



**Australian  
Press Council**



# **Address by Press Council Chair Neville Stevens AO to Melbourne Press Club**

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**The Australian Press Council**

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Thank you, Mark, for that kind introduction.

I would like first to acknowledge the Wurundjeri people who are the Traditional Custodians of this land. I would also like to pay respect to their Elders both past and present of the Kulin Nation.

I am pleased to be here today at the Melbourne Press Club.

It's a familiar venue for the Press Council. In August 2015 my predecessor, David Weisbrot, made his first public speech here as Chair. As we all know, David resigned last year following the response to the appointment of Carla McGrath as a public member of the Council. I will address this issue later in my speech.

David's departure was a loss to the Council and I want to recognise the contribution he made during his tenure. He took a strategic view on Council activities and was a tireless advocate for press freedom. I would also like to recognise the work done by Julie Kinross and John Doyle as Acting Chairs from the time of David's resignation to my appointment. While I am sure they enjoyed their time as Acting Chairs, it was also clear to me that they were both very relieved at my appointment.

In his speech in 2015 David outlined the circumstances surrounding the approach to him by the executive search people. Sipping a drink on a hotel balcony on Santorini. My experience was a little more prosaic. I was driving from Sydney to Canberra just past Marulan, having stopped briefly there for a hamburger at Hungry Jacks only to find it closed for renovations.

I took the call, and the result is I am here today.

The reaction of my friends and others to my appointment was interesting. One whom I had approached to be a referee said at that time that he thought maybe I could do the job. Hopefully he was somewhat more positive when approached by the executive search team. Others were less encouraging, the general response being why would you take a job like that?

I took the job because I believe the Press Council has an important role in maintaining a free and responsible press, and in defending quality journalism. An essential element in our community. The press not only informs the public but is fundamental to holding public and private entities accountable. I know from my time

working in the federal government how critical both external scrutiny, and even more important, the possibility of external scrutiny, is in modifying and influencing behaviour. It is a critical check and balance in our system of Government and a well-functioning civil society.

But to fully achieve this role the public must have confidence and trust in the integrity of the press, especially in this era of fake news. The Press Council plays a major role in encouraging high journalistic standards through its Standards of Practice and complaints-handling system. Both are designed not to punish or shame publications but rather to encourage quality journalism.

I was also aware that it's a time of great change for the media industry. Working in this challenging environment appealed to me.

I have always enjoyed reading newspapers. I grew up in Adelaide and two things come to mind. The first is the arrival of The Australian to Adelaide. I was a teenager at the time, but managed to convince my father that he should subscribe to this paper in addition to the Advertiser and News. He agreed and this Eastern states' morning paper used to be delivered in the afternoon.

Another memory is at midnight in the laneway behind the Advertiser building waiting for the first edition to be thrown out so I could read my university exam results.

Those vignettes highlight the changes in media over that period. Today it is 24/7, available on line wherever you are. Constantly updated so that breaking stories can now be read on web sites and not just available through radio and TV. It is inconceivable that today anyone would wait until the afternoon to read yesterday's news.

The Internet and the digital world have changed publishing forever. They have also changed and will continue to change the operations of the Press Council. One of the challenges for the Press Council is to reconcile these changes with its core function of promoting and upholding standards crucial to public trust in media.

These developments have brought significant benefits to the community through greater ease of access for readers, and an explosion of digital-only publications. The Internet provides a way for content providers to reach a wider audience at low

cost. Not all blogs are the same, but many are informative and provocative. The digital world has enabled more people to contribute to public dialogue and deliberation, many of whom are well informed and provide valuable perspectives to current debates.

In Australia, there has been a rapid growth in digital only publications. International publishers such as the Daily Mail, The New York Times and The Guardian, now have online Australian editions, which add to the diversity of media in this country.

But the digital world has also undermined the business model of publishing.

Publishers traditionally relied on advertising revenue to supplement their subscription and sale revenues.

It was not that long ago you needed to be a weightlifter to bring inside the Saturday editions of the major metropolitan papers. Now Popeye before his spinach injection could lift them easily.

The rapid rise of digital platforms such as Google and Facebook has had profoundly disruptive effects on publishers. These platforms now control the great bulk of digital advertising revenues. It has been estimated that roughly 90 per cent of growth in digital advertising is going to these two companies alone.

The loss of these rivers of advertising gold has had a huge effect on the industry. Reduced revenues have led to significant job shedding. This loss poses a serious challenge to the ability of newspapers to consistently provide quality journalism and to undertake in-depth investigative reporting. Reporting which is essential if both the corporate world and governments are to be scrutinised and held to account.

Accountability is vital to our community. That accountability requires quality journalism that has the trust of the community. Well-resourced newspapers to dig behind the sanctioned government leak and press statement to get to the underlying issues.

Reduced advertising revenues and subsequent job losses have put at risk that scrutiny. Not just on a national or state basis but also at a local level. With the best will in the world the capital-city media can only do so much, and inevitably they concentrate on national and state-wide issues. It is the local media—the suburban

or country town newspapers—that can really cover local issues. Their communities can only be involved in activities and issues if they not only know about them but also if there is a critical eye that goes beyond the local council spin.

Quality journalism needs to be well resourced. However, consumers are often reluctant to pay for this journalism. The Reuters Institute's latest Digital News Report (2017) found across all countries that only around one in ten (13 per cent) pay for online news.

There is also evidence that news brands are struggling to be recognised on distribution platforms. In an experiment tracking more than 2,000 respondents in the UK, Reuters found that while most people could remember the path through which they found a news story (Facebook, Google, etc.), less than half could recall the name of the news brand itself when coming from search or social media.

There is very legitimate concern that the tech giants wield a high level of market power, affecting the ability of content providers to negotiate commercially viable terms.

There are some indications that these media platforms are reassessing their approach to news publishers. For example, Google has very recently launched a new initiative aimed at promoting legitimate journalism on the Internet and helping publishers generate revenues from their journalism. In Australia, Fairfax is partnering with Google across several areas of its publishing business, including advertising, subscriptions and product development.

However, it is not just Google and Facebook that are becoming powerful in the news business. New research is showing that more and more people—around a quarter of respondents to the Reuters survey—now find, share, or discuss news using one or more messaging applications.

It is becoming increasingly clear that communities and governments are concerned about the impact of the tech giants. While some of these companies may still try to portray themselves as little more than start-ups operating out of a garage in Palo Alto, this is no longer accepted. The recent Facebook controversies simply highlight the extent to which the companies harvest and control data and the extent to which their algorithms have so much influence over the news we view and our daily lives.

This story is still to unfold. In Australia we have an ACCC inquiry underway into, among other things, the impact of the big digital platforms on the level of choice and quality of news and journalistic content to consumers. The Press Council welcomes that inquiry and will be making a submission.

Then there is the issue of fake news and the impact it can have on national elections and public discourse in our community.

What do we all need to do to combat and counter the negative effects of fake news?

It is important to recognise that fake news is actually not articles with factual inaccuracies resulting from human error, but rather information that is simply false and dressed up to appear as real news. Its creators' motivation is to influence public opinion for an outcome they desire and to profit from it, financially or otherwise.

Unfortunately there is an increasing tendency for people who don't like the reporting to try and discredit it by labelling it as fake news, even where it originates from reputable sources and may be completely accurate.

We need to be talking together about such things as the need for ever-more rigorous checking of facts by journalists, not always an easy thing with fake news and a potentially heavy new cost when publishers are struggling to remain profitable. We need to talk about the need for greater media literacy among information consumers.

But we also need to be aware of the risk of governments resorting to excessive regulation which may use the acknowledged dangers of false or manipulated information as a pretext to stifle press freedom.

The latest Reuters Institute Digital News Report found in its survey of news consumers in 36 markets around the world that only 25 per cent of respondents think social media do a good job in separating fact from fiction, compared to 40 per cent for the news media. Other data suggest that users feel the combination of a lack of rules and secretive algorithms are allowing low quality material and 'fake news' to spread quickly.

There is a yearning for quality journalism; journalism consumers can trust. Recent data shows an upturn in the degree of trust consumers are placing on established, quality media undertaking public interest journalism.

The Reuters report found that amidst all of the emerging rapid-fire sources of news and information, consumers clearly trust certain traditional media more than social media or new entrants, and the traditional brands play an important role in, as the Reuters report puts it, “creating trust and distributing common facts, particularly on serious issues like politics and international news”.

The report notes that in the US, after the last presidential election, the traditional news media gained five points from the prior year in terms of audience trust, at the same time that subscription rates for some mastheads started to climb for the first time in years.

Recently, a new initiative designed to combat disinformation online—called the Journalism Trust Initiative —was launched in Europe. It is designed to promote quality journalism by adherence to an agreed set of trust and transparency standards developed and implemented by media outlets, professional associations and unions, self-regulatory entities like press councils, as well as digital platforms, advertisers and consumer interest representatives.

So, it’s very similar to the approaches in Australia of the Press Council and its publisher members, where members have agreed standards of practice that reflect best journalistic practice and where members are accountable to an independent complaints handling system.

Another big challenge the Australian Press Council faces—along with other press councils around the world—is the issue of local versus global publication.

How should a body like the Australian Press Council respond to complaints about an item on the Australian website of a global online news platform that is based in, say London or New York? If a journalist in London files a piece that is compliant under the regulatory framework in the UK, and it then gets used not just in the UK edition, but also on the Australian website, whose jurisdiction is involved?

Should readers in Australia expect that all items on an Australian news website, even if they are generated abroad, should meet Australian Press Council standards? Or should readers here, and the Press Council, accept that the local publishers of that website cannot be expected to control exactly what goes into a piece generated

overseas, and not be expected to take responsibility for that piece and respond to complaints about it?

The Australian Press Council is examining this issue. To date, though, it has been the practice of the Council to hold the publisher member responsible for content they publish. While we recognise the changing business models of publishers, any changes to our procedures would need careful consideration to maintain the effectiveness of our standards and public confidence in these standards.

I also want to highlight the issue of press freedom and the vital role it plays in enabling quality journalism. These are very much within the purview of any effective and respected press council and I intend to ensure that the Australian Press Council plays a part in any debate about such matters.

In Australia we often take for granted that we live in a democracy that allows a free press and legitimate criticism. However, it is not quite that simple. Australia ranked 19<sup>th</sup> in the world last year, according to the Reporters Without Borders Report for 2017, not an outstanding result. However, we did move up from 25<sup>th</sup> place the year previously. One can take some solace in that, but Australia is still behind many other countries.

Our international rating should be of concern to everyone. The concern is backed up by a number of worrying trends in Australia. For example:

- increasing use of defamation actions;
- overly broad 'anti-terrorism' laws;
- secrecy laws that over-classify government information;
- some courts seem too willing to issue suppression orders;
- our metadata retention laws;
- lack of adequate protections for whistleblowers.

Media outlets and the Press Council need to work energetically and cooperatively to counter these trends.

In 2000, the Australian Press Council instituted a Press Freedom Medal to highlight the importance of press freedom and to recognise, initially, Council members who had made an outstanding contribution to the work of the Council in maintaining that



freedom. Under David Weisbrot, the Council decided in 2016 to revitalise this award, and rightly open it up to people who, through their work as journalists, or in other roles, help ensure the preservation of free speech, press freedom and open and transparent government.

That award will be continued in 2018 and the Council has considered some outstanding nominees. An announcement of the latest medal winners will be made next month.

From its inception the Press Council has been an alternative to Government regulation. I have seen first-hand both government regulation and industry regulation. There is no one solution that fits all circumstances or all industries. Some areas need black-letter government regulation, while others need a lighter touch and independence from government.

Publishers rightly resist government regulation. A free press cannot be beholden to government or subject to government influence.

Yet the public expects that the press will be responsible and adhere to high standards of journalistic behaviour. The Press Council, through its standards of practice, has enshrined and promoted good journalistic practice.

Its complaints-handling function gives the community the opportunity to air their grievances and to have those grievances considered in an independent forum. In some cases the Press Council can be an alternative to costly defamation action.

This process underpins quality journalism.

Over time, the Press Council has been criticised as ineffective and subservient to publishers' interests. While it is true that publishers provide Council's funding, an important change instituted during the time of Julian Disney as Chair was not only to double Council resources but to lock that funding in for three-year cycles.

The Council's constitution provides for its independence. Only up to a maximum of 40 percent of the governing body is made up of publisher members and 60 percent are public and independent journalist members. Adjudication Panels do not include publisher members at all.

The constitution requires publishers to cooperate with the complaints-handling process, including the requirement to publish outcomes of all adjudications involving them. Editors take Council adjudications seriously, and they certainly don't like having to publish critical adjudications. They tell us so, and they sometimes tell the world so in editorials that accompany some adjudications.

Let me now turn to the issue of Council membership.

Public members need to not only reflect the community they must also be independent and be seen as independent. The appointment of Carla McGrath to the Council in the middle of last year and the reaction to that appointment threw into question the independence of the Council.

While there is no question that Carla is an outstanding Australian, the issue revolves around whether her position as Deputy Chair of GetUp! is compatible with her role as a Council member.

In late 2017, the Press Council revised its existing practices and approved an overarching conflict of interest policy. All Council members have been asked to identify potential conflicts against that policy for consideration by Council at its May meeting.

I would also like to make some brief comment on Council operations, particularly its core function of complaints handling.

First, the approach by the secretariat is highly professional and impartial. Each complaint is given appropriate consideration even where it may be dismissed as not representing a breach of the Council standards.

Second, the Council's adjudication panels bring a great deal of expertise to bear in their consideration of complaints. I have been genuinely impressed by the work done by all members of these panels, and, in particular, by the important role played by the independent journalist members.

The average time needed for a complaint to be resolved is currently around five weeks. That's pretty good for a small organisation that receives more than 500 complaints a year.

But formal adjudications on average are taking around eight months from the date a complaint is received until the day the adjudication is published. While one can point to a number of valid reasons why it can take this length of time, I believe most people, particularly the complainants and publishers involved in the complaint, would agree that this is less than ideal and, in some circumstances, I believe this delay diminishes the importance and relevance of the eventual finding.

There is, therefore, work to be done in speeding up the adjudication process. In today's digital world speed has become the accepted norm. I intend to work closely with Council to review our processes to reduce these times, but in ways that preserve the intent and effectiveness of the complaints process.

In closing I would like to return to David Weisbrot's first speech here in 2015.

I was struck by a theme developed by David during his tenure as something that I very much wish to continue. David said in that speech, the following:

*Whatever benefits those procedural refinements may deliver, they are likely to pale in comparison with the benefits that will come from cultural change and a belief that the maintenance of high standards in the industry must be a shared enterprise.*

The defence of quality journalism is a shared enterprise. Shared by all parties, the Press Council, publishers, journalists, the Government and the public. All have a role to play if we are to maintain the tradition of quality journalism in the digital age.

There is a story I remember from my Canberra days concerning ambassadors from Japan. It was said that one of their performance indicators was to leave the embassy's wine cellar in a better condition on their departure than it was on their arrival.

My objective is to ensure that the Australian Press Council is a respected and independent self-regulatory body, which has the confidence of publishers and the community and publishers, which contributes to a strong and free press and which values and promotes quality journalism. A Press Council that has efficient and effective standards of practice and complaints handling that take into account the realities of the digital age. Thank you. I'd be happy to take a few questions.