



Hear+Beyond

Accelerating Australian Business

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SEASON 1, EPISODE 6 TRANSCRIPT

Michael Miller on bravery, storytelling...and sourdough!

HOST: Rae Johnston, Multi Award-Winning Australian Journalist

GUEST: Michael Miller, Executive Chairman Australasia, News Corp Australia

Rae: Hi, and welcome to Hear+Beyond, a podcast brought to you by Accenture. This series is a must-listen if, like me, you're curious about the future of Australian business beyond a pandemic. I'm Rae Johnston, and I'm here to ask the hard questions on the topics that really matter. I'll be joined by prominent business leaders who share their thinking around how Australia can accelerate business from here and beyond.

Voice Over: Hear+Beyond. Accelerating Australian business.

Rae: In this episode I'm joined by Michael Miller, Executive Chairman Australasia of News Corp Australia. A veteran of all things news and media, I'm going to be talking to Michael about the role media plays in driving the economy forward, and we'll explore the need to invest in building a more creative, innovative Australia that's poised for growth. Hi Michael, thanks for joining me today.

Michael: Thank you for having me.

Rae: Now the economy is going to need some fire power behind it to propel it post-pandemic. What role do you see the media playing in driving the economy forward?

Michael: The media have a very important role to play. The fourth estate, as it's often been referred to, has a indirect responsibility to forward the public interest and be a guardian of public interest. And to, in our case, ensure we've got a better country. And we often talk about News Corp as being a company that has to advocate, innovate, motivate for a better Australia. And so we do that through facilitating public debate around policy, being a forum for diverse ideas, and really campaigning for a better outcome for Australian businesses but also for Australian consumers. And that's done through our reporting, our investigations and also particularly our storytelling.

Rae: So have you seen media habits shift in 2020 as the pandemic took hold, and do you think that those changes that have occurred this year are here to stay?

Michael: We've seen a lot of changes and some will be here to stay and some won't be. We're a business to two-sided marketplace, we see revenues from consumers and also revenues from businesses. And so we've got a very broad audience and so we get to see different consumer habits by different demographics in different regions, but also a very large business profile.

And so maybe just starting off with our clients, they're often a lead indicator to how businesses in different sectors are performing. We're seeing how businesses particularly in the travel space have definitely been impacted and people will travel differently. Everyone has mentally developed their bucket list and we've seen that already in terms of websites. What we're seeing in terms of consumers is that Australia is the third highest in the world for willingness to pay for content. And we've seen that with Netflix, we're seeing it with Amazon Prime. We've seen it ourselves with Binge, we've seen it with Kayo and Foxtel and we've seen it in Australians' love of books.

And equally we've seen that with news media. Australians equally have our segment of the world to early adoption after Norway, the way that we pick up technology. And so while we're very attractive internationally we are still a small population. And as the public have moved towards that ability and willingness to pay for content news media have also benefited from that. And so we see this, our willingness to subscribe digitally to news media, and now Australia is one of the highest per capita consumptions of news media in the world which is good for journalism.

We're seeing it in the trends of where people go into our websites. We have the top three food websites in the country and we've been through the stages of comfort food. We're seeing that through our health food, seeing the baking trends, and we see those-

Rae: All the sourdough.

Michael: All the sourdough, but really what we've also seen underneath all of that is probably a bit more of a conservatism towards food. And there is definitely a concern about being seen out and being seen to enjoy in unsafe times, how you socially distance, and those that maybe still have a job and being with people who don't have a job.

So we're seeing this definitely eating at home, being more conservative with our palates and being safer more broadly, and that's more of a mindset that's changed as well. Hey, we've seen it with Body and Soul, our health site, home exercise, whether that's a continuation and that the investments that people have made in home gyms and equipment, and that's going to have an impact on the gym economy as well. We see it with real estate, and so realestate.com.au. You look at the figures in July 19, bit over 12 months ago, we had 84 million searches on the site. July this year it's 118 million.

Rae: Wow.

Michael: And that's a 40% increase. And so we are seeing definitely changes and some of them will be here to stay.

Rae: So what are we seeing in terms of change in mindset?

Michael: People are definitely far more fragile in terms of expressing and publicly how they're feeling, and that is become for media far more unpredictable. Definitely we're seeing greater care for family, friends and colleagues, and concern. And that's not a bad thing. But how we reflect that in tone of media. We have people have responded to digital media, while they're using it more they're also more concerned.

It's not just the social dilemma series it's also how much time I am spending on it. And we've seen it with... In recent months in video fatigue, the amount of times we're spending on video and being entertained by video, but equally people are putting barriers of what is right for them and what is not. And so we didn't anticipate that the current trends of 2020 in terms of video consumption will change greatly '21 and going forward, as we come out of this.

Rae: So you've obviously got a lot of info there about how people are consuming media but what about how it's made? What has changed in the last year about the approach to creating media and news?

Michael: Storytelling. Definitely audio is on the rise. Again going to video, video communications. And I think everyone then who were not familiar with, and now it's book clubs for the elderly, are using video. I think it's quite accepted now, we all have new terms in our vernacular around being muted. That's okay now to say, "You're being muted."

I think it's also how it's being made, I think we've learned how to make remotely. If I told the business 12 months ago that it would be producing papers and our websites remotely within four days it would have been a quick conversation. But the fact we did that across many mastheads was an acceptance of how quickly you can change when you need to. Citizen journalism has become a bit more apparent as well, journalists have learned how to engage in conversations when they can't get out to source different points of views in non-traditional but now will become the norm in methods.

Rae: Lots of Zoom interviews.

Michael: There are lots of Zooms, but it's finding the right person to Zoom as well often. And we've got a lot more appreciation for the data that's out there. I think data journalism is on the rise in terms of people wanting to understand infection rates, whether it be a press conference with a politician who we've all been checking infection rates and predicting what would happen.

Everyone has an answer for when international travel will come out based on their own particular model. So at the end of the day it is about the story, not necessarily the medium. The mediums will continue to evolve but it will come back down to how good a story and how good a storyteller.

Rae: Yeah. I've noticed myself there's been a bit of a decentralisation of newsrooms, people working from home, they're moving out of the cities and back out into suburbs or maybe out to where they grew up again because they can work remotely, whereas previously they couldn't. And I think about the breadth of stories that can be told when people are engaging in communities that aren't just necessarily in the CBD or within those inner city bubbles. And I think it's actually a pretty exciting time for media to be able to tell those stories.

Michael: Yeah, there's also a bit of back to basics as well. I've talked about it in terms of food, and the holidays we'll have in Australia this year will be at the campgrounds, and caravan sales are up. And we've definitely seen that in terms of our own news coverage, newspaper sales are up year on year.

Rae: Newspaper sales?

Michael: Yes yeah, and Victoria is the biggest market. Everyone lives within five Ks of a news agent. And so the need for local news, I think trusted brands, and not just in media but more broadly, are there. I think wanting to turn to specialists and experts who ask tough questions has been party to that. So there is definitely a mix towards going to where I feel comfort and reassurance, and trusted brands and trusted media and print has been a big part of that. We talk about what will change, in fact I think some things will... We'll be having very traditional Christmases hopefully with family interstate.

Rae: And having a cuppa with a morning newspaper on a Sunday for... Something new that's old.

Michael: Yeah it is. And how businesses adapt to that, it's not just about consumers. I think for businesses thinking how they interact and communicate and connect with their audiences and the customers and their clients is going to be another adjustment which will need to be made.

Rae: So media as an industry has definitely been disrupted, and as technology increases exponentially and consumer habits shift, what's next? We know what's happened this year but what are we going to do going forward?

Michael: Maybe from a business side there's definitely a shift from advertising dollars generally, which a lot of media have relied upon for their revenues, are decreasing. So you'll see a greater emphasis on consumer revenues and whether it be subscriptions to streaming services or to digital mastheads, that is where more and more media companies will invest in, be the storytelling reporting, and I think you're seeing a far more diverse media not just in the number of players but in the diversity of views as each try to stake out their individual position in a more competitive market.

Then thinking about businesses, advertising dollars are decreasing but marketing dollars are increasing. And that... Remember the businesses and marketers don't book ads they book campaigns. So how these elements come together is really what has changed this year. And there'll be things like e-commerce they'll invest more in, there'll be couponing sites, there'll be leads-based businesses.

And so it's not just digital advertising it is digital marketing that get results, so it's affiliate models. And the other area that's being invested in is content. Every company has now a website, to differentiate and keep it fresh they need content. So they're paying people to help contribute to that content. That is a growth area for media companies that have great storytellers and people who are able to tell a company story not just a story for a consumer. So that offline online, we've seen that Amazon now have bookstores. Allbirds have shoe stores. You've got Casper which has mattress stores.

So it's not going to be living in a digital world, it's going to be a combination of that campaign of that you can have the experience but also have the ease of the transaction. And as a company you need to offer both.

Rae: So consumer behaviour may be shifting but we're also seeing a huge change in "news channels" in inverted commas there, such as social media. Now it has been widely known that you quit Twitter because you felt that it's a negative place, and those negative impacts far outweighed the positive ones. What can be done about this to make sure that the news content that we see isn't inaccurate, offensive or dangerous?

Michael: Twitter is... Started off as for many journalists and for many in media as a place to distribute their stories. Between 10 to 15% of Australians are on or have registered for Twitter, whether they're users or not is maybe questionable, but it's not necessarily a big platform. It moved from being a distribution and a discussion point to being more of an environment to disagree and to express views which are not always right or broad. And for that reason I think it's become quite destructive, a lot of social media in terms of the impact it has on individuals and people's reputations, and not necessarily based on foundation.

So for me the benefits were not there and the detriment was far higher. What can we do about it? For our media organisations we've got codes of conduct. We've got codes of standards, whether it be ACMA, whether it be Press Council or other industry bodies, we're liable for getting it right. We have defamation laws.

But on the social platforms they're not accountable for the same sort of rules that apply to I'd say trusted media, established media. And so around the world there are over 100 different parliamentary investigations or regulatory challenges to the social media platforms, and I wouldn't call them media companies.

Rae: Now big cities are where the bulk of Australia's population lies but how important is it to you to ensure that that regional representation happens? And is it a case of responsible business or is there a commercial imperative there as well?

Michael: There's about 8 million regional Australians, it's a big group. We have over 100 regional and community mastheads, we reach a large number of them. To your question is it a business imperative or is it a community imperative? It's both. Our responsibility is nationwide, not just in the cities. More and more regional Australia is changing, I grew up in regional Australia and stay connected to it.

And the demographics, the mindset and the sophistication particularly has changed greatly in 10 years. Every election, whether it be state or federal, picking how the regions will react to change has been harder to pick in terms of polling, in terms of these are always the swing seats, and politicians struggle with that. I think a lot of businesses are also struggling with that. And that often a big city approach is applied to the state where the needs and behaviours are different so I think it's a big opportunity for those companies that think of regional Australia differently, how to talk and the tone of voice, and their contribution.

And our country, our natural resources and natural beauty, both above ground and below ground is a backbone of how we've built our great country. And that I think for companies that are considerate to the different parts of regional Australia will win. And for us in the media I think there's also acknowledging and not treating them as a second group, they're an equal group, they're a different group. And more so they're probably connected to the city because of what technology's enabled them to do.

Rae: I suppose it's a matter of listening as well isn't it, to people in those regional communities, rather than telling them the news that you think that they need to hear? Actually sitting down and chatting with people and saying, "What are the issues that are actually impacting on you out here?"

Michael: Yes, and it's so much easier now to listen. Now there's comments on our articles, we can see what's impacting and what's not. We can see what people are reading in real-time. We can see where they are by postcode. Equally there's ways for them to express to us where they've got challenges due to the drought of 12 months ago, and this is what was really a silent drought that was called out by the Sunday Telegraph that was happening, but no one in business or in politics were talking about.

And that's again an example of a campaign as suddenly Australia responded to, and only months afterwards we saw bush fires which took another month or two months for the world to respond to.

Rae: So you've spoken previously about what you see as the decline of creativity in Australia, why do you think this is?

Michael: It's a decline of Australian creativity which I think we should all be concerned about, as not just in business but indeed all Australians, and Australia was once regarded as being bold, a risk-taker, a place where boundaries were pushed and great ideas were generated. And so it's an industry and a mindset that needs I think a great jolt.

I think what's happened is that it's been... The word innovation has been hijacked by politicians and its overuse is being undervalued in its importance. It's a mindset, it's not a process. It's not a resource, it's an ability. And that it's been ring-fenced by digital technology. We were once regarded as being a risk-taker, a place where a bit of Wild West, and now we're probably a lot more politically correct and a lot safer. Which really does start in terms of a mindset and a tolerance and then encouragement to be unique, to let our culture surface, and that we've gone through periods of creativity where Australia was known to be the best pub bands in the world.

But that's also been the reflection of how our best tech minds go to Silicon Valley, they go to Korea, they're now going to Germany. And so how we encourage our best talent to stay in our country with the right financial incentives, the right mentoring, the right tolerance for great ideas is where we'll really start to embed a more creative ambition as a country. And that can only be good for our country where we not just generate the best ideas but have the courage to see them through.

Rae: I think there might be an element as well of when those boundaries are being pushed people are coming up against resistance in terms of access to funding, the people making decisions, the people green-lighting these kinds of projects. Maybe the fear is coming from that side as well because we do have a lot of creatives that are incredible, and they do as you've said have to go overseas, like our tech minds, to be able to find those broader audiences that will accept them because we might be a little bit walled off as to what Australia is and what Australians want to see.

Michael: And it's not just artistic creativity, we want the best creative minds to actually come here and say, "Australia fosters creativity, Australia encourages it, we fund it and it's embedded in our education system and our way of life." And that's probably what I really refer to is that Wild West sense of entrepreneurial-ism that the world knew us for. We are a small country, to succeed you have to take your best ideas elsewhere, and now you run off and you actually build them here first. And that's the area of innovation and creativity in terms of new thinking.

Rae: Yeah.

Michael: I'd like to think that we need to invest in for our reputation, for our kids, for the encouragement it brings. And it's not just in the arts, it's more broadly in terms of our way of life.

Rae: Do you think that creativity isn't as valued as hard skills?



Michael: Possibly hey, creativity can be subjective and harder to measure, and everything these days becomes... Puts a number next to it, which isn't always right. It's okay to have various views and as I say, push those boundaries, but again it's that political correctness of people playing safe too often, and it's having a fear of being pulled down. And now we've had that tall poppy psychology of our past and I think it's possibly even worse now, we want people to have a go. We want to encourage them to have a better go if they get knocked down the first time. I'm not seeing that as prevalent in our society as what it previously has.

Rae: You got to open those doors hey.

Michael: Indeed.

Rae: So you have been a guest here today on Hear+Beyond, but what does your beyond look like? What does the ideal future for the media look like to you?

Michael: Australia needs a thriving Australian media industry. We've got a structure in place which really has not changed a lot in decades. And that I think Australian voices are important. We're a very multicultural country that reflects what I would say is definitely a changing mindset within the country, changing demographic, but also being far more ambitious.

So more than anything else I encourage the teams I work with to be forward-looking and be progressive in mind. And that too often I feel that we fall into reflective modes and talking about what's wrong rather than what's right. And beyond here I'd see that a media whereby its encouraging a progressive political business, social narrative, that we would have huge responsibility and a huge role play in our democracy, ensuring that as many voices are heard and that we're helping frame and express our public policy, that ultimately I believe our politicians do get right, if the right voices are being heard.

And so I started off by talking about the role of the fourth estate going back centuries, I wouldn't want to see that role redefined. In fact if anything I want to see it amplified.

Rae: Well, thank you so much for joining me Michael, it's been a pleasure.

Michael: Thank you for the opportunity and it's great to chat.

Rae: You can find out more about the series, the show notes and a complete transcription from this episode at [accenture.com/Hear+Beyond](https://www.accenture.com/Hear+Beyond). Catch the next episode of Hear+Beyond where I'll be joined by more business leaders to discuss the topics that really matter to Australian business.

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Rae: Thanks for listening and to be sure that you don't miss any of our episodes please subscribe wherever you listen to your podcasts and give us a rating, we'd love to hear your feedback. See you next time.

[End of recording.]

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