

Australian government's "media reform" boosts conglomerates

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The Coalition government's "media reform" legislation, which passed the federal Senate last week, abolishes the existing nominal constraints on the concentration of news broadcasting and publishing in the hands of the most powerful corporations.

The legislation was intended by Prime Minister Malcolm Turnbull as a sop to the corporate press, which has increasingly expressed frustration with his government's inability to impose the sweeping austerity measures demanded by the financial elite.

At the same time, the Liberal-National government has exploited the issue to establish ever-closer ties with a host of right-wing populist crossbenchers in the Senate, whose support it requires to pass legislation. The "media reform" bill was backed by Pauline Hanson's chauvinist "One Nation" party and the "Nick Xenophon Team."

In response to the legislation, Labor and the Greens have postured as proponents of "media diversity" and a free press. Their claims are shot through with hypocrisy.

As a result of a decades-long process, spurred by the pro-business policies of Labor and Liberal-National governments alike, the Australian mass media is dominated by a handful of corporate publishers, who express the interests of the financial elite and the political establishment.

The 2012 Finkelstein inquiry into media ownership found that "Australia's newspaper industry is among the most concentrated in the developed world."

A 2016 report by IBISWorld, a market research firm, estimated that the Murdoch-owned News Corp Australia, along with Fairfax Media, Seven West Media and APN News and Media, netted over 90 percent of total newspaper revenues in 2015-16. Similar levels of concentration exist in the television and radio markets.

The government's bill will deepen this process. It removes the longstanding restriction on any company or individual owning more than two out of three media platforms—radio, television and print—in a single licensing area. Metropolitan Sydney, for instance, with a population of 4.6 million people, constitutes one licensing area. Others encompass similarly large sections of the population.

The legislative change takes place in the context of a crisis in the media industry, caused by falling newspaper readerships, the emergence of new Internet-based platforms and a decline in traditional forms of advertising.

Earlier this year, TPG Capital, a private equity firm, was in negotiations to buy Fairfax Media, after the publisher carried out a major restructure prompted by declining revenue. In June, Channel 10, a free-to-air television company, went into voluntary administration and was later sold to the US-based network CBS.

Under these conditions, the removal of the "two out of three" clause will enable takeovers, and potentially facilitate the attempts by Murdoch's News Corp, and other companies, to expand into free-to-air television and other mediums where they were previously excluded.

The bill also removes restrictions on any television network broadcasting to more than 75 percent of the population. It provides for a \$30 million public grant to Foxtel, the main pay-television network, to broadcast women's and niche sports. It also removes up to \$90 million worth of licensing fees for commercial free-to-air television and radio broadcasters.

To obscure the fact that the legislation amounts to a cash bonanza for the major media conglomerates, Senator Nick Xenophon demanded the inclusion of an "innovation fund." Capped at just \$50 million, it will

provide grants up to \$1 million to regional and “smaller” publishers whose annual turnover is between \$30,000 and \$30 million. However, the bill’s restrictions will mean only a small number of publications are eligible.

The passage of the legislation has been welcomed by the financial press. An article in the *Australian Financial Review*, featuring comments from executives hailing the government’s new laws, was headlined, “Media bosses ‘eagerly anticipate opportunities’ after Senate passes media reform bill.”

In exchange for One Nation’s support for the bill, the government is seeking to pass separate legislation that will mandate a “competitive neutrality inquiry” into the Australian Broadcasting Corporation (ABC). The move reflects the interests of the corporate press which claims that the government-owned ABC provides online and digital content that cuts into “their share” of the market.

An article in News Corps’ flagship *Australian* newspaper declared the ABC “has been told to return to their public service roots, stop chasing viewers, provide more regional content and face restrictions on their ability to use taxpayer funding to smother commercial rivals.”

The bill would also include a clause in the ABC’s charter, stating that its coverage will be “fair and balanced.” The change was demanded by “One Nation,” which has repeatedly denounced the public broadcaster as “liberal” and “left-wing,” and wants greater weight given to Hanson’s racist anti-immigrant and anti-Muslim statements.

The inquiry is part of a broader government effort to whip-up a right-wing constituency on the basis of nationalism and anti-immigrant xenophobia to divert from its own deepening crisis.

It is also part of an ongoing campaign, waged by successive Labor and Liberal-National governments, to ensure that the ABC functions as little more than a mouthpiece for the government of the day, and refrains from any critical reportage.

Already the ABC has been among the most prominent proponents of recent right-wing campaigns, including McCarthyite witch-hunts alleging Chinese “influence” in Australian politics, and the uncritical promotion of Australian participation in US-led wars and military preparations.

The disciplining of the ABC has gone hand in hand

with decades of funding cuts, which have provided a boon to corporate broadcasters. Under the Hawke and Keating Labor governments, operational funding for the public broadcaster fell from \$1.1 billion in 1985 to \$750 million in 1996. Since 1985, there have been an estimated 1,500 job cuts.

Amid growing public distrust, the “media reform” legislation is also aimed at shoring-up the establishment media. During the debate, concern was expressed over the growing popularity of “alternative” forms of news, especially online.

Nick Xenophon Team Senator Stirling Griff called for the government to take measures to ensure a “legislative environment that is more responsive to the modern operating landscape.” He warned that otherwise, “we may eventually be left consuming little more than mindless click-bait and ‘fake news’.”

Nick Xenophon has previously denounced Facebook for “not moving fast enough to stop fake news.”

Over the past 12 months, the term “fake news” has been used by governments and the corporate elite to denounce any critical analysis or alternate news sources. The attack is directed in particular against the exposure of wars and military intrigues of the major powers, the erosion of basic democratic rights, and the imposition of crippling austerity measures at the behest of the financial elite.

The term was invoked by Google in April to justify the introduction of new search engine algorithms that have led to a dramatic decline in search traffic to left-wing, socialist and anti-war publications, including the *World Socialist Web Site*.

Xenophon’s comments give a glimpse into discussions within the Australian political establishment about expanding Internet censorship to crack down on free speech and the dissemination of critical perspectives online.



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