

Centre for Media Transition



Hi there

In this newsletter, Hamish Boland-Rudder from the International Consortium of Investigative Journalists (ICIJ) gives insights into [the FinCEN Files](#), this week's bombshell exposé revealing how banks have been enabling drug cartels and arms traffickers to clean their money. We're also pleased that Anna Draffin, CEO of the Public Interest Journalism Initiative (PIJI), spoke to us about new research into [tax rebates for producers of public interest journalism](#).

What's more, 'Derek Wilding discusses the current review into 'choice and fairness' within the telecommunications industry, and the need for a more holistic regulatory future; Anne Kruger gives an alarming update about coronavirus misinformation in Tasmania; and PhD candidate Tim Koskie discusses the important role that comments on news stories play in a healthy news ecosystem.

We may not have all the answers for how to save public interest journalism, but hopefully we're asking the right questions.



Sacha Molitorisz
CMT Postdoctoral Fellow

Dirty money meets dogged journalism

The International Consortium of Investigative Journalists (ICIJ) dropped its latest global investigation this week, exposing how banks help move dirty money for drug cartels, corrupt regimes,



Image credit @ICIJ

arms traffickers and other international criminals — and how a broken enforcement system perpetuates business as usual.

The [FinCEN Files](#) investigation draws on a cache of secret financial intelligence reports, including more than 2,100 suspicious activity reports, or SARs, filed by global banks to the United States

Treasury Department's intelligence unit, the Financial Crimes Enforcement Network, known as FinCEN.

The documents were obtained by [BuzzFeed News](#) and shared with ICIJ, which brought together a collaboration of more than 400 journalists from 110 media outlets based in nearly 90 countries, including ABC's *Background Briefing* and *7.30* programs here in Australia.

The findings expose – from the inside – the consequences of allowing banks themselves to lead the world's anti-money laundering defences against kleptocracy, crime and terror, even as they earn huge profits from these same malefactors.

The 16-month investigation is a testament to the power of collaborative reporting. At a time when most journalists were unable to physically follow their stories across national borders due to COVID-related travel restrictions, the FinCEN Files team doubled down on sharing reporting duties and resources, and called on local reporters in each country to help chase down leads or sources, conduct interviews and find documents.

The ABC's [Background Briefing](#) aired part one of its report on Sunday. Part two will air in coming days.



Hamish Boland-Rudder
ICIJ, Online Editor

Taxing for public interest journalism

Since April, the ACCC's news media bargaining code has been hogging the headlines. But what about other policy measures? For instance, as new research from the [Public Interest Journalism Initiative](#) (PIJI) suggests, how about giving tax rebates to

producers of public interest journalism?

To recap: since April, the ACCC has been working to develop a mandatory news media bargaining code, which seeks to create a fair value exchange between digital platforms and news media businesses. Among other things, the process aims to determine how Facebook and Google will pay Nine, News Corp and smaller news media businesses for the use of their content. It's a big deal, which may well have global repercussions.



One of the many stakeholders that's been providing input into the process is PIJI, the [Public Interest Journalism Initiative](#). So far, PIJI has led two joint submissions with the [Judith Neilson Institute](#), the first in May and the second [in August](#). (Along with colleague [Karen Lee](#), I worked as a consultant on both.) And one of PIJI's consistent arguments is that the bargaining code, whatever form it finally takes, cannot be a silver bullet. Supplementary measures will be needed.

'The ACCC's mandatory digital platforms news media bargaining code offers new horizons for bringing together news production and delivery,' says PIJI CEO Anna Draffin. 'However, it's not a magic pill. It can't operate as reform in isolation. A range of innovative, complementary policy settings are needed to ensure the future sustainability of public interest journalism in Australia.'

For Draffin, public interest journalism can be described as 'critical democratic infrastructure'. And to support this critical democratic infrastructure, PIJI has been conducting its own research into potential new tax models (an option the ACCC itself raised during its Digital Platform Inquiry). This week, PIJI released its research into [tax rebates for public interest journalism producers](#). 'This scheme has the potential to deliver industry returns of over \$700 million,' says Draffin.

Meanwhile, PIJI is conducting further tax-related research into philanthropic and commercial investment models.

As PIJI's chair Allan Fels wrote in [The Conversation this week](#) regarding tax rebates for news producers, 'This scheme, if adopted, could be transformative.'



Sacha Molitorisz
CMT Postdoctoral Fellow

Ending – or improving – industry co-regulation?



Yesterday the Department of Communications closed submissions in the third and final stage of its [Consumer Safeguards Review](#). Essentially about regulation, the review is looking at aspects of ‘choice and fairness’ in telecommunications services that might not adequately be dealt with by the market in a post-2020 environment.

Although telecommunications is the focus, [CMT has made a submission](#) to this review, which shows again the need to look

holistically at how communications regulation works across different sections of the industry. It also points to how the development of broadcasting codes of practice might be enhanced.

The review tackles the way in which we regulate aspects such as billing, credit management and the terms of consumer contracts. Most significantly, the Department floats the idea of government regulation replacing industry co-regulation, under which codes of practice are developed by industry then enforced by the Australian Communications and Media Authority (ACMA). Some important aspects of telecommunications consumer protection are the subject of co-regulation, although others are set out in legislation and some are developed by the ACMA itself.

In the telco world, the co-regulatory codes are developed under Part 6 of the *Telecommunications Act*. But this Act is modelled on Part 9 of the *Broadcasting Services Act*, which is how we get the Commercial Television Industry Code of Practice and the Commercial Radio Code of Practice. These are the regulatory instruments that set out the news standards commercial broadcasters are required to observe – mostly rules about accuracy, fairness and privacy.

So, if co-regulation is dumped for telecommunications, what does that mean for news standards?

Well, in our siloed regulatory environment, it may mean very little. And indeed, there are good reasons why we would not want direct government regulation of news standards. What’s more, CMT argued – [based on research](#) Karen Lee and I completed last year - that good co-regulation can offer more meaningful citizen and consumer involvement than government regulation. For example, Communications Alliance has routinely used working committees that involve telco consumer reps from an early stage in the development of new rules. That’s different from how things work on the broadcasting side, where public

comment is invited on rules drafted by industry.

In both sectors, the quality of code rules will also depend on tests applied by the ACMA before it agrees to register these documents. In our submission to the Consumer Safeguards Review, we argue that the criteria for registration in the *Telecommunications Act* need to be strengthened. But the need for reform is equally pressing on the broadcasting side.



Derek Wilding
CMT Co-Director

Online Narratives - A *First Draft* Briefing

Posts in the UK and Australia show flyers featuring unevidenced claims China created the coronavirus.

A Chinese virologist's disputed claims that the Chinese Communist Party knowingly created the new coronavirus have apparently spread from social media to the offline world, with online reports of flyers turning up in letterboxes from London to Australia. Dr. Li-Meng Yan made headlines earlier this month after releasing a [heavily criticised](#) non-peer-reviewed report — [backed by](#) China hawk and one-time Trump strategist Steve Bannon and exiled Chinese billionaire Guo Wengui — claiming the new coronavirus was likely manufactured in a Chinese lab. Video of an interview she gave to Fox News host Tucker Carlson, in which she repeated her [already-debunked](#) claims, was [swiftly flagged](#) by Facebook and Instagram as containing false content, while Twitter [suspended](#) an account she created to promote her report.



Despite the platforms' moves to limit the reach of her claims, they are now turning up in printed materials associated with Bannon and Guo. A user in our CrossCheck community alerted First Draft to a September 22 tweet from a Tasmania-based account, which posted photos of a pamphlet titled 'Truth About COVID-19 From People Who Care about Australia.' The leaflet features Yan on the cover, claims that Sars-CoV-2 was a bat virus discovered by the Chinese military and modified in a lab for human transmission, and speculates that no single vaccine can be effective in targeting all mutations of Covid-19. Another account responded to this tweet on September 23 with images of a similar leaflet saying: 'I live in London, UK and received this 10 days ago.' Both pamphlets feature the

logo and name of the 'New Federal State of China,' a [group](#) Guo started. The back of the pamphlet found in Tasmania encourages readers to visit five YouTube accounts for more information, all of them tied to Bannon, Guo or other Chinese dissidents sympathetic to Yan's claims.

(This report first appeared in [The Daily Briefing](#) - a compilation of interesting reads from around the web on disinformation and information disorder by [First Draft News](#).)



Anne Kruger

First Draft APAC Director

HDR Spotlight - Tim Koskie



My PhD is about comments.

As one of CMT's aspiring scholars, I'm studying online media and its place in national media systems. By comparing the media ecosystems of Australia and South Korea, I'm exploring the distinct role participatory spaces, specifically commenting, can play as a part of these environments and thereby contribute to the level of media pluralism.

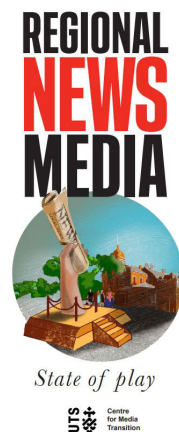
My academic focus comes from a few key experiences of seeing how media choices elevate some stories above others, particularly from experiences in Spain and South Korea, and considering how communicative power is distributed to constitute the media environment that surrounds us. Seeing how media choices of sources and discourse can create a public view of the news that diverges so sharply from the lived experience of people involved in this news, I turned my attention to participatory media for its potential to impact the way society communicates itself to itself.

Comments possess this capacity to talk back to power directly on the pages where power gets its own voice, but they are often closed down or made into unwelcoming spaces by groups and individuals that dismiss and marginalise minority views. Nevertheless, they are read by many and their capacity for contribution remains. My research looks at the range of contents filling these

discussions to find the ways comments live up to their promise or fall far short. Whatever they yield, they have become a widespread presence in the online media that increasingly dominates our attention, and so I seek to better understand how these comment sections interact with the pluralism of our media. In other words, what's my driving goal? To enhance media pluralism.



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Have a great weekend!

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The Centre for Media Transition and UTS acknowledges the Gadigal and Guring-gai people of the Eora Nation upon whose ancestral lands our university now stands. We pay respect to the Elders both past and present, acknowledging them as the traditional custodians of knowledge for these places.