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**TITLE: When the powerful buy into the media, can the media still scrutinize the powerful?**

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The mining industry is used to having its voice heard in Australian public debates, so it should come as no surprise that mining billionaires such as Gina Rinehart and Clive Palmer would consider buying up a bigger slice of the Australian media.

While the estimated \$20m spent by the mining industry on television advertisements opposing the introduction of a mining tax was the most visible example of the industry's determination to influence the public it is, in fact, just the tip of the iceberg.

The problem for those interested in old-fashioned ideas like representative democracy and the development of policy in the national interest is that the mining industry has demonstrated, very clearly, that some sectional interests in Australia effectively have a veto over policy they don't like the sound of.

Very few economists dispute the fact that a well designed mining tax would transfer huge amounts of money from those who extract resources to those who actually own them, that is, the citizens of Australia. And very few pollsters dispute that the public believes miners can and should be asked to pay more to extract our natural resources.

But despite having the public and the policy elites on side, the Rudd Government failed spectacularly to introduce its proposed mining tax. Julia Gillard's first act as Prime Minister was to negotiate a deal that the big miners could live with, a deal which collected \$100 billion less than the original plan.

A similar story recently played out in relation to the proposed reform of poker machines in Australia. Repeated inquiries from bodies as radical as the Productivity Commission have developed a comprehensive reform agenda which is backed by a majority of the population and then committed to in writing by the Prime Minister. Until the multi-billion dollar gambling industry ramped up its public and private campaign that is.

One of the main fronts in these policy battles is “jobs”. Despite a long history of job shedding and off-shoring, big business in Australia has done a remarkable job of presenting themselves as being primarily concerned with job creation. Government policy, we are told, will typically destroy jobs while leaving businesses alone will create them. The media has played a major role in perpetuating such a view.

A recent survey by The Australia Institute found that the average Australian thought that 16% of the Australian workforce was employed in mining when, according to the Australian Bureau of Statistics the actual figure is 2%. This 800% perception gap is a result of a ten year PR strategy by the miners to describe themselves as big employers who contribute enormously to the prosperity of most communities.

The business pages of our major dailies have often acted as a cheer squad for the mining industry’s determination to extract as much as it can as quickly as it can. Australia has a bigger share of the world’s traded coal market than the Saudis have of the world’s traded oil market; but while the Saudis think the way to get rich is to restrict supply, it is now common sense in Australia to accept that the way to get rich is to sell as fast as we can. Could it be that foreign owned mining companies are not acting in Australia’s interests?

It is rare that such questions were taken seriously by the Australian media even before Gina Rinehart bought a major stake in Fairfax to accompany her share of Ten Network Holdings, where she now sits on the board.

The mining industry has been working hard, and successfully, to manipulate the Australian media. Relatively small projects are breathlessly described as \$50 billion projects by simply adding up the total sales over the next 40 years. If you added up Woolworths’ projected sales over the next 40 years you would get an even bigger number, but why would you? You could say that someone who earns \$50,000 per year will be a millionaire over the next 20 years but, again, why would you?

The media can and does play an important role in democracies. It provides both scrutiny and platforms for those who seek to influence the nation. But that role is becoming both harder and more contestable.

Newspapers in particular are struggling financially, in part because of online competition for breaking news but mainly because of online competition for the once lucrative classified advertising markets. A quick look at the number of private advertisements for cars in a Saturday newspaper will give you a good idea about the scale of the changes that have occurred with the ads typically making it from A for Audi to V for Volkswagen in less than half a page.

The contest over the role of newspapers is as tough as the fight for advertising revenue. Should newspapers be “campaigning” for or against particular change or should they be reporting “just the facts”? Opinions obviously differ.

A recent blogpost in the United States created an outcry when the New York Times asked its readers whether or not the paper should check the claims made by politicians before they reported them. It is an understatement to suggest that most readers were apoplectic that the question was even asked.

But the responsibility to inquire into, and speak out concerning the truth does not rest solely, or some would say at all, on the shoulders of the media. Academia, the public service, civil society and the courts all have a role to play in keeping our national debates centred on the national interest rather than the self interest of powerful industries or groups.

Unfortunately, just as the media claim that tight budgets and shorter deadlines impede their capacity to inquire and question so too do many academics, community organisations and public servants raise similar issues. The courts, on the other hand, have simply never been a level playing field for settling disputes between the wealthy and the majority.

The prospect of mining magnates buying up large slices of the Australian media has understandably made many citizens anxious about the future of public debate in Australia. But the real issue is not whether Gina Rinehart should be able to buy shares in a media company. She is not breaking any laws and has done nothing to suggest she would be a better or worse proprietor than Rupert Murdoch, Kerry Packer or Conrad Black.

The real issue is how, if at all, Australians want to limit the capacity of those with the greatest wealth to influence what the rest of the country sees, hears and reads.

If we decide we do not care who owns the media and how much a vested industry can spend to protect its interests, then we need to consider how much, if at all, we want to buttress our universities, community organisations, the public service and the courts against that same kind of influence.

We seem to take for granted that businesses can spend \$20m, tax deductible, buying blanket TV ads for their cause or \$200m for a slice of a media empire but should the same sorts of money be able to buy you a university centre or a community organisation?

At a time in which the mining industry is more profitable than any time in history, public resourcing of higher education, public broadcasting and the community sector is at historical lows. Ironically these groups are often encouraged to go and seek commercial sponsorships, or more politely, commercial partnerships, from the same industries whose influence the public is concerned about.

While all votes might be equal, the bank balances of Australians clearly never have been and never will. Russia provides an extreme case study in the possibilities for enormous wealth to purchase enormous political support. Australia's democracy is far more vibrant and robust than Russia's, but the ability of corporate money to purchase political influence is clearly greater today than it has been.

Gina Rinehart's purchase of a large parcel of shares in Fairfax has led to a wide ranging debate about who should own the media but, perhaps unsurprisingly, it has resulted in far less debate about how it is that so much of Australia's natural resource wealth has been allowed to accumulate in the hands of so few people. Deciding who can or cannot own a media enterprise will never be easy in a democracy. Perhaps surprisingly, it might be easier to redistribute our wealth than to distribute the right to own a newspaper.

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