

**Steve Ahern, *Making Radio* 3<sup>rd</sup> edition**  
*Supplementary reading*

OPINION: Media Reform

Steve Ahern

*My holiday... and why media reform is necessary*

This week I took a few days off after some international travel for a food and wine break in Mudgee.

In my travels, I confirmed my view that media reform is necessary now.

The last time I was there was in Mudgee was about seven years ago. Back then I looked up the phone number of a motel and rang them to make a booking.

This time my wife Serena and I booked a farm stay via Airbnb on the road between the town and the wineries.

Driving around the area we listened to local station 2MG. A good local breakfast show, Lawsie in the morning, an afternoon show with lots of local content, lost pet announcements and more local content, then Super Networked shows after that.

We were glad to hear about events in the town and were interested in the local community service announcements. We found out where to have a meal and what was happening in town. We heard about local businesses in the ad breaks, and Lawsie is still entertaining in the morning timeslot.

When we had had enough of the local station we switched to Spotify: Serena has a favourite playlist, Bus Vipers [soundcloud.com/busvipers](https://soundcloud.com/busvipers). We plugged the smart phone into the aux input of the car stereo and enjoyed that while travelling around the district.

There was no radio in our farm house.

No worries I thought, I will just find 2MG on the RadioApp when the local breakfast show is on tomorrow morning.

Oops... It seems that the Caralis Supernetwork stations are not on the app.

No worries I thought, there must be a stream on the 2MG website... oops, no.

Maybe TuneIn or another radio streaming app... no.

Facebook audio? Facebook live video? Again, no luck.

No way to hear the local breakfast show in the farm house with no radio. No way to learn about local events for the day or to hear ads for local businesses.

Memo to Bill Caralis: 'It's the 21<sup>st</sup> century!'

So I listened to Glenn Daniel reading news on smooth 95.3 and some of Bogart Torelli's Sydney breakfast show, then we switched to Pandora to get a stream of music for our drive. We chose Pandora's Rene Geyer station and headed out to the wineries for the day's tasting.

We stopped in for supplies at Coles and heard Coles Radio via stream from Nova Entertainment's digital radio station in Sydney, then at IGA we heard IGA Radio powered by Spotify. Last time I was here both supermarkets played 2MG's sister station Real FM.

When we got back, Serena finished reading her book, so she downloaded the next title in the series from a Sydney library.

Later we watched TV, enjoying the Aussie drama *Love Child* on the local TV station Southern Cross Ten, complete with local ads for farming services and tractors.

I also spotted ads for the excellent SCA Regional Radio community service campaign *Give Me 5 for Kids*, cross-promoting the local Hit and Triple M Southern Cross stations in the area. The service area for the radio stations and the TV stations didn't match, so I wasn't sure whether I should listen to Hit Central West or if there was another station closer to Mudgee that I should listen to, but it was nice to see the cross-promotion.

We realised that we had missed the latest episode of the new Rebecca Gibney series *Wanted*, which aired the previous night, so we turned on my Wi-Fi hotspot and watched it from Channel 7 Sydney on the iPad, seeing generic ads from national advertisers. We didn't watch it through the local Prime TV network station, where there would have been local ads and local news from the region.

Next day I had to work, so I monitored the live stream of my client's station in Singapore, and later air-checked the breakfast show of a client in Malaysia using rewindradio.com to listen back to yesterday's show, then skyped them in for the aircheck.

A wonderful few days. Favourite wineries visited: Robert Stein, Bunnamagoo, Huntington Estate. Best long lunch restaurant: The Zin House at Lowe Wines.

At the end of our break we drove out of the Mudgee valley towards Canberra for some meetings, listening to KRR-FM, the community radio station for Kandos Rylstone, which has strong transmission across the whole region. The content was hyper-local, sounded authentic and was clearly supported by local volunteers and business sponsors.

When the transmission fizzled out on the way to Bathurst we listened to 2BS for local content, then ABC Central West on AM 549. It was afternoon when we listened to ABC Central West, so we heard the networked programs World Today and James Valentine from ABC Sydney. There was no local news or programming from the region at that time.

A friend was on air in Bourke at that time, so after the ABC 549 coverage faded out we tuned into 2WEB via the TuneIn Radio App, then listened to the last episode of the *Phoebe's Fall* podcast I had been wanting to hear for a while. After that I listened to ABC 666 Canberra and 2CA when they came into range.

Serena is very patient. She allowed me to switch stations regularly without complaining. Lucky her book was absorbing!

In Canberra, I met a colleague who was staying at the Little National Hotel where radio and TV could be accessed on an iPad. He told me that the local stations were mostly available on the iPad, but that there were other stations streamed from other cities as well. Since his favourite station at home is 2SER Sydney, he continued to listen to it during his Canberra stay, bypassing 2XX, 2CA, 2CC, Mix, 104.7, ABC Canberra and the others.

□

So, what's this all about? Where is the moral to this story?

The media consumption patterns I have just described are becoming common across Australia. They are the reason there needs to be media reform.

The licence area system is now broken, thanks to the internet, mobile broadband and new media platforms. It will not survive in its current form.

The current geographically based high-cost television media business models are heading for failure. Radio business models are a little different, but still face challenges.

Listeners and viewers are dramatically changing their consumption habits, because they can.

## LICENCE AREAS

A good idea at the time. They have served Australia well as a means of ensuring local media business revenue and local content were developed over the past decades. They are now irrelevant.

When I can listen to Smooth FM in Mudgee and watch Channel 7 from Sydney the licence area system no longer has any significance. Governments need to get out of the way and allow the market to find a new equilibrium. Our competitors are no longer just local media in the same geographic area, they are any content creator from anywhere.

## LOCAL VOICES

Local radio stations do a very good job at covering local events, supporting local businesses, reporting news, selling and marketing in their local areas. Regional TV does as good a job as it can, given its current work practices and staffing levels.

But there are new tools out there that can make local reporting faster, better and cheaper. They are all in your smart phone. Local radio and TV stations could use them better to deliver local voices and pictures more efficiently than they do now with their current work practices.

## EMPLOYMENT OR CONTENT

As change to the outdated media rules is being debated, there will also need to be debate about the purpose of revising the media laws. If it is to guarantee that media jobs remain unchanged, then it will fail because technology is forcing changes in media employment patterns and work practices. If it is to strike a sensible balance between sustainable Australian media businesses and new consumer behaviour patterns, it should be successful, but there will be pain and there will be job changes.

Future media sustainability is not just about cutting staff. It will be a balance of maintaining people and standards, while introducing new work practices. Billionaire Jeff Bezos, founder of Amazon and now the owner of the Washington Post, recently advised media companies, 'You can't shrink your way to

relevance.' <http://www.cnbc.com/2017/06/21/jeff-bezos-lessons-from-washington-post-for-news-industry.html>

It is an important piece of advice as we consider the future.

## LICENCE FEES

Getting rid of the licence fee. Great idea. Good move Minister!

With Pandora, Spotify, Netflix, YouTube and other platforms paying no licence fees, with no requirement for local content, the licence fee argument based on 'scarce spectrum resources' is no longer valid.

With radio and tv stations from other regions now available in any licence area, the idea of forcing the incumbents to pay for the right to broadcast in a specified geographic licence is no longer sustainable.

But it's a two-way street. If companies get back some money that they used to pay to the government in licence fees, they should use it to strengthen their place in the new media environment, not just put it in their back pockets and rub their hands in glee. Super Network could use some of it to begin streaming its stations to the RadioApp and other platforms. Others could use it to invest in development and marketing of new initiatives to take their programming to where the audience is now consuming content.

## BUSINESS COMPLIANCE

While governments need to get out of the way of technological developments in the media business, completely deregulating media is also not a good idea.

The purpose of business is to make a profit. The purpose of government is to ensure good services and equitable treatment for citizens. Both need to do their job to make the future of media in Australia as successful as the past.

Business will always seek to cut costs and spend the minimum required to satisfy customers at the highest profit point.

But regulators have an important job too. It is to make sure that there is a level playing field for business and that public interest standards are met for the good of all Australians. That is why we have laws for anticompetitive behaviours, monopolies and other unacceptable business practices.

While businesses don't like too much regulation, when the laws are clear and consistent, businesses abide by them and know that their competitors will too.

## PUBLIC INTEREST

We need strong local media that are committed to making local content, featuring Australian stories and Australian voices, otherwise we will be overwhelmed by foreign culture.

In return for a cut in licence fees our media should promise to serve the public interest in areas of local content and local employment. Those promises should be put in writing as part of a new light-touch, but compulsory, regulatory framework.

## GOOD JOURNALISM

Derryn Hinch, Nick Xenophon and other independent parliamentarians have understood the problem of retaining good quality journalism in Australia, and their viewpoint is an important part of the conversation taking place as new rules are considered.

There is a need to lighten the load of payments and compliance, but still ensure that media businesses fulfil their public interest obligations to quality journalism by employing good journalists and keeping standards high. We need this more than ever now to counter the amount of fake news that abounds in cyberspace, but the old employment practices of traditional newsrooms are out of date, and new rules need to take into account new work practices, where news is a commodity, but quality analysis and editorial judgement are more important than ever.

The independent senators also point out that companies which trawl other people's news content and make money out of it without paying a cent to employ any journalists are parasites. Rightly, they want something done about it. Europe is leading the way in this area and we could do well to learn from them as we develop our own policies.

The argument needs to be framed in the context of the whole media landscape.

Let's not forget the journalistic voices employed by the ABC and the volunteer journalists all over the country who give their expertise to the community broadcasting sector. The discussion needs to include consideration of the role they play. If we want more from these sectors, then they need good, stable funding.

Then there is a whole new sector of journalists who work on small independent internet publications, from trade publications such as Radioinfo, to special interest publications like Crikey and dozens of publications in entertainment, politics, and the like. The media formerly known as 'magazines' are now virtual and there is a new role and a new business model for them too. They need to be factored into the mix when formulating the right balance of diverse voices for Australia media in the

future. Are there really fewer jobs for journalists, or have they just gone virtual and are no longer being counted in statistics? We need hard data in this area to help decision makers.

Many journalists have lost their jobs in big media newsrooms, but have found new jobs in online publications that did not exist previously. It is now a significant factor to consider when formulating the policy response to ensuring quality journalism and diverse opinions.

## DIVERSITY OF VOICES

Ownership is an issue for the Labor Party, which is not keen to drop the 'two out of three' ownership rule.

Who cares? If other elements of regulation are strong, ownership should not matter so much.

The current rule is based on the premise that there is a need for diversity of voices in mainstream publishing and broadcasting. There is such a need, but the diversity of voices on the internet satisfies much of that need: Facebook, reddit, Snapchat, Twitter, NPR USA, BBC UK, Russia Today, Iran's Press TV, Al Jazeera, Mamamia, thousands of opinion blogs, and so many others represent diversity in a way that did not exist in the past.

What we need is Australian voices to be amongst that diversity of international voices and opinions. There is a different way to achieve that now. Australian voices need to be big enough, profitable enough and competitive enough to compete with the world, not just with each other. If there is a bias, then another Australian publisher can rise to counter that bias easily and at a low cost, because barriers to entry in the modern media world are now very low.

The more important thing to regulate is profits. Media companies that operate in Australia should be required to use their profits to employ Australian journalists, not to repatriate the money off shore. This is the more important discussion.

## CONCLUSION

Every interest group has a valid point in this debate. Each should be listened to as we work to reshape our media rules for the future.

I work all over the world in training and media policy development. My clients tell me that Australia is a model used by the rest of the world, because we thought about our media landscape and enacted policies and rules which stimulated healthy competition while ensuring public interest. The time has come to revisit those rules

and formulate new policies that are flexible enough to stimulate successful businesses, yet regulated enough to ensure public interest.

We can't afford to get it wrong, but we can't afford to dither before taking action either. Media reform is needed now. Bring it on.

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