



**[Redacted] Submission to the News Media Assistance Program Consultation Paper**

**Department of Infrastructure, Transport, Regional Development, Communications and the Arts**

**Executive Summary:**

[Redacted] is an independent family-owned news media business providing vital local public interest journalism across the [Redacted] regions of Victoria.

As an essential provider of local news and views, regional and local newspapers foster well-informed communities and assist robust democratic engagement.

In the aftermath of a challenging period marked by natural disasters and a global pandemic, the significance of a reliable news media has never been clearer. The devastating impact on news publishers, including the cessation of over a hundred titles and the loss of numerous journalism jobs, underscores the urgency of intervention.

The Government needs to act urgently and this is underscored by The Public Interest Journalism Initiative's (PIJI) latest "Australian News Data Report" where it states the report "is a revealing portrait of an industry still reeling from the turmoil of the COVID emergency years and ongoing digital disruption". The December 2023 report includes data that shows an ongoing contraction with a net loss of 156 providers of public interest journalism since 1 January 2019. Almost all of these are local and regional newspapers.

Local newspapers play a critical role of providing accurate information, binding communities, and contributing to democracy. This vital community service that provides a vital part of democracy in Australia will continue to rapidly decline if there is no immediate intervention.

With some years now passing since the ACCC's Digital Platforms Inquiry, the proposed News Media Assistance Program gains heightened importance. Since the inquiry we have seen newsprint, ink, plates and other inputs increase at significant levels, natural disasters across our communities at never before seen levels and a global pandemic.

In addition newspaper presses across the country have closed leading to limited newspaper printing suppliers and the need to transport printed publications long distances and at significantly increased distribution cost in many instances. The need to support local and regional newspapers has never been more urgent or needed.

The ACCC in 2019 recommended a “targeted grants program that supports the production of original local and regional journalism, including that related to local government and local courts... the program should provide a greater amount of funding – totalling in the order of AU\$50 million per year”.

Whilst there was the PING funding in 2020, this funding was primarily used to support broadcasters and it also used previously allocated funds to small and regional publishers and redirected most of those funds to the broadcasters. Local newspapers outside of regional areas were also excluded.

In 2022 the Federal Government provided \$15 million as part of the Regional and Local Newspaper Publishers Program which was intended to be emergency assistance funding given the 50% (and up to 80%) increase in newsprint price. This funding typically supported the newsprint increase over a 6 month period only. At the same time Federal Government advertising declined to a level never witnessed previously. Federal Government advertising is vital for healthy newspapers and democracy and is the single most important tool a government can use to support healthy communities and support local and regional democracies.

There have been countless enquiries, meetings and academic papers aimed at investigating and providing solutions to the future of the news industry. Most of those enquiries have centred on regional newspapers, the heart of local news across Australia. Most of those enquiries and academic research have recommended the same or similar outcomes yet despite years passing and millions of dollars spent on the enquiries and academic studies, news providers, in particular local and regional newspapers, are still waiting for solutions.

The fact that the single most important sustainable element (Government advertising) was also all but removed has only exacerbated the situation. Despite numerous attempts to resolve this issue Federal Government advertising continues to support digital platforms including social media platforms. These platforms have been a significant reason for the decline of credible media and media literacy. They enable and promote misinformation and bias and are not held to account for defamation or aligned to any kind of news principles.

### **An industry in transition**

The local and regional newspaper industry is currently at a state of market failure and is an industry in transition. Revenue has declined due to a range of issues which include key verticals moving to online such as real estate and motoring, decisions by national agencies being made by a demographic of media buyers with bias towards digital and a lack of knowledge about the value, audience and importance of regional and local newspapers. The digital platforms have had a dual impact of using our content and at the same time providing advertising for many of our advertisers at a level that is commercially unsustainable for the local and regional newspaper industry. The current Federal Government is no longer using local and regional newspapers for advertising and instead is

promoting important government information on social media and other digital platforms and other media.

A lot has been discussed about the increase in newsprint prices which across the industry generally increased 50-80% depending on the contract each printer had with Norske Skog, the local supplier of newsprint. But there have been numerous other significant impacts on prices, including ink, plates, distribution and significant closures of printing sites across the country.

### **Role of Government:**

Access to regional and local news is fundamentally crucial for fostering well-informed communities and robust democratic engagement. Local newspapers play an irreplaceable role in this, acting as the lifeblood of local and regional communities. The Victorian Government's commitment to supporting regional newspapers through consistent advertising is a testament to the recognition of the symbiotic relationship between local media and community welfare. This connection is further solidified by the understanding that weekly advertising guarantees not only offer financial stability but also enhances the visibility and reach of these newspapers, ensuring their continued presence as vital information sources.

When delving into the role of the government, it becomes evident that their involvement is pivotal in sustaining regional and local public interest journalism. Direct funding is deemed necessary when market forces falter in upholding the indispensable role of these newspapers. Government support, particularly through advertising guarantees and tax credits, plays a dual role. On one hand, it provides financial stability to local newspapers, ensuring their sustainability. On the other hand, it recognises the critical role these newspapers play in disseminating government messages to regional and local Australians.

This symbiotic relationship strengthens both the financial health of local media and the effectiveness of government communication in regional areas. However, it is vital that governments recognise the vital role played by regional media in providing essential local news and information, holding the powerful to account and helping to bind communities.

Regional and Local newspapers provide essential information about local services and local sports and service clubs. Quality regional and local news is paramount to maintaining public trust and delivering accurate information to communities. Local newspapers, with their rigorous adherence to editorial standards, become bastions of reliable and balanced reporting. This commitment to professional journalism is particularly significant when contrasted with the challenges faced by various online platforms that may succumb to sensationalism or present unverified and regularly misinformation.

Regional and local newspapers provide local news with balance and perspective, somewhat in antithesis to their metro cousins. Regional and local newspapers represent the rich tapestry of voices within communities, ensuring that a broad spectrum of perspectives is considered.

*Government intervention needs to assist the industry move from its current market failure position to a sustainable industry. However, any fund needs to ensure a minimum 3 year annual commitment and an annual review.*

*There are three key areas where Government can provide sustainable support:*

- 1. Advertising support** - one full page of Federal Government advertising/public messaging every week in every regional and local newspaper who provide public interest journalism in line with the Victorian Government model.
- 2. Tax Credit for journalism staff** - A refundable tax credit of 35% of eligible newsroom employee costs for publishers of regional and local public interest journalism up to a salary cap of \$85,000 per eligible newsroom employee per annum in line with the Canadian model.
- 3. Government Grants** - An annual grant of 35% of journalism costs for publishers of regional and local public interest journalism.
- 4. Supplementary funding** - to be implemented with any number of the above mechanisms Funding 70% of first year wages for 100 cadet journalists per year employed in regional and local newspapers.

### **1. Advertising support**

Advertising guarantees, wherein the government commits to a minimum level of weekly advertising in regional and local newspapers, not only ensure financial stability but also foster a media landscape that represents a wide array of voices.

A weekly advertising commitment of one page per week in local and regional newspapers is the single most important measure the Federal Government can make, especially given the significant decline in advertising. The decline in advertising since the current Government came to power has been the biggest decline witnessed by any Government in recent memory and is having a significant negative impact on the industry in recent years. This is impacting sustainability and also innovation as newspaper owners simply concentrate on survival.

Deakin Universities “Media innovation and the civic future of Australia's country press final report” in 2023, stated “... we suggest the interdependence between local media and government is especially complex when it comes to examining the role that public expenditure plays in underpinning the sustainability of public interest journalism in rural and regional Australia. Our research indicates the decline of government funding – in the form of public notice advertising spend – has been a major contributing factor to the broken business model challenging rural and regional news. We suggest this under-examined area is important to news sustainability in the digital era...

“For local news outlets in Australia, government advertising – through public notice expenditure – is a powerful and reliable form of government revenue for local newspapers.

We refer to them, in fact, as a ‘silent’ subsidy (Hess, 2015) because they have long provided sustenance for local newsrooms, possibly since the late 19th century. Media owners and editors in our qualitative research consistently highlighted the importance of this revenue and the decline of this spending over the past decade especially. Alongside real estate and retail, government advertising was one of the key forms of income for their operations and provided surety to their business model. We have traced federal and state government public notice advertising over the past decade and have highlighted – on average – a significant decline in this spend across the Country Press Australia network ... spend as a whole has risen among state and federal tiers, but this funding has been directed increasingly towards social media to appeal to a broader digital audience, without full consideration of the platforms and mediums that rural and regional Australians depend upon for local information.”

The provision of weekly advertising support to regional and local newspapers by the federal government is not just a matter of financial aid; it is an investment in preserving and nurturing the very fabric of democratic infrastructure within regional communities. Regional newspapers are not just news outlets; they are the backbone of democratic infrastructure in regional areas. Unlike other minority-focused news sources, local newspapers serve as vital conduits for civic engagement, community participation, and the dissemination of information crucial for democratic processes. This connection distinguishes them from other minority- focused news outlets, emphasising their broader impact on the entire community.

The absence of sustainable alternatives to local newspapers is glaring. Unlike minority focused media, local newspapers often stand alone as the primary source of information for communities, covering a wide array of topics from local politics to community events. This uniqueness positions them as indispensable and irreplaceable in the local information ecosystem. Governments routinely invest in infrastructure such as broadcast towers, boosters, and regulate radio/TV spectrum to ensure the dissemination of information. In the same vein, supporting local newspapers can be seen as an investment in the foundational infrastructure needed for a thriving democracy. This goes beyond mere financial support; it is about sustaining the infrastructure that facilitates informed citizenry and active community engagement.

While minority-focused news outlets often cater to specific demographics, local newspapers have a broad and enduring impact. They cater to the entire community, providing a shared space for diverse voices and perspectives. By ensuring the financial sustainability of local newspapers through weekly advertising support, the government is investing in the long-term vitality of democratic processes at the grassroots level. Regional newspapers foster a unique connection with their communities, reflecting local values, traditions, and concerns.

This level of community engagement is distinct from the often-niche focus of other minority news outlets. Weekly advertising support strengthens this connection, ensuring that local newspapers can continue to be the voice of the community, something critical for democratic health.

In regional areas, the absence of local newspapers could result in a significant information void. Unlike ethnic news or other minority-focused media, local newspapers serve a broad audience, and the lack of a sustainable alternative would leave communities without a reliable source of comprehensive local news. Weekly advertising support becomes a strategic move to prevent such information voids. Regional and local newspapers are a tangible demonstration of the government's commitment to grassroots democracy. It goes beyond supporting a specific demographic or interest group; it is about ensuring that every citizen, regardless of background, has access to reliable, local information that is crucial for civic participation and democratic decision-making.

In an article published on 7 May, 2021 by the Alfred Deakin Institute for Citizenship and globalisation, written by Kristy Hess, Deakin University and Lisa Waller, RMIT University, they stated that: "Newspaper readers in rural and regional Australia are five times more likely to go directly to their local newspaper website than Google or Facebook for local information, and almost 10 times as likely to go to their local news website over a council website for news and information."

The Victorian Government recognised the impact and importance advertising would have in 2020 when they committed to a page a week across all regional newspapers. This has enabled the Victorian Government to communicate effectively to regional communities with important government messages. In addition, it has sustained local news across Victoria's regions at a level not seen at any other state. Newspaper closures and news deserts have been significantly lower and there is greater diversity of ownership than in other states as evidenced by Deakin Universities "Media innovation and the civic future of Australia's country press final report" in 2023, they observed:

"It is perhaps no surprise that there are more independently owned mastheads in Victoria than any other state in Australia. The Victorian Government is committed to ensuring departments and agencies spend at least 15% of their campaign advertising expenditure in rural and regional media. During the pandemic, the Victorian Government announced a \$4.5 million advertising support package for struggling local mastheads and then in 2022 pledged to commit what is equivalent to a page of weekly advertising spend in every local newspaper in the state, in an effort to provide surety to the business model for rural and regional news."

Federal Government enquiries have recommended percentage commitments to advertising, such as the 2022 House of Representatives Committee Inquiry into Australia's regional newspapers. This enquiry recommended that 20% of print advertising be placed in regional newspapers and the current Federal Government claims that currently this is being achieved, but 20% of not much or nothing amounts to very little or nothing. There is no accountability and the commitment does not take into account the overall budget or the importance of newspapers as critical to local functioning democracies. This also does not take into account the vital role local newspapers play in non-regional areas.

Deakin University's survey further stated "The flow of advertising revenue from governments to media channels warrants much greater scrutiny. In an era troubled by

misinformation and disinformation, there should be a commitment to disseminate public notices via reliable media channels that serve as a form of public record for communities in the interests of democracy itself.”

## **2. Tax Credit for Journalism staff**

A tax credit for regional and local news organisations is an essential lever for incentivising investment and sustainability.

Unlike broader tax incentives, a targeted approach using a tax credit for staff involved in the production of journalism ensures that the core institutions responsible for delivering local news receive the support needed to maintain their pivotal role in keeping local communities informed about issues that directly impact their lives.

Quality journalism requires skilled professionals committed to investigative reporting, fact-checking, and ethical standards. A tax credit becomes a powerful incentive for local and regional newspapers to invest in employing professional journalists, ensuring that the news delivered is not only accurate but also well-researched and balanced. This, in turn, enhances the credibility and reliability of local news sources. The ripple effect of a journalism tax credit extends to the employment landscape. Local and regional newspapers, buoyed by financial incentives, are more likely to hire local journalists, photographers, editors, and support staff. This not only bolsters the local job market but also creates a pool of professionals dedicated to understanding and representing the nuances of their communities.

Investigative journalism is the bedrock of a healthy democracy, uncovering hidden truths, holding authorities accountable, and championing the public interest. With a tax credit in place, regional and local newspapers can allocate resources to sustained investigative reporting, unearthing stories that might otherwise remain buried. This kind of in-depth reporting enriches community discourse and strengthens the foundations of democratic governance. A journalism tax credit promotes diversity not just in newsroom staffing but also in coverage. Newspapers, incentivised to invest in comprehensive reporting, can ensure a more nuanced representation of the diverse voices within their communities. This inclusivity fosters a sense of belonging, as community members see their stories reflected in the local news.

A diverse media landscape is essential for a thriving democracy. A journalism tax credit encourages the presence of multiple voices, preventing media concentration and ensuring a plurality of perspectives. This diversity is particularly crucial in regional and local contexts, where one-size-fits-all narratives often fall short in capturing the richness of community experiences. Beyond reporting current events, local newspapers play a pivotal role in civic education. A tax credit empowers newspapers to invest in educational content, helping communities better understand local governance, civic processes, and their role in shaping the community's future. This contributes to a more informed and engaged citizenry.

Local newspapers are custodians of community identity, preserving and celebrating local traditions, events, and stories. By providing a tax credit, governments invest in the preservation of these identities, fostering a sense of pride and belonging among residents.

This, in turn, encourages civic engagement and a shared commitment to community well-being. Many regional and local areas suffer from information gaps left by national and international news outlets. A journalism tax credit empowers local newspapers to bridge these gaps, shedding light on issues that might not gain attention at broader levels but are of immense significance to the local population. A tax credit for journalism is more than a fiscal incentive; it's a strategic investment in the vitality of democracy at the grassroots level. By supporting local and regional newspapers, governments contribute to informed communities, vibrant civic life, and a robust media landscape that reflects the diversity and dynamism of our societies. This incentive becomes a cornerstone for empowering journalism's pivotal role in shaping the democratic narrative of local and regional communities.

### **3. Government Grants**

In recent years the Federal Government has run successful Grant programs which have provided significant support to local and regional newspapers. In the landscape of regional and local public interest journalism, the case for direct government support through grants is important. This form of assistance goes beyond financial aid, serving as a strategic investment in the future of journalism and community engagement. Previous grant programs have often focused on innovation without any thought to sustainability. The Regional and Local Newspaper Publishers program, 2022 was an example of an excellent sustainability grants program.

An alternative to the tax credit is a sustainability grant for local and regional newspapers based on staff involved in the production of journalism. The grant would provide 35% of the cost of the employment of staff involved in the production of journalism and could be implemented in a similar way to the Local Newspaper Publishers program, 2022. By providing financial assistance to journalists, the government actively contributes to the development of a skilled workforce dedicated to covering local news. This direct support enables media organisations, especially in regional areas, to hire and train journalists who are intimately connected with the communities they serve. As the industry undergoes digital transformations, supporting the next generation becomes crucial for the continued provision of high-quality local and regional public interest journalism.

A journalism grant for local and regional journalists facilitates stronger connections between journalists and their communities. Journalists, through their training and involvement in local reporting, become community ambassadors. They build relationships, understand local nuances, and contribute to the diverse representation of voices in regional and local news. Direct government support for a journalism grant emphasises the importance of investing in



the human capital that forms the backbone of community-focused journalism. A grants program similar to the Local Newspaper Publishers program, 2022 could have a significant impact if implemented on an annual basis. Similar to a weekly page a grants program if committed to and implemented annually would provide local and regional publishers with sustainability and an opportunity to transition. Any grants program implementation would need direct consultation with the industry.

**4. Supplementary funding** - to be implemented with any number of the above mechanisms Funding 70% of first year wages for 100 cadet journalists per year employed in regional and local newspapers.

A variety of both ongoing and one-off support programs are available to encourage the employment of apprentices in trades fields. No such programs are offered to incentivise the employment of newspaper apprentices in the trade of journalism – cadets.

Cadetship funding would encourage regional and local newspapers to employ cadet journalists. This would increase the production of public interest journalism, attract more young people to the industry and increase the pool of professional journalists for the future. The funding would also help sustain regional and local newspapers as the cost of employing a cadet would be partly funded by the government in the first year the cadet is employed.

Cadetship funding is an investment in preserving and nurturing the very fabric of democratic infrastructure within regional and outer suburban communities. Regional and local newspapers are not just news outlets, they are the backbone of democratic infrastructure in their communities. Unlike other minority-focused news sources, local newspapers serve as vital conduits for civic engagement, community participation, and the dissemination of information crucial for democratic processes.

They play an irreplaceable role in holding local authorities and business to account, giving the voice to those who otherwise would remain unheard and fostering a sense of community cohesion. In regional and outer suburban areas, the absence of sustainable alternatives to local newspapers is glaring.

Unlike niche media, local newspapers often stand alone as the primary source of information for communities, covering a wide array of topics from local council news, local sport, community events, court reports and lifestyle news. This uniqueness positions them as indispensable and irreplaceable in the local information ecosystem.

Regional and local newspaper newsrooms are vital training grounds for cadet journalists with many seeking a rewarding professional journalism career in local, state and national news media organisations.

The regional and local newspaper industry experiences a loss of trained cadet journalists each year to professional writing and public relations roles within corporations and local, state and federal government bodies.

The contribution made to training cadet journalists nationally that leave the industry to pursue other writing related careers cannot be underestimated and the value of that training should be considered as part of our request for cadetship funding support.

**Conclusion:**

There is an urgent need for sustained government intervention to ensure the vitality of local and regional newspapers. As an essential component of democratic infrastructure, these newspapers play a unique and irreplaceable role in fostering well-informed communities and robust democratic engagement. The ACCC refers to public interest journalism as an underserved public good.

The aftermath of recent challenges, including natural disasters and a global pandemic, has underscored the critical importance of reliable news media. The cessation of numerous titles and the loss of journalism jobs highlight the urgency of intervention. The proposed News Media Assistance Program, with its emphasis on targeted weekly advertising guarantees, tax incentives, direct government support through grants and support for cadets, emerges as a comprehensive and strategic approach to address the multifaceted challenges faced by the industry.

The role of government is pivotal in sustaining regional and local public interest ensuring financial stability, and recognising the vital role these newspapers play in disseminating information to regional and local Australians. The commitment to advertising guarantees by the Victorian Government is a testament to the symbiotic relationship between local media and community welfare, setting an example for other States and the Federal Government to follow.

Weekly advertising support is identified as the single most important measure the Federal Government can take, especially given the significant decline in advertising revenue. The call for a commitment of one page per week in local and regional newspapers is not just about financial aid but an investment in preserving the democratic infrastructure within regional communities.

The tax credit becomes a powerful incentive for local and regional newspapers to invest in skilled professionals and investigative reporting, fostering a diverse media landscape essential for a thriving democracy.

A grants program is a strategic investment in the future of journalism and community engagement. By supporting the employment of journalists, governments contribute to the development of a skilled workforce dedicated to covering local news. This ensures a continuous stream of talented journalists committed to serving their communities.

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