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TITLE: Traditional media still the one

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PUBLICATION: OnLine Opinion & Green Left Weekly

PUBLICATION DATE: 26/06/06 & 16/10/06

LINK: <http://www.tai.org.au/?q=node/9&pubid=200>

The Federal Government's plans to repeal the cross-media ownership laws are due before Cabinet in the next few weeks. There is little doubt they will get the tick of approval and then slide through parliament - thereby ensuring greater concentration of media ownership and a loss of diversity in Australia's media.

The government's case for removing the laws is based, at least in part, on the belief that we "are in a new age of pluralism" brought on by the rise in new media sources. According to the government and its big media allies, the Internet will protect media diversity.

But as a recent study by the Australia Institute shows, despite the rising popularity of the Internet, as little as one per cent of Australians actually rely on non-traditional media sources for their news.

In fact 75 per cent of the population never or rarely access the Internet for domestic news and current affairs, and of those who do, 90 per cent rely on a small collection of websites that have a close association with traditional media providers.

Part of the reason is access. While 99 per cent of Australians have access to at least one television, 33 per cent of households do not have a computer and 44 per cent do not have Internet access. It is worse in the bush where an estimated 30 per cent of people have never accessed the Internet.

Senator Coonan has hung her hat on the argument that the emergence of new players and content necessitates reform of the regulatory environment. She is strongly backed by the likes of Publishing and Broadcasting Limited and News Limited. Media mogul Rupert Murdoch has even predicted the end of the "media baron" as the Internet and other technologies transform the media landscape. We could be waiting a long time.

Not only do a large proportion of people not have access to the Internet, but the vast majority of popular new media sources are controlled by the big media players. For example, the most popular Internet sites (in Australia) for news are currently Nine MSN and the *Sydney Morning Herald* site. Far from undermining the rationale for the existing

cross-media regulations, the permeation of the traditional media players into new media markets, such as the Internet, reinforces their value.

This should come as no surprise. News gathering is a labour intensive process that is expensive and slow. Hence new services and delivery platforms largely extend the reach of the established media entities rather than provide a substantial new market for different players.

Many commentators point to the growth in web logs, or “blogs”, as an indication of how the Internet is spurring a plethora of new media sources. However, survey of some of Australia’s more prominent blogs reveals that their content is generally either sourced from traditional media or indirectly influenced by the mainstream news cycle.

Popular blogger Tim Blair is a case in point. He is assistant editor at *The Bulletin* magazine and much of the information on his site is directly sourced from the traditional media. Others such as John Quiggen, also a regular contributor to *The Australian Financial Review*, primarily comment on news already in the mainstream news.

There are exceptions like *Crikey!*, a daily subscription email service, that also posts news on its Internet site. Others such as *On Line Opinion*, *New Matilda* and *Australian Policy Online* also provide news and a forum for dialogue in the same way blogs have done. But these sites rarely break news, and apart from *Crikey!*, are largely relied upon for discussion of news rather than as a source of it.

The media proprietors are the major drivers behind the decision to reform the existing rules. They stand to benefit greatly from the changes and have been pushing them for the better part of 15 years. In submissions to the 2002 Senate Inquiry into Media Ownership, the only supporters of the proposals to axe the existing arrangements were the big media players.

Not surprisingly, the Federal Government has now succumbed to their pressure, forming an unholy alliance that threatens the future of media diversity in this country.

The Australian media is already heavily concentrated by OECD measures and the government proposal would only make it worse. Removing the cross-media laws would lead to a carnivorous feast until the lions of the industry have more than a lion's share.

Media diversity will always be tied to diversity of ownership. It is time the government caught on.