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The political economy of the print media and the decline of corporate investigative journalism in Australia

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Newspapers in developed economies are experiencing declining advertising and circulation revenues, closures and cutbacks. Investigative journalism's normative role has been described as scrutinising concentrated power sources in liberal democracies. This article examines investigative reporting by the Australian print media that has exposed corporate wrong-doing from affluent times to the current era of newspapers' financial hardship. Applying two content analyses, the article examines business investigative journalism from selected newspapers and specific categories of the peer-reviewed Walkley Awards. The socialist tradition identifies corporate power above other groups in society, and this article finds in accordance with political-economic theories that mainstream newspapers have become conspicuously absent in their investigative role in detecting and exposing corporate transgressions. I conclude that this failure was most notable prior to and during the Global Financial Crisis, and this has implications for the exercise, and scrutiny, of corporate power in Australia.

Keywords: corporate power; financial journalism; global financial crisis; newspapers; political economy

Introduction

In democratic states, print newspapers are under financial duress. On the one hand, economic pressures limit the capacity of newspaper companies to satisfy the liberal political tradition which conceives mass media journalism as an institution to 'shield and protect the individual from the excesses of the state and to facilitate the rights and liberty of the citizenry' (Errington and Miragliotta 2011: 1). Political-economy theorists of the media have a pessimistic view of these ascribed democratic functions of the mass media, arguing that 'relentless ubiquitous commercialism' shapes the global media system (McChesney 2000: 108). Through the lens of political economy, news values reflect commercial imperatives such as ownership

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and advertising (Curran and Seaton 1997; Herman and Chomsky 1988). Business journalism in developed societies in particular is singled out for supporting the free-market system with little questioning (Schiffrin 2011: 9).

On the other hand, some scholars view the fragmentation of the mass media engendered by the advances of the Internet, digital technologies and potentiality of a globalised public sphere as presenting new opportunities for journalism, beyond traditional media, which allows for ‘... dissent, openness and diversity rather than closure, exclusivity and ideological homogeneity’ (McNair 2006: vii). This article analyses these shifts and theoretical interpretations to assess whether the liberal-democratic role attributed to newspapers as a watchdog on the excesses and abuses of corporate power in particular is in critical condition.

In the stringent economic environment for print media, newspaper organisations are searching for new business models and audiences. It is worth noting that in some developing societies, newspapers are experiencing unprecedented readership numbers, as literacy rates improve and new mastheads flourish (Franklin 2008: 6). On the contrary, in developed societies, newspaper journalism is increasingly targeted towards popular topics, particularly their online iterations, to attract viewers and advertisers. This ‘clickbait’ phenomenon equates to the commodification of the mass media and is variously known as ‘tabloidisation’, ‘newszak’ and ‘dumbing down’ (Dahlgren 2009; Sparks 2000; Street 2011). This commodification process occurred before the arrival of the Internet and was arguably expedited by it. In terms of the content of traditional ‘quality’ newspapers, this raises serious questions about its watchdog functions in a democracy, in particular, the durability of the notion of the ‘fourth-estate’ role prescribed to the mass media as part of the liberal-democratic tradition. In his analysis of democracy and the mass media, Curran (2002: 220) questions the tradition’s core, which emphasises the media’s independence from the state. Curran (2002: 220) argues that market concentration and the power of private vested interests jeopardise the watchdog role of the media and its independence. He rejects the argument that the consumer is reflected in the journalism of the mass media, maintaining instead that the free exchange of news and ideas is distorted by the overriding influences of advertising on the media. It is a classical critical political-economy perspective of the anti-democratic tendencies of the mass media in free-market democracies. The much discussed ‘propaganda model’ aligns society’s dominant economic forces with informal influences over the state by means of the commercial media and its concentrated, conglomerate ownership structures (Herman and Chomsky 1988). This article investigates these theoretical contestations by analysing corporate investigative journalism in Australia.

A pretext for the article was the mass loss of editorial positions in 2012 at Australia’s major print media companies, Fairfax Media and News Corporation Australia. The two companies jointly account for about 90 per cent of Australia’s daily print media circulation (DBCDE [Department of Broadband, Communications and the Digital Economy] 2012: 60; Tiffen 2010: 87). These redundancies would seriously challenge the capacity of the media groups to deliver journalism across different platforms with fewer reporters. The longer term implications have generated critical debate and reflection about the role of the ‘quality’ press, its public-interest functions and capacity to fulfil societal expectations as a check on wrong-doing (Buchanan 2013).

The structural changes to newspapers and challenges to their institutional authority are not unique to Australia, but part of the fundamental change confronting the print

media across liberal democracies in the digital era. A key question that this article focuses on is the degree of confidence that Australians can expect to have in the capacity of the mainstream press to adequately scrutinise corporate power and its influences on the state, as prescribed by the liberal-democratic tradition.

Economic decline of print newspapers

The structural changes to Australia's print newspaper industry have been evident since the 1990s, after print circulations peaked in the late 1970s and early 1980s for tabloids and broadsheets, respectively (Hills 2010: 505). Newspaper ownership became more concentrated following media law reforms in the late 1980s under the Labor leadership team of Paul Keating and Bob Hawke, and again under the Howard government in 2006. Both periods triggered mergers and acquisitions and left fewer owners controlling Australia's media. Cultural shifts also altered media consumption habits, and a proportion of newspaper readers fragmented to other media – particularly television news (Tiffen 2010: 85). Print circulations were declining before the commercial practices of the Internet were fully realised, but the arrival of digital technologies has further undermined the traditional funding model for newspapers. A significant outcome of technological change is that the traditional media no longer have a monopoly over advertising, or even the delivery of news.

One form of newspaper reporting – investigative journalism – is relatively expensive to produce. It requires journalists' time, effort and often additional resources such as travel and legal expenditures in order to find the story and defend it against powerful interests who would otherwise prefer it not be told (Birnbauer 2012: 83; author interview with Bruce Guthrie, 11 February 2010). There is agreement among those who have attempted to delimit it from daily news reporting that the investigative journalist's role includes exposing injury and injustice; revealing information in the public interest; and, where appropriate, promoting legislative reform to correct a wrong, legal or administrative loophole (De Burgh 2000; Schudson 2008; Tiffen 1999).

The liberal- and social-democratic traditions of the media support the view that news media are independent of government and a key role is to scrutinise concentrated sources of power, particularly governments and corporate power (McNair 2007: 22; Schudson 2008: 14; Tiffen 1999: 2). They argue that 'quality' investigative journalism operates largely within the domain of newspapers that engage the attention of elites. Investigative journalism can function as a trigger for public debate about issues of democratic accountability (Schudson 2008: 14–15). In this capacity, investigative journalism can be seen to serve a public function for the critical exchange of ideas about power, and how it is exercised in democratic societies. This function fits within the Habermasian ideal that situates the public sphere as a communicative space for political discourse (Habermas 1989: 29).

In Australia, according to Tiffen (1999: 2), the exposure of corruption speaks as much about the state of the media as it does about political efficacy. In Tiffen's words: 'exposure of corruption is the cutting edge of democratic accountability'. Investigative journalism is not the only mechanism for democratic accountability, but it is one means.

There is international concern about the efficacy of the watchdog function of newspaper journalism following structural changes to the newspaper business model, which traditionally relied on circulation sales and advertising revenue to subsidise

journalism. Surveyed at an annual United States' investigative reporters and editors conference, investigative reporters were collectively pessimistic about the future of investigative journalism, describing publishers' priorities as more about 'profits than Pulitzers' (Aucoin 2005: 1). In Britain, award-winning investigative reporter Eamonn O'Neill encountered editors who would not support investigative journalism because it did not deliver quick rewards: 'They want easy results and clichéd tales instead of the complex truth' (2009: 7).

Print restructures and cutbacks in Australia

In June 2012, Fairfax Media and News Corp announced thousands of jobs losses (Norrie 2012). Both companies committed to a more centralised command structure and greater sharing of resources across their respective mastheads. Ending a historic tradition, Fairfax also declared that it was closing its metropolitan printing presses and converting its Sydney and Melbourne daily broadsheets to tabloid. Shortly thereafter, Channel 10 announced that it would cut 100 full-time positions from its editorial workforce. MEAA federal secretary Christopher Warren estimated that these announcements accounted for 800 editorial job losses (Lloyd 2012).

The scale of these cutbacks was unprecedented, catching many practitioners and commentators by surprise. Investigative journalist at Fairfax's *Sydney Morning Herald* Kate McClymont described a 'numbness pervading the *SMH* newsroom' following the announcement (cited in Norrie 2012).

This was a definitive moment for the Australian print media, but not its end point. In October 2013, Fairfax announced that it would cut another 45 full-time journalism positions. It marked another moment in the shrinking of Australia's traditional print media which, according to management, 'reflected continued cyclical weakness and structural change in the advertising sector' (Corbett 2013).

Of interest here is that half of the 2013 editorial job cuts were aimed directly at corporate reporting. Fairfax's decision to shed business journalists and further reduce costs by merging business-reporting bureaus across its major dailies has implications for newspapers' capacity to scrutinise corporate power in Australia. Classic socialist theory understands business as a powerful group over and above other groups in a society (Miliband 1969). From the perspective of political science, this group can exert undue influence on the decisions of government. Using the recent example of the Australian mining industry's financial campaign against the mining tax, its power has been said to act as a 'cancer on society' (McKnight and Hobbs 2013: 309; see also Boulos and Dowding 2014).

Australia's print media restructure is consistent with the international context of newspaper businesses across liberal democracies. In the US, Europe and Britain, print newspaper revenues and circulations have steadily declined (Schudson 2003: 175). Across these developed societies, hundreds of newspapers have closed and tens of thousands of editorial jobs have been lost (Schulhofer-Wohl and Garrido 2009: 1). Some companies have limited expensive forms of journalism, including foreign reporting and investigative units (Jones 2009: 152–54). The 2007–09 global financial crisis exacerbated newspapers' fiscal decline (Franklin 2008: 630; MEAA [Media Entertainment and Arts Alliance] 2008: 4; OECD 2010: 6).

The traditional advertising market has also fragmented. Advertising has decoupled from news media. Classified advertising websites, search engines, billboards and increasingly mobile devices are gaining significant advertising share at the

expense of newspapers. The Internet has increased competition for classified advertising, while simultaneously driving down its unit price and causing newspapers' advertising revenues to fall (PWC [PriceWaterhouseCoopers] 2014). The rise in digital media technologies is strongly correlated with falls in newspaper revenues (MEAA 2008: 6).

The Fairfax announcement of 1900 job losses was its sixth staffing cut in less than a decade (MEAA 2008: 4). There are no indications that the economic downturn for newspapers will stabilise without alternative, sustainable funding models. The implementation of paywalls is one option being exercised, but they are yet to deliver sufficient revenue to meet operation costs (Myllylahti 2014: 190).

In Australia, despite decline, newspapers are still the single largest employers of paid full-time journalists (Tiffen 2010: 94). It is true that 'quality' investigative journalism is produced by radio and television (Turner 2005) and examples include ABC's *Background Briefing*, *Four Corners*, Channel 9's *60 Minutes* and Channel 7's *Sunday Night*, among others. Nonetheless, much of Australia's Walkley award-winning investigative journalism has originated from broadsheet newspapers and mastheads with an editorial commitment to it, including the *Australian Financial Review* and the defunct *National Times*. How cost-cutting has affected the quantity of Australian business investigative journalism produced by newspapers is now discussed.

Critical perspectives of business investigative reporting

Jennifer Kitchener (1999), Toohey (1994), Sykes (1994) and Turner (1994) are among the few who have examined the Australian business press in the late 20th century. They found it to be largely deficient of its watchdog function, particularly in the 1980s, prior to the global stock-market crash. Kitchener argued that finance journalists too often acted as cheerleaders for capitalism:

By nature business reporting has always been 'pro-business', preferring to oil the wheels of capitalism rather than offer critical insights into the economic system and act as a counter-balance to abuses of power. And for as long as the commercial media have existed there has been a tension between advertising and marketing goals and editorial objectives. (1999: 243)

Kitchener duly acknowledged that companies and their funding financial institutions became more risk averse after the stock-market collapse and that economic rationalism survived into the 1990s, but checks and balances on the marketplace through regulation became more popular. Corporate legislation and professional standards were strengthened and penalties for negligence and wrong-doing toughened. Kitchener cautioned, however, that 'the preconditions exist for the media to repeat their poor performance of the 1980s' (1999: 243).

Toohey (1994) and Kitchener (1999) drew on political-economic theories to explain the mainstream media's poor performance in critiquing excesses of corporate power in the last quarter of the 20th century. Herman and Chomsky (1988: 3–30) developed their 'propaganda model' to explain the performance of commercial news media, and perceived inherent bias towards capitalist objectives. They argued that Western media subliminally activate news filters to pander to powerful vested interests when deciding what news is. The filters were: concentrated media

ownership; advertising as a primary media income source; reliance on information provided by public-relations specialists and government lobbyists, and anti-communism. The Australian print media is captive to several of these elements, particularly concentrated media ownership and advertising as a primary source of revenue. Recent studies have also demonstrated that Australian news content is predominantly derived from press releases from vested interests (ACIJ [Australian Centre for Investigative Journalism] and *Crikey* 2010).

Internationally, history has shown Kitchener's warning to be prophetic. The mainstream US media is widely perceived as having failed to anticipate the global financial crisis (2007) and the earlier Asian financial crisis (1997) (Schiffrin 2011: x). Economics Nobel Prize winner Joseph Stiglitz argued that 'overall, the press acted more like a cheerleader as the bubble grew than like a check ... so too, in the aftermath of the [GFC], it has provided both less analysis and less investigative reporting than one might have hoped' (cited in Schiffrin 2011: 35).

Comparative analysis of the media in the US, Britain and Australia during 2007–08 found that financial journalism generally did not adequately critique the sector or provide fair warnings of the approaching disaster of the GFC (Knowles, Phillips, and Lidberg 2013). Mainstream financial journalism 'had an overwhelming reliance on business and public relations as sources; and that rather than fulfilling an investigative function on behalf of the public, financial journalists' focus was too often supplicating the financial community' (Knowles, Phillips, and Lidberg 2013: 69).

Prior to the GFC, Raphael, Tokunaga, and Wai (2004) found that US corporate targets of investigative reporting effectively deployed legal and public-relations counter-attacks on journalists to successfully bury negative news stories. Using these tactics, firms diverted attention away from investigative findings and distracted other media with questions about free speech and media ethics. These examples fit a political–economic theoretical frame by showing how firms use financial power, propaganda and legal tactics to deflect media attention from their acts of wrong-doing.

Herman (2000: 108) emphasises that the global concentration of media ownership and the reliance and fierce competition for advertising revenue have blurred the boundaries between editorial and advertising. The consequence is less professional autonomy for journalists and a move away from investigative journalism that challenges power structures (Herman and McChesney 1997). Herman argues these dramatic global shifts have enhanced the applicability of the propaganda model. Herman and McChesney (1997) argue that contrary to pluralist theories of the media, there is no evidence to support the argument that digital communication technologies will break the corporate stranglehold on journalism and mass communication. They maintain that the new technologies contribute to the political–economic drivers that work against the democratic functions of the mass media. Herman states:

They permit media firms to shrink staff even as they achieve greater outputs, and they make possible global distribution systems that reduce the number of media entities. Although the new technologies have great potential for democratic communication, there is little reason to expect the Internet to serve democratic ends if it is left to the market. (2000: 109)

In Australia, there is a general lack of research about the nature of corporate investigative reporting. Yet, the necessity for such research is recognised. Former Fairfax

journalist Paddy Manning accused his former employer of writing business stories with ‘fear and favour’ and writing ‘herograms for business leaders’ (cited in *Crikey* 2013). He also identified the political economy underpinning business reporting when he argued that the *AFR* was unduly reliant on information from public-relations specialists which, in Manning’s view, led to ‘PR-driven “churnalism”’.

Methods and data

The methodology here focuses on two content analyses applied to peer-reviewed award-winning investigative journalism and print newspapers. Print mastheads, particularly broadsheets, were chosen because of their documented role providing the public sphere with investigative journalism (Franklin 2008; Schudson 2008; Street 2011). In the Australian context, O’Donnell, McKnight, and Este (2012: 4) identify newspapers’ role in providing the public sphere with investigative journalism:

More than just general reporting of public events, newspapers are the main vehicle for what is variously known as watchdog journalism, public interest journalism and investigative journalism. The permanent weakening of these functions, as the recent Independent Media Inquiry noted, may cause ‘damage to democracy and society’s wellbeing’ (Finkelstein 2012[: 305, 12.12]).

Earlier, it was acknowledged that Australian television news programs such as *Four Corners* have broken major investigative stories during their 50 years of operation. But newspaper investigative journalism is the focus here because, based on reviewed literature, it is a significant producer of watchdog reporting, also because newspapers have been particularly affected by cost-cutting that might have consequences for their investigative output. How cutbacks have affected the quantity and ‘quality’ of Australian investigative journalism found in broadsheet newspapers are key research questions explored in this article.

Walkley Award content analysis

In the first content analysis, print winners of the peer-reviewed national Walkley Awards for journalism excellence were analysed since the award’s inception in 1956 until 2011, from selected categories. The Awards provide a unique sample of peer-reviewed journalism and, as O’Donnell (2009) argues, have prestige within the Australian media community.

The Awards present an exceptional opportunity to survey Australian investigative journalism over time because, while not a definitive sample of quality reporting, they provide a comprehensive peer-reviewed repository of journalism, including corporate investigative journalism. The Awards were useful for triangulating findings because they include extensive print sources of investigative journalism, more than the second content analysis, which focused on broadsheets. The Walkley study allowed for a longitudinal test of the breadth and depth of corporate investigative reporting over seven decades since the awards’ inception.

From the Walkley sample, I identified 101 out of a possible 187 newspaper stories that complied with the definition of investigative journalism, from nine award categories most likely to have examples of investigative reporting. Thus, just over half of the Walkley-winning stories from the selected categories met my operative

Table 1. Key considerations for defining investigative journalism

- | |
|--|
| 1. Does the article set the agenda/or is exclusive to that publication? |
| 2. Is the story an example of active journalism? |
| 3. Is there evidence of time and research? |
| 4. Does the story investigate? |
| 5. Is the story of political relevance or of some import to the public sphere? |
| 6. Does it identify victims or villains? |
| 7. Does it investigate a breach of public trust? |
| 8. Does it pursue a suppressed truth (that is in the public interest)? |
| 9. Is a moral standard implied? |
| 10. Is it written about Australia, or Australian-centric issues? |

Note: Shaded elements are mandatory fields of the operative definition.

Source: Author.

definition of investigative journalism (see [Table 1](#)). Of those 101 investigative stories, about one-fifth were corporate investigative reporting.

Broadsheet content analysis

The second content analysis examined the investigative journalism of selected Australian broadsheets. The mastheads included the *Age*, *Sydney Morning Herald* and the *Australian*, as well as the tabloid-turned-broadsheet newspaper, the (now defunct) *National Times*. It was included in the sample because of its perceived reputation for investigative journalism (Amos 2005; McKnight 1999: 155).

All stories from a selected month during a selected year were analysed. The years were 1971, 1981, 1991, 2001 and 2011 in the month of April. A decade interval was used to expose any changing patterns in investigative reporting styles and frequency. The year 1971 was a starting point because it was midway through Graham Perkin's editorship of the *Age*. Perkin was distinguished for setting up the first investigative journalism unit in an Australian newsroom in 1967, with a full-time staff of three by 1973 (Hills 2010: 310). The decade between 1971 and 1981 provides a perspective on the *Age*'s investigative journalism during and after Perkin's editorship. He died in 1975. The *Australian* began publication in 1964, and by the 1970s, it was an established masthead. The *National Times* was viable during the first two decades of this analysis. In the late 1980s, the Australian economy declined and the stock market crashed in 1987, contributing to the closure of the *National Times*. The end of this decade also marked the onset of the closures of all of Australia's evening papers (Tiffen and Gittins 2009: 181). By 1991, broadsheet circulations were slipping. The commercial use of the Internet began halfway through this decade. By 2001, the digital age had fully arrived. A few years later, social media such as Twitter and Facebook presented traditional news media with another competitor, offering audiences a new way to get news.

Operative definition of investigative journalism

To perform content analyses, I tailored an operational definition of investigative journalism. This was done in two steps. First, a typology, derived from the academic literature, summarised common features of investigative journalism. The second step

isolated 10 key elements of investigative reporting that could be used as individual data fields in a coding matrix.

Not all corporate investigative stories would contain every story element, but they should contain some essential features. For this reason, 6 of the 10 investigative elements were designated as mandatory in order to be classified as investigative journalism. Detailed rules were developed for each of the 10 investigative elements. The abbreviated rules are summarised in [Table 1](#). Investigative stories had to focus on Australia to be deemed Australian investigative journalism. Through these methods, I created a unique, comprehensive repository of award-winning investigative journalism in Australia, and developed an original operational definition of investigative journalism.

The research methods also assessed how newspapers used investigative journalism, by measuring its potential impact, depth and frequency. Audience impact was measured by analysing on which pages an investigative story appeared, the treatment of that story on the page, such as: whether it was the lead story or not; its word length, and whether a picture accompanied the story. These observations were judged against the historical norms of newspaper reporting of the day. For example, journalists' bylines were uncommon prior to the 1980s and any story with one was regarded as particularly important. If an investigative story was accorded more prominence in the newspaper, or more emphasis through front-page promotion, or was part of an ongoing story series, it was judged as having the potential to stay in the public sphere for longer, and therefore have greater impact on a reader's consciousness. Thus, it was also documented when investigative stories were part of an investigative series, syndicated across a media group's mastheads, or the result of collaboration. Seventy fields of data were recorded for each news page that carried investigative journalism.

General findings: Australian investigative reporting

An initial finding was that investigative journalism has never been commonplace over the examined period of 1956–2011. Of the thousands of stories that appear in newspapers each month, only a handful qualify as investigative journalism.

Identifying investigative journalism using the operative definition in the selected mastheads involved analysing 21,100 news pages. This method found 45 investigative reports; only three were corporate investigations. There were hundreds of stories about business, but they did not pass the operative definition for investigative reporting. This illustrates that investigative journalism is not common, but rather an exceptional form of reporting, and that investigations about corporate power and transgressions are rare in general news mastheads. The most commonly occurring genres of investigative reporting in broadsheets in recent decades have been crime, followed by federal and state politics, investigations of statutory authorities, and international stories with an Australian perspective.

Contrary to popular expectations (including my own), however, the raw data showed that there were more print investigative journalism stories in the first decade of the 21st century than in each preceding decade, including the widely perceived 'golden era' of Australian investigative journalism during the late 1970s and early 1980s (author interview with Bruce Guthrie, 11 February 2010; Henningham 1990: 138; McKnight 1999: 155; Schultz 1998: 228). Both content analyses reveal this trend. The two data sets were independent of each other and yet both

Broadsheet investigative journalism 1971-2011

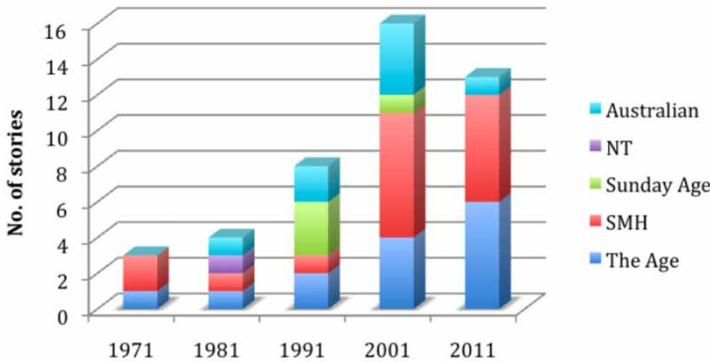


Figure 1. Amount of investigative journalism (broadsheet study) – 1971–2011
 Note: $n = 45$.
 Source: Author.

show that the quantum of investigative reporting reached new heights in the first decade of the new millennium (see Figure 1).

The Walkley study also showed that the raw numbers of print investigative journalism – including tabloids and broadsheets – increased over time (see Figure 2). In order to adjust for the natural increase in story entries as more award categories were added, the number of investigative stories was expressed as a percentage of the total number of winning entries for each decade. This allowed for more direct comparison across decades. This percentage comparison shows two ‘golden’ periods emerge: the 1970s, confirming previous research about this decade for investigative journalism (McKnight 1999: 155) and, more surprisingly, the 2000s. Two-thirds (67 per cent) of award-winning stories were investigative journalism in the period of the 1970s. In the 2000s, three-fifths (60 per cent) of the winning stories were investigative journalism.

Walkley awards: print investigative journalism

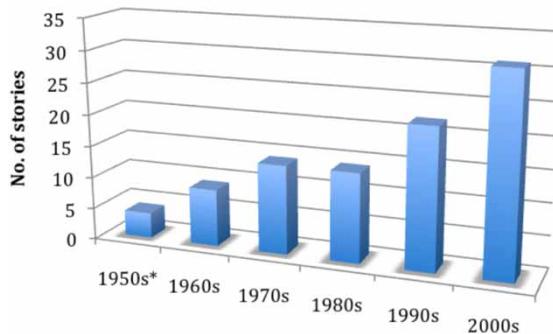


Figure 2. Amount of newspaper investigative journalism winning Walkley awards, 1950s–2000s
 *Incomplete decade, as Walkley awards began in 1956.
 Note: $n = 101$.
 Source: Author.

Notably, a specific ‘Investigative Journalism’ Walkley category did not appear until 1991, and it was not an ‘All Media’ category until 1997. In the 21 years that this category has been available to all media, print has won it 15 times, and *every* print story that has won was identified as investigative journalism using the operative definition. Furthermore, all except two winning stories originated from broadsheets, highlighting the role these newspapers have played in producing Australia’s award-winning investigative journalism.

The data show that investigative journalism is not disappearing from newspapers, nor is it correlated with newspapers’ circulation and revenue decline during the period of study. The quantum results for corporate investigative reporting during the same period, however, contradict this trend. Another recorded change is the number of investigations associated with a series of stories. This figure halved in the studied broadsheets over time. This is significant because it relates to the impact of a story on the audience. Among the reasons why broadsheet newspapers might not follow up their own stories, as they once did, is that the news cycle has become faster, and editorial resources must accommodate newsroom budgets. Journalists feel pressure to come up with fresh news stories for page one, and not to invest time in the same issue, especially if the follow-up stories are not as newsworthy and likely to be relegated to inside pages. For example, this comment from a print investigative journalist about his front-page investigative report:

It disappeared without a trace. The ideal thing would be to follow it for another month and chase all the loose ends that I didn’t develop. But I just let it go because I didn’t know for sure that I was going to get anything by the end of the month. The reality of the paper is that everyone has to produce. (Author interview with anonymous journalist, 21 March 2011)

A decline in corporate investigative reporting

Both sets of data reveal that from the 1950s to 2000s, the most published newspaper investigative story genres were crime, corporate, international, federal and state politics and investigations of statutory authorities, although the order changed depending on the era and data set (see [Figures 3 and 4](#)).

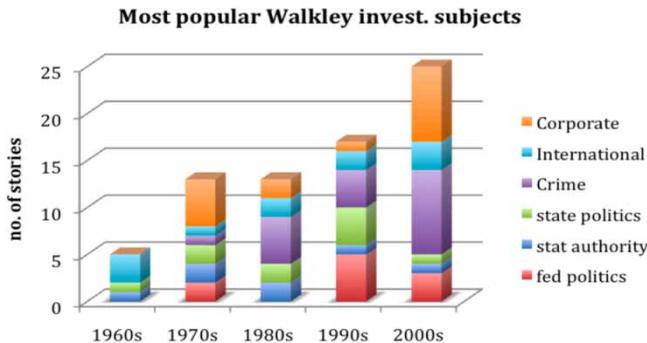


Figure 3. Investigative stories by subject – Walkley study, 1960s–2000s
 Note: *n* = 73.
 Source: Author.

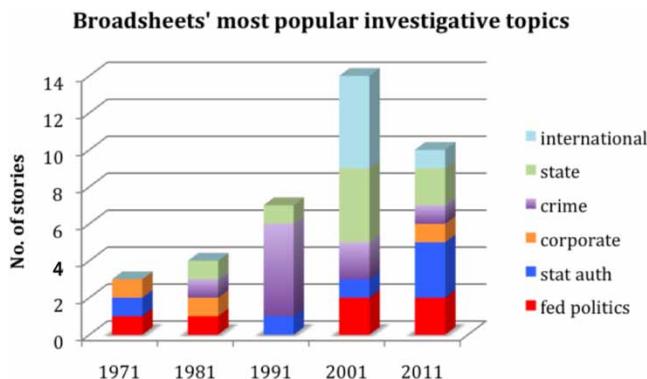


Figure 4. Investigative stories by subject – Broadsheet study, 1971–2011

Note: $n = 38$.

Source: Author.

As seen in Figure 4, corporate investigative stories *do not* feature in the selected broadsheets during April in 1991 or 2001, a change from earlier decades. The significant contribution of the *AFR* to corporate investigative journalism, particularly during the 2000s, explains this difference between the broadsheet and Walkley data. The *AFR* was not part of the broadsheet study, but its corporate investigative journalism was included in the Walkley data. This article finds that broadsheet mastheads have not engaged in as many corporate investigations as might be expected of newspapers of this quality in recent years. A closer examination of the broadsheet data shows that many corporate stories were published in these newspapers, but did not satisfy the definition used here for investigative journalism. The reason the stories were excluded was chiefly because they lacked exclusivity and did not set the required agenda. Many were a record of events that came after the fact, such as corporate collapses, rather than investigations foreshadowing a corporate failure.

Former ABC *Media Watch* host Jonathan Holmes observed that many media outlets in the 1990s were slow to expose corporate wrongdoers as financial disasters unfolded, such as the collapse of Victoria's Pyramid Building Society: 'The big bank collapses that happened in Victoria and South Australia went largely unnoticed and were not exposed by anyone's journalism as they should have been' (author interview, 19 December 2011). In Holmes' view, it was not investigative journalism's best decade for corporate investigative reporting – with some exceptions, like journalist Paul Barry's exposé of the dubious dealings of billionaire Alan Bond. The print data here support Holmes' observation, showing that the most common investigative stories in the 1990s related to state and federal politics, not corporate investigations.

Holmes' comment reflects the critiques of Kitchener (1999), Sykes (1994) and Toohey (1994) about the Australian media's scrutiny of the corporate sector in the 1990s. Kitchener argued that investigative reporting of this sector improved only after the media's recognition of its earlier failures to identify corporate wrongdoings: 'In the aftermath of the financial collapses and economic downturn that marked the end of the decade, corporate Australia and the media started to steer a more measured course' (1999: 243). This article finds that this was the case for the *AFR*'s reporting towards the end of the 1990s and during the 2000s.

What is interesting is that the corporate investigative reporting was present in small numbers in general newspapers during the 1970s and early 1980s when newspaper revenues were not under pressure, but climbing. Former *AFR* editor and *National Times* founding editor Vic Carroll argued that it took until the early 1970s for Australian newspapers to properly investigate corporate and government power:

The *Sunday Times* in London showed the way with the establishment of special task forces to investigate certain targets – a big investment which would have horrified most Australian publishers, but which paid off in circulation and reputational gains in a highly competitive market. For years the [Australian] metropolitan newspapers all but ignored the obvious scope for corruption between property developers and local and state governments ... Challenging the official version of events by big government and big business was a difficult matter. (Author interview, 8 February 2012)

The 2000s reveal a resurgence of award-winning investigative corporate stories but, revealingly, not from Australian broadsheets. Reporting of the corporate sector took place within the pages of these mastheads, but it did not meet the definition of investigative reporting. There were, however, important broadsheet investigative stories outside the business pages that exposed wrong-doing of statutory authorities. As stated, there was an increase in print investigative stories in this decade. One of the more consequential was ‘The money makers’ (Baker and McKenzie 2011: 1) This series of stories about the Reserve Bank subsidiaries Securrency and Note Printing Australia resulted in several people being charged, and enactment for the first time of laws prohibiting bribery committed overseas. The stories showed that bribes were paid to secure contracts to produce banknotes in Vietnam, Malaysia, Indonesia and Nepal. The investigated target for this story was categorised in the content analysis as a statutory authority. Interestingly, the reporters who exposed the story were not business journalists, but belonged to the newspaper’s investigative unit. ‘The money makers’ was an example of journalism that exposed weaknesses in corporate governance at one of Australia’s most important public institutions, the Reserve Bank. Three years after the story broke, Reserve Bank Governor Glenn Stevens told a 2012 federal parliamentary committee that his deputy received written warning of corruption inside the bank’s operations in 2007, but the federal police were not alerted (McKenzie and Baker 2012: 2).

Stevens’ disclosure, criminal findings against the accused, and a rise in public awareness about the criminality of bribes demonstrate that the journalists’ persistence with this story had a major impact. The story is worth documenting here because it is an example of an emerging trend of collaboration on investigative stories. As news audiences fragment in the digital age, cross-media collaborations enable greater audience reach across multiple spheres, which can strengthen impact. Collaboration enables efficient use of resources to pursue costly investigations. After breaking the Securrency scandal, the *Age* collaborated with the ABC to extend the story. Former senior Fairfax editor Mark Baker explained the decision:

I saw it as a good opportunity to raise the profile of the story because we had been plugging away at it for over a year or so, at that stage, and we had had significant impact: the police investigation was under way and all the rest of it. But the story was hard to get traction outside of Victoria and I felt that, and the outcome has

vindicated it, that by doing this with the ABC we broadened its profile. After *Four Corners* the story got a new lease of life and got a better national profile and we were then able to drive it to new heights, and then of course we saw charges being laid and the story continues to evolve, so it was a good deal. (Author interview, 11 January 2012)

Despite this example, a key finding is that general news broadsheets' investigative reporting of corporations was conspicuously absent, particularly by financial journalists, after the 1980s. A question to consider is whether corporate investigative journalism in general newspapers after the 1980s was in a critical condition because of the political economy of newspapers. If so, why are corporate investigative stories fewer compared to other investigative genres, such as crime, in general readership mastheads?

The broadsheet data about corporate investigative reporting suggest that the tension between newspaper profitability and their future capability to maintain a public-interest role had an impact, as the disappearance of some 'target' investigative subjects evidenced. Herman and Chomsky (1988: 2) identified that the commercial media activate self-serving filters in deciding what has news value, and one of those was decided by advertising as a primary media income source. The lack of corporate and financial investigations in Australian broadsheets could suggest that these generalist newspapers were mindful not to antagonise corporate advertisers through investigative journalism that scrutinises the sector's power. Stiglitz also argued that during the global financial crisis, the United States and international media had become captive to their sources, including succumbing to 'strong incentives for the media not to serve as part of society's systems of checks and balances' (2011: 24).

Also consistent with Herman and Chomsky's (1988) propaganda theory of the media, Australian print media ownership became more concentrated after changes to the cross-media ownership laws in Australia in the late 1980s. These legal reforms and acquisitions and mergers were factors in the closure of all of Australia's evening papers by 1993. The *National Times*, which had a record for investigating the corporate sector, closed shortly after the stock-market crash in the late 1980s. After this, the data reveal a conspicuous absence of corporate and financial investigative journalism in mainstream broadsheets. The exception was Fairfax's niche financial masthead, the *AFR*. By the late 1990s, the *AFR* defied the trend of the broadsheets, and increased its corporate investigations.

There are explanations for the *AFR*'s renewed interest in corporate investigative journalism. Holmes, like Kitchener, argued that failing to report on major corporate collapses of the early 1990s and late 1980s embarrassed the financial press; this was, after all, their reporting area. Holmes argued that the *AFR*, a specialist financial masthead, was making amends for serious reporting omissions of the previous decade when the stock market collapsed, taking many Australian companies with it (author interview, 19 December 2011).

Furthermore, the *AFR* was less reliant on advertising than broadsheets at this time because it was the only daily masthead in Australia that was not losing money from its cover price (author interview with Eric Beecher, 12 May 2011). This is significant because, while not the case in 2014, it meant that the *AFR* could afford to pursue negative stories about companies that spent heavily on advertising without fearing a crippling financial reprisal. Former investigative journalist and academic Wendy

Bacon attributes the *AFR*'s renewed focus on corporate watchdog reporting to the commitment of individual editors:

If you have an editor that gives journalists room to move – you have to have time to investigate and you have to have people who believe in you – then journalists like Pam Williams and Neil Chenoweth can produce good material. (Author interview, 14 November 2012)

Habermas argued that newspapers' editorial choices were determined by publishers forcing editors to 'do as they are told in the private interest of a profit-orientated enterprise' (1989: 186). In response to the loss of more than 30,000 hard-copy readers since 2008, the *AFR* has reduced its paywall price several times (Simons 2011). An avenue for future research would be to analyse the content of the *AFR* since these changes to ascertain if its falls in circulation have affected its capacity to undertake investigation of corporates. Also, further research is needed to determine if the hundreds of editorial job cuts at Fairfax and News Corp in 2012 mark a 'tipping point' for the quantum and quality of investigative reporting from Australian mastheads, including the *AFR*. A caveat to this article is that the data do not show what has happened to newspaper investigative reporting since these unprecedented redundancies and the reformatting of Fairfax's major dailies to a tabloid size in 2013.

Conclusion

This article finds that as Australian newspaper revenues and circulations have declined, the amount of investigative reporting from the studied newspapers has not. Up until 2011, newspaper editors found innovative ways, such as collaboration, to address the difficult economic environment for print media to continue to deliver investigative journalism to the public. The tension between profit and quality investigative reporting was not found to be a simple inverse relationship. Investigative reporting is beneficial for a masthead's reputation because it sets the news agenda. For this reason then, it is not surprising that the quantum of investigation reporting is increasing in the competitive news market of the digital age.

I conclude, however, that the political–economic environment of newspapers impacted specific genres of investigative stories in general news mastheads, particularly corporate investigative journalism. This article has identified that the scrutiny of the corporate and financial sector by Australia's daily broadsheets diminished and was commensurate with newspapers' political–economic environment, characterised by falling revenues, decreased print circulations and staff cutbacks.

This finding is consistent with comparative international studies of newspapers, which conclude that financial journalism tends to serve business and public-relations interests rather than providing adequate scrutiny of the financial community on behalf of the public. It questions the effectiveness of the perceived democratic function of the mainstream media to provide transparency and reveal violations of public trust by corporations – a collective with power over and above other groups in society.

Political–economic theories help explain this absence of investigative reporting into the corporate sector in an economic environment where editors and newspaper proprietors increasingly rely on commercial advertising. In a climate of diminishing revenues, they appear not to have jeopardised commercial relationships through journalistic scrutiny of the sector. This article argues that an exception to this general

finding is the *AFR*. Its investigative reporting of the corporate sector increased during the 2000s, compared to earlier decades. Findings suggest that, as a niche publication, it was less exposed to the political–economic environment of print media during the early 2000s, compared to general news mastheads. As a business newspaper, its obligations to its readers to scrutinise corporate power are considerable, and it suffered reputational loss in the past, after the 1987 stock-market crash. Thereafter, the *AFR* hired editors with a track record for investigative reporting. Recent falls in print circulation and strong criticism by one insider of the *AFR*'s story selection suggest that this publication might no longer be an exception to the general trend identified here, but further research is needed to ascertain this. In the current political–economic climate for newspapers, this finding has implications for the scrutiny of corporate power in Australia. It is hoped that editors will value and continue to innovate and collaborate to produce investigative journalism and, among investigative story possibilities, corporate power is not forsaken.

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