



**Submission to the News Media
Assistance Program Consultation
Paper**

February 2024

Introduction

This submission is made on behalf of *Brunswick Voice*, an online news publication in Melbourne's inner northern suburbs which was launched in mid-2021. The website has subsequently been augmented with a quarterly print publication.

We welcome the opportunity to make a submission on the News Media Assistance Program (News MAP) consultation paper. The News MAP is a worthy and important initiative after many years of government indecision and poorly targeted action in response to the immense challenges being faced by the news media in Australia, particularly at a local level. Where there has been government intervention over the past decade, it has usually been reactive, often driven by political motivations (particularly in regional Australia), and designed to put out a temporary “spotfire” rather than tackle the longer term structural issues endemic in the news media sector.

Brunswick Voice agrees that a research and evidence-based approach is required to deliver the four policy objectives of the News MAP and this submission will argue that a vibrant hyperlocal news and media sector is essential to achieving these objectives. Our submission will focus on the types of assistance that are required for independent, news media start-ups like *Brunswick Voice*. A holistic approach is needed which will address both current and future challenges.

We will submit that up until now, governments have had a blind spot about the decline of news and journalism at a local level in metropolitan Australia, which is just as significant, if less visible, than has occurred at a rural and regional level. This has left vast swathes of our capital cities with no local media reporting in communities that sometimes number in the hundreds of thousands of residents. Policy responses in recent years that have been devised to support regional news outlets have ignored the plight of what used to be known as suburban newspapers.

We urge the News MAP to consider media not only in the context of “markets”, but also “communities”. Within metropolitan media (advertising) markets, there are multiple local communities, sometimes formed around local government areas but particularly around suburbs and neighbourhoods, and many of these communities are being underserved — or not served at all — by journalism. The problem in these communities isn't fake news — it's a shortage of *any* local news.

As newspapers have faded, digital start-up publications like *Brunswick Voice* are the ‘green shoots’ of the news industry, an area of expansion in the wake of industry-wide contractions.

These start-up publications often have more in common with community broadcasting than traditional print media: they are less motivated by profit than providing a public service, they have scarce financial resources, and they rely heavily on volunteers.

But this sector is perilously immature and under-resourced. New journalism and media operations in metropolitan Australia face different barriers to growth of those in regional Australia, including competition for advertising and subscriber dollars from city and statewide outlets, and difficulty harnessing economies of scale.

For these reasons, some of the policy solutions canvassed in the News MAP consultation paper that may well strengthen established media outlets in regional Australia are unsuitable and of little help to what are essentially start-up businesses still in their infancy.

What is required instead is a specific form of funding to support capacity building and sustainability to enable these outlets to become healthy, resilient and robust.

It must be stressed that the last thing we want or need in Australia is for the government to prop up a media industry that is unable to sustain itself commercially. This would be an unhealthy outcome for all concerned. But if the objectives of accessible, quality, engaging and diverse media are to be met, an initial program of government support for start-ups like *Brunswick Voice* is necessary with the goal of creating a viable and sustainable hyperlocal news media sector.

Recommendations

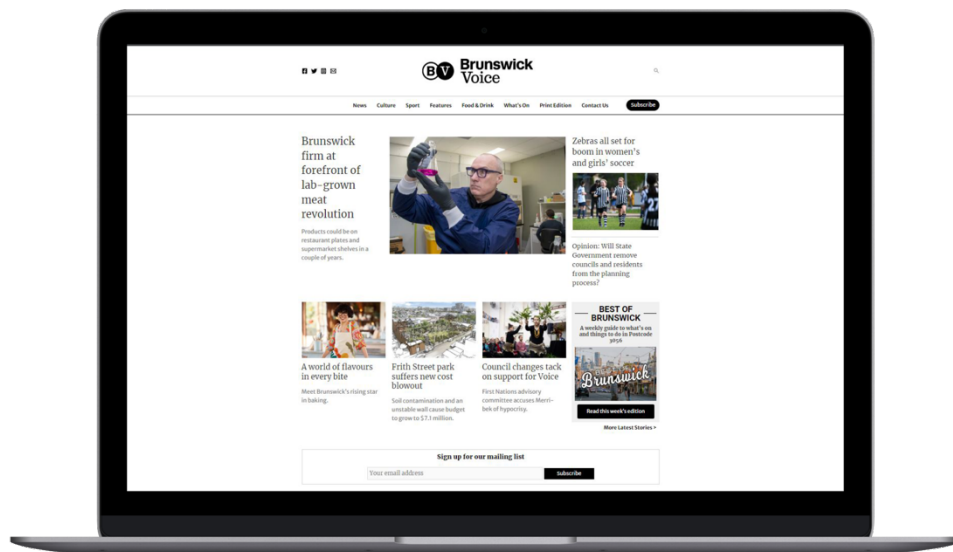
Brunswick Voice calls for the following specific initiatives to be adopted by the federal government:

- The adoption of a local news media resilience and innovation fund to support the development of lasting business models for new journalism startups in under-serviced communities.
- The extension of Deductible Gift Recipient (DGR status) for philanthropic and charitable donations to qualifying independent media operations.
- Research and development-style tax credits or rebates for organisations producing public interest journalism to offset the costs of employing editorial staff.
- Tax deductibility for digital news subscriptions/memberships.
- Mandated paid advertising by local governments with local media organisations.

About Brunswick Voice

Brunswick Voice began publishing as a blog in the first quarter of 2021 before transitioning to a full hosted website in the middle of that year.

It was launched to fill the void left by the closure of all other local media outlets in Melbourne's inner north in previous years. This included the effective shuttering of the *Moreland Leader*, one of dozens of News Corporation titles that were either closed or ceased print publication, in early-2020, ostensibly as a result of the COVID-19 pandemic¹. A similar fate was suffered in the neighbouring local government areas of Moonee Valley, Darebin, Hume and Yarra, leaving an area with a population of more than 500,000 without any local news outlet. In the years prior to the closure of the *Leader* papers in these areas, other newspapers had ceased publishing and/or reduced their news content.



The result has been a news vacuum; a situation where it is easier to find out the latest moves of the President of the United States than it is a decision made by the council around the corner. This dearth of trustworthy local information, reported and verified

¹ At the time, News Corp said the *Leader* would continue to publish online, but that has turned out to be a ploy to increase paid subscriptions of the *Herald Sun*. The small amount of local news from Melbourne's northern suburbs that is now published can only be accessed *Herald Sun* website that is behind a paywall (the term "news" is used advisably for content that is primarily local sport, real estate advertorials, and court lists, augmented by citywide stories such as '[Search on for Melbourne's best yoga and pilates gym](#)').

through standard journalistic procedures, was heightened during the COVID-19 pandemic.

A common misconception by policy makers and academics is that the presence of metropolitan newspapers and broadcast outlets negates the impact of the closure or winding back of local media in our big cities. We submit that nothing could be further from the truth and despite the existence of metropolitan outlets, many areas of our cities are news deserts in the absence of credible journalism dedicated to covering local issues and events. As a consequence, democracy suffers as citizens become less engaged and more polarised.

Citywide outlets – in the case of Melbourne, these include *The Age*, the *Herald Sun*, 3AW and the three commercial TV stations – have neither the resources nor the inclination to report regularly on what goes on in the suburbs. When they do venture into local news, it is typically with a sensationalist perspective which barely scratches the surface. Then they soon move onto something else, not helping produce solutions to the problems they superficially reported.

It was into this environment of an information black spot that *Brunswick Voice* was launched.

Brunswick Voice was an initiative of a local resident, a communications professional with several decades of experience in print journalism, including metropolitan daily and weekly suburban newspapers. The publication's mission statement² is proudly displayed on its home page: "We are unashamedly hyperlocal. We live in Brunswick and we work in Brunswick. We are part of this community and we love it with a passion. And we want to share it with other people who live in Brunswick. We will scour every corner of Brunswick for news and bring those stories to life with innovative, lively, informative and entertaining journalism."

Local public interest journalism must be seen as an indispensable part of a community's civic infrastructure. From the outset, *Brunswick Voice* has maintained that journalism is a public service and has sought to attain the highest standards of journalism, including adherence to the MEAA *Journalist Code of Ethics*. It was one of the earliest outlets to join the Local & Independent News Association (LINA). *Brunswick Voice* has broken many important local stories and reported extensively on the activities of the Merri-bek City Council.

² 'Why a new publication and why now?' (brunswickvoice.com.au/why-a-new-publication-and-why-now/)

A recent readers' survey found that 88% of respondents said it made them feel more connected to their community; 80% said it offered a unique perspective they could not find elsewhere; 84% were likely or very likely to recommend *Brunswick Voice* to someone else; and 79% said they would miss *Brunswick Voice* if it was no longer available³.

In 2023, *Brunswick Voice* published 113 articles online on topics which included the referendum, town planning, sport, arts and culture, food and drink, local history, environmental issues, and transport. *Brunswick Voice* has seen steady growth in readership. In 2023, the website had more than 63,000 visitors and more than 102,000 page views, an increase of 31% on both counts.

A key method of distribution is a weekly e-newsletter, which contains summaries of main stories on the website and a curated guide to upcoming events and activities in the area. At the end of 2023, the newsletter had 1253 subscribers, an increase of more than 50% over the previous 12 months, and an average open rate of 68%. *Brunswick Voice* also uses social media to share its articles.



Recognising that not all potential readers can be reached online, a 16-page print edition of *Brunswick Voice* was launched in late-2022. Four editions (pictured above) have now been produced, roughly quarterly, with a print run of 5000 each time. These are available from drop off points at public facilities such as libraries and council customer service centres, supermarkets and cafes.

³ The survey was conducted throughout January 2024. A total of 170 people took part in the survey. Respondents were drawn from a subscriber list and were solicited via social media, with 65% of those who participated in the survey already subscribing to the e-newsletter.

What is public interest journalism?

There have been many attempts to define public interest journalism over the years. Perhaps the simplest is this: journalism that serves the public.

The Australian Competition and Consumer Commission in its 2019 *Digital Platforms Inquiry Final Report* defined public interest journalism as:

*Journalism with the primary purpose of recording, investigating and explaining issues of public significance in order to engage citizens in public debate and inform democratic decision making at all levels of government.*⁴

There would be little disagreement that ensuring democratic accountability and transparency are core functions of public interest journalism. This definition relies upon the traditional depiction of journalism as the Fourth Estate.

However, we would argue – and we believe many journalists would agree – that this is too narrow a scope of what constitutes public interest journalism.

For instance, under this definition above, it would be possible that arts and culture journalism would fail to be considered public interest journalism. Nor would health or education reporting; sport; even some forms of business reporting.

Would this inquiry argue that a news report about a new exhibition in a local art gallery is not public interest journalism? Or that the result of a country football grand final is not public interest journalism?

Public interest journalism can connect a community; it can add to community well-being; it can give a community a sense of identity. The point is that a narrow focus on informing democratic decision making risks casting much journalism outside the definition of “public interest”.

What we can agree on is that journalism should aspire to perform a civic role; it should not exist merely to serve its proprietor’s commercial interests.

Given the difficulty of providing a succinct and all encompassing definition of what constitutes public interest journalism, it may also be useful to look at the ways in which journalism is conducted.

⁴ This definition, found on p. 285 of the ACCC *Digital Platforms Inquiry Final Report* is itself modified from a definition by the UK Cairncross Review into a sustainable future for journalism that same year ([acc.gov.au/about-us/publications/digital-platforms-inquiry-final-report](https://www.accc.gov.au/about-us/publications/digital-platforms-inquiry-final-report))

We believe that in identifying public interest journalism, sufficient weight must be given to certain standards that distinguish journalism from most other discourse on social media and elsewhere.

These standards, which underpin the Media, Entertainment & Arts Alliance *Journalist Code of Ethics*⁵ include honesty, fairness, independence, transparency, attribution of sources, avoiding or openly declaring conflicts of interest, avoiding bias, and correcting errors.

Ethical journalism should seek to provide researched facts, it should aspire for accuracy, and it should clearly indicate what is opinion and what is fact. It should avoid trading in malicious and/or unproven innuendo and gossip, and it should provide the subjects of news reporting with a right of reply.

Certainly public interest journalism – journalism which serves the public – must do all those things, regardless of its subject matter.

⁵ The Code of Ethics created in 1944 by the Australian Journalist' Association was the first form of media self-regulation in Australia and remains the gold standard for ethical journalistic practice (meaa.org/meaa-media/code-of-ethics/).

Policy objectives

This section responds in brief to the stated objectives of the News MAP, and specifically how supporting hyperlocal journalism and media such as *Brunswick Voice* would help to deliver on those objectives.

We agree with the focus on the four objectives of access, quality, media diversity and engagement identified by the consultation paper.

Access

Clearly lack of access to public interest journalism is a major concern throughout Australia because of the detrimental effect that can have on democratic participation and social cohesion. Over recent years, we have seen access to local journalism in urban Australia decline at an alarming rate. The result is that council meetings are going unreported, decisions are made by all levels of government without informed debate, communities are becoming atomised and disconnected, and people are turning to social media, with all its flaws and propensity for misinformation and fake news, because of the lack of alternatives.

Improved access to locally-based journalism dedicated to news about their community, both good and bad, will lead to better outcomes such as informed democratic participation, more trust in our institutions, and greater social inclusion. For its part, *Brunswick Voice* sees a major function as using its journalism to empower the community to have a say on local issues such as safer roads or more affordable housing.

Brunswick Voice believes that access to public interest journalism should be available free of charge to everyone and not hidden behind a paywall; to charge for access to our journalism would be to divide the community into haves and have nots, further entrenching disadvantage and lack of engagement and participation. We hold this position despite the obvious impact it has on a potential key source of subscription revenue. Government policy should thus take into account the need to balance the preference for free and open access to journalism with providing financial support to the media outlets that generate news content.

The provision of accurate and trusted media content is an undeniable public good that is essential to the health of our economy. It is therefore appropriate for government to provide support to emerging media operations in urban areas that are dedicated to

improving access to public interest journalism to support increased participation in community affairs, including local democracy.

Quality

It is not enough to provide access to public interest journalism if it is of low quality. There has been a sharp decline of trust in journalism over recent decades⁶ that is linked by consumers to the deterioration of quality. Mainstream/legacy media outlets increasingly have adopted partisan positions in the pursuit of niche audiences and prioritising opinion over facts/truth. The economics of the media business has reduced the size of newsrooms so that both quality and accuracy has suffered. So-called ‘churnalism’ and ‘clickbait’ have been generated by the neverending news cycle of online media; verifying facts often comes secondary to beating your competition to report breaking news to gain those crucial extra pageviews.

This has also created a fertile environment for the rise of misinformation and disinformation. In the absence of access to public interest journalism, people have turned to social media platforms to engage on public issues. On these platforms, informed debate has been replaced by abusive shouting matches which only widen differences rather than bring about unity and consensus. Conspiracy theories and fake news are easily spread on social media without the rigorous fact-checking processes of traditional journalism.

From the outset, *Brunswick Voice* has taken very seriously its role in providing quality journalism to its community and being a trusted source of local news⁷. We have been appalled by the way that neighbourhood Facebook pages and other social media groups can quickly distort the truth, allow rumours to be established as unverified facts, and foster nasty and virulent disagreements, including persecution of individuals. *Brunswick Voice* seeks to provide a ballast against this, and our journalism adheres to the principles of the MEAA *Journalist Code of Ethics*.

The great British journalist CP Scott (editor of the *Manchester Guardian* for more than half a century) wrote in 1921⁸ that “comment is free but facts are sacred”. We couldn’t

⁶ See pages 108–118 of the University of Canberra’s *Digital news report: Australia 2023* for a detailed overview of trust in Australian media (apo.org.au/sites/default/files/resource-files/2023-06/apo-nid322606_1.pdf).

⁷ When asked to rate how much they trusted *Brunswick Voice* on a scale of 1 to 10, respondents to the readers’ survey returned an average rating of 7.4.

⁸ ‘A Hundred Years’, first published in the *Manchester Guardian* on May 5, 1921 and available here: theguardian.com/sustainability/cp-scott-centenary-essay

agree more, but we would add that quality journalism — as opposed to what is available on social media — does not come cheaply. For this reason, there is an argument for government policies, including funding mechanisms, to support quality journalism. This requires a delicate balance to preserve a free and independent media that is not beholden to the political whims of the government of the day.

We submit that any recipients of government support must demonstrate a commitment to quality public interest journalism through membership of the Media, Entertainment & Arts Alliance, the Australian Press Council, and the like. All recipients must have a publicly accessible editorial standards and a complaints mechanism on their website.

Media diversity

Concerns about the decline of access and quality of Australian journalism cannot be separated from the lack of media diversity in this country. The closure of local journalism operations and consolidation of media into a handful of large corporations over the past decade by News Corporation, the Fairfax group (now Nine Publications), Australian Community Media and a few others has exacerbated the high level of concentration media ownership in Australia over the decade since the Finkelstein inquiry⁹.

It goes without saying that a plurality of voices and perspectives in the media is desirable for a functioning democracy. If only one or a few powerful media organisations dominate the landscape, this has the potential to lead to a narrowing of the agenda by dictating what is and is not covered and how it is covered. This lack of diversity not only denies consumers real choice for quality news and gives inordinate power to a few entities to influence decisions, but it limits job opportunities for journalists and competition for advertisers.

It goes without saying that government policy should aim to encourage media diversity across Australia. We believe the best way to achieve this is not by regulation of ownership and control of media, but through incentives to encourage market

⁹ Almost 9 out of every 10 dollars of revenue generated by Australia's media goes to just four companies. Those four companies — News Corporation, Nine Entertainment Co., Australian Community Media and Seven West Media — plus the ABC also dominate audience share both in print/online and broadcast, with syndicated content to all corners of the nation. (aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Mediadiversity/Report)

competition alongside funding to assist new entrants and small and independent media organisations to produce content by and for their communities.

A second aspect of media diversity that must be a focus of government policy is for our media to reflect the cultural, linguistic, and racial diversity of our society. Minority communities must have a place in our media industry and there must be pathways for people from culturally diverse backgrounds to participate in the media, including meaningful careers in journalism. Despite some positive developments, Australia's media is overwhelmingly monocultural, particularly in senior managerial roles¹⁰. Consideration should be given to forms of government support to incentivise minority communities to have their own media, along with employment subsidies to assist small and independent outlets that operate in multicultural communities to provide jobs to people from diverse backgrounds.

Engagement

If the right settings are in place to achieve the objectives of access, quality and media diversity, then the fourth objective of civic engagement should to an extent flow naturally.

Brunswick Voice views journalism an important civic service and was not established for the purpose of extracting wealth from its community. We submit that any government policies to support the media should prioritise the public benefits of journalism over the private benefit of media proprietors.

A newspaper (or a news website or broadcast outlet) should be more than a business. Paraphrasing the above mentioned CP Scott, it has a moral as well as a material existence and it serves a higher function than making profit. It should inform, it should educate, it should hold governments and other powerful institution to account; it should entertain, certainly, but it should also provide an avenue for its audience to participate in their community and in democracy.

We agree with the consultation paper that low levels of media literacy — associated with poor capacity by citizens to critique and interpret news content — are concerning and can lead to lack of trust in institutions, poor decision-making and a decline in

¹⁰ See for example the 2020 report by Media Diversity Australia, *Who Gets to Tell Australian Stories*, which found that 100% of free-to-air television national news directors in Australia were males with an Anglo-Celtic background (www.mediadiversityaustralia.org/wp-content/uploads/2020/08/Who-Gets-To-Tell-Australian-Stories_LAUNCH-VERSION.pdf). The situation is not much different in print and other forms of media.

democratic participation. Again, the decline of media literacy can be traced to the shrinkage of Australia's media into fewer hands, and the lack of local media in parts of the nation, including large areas of our cities.

Government actions to support the development of small and independent journalism operations like *Brunswick Voice* can help to reverse this trend by increasing the opportunities for people — including students — to engage fruitfully with the media and to develop the media literacy that will strengthen their participation in other aspects of society, including democracy.

Policy solutions

In this section, we provide feedback on each of the potential policy solutions outlined in the consultation paper. We submit that publications like *Brunswick Voice* that are seeking to restart local journalism in an urban context face particular and different challenges that require innovative and tailored policies to support them on the path to sustainability.

This is neither a criticism of recent policy interventions nor an argument for winding back support of regional and rural media. It is essential that governments of all levels continue to support media in regional Australia who play a crucial role of informing their communities.

But in the spirit of an evidence-based approach to future and ongoing government policies, we submit that hyperlocal media in Australia's cities face distinct challenges from those in the regions.

Most obviously, publications like *Brunswick Voice* are starting from scratch to rebuild local journalism in their communities; they are young outlets finding their way with very few resources at their disposal.

This is quite a different situation from, for example, the daily or non-daily print publications owned by Australian Community Media, that have long and deep histories in their communities, generate millions of dollars in annual revenue and can draw on the shared resources of a large company — notwithstanding that they face cost pressures and the prospect of declining advertising revenue.

Brunswick Voice and other similar city-based hyperlocal publications that have emerged in the past couple of years share some common characteristics including that often the publication is the product of a vision of a single individual to provide public interest journalism as a service to their community. Frequently operating with no paid staff, that individual is the driving force of the publication, and without their ongoing commitment, the publication would most likely cease to exist.

In addition to devoting dozens of hours of their unpaid time each week to produce the vast bulk of content and administer the publication, these founders typically subsidise the costs of the publication from their income from other paid work. The requirements of this other paid employment restrains their ability to operate and grow their business.

City-based local publications face a number of other disadvantages compared to those in regional and rural Australia that have not been fully recognised by policy makers. One of the major differences between communities in rural and regional Australia and

those in our cities is their economic profile. Regional towns and rural communities usually have a distinct local economy which includes primary production, manufacturing and services such as shopping centres, car yards, and real estate agents. People are born, live, work, study, play and shop in the same community and they identify more strongly with that community. The local economy is the major employer of the local residential population. As a result, most of the community's income is both generated and spent within the local economy.

The same cannot be said for urban Australia. People may work in the CBD or in another suburb. They will often seek entertainment outside of their own neighbourhood. A sizeable proportion of the residential population — particularly in areas with apartments or high levels of renting — is transitory. There is little primary industry in urban areas, and manufacturing and secondary industry is often located away from places where people live. The local economy is dominated by small businesses in retail and hospitality who often lack the wherewithal to have an advertising budget.

These emerging hyperlocal publications are unable to negotiate with digital platforms through the News Media Bargaining Code. They lack visibility because they are overshadowed by large metropolitan outlets. In most cases, they are ineligible for local government or state government grants to not-for-profit organisations and arts projects. And they are not on the radar of philanthropy.

Policy solutions to support hyperlocal city-based media must recognise both the characteristics of the outlets they intend to help and the barriers they face as they attempt to build a sustainable business model.

We now turn to consider each of the policy interventions outlined in the consultation paper.

Support for business models

The financial risks of launching a new media outlet in a small community — whether in urban or rural areas — cannot be overstated and they act as a major disincentive to the development of a thriving hyperlocal media sector in Australia.

The challenges which have been experienced by large metropolitan and national-level outlets over the past decade are magnified for small startups which are seeking to rebuild local journalism across Australia. While they may be able to avoid some of the fixed costs of established media, startups face the same pressures to find diverse revenue sources and build audiences. But they have an added difficulty caused by the relatively small population and geographical size of the area in which they circulate, which is a constraint on their potential income.

The decline of public interest journalism in Australia and overseas is the result of market failure. If independent, hyperlocal media are to play a role in achieving the objectives of the News MAP, then government intervention in the market will be required to support these innovative business models and encourage would-be publishers to enter a space that is currently loaded against new entrants.

There are precedents for this intervention in the ways government supports private arts and cultural organisations, scientific and health research organisations, the screen industry, community broadcasting and even a private media company, Australian Associated Press¹¹.

If we value the role that journalism can play in improving democratic participation, then a similar approach must be adopted to help emerging news media deal with their challenges.

The best role that the government can play in nurturing the news media sector is through targeted funding to mitigate financial risk and provide capital and wage support as independent and local outlets grow their operations through the early years which will make or break the business. This funding should seek to enable community media organisations to be healthy, resilient and robust, in turn creating a stronger society through greater participation, engagement and cohesion. The goal of such funding should be to enhance capacity, capability and long-term durability.

A special funding program should be established specifically to assist hyperlocal media organisations while their audience and revenue development is underway. This could be branded as a local news media resilience and innovation fund.

There is international precedent for this type of fund, such as the Canada Periodical Fund's Aid to Publishers funding stream, a \$600 million (\$675 million) program over five years which supports content creation, distribution, online and business development for about 800 titles each year, with community newspapers receiving about 25% of the total funding¹².

To qualify for such funding, a new media outlet should simply have to demonstrate that they are filling an unmet need in the community and that they have a business

¹¹ The 2023 Federal Budget provided an additional \$5 million in funding to AAP on top of \$15 million in 2021-22 ([aph.gov.au/About Parliament/Parliamentary departments/Parliamentary Library/Budget/Reviews/2023-24/MediaPrograms](https://aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/Budget/Reviews/2023-24/MediaPrograms)). According to its most recent filing with the Australian Charities and Not-for-profits Commission, 37.2% of AAP's revenue of \$22.4 million in 2023 came from government funding (acnc.gov.au/charity/charities/e7f9c06e-38c7-ea11-a812-000d3ad1f29c/documents/).

¹² See canada.ca/en/canadian-heritage/services/funding/periodical-fund.html

model that contains a revenue growth plan and a road map to long-term sustainability. Priority should be given to supporting new independent outlets that are operating in an area that has no localised media, and established media networks should be disqualified from any funding. A revenue threshold could be put in place (for instance, annual turnover of \$150,000 or less) to ensure funding is correctly directed towards small and start-up outlets most in need.

In the same way that the Community Broadcasting Foundation is responsible for the assessment of applications for funding and the distribution of grants, business model support could be co-ordinated by an organisation such as LINA. LINA has previously outlined a model for how a government-funded support program to sponsor start-up news publishers could work¹³.

Under this proposal, grants would be available for development and operations of independent hyperlocal media, including expenditure on equipment, office space, website development, and the wages of essential staff. Funding for these programs could be delivered through revenue raised from the auctioning by the federal government of radiofrequency spectrum, scheduled for 2025, as previously floated by the 2021 Media Reform Green Paper¹⁴.

The quantum of financial support required under this proposal would be relatively modest (LINA estimates \$8.55 million over three years), and there should be no expectation of unlimited ongoing funding for emerging outlets once they reach an acceptable measure of viability.

Funding should be provided over a number of years, as opposed to a 12-month grant program, to provide maximum financial certainty for small and emerging publishers. Needless to say, it should be platform neutral.

Direct funding to support the production of public interest journalism

Australian governments have largely shunned direct funding of privately owned journalism in the past, so it is important to define the purpose of direct funding.

¹³ See page 15 of LINA's 2023 pre-Budget submission: lina.org.au/wp-content/uploads/2023/02/LINA-Pre-Budget-Submission-2023.pdf

¹⁴ See pages 28-29 for a description of a 'Public Interest News Gathering Trust' (infrastructure.gov.au/sites/default/files/documents/media-reform-greenpaper-december2020_0.pdf).

If it is to support media diversity and access — as in the case of the \$20 million allocated to the AAP newswire since 2021 — that is a reasonable allocation of taxpayers' money.

But where direct funding becomes more problematic is if it is used to drive a political agenda of the government of the day. Direct funding of journalism projects runs the risk of an unhealthy relationship between government and the private sector that could compromise editorial independence by rewarding projects that align with the goals of government.

Brunswick Voice advocates that any direct funding should be provided to support innovative media business models, as outlined in the previous sector, rather than content creation proposals. Any funding should be allocated at an arm's length from government, through an independent industry body or foundation, to ensure editorial independence is not compromised.

Funding should aim to help outlets to employ more journalists, but not to deliver a particular journalistic outcome, however well-meaning. Publishers and editors need more boots on the ground, and they should be trusted that they know best how to deploy those journalists in the communities they cover.

It must be emphasised that grant programs that are tied to specific journalism outcomes of the kind that have been administered in recent years by the Walkley Foundation will not solve the more pressing problem of survival for young independent media businesses. Moreover, journalism project funding of this type can be more of a burden than a help because of the bureaucracy that comes with it and the pressure to deliver a particular outcome.

Tax-based incentives

The growth of a hyperlocal, independent media sector in Australia is hampered by a relative lack of philanthropic support. This is in stark contrast to North America, where a thriving sector has emerged largely due to funding from charitable donations and philanthropic bequests that is possible because of tax incentives that are not currently available in Australia.

Currently, it is almost impossible for journalism operations in Australia to gain Deductible Gift Recipient (DGR) status, which would allow donors to claim a tax deduction for their financial support of journalism. AAP is a rare example of a news organisation that has DGR status.

Several Australian inquiries have in recent years recommended that public interest journalism ventures should be eligible for DGR status. *Brunswick Voice* submits that the government should adopt these recommendations.

Another simple reform would be to make paid subscriptions to any online news service fully tax deductible.

Brunswick Voice also believes there is merit in research and development-style tax credits or rebates for organisations producing public interest journalism to offset the costs of employing journalists. However, it should be noted that many journalism start-ups are not earning sufficient income to pay tax — or pay only minimal tax — so that any rebate or tax credit scheme would have negligible benefit for them.

Government advertising

We are not in a position to assess the extent to which government advertising would boost the revenue of start-up journalism operations but we do believe it would be in the interests of all levels of government to consider advertising in hyperlocal publications to improve communications about their services and campaigns to reach as many citizens as possible. An example of where this would have been useful was timely and accurate public health advice during the height of the COVID-19 pandemic.

Consideration could be given to mandating that local governments place paid advertising of public notices and tenders with local publications — both print and online — where one exists in their jurisdiction.

It should be noted that discussion of government advertising as a means of supporting news media usually refers to print and broadcast, not online. This automatically rules out most independent media start-ups which are digital only.

Conclusion

Small, independently operated, hyperlocal publications are poised to play an important role in delivering the News Media Assistance Program's objectives of access, quality, media diversity and engagement. These start-up publications have begun emerging in recent years to fulfill a need for verifiable, trusted journalism in communities that have been abandoned by legacy media operations.

As we have emphasised throughout this submission, the crisis of local news media is just as severe in metropolitan Australia as it is in rural and regional parts of the country, and we urge policy makers not to turn their backs on communities in Australian cities that lack the information at a local level that can enable participation and engagement in civic life and greater social cohesion.

Of all the policy options available to the government, the most pressing is to provide operational support for news business start-ups to overcome the barriers they face as they seek to build revenue and audiences and achieve sustainability in their first few years of existence.

As we hope has been made clear from this submission, the issues plaguing the news media sector and public interest journalism have had a long gestation and are linked to technological change (particularly the digital revolution), a lack of diversity of media ownership, and economic forces beyond the industry's control.

Government policies in the past have been mostly reactive, put in place to deal with an immediate problem or challenge in isolation from the broader issues that began emerging almost three decades ago. They have often had a short lifespan of 12 months or so.

This short-termism has probably done as much damage to the sector as it has done good by temporarily relieving pressures while failing to address the ongoing structural change that threatens the very existence of public interest journalism in Australia.

For this reason, we urge the News MAP to adopt a holistic approach over a number of years, perhaps even decades, to help steer the news media sector through a period of major transition and structural adjustment and to rebuild journalism at a local level.

Brunswick Voice is encouraged by the thorough approach adopted by the News Media Assistance Program and looks forward to engaging further with the government on the future of local media.



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