

**THE DEVELOPMENT OF ECONOMIC AND BUSINESS NEWS ON AUSTRALIAN
TELEVISION**

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Statement of sources:

I declare that the work presented in this thesis is, to the best of my knowledge and belief, original and my own, except as acknowledged in the text.

I also declare that this material has not been submitted, either in part or in whole, for a previous degree at the University of Sydney or any other university.

Nigel Thomas Fiaschi McCarthy

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ABSTRACT

Television is the favoured news source for most Australians and is regarded as having the potential to influence public opinion. From its inception however, television has been regarded as ill-suited to cover economic and business issues because of a perceived reliance on visual material and an inability to deal with complex issues. This tyranny of vision has been mitigated by technological developments such as electronic news gathering (ENG) and satellites that provide large amounts of varied material as well as improvements in production tools that assist the visual presentation of abstract concepts. The presentation of complex issues has also been enhanced by the increased skills and knowledge among newswriters.

Economic and business news has become a staple in television news programs and has evolved from ritualised reporting of data such as market indices and exchange rates to a genre that shares broader news values such as consequence, conflict, proximity, human interest, novelty, prominence, political controversy and scandal. Economic and business news also shares the normal imperatives of television such as a strong reliance on scheduled occasions and reliable and prolific sources. In between occasions of economic, business and political controversy or scandal, these programs are able to rely on a steady supply of economic, business and investment information.

Dedicated economic and business segments and programs and now even whole channels meet two sets of demands. One is those of niche audiences seeking news and information on economic and business conditions, economic debate and policy making, the activities of economic and business leaders and an opportunity to hear and observe economic and business leaders. The other is from broadcasters seeking to maximise their profits by attracting viewers in the AB demographic (those with the greatest disposal income) to otherwise poorly-performing time slots, by broadcasters seeking an inexpensive and dependable supply of programming material and by broadcasters seeking to promote their

institutional role and specific programs through presenting material that is followed up by other media.

Economic and business reports however, continue to portray issues in a limited way that neglects business's interaction with workers and the larger social environment. Economic events are often framed as political competition. These reports present a hierarchy of sources and privilege political and business elites. Television news favours debate that is presented by individuals as contrasting causal narratives. Political and economic sources have become adept at presenting brief causal narratives in response to the requirements of television. This approach highlights celebrities and favours the promotion of agency over structure.

The increase in total economic and business reporting boosts the interdependence of television and political and economic sources. Technological development is continuing and traditional free-to-air television audiences are being eroded by pay television and the internet. Although these are altering the nature of political, economic and business debate their overall influence is difficult to determine.

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INTRODUCTION

This thesis arises from a central conundrum: television news and current affairs is the most used and most credible source of information for people in western societies¹ and the nature of business and economic practices, policies, institutions and controls are central to the well-being of those people and societies. The quality and nature of information provided by journalists is an important part of decision-making and the exercise of power in those societies. Yet it has been argued that television journalism has great, perhaps insuperable, obstacles in covering business and economic developments. These obstacles include television's need for visual material and appetite for dramatic events, the complexity of some business and economic issues, the impressionistic nature of television, and the personalisation of issues. A major question is how these considerations have influenced economic and business debate.

News and Current Affairs Television in Australia

Television in Australia marked its first half-century in 2006. Sydney's TCN 9 commenced broadcasting on 16 September 1956. The first news program went to air the following evening. Current affairs programming started in 1961 with the ABC's *Four Corners* program. Australians looked to the United States and Britain for news and current affairs models and echoed what was being done in those countries. The resources committed to news and current affairs television in Australia, however, were relatively limited. Commercial and government interests imposed further constraints on content on the commercial stations and public station respectively.

This thesis will explore why news and current affairs on Australian free-to-air television developed as they did. It will consider some related issues in economic and business reporting in print and developments in pay television and the internet and identify some

¹ Pearson, Mark, and Brand, Jeffrey (2001). *Sources of news and current affairs*, Sydney, Australian Broadcasting Authority. p. 236.

issues that are media specific or media common. It will look at how technology shaped news and current affairs coverage and how political elites turned technological developments to their advantage. Who benefits from the access politicians have to television? How does this access differ from that of business elites? The oil shocks of the 1970s, globalisation and economic reforms of the 1980s and 1990s - such as the float of the Australian dollar, banking deregulation and changes to superannuation - altered the economic environment of Australians with economic coverage becoming an important part of political coverage. How are these different developments related?

The direct ownership of shares by Australians has soared over the past two decades from 9% in 1986 to 20% in 1997 to 44% in 2004. Total direct and indirect ownership has risen from 16% in 1991 to 55% in 2004.² Australia has one of the world's highest levels of private share ownership.³ As this growth accelerated in the 1980s Australians needed financial and economic information. The business community needed ways of reaching the public to market their products and for the support of their activities. Television was by then already regarded as presenting the fairest and most unbiased news⁴ but what are the news values television brings to economic and business news and information?

Propositions

The research and analysis for this project was informed by a number of propositions. First among them is that television is driven by technology. It cannot exist without the means to allow vision and sound to be captured, stored, manipulated and transmitted. Television is the result of newswriters endeavouring to use this technology to organise the limited images of all that is happening in the world and to present those images in a brief and coherent manner. Those images are therefore framed in two ways; in the narrow sense of what is actually in the viewfinder of the television camera and in the broader sense of where the camera is pointed. Television can also carry several levels of meaning.

² Australian Stock Exchange. Shareownership in Australia. 2004 Study (for 2004 figures). Downloaded 15 March 2006. http://www.ask.com.au/research/market_info/history/share_ownership.htm

³ Australian Stock Exchange (2005). International Share ownership 2005. Downloaded 7 Sept. 2006. http://www.asx.com.au/resources/pdf/international_share_ownership_summary_05.pdf

⁴ Western J.S. and Hughes, Colin A. (1971). *The mass media in Australia – use and evaluation*. St Lucia, University of Queensland Press. p. 119.

Some are intended and consciously recognised and others might be unintended and sub-consciously recognised. This thesis will explore those meanings.

These limits of television run the risk that the remote, the unexpected, the un-recognised, the non-visual and the not-looked-for go unreported. News values are biased toward the exceptional and the visual demands of television magnify this. Television newswriters operate with limited resources in terms of technology (the utilization of scarce camera crews), time (for research, to travel to locations and to edit material), and the limited on-air time that is available to them (that requires brevity in reporting). Newswriting on daily programs is process-driven and repetitive in terms of broadly following the same steps: identifying (discovering or being assigned) a report topic, researching the developments, finding interviewees and locations, shooting footage and finding vision, preparing the script and editing the report.

A second proposition is about the nature of the television industry. The Australian television model is of mixed commercial and public broadcasting. The argument that the media *is not* 'just another business' has resonance for those who are concerned about the impact of the media on, for example, national debate and attitudes.⁵ However for others the media *is* 'just another business' and subject to similar cost and profit equations, consumer demands and shareholder judgements as any other business. Commercial considerations help shape what is presented in television news and current affairs just as they do in other media forms and other commercial activities. The Australian Broadcasting Corporation (ABC) does not have to attract advertising support but the ratings for the ABC are scrutinised and are largely used to measure the success of programs. The ABC is funded by government and is subject to political influence through the government's selection of board members and political pressures such as comment by politicians and interests groups and parliamentary activity. The commercial and public broadcasters alike therefore see their interests best served by broadly supporting political, social, cultural and economic orthodoxy.

⁵ For further consideration of this see Schultz, Julianne (ed.) (1994). *Not just another business: journalists, citizens and the media*. Sydney, Pluto Press.

A third proposition is about the nature of interviewees who appear on television. Politicians value the exposure that television gives them and the public has come to expect politicians as generally having to submit themselves to media scrutiny. How politicians manage this - by restricting their appearances to brief occasions such as doorstep interviews, by restricting their appearance to one medium or one program, by appearing and attempting to avoid particular topics and to shape the nature of interviews or reports - is part of political management and influences what audiences receive. Business leaders are less accountable and might seek to appear only when coverage is positive but the importance of their media performance has been growing.

A final proposition is that television news and current affairs (and television overall) is capable of making major contributions to ideational change. The combination of a strongly crafted message and powerful visual material can have enormous impact despite the relative brevity of news and current affairs reports. Ideas do not always require lengthy explanation or detailed analysis. As television news reports and the narratives presented by interviewees or newswriters however, are not of uniform quality, well presented material will have a strong impact but badly presented material will have little or negative impact.

Research Design

This thesis results from three major research strategies. The first examines the history and continuing development of television and its relationship with other mediums such as print and the internet. This research draws on the major histories of broadcast and print media and journalism, as well as biographies and other memoirs and newspaper articles. This material reveals general and specific issues surrounding political and economic and business journalism at particular junctures in Australian history. This literature also identifies perspectives - for example the emphasis on conflict and consensus or the primacy of celebrity - for the examination of Australian television.

The content analysis of economic and business reports in five generalist and specialist programs that went to air in Sydney from 1 June to 4 July 2004 is the second research strategy. The generalist programs are the weeknight 6.00pm *Channel 9 News*, the top-

rating commercial news, the weeknight 7.00pm *ABC News*, the main news program on the major public broadcaster, and *The 7.30 Report* on the ABC because of its reputation as Australia's leading serious weeknight current affairs program. The specialist business programs are *Business Sunday*, at 8.00am on TCN 9, the longest-running business program on Australian television, and *Inside Business*, at 9.45am Sundays on the ABC as the national broadcaster's major business program.

The economic and business reports in these programs are examined by quantitative categories such as the topic of the report, the number and role of interviewees, the nature of the institutions represented, the nature of interview events, the origin of vision, graphics and durations. The reports are also examined for qualitative characteristics such as how the elements in specific reports come together, the nature of the vision (for example the relationship of the visual material to what is being reported or how Prime Minister John Howard uses the Australian flag as a backdrop) and specific terms (for example loaded language) used by interviewees and newswriters. This combination of objective and subjective analysis is necessary because the visual and aural nature of television means communication takes place in a number of different ways.

The third strategy of this research is 15 elite interviews conducted by the author. The interviewees have experience in economics, politics, business or the media. Their perspectives are presented on political, economic and business events they have participated in or observed or television programs they have been involved with. The interviewees' more general impressions about the nature of television's coverage of economic and business affairs are also considered.

Organisation of Thesis

Television is both criticised and praised but few commentators doubt its influence. For example Postman⁶ asserts that television turns discourse into entertainment and makes serious debate a nonsense. Norris, however, disputes the claim that television causes civic disengagement and writes: "... the direct effects of watching television news are either

⁶ Postman, Neil (1985). *Amusing ourselves to death: public discourse in the age of show business*. New York, Viking.

neutral or else serve to encourage political interest, efficacy and knowledge.”⁷ Of television’s influence Iyengar and Kinder comment: “... television news obviously possesses the potential to shape ... public opinion profoundly ...”⁸ and McClure and Patterson state: “...TV can dramatically increase salience of some issues ...”⁹

In examining and reflecting this debate in terms of economic and business news on Australian television this thesis is organised into six chapters. These examine the overall development of news and current affairs on Australian television and the emergence of economic and business coverage in particular. The influences that shape economic and business coverage are considered, as is the contribution of television news and current affairs programs to economic and business debate.

Chapter 1 considers the history of news and current affairs programs on Australian television and the influence of developments in the US and Britain. The supply of programs is shaped by factors such as management decisions, budgets, television schedules, technology, sources of news material, newswriters and production processes. Shifting, and sometimes conflicting, demand from different groups such as audiences, advertisers and sources, such as politicians, also shapes programs. These supply and demand forces always influence television but in particular fuelled a boom in economic and business coverage on Australian television during the 1980s.

What is currently presented in economic and business coverage in generalist and specialist programs on Australian television is analysed in Chapters 2 and 3. The news values that newswriters apply, consciously or otherwise, influence which issues or events are covered and how they are presented to audiences. Visual material is crucial to television yet newswriters are constrained by costs and logistics and the visual images audiences see are influenced by handout and file footage and the convenience of events and pseudo-events. News sources - individuals and institutions - compete for air time and

⁷Norris, Pippa (1998). *Blaming the messenger: television and civic malaise*. Paper for the Public Trust and Democratic Governance in the Trilateral Democracies. Bellagio, Italy, 29 June - 3 July. p.1.

⁸ Iyengar, Shanto and Kinder, Donald R. (1987). *News that matters - television and American opinion*. Chicago, The University of Chicago Press. p.1.

⁹McClure, Robert D. and Patterson, Thomas E. (1976). Print vs. network news. *Journal of Communication*. April 1976, 26.2. p. 23.

impact and individual reports and programs contain varying numbers of points of view. Overall politicians are the dominant voice.

Television viewers are presented with carefully orchestrated visions of the political processes and economic decision-making and capitalism. But who does the orchestrating? Chapters 4 and 5 discuss the contribution news and current affairs on television makes to the debate on economics, politics and business. Politicians and business leaders alike are accorded celebrity status by television. Members of both groups employ techniques such as controls on access by newswriters and manipulation of issues by media advisors to obtain beneficial coverage or to slant the debate to their point-of-view and present contrasting casual narratives to promote perspectives on history or to support policy options. Television takes full advantage of the information subsidy offered by both these groups and there is evidence that television newswriters are willing to limit the scope of their questions in order to obtain access to newsmakers.

Recent developments in broadcasting and the internet are examined in Chapter 6 for an indication of the nature of economic and business news in the future. Specialist business channels such as CNBC and Bloomberg have been developed for pay television and are delivered via satellite and cable. Channels such as these are available in most parts of the world and their audiences are growing, particularly in developing nations. Pay television and the internet are making economic and business news, information and comment available to audiences that would not have been exposed to this material in the past. Critics of these outlets say they are exporting US-style capitalism and threaten existing values and communities. At the same time these developments are blurring the distinction between news and information, altering and challenging the role of newswriters and forcing change on media organisations.