



**Country Press New South Wales Inc.**  
Australia's oldest newspaper industry association  
Founded 1900

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

*From Country Press NSW Inc President, Lucie Peart (based in Gilgandra)*

### **Introduction**

Country Press NSW Inc., the peak organisation representing independently owned regional newspapers in New South Wales, appreciates this opportunity to contribute to the debate over the future role of the Commonwealth in influencing the market and regulatory environment for our members.

Country Press NSW Inc. fully supports the measures proposed by our national body, Country Press Australia to, these being:

- ***A full page of Federal Government advertising/public messaging in every regional and local newspaper every week in line with the Victorian Government model.***
- ***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.***
- ***An annual grant of 35% of journalism costs for publishers of regional and local public interest journalism.***
- ***Supplementary funding to be implemented with any of the above mechanisms – Funding 70% of first year wages for 100 cadet journalists per year employed in regional and local newspapers.***

I thank the Department of Infrastructure, Transport, Regional Development, Communications, and the Arts (the department) for the opportunity to attend the recent News MAP roundtable discussion held in Canberra on February 20. I believe it was constructive to discuss the situation in person along with my Country Press Australia colleagues and representatives from Australian Community Media, highlighting the collaboration in our industry and the seriousness of the situation.

At the roundtable, the department sought our views on potential interventions that the Australian Government could provide the news media industry. As stated above, Country Press NSW fully supports the recommendations of Country Press Australia.

I said at the roundtable, that I don't believe advertising should be considered as an 'intervention' method, for the following reasons.

*Advertising is already undertaken by the government*

Government advertising includes all mediums such as television and streaming services, radio, online, social media, outdoor and more. Print spending has significantly declined under the current Australian government. Most departments, government-led or backed agencies, including ones that play a vital role in our democracy, such as the Australian Electoral Commission, ignore print spending altogether. This means that vital government messaging such as where to vote during an election, is not reaching regional communities in a meaningful and effective way.

Social media is understandably easy for media buyers, and we accept that these platforms are a part of the communication strategy. However, regional areas experience disadvantage in communications and access to the internet. In local government areas covered by Country Press NSW members, the percentage of the population who do not have access to the internet ranges from 10%-36% - *the regional state average is 18.6%*. (ABS, 2016). There is a vast difference between national/state level news and news publishers, and the local/regional/community level.

We are also disappointed that the government would preference and financially reward multi-national companies that detract from social cohesion. These platforms are negatively contributing to the mental health and well-being of particularly young people, but also, they are becoming more divisive, and misleading. This is obviously of particular concern to the department, as per the recent bilateral signing of an MoU by the Hon Minister Michelle Rowland MP with the UK to improve online safety (Minister Rowland, 2024).

As publishers, we are frustrated by the lack of advertising provided by the government, not only for campaigns that are 'always on' such as the Regional Tech Hub, and Smart Traveller, but also the specific outreach services such as the Medicare buses and other geographical targets or events. As a journalist and editor, I have personally seen these services under patronised because they aren't advertised in print, and more recently seen as social media posts, that appear on or after the day the bus or outreach service has visited a community. Our member publishers are reporting a total decline in advertising revenue of up to 40% over the past 18 months. These reductions include federal, state, and local government as well as local commercial advertising revenue.

Advertising does not, and would not affect or comprise, the editorial standards undertaken by Country Press NSW members. By advertising, the government is not getting involved in the news business – it is simply using newspapers for the service delivery method to a vast audience.

The government is already paying media professionals to distribute information via press releases. Most of these government messages don't make it to print in regional titles because many of the releases contain call to action advertising - as such, publishers do not include. The government is already missing out of service delivery by keeping print out of the paid media mix.

The page a week commitment to advertising would provide certainty in an income stream for publishers, who can then use that income to pay for business-as-usual expenses. Grants, while beneficial for projects, only go some way to improve sustainability as they can't account for price increases – whereas advertising can be tailored to a fluctuating financial climate.

As discussed at the round table, the government is keen to understand how long a page a week advertising commitment would have to be undertaken for. Country Press NSW supports the view of Country Press Australia that this type of commitment would need an initial term of three years, with an annual review into its effectiveness.

Advertising in newspapers signals to our readerships that the government places trust in the local media, and this can also have a trickle-down effect to state governments, big business, and even local business. If the government is seen to value our product and service, then others will do the same. This could contribute to a reversal in sentiment for the perceived 'decline' of newspapers, which ironically, or more honestly insultingly, the government is currently funding studies on through the support of the Public Interest Journalism Initiative (PIJI).

Country Press NSW supports the funding of Australian Associated Press (AAP), PIJI, and Local and Independent News Association (LINA), but is astounded there has been no funding to date for grassroots providers of public interest journalism - our regional and local newspapers.

*Our audiences prefer their print edition newspapers, but we are including digital*

According to the 2023 Australian Research Council Linkage Project, 'Media Innovation and the Civic Future of Australia's Country Press', *86% of respondents consider their print edition newspaper an essential service (p30). And "67% use their local newspapers website before Google and Facebook [both 13%], and local government [7%] to access local news online (Hess, 2023, pg26). A recommendation in the report was "that governments prioritise geography over digital reach and digital metrics in determining advertising spend in rural and regional communities" (Hess, 2023, pg13). This recommendation is supported by Country Press NSW.*

Country Press member publishers are evolving into the online space. Most now offer some sort of digital publication and/or news website. However, the digital revenue stream is still in transition due to connectivity and the preference of print.

The government also does not take advantage of the digital offerings of our members despite funding previous grant projects to create news websites such as through the Regional and Small Publishers Innovation Fund (Department of Communications and Media, 2017).

If advertising can be improved at these higher levels, it will flow into the local and online revenue transition. This transition to digital can't exist without action by all levels of government. Costs to undertake and create vital public interest journalism are the same whether you publish online or go to print such as wages for journalists, designers, photographers, and digital specialists. The decline of print would shrink the workforce needed, but it would also change some of the roles required in news media businesses.

### **Current challenges facing regional mastheads in New South Wales**

Country Press NSW, the first press association formed in Australia, has existed for more than 120 years, and some individual mastheads in regional and rural NSW have traded continuously for as long as 150 years.

The longevity of the regional newspaper industry can be attributed to its simple business model of dual income streams: the cover price paid by readers, and revenue obtained from advertisers (public, council, commercial and government).

This reliable formula has stood the test of time – but is under immense strain at the present time with Federal and State governments (except Victoria) increasingly choosing to step back from their customary role of providing significant funding to support government advertising/public messaging that is of importance to regional, rural, and outer suburban citizens.

It may be thought that, in the face of declining government advertising, regional newspapers could simply increase the second revenue stream, i.e. raise the cover price of their publications.

That would be regarded by most regional publishers as impossible in the current cost-of-living climate.

Cost-of-living pressures apply equally to the country as the city. Even in “good” times, newspaper publishers are loathed to raise cover prices, and when they are doing so, it is always in small increments several years apart.

Due to the recent impact of the COVID years, in fact, most publishers have not changed cover prices since 2018. The cover price of the typical country weekly in NSW is \$2 and has remained so for that extended period.

Another immediate challenge for regional newspapers is obtaining adequate numbers of newsroom staff. Most regional mastheads struggle to find newsroom staff (at all levels of experience), and at least part of this may be attributed to a cloud of uncertainty about the future of the industry. Of particular concern is the shortfall of entry-level journalists beginning cadetships.

Hess' report found there was *“a perception that there were no jobs in journalism and employment was precarious,”* (2023, p52). The report stated that this negative attitude extended as far as the university lecturers delivering journalism courses.

This is why Country Press NSW supports the measures proposed by Country Press Australia: a 35% tax credit/or grant for all eligible newsroom staff (to sustain staffing that already exists) and a co-funding commitment to establishing a significant level of cadet journalists (to build for the future). These measures would provide a visible sign of confidence for potential newsroom staff.

### **Declining news space versus increased expectations of government**

Newspaper advertising determines the size of issue that a publisher can print.

Simply, the more advertising that a newspaper receives, then the more pages that may be printed in an edition, which then means the more space that becomes available for local public interest journalism.

The issue size of regional newspapers generally is in a shrinking trend due to economic factors.

But at the same time, the expectations of government upon regional newspapers to assist with public information dissemination is increasing exponentially.

In a typical day, every NSW regional newspaper will receive several press releases from state and federal government departments and agencies; in a typical week, that equates to 25-30 press releases for a publisher to consider using as news in a publication of restricted size.

There is no doubt that the information contained in these releases is considered important by the departments and agencies that issue them, there is also no doubt that regional publishers take seriously their responsibility to try and communicate key public messaging to their readership – but there is a constraint on how much can be done.

A simple solution, that would assist all regional newspapers in all districts of NSW, would be to adopt the recommendation of Country Press Australia to provide a page of government advertising/public messaging in every regional and local newspaper, every week.

### **Digital is not the answer – not yet**

Digital has been widely discussed as the future for regional media, and this debate intensifies as technology increases and more options become available.

Regional newspapers have endeavoured to embrace a digital future. Country Press NSW members all have a website, and nearly all have digital news provision, digital advertising, and digital subscriptions.

However, it must be stated at the outset that digital is not yet an economic replacement for print and will not be for the foreseeable future.

Very few regional newspapers have achieved a digital income stream, and some of the reason relates back to government advertising, because whilst most regional mastheads offer online advertising, and have for some time, the reality is that State and Federal governments are not using these on-line facilities.

This is despite the fact, then when seeking local news, the public goes to their regional newspaper site first. In other words, just as with their print editions, country newspapers are doing the job when it comes to also providing public interest journalism online – but as with print, governments are not yet supporting the new medium financially.

### **Previous advertising recommendations are not meaningful**

The consultation paper states that the Federal Government is adequately meeting a 2022 recommendation regarding advertising levels in regional newspapers.

Specifically, the News MAP consultation paper states (2023, p23):

*“Analysis of advertising campaigns across all departments and agencies shows that over the last several years, the Government’s advertising spend in regional newspapers has substantially exceeded the 20 per cent recommended by the 2022 Inquiry into Regional Newspapers.”*

Recommendation 7 (below) in that inquiry, the House of Representatives Standing Committee on Communications, and the Arts the subsequent report on The Future of Regional Newspapers in a Digital World - Inquiry into Australia's Regional Newspapers (Commonwealth Government, 2022) does not go far enough, but does highlight the need for an advertising commitment from the Federal Government.

Recommendation 7 - 3.112 (2022, pg16):

*“The Committee recommends the Australian Government review government advertising expenditure across all departments and agencies with a view to ensuring a minimum of 20 per cent of government print advertising is placed in regional newspapers. This should be part of long-term advertising contracts that provide certainty of income for regional publications”.*

The intent of that recommendation is to support regional newspapers with advertising. However, Country Press NSW is of the view that the 20 per cent of government print advertising does not provide publishers with enough certainty of income and, as such, does nothing to encourage investment in additional public interest journalism. This recommendation is not a guarantee as revenue provided to regional publishers is a function of the total print advertising pool which fluctuates.

We do support the second part of this recommendation (below) which highlights the need for long-term advertising contracts that provide certainty of income for regional publications.

*“This should be part of long-term advertising contracts that provide certainty of income for regional publications.”*

A full-page advertising commitment provides the certainty regional and local publishers need to continue to provide the essential public interest journalism to their communities. This has been proven with the continued support by the Victorian Government for regional newspaper advertising.

The advertising/public messaging model currently in place in Victoria works extremely well. In announcing an extension to the full-page advertising commitment in Victoria just prior to the November 2022 election, then Victorian premier Daniel Andrews said “a re-elected Andrews Labor Government will strengthen and protect the future of regional media, with guaranteed advertising revenue for regional newspapers in every corner of our state.

“We know regional newspapers are the lifeblood of country communities, giving a voice to important local issues and delivering news that is dedicated to serving local communities. But with growing costs of paper and production, it’s becoming harder and harder for news outlets to keep up.

“That’s why a re-elected Labor Government will guarantee one full page of Victorian Government advertising in every regional newspaper per week. Labor is doing what matters – backing regional journalists and their newspapers to keep serving their communities”. (Daniel Andrews, 2022)

A Victorian Government advertising commitment has been in place since early 2020 and the result is stark. Newspaper mastheads contractions and closures are significantly slower in Victoria versus New South Wales and Queensland.

“Where New South Wales and Queensland recorded a net loss of 64 and 47 newspaper contractions respectively for the period from 1 January 2019 to 31 March 2023 – Victoria recorded just 12 for the same period”. [2]

### **Keeping regional papers healthy is the best way to maintain diversity in rural areas**

Diversity of media is a desirable outcome when trying to achieve an informed public, and Country Press NSW Inc. encourages State and Federal governments to foster media in all forms.

However, in terms of assessing the current real situation on the ground, it should be acknowledged that the biggest challenge facing areas of rural NSW at present is not the creation of future diversity but maintaining the status quo of the diversity that exists now.

In many rural areas, current media diversity consists of:

- The local weekly Country Press member newspaper
- ABC radio
- Possibly some community broadcasting.

Of those three elements, only the local newspaper is under serious economic threat at the present time, because the other two sectors receive continual public funding, while regional newspapers remain at the mercy of market economics.

The failure of a newspaper masthead in a rural or remote area would be the most likely reason for loss of diversity for any regional audience.

## **Summary**

In summary, it is the recommendation of Country Press NSW Inc. that, whilst not disregarding the impact of previous Commonwealth grant programs that have been instigated for the media industry generally, the Federal Government needs to urgently provide advertising commitments to allow regional newspapers to continue to provide their communities with local public interest journalism.

That outcome necessitates a significantly increased, and regular, amount of Commonwealth advertising being committed to the regional newspaper sector. Additional support in the form of tax credits and grants based on a percentage of journalism costs, and funding to help establish young journalists to begin their careers.

In return, country newspapers could more confidently continue their primary role of informing the regional public, including the print media's presentation of important public information generated by government departments and agencies.

Country Press NSW Inc supports the recommendations by Country Press Australia as set out in this submission. Again, I thank the department for the News Map process.



***Lucie Peart, Country Press NSW Inc***

*Publisher of The Gilgandra Weekly, The Nyngan Weekly, Narromine Star, and Warren Star*





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