

Australian government triggers furore over media laws

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The minority Labor government is again in political crisis as it confronts the unpalatable choice of defeat, or an embarrassing backdown, on its bid to ram six media regulation bills through parliament this week. By this morning, it was clear that the government lacked the numbers to pass the laws in the lower house. Several independent MPs had announced they would not support the package, leaving the government short of the five out of seven “cross-bench” MPs it needs to get the bills through.

Last week, Prime Minister Julia Gillard’s government suddenly announced that it had a package of bills and issued a “take it or leave it” ultimatum. Communications Minister Stephen Conroy demanded that the legislation be passed, without “bartering or cross-deals,” by the end of this week, or it would be dropped altogether. At that time, no-one, not even other cabinet ministers, had seen a copy of the proposals.

Far from threatening the power and profits of the media barons who monopolise the newspaper and broadcasting networks in Australia, the government’s scheme actually seeks to bolster their grip by largely leaving them to “self-regulate” the industry. It also makes it easier for the three major television companies to swallow up regional rivals, and extends the framework of government scrutiny to cover on-line media news sources, which have eroded the audiences of the print and TV empires. As another sweetener, the TV networks are promised a halving of their licence fees—saving them \$150 million a year—if they sign up to the plan.

The government’s package abandons the recommendations of its own media inquiry, which had been set up in the wake of the Murdoch media phone hacking scandal in Britain. Conducted by former judge Ray Finklestein, the inquiry proposed a formally independent media monitor to adjudicate on complaints from the public about invasions of privacy, misleading

reporting and other misconduct. Instead, Conroy announced that a government-appointed Public Interest Media Advocate (PIMA) would accredit “news media self-regulation bodies”—like the existing toothless Australian Press Council—to hear complaints. The PIMA could also block media mergers, subject to a vague and undefined “public interest” test.

If the government thought its dropping of the Finklestein plan would appease the media moguls, it miscalculated badly. With Murdoch’s newspapers in the lead, they immediately launched a ferocious campaign, denouncing the government for proposing any regulation of their affairs, and comparing Gillard and Conroy to totalitarian despots. In response, Labor cabinet ministers, as well as backbench Labor MPs, began anxiously briefing journalists that they were angered, frustrated and dismayed by the government’s “crash or crash through” approach, and calling into question Gillard’s already shaky leadership.

By last night, Gillard and Conroy were trying to salvage parts of the media laws package. Gillard said Labor was willing to consider “sensible” changes, while Conroy abandoned his “no negotiation” stance. Only the Greens, who have the numbers to help the government get the bills through the Senate, the upper house, remained committed to the laws, subject to two amendments—one to try to limit the number of “self-regulation” bodies, and the other a nationalist proposal to ensure “Australian” content in the media.

Yesterday, a battery of media chiefs appeared before parliamentary committees posing as outraged defenders of a “free press” and “freedom of expression”. Among them were Murdoch’s News Limited chief executive Kim Williams, Fairfax Media CEO Greg Hywood and Seven West Media owner Kerry Stokes. Between them, these three companies control more than 90 percent of all Australian newspapers—national, metropolitan, regional

and local—and the Seven Network, one of the three commercial TV networks. Their appearances highlighted the fact that Australia has one of the most concentrated media ownerships in the world, facilitated by legislation cobbled together by successive previous governments—Labor and Liberal-National alike—to protect the interests of the billionaires, banks and hedge funds that own the networks.

Labor's laws, designed as they are to shield the media owners, do contain potential threats to free speech. In particular, for the first time, the existing regulation of television and radio licences would be extended to online news sources. They would be forced—initially if their audience “exceeds 30 percent of the average metropolitan commercial television evening news audience”—to be “registered” by the PIMA and subject to an accredited “self-regulation body”. This would lay the groundwork for potentially far-reaching control by a government agency over web sites offering news and analysis that was regarded as a threat to the “public interest”, that is, to the interests of the corporate elite and political establishment.

Far from being concerned about “free speech,” the media barons are only concerned that these laws might affect their operations, including their capacity to buy up existing online platforms or transfer their own output online. They are fiercely trying to protect their profits and political power. In Australia, as in Britain, the US and globally, they have dominated the agendas of every government, pursuing a relentless “free-market” program, coupled with support for US-led military interventions and constant demonising of refugees, welfare recipients and the working class more broadly.

Yesterday's parliamentary proceedings provided a display of the venal and cut-throat atmosphere that dominates the media industry, even as the media chiefs sought to present a united front against the government's scheme. Stokes, the Seven West Media owner, was joined by several other TV company bosses in lashing the proposed removal of the 75 percent “audience reach” rule that prevents metropolitan television stations from owning partners in regional areas. Not an ounce of principle was involved. The objection was that the change would clear the way for the debt-riddled Nine Network, which was recently acquired by the US hedge funds Apollo and Oaktree, to mount a \$4 billion takeover of Southern Cross Media, a regional broadcaster currently controlled by Macquarie Bank.

WIN Television CEO Andrew Lancaster told MPs that axing the reach rule “would be the end of regional

television”. Nine boss David Gyngell, however, insisted that scrapping the rule was critical to the future of Australian TV. He pledged not to cut journalists' jobs in country areas if the network were allowed to buy Southern Cross.

Of course, such pledges are worthless. Over past six months, the TV networks have joined the Fairfax and Murdoch press in retrenching a total of more than 3,000 journalists and other editorial workers in an effort to survive amid rapidly declining audience shares, compounded by technological shifts favouring on-line services and the deepening global economic breakdown. All these job cuts were backed by the Labor government and enforced by the trade unions, which prevented any struggle against them.

A similar decimation of media jobs is taking place globally, combined with the closure of major newspapers and the erection of “user pays” barriers around Internet access to information. All this makes a mockery of the claim that private ownership of the media somehow guarantees “freedom of the press”. In reality, the media barons are determined to exercise ever-greater control over all forms of mass communication, including newspaper, television and the Internet.

The full implications of Labor's media laws debacle are not yet clear. When Labor took office in 2007, it did so with the strong backing of Murdoch's *Australian* and the Fairfax newspapers. Gillard bent over backwards to retain that support when she replaced Kevin Rudd as prime minister via a backroom coup in mid-2010, holding personal meetings with Murdoch.

Over the past year, however, the Labor government lurched from one crisis to the next, amid a series of scandals, widespread popular hostility and growing frustration in corporate circles over its inability to push through an agenda of austerity and restructuring.

In January, Gillard called an election for September 14, setting the date seven months in advance in an attempt to head off challenges to her leadership and to campaign for the backing of the corporate elite. Now the political shambles over the media laws has further undone that strategy and intensified the daily speculation about Gillard's survival as prime minister.



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