

How much influence does the Murdoch media have in Australia?

Kevin Rudd is convinced News Corp has too much influence. How much of the media does News Corp own in Australia? How much sway does it really have?



Rupert Murdoch before his wedding to Jerry Hall in 2016 with sons Lachlan (left) and James

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How influential is Rupert Murdoch's media empire? According to Kevin Rudd, extremely, and not in a good way. The former prime minister has emerged as one of the fiercest critics of the Murdoch family's media company, News Corp, which he says has the power to sway public opinion to protect its own agenda and to damage its political enemies.

On October 10, Rudd created a petition to establish a royal commission into the strength and diversity of Australian news media – he called it a #MurdochRoyalCommission on Twitter. High on his list of concerns was that "Australia's print media is overwhelmingly controlled by News Corporation" and "this power is routinely used to attack opponents in business and politics by blending editorial opinion with news reporting". As of the afternoon of October 15, the petition had attracted 247,693 signatures.

Rudd's latest blast against News Corp (which he describes as a "cancer on democracy") coincided with a rare media interview by James Murdoch, who told *The New York*

Times he left the company because he was concerned its newspapers were disguising facts and endorsing disinformation.

Rudd's push is the latest to raise questions about the influence the Murdoch family has over the public and politicians in Australia. On the one hand, News Corp owns more Australian newspapers than any other company. On the other hand, in an era where there are more local and international online sources of news and many consumers get their news via Google and Facebook, can a traditional media company really shape public opinion to the extent that News Corp's critics believe?

What publications does News Corp own in Australia?

News Corp is easily the country's biggest newspaper owner. Its titles include national broadsheet *The Australian* and Sydney's *The Daily Telegraph*, Melbourne's *Herald Sun*, Brisbane's *The Courier Mail* and Adelaide's *The Advertiser*. But it isn't just the large capital cities where News Corp has a big audience – it has a newspaper in nearly every state and territory, owning the major newspaper in the Northern Territory, *The NT News*, and Tasmania's *Mercury* as well as a large number of online suburban and regional titles. And it runs Australia's second-biggest digital website, news.com.au, according to August figures from measurement provider Nielsen.

News Corp is also the controlling shareholder of pay TV company Foxtel; and it owns 24-hour channel Sky News in Australia. Sky's mostly conservative commentators include Alan Jones and Peta Credlin. Some of Sky's coverage appears on free-to-air regional channel WIN. And Nova Entertainment, the radio network that broadcasts Nova FM and Smooth FM across Australia, is a privately run company owned by Rupert Murdoch's eldest son, Lachlan.

There is only one other commercial news organisation that has scale comparable to News Corp in Australia – Nine Entertainment Co, the owner of this masthead. Nine, which bought Fairfax Media in 2018, owns the Nine television network; *The Sydney Morning Herald* and *The Age*, *The Australian Financial Review*, streaming platform Stan and radio stations such as 2GB in Sydney, 3AW in Melbourne and 4BC in Brisbane.

National broadcaster the ABC is the third major player through television, radio and the nation's most visited website. Like News Corp and Nine, it has a footprint that gives it the ability to communicate with the majority of the population daily.

The industry term for this is "reach".

How much 'reach' does News Corp have?

Derek Wilding, a professor at the University of Technology Sydney's Centre for Media Transition, says it is difficult to work out just how much reach News Corp – or any media company – has because of the way the industry measures audiences.

"It's very difficult to actually pin down precisely the reach," he says. "We've tended to look just within existing markets – i.e. print or broadcast. That problem is exacerbated in an environment where there's increasing digital reach and people get their news not just directly from the news supplier but from digital platforms."

A 2016 study by academics Franco Papandrea and Rodney Tiffen on media ownership and concentration said News Corp owned about 65 per cent of print newspaper readership across Australia. That study was based on data from 2012, before News Corp owned a range of regional newspapers it acquired from APN News & Media but, given News Corp has now stopped printing a number of these publications, it's unlikely there is much change in how much print readership News Corp controls. (This was the report cited in a study commissioned by the Australian Competition and Consumer Commission of how much market power Google and Facebook have.)

In information it provides to advertisers, News Corp says it reaches 16 million Australians each month across its news outlets. Nine says it reaches 70 per cent of Australians through its television network each month. It says that it has 2 million listeners to its radio stations and that its mastheads have an average of 12 million news readers across print and digital each month. In its 2019 annual report, the ABC says it reaches 68.3 per cent of the population with its different platforms. Reach also exaggerates audience. To qualify a person only needs to interact with a media company's journalism as little as once a month.

The other caveat about News Corp's reach is the conversation tends to be shaped by its print dominance. The fact that the total number of people reading physical newspapers is shrinking is often ignored. Decades ago, the influence of a print edition would be considered much greater than it is now with the fragmentation of the media industry that has occurred because of the internet.

Is the media industry more competitive than in the past?

Before the internet, moguls such as Rupert Murdoch dominated the media landscape. Today it's very different. Social media sites such as Facebook and tech giants such as Google have changed the way consumers read news, and the internet has allowed people to access articles from international news outlets. This has meant that traditional media such as newspapers don't hold the same kind of influence they once did, because there is so much choice for readers.

The New York Times and *The Economist*, which previously would have struggled for global reach, have been able to find Australian readers. Other global mastheads such as *The Guardian* and *Daily Mail* employ large numbers of journalists and have established big online Australian audiences. Industry superannuation funds set up *The New Daily* website while universities fund *The Conversation*. Meanwhile, digital-only websites such as Junkee Media and Crikey make up a small portion of the media industry but their content resonates with Australians.

Wilding says it would be wrong to assume that these outlets have diminished the strength of large local players such as News Corp, the ABC and Nine.

"While some of those international sources and local startups add to the range of accessible news, the bigger the existing large media players get ... the greater the challenge for smaller players to compete."

How influential is News Corp?

News Corp's influence is perhaps best articulated by one of its former senior executives. "News Corp has no influence with the public but an acute influence with politicians," says Kim Williams, who ran News Corp in Australia between 2011 and 2013.

Being able to speak to a large section of the population is one thing. But influence is different – it requires news articles and analysis to have an effect on people or to sway a point of view.

Murdoch is one of the world's most successful media proprietors and his conservative views on politics and business are well known. His son Lachlan, who is co-chair of News Corp and runs the family's other US-focused business, Fox Corp, is said to share a similar world view.

But while right-leaning politicians have often aligned with News Corp on policy, there is a fairly long list of left-leaning politicians in the English-speaking world who have attempted to curry favour with Rupert Murdoch to further their leadership ambitions. The list includes former prime minister Paul Keating (who allowed Murdoch to buy the Herald & Weekly Times in the 1980s) and former UK leader Tony Blair (godfather to one of Murdoch's children with Wendi Deng). Blair tried to win over News Corp's UK tabloid *The Sun* before he was elected in 1997). Even Rudd, who had a long-standing relationship with *The Australian's* former editor-in-chief Chris Mitchell before entering politics, was famously taken by former *New York Post* editor Col Allan to a New York strip club).

Murdoch papers have swung support behind left-wing parties: in federal politics, Keating and Rudd as well as Bob Hawke. News Corp mastheads have backed former premiers Neville Wran and Bob Carr in NSW, Wayne Goss in Queensland, and at times, Steve Bracks in Victoria.



Bob Hawke and Rupert Murdoch pictured in 2009.

At times the newspapers have shifted their view and have rallied against political leaders. In 2007, after backing prime minister John Howard for years, *The Daily Telegraph* splashed with the headline "Sydney walks away from PM".

The tables also turned on Rudd, who blames his downfall as prime minister on News Corp and the Murdochs. Former prime minister Malcolm Turnbull also believes he was ousted because he was not "News Corp's man".

Politicians certainly think News Corp has influence. Under Hawke and Keating, Murdoch took control of two-thirds of the newspaper industry's daily circulation. After his election victory, Rudd was so close to Chris Mitchell that Mitchell used to sound him out about journalist hires.

Rudd told *The Sydney Morning Herald* and *The Age*: "My job as Labor leader then was try to maximise our positive coverage."

Under Turnbull, media ownership laws were relaxed – something that News Corp had lobbied for for decades, and that allowed for a potential takeover of Network Ten (Lachlan Murdoch was a major shareholder until it was bought by ViacomCBS). Despite efforts, Rupert Murdoch was unsuccessful and News Corp has not gained much from this change.

There is some merit to Rudd's concerns. In some instances, News Corp has successfully lobbied the government. A compulsory code being created to make Google and Facebook pay for the use of news content is just one example of an issue News Corp lobbied hard for. But whether it succeeds will be a test of just how influential it is with politicians.

News Corp has also not been successful with changing some federal policy. The one rule that News Corp has wanted removed for years – anti-siphoning (the mandatory requirement for certain sport matches to appear on free-to-air television) – has never been removed. Foxtel, owned by News Corp, wants the laws to be relaxed to allow it to be able to run sports matches exclusively, a move that would gain it subscribers.

Whether News Corp can overthrow a prime minister could also be contested. Newspapers combine news reporting with commentary and analysis and this is often the sticking point among News Corp's critics. It is also one of the driving reasons behind James Murdoch's abrupt exit from the board of News Corp's parent company on July 31.

Wilding says in areas where News Corp owns the only major print newspaper, there is an ability to shape opinion.

"The element that is often overlooked is the influence of the print circulation on the radio sector and the extent to which News Corp publications do drive radio agendas," Wilding adds. "The fact that there's so many markets in which there's only a News Corp local publication means that they have that added reach via commercial radio. Particularly in Adelaide and Brisbane, where there's only one daily newspaper ... the influence of whoever owns that newspaper is enhanced."

But sometimes, no matter what *The Australian* or *The Daily Telegraph* says, they do not affect outcomes. In Queensland and Victoria, Labor leads despite critical coverage of Premiers Daniel Andrews and Anastacia Palaszczuk.

Influence also requires an audience of all ages. Because of the wide range of choice on the internet, younger audiences do not tend to read newspapers in the same way they may have done decades ago.

News Corp critics say owning the majority of Australia's newspaper industry allows the Murdoch family to push their views out into the world, to mislead the public and ultimately shift perceptions of politicians and issues. However, it doesn't necessarily follow that they are successful in their attempts to influence.

It's more likely that the influence News Corp wields is not from galvanising the public but rather lies with politicians seeking approval or trying to appease editors with policy changes.

Wilding argues it's hard to measure how much influence News Corp has, but he says the influence of media proprietors on public policy is well documented.

"It's still very much the case that media owners are taken seriously by governments of any political persuasion and decisions on media policy have routinely been made with a view to the potential effects for governments and political parties," he says.