

## **Journalism: Growing as Australian newspaper circulations shrink**

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**Summary:** This report argues that the Journalists Published Media Award 2010 does not meet the modern award objective of providing a "fair and relevant minimum safety net of terms and conditions." It contends that the modern media working environment has been reshaped over the past decade and that the Award must reflect the needs of contemporary working environments.

The JPM Award was derived from earlier awards that mostly dealt with newspapers. It is largely silent on digital journalism, even though new research indicates social media (like Facebook and YouTube) is only just behind television as Australia's main source of news. [1]

But the growth of digital media has not offset the loss of thousands of Australian journalism jobs in recent years, mostly in newspapers. Fewer journalists are doing more work in more varied formats, leading to work intensification in an expanded "24/7" news cycle.

These changes should be considered against the Modern Award objective of providing additional remuneration for: employees working overtime; working unsocial, irregular or unpredictable hours; working on weekends or public holidays; and working shifts.

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He previously worked at The Australian Financial Review for 18 years, covering the national IR round for a decade. Before that, he worked at The Sydney Morning Herald and various publications in Western Australia, starting out at the Esperance Express in 1978.

## Global Media Disruption

Digital technology is transforming all industries, but few sectors have experienced the scale and speed of change in news media and journalism.

There has been a global fall in the commercial news media's advertising revenue, which has traditionally previously then used to subsidise the journalism. [2]

In response to falling circulation and advertising revenue, newspapers have reacted by cutting print-focused jobs and improving their digital offerings.

Social media outlets (like Facebook) and search engines (like Google) have turned from being online "hubs" into "major pillars of publishing and advertising, as well as important destinations for audiences" [3]

Since October 2015, the number of Americans working in online publishing has outnumbered those working for newspapers [4]. A similar trend is underway in Australia and the UK, but is less pronounced than the US.

### New skills, new work patterns, fewer hands

A landmark 2012 report, by the Columbia Journalism School's Tow Center for Digital Journalism, said that all publishers now claimed to be "doing more with less" when explaining forced job cuts. [5]

**"Post-industrial journalism assumes that the existing institutions are going to lose revenue and market share, and that if they hope to retain or even increase their relevance, they will have to take advantage of new working methods and processes afforded by digital media," the report said.**

In Australia, it is estimated that around 700 journalism jobs were lost during the Global Financial Crisis between 2008-09. This was followed by the loss of about another 2,500 journalism jobs between 2012-2015. Since then, hundreds more journalism jobs have been lost. [6]

A professor of journalism at the University of Canberra, Matthew Ricketson, wrote this year that there are no signs of a slowdown in job losses in Australia's mainstream media companies, such as Fairfax Media and News Corporation.

**The redundancy rounds of recent years have also coincided with the rise of the 24-hour news cycle and with social media. Journalists now file stories the moment news breaks, whether by tweeting or by live-blogging, and they are now required to file audio, video and online reports as well as stories for the next day's newspaper. The departure from newsrooms of many experienced journalists, combined with a ratcheting-up of the number of stories those remaining need to file, prompts questions about the ability of mainstream media companies to continue to provide the kind of quality journalism for which they are known. [7]**

My former employer, Fairfax Media, has had a "digital first" policy in place for several years, and News Corp has a similar policy. [8]

According to the managing director of Fairfax Life Media and events, Andrew McEvoy:

**"Fairfax is now a digital first, mobile first, video led, socially amplified company, publishing beyond its own platforms." [9]**

News Corp Australia's chief product officer, digital, Mark Drasutis, says his company is innovating by **"recombining content, people and processes in new ways for growth."** [10]

The individual journalist is under pressure to publish news online and in multiple channels as quickly as possible, rather than holding it back to be published in a newspaper which comes out the next day. Reporters at combined print-digital operations have to file online, provide updates and then look to develop the story for the next day's paper.

This emphasis on speedy online publication is partly driven by Search Engine Optimisation (SEO), the process of maximizing the number of visitors to your website by ensuring that the site appears high on the list of results returned by Google.

The pattern for consuming online media is similar to that of household electricity usage, with peaks around breakfast and dinner times. There is a smaller spike in online media consumption after dinner, as many people use multiple devices such as watching television while browsing on a tablet or smartphone.

My own experience is that reporters often end up filing stories and updates from early in the morning until late at night, or over the weekends. Production work for online media has to be done before the morning and evening consumption peaks. ie in the early morning and at night.

Meanwhile, journalists are expected to be on social networks such as Twitter and Facebook, to promote their own work and their publication, but also to engage with readers/the audience.

It must be stressed this is a two-way street – all journalists expected to also use digital sources as a *source* of news, information and verification during every shift but particularly when covering breaking news.

This requires new skills. In many regional newsrooms, reporters are expected to take photographs and videos and - in some cases - sub-edit and then publish their own digital stories. An advertisement for a graduate cadet at the Gympie Times in Queensland said: "Full training will be provided in our online and editorial production system, use of social media, and other areas of website management." [11]

However, in bigger newsrooms, the emphasis is on working in teams - reporters, sub-editors plus digital media specialists such as designers, video journalists and editorial content producers.

Modern newsroom management structures tend to be flat, with most employees expected to be "hands on" in the production process. With fewer journalists, those who remain are expected to have multiple skills and work as a team.

The managing director of ABC news digital, Stuart Watt, says that what works on the national broadcaster's website has to be adapted for other digital platforms.

**"And what works on Facebook us not tuned for the needs of the YouTube audience. And none of those necessarily work that well on Instagram. Then there is Snapchat." [12]**

Watt adds:

**"Gone are the days of predictable media consumption: the sit-back behaviour associated**

**with TV, the 'in the background companion' of radio and the daily, mostly morning, habit of newspapers. With each new device comes a new set of behaviours and that means newsrooms need to change their output to fit those behaviours."**

The Tow Centre's report on "Post-Industrial Journalism" argued that the news business in the 20th century was a "fairly linear" process. But that has changed in the current century:

**"The list of what a journalist can do grows daily, as the plasticity of communications technology changes both reporting capabilities and audience behaviours." [13]**

**"Almost every aspect of the news environment will be more variable than it is today. We're not shifting from big news organisations to small ones, or from slow reporting to fast. The dynamic range of journalism is increasing along several axes at once. The internet has unleashed demand for more narrative and more data-driven news, for a wider range of real-time sources and wider distribution of long-form pieces."**

The Tow report predicted smaller newsrooms in future, but many more niche players with smaller and more narrowly tailored operations:

**More techniques will be deployed in the production of news—algorithmic data analysis, information visualization, solicitation of amateur input, feedback loops with crowd reaction, automated production of data-driven stories. More generalists will be working in niche subjects; interviewers on particular topics who create, edit and distribute photos, audio or video as a newsroom of one. Narrower and deeper specialization will occur among the newsrooms that have staffs large enough to allow collaborative units to work together: By 2020, the most expert data miner, information visualizer or interactive experience designer will have a far more refined set of tools and experience than any of those people do today.**

Then consider the increased scrutiny of stories and the audiences they attract. Digital media produces real-time reader metrics, which can identify the number of clicks on a story and (usually) how much time is spent looking at it.

All this is occurring as the big publishers have reduced their contributor budgets. Having large pool of freelance journalists looking for work has contributed to reductions in wordage rates.

In 2010-11, the MEAA had a recommended payment rate for freelancers of about 93 cents per word. In 2016, some traditional publishers and online-only outfits pay 60 cents per word, while others pay 40 cents or less [14]

Many of the job losses in recent years have come through voluntary redundancies, which appeals to more senior journalists who have worked with an employer for many years. The New Beats survey found the average of respondent redundant journalists was just over 49 years, who had worked in journalism for an average of almost 26 years. [15]

The changed age profile is important. The leaner newsrooms of today are mostly staffed by younger journalists who compete for a smaller pool of jobs, while Australia's university journalism courses still attract thousands of students [16]

There are ongoing problems with young people being pushed into doing unpaid work or low-paying internships to break into the industry [17].

As a veteran journalist and senior reporter on the Financial Review, I was fine with Fairfax

Media's "digital first" strategy. But if I wrote a story at 8am, did my regular work during the day and then filed an update after 8pm, I was careful to keep a record and claim it as Time Off In Lieu (TOIL) in future. The same went for unscheduled weekend work.

But it is difficult for many journalists, especially young journalists to claim TOIL, given the new dynamics (and economics) of Australian newsrooms.

### **The changed Australian news media landscape**

A new measurement tool by Nielsen has estimated that almost 19.6 million Australians accessed digital content in February this year using computers, smartphones and tablets - about 82% of the 24 million population [18]

The tool, developed by the Interactive Advertising Bureau and Nielsen, increased the total digital audience by around 1 million people despite trying to avoid double-counting.

The Nielsen research found that:

- \* almost 18 million Australians used computers to go actively online in February 2016, with more than 13 million actively browsing websites/apps on smartphones and 7.5 million people on tablets

- \* Australians spent more time browsing websites/apps on their smartphones than any other device (more than 28 hours per person per month)

- \* Australians still mostly use computers to access current events and global news related content, for about 2 hours and 17 minutes per person per month.

The research company Nielsen produces a list of the top 10 news websites, in which News.com.au, smh.com.au and ABC News Websites hold the top three rankings in terms of highest total unique audience.

## TOTAL AUDIENCE – TOP 10 CURRENT EVENTS & GLOBAL NEWS BRANDS (WEB & APP)

ENTITY	UNIQUE AUDIENCE (000)	TIME PER PERSON (HH:MM:SS)
news.com.au	5499	01:04:11
smh.com.au	4709	00:55:10
ABC News Websites	4330	00:26:43
ninensn News Websites	3037	00:29:00
The Guardian	2944	00:27:59
Daily Mail Australia	2866	00:35:04
The Age	2665	01:04:49
Yahoo7 News Websites	2607	00:15:11
Herald Sun	2545	00:22:58
The Daily Telegraph	2433	00:17:12

Source: Nielsen Digital Ratings (Monthly) – February 2016; Computer (Ppl; 2+), Smartphone and Tablet (Ppl 18+)

Five of the top ten websites belong to News Corp and Fairfax, while three websites associated with broadcasters – the ABC plus the Seven and Nine television networks – have one entry each.

Two of the top ten websites – the Guardian Australia and the Daily Mail Australia are relatively new, internet-only operations which are offshoots of international operations.

Three other international media outfits have established internet-only operations in Australia, the youth publisher Vice Media, BuzzFeed, and the Huffington Post (in partnership with Fairfax).

However, the home-grown, internet-only publishers include Private Media (whose titles include Crikey, The Mandarin, Smart Company, Startup Smart, Women's Agenda) and The New Daily, which was established by a group of industry superannuation funds.

Other local internet-only publications include Banking Day, mUMBRELLA, New Matilda, Property Review Australia and Urban Cinefile.

A non-profit internet publisher developed by Australian universities, The Conversation, which works with the CSIRO and research institutes to publish their own experts, was started in 2011 and now has sister publications in Africa, France, the UK and the US.

### **Australian newspapers down but not out**

The market research business, IBIS World, says that Australian newspaper circulation has decreased over the past decade as readers switched to online news content, producing lower revenue from print despite cover price increases. [19]

Newspaper publishers have sought to charge for online content, but "paywalls" can

direct users elsewhere in search of free content.

IBIS World says that Australian newspapers had 23,472 employees in 2010-11, and this is expected to shrink to 16,373 in 2016-17.

Some of the departed newspaper employees were printers, or worked in advertising and administrative roles.

Documents lodged with the Fair Work Commission show the number of journalists employed under the Fairfax Media Metropolitan Journalists Enterprise Agreement fell from 1174 to 933 between 2011 and 2014, a drop of about 20%. Fairfax has cut at least another 160 jobs, mostly in its regional and suburban newspaper operations, in 2015 and 2016. [20]

In Western Australia, WA Newspapers cut about 100 jobs in 2013 with an estimated 45 more expected to be lost through the recent takeover of the Sunday Times [21].

The annual reports of News Corp/New Limited indicate that its Australian workforce was cut from 9000 to 8000 between 2013 to 2015, including hundreds of journalism jobs. In 2014, there were media reports that one in eight jobs had been cut in 2012-13. [22]

As recently as November 2016, News Corp announced a further \$40 million in savings was required. These savings are to be secured through a freeze on new staffing hires and redundancies, among other measures. [23]

The job cuts have flowed through to the accounts of both companies. News Corp incurred \$821 million in restructuring costs in its newspaper businesses from 2009 to 2016, mostly in the UK and Australia. Fairfax has incurred redundancy costs \$455.56 million between 2007-2016 [24]

The "Australian Entertainment & Media 2015-2019 Outlook" by PricewaterhouseCoopers forecasts that Australian newspaper revenues will fall by about 6.3% from about \$3.1 billion in 2015 to about \$2.4 billion in 2019. [25]

However, PwC is more upbeat than IBISWorld, arguing that reports of the newspaper industry's death have been greatly exaggerated.

"While print sales continue to decline, the aggregate consumption of print and digital news is increasing," PwC said.

But the report added that the number of online-only providers offering free digital content is rising, while content aggregators was adding to the pressure on traditional mastheads.

"All these recent entrants are providing online-only content, which has much lower overheads than print and offers greater agility, including the ability to break news live and stream video content."

"This increased competition is driving traditional publishers to innovate. They are developing new offerings and models centred on their core competency: the creation and curation of professional quality content."

Australia's biggest newspaper publishers – News Corporation and Fairfax Media - have sought to cut costs in the face of falling advertising revenue, while improving their digital offerings.

News Corp has created sub-editing "hubs" which handle stories for multiple publications rather than the subeditors working for individual titles.

Fairfax outsourced sub-editing – firstly to Pagemasters and then to Fairfax in New Zealand and now back to Pagemasters. It has laid off most of its staff photographers and has pushed ahead with significant cuts to regional and suburban publications.

In May, Fairfax Media chief executive Greg Hywood made clear at a Macquarie Australia conference in Sydney that the company was likely to end publication of the Monday-to-Friday editions of the SMH and The Age in coming years. He also hinted Fairfax will keep the weekday edition of the Australian Financial Review, but drop the weekend AFR. [26]

"It should surprise no one, and certainly not us, that the seven-day-a-week publishing model will eventually give way to weekend-only or more targeted printing for most publishers. We are already seeing this happening offshore." Hywood said.

Hywood said a new model for the three major metropolitan mastheads would "include 24/7 enhanced digital and likely changed print proposition."

"We have a profitable publishing business – and we know there is a profitable publishing future with a different mix of digital and print than is currently the case."

### **Conclusion**

This report argues that the reality of modern newsroom practice and structures means the Fair Work Commission should focus on the work now performed and how it has impacted the working lives of journalists and other editorial employees when reviewing the Journalists Published Media Award 2010.

The JPM Award cannot be relevant, let alone modern, without reflecting a media which works on a 24/7 cycle that requires overtime or Time Off in Lieu [TOIL] arrangements.

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