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Opportunities From Media Crisis

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For at least a couple of centuries the news media business was relatively simple. Journalists and editors produced content that people wanted to read and view, and distributed it thanks to privileged access to printing presses and broadcasting licences. The publishers or broadcasters were then able to sell the audience to advertisers. Money was made, and some of it was reinvested in the journalism. Simple, and mostly good.

There were some downsides. The costs of entry to the news media business were high. If you didn't have a printing press or a broadcasting licence, then the notion of 'freedom of the press' was of relevance only by extension. The news media businesses were free to speak and publish, and the rest of us lived in the society that formed partly as a result of their freedoms. Particularly in Australia, media barons were a rare breed, and very powerful.

Today, nobody would claim that news media remains a simple business. Instead, it has become the fastest changing industry on the planet. Many things that were once taken for granted are no longer true. Journalists no longer have privileged access to the means of publication and broadcast. Instead, for the first time in human history, anyone can publish their thoughts, news and views to the world within minutes of deciding to do so.

Meanwhile, advertising is no longer firmly linked to media content. That means the business model that supported most

journalism is under strain, or broken. Over the last five years there have been mass editorial job losses at Australia's major print media companies, Fairfax Media and News Corporation. Between them, the two companies own more than 90 per cent of Australia's daily print media. In Australia an estimated 3500 journalists have lost their jobs in the last five years. This is part of a trend across the western world. In the United States, it is estimated that 15 per cent of journalistic jobs disappeared between 2005 and 2009 and the losses continue. The large loss of mainstream media jobs and the challenges to the commercial basis of big media companies is an important change in the functioning of democracies and the viability of media organisations.

A recent US Federal Communications Commission study of news media concluded that the impact of technology and its effect on media business models was leading to a shortage of 'accountability reporting', particularly at a local level, and that this was likely to lead to 'more government waste, more local corruption, less effective schools, and other serious community problems'. Likewise, the impact on Australian civic society of the collapse of traditional media business models is already substantial.

Yet every crisis contains within it an opportunity. The internet means that many more people can publish — breaking down the privilege and power of media. Information is much more easily distributed and accessed. Yet it is also the case that a world where anyone can publish may be a world in which it is much harder to judge who is telling the truth, and who can be trusted.

The New News festival was first conceived as a way, at a time of crisis and opportunity, of taking the conversation about the future of journalism beyond the industry and the academy, and including the people who matter most — engaged citizens, or the audience for journalism.

The idea was for this conversation to be realistic, but also optimistic. It is too easy to slump in to gloom and doom. Journalists and journalism have become so important to the way

we cohere as a society, and the manner in which we share information, that it can be hard to remember that the mass media and the profession of journalism are relatively recent inventions. Journalists see themselves as at the heart of democracy. This is part of the romance that stalks the newsrooms of the Western world, not to mention part of the lament of journalists who have recently been made redundant from mainstream newspapers, and who fear there will be no other models by which democracy might be enabled and information flows sustained. Certainly, over the last 200 years, democratic forms and media practice have moved together. So, it is easy to forget that there was a time not so very long ago when things were different, and that the way things have been during our lifetimes is not the way they always were, or the way they will be in the future. The first newspapers emerged only about three centuries ago, part of the enormous changes that followed the invention of the printing press. The profession of journalism began in the 1700s. People forget that the earliest newspapers were very much like many of today's blogs — passionate, opinionated, politically partisan and not always reliable

Concepts of disinterested, comprehensive and objective reporting are younger than newspapers. They developed in the 19th century as part of the notion of the 'journal of record', which was the way that the great newspapers — including *The London Times*, *The Guardian* and the *New York Times* — marked themselves out from the yellow press of their day. In Australia, their equivalent was the *Sydney Morning Herald*, *The Argus* and *The Age*, all of which boasted that for the price of a subscription, the good citizen could be confident of being well informed about the workings of their society.

The New News festival usually opens with a panel session called The Report Card, in which a selection of those at the most senior levels of our main media organisations review where we are at, and where we are likely to be headed in the year ahead. In

2015, the session was different. In each previous year the people on stage were from Fairfax Media, News Corporation and the Australian Broadcasting Corporation — which between them accounted for almost all the serious journalism in Australia.

But, since the middle of 2014, the super-concentrated Australian media landscape has been changing in important ways. In 2015, New News invited the heads of new, web-based outlets — Australian outposts of larger global enterprises. Old media was still present, in the form of Andrew Holden, who was then the editor in chief of *The Age* newspaper, published by Fairfax, which had 161 years of history behind it.

Alongside Holden on the stage were representatives of the newcomers. Simon Crerar is the Australian editor of the New York-based internet media company *BuzzFeed*, which describes itself as a ‘social news and entertainment company’. *BuzzFeed* launched in Australia in 2014. He was joined by Tory Maguire, the Australian editor in chief of the *Huffington Post*, a news aggregator and blog-based platform that had launched in Australia in partnership with Fairfax. Finally, there was Emily Wilson, editor of *The Guardian in Australia* — a web-based version of the venerable British publication, which had launched two and half years before.

In every previous New News, the unhealthy concentration of media ownership had been a major theme. It was still the case, the panellists agreed, that News Corporation dominated newspaper circulation, but the new entrants meant there was more diversity than ever before. Holding a broadcasting licence was also less important than at any previous time, with video and audio media content increasingly streamed on the internet.

The political influence of News Corporation, once an unquestioned part of Australian democracy, was no longer so potent. The new entrants were shaking things up. Even Holden, who perhaps had most to fear from the new competition, agreed that having them around was a good thing. The benefits of the newcomers,

including the partnership with the *Huffington Post* was that *The Age* was ‘learning new ways of storytelling’, he said.

Without the newcomers we would stumble around ... The beauty of having these guys is that they are experimenting without having the burden of *The Age*’s hundred and whatever years. The idea that we have got to do it precisely this way or we are breaking the charter. They can have some fun and break all the rules and we can watch all that and learn from it.

The future belongs, the panellists agreed, not only to those who can produce good content, but to those who understand how to distribute it. *BuzzFeed* is the best example. Very few people go to the *BuzzFeed* website to see what the outlet is publishing. Instead, *BuzzFeed* comes to them — through their *Facebook* notifications and *Twitter* feeds. It is distribution driven by paid arrangements ‘with the social media companies, along with the ‘likes’ and recommendations of their circles of contacts and friends.

As Andrew Holden put it:

If you look at cold hard facts of where people are spending their time they are spending it with Facebook rather than with traditional media. And they can be provided with all the facts they need to know without going anywhere near a website or traditional news organisations.

And yet, the panellists acknowledged, much of the news media content accessed through social media was researched and put together in a newsroom, by professional journalists. Do more media outlets really translate into more journalism? Can outlets like *BuzzFeed*, best known for video gifs, light entertainment and trivia, really provide any answer to the decline of the big newsrooms?

The Guardian in Australia, according to Emily Wilson, employed 42 full-time journalists. The *Huffington Post* had 20, and *BuzzFeed* 25. All of them hoped to expand, and expected to face competi-

tion from both the legacy media and more newcomers, some of them home grown.

The pattern of media and journalism is changing. *The Age*, and newspapers like it, is laying off staff. The new entrants are small. In the future, it seems we can expect more newsrooms, but they will be smaller, likely to contain a few dozen journalists rather than a few hundred, with many of them engaged in curating and aggregating content from across the web, rather than doing what Simon Crerar calls ‘real world reporting’.

It is, as Andrew Holden says, a fundamental change in the news media. The rivers of gold that used to support the big newsrooms have gone. Profits are modest but the price of entry to the news media business is much lower. Anyone can publish. The trick is getting the attention of the audience.

The content may still be generated by mainstream media, but without distribution its importance is limited. The nature of media branding is changing, and with it the model of influence that had governed the relationship between news media and democracy. As Maguire puts it, savvy politicians no longer court the radio shock jocks and the newspaper editors with quite the same devotion: ‘That bird has flown.’ Instead they, too, seek distribution of their message — and traditional journalists are not the only means to that end.

Sites like *BuzzFeed* and *Huffington Post* spend a great deal of their editorial effort seeking, aggregating and reposting clickbait — the popular videos, cats on skateboards, amazing wrinkle cures and funny home videos.

The Guardian and *The Age* have a more sustained serious focus. Nevertheless, *The Guardian* and *The Age* both keep a close eye on what draws their readers. Reporters are given regular feedback on their click rate. Meanwhile, both publications have adopted techniques such as live blogging, which allows a reporter who rarely leaves their desk to incorporate the reporting of other media outlets, as well as the tweets and social media activity of

news makers and citizens. This is both a new form of journalism and a technique that allows the outlet to keep some purchase on a position at the centre of debate.

BuzzFeed has also pioneered a new journalistic form — the ‘listicle’, or list manner of reporting. Mostly it is used for light entertainment — ‘Nine ways to improve your home’, for example. But in the right hands the listicle can be a powerful form of ‘explainer’ journalism. The newcomers have not found that clubbiest of journalism institutions, the Canberra Press Gallery, particularly welcoming. *The Guardian* had to wait some time to be given an office, for example. But *BuzzFeed*, as a Canberra virgin organisation at the time of the political spills of the last few years, has nevertheless had fun. Its budget coverage, for example, has been done in the form of Listicles — 13 things you need to know. In late 2015, the Liberal Party leadership spill was reported as an aggregation of jokes. At the end of the year, the organisation published ‘The 51 most WTF things that happened in Australian politics’, decorated with unfortunate pictures of the leaders and other players. It was all good fun, but certainly brought politics to a younger audience and to people who would never watch an episode of the ABC *7.30 Report*, or pick up a copy of *The Age*.

Crerar describes *BuzzFeed*’s approach to Canberra as ‘a bit outsider, a bit Private Eye, taking the piss, being irreverent with politics, but still reporting it’.

Crerar said that *BuzzFeed*’s future in Australia was to generate more ‘real world reporting’. *BuzzFeed* now has a reporter in the Canberra Press Gallery, for example. Its British and US iterations have won awards for investigative reporting, including a collaboration with the BBC for data-driven work on match fixing in international tennis. In the United States, a *BuzzFeed* investigation of the for-profit foster care industry resulted in a Senate investigation.

So what is ‘real world reporting’ to an outlet that lives on social media? Crerar describes *BuzzFeed*’s culture as profoundly different to that of newspapers.

All our reporters have grown up with internet. They didn't learn how to do journalism by doing death-knocks and knocking on doors, courts etc.

They are more likely to sit at a screen all day long. A lot of the time they are reporting on things that are happening on the internet or through social media, rather than pounding the pavement or making telephone calls.

Partially contradicting himself, Crerar rejects the idea that the Internet is not the 'real world'. Someone making a statement on social media was in the equivalent position to a person at a public meeting in Martin Place or any other public space. It was worth reporting.

Having said that, not everything happens on the internet. We want more regional reporters out and about, and we want to do longer term investigative work.

Another notable change brought about by the new outlets is that many of them are either edited by women, or have women as their most senior journalists, after decades when the main media outlets were dominated by men. It is, says Maguire, easier for women to get into the top jobs in digital media. Meanwhile, *BuzzFeed* has a female-dominated audience — 65 per cent are female, meaning that content is skewed to feminism and women's rights.

Emily Wilson points out that all three main editions of *The Guardian* — in the United States, United Kingdom and Australia — are now edited by women.

Does this make a difference to content? Wilson thinks so. She offers a 'small but important example' involving a story, pitched in Australia, about endometriosis. British-based editor-in-chief Kath Viner seized on the idea as a globally important series. Would the idea have appealed as much to a male editor? Wilson thinks not.

The pitch would also have been different to a male editor. I would have mentioned that it was about lady bits in an email to my boss, and would have been trying

to persuade him, but not in such a direct way. But with women in charge it turned into a huge thing, involving thousands of doctors and sufferers all round the world, and very well read.

As Wilson says, click bait doesn't necessarily mean trivia. It is not a pejorative term. It is audience dependent.

For *Guardian Australia* readers, Wilson says, clickbait is material such as columnist Greg Jericho writing about superannuation, or a serious analysis of the budget. 'Our readers go crazy for that stuff.' Australian *Guardian* readers are less likely to access lifestyle content than *Guardian* readers in the United Kingdom and the United States, she said. Food does well, but fashion fails to attract clicks.

Having fun with serious issues, including politics, is not new says Holden. Columnists have been doing it forever, 'packaging it around the earnest, serious reportage which is what our readers want from us'. Digital media means there are new ways of doing that. Holden says that in the past the paper has been 'Very earnest. A whole lot of stories meet the cod liver oil test. You have to read them because we say they are good for you.' Now, he says, the fact that it was possible to tell who was reading, and for how long in real time means 'we have to figure out a different way of telling the news so people see why they should be interested. You can enjoy the heritage, but you still have to get out there and make them read it.'

So, with all this activity, what isn't being covered by the Australian media? What are the areas of failure?

It is commonly assumed that investigative reporting is bound to come under threat as the big newsrooms shrink. However, both the testimony of our editors and recent research suggest that this isn't so. Legacy media are safeguarding the investigative teams from cuts, and the new players are also investing in investigations. At the same time, technology enables leakers, such as Wikileaks and Edward Snowden. Now there are a whole set of

new ways in which information can make its way to the public. In fact, the editors discussed in this chapter, argue that investigative journalism can also be seen as enjoying a golden age.

So, perhaps the greatest areas of deficit are those that involve connections, contacts, community and what Crerar calls ‘real world’ reporting.

Despite all the technology, the same editors agree that when it comes to quality, more journalists are vital. Wilson wants a dedicated Indonesian correspondent for *The Guardian*, plus a person in New Zealand and more people in China. Maguire thinks that nobody in Australia is properly reporting on the changing nature of the Australian workforce — the fact that more people are on short-term contracts, with less certainty and security.

It’s an issue that affects every single Australian. It’s more important than migration, for example. But I don’t think anyone has worked out a way to cover it properly”.

Crerar says that whenever *BuzzFeed* runs an article on penalty rates it goes ‘mega viral’ with the outlet’s young audience.

Andrew Holden thinks all media are failing to report on Australian diversity.

We haven’t really reported what’s happening in Muslim communities and how they feel about world events. We haven’t really reported on the Chinese student communities. We find it difficult to get in there and talk to them and find out what’s occurring. We don’t have those kinds of reporters in our newsrooms that can talk to those communities and represent them. And the result is that when we see a small community under stress it comes as a bit of a surprise.

Meanwhile, the non-glamorous, labour-intensive job of reporting courts, the parliaments, the daily round of events that an informed citizen might wish to know about, has suffered. None of the editors quoted in this chapter aspire to the old ideals of ‘journal of record’. Or rather, they say that the ‘journal of record’

no longer exists in a single place. A networked citizen with a good social media network might hear of things, but the sources won't only be mainstream media, and inevitably there are gaps and the curation of content is missing. Regional Australia particularly is under-covered, and local government often not covered at all.

A few years ago, some media proprietors were predicting that charging subscriptions for accessing content online would be the answer to the collapse of the traditional business models. A few years on, it is clear that it provides a stream of revenue, but nothing like that provided by classified adverts. Holden says it is about \$20 million dollars a year that wasn't there three years ago. It's a handy source of revenue, but not growing and it's not the saviour. It's a component of it.

The Guardian and *BuzzFeed* remain free to the user, supported by advertising, although *The Guardian* is not profitable — run by a not-for-profit trust that allows it to use money in the attempt to make the leap from a geographically bound print publication to a sustainable digital international brand in English language news. It's too soon to say whether it will work.

BuzzFeed won't discuss its business model, but it's expanding fast, and according to Crerar, making money.

We don't talk about our finances. We're making money. Our revenue is growing. We are very young. I feel we are a very exciting time for journalism, but massive investments are being made in *BuzzFeed*, and we feel we are very well placed.

For *The Age* it is harder. Fairfax is owned by institutional investors, and they are interested in growth. Everyone knows that now and in the future, the growth will have to be in digital media. Print can only decline. Therefore:

If I make 10 dollars profit from print at the moment in the share market view that is only worth as much as one dollar from digital. Because we know what's happening. Print is contracting. If we don't learn to

make money from digital, we won't be around in ten years' time.

But the world moves on. Since our editors' discussion, *The Age* announced yet another round of redundancies. Apparently unwilling to preside over the latest bloodletting, Holden resigned his position and left the company. Meanwhile, the Chief Executive Officer of Fairfax, Greg Hywood, admitted that soon Fairfax would no longer be a print-based organisation, and would instead be entirely digital.

Emily Wilson, meanwhile, announced that she would return to the United Kingdom. She was to be replaced as editor of *The Guardian Australia* by Lenore Taylor, a senior political journalist and the first Australian to preside over the publication. And in late 2015, it was announced that NBC Universal was preparing to invest more than \$250 million in *BuzzFeed*, valuing the site at \$1.5 billion. Gawker reported that while the company's finances remained 'opaque', revenue had tripled from 2012 to 2013, and the investment in editorial, and in journalists, had doubled each year.

Media is no longer a simple business. But in 2015, some of the fundamentals of the future were becoming clearer. These include: many more, smaller players; the reporting of social media as a real public space; continued commitment and investment in investigative journalism, but a decline in labour intensive journal of record reporting; and continuing deficits in areas outside the experience of Australia's largely whitebread, middle-class reporting cohort. Meanwhile, through social media, the voice of the audience is increasingly being heard inside the newsrooms, and being appropriated, aggregated and amplified.

The age of the media emperors is in decline, and we are now living at the beginning of a post-colonial era. What happens next will depend, most of all, on what the audience demands. Media activism, I would suggest, including engagement with social media, has become part of the duties of a responsible citizen.