

Centre for Media Transition



Hi there

Stepping back

Greetings from us here at the CMT. In our newsletter this week:

- DIGI, the tech industry lobby group behind the 2021 Australian Code of Practice on Disinformation and Misinformation, is considering giving up on policing misinformation because it says the practice is subjective and linked to people's beliefs and value systems. Michael investigates.
- China is set to give up on Tik Tok in the United States, under threat of closure.
- And Kerry Stokes is stepping back too – from Seven West Media, which he proposes selling to Southern Cross Austereo. Derek takes a look at what this means for media diversity.



Monica Attard
CMT Co-Director

Should misinfo be left to flourish?

Five years since major digital platforms came together at the request of the federal government to develop the voluntary Australian Code of Practice on Disinformation



and Misinformation, the code is undergoing its second review. The first review, conducted in 2022, resulted in the strengthening of several aspects of the code. But the discussion paper for the second review, which code administrator DIGI [released last week](#), raises as its primary question whether the code should be scaled back by removing misinformation from its scope.

During the development of the code, [ACMA called](#) for the inclusion of both misinformation (innocently disseminated false or misleading content) and disinformation (false or misleading content spread with intent), as a code focused on disinformation would be too narrow to ‘adequately address the wide range of potential harms’. The platforms acquiesced, perhaps in the knowledge that a voluntary code would bring with it a range of reporting obligations but little in the way of hard consequences. But the failure of the Combatting Disinformation and Misinformation Bill last December, driven in large part by legitimate, if overblown, concerns about government intrusions on free speech, has seemingly opened a space for the scope of the code to be reconsidered.

The discussion paper provides arguments both for and against the removal of misinformation. Those against include the difficulty of determining intent and thus distinguishing misinformation from disinformation, the flexibility that a broad scope provides to respond to changes in the information environment, and increased transparency and accountability. Those in favour focus on the complexity and subjectivity of assessing online content, especially in politically contentious areas.

A further focus of the review is the role the code can play in facilitating an ecosystem approach to misinformation and disinformation. The paper observes that the code is ‘at present the sole regulatory tool’ to tackle mis- and disinformation in Australia, but one that is exclusively focused on platforms. It notes that the media, advertisers, online influencers and political actors also play important roles in the propagation of misinformation, but their conduct mostly lies outside the scope of the code. It is true that a broader view of the information ecosystem is needed, but removing misinformation from the code would undermine this broader approach, substantially narrowing the scope of transparency obligations and discouraging platforms from increasing their efforts to improve the online information ecosystem.

What is often missed in these discussions is that platforms **already make impositions** on individual expression by moderating and removing user content, including for breaching misinformation and related policies. Further, digital platforms are not a neutral marketplace of ideas. Misinformation sells, and as a result, platform algorithms rank it more highly and push it to users who would never have engaged with it otherwise. A properly calibrated systems approach should promote accountability for the operation of platform algorithms rather than waking the censorship demon by focusing on the removal of misinformation. The code, as the only sole regulatory tool available, at least encourages a degree of transparency and accountability for the actions that platforms take. Yes, an ecosystem approach is needed, but so are broader transparency and stronger accountability for digital platforms.



Michael Davis
CMT Research Fellow

Tik tok...tik tok...tik tok



Donald Trump's deadline for China-owned Byte Dance to sell off its US TikTok operation has been extended, again. This time, to allow the US President's tech friends time to get their ducks in a row to buy off the American assets of the hugely popular social media company that was **closed down** briefly in January 2025, just a day before Trump's inauguration, after a bipartisan Congressional ban in May 2024. Trump had tried and failed to ban Tik Tok during his first term, but has since developed a

"warm spot in his heart" for it when the platform boosted his appeal amongst young American voters in the 2024 election.

Chinese and American negotiators have now agreed on a framework that would see TikTok America **sold off** from its Chinese parent company to a consortium of

shareholders, most of them Trump donors. But it's not just the buyers who make the deal controversial, though that in itself is staggering. It's also that, unusually, the Vice President, JD Vance, a former venture capitalist, was deployed to stitch the deal together. Then there's the price tag. Trump's tech friends will be getting a staggeringly good deal, buying the video-based platform with 1.59 billion monthly users globally for a mere \$US14 billion. Tik Tok makes \$US10 billion a year in advertising revenue; social media valuations routinely run at 10-time multiples of sales revenue. Take Twitter [for example](#); when Elon Musk bought it for \$US54 billion in 2022, its advertising revenue was just \$US2.5 billion.

The deal is not just a financial boon for its new investors. It is a political asset for Donald Trump, given TikTok has 170 million US users and is [said](#) to have an outsized influence on public discourse on politics, culture and even business. When the platform fell silent in January, albeit only for 24 hours before Trump reversed the measure, influencers and businesses alike were left scrambling for alternative ways to connect.

The new owners will lease the infamously successful TikTok algorithm from ByteDance. And handily, oversight of the algorithm and data protection will be managed by consortium member Oracle, owned by Larry Ellison, one of Donald Trump's most significant donors. In the consortium mix as well is Australia's very own 'American patriot' Rupert Murdoch whose Wall Street Journal is being [sued](#) by Trump over the publication of a 2003 birthday card signed by the President to convicted sex offender Jeffrey Epstein. The card included a sexually suggestive drawing and a reference to shared secrets, the reporting of which the Murdochs have vowed to defend, though the Tik Tok deal might see the lawsuit quietly disappear.

The concerns which occupied the minds of those sitting in the US Congress when they passed the TikTok ban – about Beijing's potential to collect data on and unduly influence the American public – seem to have given way in Trump 2.0 to a desire for a deal that will have significant financial positives for the president's backers and more critically, significant political influence over the platform's largely young audience.



Monica Attard
CMT Co-Director

Ownership laws miss their targets



In its [announcement](#) of the proposed merger with Southern Cross Media, Seven West described the deal as ‘consistent with SWM’s stated strategic position of being in support of media consolidation in Australia’.

There’s no arguing with that: in most regional media markets across Western Australia, three existing media groups will be reduced to two. At least, that’s how it looks before one of the few remaining media ownership rules kicks in and the merged entity is required to

divest some of its interests. Among the most significant events affecting the two companies are the merger of Seven Media and West Australian Newspapers in 2011, and the merger of Southern Cross Media and Austereo in the same year. All of this followed the 2007 merger of Southern Cross Broadcasting – a regional TV network – with Macquarie Media Group, which had earlier acquired two independent radio networks. Seven West then acquired the Sunday Times from News Corp in 2016 and then its own regional television affiliate, Prime, in 2021. In 2019 it sold its radio stations in Western Australia to Southern Cross, while Southern Cross sold its TV stations to Seven earlier this year. The latest deal brings them all together.

These cross-media acquisitions were made possible by the Howard Government’s initial easing of cross-media ownership laws in 2006 and the Turnbull Government’s removal of the remaining restrictions in 2016. But some key rules remain, among them a restriction on transactions that reduce the number of independently owned media outlets in already concentrated markets. Under a points scheme that counts the number of commercial TV and radio licences and major newspapers associated with them, an ‘unacceptable media diversity situation’ arises in a regional market if a transaction takes the number of points below 4 or if it further reduces the number of points in a market that is already below that level. And this is where the Seven-Southern Cross transaction gets interesting.

All but two of the regional commercial radio licence areas are already sitting at 3 points, with Seven and WIN controlling the TV licences and Southern Cross Austereo holding the radio licences. After the merger, from Port Headland to Albany, media that’s subject to the ownership and control rules will be controlled by either

Seven-Southern Cross or WIN. On its face, the Broadcasting Services Act is designed to prevent this kind of outcome, but it won't stop the deal outright; instead, the Australian Communications and Media Authority (ACMA) has the power to authorise the transaction in advance, provided it's satisfied that steps will be taken to restore the existing number of points. This usually involves divestments, meaning the merged company could, for example, sell one of its radio stations in these markets. And while this analysis excludes media sources not subject to media ownership rules – like community radio, non-daily newspapers, digital media and the national broadcasters – Seven West itself owns [12 regional newspapers](#), most of which are located in areas where the Southern Cross radio stations operate. That's apart from the post-merger cross-platform holdings in Perth – The West Australian and Perth Now; Channel 7 and 7Plus; and two SCA radio stations – where no divestment will be needed.

Even with some divestments in regional markets, and [even by Australian standards](#), this is looking like an extraordinary level of media concentration.

Of course, there's always competition law, and the merger documents show Seven-Southern Cross is prepared for this. The tests in the Competition and Consumer Act might address the impact on the market for advertising, but that's something different from media diversity. A comprehensive attempt to assess a merger scenario should involve a public interest test – in media regulation, not in competition law – that weighs up the public interest in a diverse media landscape with the sustainability of local media outlets that now need to compete against international players as well as digital platforms. Newer participants have expanded the range of media sources we have access to, but what often matters most in ensuring diversity is a range of local sources of news and current affairs. In Australia there's a very small number of companies offering daily reporting and analysis on the routine as well as the exceptional workings of government, business and the community. Consolidation of these sources does matter, and sweeping endorsements of media consolidation are no more helpful than pre-programmed protests at all media mergers.

In the transaction before us, we're primarily looking at a set of commercial radio stations, along with the LiSTNR app, that are important participants in the media environment but which don't drive the local news agenda. The real problem arises from an accretion of diverse assets over a period of about 20 years and the failure to design a regulatory test to deal with the outcome. The transaction also shows a curious effect of media regulation: although the Act will kick in and the ACMA will ensure that appropriate divestments are made, other transactions would likely be free of such intervention. Consider, for example, a possible acquisition of Network Ten by News Corp, with all its existing interests across the media landscape.

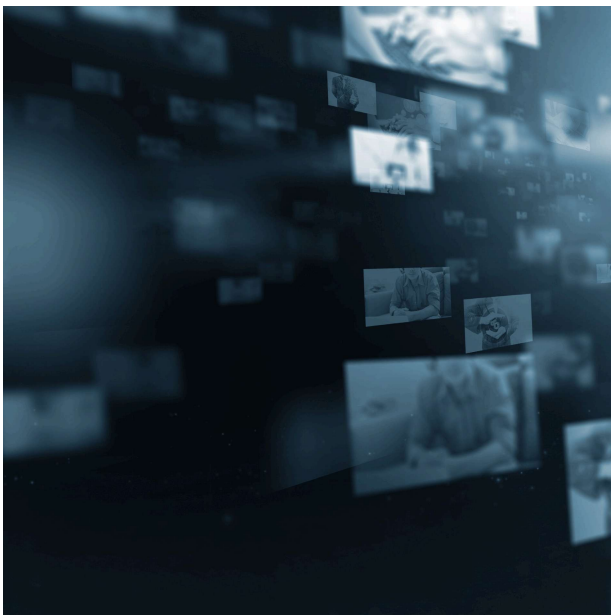
Our ownership rules ring loud and clear on something of lesser significance and stay silent on something of great public interest.

A version of this article was published by The Conversation



Derek Wilding
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Democracy and the info environment



This month on Double Take, Michael speaks with Robin Mansell, Professor Emerita at the London School of Economics and Political Science, and Scientific Director of the International Observatory on Information and Democracy.

The Observatory, modelled on the Intergovernmental Panel on Climate Change, aims to provide governments and the public with a clear, evidence-based understanding of the global information environment and its impact

on democracy. Earlier this year, it released a landmark report involving over 60 researchers and drawing on more than 1600 sources. The report covers a wide range of issues, including misinformation, trust in news, the sustainability of journalism, the influence of digital platforms, data governance, the implications of AI, and approaches to regulation.

In this episode, Robin discusses the Observatory's findings and reflects on the urgent need to adopt a broader, ecosystem-based approach to addressing the challenges of information integrity.

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Alexia Giacomazzi

CMT Events and Communications Officer

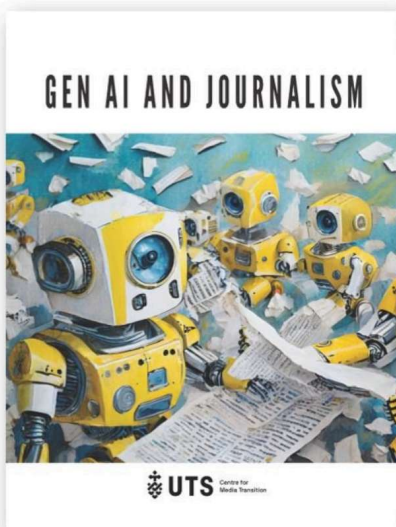
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The Centre for Media Transition and UTS acknowledge the Gadigal and Guring-gai people of the Eora Nation upon whose ancestral lands our university now stands.

We pay respect to the Elders both past and present, acknowledging them as the traditional custodians of knowledge for this land.



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