

- ARTICLE -

The Media We Want By 2020

Gavin Ellis

Abstract

A period as short as three years will not produce fundamental change to New Zealand's news media landscape but there is scope for positive improvement within a version of the status quo. Media – and the workings of democracy – would be improved by market reform, greater co-operation in news-gathering, and comprehensive multimedia regulation that protects citizens' rights. However, for mainstream media to fully serve their democratic function they must urgently institute measures to regain the public's trust.

Forecasting the future of journalism follows one of two paths: it is either an understandable desire to seek Jerusalem and William Blake's Countenance Divine shining forth upon our clouded hills, or to deny Jerusalem and foresee the endless grinding of dark Satanic mills.

Yet hovering over any prediction on the future of journalism is its susceptibility to sudden change. Even an attempt to steer a sober middle course between determinism and chaos is fraught with risk. There is an object lesson in Leo Bogart's 1989 prognosis on the state of newspapers that 'the worst appears to be over' (Bogart 1989, 49). He had the misfortune to make his prediction in the year that Tim Berners-Lee introduced the world to his wide web and Rupert Murdoch launched Sky TV in the United Kingdom. The lesson: when divining media futures, be aware that you may be proven wrong by the passage of a relatively short space of time. However, even with that caveat, it is reasonable to suggest that within the three-year timeframe set for the Agenda 2020 symposium there will be no chariot of fire sweeping down to cleanse and purify a media landscape that many see as blighted. The near future will be a variant of the present because the timeframe for fundamental change extends well into the next decade.

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The timeframe may be best understood by seeing it as part of what Carlota Perez (2010) has described as a techno-economic paradigm trajectory (185-202). This is the complex series of events that contribute to technological revolution. We are now in what she describes as the Fifth Revolution – the Age of Information and Telecommunications (the first was the Industrial Revolution). She notes that, while major innovations (such as Arkwright’s mill, Stephenson’s *Rocket* and the Intel microprocessor) have a central role in starting each techno-economic revolution, expansion depends on incremental innovation. In other words, there is a time-based trajectory that each technological revolution has followed, with interdependencies that affect the speed with which the revolution reaches maturity. The Fifth Revolution has yet to reach maturity. Its trajectory continues on an upward curve that may, or may not, end in the destruction of traditional forms of journalism but change will be incremental – even if the media equivalent of Uber materialises. The private motorist/cab driver has been disruptive but has yet to put bring an end to licensed taxi firms that could, for instance, fight back by becoming the providers of driverless cars.

The inherent unpredictability of technological innovation and the ingenuity of entrepreneurship are reasons for taking a cautious approach to predicting New Zealand media will move in the short-term. Further reasons for exercising restraint in forecasting whether Jerusalem will be builded here within three years lie at the other end of the change spectrum. They are institutional inertia, government indifference, and public apathy.

Inertia

Institutional inertia – the term used by Michael Hannan and John Freeman to describe structural impediments to change – exists in our mainstream media for a number of reasons. In short, they suffer the inherent structural inertia present in most large organisations (Hannan and Freeman 1984, 149-164). While creative innovators may exist within each organisation, the ultimate decision-makers are defenders, not revolutionaries. Hannan and Freeman do not suggest that organisations subject to institutional inertia do not change. Rather, as they put it, ‘[...] organisations have high inertia when the speed of reorganisation is much lower than the rate at which environmental conditions change’ (ibid. 151). Large established organisations tend to react more slowly to changes in their environment than do firms established to take advantage of technological innovation. New Zealand’s mainstream media organisations fall into the first category.

They face an additional structural impediment in the fact that the major media companies – apart from state-owned media (Television New Zealand, Radio New Zealand and Māori Television) and the *Otago Daily Times*’ publisher Allied Press – are foreign-owned. That foreign dominance survived the demerger of the *New Zealand Herald*’s owner NZME from Australian-based APN News & Media in 2016: a majority of its shares remained in the hands of Australian investment groups and nominee companies. Fairfax, publisher of the *Dominion*

Post and *The Press*, is headquartered in Sydney and TV3's MediaWorks is owned by an American private equity company, Oaktree Capital. New Zealand's dominant magazine publisher, Bauer Media, is German-owned.¹ Extended chains of command and differing priorities contribute to inertia.

Inertia is present because the five major commercial news media groups in New Zealand are risk-averse. Their owners have already seen declining value in their investments: Since 2012 Australasian media companies have written down their book value by more than \$A6 billion.² Although the New Zealand media organisations' combined equity has shrunk to about \$970 million,³ their collective owners do not wish to place their balance sheets at any greater risk than necessary by contemplating radical structural change.

Merger is as radical as they are prepared to be, and that is not at all radical. It is simply a means of continuing to do business the same way with better economies of scale and reduced competition. John Ralston Saul's disdain of mergers and acquisitions is on a global scale but his observation that size replaces risk and innovation (Saul 2005, 81) is equally applicable in a New Zealand context. Would it be too harsh to also apply his secondary observation that the architects of mergers – financiers and business managers – embrace a shared assumption that size replaces the need to think? Certainly, their thinking has been conventional and based on a quest for economies rather than real innovation. The desire to merge – NZME/Fairfax and Spark/Vodafone – was met with rejection from the Commerce Commission. The NZME/Fairfax case is now before the High Court.

Final rejection of merger proposals would leave open the question of what innovative alternatives would be taken by the media companies. So far, they have shown themselves to be classic examples of Paul DiMaggio and Walter Powell's institutional isomorphism: rational actors who make their organisations increasingly similar as they try to change them (DiMaggio and Powell 1983, 147-160). Structurally, there is little to distinguish the organisations. The change that each has undergone in the past two years has created similar multimedia newsroom structures and, in each case, significant capital was involved. This has put all of them in the same boat. There is a pattern of episodic change – heightened activity followed by a period of quiescence – and they are now locked into similar development cycles. Any proposal for a new cycle of capital-intensive change will face board resistance in the short-term. Institutional inertia sits comfortably with a reluctance to spend yet more money.

Indifference

The State can play a coercive role in change if it is so minded. The transfer of BBC regulation to Ofcom creates a powerful unified regulatory apparatus for broadcasting in the United Kingdom. It could have been matched in print by the adoption of the recommendations of

the Leveson Inquiry – had Westminster been so minded. Germany’s federal and state media laws are designed to protect diversity and content quality and its constitutional court has affirmed the state’s obligation to ensure a media order that guarantees democracy and social integration.⁴

Contrast that with New Zealand: there is no better example of governmental indifference than the three terms of National-led administration in New Zealand. That administration has been characterised by a market-driven ideology that has translated into an unwillingness to interfere with the self-determination of media companies and an indifference to the regulatory and financial needs of a sector profoundly affected by the digital age. Its dislike of the concept of public service broadcasting is well-documented and given symbolic reinforcement by the disestablishment of the Broadcasting portfolio in the December 2016 Cabinet reshuffle. In its second term the government was presented with excellent foundations for a major restructuring of the media regulatory environment (NZLC IP27). Instead it heaped faint praise on the Law Commission’s report and stated that ‘the Government’s preference is not to make any statutory or institutional changes at this time and to continue to observe how issues of technological convergence are dealt with by the news media’.⁵ A fourth term would be unlikely to see a change in this policy vacuum unless some form of crisis demanded action. A change of government would, in all likelihood, see a return to supporting public service broadcasting but the commercial media were largely untouched by the Clark government and that approach would likely continue.

Apathy

Public apathy plays a part in this government indifference and a lack of major reform of the media sector. The New Zealand public has been accused of ‘towering complacency’ in the face of erosion of its right to free expression (Ellis 2016, 21). That complacency extended to accepting the erosion of news media systems on which they have relied to hold power to account. It may be argued that the People’s Commission into Public Broadcasting and Media and the 100-plus submissions to the Commerce Commission on the proposed NZME/Fairfax merger represent a groundswell of public concern. However, these concerned and committed citizens represent only a small sector of society. The majority show little inclination to raise their voices in support of change. This apathy helps fuel governmental indifference by suggesting there are few votes in media reform and suggests to media companies that the market is satisfied with incremental change within existing structures.

Status Quo Version 2

For these reasons – there are doubtless more – a version of the status quo will persist until 2020 and beyond. This does not mean there will be no change. The version will include a number of new digital start-ups and potential spectrum repurposing such as a proposal by

veteran broadcaster David Beatson for the use of downtime on Parliament TV for public interest programming and civil defence public communication.⁶ They will join recent start-ups *The Spinoff*, Newsroom, E-Tangata and others in supplementing mainstream media but will continue to attract niche audiences and lack the scale to supplant the major organisations. There will be innovations (as yet unveiled) that promise major technological advances but not a means to replace the large sustaining audiences that each mainstream media entity has drawn.

Mainstream media continue to be dominated by hierarchical newsrooms in large institutions – be they private sector or state-owned – with digital start-ups supplementing rather than supplanting them. There is a body of literature that rejects this core-periphery dichotomy. Mark Deuze and Tamara Witschge, for example, regard core and periphery as erroneous concepts. They see the job of the journalist as characterised by impermanence and ‘post-industrial newswork’ as a fluid, distributed network (Deutz and Witschge 2017, 6). They overstate the case as it may relate to New Zealand. The disruption and fragmentation of which they speak is underway, but the continued presence of traditional media structures mean the situation is some distance from the complex network of individual newswriters that they describe.

However, their framework should not be entirely dismissed. In the longer-term, there will be a radical shift away from corporate news media to a self-sustaining neural network where the sum of the parts is a form of aggregated distribution that continues to reach large audiences with the same content. It will be neither Google nor Facebook because ways will have been found to deny parasitic operators the banquet they currently enjoy at the expense of news producers. It will be a pluralistic collaboration of organisations and individuals contributing to the public good through multi-media endeavours that may even include print. However, in New Zealand within the three-year scope of this paper, Deuze and Witschge are premature in their clearance of the existing landscape. The system they describe – ‘a moving object [...] a dynamic set of practices and expectations’ (ibid., 19) will by 2020 continue to be found on the periphery rather than at its still dominant institutional core.

In the near-term, NZME, Fairfax, Television New Zealand, MediaWorks, and Radio New Zealand (together with Allied Press in Dunedin and Māori Television) will continue to be the mainstay of news-gathering (if not dissemination, as social media continue to make inroads on how stories are distributed). There may well be some rearrangement of individual assets, particularly by newspaper-owning companies, but the mainstream will flow into the next decade.

Realities

The task set for this paper is to suggest better things that can lie on journalism's near horizon. It may be useful to suggest, firstly, a number of things that are achievable within that 2020 version of the status quo and, secondly, to address a pressing need that must be met irrespective of the rate of 'natural' change.

The point we have reached in Perez's Information and Telecommunications Age trajectory decrees that near-term technology-driven change will be incremental rather than revolutionary. The Winter 2016 edition of the *Columbia Journalism Review* – the Innovation Issue – was largely based on what drones, virtual reality, automated storytelling, data journalism, analytics, robotics and social media can do to enhance journalism. There were inspirational and cautionary tales to supplement a host of technical innovations. Overall, the innovation issue demonstrated how technology would provide better or more cost-effective ways of doing the job journalists now do.

We have already seen some of the evidence of these technological advances in New Zealand with the use of drones by media outlets covering the Kaikoura earthquake and Edgecumbe flood. We saw the benefits of big data analysis in Fairfax's School Report Project in 2016 and the *New Zealand Herald's* series based on geographic crime statistics in June 2017. We are also seeing it at the *Herald's* parent company NZME, with the adoption of the Arc publishing platforms developed by the *Washington Post* as part of a rejuvenation by its innovative new owner, Amazon's Jeff Bezos.⁷ Arc is a digital content management system of inter-linked modules, from content creation to sophisticated market analytics, that also integrates with print publishing systems. Its principal architect, the *Washington Post's* chief information officer Shailesh Prakash, featured in the *CJR's* Innovation Issue. A Nieman Foundation media industry analyst, Ken Doctor, predicts that Arc may 'provide a new lower-cost, higher-performing tech foundation for the wider news business' (Doctor 2015). The system has already been licensed to more than a dozen media companies in North America and beyond. It does not, however, find the Holy Grail: a new business model as dynamic, promising and rife with opportunity as the one that carried traditional media through their good times.

Achievable Aims

Jerusalem may be elusive but there are numerous initiatives that can be implemented in the short-term to ensure the civic role of journalism and a positive contribution by news media are not lost.

Mainstream media *can* find ways of relieving some of the revenue pressures they face. One of the arguments Fairfax and NZME advanced to the Commerce Commission in support of their merger was the competition that search engines and social media represented. Their joint submission on the merger stated that each group has a 6 per cent share on the online

advertising market while Facebook has 16 per cent and Google has 37 per cent of the market. The Interactive Advertising Bureau of New Zealand paints – for traditional media – a bleak picture (Figure 1). Search and directory services attracted more than half (\$490 million) of the total digital spend in 2016. Social media attracted less than \$59 million but it is growing at more than 50% a year. Digital display advertising – the banner and strip ads we see on news websites for example – contracted by one per cent last year and news media have by no means all of that slice of the pie (IAB/PwC 2017). Yet both search and social media are populated with the stories produced by our mainstream media, who receive nothing in return.

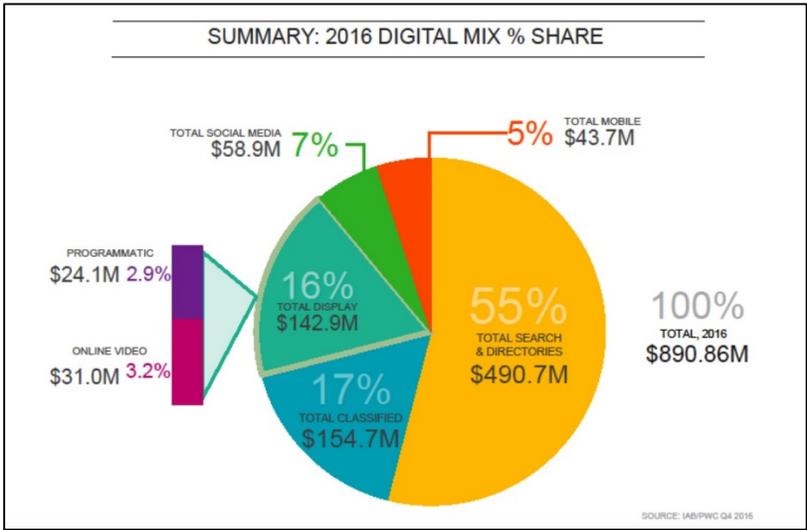


Figure 1 (Interactive Advertising Bureau 2017)

New Zealand media organisations can – and should – press for a redistribution of some of the digital revenue derived in no small measure from re-use of the news content produced by the newspaper owners and their broadcasting contemporaries. It is an issue facing all mainstream commercial media. The advertising revenue pie in this country is finite and rises by only one per cent a year. The larger the slice taken by digital highway robbers, the smaller the portion remaining to be divided up among local media. Fairfax and NZME argued forcefully before the Commerce Commission but the industry as a whole has yet to demonstrate it is capable of mounting a concerted lobby campaign of the type that secured advantageous conditions for Sky TV over several decades. Such a campaign, aimed at redressing the inequity of deriving revenue from goods for which you do not pay, or a push for the wider revenue-producing levy proposed by VUW’s Peter Thompson, are achievable ways of reducing financial pressure on news media. Thompson, as chair of the Coalition for Better Broadcasting, has estimated that a marginal levy of one per cent on media services revenue across the value chain, (including broadcasting, telecommunications, subscription providers, advertising and audio-visual retail) could raise \$160 million per annum

(Thompson 2015). Although that proposal related to funding of public service broadcasting, it could be expanded to include print and digital media.

The digital giants are the real threat to the future of commercial New Zealand news media organisations, yet local media continue to treat each other as sworn enemies on the playing field – albeit slightly uneasily in the case of Fairfax and its intended spouse during merger talks. Broadcast media, in particular, continue to compete directly with each other for advertising. Newspapers have discreet markets even if their companion websites are head-to-head. All, however, face diminishing editorial resources and a resulting reduction in news coverage. They continue to duplicate each other’s efforts in covering core news subjects. They send expensive news teams into areas for spot news that is being covered by other organisations’ local newsrooms.

There is ample scope within the next three years for the groups to begin to co-operate and use their limited resources to better effect. The country was not disadvantaged by the fact that for more than 125 years its newspapers shared content through the New Zealand Press Association. Rather, the opposite: the co-operative was a means by which national news-gathering and comprehensive foreign news agency services could be provided in spite of limited financial resources. Figure 2 illustrates the benefits that used to accrue from the cooperative – the exchange of thousands of stories a year available to daily newspapers throughout the country.

NZPA story contributions January to June 2003	
New Zealand Herald	2126
Dominion Post	2221
The Press	2028
Otago Daily Times	1649
Regional newspapers (combined)	4713
NZPA Auckland office	1020
NZPA Wellington office	11286
NZPA Parliament office	12878
NZPA Sydney Office	748
Total	38669

Figure 2: Sources of NZPA stories Q1-2 2003 (Ellis 2009)

A modernised version embracing the major media groups and digital start-ups could provide core news services through sharing arrangements and a host provider such as Radio New Zealand. Such a service would free resources for, one hopes, more discursive and analytical journalism.

There are indications that co-operation may not be beyond them. The widespread distribution by other media of Radio New Zealand's *Ninth Floor* series of interviews with former prime ministers – with a free-to-air broadcast by TV3 scheduled for October 2017 – is an excellent example. Radio New Zealand did not suffer financially by sharing it: it is a non-commercial network. It is questionable, however, whether it would have been giving away revenue if it was a commercial operation. It could have first mover advantage, audience loyalty and the possibility of revenue-sharing to secure its position. It already makes modest sums from re-use of some of its content by other media. In a similar venture, Fairfax's stuff.co.nz website announced in June 2017 that it would carry selected items from Māori Television. An earlier example was the Panama Papers collaboration between Radio New Zealand, Television New Zealand and Nicky Hager (a member of the Consortium of Investigative Journalists that masterminded the investigation). Co-operation is not limited to editorial endeavours. In November 2015 Fairfax, NZME, MediaWorks and TVNZ launched the KPEX joint programmatic digital advertising exchange.

It remains to be seen how far and how fast co-operation might go. The Panama Papers represented an example of international collaboration on a grand scale. It is more than possible for the mainstream media organisations to forge permanent relationships with local digital enterprises formed to fill specific and neglected areas of editorial coverage. Already, there are news services such as BusinessDesk and Christchurch Court News. There are independent investigative journalists. Each of these endeavours can make a meaningful contribution to society but its impact depends of having sufficient 'reach'. That 'reach' can be provided by mainstream media. The model already exists with ProPublica in the United States. Its raison d'être is the provision of ground-breaking journalism in collaboration with a host of organisations from ABC News to Yahoo. Investigations in New Zealand by newsroom.co.nz on alleged breaches of the law by Southland MP Todd Barclay (Reid 2017) and politik.co.nz's exposure of the Labour Party's fraught international intern scheme (Harman 2017) gained their full momentum only after mainstream media picked up the stories.

A broad-based system of co-operation and exchange between all mainstream media – exemplified by the New Zealand Press Association agreement – would help to compensate for diminishing newsroom resources. However, if a co-operative of the likes of NZPA is beyond them, New Zealand media nonetheless has the capacity – within that three-year timeframe – to fully embrace collaboration not only with each other but with the journalistic entrepreneurs of the digital age.

Regulation

Systems will need to be put in place to ensure that collaboration, co-operation and, perhaps, merger do not reduce the range of voices available to the New Zealand public. Core news – unembellished reportage of the events of the day – does not require a pluralistic system. Plurality is needed in the selection of news, interpretation and commentary. The country does not, however, have the means of ensuring that its media system – particularly if it is given new sources of funding – delivers both plurality and its principal purpose of truth-seeking. We have both state-mandated and self-regulated media complaints bodies. In spite of the subsuming of the Online Media Standards Authority by the New Zealand Press Council, they remain essentially medium-based and therefore past their use-by dates.

Within the 2020 timeframe we have the capacity, if not the will, to rethink the regulatory environment to (a) recognise a fully-converged media ecosystem, (b) homogenise ethics and standards, (c) hold various media enterprises accountable for the provision of material that acknowledges the audience as citizens and not simply consumers, and (d) give those citizens redress when standards are not met.

Moving a regulatory body beyond complaints adjudication to the maintenance of content standards would be resisted by some – perhaps all – of the media groups but that should be the price they pay for financial assistance. Neither media organisations nor politicians can be relied upon to rise above self-interest where media regulation is concerned.⁸ Therefore, a public commission would need to determine the structure and mechanics of such a body for it to be fully effective. A starting point would be the Law Commission’s 2013 recommendations (NZLC IP27).

Crisis of Trust

The foregoing are developments that are achievable within the 2020 timeframe if the actors are so minded. There is one issue, however, that the industry and its journalists must not ignore: they face a crisis of trust.

There is an urgent need for society’s trust in professional journalism and media institutions in New Zealand to be significantly raised. A survey conducted in 2016 by Colmar Brunton for Victoria University’s Institute for Governance and Policy Studies showed that more than half of all New Zealanders had complete or a lot of trust in medical practitioners and police to do the right thing. Less than 10 per cent of the population resided the same levels of trust in news media and our politicians (Figure 3). In other words, citizens have a low regard for the politically powerful and a similar view of the group that society once saw as holding the powerful to account.

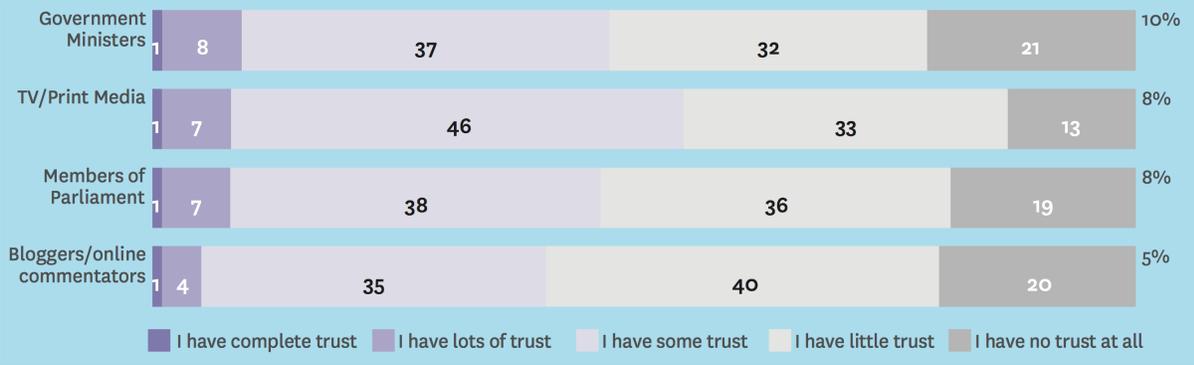


Figure 3 (IGPS Victoria University of Wellington 2016)

And it is getting worse. More than half of those surveyed (Figure 4) felt their trust in politicians had deteriorated over the previous three years and 45 per cent felt media had become less trustworthy.⁹ These results correlate with findings in other countries where trust in others and confidence in institutions have declined. And it is not new. Robert Putman (2000) documented decades of declining social trust in *Bowling Alone* and the rate at which social capital has been eroding has not slowed.

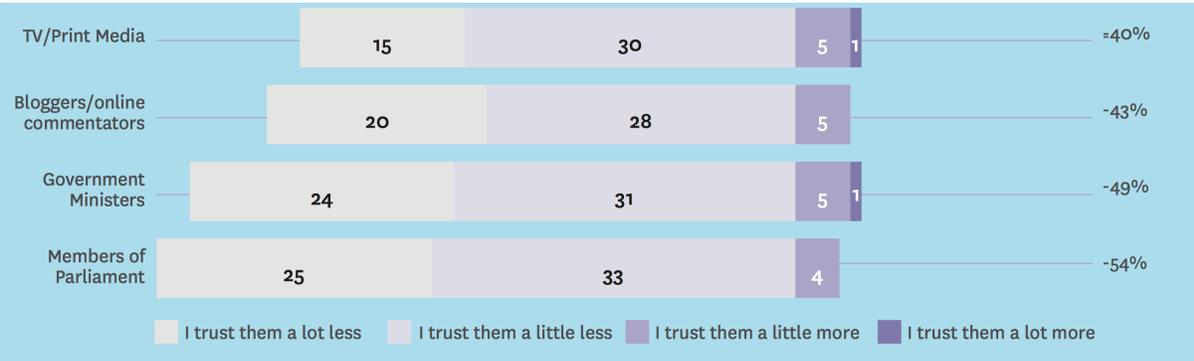


Figure 4 (IGPS Victoria University of Wellington 2016)

Another study of American levels of trust and confidence over a 40-year period (which revealed levels reached all-time or near-all-time lows in 2012) concluded that ‘the decline of social capital is a profoundly negative trend for a democracy, a system of government predicated on the few representing the interests of the many’ (Twenge, Campbell and Carter 2014). The role of the news media in holding power to account is creating the equivalent of a binary explosive: the public do not trust either government or those who keep watch on it. It is essential that confidence in both institutions is raised.

We are now faced, however, with a phenomenon that makes the restoration of trust in news media an even more pressing need. The phenomenon has several labels and multiple dimensions. Whether you call it fake news, alternative facts, post-truth politics or truthiness, it represents a crisis in which ‘the power of truth as a tool for solving society's problems

could be lastingly reduced' (*Economist* 2016). It has been able to take root for a number of reasons including loss of trust in institutions, the rise of populism, social media 'bubbles', and the ability to dismiss fact-checking journalists as untrustworthy.

There is a growing awareness of the characteristics of post-truth politics and its substitution of facts with resonating statements that followers *want* to be true. We have seen the way that fake news can be used either to undermine or provide a lucrative money earner for opportunistic Macedonians capitalising on programmatic advertising (Tambini 2017). And we have seen legitimate media outlets that strive for the truth labelled 'fake news' when that truth is inconvenient. A concerted effort is required if society is to repair the damage to democratic processes caused by this degradation of fact. The news media cannot play its part in such a recovery unless they enjoy the confidence of the public.

In a letter published in the December 22, 2016, edition of *Nature* Dr Adam Kucharski, a specialist on the dynamics of emerging infections from the London School of Hygiene and Tropical Medicine, suggested that the propagation of fake news through social networks bears many similarities to the evolution and transmission of infectious diseases. For example, disease strains can evolve and compete in a host population, much like rumours, while infections and opinions are both shaped by social contacts. As contacts become more localised, the diversity of circulating disease strains can increase but, conversely, network structure *can* also suppress the invasion of new disease strains (Kucharski 2016). Fake news and post-truth politics need to be treated like a disease. The potentially protective effect of networks is reassuring but, just as the world is facing the prospect of antibiotic-resistant bugs, we have news media poorly-equipped to fight this threat to the body of democracy.

Raising Trust

How can the news media recover public trust and defend society against 'alternative truth'? They could use a gradual charm offensive over a protracted time period that extends beyond our deadline, but this is an issue where there is not the luxury of time. To draw on Kucharski's analogy, there is an urgent need for new antibiotics and antiviral drugs.

In order to restore public confidence, media will need to set aside some of the market-driven journalism that has characterised their output in the new millennium. Continuous and often over-sold appeals to the emotions have progressively undermined the credibility of journalism. Overlaid by clickbait and Pavlovian reactions by news executives to digital analytics, the corrosive effects have become all the more apparent.

This is not to suggest that journalism should be colourless and devoid of feeling. It does, however, argue for a better balance in the news diet, one with a lowered emotional quotient. That would require media to increase what Michael Schudson calls the 'information model' and reduce 'story model' content. Schudson developed these models to describe the

bifurcation that began in the 1890s. In the modern era, we might say the former is exemplified by the fact-checking *New York Times* and the latter by the emotional appeal of the *New York Daily News*.

Blatant media appeals to emotion rely on the same drivers as fake news. An essay, *On Rumors*, by Cass Sunstein notes that, when rumours produce strong emotions – disgust, anger, outrage – people are far more likely to spread them. Sunstein adds that a striking conclusion is that the marketplace of ideas may well fail – ‘the rumours that survive emotional selection may not always be those that are most truthful’ (Sunstein 2009, 59). This requires news media to beat the fakers, not join them.

News media must be seen to be the antithesis of false news. They *must* be seen as trusted sources of information if they are to fulfil the public service mission to which they have traditionally aspired (Kovach and Rosenstiel 2014, 15-18). That will require somewhat more than simply claiming that they can be trusted – clearly many members of the public do not think they *can* be trusted. There are five elements to claiming that high ground:

- Robust processes of verification before publication and a requirement for named sources except in special circumstances.
- Adherence to codes of ethics, codified editorial standards, charters and meaningful forms of redress.
- Transparency in editorial practices and decision-making plus standing vehicles for correction and clarification (with an unswerving commitment to admitting and correcting errors).
- A determination to subject newsmakers to fact-checking and accountability.
- Maintenance of public interest news values.

Media organisations may claim they currently meet those five tests. They meet parts of each element, but by no means all, and there is a lack of uniformity across the sector. They certainly do not meet all requirements in the minds of those polled on trust and confidence. Perhaps a requirement that each publishes an annual audit would be an incentive to perform.

In *On Rumors*, Sunstein speaks of the benefits of a chilling effect. He is not referring to the actions of those who would constrain legitimate free speech but to ways that might reduce damaging and destructive falsehoods (ibid., 74-85). As a law professor, he is naturally drawn to legal devices and torts of privacy but the legitimate role of the news media in this instance is also to provide that chilling effect – to create and sustain an environment where there are dangers, sanctions and consequences for those who would peddle fake news and post-truth politics.

It is folly to think that a small country like New Zealand is immune to either blight. Like all political campaigns, the 2017 General Election would be susceptible. The election of

President Trump, the Brexit vote, and the presence of a far-right candidate in the second ballot for the French presidency attest to the ability of populism and post-truth politics to quickly take hold in western democracies.

Rational choice is a subject that ‘while of the greatest importance, remains shrouded in darkness’ (Scruton 2007, 579). Its willing suppression allows fake news to assume its own reality. The exercise of rational choice should suggest that it is in the interests of media organisations to work tirelessly to improve their standing in the ranks of trust and confidence in order to retain their place as one of the institutions of democracy. That is a choice the media should have made long ago but clearly have neglected. Mindful of that 1989 prediction that ‘the worst appears to be over’, it will take considerable trust and confidence to predict that over the next three years our news media will make all the right choices. However, they are capable of restoring public trust and their capacity to serve their civic function by embracing the best elements of journalism as we knew it. Over the next three years, they could go back to the future.

Notes

1. For an overview of ownership see ‘New Zealand Media Ownership 2016’ produced by Merja Myllylahti (2016) for AUT’s Centre for Journalism, Media and Democracy.
2. In 2012, Australasian media companies wrote down their value by \$A4.2 billion, including Fairfax \$A2.8 billion, APN \$A485 million (NZ titles), News Corp \$A731 million and Mediaworks \$NZ242 million (\$A193 million). Fairfax wrote down a further \$A1 billion in 2016 and News Corp wrote down \$A700 million in 2017.
3. NZME total equity \$285 million, TVNZ \$208.6 million, Radio New Zealand \$47.5 million (all 2016 figures). The New Zealand assets of Fairfax Media have been valued at \$145 million in merger documents and, although its balance sheet is submerged in the finances of its American private equity owner Oaktree Capital, MediaWorks was valued at \$286 million after a recapitalisation at the end of 2013.
4. Germany’s federal structure and the decentralised nature of its broadcast media (a system that dates back to the post-war reconstruction period) mean there is a multitude of laws and regulation governing media in the republic. A brief overview has been provided by Ronald Meinardus (2013).
5. Contained in the Government’s response to the Law Commission issues paper ‘The News Media Meets ‘New Media’: Rights, Responsibilities and Regulation in the Digital Age’ (13 September 2013).
6. Beatson presented an outline of his proposal at the Agenda 2020 Symposium, AUT University 27-28 April 2017. He died on 21 September 2017.
7. Announced in the New Zealand Herald (24 February 2017).
8. Conservative elements of the British press rejected plans for statutory regulation in 2013 and, with acquiesce on the part of the Cameron government, effectively quashed the recommendation of the Leveson Inquiry. In Australia, in the same period, media interests successfully lobbied against implementation of the recommendation of the Independent Inquiry into Media and Media Regulation (The Finkelstein Report 2012).

9. See Institute for Governance and Policy Studies, VUW (2016).

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