

## Australian Journalism Monographs

ISSN 1440 7922

Published by the Department of Journalism,  
University of Queensland, Australia

Editor: John Henningham

Published twice a year, in May and November

Subscription: \$12 a year

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*AJM* welcomes submissions of manuscripts on any aspect of journalism. Manuscripts should be between 6,000 and 12,000 words long, and should not have been published elsewhere. Manuscripts will be evaluated by academic and industry referees in consultation with the editor.

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## Australian Journalism Monographs

Number 1, May 1998

### **Editorial Independence: An Outdated Concept?**

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*The function of the press in society is to inform, but its role is to make money. — A.J. Liebling*

**Michelle Grattan** is one of Australia's most respected journalists. She made her reputation in Canberra covering federal politics — assigned to the Press Gallery by the *Melbourne Age* in 1971, she became chief political correspondent and head of the *Age's* Canberra bureau in 1976. In 1993 she was appointed editor of the *Canberra Times*. She returned to the *Age* as political editor in 1995, and in 1996 joined the *Australian Financial Review* as political columnist.

The author of several books, chapters and academic articles on politics in addition to her prodigious output for daily newspapers, Ms Grattan was honoured as the Graham Perkin Australian Journalist of the Year in 1988 and has given public lectures at Melbourne and Murdoch Universities. In 1997 she accepted the honorary appointment as first Adjunct Professor in Journalism at the University of Queensland.

An earlier version of the text of this monograph was presented as a public lecture at the University of Queensland on 18th March, 1998.

AUSTRALIAN newspapers have been undergoing a revolution. And yet it's as though what has been happening is, by general agreement, almost some sort of secret, so minimal is the debate in media circles, and especially among rank and file journalists.

In this revolution, what I will term “commercialisation” has come into the ascendant as a core value. This has far-reaching implications for how our papers are run, how they look and what they contain — or do not contain.

The editorial and commercial sides of newspapers are increasingly converging. Indeed in some cases they have in a formal sense been merged. In Fairfax, the trend began on my own newspaper, the *Australian Financial Review*, with editor-in-chief Greg Hywood becoming publisher. Now the editors-in-chief of all four major Fairfax papers — the others are the *Age*, the *Sydney Morning Herald*, and the *Sun-Herald* — have been appointed “publishers”, so that they all have one foot firmly planted in each of the journalistic and management camps.

The chief executive officer of Fairfax, Bob Muscat, said in his announcement of the extension of the “publisher style of management” that it would “create an increased team-based environment within the organisation. All of our major publications will operate as individual business units with their Publishers responsible for all aspects of operations, including editorial content and

editorial integrity, revenues, cost structures and profitability.” (Muscat, 1998)

In News Ltd, because of the nature of Rupert Murdoch, the Chinese walls between editorial and management have traditionally been less substantial. Nevertheless here too there has been a convergence, though in this case it has been the proprietor moving in to take a very activist role in editorial, as he repositions the leading masthead.

The hand of Lachlan Murdoch is obvious in the new look of the *Australian*. It became so as soon as he, after becoming the paper's publisher in 1995, took to attending news conferences and offering suggestions. Later he put in a new editor-in-chief and editor to reshape the paper along the lines he preferred.

On various fronts, we are seeing a significant development from only a decade ago, when the issue of editorial “independence” from the proprietorial and management side was the hot talk of Australian journalism.

In the late '80s, owners and managements were being asked to sign charters of editorial independence (responses varied). In the late '90s, the concept of such a charter has become virtually a logical nonsense. The 1992 Fairfax charter said: “The editors shall be directly responsible to the appointed management and shall at all times carry out their duties in a way that will preserve and ensure the independence and integrity [of the newspapers].”<sup>1</sup>

Whatever the pros and cons of charters, it is hardly possible for editors and their staff to be “independent” of the commercial side of the paper, when editor and appointed manager walk in the same shoes.

While this is what I might term the “headline” development of recent years, the contextual background is the continued blurring of the line between information and entertainment in the media, and newspapers' battle to hold their market against the long-term decline in circulation. The struggle to maintain the market has exacerbated the uncertainty within newspapers about

what their role is and should be in the modern media kaleidoscope.

There are related questions of the role of newspapers in the society. There is no doubt that newspapers, and the media as a whole, have a bad name, which has obvious consequences for journalists. More generally in society, we are seeing a growing distrust of and disillusionment with governments and governance. Many lay some of the blame for this with the media.

The media empires, for their part, are doing anything but distancing themselves from government, from those they are supposed to report on in that “frank and fearless” way. They are cosy up to government, and buying — literally — pipelines into it at the highest levels.

When Prime Minister Howard was forced in 1997 to sack his right-hand man, Grahame Morris, in the wake of the ministerial resignations over travel rorts, Lachlan Murdoch snapped him up like a prize bargain. And as the media organisations prepared for this year's battle over digital TV, what better man to have on hand — someone who can ring any senior member of the Government, including the Prime Minister, and have his call taken.

Morris made a matching sparring partner for Andrew Robb, former Liberal Party director, now comfortably ensconced in Packer's stable. Robb occupies the office that used to be Peter Barron's, once top adviser to Bob Hawke when he was Prime Minister. Kerry Packer and Paul Keating fell out later in Keating's Prime Ministership but in the 1993 election Barron was giving Keating helpful hints — from the very heart of a media company. Barron has gone now but also in the Packer empire, hanging over from the last Government, is Graham Richardson.

It is widely acknowledged in Government and company circles that Robb and Morris were key players in the decision on arrangements for the introduction of digital television. That ended in a Cabinet decision just after the March 1998 Liberal national convention, where both Robb and Morris were much in evidence

among the “business observers”, working their political connections. The Government felt comfortable dealing with people it saw as its own.

The digital decision favoured the interests of Packer and the other free-to-air stations: although several factors made this inevitable, Robb's role facilitated it. Equally important, Morris helped ensure News' loss was cushioned, its interests protected.

It is a fine practical line between media (or any other) companies gaining access by employing such high level political operatives who in effect still enjoy special status with the Government, and other ways of buying favours which would be considered unethical or be illegal.

In a nice wrinkle of commercial and editorial convergence — in this case in a magazine — Robb and Richardson are regular columnists in the *Bulletin*, writing commentaries on politics and politicians, while they are also lobbying those same politicians for the commercial interests of their boss. Morris has so far not burst into print, although he would probably like to.

Let me say at this point that we should not romanticise the past in the newspaper industry. When we talk about commercialisation we must of course recognise that newspapers have always mostly existed to make a profit. No profit, no paper, except in a tiny minority of cases. What is different now is that the profits being demanded are huge.

Equally, there is a long history of proprietors leaning on politicians for their business benefit. What is different is that today's owners have a much wider menu of commercial interests and demands.

Nor is the blurring of the line between ownership/management and editorial new. Indeed, in Australia the flourishing of talk of a strict separation of “church and state” in a newspaper empire was probably only in a relatively brief period of the '70s and '80s, and mostly confined to the Fairfax stable. By the '80s, the pressures were already in the system that would lead to the

changes which have become so much clearer by the mid to late 1990s.

Of course even when and where the talk of separation was at its height, the practice from time to time compromised the principle. What is different is the trend to the formal removal of the church/state division and the apparent acceptance that this is not only a necessary but an inevitable, acceptable and desirable development in the modern newspaper world.

The increasing dominance of “marketing” in newspapers is the subject of much study, comment and controversy overseas — in contrast to Australia. One of the best expositions is American observer Doug Underwood's (1993) book “When MBAs Rule the Newsroom”, sub-titled “How the marketers and managers are reshaping today's media”.

Underwood observes (p.15): “It's probably no surprise that in an era of mass media conglomerates, big chain expansion, and multimillion dollar newspaper buy-outs, the editors of daily newspapers have begun to behave more and more like the managers of any other corporate entity.” Moreover, the executives of today's newspapers now treat “their readership as a market and the news as a product to appeal to that market”.

These marketplace pressures “have led to the appearance of a new kind of editor, a cross between an editor and a marketing official”. He/she is part of the concept of “The Total Newspaper”, where newspaper executives are urged to co-ordinate the news and business departments and work together to market the newspaper as a total product” (pp.15-16). One fallout of the move towards market-based journalism, Underwood says, has been “diminished coverage of government” (p.19). The research shows that it's all too eye-glazing.

The breaking down of the wall between the editorial and commercial sides at the *Los Angeles Times*, undertaken by publisher Mark H. Willes, was subject of a detailed analysis in the *New Yorker* in November 1997. Under the reorganisation “each editor would have a business partner — a brand manager —

working alongside, responsible for galvanising the entire business side of the team.” When asked about breaking down the church/state wall, Willes said he distinguished between “walls” and “standards”, arguing that walls which “get in the way of ideas, flexibility, experimentation” could come down without harming the standards (Auletta, 1997, p.44).

Former executive editor of the *New York Times* Max Frankel, asked to comment, said in his view “the very top of the hierarchy should talk across the wall”, but day-to-day editors should not be burdened by commercial considerations. He pointed to the risk that reporters could come to share the burden of a money-losing section, and start to think more about advertisers and less about readers. (Auletta, 1997, pp.44-45).

The idea that demolishing walls will bring all sorts of good without costs or compromise is at the heart of the journalistic debate about the commercialisation of newspapers. Its advocates insist this is possible. Those worried and sceptical about the trend believe a big price must inevitably be paid.

A related trend in the commercialisation of newspapers is that the efficiency criteria applying to other businesses are being applied to them. And why not, if they are producing a “product”? The complication is that if the “product” is, for example, stories on corruption in the police force, or links between criminal gangs and a police force, the sort of reporter best able to tap into that might not be your dark-suited young man (or woman) on the rise who is tuned into a conventional sense of “productivity”.

When I joined the *Age* there was a character on the paper called Jack Darmody. Darmody drank like a fish, inconveniently went AWOL, got into huge rows with the then editor Graham Perkin on the floor, in front of everyone, and loved or hated his colleagues more or less on whim.

God knows what the “human resources” experts would make of a Jack Darmody, or quite how the management consultants would react to his work practices. But the psychologists are already getting into the selection process. Since the early 1990s,

the *West Australian* has given prospective cadets a “psych” or personality test which measures, among other attributes, objectivity, assertiveness and team spirit.

And the management consultants are knocking on the door of the modern commercialised newspaper. Alicia Shepard (1996) observed: “Traditionally, newspapers have tended to seek help, when they sought it at all, from papers of similar size, or from consultants whose backgrounds are in the profession. But confronted with mounting pressure from Wall Street, lagging circulation and an increasingly competitive and diverse media marketplace, many papers are now looking outside for help, and not just for the circulation and production departments.” (p.20)

But on Shepard's account, it is not all smooth sailing for the consultants who venture into the newsrooms. A grid devised by consultants without newspaper experience collapsed after three months at the *Winston-Salem Journal*. It put reporters on a virtual assembly line with productivity goals. For example, Shepard wrote, “the grid decreed, a reporter should spend 5.4 hours on a story 20 to 30 inches long and produce seven such stories a week. For a more complex piece of reporting involving ‘uncooperative sources’, the grid gave a reporter a break: five stories and 7.6 hours.”

Much of the limited Australian debate about the commercialisation phenomenon has been centred around my old alma mater, the *Age*. I can do no better in setting out some of the issues than to let the two most recent editorial chiefs of that paper advance their diametrically opposed arguments.

First let's hear from Bruce Guthrie, speaking — while still editor — to a Freedom Forum function in early 1997. Guthrie argued:

Despite all the talk about threats to newspapers, the biggest threats come from within them. As newspaper managements struggle to please both shareholders and readers, it is journalism which suffers. Proprietors, increasingly conglomerates or with aspirations to be so, want maximum returns, while readers have a right to expect their papers, particularly broadsheets, to fulfil

their accepted societal role. Both these demands are entirely understandable. But are they reconcilable? At the very least they are creating a kind of identity crisis in newspapers ... For the sake of circulation, or profit, we are being urged to compromise our journalistic integrity. We might win short-term circulation gains, or a better-looking bottom line, but we do our own industry's reputation long-term harm.... (Guthrie, 1997, p.57).

Guthrie claimed that: "Australian newspapers are delivering less and less journalism that makes a difference, that sheds light in dark places". He said of investigative journalism today: "For proprietors who rely on banks or institutions for their finance, governments for their right to do business, companies for their advertising revenue, such journalism is often viewed as an inconvenient side effect of newspaper ownership, rather than its *raison d'etre*."

Guthrie asserted that commercial imperatives were threatening journalistic traditions:

Many newspapers have long operated under a "church/state" type relationship, where the business side of the newspaper isn't allowed to dictate what the editorial side does or doesn't do. Breaking down this tradition can be profitable for companies, but must ultimately be devastating for thinking readers. Newspapers here are already selling their mastheads through dubious corporate sponsorships ... Newspapers are offering themselves as "the official newspaper" of this or that event ... Similarly, editors are being invited to abandon past church/state divides. (Guthrie, 1997, pp.57-58)

Well, that's one perspective. Steve Harris, who now sits where Guthrie previously sat plus also where a managing director used to sit, put a dramatically different view in the Arthur Norman Smith journalism lecture last year. Taking on the critics who said his integrated editorial/commercial position posed a conflict between church and state, Harris described it rather as "the natural marriage of editorial integrity with the commercial imperatives we must address to ensure not only survival, but a successful future" (Harris, 1997).

Such a union, he said,

also guarantees a base level of commitment of quality, no matter how difficult economic times become. And the role places no bounds on the delivery of quality, allowing publishers to leverage off economic success into new markets and new mediums. ... It is imperative for the commercial side of the business to be cognisant of the integrity and value of editorial, and for editorial to be cognisant of the need for the company to be financially strong so we can grow the business and develop editorial quality. A commercially successful newspaper gives us journalists the freedom to communicate in the way we want. It allows the ability to extend our relationship with readers, through new products, new sections, expanded coverage and more editorial space ... It allows newspaper companies to break free of the traditional industry life cycle of growth, then maturity, saturation and decline. ... While commercial greed and pressures can adversely affect editorial quality and integrity, media watchers seem reluctant to accept the parallel reality that commercial success is capable of delivering more than any charter of editorial freedom. And reluctant to accept that diversity of ownership and diversity of source has never guaranteed diversity of opinion, and that independent ownership has never guaranteed quality, just as group ownership does not guarantee the absence of quality.

While Harris stresses the opportunities presented by commercialisation, Paul Kelly is more pessimistic after his five years as editor-in-chief of the *Australian*: "It's not only the commercialisation pressures. It is also the entertainment pressures. We're getting convergence right through the industry. Editors know they must produce a product that sells and that makes revenue. Yet the danger is a sameness and uniformity in the editorial output". (Kelly, 1998, p.21)

Kelly is sceptical of the Fairfax fusion of the publisher/editor-in-chief roles, arguing it "confuses basic lines of responsibility, confuses the editor-in-chief function and won't help journalism or newspapers".

As I have already mentioned, the dominance of commercialism lies in several factors. They include the transformation in the

scope and nature of the businesses that run newspapers, the long term circulation declines, and the squeeze on the industry from other media. These factors have profoundly affected how newspapers see themselves, and are seen by the community.

Australian newspapers, which three or four decades ago were typically relatively modest-sized businesses and often family-controlled, are now giant corporations — Fairfax reputedly worth about \$3 billion and the still family-controlled News Ltd (that is, the Australian operation of News Corporation) said to be worth about \$4 billion — driven above all by the quest for profits needed to feed the shareholders or feed an international empire.

The bottom line has become hungrier and hungrier, and more and more the imperative by which performance, including the performance of editors, is judged. It is often said (by those who care about journalism) that a newspaper business is not like selling soap, or food, or some other “product”. But these days, newspaper businesses are much more like mega businesses in other sectors than they are like the old family-based newspaper businesses of old.

In this setting it is not surprising the editors who run them (I use that title generically to mean the person at the top of the editorial tree — in practice the title is usually the grander editor-in-chief) come to have the values of the business world as much as, or even more than, those of the journalistic world.

An editor set in what I might call a “narrow band” journalistic mould would simply not survive. The modern editor thinks of his paper as a supermarket for readers, selling a guide to modern living, as much as a conveyor of news and views. The modern editor is a merchandiser, who relentlessly markets his brand, having devised his product with the help of massive market research.

It follows that if or when the editor is dispensed with — or moves up the slippery pole even closer to the heart of the company — his departure is treated in the same way as the departures of high profile business people. There is an attitude that editors come and go, just like other company executives come and go. If

there's a falling out, a financial settlement stitches lips. Seldom these days is there much discussion of what was behind a change at the top, or what the consequences for the paper's editorial coverage or policy might be.

The view of editors as business executives, plus the convenient cone of silence that frequently attaches to the rotisserie's rotation, means vast changes can be made to newspapers with minimum critical scrutiny. Anyway, who's going to care? Papers now have customers, not constituencies likely to rally to their cause.

Two recent examples. The first: Lachlan Murdoch changed the editor-in-chief of the *Australian* and lightened and brightened what is the nation's most serious generalist newspaper. Kelly, who had substantially enhanced the *Australian's* coverage in areas like national politics and Asian reportage, was replaced in November 1996 by David Armstrong. Campbell Reid, an executive from the *Daily Telegraph*, which Lachlan particularly admires, came in as editor in 1997. The *Australian* has moved towards middle market.

Pilita Clark, media writer of the *Sydney Morning Herald*, reported that Armstrong, outlining the paper's new directions to a staff cocktail party, unveiled Catherine McWilliam, a 37-year old lawyer and mother of three who likes good food, good books, fine wine and overseas holidays. The mythical McWilliam and her ilk were not reading the *Australian*; the paper is now in hot pursuit of them (Clark, 1998a).

In media circles, the makeover of such an important paper as the *Australian*, and its possible implications for the serious end of the journalism spectrum got remarkably little attention.

The second example: in Melbourne Bruce Guthrie, who had engaged in a hot shooting war with Victorian Premier Jeff Kennett, was replaced as editor in August 1997, despite apparently rising (though heavily subsidised) circulation. Kennett had lobbied constantly, privately and publicly, for Guthrie's demise.

Fifteen years ago there would have been much more analysis of precisely what had happened, including what impact the Kennett campaign had had.<sup>2</sup> In fact public discussion of the Guthrie removal was relatively brief; much of what there was of it probably only occurred because yet another *Age* ex-editor, Michael Smith, went on radio about the issues. (There has been rather more discussion of the changes Harris has made to the *Age*).<sup>3</sup>

Because editors are becoming company men, their fate subject to the company whim, it is unlikely that we will see in the future long stints by people who come to be deemed “great editors”. Frankly, if they’re that great, in the way it counts now, they’ll move right on up.

While once being “editor” tended not only to be the end of the line, but a destination that gave occupants ultimate personal satisfaction, it is increasingly being seen as a step ladder to a higher corporate job.

Perhaps this is why in most papers, “editor” has become the title of the second-in-command, rather than the top dog. Introducing the new *Age* editor Michael Gawenda on the ABC’s “Media Report”, presenter Robert Bolton said: “He was put in the chair by the new publisher and editor-in-chief, Steve Harris ... and the jury’s out on which of these two people really runs the *Age*. However, it’s Michael Gawenda who signs the paper off every night.”<sup>4</sup>

Now, the fact that “Media Report” cannot be sure which of the two top occupants of the editorial positions is running the paper indicates how blurred appearances have become. Appearances — rather than reality. Harris is top *Age* dog, without question.

The other side of this is that a journalistically brave editor (again using that term to mean the chief of a paper, by whatever title) who offends political power centres for editorial reasons has less protection than he once might have had. When so many (real) editors are fired, and so many non-editors have “editor” in their title, who can distinguish those dismissals when something

serious is at stake? (Under the label “Who We Are”, the *Age* has listed 14 people called an “editor” of some sort, including 10 “managing editors”. [Age, 1998])

As for the journalistically good editor who is not also entrepreneurial, his reign will be brief, because he will be committing the cardinal sin against the modern newspaper corporation.

While the editors are moving in the direction of quintessential company men, the interests of the companies they serve can make the newspapers’ job a minefield. This is most obvious with News, not because Fairfax has greater moral virtue, but because it does not have this plethora of direct business interests. (BIL, the dominant shareholder in Fairfax, is an investment company with a wide range of interests. But the diversity of interests is at one remove from Fairfax, and BIL is a less activist shareholder on issues of substance — as distinct from the bottom line — than is Murdoch.)

News’ national and international interests are so vast that no day can pass when one bit of the empire is not faced with the task of reporting on another section of the empire. These interests include an airline; book publishing; rugby league; pay television (involving a joint venture with Telstra); the entertainment industry, including movies; and the pastoral industry. Newspapers fulminate about politicians’ conflicts of interests. Yet a newspaper that is part of a conglomerate that owns a whole lot of other enterprises has perpetual conflicts of interest.

The digital TV decision was a case in point where News’ papers became weapons in the armoury. The coverage of Superleague from April 1995 to December 1997 was a particularly dramatic example. News journalists were participants as well as observers of that fight. And, News people will tell you, some Fairfax journalists also became hard ball players on the other side.

When chief executive Ken Cowley was running the battle and Rupert Murdoch was complaining about an unflattering picture of his son in the *Australian*, it was hard to avoid the conclusion



that the editorial chiefs of the papers would only be too aware that they were sitting in the middle of a huge commercial struggle and that their coverage would be carefully watched.

Kerry Stokes' *Canberra Times* has a conflict of interests whenever it reports about television (Stokes is main shareholder and chairman of Channel 7) and indeed the National Gallery of Australia (of which Stokes is chairman).

Since Fairfax is a less diversified operation than News it does not face the conflict of interest problem on such a scale as that conglomerate. But it has confronted it in coverage of the various ownership plays. In these instances — for example in 1997 — the journalists became advocates and lobbyists as well as reporters and commentators, influenced more by how they read their interests and those of the papers they worked for, than by pressure from owners. They don't have to be leaned on by owners.

They had access to a forum in which to put their case, and they used it. Some, including the Prime Minister, claimed they misused it.<sup>5</sup>

Sometimes the interests of the company lead to sensitive stories being played down; when it came to Fairfax ownership, these stories have been played up — in Fairfax papers often to influence an outcome and in News papers to embarrass the opposition. The readers were given more than they wanted to know about it all.

And on the subject of sensitive stories, nowhere were the feelings of proprietors more obvious than in News papers' coverage of the April 1998 split of Rupert and Anna Murdoch. The marriage break was reported in a few restrained, discreet paragraphs, in contrast to the more extensive cover in Fairfax papers — and to News papers' sensationalist reporting on many other celebrity separations (Clark, 1998b; Mottram, 1998).

Let me take a couple of other examples of conflict of interest for newspapers arising out of wider corporate interests, one recent and one potential.

The row which erupted in late February 1998 over the dropping by Murdoch publishing company HarperCollins of the book by former Hong Kong Governor Chris Patten has become a cause celebre. Leaving aside the issue itself — which centred on Mr Murdoch wanting to avoid offence to China, where he had interests and hopes of more — the story was given little coverage in News papers, including the *Times* in London and the *Australian*. The media editor of the *Times*, one Raymond Snoddy, had the most ingenuous line. Denying the paper had deliberately avoided the story, he said: "I was looking to do the story yesterday but I found it very difficult to get anything. I couldn't get through to Rupert Murdoch. Chris Patten said he couldn't talk." (Millar, 1998). The *Australian's* coverage was late, and minimalist.

A potential conflict of interest that affects both companies arises out of Fairfax's and News' sponsorship of the Sydney Olympics. The papers will be under scrutiny in the next couple of years: they will need to make sure their coverage is not compromised by a direct promotional involvement. But the fact both chains are involved removes some of the pressures, and keeps them watchdogs on each other.

One obvious conflict of interest is in newspapers' reporting and discussion of issues affecting themselves. Issues like commercialisation. Think about how much we read in the papers about the ABC. Now admittedly it is publicly funded, but journalistically, are the ins and outs of the ABC so much more important than the ins and outs of the newspaper empires?

Most newspapers have media writers but issues like commercialisation are a part of the "beat" seldom visited. (There's the odd exception: Pilita Clark wrote on the changes in 1997 when Fairfax last year extended its move to "publishers" across all papers). If it were not that the "chains" like to sling off against each other, commercialisation might be visited even less. The slinging off is itself part of the commercial war.

The commercialisation process is being facilitated on another level by rank and file journalists being given formal stakeholder

status in their company's financial success. It is not only John Howard who wants to make us all shareholders! Indeed, Fairfax, with its options scheme for employees, had the idea before him. And the latest Fairfax enterprise agreements have a provision linking a reward to commercial success.

The relentless squeeze on newspapers' circulations has hastened the move to commercialisation. Hemmed by the expanding power of the other branches of the media; hit by the plethora of modern demands on people's time; and now facing being undermined by the push of technology, newspapers have not been able to "grow" their businesses simply by continuing to do what they did before.

Australian newspapers have seen a four-decade decline in circulation. According to figures prepared by Brian Dermott and Associates for Australian Newsprint Mills, newspaper weekly circulation has gone from 2.5 to 1.2 per head of population since 1951. There has been a fall of half a newspaper per head in the last 10 years (Dermott, 1998). In terms of actual circulation, after a particularly grim time of newspaper closures and amalgamations, the last few years has seen a levelling out — indeed there have been some very small increases.

A survey by Total Advertising and Communications has reported that Australia's main papers are doing better in circulation than newspapers in the United States and Great Britain (Soden, 1998). The survey found the total circulation of major Australian papers had risen 2.7 percent since 1994. This compared with a 5.2 percent fall in US circulation and a 1.9 percent drop in Britain. The analysis covered 1994-97 and 20 papers in US, 21 in UK and 16 in Australia.

Seventeen of the 20 US papers lost circulation, as did 13 of the British papers, but only five of the 16 Australian papers. Those that did best in Australia were the Sunday, broadsheet and financial papers. All the Australian Sundays included had increases; so did the *Sydney Morning Herald*, the *Age* and the *Australian*. The two big tabloids, the *Daily Telegraph* and the *Herald Sun*, were among those to lose circulation.

One caution in looking at circulations is that the overall figures are clouded by the phenomenon of subsidised circulations — giveaway offers — that have increased in recent years. (The latest in the price wars is the *Australian's* big discount of its papers in Victoria to make an assault on the *Age*.)

The basic message is that the long term trend is down at worst, at best, flat, and that the papers that defy the trend are likely to be specialist papers with core need-to-know information for particular readers (the *Australian Financial Review*), and weekend papers, sought by people when they have more time. In general, up-market papers have been faring better than down-market ones, which makes the moves down-market by some of the quality broadsheets puzzling.

Melbourne over the last few years has seen the main competitors, the *Herald Sun* and the *Age*, move towards each other. Harris, as editor-in-chief, tried to take the *Herald Sun* somewhat further up the market: both Guthrie and Harris have aimed the *Age* to the middle market, perhaps on the assumption that Melbourne will eventually be a one-paper city.

Against the long term circulation gloom must be weighed some positives, at least in commercial terms. Newspapers are much bigger than they used to be. And there is a higher pass on rate — i.e., individual copies are read by more people. Figures released by the Newspaper Advertising Bureau of Australia in April 1998 showed that over a period of 12 years the number of newspaper pages published in Australia had risen by 37 percent, from 76 billion in 1985 to 104 billion in 1997 (Brighton, 1998).

The "fattening" of the newspaper is part of the commercialisation trend and in turn feeds back into it. Much of what has been added is lifestyle and other sections. Executive director of NABA Laurie Brighton said that the "major growth" in pagination had occurred in recreation, sport, entertainment and consumer information: lifestyle and sport now accounted for 67 percent of the editorial content of the daily newspaper, up from 57 percent 12 years ago. (See Appendix)

This has several consequences:

1. Lifestyle and other add-on sections (but not including sport) are heavily tied to advertising. Indeed, sometimes it is hard to tell what is advertising and what is editorial in these parts of the paper — for example, shopping columns and fashion spreads that carry maker, price and information on where the items are available.
2. Decisions about initiating new sections are very reliant on a combination of potential for advertising and market research to test the reader response. The days of gut editorial instinct are gone when it comes to doing new things.
3. The proliferation of sections alone has made running the papers a more complicated task, giving editors more things to do and decisions to make, taking them into quite commercially specialised areas, and raising questions about the line between advertising and editorial.
4. A large proportion of a newspaper's staff are tied up on these sections, rather than being part of the hard news reporting team. An interesting development in the *Sydney Morning Herald* has been that by 1998 some marketing people had taken up residence on the floor occupied by editorial sections. This is the symbol and practicality of what is happening in today's newspaper.

As well as sections, commercialisation leads to increased use of special supplements geared to attracting advertising. Often these can be useful additions to knowledge on particular topics. But the editorial content can also be little more than advertorial to fill up the space between ads.

In some cases a fully-paid-for supplement or wraparound can be given the appearance of editorial endorsement by the use of staff writers' copy, or the logo of one of the sections of the newspapers. There have been controversies in the *Sydney Morning Herald* about a Spectrum section logo appearing on a National Gallery of Australia wraparound, and about an article by senior writer Sally Loane being used in a David Jones advertising screed.<sup>6</sup>

Market research is integral to the new journalism. There is nothing wrong with listening to the readers. But to what extent should papers be driven by what the readers say they want?

The centrality of market research came out in the promo that Steve Harris ran over his signature on the Saturday before the *Age's* relaunch in March 1998: "We have spent more than 10,000 hours on ... researching, brainstorming, arguing, prototyping, redesigning, planning and reviewing, and researching some more". The result of all this, he said, was:

We found many people drowning in information, yet thirsting for knowledge. We found many people wanting more information that is relevant and meaningful to their lives, and easier to find and digest. We found people hungry for more quality reporting, but also for more quality ideas, debate and analysis... (Age, 1998)

And yet, the actual operation of today's newspapers is not necessarily attuned to delivering more "quality". Journalism has become a much better paid job in recent years and resources are not short in newspapers. But the stories have become shorter. They are often lacking in detail and journalists are often lacking in expertise, just when it can be argued that many of the people who buy newspapers are likely to want more of both.

But, comes the reply, "busy people need quick-to-read copy". The marketers, however, are caught between trying to attract people who don't read papers now with the message "come on, it's not that hard", while the readers-by-choice become frustrated. Those people read because they are seeking *more* grist from their papers than they can get elsewhere. And that *more* may be *news* and *facts*, not just another opinion, or more elaborate design.

Most papers are increasingly design-driven. Design is used to try to attract readers, especially the young and those thought to want their newspapers to look like magazines. It has become another tyranny on papers. The imperatives of design, sometimes in the hands of non-journalists, has complicated their construction and made deadlines more important than flexibility. (There

are a few signs of a rethink about over-design, with some in the industry realising up-market readers want more text and less contrivance.)

The advance of technology has obvious commercial advantages but, paradoxically, has not been the journalistic liberator that might have been expected. Paul Kelly observes: "Technology often means more decisions being taken at an earlier stage and more pre-packaging. In some ways, technological sophistication can lead to less flexibility when it should mean the opposite." (Kelly, 1998, p.21)

The weight placed on design can lend a certain "all the same" look to the stories in a particular paper. The rationalisation within the chains can make several papers "all the same" in much of their content, as a story written by one author appears all over the place.

The *Sydney Morning Herald* and the *Age* swap many features and other stories (but so far not Canberra-written copy<sup>7</sup>). They share some assignments. News Limited has similar arrangements, which are even more extensive because of the size of the chain (including some pooling of Canberra copy).

The cost advantages are obvious, and there are pluses for individual writers, both in-house and contributors. But looking across the spectrum of papers, the result is to promote a greater uniformity (a big extension of the uniformity that used to be there with the use of "wire" copy). On occasion the front page of the nation's two biggest tabloids, the *Herald Sun* in Melbourne and the *Daily Telegraph* in Sydney, both Murdoch-owned, can look virtually identical.

The image of journalists has got caught up in the crisis of cynicism that seems to be enveloping democratic countries. Just when newspapers are trying to chart their future, they and their journalists are under unprecedented criticism, for everything ranging from alleged bias and lack of balance to inaccuracy and negativism. While community cynicism about journalists is a separate phenomenon to what is happening in and to

newspapers, the commercialised culture feeds it. The readers — customers — have mostly lost the feeling of special identification with the papers they buy. They have become goods, better or worse, no longer institutions. The journalists, like all other employees more mobile than in the past, have also less long-term identification with individual mastheads.

As they look ahead, papers often seem unsure whether to adopt a "knocking" persona, in an attempt to grab readers, or "civic" one, to identify with them.

The "knocking" mode goes for broke on stories that show governments and other institutions are exploiting society, full of scandals; even bright clouds have black linings. This mode welcomes bad news: it can give a boost to circulation — a bit like the joke about the Sunday news editor of olden days who was allegedly delighted by a train crash on a quiet night.

The other, contradictory face of today's journalism feels the need to link the newspaper to its market by shared good works, which can include the practice of democracy. This has gone much further in the United States than here, although the *Age* flirted with a very limited form of "civic" journalism in trying to involve the public in the 1996 federal election campaign. "Civic journalism" connects the paper to the community, and lets the community speak through the paper and try to set the agenda. In an election campaign, civic journalism runs on what the voters say is important rather than what the politicians define as the issues.

Civic journalism breaks down the wall between paper and people. But it too has come under fire: its critics see this sort of journalism as too soft and believe it compromises the paper, which should be there to challenge and expose.

I want to finish with the thoughts of Gene Roberts, former executive editor of the Philadelphia *Inquirer* and later managing editor of the *New York Times*, when receiving a journalism award in 1993. He said:

We're now in the second and third generation of professional corporate managers who are judged and compensated on the profits they generate during their tenure, not on what they do to guarantee the survival of newspapers. ... Let us hope that more executives learn what some of us were taught in the streets and fields where the readers are — that you might get a large audience by being a quick, superficial read, but not an intense, dedicated audience. And journalistic history is, of course, littered with the corpses of large-circulation newspapers that failed to make long-term and lasting reader relationships and, thus, were viewed as dispensable by their readers and, consequently, by their advertisers. (Roberts, 1993, p.4)

A message that's worth thinking about.

## Notes

1. The charter was endorsed by the Fairfax board in March 1992. For the full charter see Coady & Bloch (1996): p.309.
2. One article which did examine Kennett's role in Guthrie's departure was by Yallop (1997).
3. Interviews on Melbourne radio station 3LO with Terry Laidler, 15 August, 1997, and Tonya Roberts, 22 August, 1997.
4. Robert Bolton, "The Media Report", ABC Radio National, 23 October, 1997.
5. For Howard's views on the self-interest of journalists in the media ownership debate, see transcript of the Prime Minister's radio interview with Neil Mitchell, 3AW, 14 May 1997. (Released by Prime Minister's Office, 14 May, 1997.)
6. Spectrum, *Sydney Morning Herald*, 28 February, 1998 re National Gallery of Australia wraparound; Loane article in Good Living, *Sydney Morning Herald*, 14 October, 1997.
7. At the time of writing, merging of the Age's and SMH's Canberra bureaus had recently been canvassed as a cost-saving option, but dismissed. See Pilita Clark, "Anger at plan to merge papers' Canberra bureaus", *Sydney Morning Herald*, 1 May, 1998, p.7; "Age chief denies merger", *Sydney Morning Herald*, 2 May, 1998, p.11.

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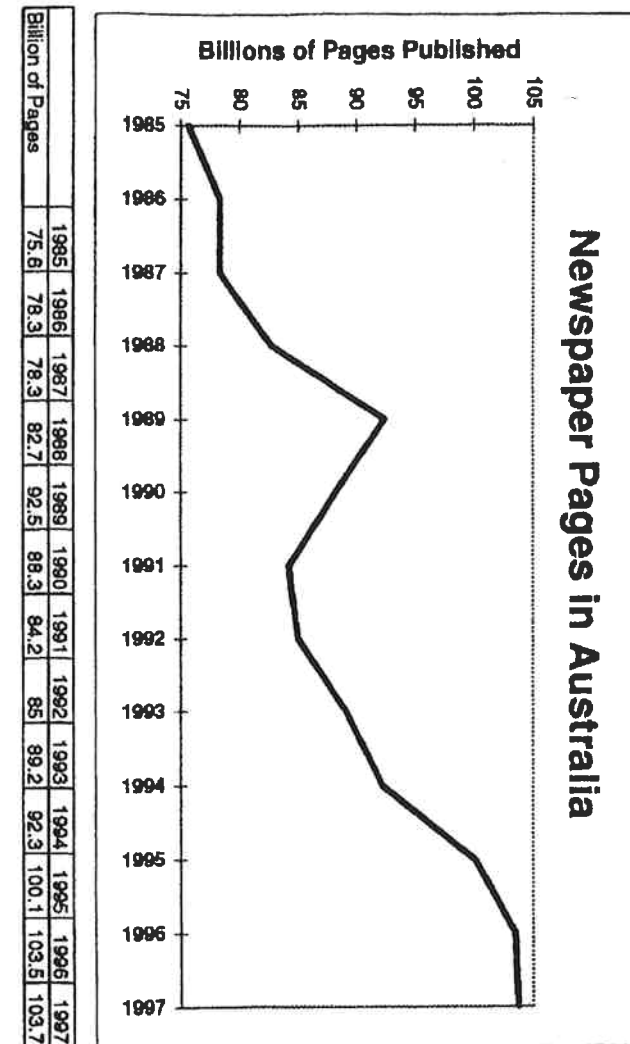
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## Acknowledgements

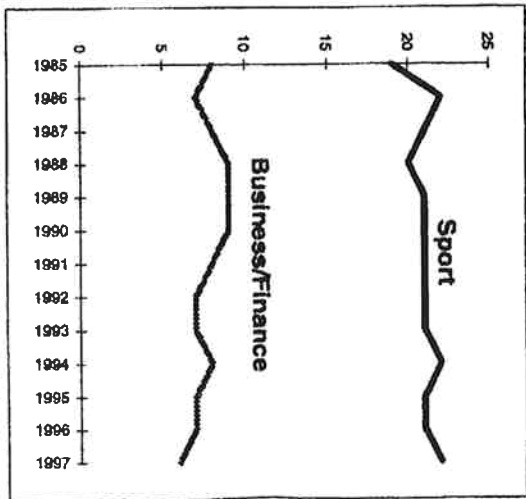
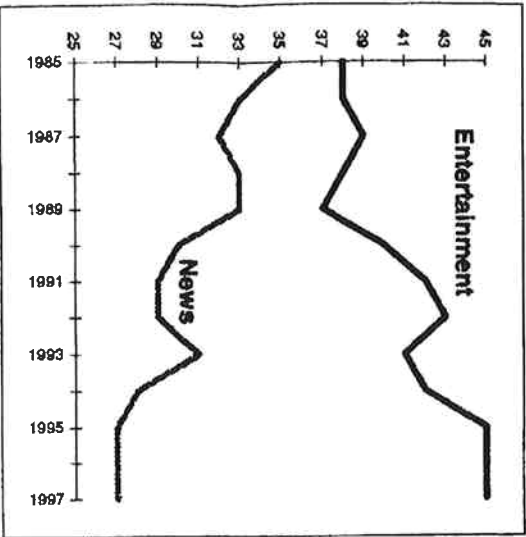
My thanks to Gia Metherell for research assistance, and to Professor John Henningham, head of the Department of Journalism at the University of Queensland, for valuable comments on the text and help with preparation for publication.

## Appendix



Source: Brighton (1998)

### Newspapers - Content Analysis % of Editorial Pages Dedicated to:



	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Entertainment	39	38	39	38	37	40	42	43	41	42	45	45	45
News	35	33	32	33	33	30	29	29	31	28	27	27	27
Sport	19	22	21	20	21	21	21	21	21	22	21	21	22
Business/Finance	8	7	8	9	9	9	8	7	7	8	7	7	6

Source: Brighton (1998)