

Parliament House, Canberra – April 12, 2021

Opening statement by Bruce Guthrie to the Media Diversity Inquiry

Thank you for the opportunity to appear here today.

I have been a professional journalist for almost fifty years. In that time I have worked as a reporter and foreign correspondent for the major metropolitan dailies and been fortunate enough to edit some of the biggest mastheads in Australia.

I am also the author of *Man Bites Murdoch*, a 2010 book that warned of a toxic culture within News Corp, then News Limited, and of the dangers of giving them too much journalistic power. It ended with my sacking as editor of the Herald Sun after I reported too vigorously on a friend of a Murdoch.

Within six months of its publication the world watched horrified as the British phone hacking scandal unfolded in appalling detail throughout 2011 and beyond.

Despite all this, a decade on News Corp is bigger and more influential in Australia than it has ever been. And it has moved even further away from objective journalism:

Increasingly their reporting looks and reads like political boosterism.

Thanks to 2017's ill-advised media law changes, News and Nine Entertainment now constitute a cosy duopoly that dominates news publishing in this country.

That is now a fact of Australian life. And, as my colleagues and I note in our joint submission to this inquiry, there's no realistic chance of going back.

Better then to focus on how to create a media landscape that actually encourages rather than deters more local entrants.

There's little incentive to enter the arena now: you'll struggle to make it pay, you'll be attacked relentlessly by the bigger players and there will be little or no assistance on offer.

That's certainly our experience at *The New Daily* which has succeeded in becoming a Top 20 digital news site in spite of these obstacles.

Our relative success was cited by the ACCC as a reason why the Fairfax/Nine merger should go ahead, but then we were expressly excluded from a government support fund because we are owned by a financial institution.

That exclusion demonstrated another fact that some seem unable or unwilling to grasp: Journalism's **business** model has changed, but so has its **ownership** model. It must.

Any investor wishing to support journalism with money, jobs and an editorial charter should be celebrated, not vilified.

It is ludicrous that an American billionaire and his family can own almost 60 per cent of the Australian print media, but average Australians apparently can't.

We launched *The New Daily* in 2013, and I was its editorial director until last year. I'm still an adviser to the project.

It's actually a great new media success story: audience, subscribers and revenue all growing at a fast clip; a full-time staff of 35; as many again working freelance or part-time; Walkley Award wins; and regularly placing in the Nielsen Top 20.

But you wouldn't know any of that by reading News or Nine reports about us. They prefer to snipe, returning again and again to the same critics.

Some of these critics are within government and seem bent on further reducing diversity.

Just weeks after an attack by a Government Senator on the commercial relationship between The New Daily and the national broadcaster, the ABC summarily ended our seven-year deal where we paid them to run their content on our site.

The ABC denied a link between the Senator's attack and their decision, telling us in a phone conference it was simply "because you guys have done too well". So much for competition law, so much for media diversity.

This is not how the 21st Century news landscape was supposed to be.

In the 25 years since digital news sites started appearing here – I launched The Age's site in 1996 – we were supposed to see a great flowering of the industry.

But a quarter century on, the list of Top 20 websites in Australia is dominated by legacy media, with a few entrants from overseas who've also been around a long, long time.

Indeed, the only 21st Century site in the latest Nielsen Top 20 is The New Daily.

No amount of empathy training will change the rapacious behaviour of the dominant players, so we have to find ways to make it easier for start-ups – large and small – to survive the early years where revenue and audience are in short supply. Some suggestions for what might be done:

– Establish a matched dollar funding program for employing journalists, the biggest single cost of establishing a new media business. The framework of the Small and Regional Publishers fund, which already exists, could be used to enable this. Media organisations meeting the public interest journalism criteria to be set by ACMA and under an agreed turnover of say, \$5 million, could apply in their first three years of operation. Grants would be capped.

– Make ABC journalism available to small and medium-sized publishers through a Creative Commons arrangement, similar to The Conversation.

– Increase and extend support for Australian Associated Press. It would be a disaster if News Corp's Newswire displaced AAP, which I've no doubt is News's goal.

– Governments, both state and federal, should mandate that a percentage of their annual advertising spend go directly to small and medium-sized publishers, including start-ups

A decade ago I wrote in the preface of my book that if you regard newspapers as a protection racket – if you mess with us, we'll mess with you – than Murdoch's empire is an intimidating force.

I added: "The digital age provides the best chance of new voices emerging on the media landscape to challenge such market dominance. In that sense, change can't come soon enough."

We've already wasted ten years and we can't afford to waste any more time. I wish the committee well in its deliberations.

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