewer papers are being sold and in my view it’s because many of them are largely boring and irrelevant to their readership. Their content is ubiquitous rather than unique. Within a year, some people are predicting that Los Angeles, Boston, Detroit, San Francisco or even Miami will become the first major US city without a daily newspaper. The LA Times, Chicago’s Tribune and both dailies in Philadelphia are bankrupt. The New York Times is close to bankruptcy. Losses in the first quarter were more than 70 million dollars. The Washington Post lost 54 million. The Boston Globe almost went under last month until unions agreed to pay cuts averaging 10%. Last year, more than 15,000 people lost their jobs in American newspapers - the biggest drop since the industry census began 30 years ago. In the first four months of this year, a further 9000 jobs have gone. The number of journalists on American newspapers is now at the lowest level in 25 years. Back then, American newspaper sales peaked at 63 million copies a day. Sales are now at 34 million. Readership has also almost halved over the same period. US newspapers are failing to adapt to the digital age. Their managements and editors have a lot to answer for. As well as massive cuts to journalism, there has been very little investment in innovation, in colour capacity, in new sections and new content. Across the Atlantic, British newspapers also face significant challenges. In the UK last year, almost 400,000 people stopped buying a national daily. Circulation of the national dailies is down 13% in 5 years – that’s a loss of 1.6 million copies a day. The once mighty English Sundays have lost 23% over the same period – a staggering 3.3 million fewer sales every week. It has been assumed, without any rigorous scrutiny, that Australian newspapers will go the same way as their US and British peers.
Some say the trends are the same; we are just a year or two behind. Frankly, I’m dismayed at how many Australian journalists seem to accept this. Some are even willing to stick their byline on this opinion. I mean, at its most basic, it’s just bad reporting. There’s almost no evidence. For starters, newspaper ad revenue in Australia has been growing – not declining over the past 5 years as it has in the US and the UK. Even in the past year, the decline in ad revenue in Australia is a fraction of what’s been happening overseas. The falls in circulation and readership here are very modest compared to American and British papers. In the latest Australian audit, when you’d expect a big drop, overall sales were flat. Readership in Australia has been relatively stable over 10 years, but, as I said earlier, it’s been decimated in the US and the UK. The whole structure of our industry is different – we are far less reliant on classifieds. In the UK there are simply too many newspapers. In the US, newspapers haven’t kept up with television as a source of news, especially local news. In Australia, newspapers are very strong locally. Readership is highly concentrated in metro areas where we deliver much better mass market reach for advertisers. In Sydney, the Herald and the Telegraph reach almost 60 per cent of available readers. But in New York, the Daily News and the Post reach only 35%. In London, The Sun and the Daily Mail reach a bit less than that. This superior reach is one reason why Australian newspapers account for 35% of all ad revenue but American newspapers account for less than a quarter. That explains the business case to some extent but what about the journalism? If I had a Power Point presentation I could summarise this whole speech with two points on one slide. :

- One. If you want to attract readers, break stories people want to read.
- Two. Give them something they can't get anywhere else, make it relevant and useful and let them get involved.

There are plenty of examples. The British MP expenses scandal has sold an extra million copies of the UK Daily Telegraph since the story broke in May.
It wasn’t simply because the Telegraph paid for a leak.
It assigned dozens of people to the story, spent weeks preparing its coverage and had a brilliant strategy for breaking and then staying in front of the story.
It broke it online and then really went to town in print.
Without question, the moral authority of the paper and the depth and quality of its coverage made it a story that only a newspaper could own in this way.
I know that stories like this don’t come along that often.
In Australia we had the Victorian bushfires. It wasn’t exclusive to News obviously. But our coverage was unique.
We sold an extra half a million newspapers in the week following Black Saturday. Our website traffic more than doubled.
We took an entirely different approach with this story.
We used resources from every newsroom in the country. Online staff in Brisbane helped the masthead team in Melbourne moderate the tidal wave of public contributions. Our editors across the country sent writers and photographers to work with Herald Sun staff on the ground.
This gave us more manpower than any other media outlet.
But, what drove readership and web traffic was the content.
Readers embraced the opportunity to sign online condolence books and write tributes to victims. We set up online forums so readers could search for news of those lost and those rescued. They told us miraculous stories of those who cheated the flames and heartbreaking accounts of those who didn’t.
Who can forget the images of the fireman sharing his water bottle with the Sam the Koala, perhaps the iconic image of the tragedy?
The images that appeared on television around the world carried the water mark not of Seven, Nine or Ten but of heraldsun.com.au.
The fires were an example of how journalism should directly touch readers and not always remain detached on the sidelines.
Alongside traditional reporting from the scene, we had incredible eyewitness accounts from readers, including amazing pics and video.
Three weeks later, we published a book which immediately became the number one non-fiction best seller with every cent going to fire victims.
Some other examples are worth mentioning.
Again, it’s all about the journalism.
The Australian relaunched its business section online last June. We hired people, spent some serious money.

Since then unique visitors to the site have more than doubled. Page impressions have increased seven fold. Advertising revenue has already recouped the investment.

In April, we launched Taste.com.au, a new food lift-out in our metro dailies, to complement the successful website.

The Taste site already had 150,000 members. Traffic went up almost 20% in the first month after the newspaper launch. In May, almost 600,000 recipes were printed by readers. Not just downloaded, printed. Since January, 6 million recipes have been printed from the site.

Incredibly, this tells us what Australia has for dinner, on what nights of the week. Pumpkin soup is very big on Tuesdays.

This is an incredibly powerful proposition to take to an advertiser.

But, as journalism, it absolutely nails the criteria I mentioned earlier. The content is original, it’s exclusive and people actually use it.

As some of you may know we are completely reinventing our features coverage with new national sections in-paper and online.

One of them is travel.

Up till now travel journalism has been junket journalism. The airline with the best trip, the resort with the best room, gets the cover. It’s voyeurism but it’s not value.

Instead of the same old destination stories we intend to give readers information that helps them research their next holiday and the tools to book and pay for it. Just by reading the newspaper or visiting the site.

In the past year The Wall Street Journal lifted its cover price and circulation went up 3 per cent. Traffic to the Journal’s website has doubled in 18 months - to 23 million unique visitors a month.

A large number of them are paying for customised premium content.

The Journal is not achieving these numbers by sacking journalists. It’s been hiring them.

So, whether its business, travel, food or major news stories I can’t subscribe to the view that newspapers don’t have a future.

Even so, every day, there’s a new study, another story or latest survey telling us how newspapers are dying under the weight of online journalism.

So it’s worth examining what’s happening.

Obviously plenty of people are reading journalism online. But is it any good and what will make people pay for it?
The most profitable sites, in fact the only ones making serious money are the sites that aggregate news, like Google and Yahoo. They pay nothing for content produced by newspaper journalists but make money by supplying it in easily searchable forms online. The major media outlets have encouraged them to take a free ride on our content. It’s called search engine optimisation. And when we started our own sites, we didn’t charge anyone to read them, even though the content is produced at massive cost. The problem is, an online reader generates about 10% of the revenue we can make from a newspaper reader. So, for every reader we lose from the paper we need to pick up 10 online. Then there are the news commentary sites, like The Huffington Post, Newser and the Daily Beast and in Australia sites like Crikey and Mumbrella. Most of the content on these sites is commentary and opinion on media coverage produced by the major outlets. These sites are covered in links to wire stories or mainstream mastheads. Typically, less than 10% of their content is original reporting. The sites that produce a high proportion of original content aren’t making a profit. Almost anyone can start one of these sites, with very little capital, no training or qualifications. Then there are the bloggers. In return for their free content, we pretty much get what we’ve paid for - something of such limited intellectual value as to be barely discernible from massive ignorance. Andrew Keen in his book The Cult of the Amateur cites Hurricane Katrina as an example when: “reports from people at the scene helped spread unfounded rumours, inflated body counts and erroneous reports of rapes and gang violence in the New Orleans Superdome – all later debunked by mainstream news media”. Citizen journalists, he says, simply don’t have the resources to bring us reliable news. They lack not only expertise and training but access to decision makers and reliable sources. The difference, he says, between professionals and amateurs is that bloggers don’t go to jail for their work – they simply aren’t held accountable like real reporters. Like Keating’s famous “all tip and no iceberg”, it could be said that the blogosphere is all eyeballs and no insight.
As Robert Thomsen of The Wall Street Journal says:
“the blogs and comment sites are basically editorial echo chambers rather than centres of creation”.
“and their cynicism about so-called traditional media is only matched by their opportunism in exploiting it”
One of the best known comment sites in Australia matches this identikit.
It started as a moralising soapbox; boasting about its lack of standards. Positioned as an underdog, it lectures mainstream media every day.
In the blogosphere, of course, the mainstream media is always found wanting.
It really is time this myth was blown apart.
Blogs and a large number of comment sites specialise in political extremism and personal vilification.
Radical sweeping statements unsubstantiated with evidence are common.
One Australian blogger who shoots first and checks facts later is proud to boast that his site is “Not wrong for long”.
Mainstream media understands, most of the time, that comment and opinion is legitimised by evidence.
Opinions, however strongly held, draw their legitimacy from the factual accuracy that underpins them.
Many of these sites and bloggers say their radical new approach is a modern form of participatory democracy.
But as Andrew Keen says, amateur journalism trivialises and corrupts serious debate – it degenerates democracy into mob rule and rumour milling.
Most online news and comment sites don’t generate enough revenue to pay for good journalism.
Good journalism is expensive.
The Huffington Post recently announced it will spend 1.75 million US dollars on a new investigative journalism unit to produce original content.
But it is not being funded by subscribers or advertisers, it’s being bankrolled by philanthropy.
Earlier this year an argument was mounted for public funding of quality journalism. The argument is that as traditional media revenues dry up, there won’t be enough money to support the kind of important journalism our society needs.
Our job is to tell many people what few people know. That takes lots of resources – newsrooms of two and three hundred people. If we can’t afford them, important stories won’t get told.
It might mean that those in power and those with influence can avoid the scrutiny and accountability that keeps them in check.

However, the argument that public funding might be the answer here in Australia is embroidered with the notion that in Australia today, quality journalism – some commentators call it public trust journalism – is only produced to any significant degree in just three places. The ABC, Fairfax and The Australian.

There is no doubt that these outlets produce some very good journalism – at times, great journalism.

But, it’s just crap to argue they are the only ones.

It’s a notion, frankly, that says quality has nothing to do with relevance. Or that popularity is always just populist.

Take this list of important stories of recent years.

- John Howard’s leadership promise to Peter Costello
- Marcus Einfeld’s downfall
- Bundaberg Hospital’s trail of death
- Tougher restrictions on P Plate drivers
- New laws that mean rape victims don’t have to give evidence in open court

These stories had two things in common.

First, they had serious impact and influence – on everything from a change of government, to the conviction of criminals to new legislation.

Second, they were all broken by tabloid newspapers.

Tabloids have also run most of the important campaigns in recent years. Perhaps the best, was the Sunday Herald Sun’s campaign that led to an incredibly expensive breast cancer drug being listed on the Pharmaceutical Benefits Scheme.

It meant the women who needed it could afford it – potentially saving their life.

Great press campaigns shape new laws and change history. They build a bridge between public opinion and public policy.

But, according to some, if the headline type is too big and the page size too small, they don’t qualify as quality journalism.

In recent years many of the most important national stories were the fruit of time-consuming, expensive, painstaking investigative journalism, predominantly by The Australian.
Stories like:
- The Australian Wheat Board scandal
- Children Overboard
- Mohammed Haneef and
- the tragedies on Palm Island and at Arakun

It is no coincidence The Australian broke these stories and produced coverage of national significance and impact. Because The Australian has made the biggest investment in journalism of any paper in the country.

To labour the point, most people turn to newspapers when something big is happening. The global financial crisis is another example.

The transparency in our financial markets didn’t come from laws like Sarbanes Oxley or the good corporate governance principles set down by the ASX.

What we know about the GFC is because newspaper reporters did the hard yards.

A new stock exchange study shows that more investors rely on newspapers for market information than any other source – and that their use of newspapers increased 20% in the past 2 years.

This isn’t a coincidence either. It’s due to the significant investment in business journalism. It is why newspapers like The Australian, the Wall Street Journal and The Economist are enjoying growing circulation and readership, and are able to charge more for their content – all at odds with wider industry trends.

The future of journalism won’t depend on bloggers, comment sites, Google or Yahoo. It will depend on how well newspapers like the three I’ve just mentioned adapt to the digital age.

Absolutely central to this will be:
- the skills and integrity of the journalists
- their passion and curiosity
- their capacity to understand their readers
- and their willingness to serve them.

Which brings me finally to the future of journalism being the journalism itself

Demand for news – in print and online – is much larger than it was for print on its own.

In the past year, the Beijing Olympics, the Obama’s election, the GFC, the bushfires, the British expenses scandal and Michael Jackson’s death have all shown how large the audience can be for big stories with huge consequences.

I believe the appetite for quality news and information will grow dramatically.
People will pay for it if it is good enough.
By good enough I mean that it will have to be:
- well researched
- brilliantly written
- perceptive and intelligent
- professionally edited
- accurate and reliable.

This is not the territory in which aggregator sites or amateur bloggers will do well.
This is the natural terrain of the well trained, professional, experienced, clever journalist.
Knowing a little about a lot used to be OK in journalism. Not any more. I think we are going to see an upsurge in recruitment of highly educated people with specialist knowledge to fill our newsrooms.

In my future world view, good journalists will be very well paid, valued by their readers, and the envy of their colleagues.

And these journalists will want to work for well resourced, well organised media companies with deep pockets, and plenty of conviction about editorial independence and the social and economic value of good journalism.

The real threat to our viability is our own complacency and unwillingness to change.

The monopolies and oligopolies are gone - we now have to compete for audiences we once took for granted.

Instead of paying lip service to our audiences we need to listen to them and respond constructively to what they want.

Instead of following the pack, we now have to differentiate our content – into something someone will pay for.

So, how do we do this.

Editors and reporters need to change the way they think.

The internet is not the enemy of newspapers. It is a medium on which great journalism can reach a larger audience.

The willingness of readers to pay for it will depend on the quality of the content.
As I said at the beginning quality will be defined as content that is:

- Original
- Useful
- Unavailable elsewhere
- And Relevant

If I could see a show of hands - is there any journalist in this room who hasn’t heard of The Punch?

The Punch has taken off like a rocket since it was launched in May – our target was to achieve traffic of 80,000 users in the first month. It’s actually achieved almost 200,000.

I know it’s early days. But I think the success of The Punch is because it’s different; it’s surprising, it’s entertaining and it’s relevant.

It’s a pretty big investment in something completely new in Australian journalism.

If anybody thinks what newspapers currently produce in print and online is the pinnacle of what is possible they are fooling themselves. And if any journalists or editors think what we do now is as good as it gets they need to find alternative careers.

At the risk of annoying some of my senior executives let me pull up the blinds a little to show you what is going on inside News Limited.

Everything you have read about News Limited to this point - subbing centres in Brisbane, changes to the way we produce features, the integration of our print and online newsrooms - are simply clearing the decks for the major changes that will create journalism 2.0.

Our newsrooms have completely changed their structures and schedules to embrace multi-platform journalism.

The discussions about whether stories should be held for the paper or published immediately are consigned to history.

We have at least three separate teams around the country investigating real paid online content options and another looking at newspaper opportunities.

In the digital age all information is theoretically available to everyone for the first time in history. The journalism that will thrive is journalism that helps people find what they want to know and helps them to do something about it.

We will need to offer much more specialised expertise on a wider variety of subjects than we have in the past.

Newspapers don’t change much from year to year. I envisage quite radical changes much more frequently.
We will do more research to track what people want and discard what they don’t – just like television networks change their schedules if a show doesn’t rate.

The concept of a newspaper subscription will change completely. Instead of throwing a paper over your fence we will offer you:

- a much more sophisticated package of print and electronic content
- incentives for loyalty
- and tools that allow you to conduct transactions with our advertisers.

We will make our content suitable for the next generation of smart phones – devices that are still in their infancy with potential to deliver news, information, entertainment and shopping in HD with full interactivity.

The old parish pump reporting on local news will be reinvented as hyperlocal coverage of real time events such as

- Where to find the cheapest petrol
- How to avoid roadworks and traffic jams and
- The best retail offers available in your suburb that day

You will even be able to evaluate the performance of local schools, unless of course you live in New South Wales.

I see coverage of politics, courts and crime changing dramatically - with less of the adversarial conflict we report now to coverage that gives readers more insight about the issues .

The interests of the silent majority will be much more comprehensively represented.

I see changes in the news mix – less of the negative stuff and more content that inspires, surprises and delights readers, more humour, more escapism.

We have been imprisoned by traditional news judgment. Too often, things we think are important are far removed from what people say they want to know.

To give you one example, most people in my view are well and truly bored with the politics of politics. If ever opinion polls showed this, it was at the start of this week.

We need to do a much better job of addressing our credibility in the wider community.

We need to become stronger advocates for the social value of what we do, and more prepared to correct and apologise for our mistakes.

We will simplify people’s lives – alleviating the problem of being time poor and burdened with choice.
Great journalism will:
- tell the reader something they didn’t know
- tell them something they need to know
- listen to the reader and answer their questions
- inspire and entertain them
- give them what they need to make decisions
- and equip them to act on those decisions

And, at the same time, great journalism will continue to
- protect the readers interests and defend their rights
- and hold those with power and authority to account

People pay now for important stories, told well, by professionals they trust. I don’t see that changing.

But I do see radical changes in what those important stories are, how they are told and the platforms on which they are delivered.

Like every other media company in the past year, News has been making major changes in its newsrooms.

In fact we are completely transforming our business.

Every conversation we have about changing what we do doesn’t start with a discussion about cutting costs, it starts with a discussion about better journalism.

And the most important person in that conversation is not the editor or the journalist but the reader.

Thank You.

End.

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