

Hi there

Is news media melting down?



Three things cannot seem to work well together – billionaires, media outlets and free press (all of which we touch in this newsletter). And yet, until a decade ago, billionaires buying or investing in media companies was a sign of hope and optimism for the growth of the news media industry. Though for now billionaires' money, in most parts of the world, is infusing life into many media companies, it appears that no category of owner/funder is able to salvage a media business in an industry that is melting down.

Take Meta for instance, who announced recently that Facebook will stop paying Australian news publishers for content that appears on their platform, setting up a fresh battle with Canberra which had led the world with a law that forces Internet giants to strike licensing deals. Monica's piece today focuses on the unwelcomed announcement, and in the absence of tens of millions of dollars for Australian news media, she asks: where to now?

All hope is not lost, not yet. Australian news media is now clinging to hope through the Department of Communications' proposed News Media Assistance Program. The CMT lodged its submission to the consultation last week. Derek discusses some of the points we made around the definition and scope of public interest journalism.

And while Australian news media are processing the Meta news, New Zealand is

confronted with a media crisis of its own. It's almost depressing going through the list of recent media closures and cuts. Hal Crawford explains why it's happening and what lessons these hold for Australian broadcast media.

We know that several new options have emerged in recent years for both news consumers and producers, many of whom explicitly present themselves as independent journalists. If the traditional editorial and business models of news are starting to crumble globally – like it or not – it may be that we are witnessing the rise of the Voldemort of the Western news media ecosystem: the alternative media. I raise this question and concern in my piece for this edition.



Ayesha Jehangir
CMT Postdoctoral Fellow

Meta – going, going ... gone



Journalism is accustomed to the slings and arrows of outrageous fortune, particularly over the past two decades. The latest blow comes from Mark Zuckerberg's Meta – owner of Facebook, Instagram, Threads and WhatsApp which has put journalism on notice. The deals it made in 2021 with Australian news media businesses worth tens of millions of dollars won't be renewed. The social media giant has decided to abandon its Facebook News tab, for which a number of news media organisations produce content in return for

the millions they receive. Meta says traffic to the tab has dropped to negligible levels which is probably true given it is not visible on Facebook home pages, or its menu page, nor on the Facebook app. It is, the sceptical might say, as though Meta was deliberately trying to hide it.

So, where to now?

Communications Minister Michelle Rowland and Assistant Treasurer Stephen Jones have [lashed](#) out at Meta, accusing it of an “abrogation of responsibility” to its Australian users. Meta says the revenue Facebook generates from having news on the site, given low traffic to the Facebook News tab, is essentially not worth the deals it has made with news media organisations. Whilst referrals to news media sites will still occur, from news media ‘pages’

on Facebook, and users linking to news posts from their Facebook profiles, Meta has always argued it shouldn't, outside these referrals, be doing anything to prop up news businesses. The deals were, as Professor Axel Bruns of QUT [says](#), "...a bit like taking mining royalties to fund kindergartens."

The government may have the option of designating Meta under the News Media Bargaining Code, the legislation in whose shadow the commercial deals were struck. Meta can succumb to the arbitration that would follow designation, or it could decide to withdraw from news altogether in Australia, as it did in [Canada](#) after it passed similar legislation designed to get the platforms to compensate news businesses for the content they used. Meta memorably withdrew news from Facebook in Australia in early 2021 and managed to achieve better terms for itself in the event it was forced into the arbitration process.

If Meta does exit news altogether, news media is going to be financially poorer, given the shadow deals (including those with Google) were estimated to be worth upward of \$200m a year to the organisations which were successful, funding innumerable positions. But it also leaves journalism back where it was two decades ago, struggling to create sustainable business models. The three-year deals Meta struck were only band aid fixes to a deep structural problem that has again been laid bare – news in and of itself is not profitable and can't pay for itself. In the commercial sphere, it was the advertising which paid for the journalism.

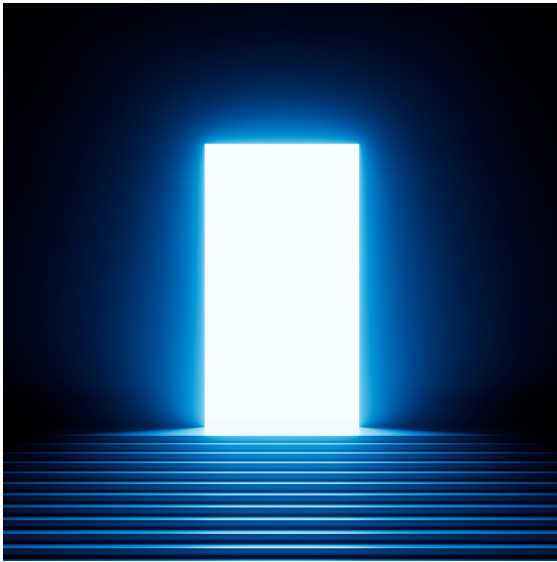
The moment has come for news to find a way out of the dilemma. The solutions are not easy to find but there's no shortage of suggestions. Bernard Keane at Crikey [argues](#) it's time for government to step up to support public interest journalism rather than force foreign owned multinationals "on a fictitious policy pretext" to submit themselves to a shake down. Anna Draffin at the Public Interest Journalism Initiative [suggests](#) government can help via the now under-consideration News Media Assistance Program and the diversity measurement framework, as well as more immediate measures such as a R&D style tax rebate to encourage commercial investment in news and the development of a not-for-profit news market. Finding a sustainable model is the holy grail of the information ecosystem – again, and this time, with a renewed sense of urgency!



Monica Attard
CMT Co-Director

New policy to support news

Last week CMT lodged [our submission](#) to the consultation by the Department of Communications on the proposed [News Media Assistance Program](#).



News MAP is the first attempt by the government to set out a comprehensive policy on how to assist news media. It's a welcome initiative because it seeks to achieve some level of agreement on what should be supported by the government and the rationale for doing so. It will also provide a framework for gathering evidence on changes in the news landscape as well as the best mechanisms to support news in Australia.

We address several aspects in our submission, but our leading point concerns the need to be clear on what this program is designed to support. One of the key concepts in the paper is **public interest journalism**, defined by the ACCC as 'Journalism with the primary purpose of recording, investigating and explaining issues of public significance in order to engage citizens in public debate and inform democratic decision making at all levels of government'. We agree that public interest journalism should be the foundation for any support offered by the government under this program. But we think the current definition is too narrow because it defines journalism without reference to its operational aspects. In short, we think the existing definition ought to incorporate references to professional standards such as accuracy and impartiality.

Closely associated with this is the concept of **quality**. We support the inclusion of quality but, in order to avoid any perception of interference in editorial decisions, we think the best way of embracing quality is to restrict the circumstances in which it is to be deployed. We think there are two contexts where it is both justified and necessary. The first is the well-established journalistic standards mentioned above. The second is when News MAP is used to allocate public funds on a competitive basis. In our view, a set of quality indicators could be developed for application in this situation so that decision-making can be transparent, and evidence based.

The News MAP consultation paper was released in December in conjunction with ACMA's advice to the government on its new [Media Diversity Measurement Framework](#). The Measurement Framework is also an important step in understanding the news landscape in Australia. It will draw on the foundational work of the [Public Interest Journalism Initiative](#) and other researchers as well as a new program of work from ACMA. In time, it should help in regulatory decisions that seek to assess the sources that matter and how our news environment might be harmed by further concentration of ownership.



Derek Wilding
CMT Co-Director

What NZ's news apocalypse tells us about Australia



New Zealand's recently announced cuts to TV news programming are an indication of what is coming to Australian broadcasters.

There are only two NZ free-to-air TV operators: the state-owned but commercially run TVNZ, and Warner Bros Discovery (WBD). Until now, both have had big news operations.

Two weeks ago, WBD announced it would entirely close its Newshub newsroom and shut down all associated TV and online properties. This involves sacking more than 200 people, comes on top of the closure of The Project NZ at the end of last year and removes the ability of Three (WBD's main TV brand) to respond in real time to anything.

Then last week, TVNZ announced the closure of two long-running TV news shows, Sunday and Fair Go, and the sacking of 60 news staff. Sunday is a 60 Minutes-style high-end investigative show.

The closures are a result of declining free-to-air audiences, which naturally are correlated with revenue. Free-to-air audience decline is a decade-long trend, on top of which sits an independent advertising cycle. I think of both as waves, with the higher-frequency advertising wave superimposed on the low-frequency audience wave. Advertising peaks and troughs every few years. When the advertising wave is cresting, it somewhat masks the underlying audience trend, and when it bottoms out, things start snapping.

That's what happened in New Zealand. They have lost a significant proportion of their news industry in one hit. I was the news director at Newshub from 2016-2020 and I have studied the New Zealand media industry closely. TV is now experiencing what newspapers have already gone through. The problem is that newspaper-heritage online operations, while in a different part of the cycle, are still losing revenue. I would not be surprised, for example, if NZ's Stuff shuts down over the next five years. That would leave just one major non-government-owned news operation (NZME) in New Zealand.

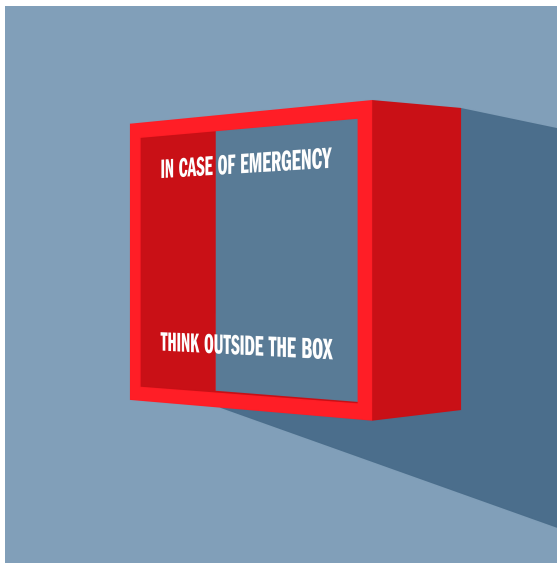
The same factors are at play in Australia, and the results will be the same. I think within five years, Seven and Nines' expensive TV news operations will be cut back severely to match declining audience and revenue. A natural move is to shut down state-based

newsrooms and studios, replace them with bureaux, and produce national bulletins. The details are interesting to me, but not that important: the big picture is the same all over the world. In this, New Zealand is leading the way downhill.



Hal Crawford
Chair, CMT Advisory Board

Journalism's changing landscape



Looks like there is still some time before we can determine if the news media is melting down, but one thing is clear: audience trust in the news definitely is. [Australian](#) as well as [global](#) data reveals that audience trust remains at a record low to the extent that [most are turning away from conventional news](#) sources towards alternative platforms looking for news they can trust and relate with.

It is, however, not only the audience that is slowly moving away.

Over the last couple of years, an increasing number of journalists, among them many award-winning, have quit their jobs at legacy media and launched their own independent news startups which claim to offer unencumbered analysis and promise to address the crisis of credibility and quality in the news media.

Barkha Dutt's Mojo Story in India is a fascinating example. Dutt, a former NDTV star reporter and Emmy nominee, launched Mojo Story in late 2019 after sensing a continuous decline in audience trust in legacy media. In 2020, when the [Indian government was attempting to censor coverage of the COVID-19-related health crisis](#), Mojo Story emerged as one of the few leading news sources providing indispensable coverage through its [YouTube channel](#) and [website](#) with its 60-second, 60-word and 60-minute formats.

Similarly, Filipino journalist Karen Davila was prompted to seek alternative media platforms amid job cuts and closures; John-Allan Namu, a Kenyan investigative journalist, co-founded [Africa Uncensored](#) to 'investigate, expose and empower'; and exiled Afghan journalist Zahra Joya launched the [Rukhshana Media agency](#) to report on life of women under the Taliban.

It seems to be somehow effectively working in the Global South, but these shifts that have

the potential to change the very landscape of journalism are a big concern for many in the Western media profession and research.

Merely switching platforms doesn't guarantee honest reporting or rebuilding audience confidence – something figures like Tucker Carlson have shown us. Soon after Carlson was ousted by Fox News in 2023 for getting 'too big for his boots', he launched The Tucker Carlson Network or the TCN, which garnered a whopping 209 million views for his recent interview with Russian President Vladimir Putin.

Where does this tug of war between legacy media and emerging alternative media platforms to retain audience numbers leave the audience, who are already fracturing and increasingly polarised, confused and upset. Maybe it is time to consider updating traditional editorial models, most of which were designed in the pre-social media era. With bias-free reporting, freedom of press, and more diverse perspectives – as witnessed in the promising public interest journalism produced by ABC's Four Corners in their recent 'The Forever War' report – there is hope that trust in media will return, because Facebook money isn't. Not anytime soon.



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We hope you have enjoyed reading this edition of the *Centre for Media Transition newsletter: keeping journalism alive - Issue 4/2024*

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