Delimiter

Just Australia. Just technology.

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10 November 2011

Ray Finkelstein
Dr Matthew Ricketson
c/o Independent Media Inquiry
Department of Broadband, Communications
and the Digital Economy

Dear Sirs,

thank you for the opportunity to contribute a submission to the Federal Government's Independent Media Inquiry, as announced by Minister Conroy on 14 September this year.

My contribution to the review will be informed by my experience over the majority of the past decade as an active journalist working in the Australian media. Most of my experience has been as a full-time journalist covering the Australian information technology and telecommunications sector, working for publications such as the Australian Financial Review and ZDNet Australia.

As part of this experience, I am privileged to have spent several years running a busy news desk, overseeing a number of full-time staff and external contributors.

Perhaps most pertinently to your interests in new media, in January 2010 I left full-time employment to found a major new media outlet covering the Australian technology sector, operating purely online. Over the past several years that publication -- Delimiter -- has attracted a sizable audience and become financially sustainable as an ongoing concern. Its audience and coverage now rivals traditional publications such as the technology sections of major newspapers and print magazines.

I am thus acutely familiar with both the commercial and technical challenges facing independent new media in Australia, as well as how they impact on the ongoing desire from readers for quality journalism.

I beg your indulgence in making this submission after the closing date, and am available at your discretion if further information is required. I will not respond to all of the issues raised in your introductory paper; only those to which I feel I can add substantial insight to be of use.

Kind regards,

Renai LeMay
Publisher + Editor, Delimiter

Standards

In the issues paper published by the Independent Media Inquiry, questions are raised about whether it is appropriate that media outlets and journalists confirm to standards of conduct or codes of practice, as laid out by the Australian Press Council's Statement of Principles or the Media, Entertainment and Arts Alliance's Code of Ethics.

In my opinion, it is not appropriate that such standards be applied in a mandatory fashion to content producers which publish material in any medium. There are two reasons I hold this view.

The first is that in practice, it is impossible for such standards to be applied due to the evolving nature of content production. The developing popularity of the Internet as a publishing medium has meant that virtually every organisation or individual who operates a blog, web site of any form or participates in social media platforms such as Facebook, Twitter, Reddit or Google+ are effectively publishers (I often use the term 'micro-publishers') and thus practicing journalism in some form, although it may be a very informal one.

Any attempt to apply or enforce such standards would be enmeshed in an incredibly complex jurisdictional battle to decide who they should be applied to.

There are, it is true, many full-time content producers who make their entire living from their creative efforts. However, there are also many who make only a part-time living from their efforts, or no income at all. Many do consider themselves journalists and part of the media -- but many do not, even if they do make a full-time living from their work. It seems unreasonable that an arbitrary distinction be made between different types of content producers for the purpose of applying standards to their work.

An example of the difficulties here would be the actions of protestors in live blogging, Twittering and posting photographs from the Occupy Sydney and Melbourne protests in late 2011. Such protestors are clearly broadcasting and publishing information in a journalistic sense, but are very definitely not journalists in any formal sense. Nor would most recognise any attempt to classify them as such.

Technological problems also mediate against the ability of any regulator to apply such standards. It has been consistently shown that Australian Government entities do not have the legal authority to affect content which is located in international jurisdictions. If a journalist located in Australia publishes their work on a computer server hosted in another country (as is very common), the ability of Australian authorities to effect standards upon that work is dramatically diminished.

An example of this is the 2010 attempts by governments and service providers to shut down the Wikileaks information disclosure site, which merely resulted in the site being mirrored further across the Internet.

Secondly, I would argue that it is not necessary to apply standards in a mandatory fashion, because the market is self-correcting.

If any content producer wants to attract a sizable audience for their work and thus make a living from it, it quickly becomes apparent that if they do not adhere to a code or standard of ethics of some kind, that they will face increasing problems in maintaining a trust relationship with that audience, and thus inhibit their commercial operations.

Where publications do commit what Australian readers would consider to be unethical behaviour, existing market and legal mechanisms are more than adequate to resolve such problems.

In one practical example, during late 2010 and early 2011, a number of large Australian publications published a series of articles which were highly critical of the past involvement of Mike Quigley, the

chief executive of the National Broadband Network Company, with his former employer Alcatel-Lucent, which was suffering allegations of corrupt behaviour.

The articles were published despite the fact that Mr Quigley has been shown to have had no involvement with the allegedly corrupt behaviour.

A number of my readers urged me to defend Quigley and refute the articles. After investigating the issue, I did so. Following the publication of an article on the subject, the debate over Mr Quigley's past has died down and now relatively a non-issue in the broader Australian community. I cannot in any sense take sole credit for this, but I am aware that Delimiter's publication of this article was influential in the debate.

This is not an isolated example, and in fact the pattern has become increasingly clear. It is a common occurrence that major Australian media outlets will publish articles which breach community ethical standards, with smaller, independent Australian media outlets then seeking to 'correct' the record on those issues, following the receipt of requests from their own readers. I would encourage the Inquiry to seek examples from publications such as Crikey and Mumbrella to see this trend in action.

Indeed, I would regard this as one of the chief functions of Australian independent media in 2011 and beyond -- to act as watchdogs not just of major political, governmental and commercial entities, but also towards major media organisations, which hold their own power.

Regulation

In the issues paper published by the Independent Media Inquiry, questions are raised about whether forces such as self-regulation or the Australian Press Council are effective in regulating the media and whether the organisation or another statutory body receive new powers of regulation over the press. Questions are also raised about the nature of editorial, privacy rights and disclosure.

On these matters I have several diverse views.

Firstly, I would strongly argue that any increase in the powers of the Australian Press Council or the establishment of an equivalent statutory authority would be a futile endeavour for the two reasons outlined above with relation to standards. Clearly, there are vast practical and technical problems with any attempt to regulate the media in the Internet age in any sense. Where media censorship or control of any kind has been imposed on the Internet over the past decade, it has usually been defeated by virtue of the content in question proliferating rapidly online via a multitude of sources.

In addition, there is broadly no need for such regulation, given the gradual emergence of a strong Australian independent new media which is increasingly providing many diverse voices to counter inappropriate narratives in major media outlets.

Independent and commercially sustainably Australian new media outlets such as Mumbrella in the media sector, Whirlpool, Delimiter, Gizmodo and Communications Day in the technology sector, Business Spectator and MacroBusiness in finance and business, Crikey and The Monthly in politics, The Roar in sports and many more are already rivalling mainstream media outlets in terms of audience and influence, and that influence will only continue to grow over in the mid-term. The existence of a strong independent Australian media acts on a daily basis as a significant check and balance upon mainstream media organisations.

Beyond these factors, I believe existing defamation and privacy regulations are more than sufficient to deal with issues such as the unreasonable intrusion of the media into individuals' private lives, the prohibition of deliberately inaccurate statements and the gathering of information by unfair means.

In addition, the ease and zero cost of publishing on the Internet in 2011 means it is a simple matter for any individual who feels they have been wronged by an article to achieve the right of reply on the matter -- through publishing their own statement online. In this matter, the Internet acts as the ultimate levelling field in terms of the freedom of speech and the protection of individual interests. Such individual publishing acts often attract the attention of online information aggregators and gain wider exposure that tends to give them larger audiences to support their right of reply.

By international standards, Australia already has stricter controls on the freedom of the media in Australia. The Press Freedom Index, an annual ranking of countries published by Reporters Without Borders, currently lists Australia as 18th globally -- comparable with similar first-world countries such as the United States and the United Kingdom, but below a number of European countries, New Zealand and Japan (for further information see this Wikipedia article on the subject: http://bit.ly/siKMGT).

I would make one further point about the issues raised in the 'Regulation' section of the Issues Paper.

Many of the points raised reveal that the authors are considering future regulation of the media by standards which are becoming increasingly irrelevant in the Internet age.

For example, in the United States, many major new media outlets covering the technology sector no longer make any distinction between comment and fact in their reporting. Examples include the largest publications in the sector -- TechCrunch, Engadget, Gizmodo and more. The style of editorial in those publications has become irrelevant, with the only benchmark of editorial quality being reader reaction to stories and trust in the outlets and their writers.

Similarly, in the print media age, it may appear an easy matter to require journalists to disclose when they have been paid to write a story -- "cash for comment" or similar. In the Internet age, where many companies operate their own web sites and publish their own articles in their own self-interest, the issue is more complicated. Telstra, for example, operates a major blogging site named 'Exchange', which publishes news articles and blog entries about Telstra by its own staff and contributors.

Should contributors to this site be required to disclose all of their interests, as many professional journalists do? What about readers who post comments under their articles; comments which may be as lengthy as full articles in their own right? These are the sorts of 'gray area' issues which quickly become apparent when governments attempt to apply any kind of regulation to Internet publishing.

In practice, almost all of these issues are resolved by the readers themselves. If an online content producer demonstrates a breach of reader trust by not disclosing their interest in a certain article, it is common for readers to band together using their own micro-publishing platforms to research the issue and forcibly disclose it themselves.

New media and business models

In the issues paper published by the Independent Media Inquiry, questions are raised about the extent to which digital platforms and other key factors have had upon the traditional business model for media organisations, and what the impact has been to date and will be in the future on the level of investment in quality journalism.

In response to this issue, I would argue that the growing popularity of the Internet as what many envisable will, over the next several decades, become the primary global distribution platform for all forms of media has had a dramatic effect upon traditional media business models.

To illustrate this effect, I will use Delimiter and the Australian technology media niche as an example.

Delimiter publishes news, opinionated, feature and review articles and videos about the Australian technology sector, targeting an audience of several hundred thousand ICT professionals and early technology adopters who work in the sector or follow it closely.

Prior to about the year 2000, this audience primarily obtained this style of content from a number of print publications, with the major ones being the AustralianIT (a section of The Australian newspaper) and similar sections in The Financial Review, The Sydney Morning Herald, The Age and so on. In addition, content was also published in a number of major technology magazines.

However, as Internet publishing matured in the early years of this decade, a number of major new online technology media outlets have sprung up in Australia, with Delimiter being only the most recent example. Pure online titles like ZDNet Australia, iTNews, iTWire and Gizmodo Australia now boast substantial audiences, and major print publications such as the AustralianIT, Computerworld, CIO Magazine and more have established major websites.

These websites primarily operate on the principle of providing their articles for free, while monetising their journalistic efforts through advertising. And they now employ substantial news desks, conducting investigative journalism of a solid calibre.

The impact on traditional media has been dramatic. The overwhelming majority of readers in the technology sector now consider the Internet to be the primary medium for consuming media, and the readership of print publications has severely declined, to the point where a number have ceased publishing.

Is this a good thing or a bad thing? Opinions differ, but overwhelmingly, I would argue that it has been a positive trend for the industry.

Several decades ago, only major publishers with financial backing were able to publish technology media outlets which provided news nationally around Australia, due to the high costs of print publishing. However, the democratisation of Internet publishing technology over the succeeding years has meant that literally anyone with an interest in doing so can become a national publisher.

This has resulted in both an expansion in the number of major technology media outlets across Australia, as well as a proliferation of small outlets, each serving small niches. Technology media itself is a niche part of the media, but there are also many sub-niches within it, serving the telecommunications, security, storage, enterprise IT, banking technology, consumer technology, video gaming niches -- and more. Each niche and sub-niche now has its new media outlets in Australia.

Do major technology media outlets have less resources, less staff, less revenues and less influence? Undoubtedly. And I would say the overall quality of the journalism has declined somewhat over the past decade, primarily due to a lack of resources by publications to properly train entry-level journalists to a senior level, where they will be capable of carrying out investigative journalism.

However, I would argue that the amount of information available to readers has dramatically expanded in that period -- and that readers now have a much broader but also more detailed view of the Australian technology sector as a result. No major or even mid-level news event in the sector goes unreported, and every major event will be analysed in detail. Furthermore, not every media outlet in the technology sector operates on a commercial basis. There are many minor outlets which run at a loss, or exist solely as sites run by individuals as hobbies. All of these, however, add to the media diversity in Australia.

The flipside to this media diversity is that it is somewhat dependent on the strength of the advertising market, which is particularly strong in the technology sector, but may not be as strong in other sectors such as in political coverage. And if the advertising sector suffers a downturn, a decline in quality journalism will also be felt. Thus far, this has not been a significant problem for Australia's technology media, with online advertising expenditure continuing to expand over that period -- both organically and at the expense of print advertising.

Other media business models

Examples of non-advertising funded business models do exist in Australia's new media landscape. For example, Communications Day is a subscription-based PDF newsletter, the ProBlogger family of sites based in Melbourne makes a substantial amount of income from eBook sales, and the attachment of commercial events to media outlets (such as the recent Mumbrella 360 conference held by marketing and media site Mumbrella) are common.

During the past two years I have experimented with a number of different business models for Delimiter, ranging from content syndication to eBooks sales, to advertising and affiliate marketing, custom publishing and webinar hosting. All have been successful in one way or another, and I have no doubt that all could be integrated into a wider commercialisation strategy that could help create new media publications in any vertical that would be sustainable on an ongoing basis in their own right. Currently Delimiter is focused on an advertising commercialisation strategy, because it has proven to be the most profitable of the models I have experimented with.

It is my impression that very few publishers so far in Australia have been prepared to truly experiment with new media commercialisation models beyond adverting and events, despite the obvious popularity of a variety of different models internationally. In this vein, I have found the Australia-based Problogger site an extremely useful resource.

Support

In the issues paper published by the Independent Media Inquiry, questions are raised about whether additional support is needed to assist independent journalism in Australia and to remove obstacles which may hinder entry to the media market.

In the past two years since I founded Delimiter, I have found two significant obstacles to the growth of independent media in Australia.

The first is knowledge about and experience with new media business models. In my experience, there are only a small handful of media professionals and publishers in Australia with an in-depth knowledge of how new media commercialisation can function, and the majority of these professionals work for major publishers such as Fairfax, News Ltd and Private Media and Australian Independent Business Media in Melbourne.

Despite the fact that I had a significant background in new media and journalism before I founded Delimiter, it has still taken a great deal of experimentation over the past several years to achieve a sustainable business model for the publication. And there is a great deal of experimentation still to come before the full extent of Delimiter's future revenue growth potential becomes clear.

Most journalists, publishers and other content producers in Australia have so far proven themselves unwilling to go through this learning process, and there are no formal qualifications that I know of to help would-be new media proprietors through the inevitable hurdles which will stand in their way. The new media sector needs to consolidate its knowledge of commercialisation models -- including

the extremely granular details, which are so often critical to commercial success -- before accelerated growth can occur.

The second factor which limits the growth of the sector is a lack of skills.

In my experience as an employer in small business, and as a manager in large companies, good journalists are very hard to hire and retain in Australia at a sustainable price, no matter what level -- cadet, reporter, senior journalist or editor -- you are looking for. Good journalists must have a combination of skills, ranging from the ability to communicate well and articulate their thoughts through to critical analysis skills and ideally, deep domain knowledge in their chosen line of reporting.

In the technology media, which employs several hundred journalists in Australia, new standout reporters only emerge perhaps once every several years, and are quickly snapped up and passed around between publications. The frequent horse-trading which goes on between major media outlets such as the Financial Review and The Australian represents a further indication that good journalists are in short supply.

It is true that the popularity of modern degrees in media and communications at a number of Australian universities has resulted in a glut of candidates on the market who are attracted to entry level journalist roles. However, in my experience, most such candidates have the generalist skills needed for a career in journalism but little domain experience or interests that would lead them to a strong career as a reporter in a specific field; particularly an investigative reporter. In addition, many appear to lack the tenacity required to succeed in a journalism career. Most end up in better paid and safer public relations or marketing roles.

Great journalism comes not just from training and resources, but from an enduring passion for the field you're reporting on. As with any other career, this passion is all that will keep your fire burning through the long years it takes to master the field. I am unsure how this combination of multi-disciplinary skills base and passion can be supported in Australia's workforce, but I remain sure it will be crucial to the production of quality journalism going forward.

Thank you again for the chance to contribute to the inquiry.