

Dear Sir/Madam,

Please find below submission on this Consultation Paper from Provincial Press Group – refer contact details at the email footer.

By way of disclosure, I am a council member of Country Press New South Wales Inc and council member of the Australian Press Council, representing Country Press Australia Inc.

SUBMISSION: FEDERAL GOVERNMENT CONSULTATION PAPER – NEWS MEDIA ASSISTANCE PROGRAM

BY: PROVINCIAL PRESS GROUP

Introduction

Provincial Press Group (PPG) is an independent regional publishing company and submits this response to the Federal Government's News Media Assistance Program (News MAP). Like most country publishers we are a 'hands on' business with limited time and resources. Our mastheads are members of industry bodies Victorian Country Press Association, Country Press New South Wales, and Country Press Australia (CPA), who are presenting industry response submissions. CPA has over 220 members who are also members of the Australian Press Council (APC). Regional newspapers significantly comprise APC's major membership group by numbers, thereby subscribing to the APC's journalism Standards and Code of Conduct.

Our story

PPG is a 4th generation family regional non-daily newspaper and special interests publisher of a tri-weekly, two bi-weeklies and eighteen weekly newspapers. Operationally with a newspaper printing press based in North East Victoria, the company acquired fifteen NSW country newspapers in the last 18 months – refer Media Release attached. Some of these are struggling to survive but are vital parts of their community and local government areas (LGA).

Our publishing philosophy centres on PPG masthead's close relationship and coverage for the communities we service, including regularly setting topics or issues to be pursued for community benefits or outcomes, e.g. holding local government *accountable* for performance and services provision.

Their interests and aspirations - including growth and jobs by the newspapers stimulating local economies with advertising and marketing - are integral to our management of local news, commentary, and information, delivered for the cities, towns, villages, and regions covered.

PPG constantly seeks within ongoing tight trading conditions to attract and appoint cadet journalists, notwithstanding most leave the company after being graded as a journalist to grow their careers. We are a training ground in public interest journalism for regional daily newspapers, other media, or local councils who pay substantially above country newspaper's salaries.

PPG newspapers supply Google Showcase daily stories, and Google revenue is received for approx. 25% of our mastheads; applications are pending for the balance, but this requires substantial capital investment in website upgrades.

Declining enterprise revenues and steep costs increases (29% since Covid and newsprint increases up to 50%) mean a range of our mastheads are breakeven or loss making. In a changing digital market newspaper advertising rates have not been increased for many years to offset constant wages and cost increases; newspaper cover charges applying to all our mastheads have only been marginally increased so that circulations are maintained.

Government objectives

We commend the government's News Media Assistance Program (News MAP) to support public interest journalism to assist industry sustainability into the future around the following components:

- 1. Objectives:** establishing clear policy objectives to guide effective policy development, implementation and evaluation to support the sector;
- 2. Measures:** identifying potential measures to support the sector and factors to be considered in the effective application of measures;
- 3. Evidence:** improving the evidence base needed to assess the state of public interest journalism and media diversity in Australia, identify areas of need and inform policy.

Our response

Newspapers role:

PPG is primarily a 'print news enterprise' with digital sites and services behind fire walls; if they are opened, we lose newspaper cover sales/circulation.

According to national journalist Janet Albrechtsen writing recently in *The Australian*.... 'The health of Australian democracy depends on three instrumental pillars: a robust parliament, an independent and honest judiciary, and a free and intellectually curious media'.

To continue developing the writing resources and skills needed to maintain Australian journalism, especially in the regions, requires continuous recruiting of journalists prepared to relocate to the country, plus training of new reporters and cadets.

Press and news media have been referred to as 'Fourth Estate' i.e. ensuring reporting on political checks and balances at all levels of government.

It is newspapers that continue to set the nation's, state's, and region's daily agendas - most other media, including social media, follow. Newspapers also give readers context.

In recent years free to television networks have reduced their regional reporters or closed newsrooms, and there has been a consolidation of radio stations' local news services.

Newspaper mastheads have not been immune from closures; the February PIJ monthly report described an industry 'still reeling from the turmoil of Covid emerging years and ongoing digital disruption'. Their December 2023 report provided data of 171 media sector expansions against 327

contractions since 1 January 2019, equating a net negative result of 156 at years end. Of these, regional newspapers declined by a net 41 during the same period including those closed by Australian Community Media's (ACM). However, others have opened, e.g. Star News Group *Today* banners, with community acceptance and commercial support, following News Corp's closing numerous Queensland regional mastheads.

Our experience after purchasing Australian Community Media (ACM) mastheads last year, indicates it will take some years to recover former circulations and sustainable advertising levels required, when compared with our existing newspapers.

Responses required for country newspapers – and the government's objectives:

1. We believe the Federal Government should allocate a fixed percentage of its public announcements, campaigns, and general communication advertising media budgets to Australian county newspapers.

The Consultation Paper refers to an advertising 'target of 20% of print advertising spend in regional newspapers', which is not fully defined nor compared with the Government's total advertising spend (this figure has been requested from the Parliamentary Library), or identified by newspaper categories advertising budgets, including ethnic and indigenous newspapers.

2. CPA have consistently qualified this sector request to be **a full page of Federal Government advertising in every regional and local newspapers, every week**. We don't view this proposed schedule as a subsidy, but rather the Government and its departments committing a fixed portion of its significant national communications budget for its extensive range of messaging, being committed to 'programmed, effective advertising placements', positioned in local newspaper pages beside trusted local news and public interest journalism, to inform regional Australians.
3. A refundable tax credit of 35% of eligible newsroom employee costs for publishers of public interest journalism up to a salary cap of \$85,000 per eligible newsroom employee per annum in line with the Canadian model. Supplementary funding or grants to be implemented with one or other of these mechanisms.
4. Funding 70% of first year wages for 100 cadet journalists per year employed in regional newspapers.

Working in conjunction with CPA and the Regional Media Connect advertising representation agency which tracks and coordinates advertising, our industry has the platform and support to deliver on mutually agreed outcomes, including advertising scheduling, material and reports monthly and annually. Ideally this potentially will be for an agreed period, e.g. three years, and then reviewed based on performance and results, including editorial resourcing updates, public interest journalism benchmarks, literacy, and standards, and a review of the editorial independence of recipients.

Other matters:

- Australia is known for its media concentration, particularly our national newspaper publishers. Governments of all persuasions have considered watering down cross media legislation, arguing that with digital media growth, the regulations are no longer relevant. Besides requests in this submission for government advertising, we believe 'legacy media', particularly country newspapers and their customers, remain front of mind when

governments are reviewing new and existing legislation, including anti-competitive or duopoly exposures.

- News media and standards - the Consultation Paper 'Quality' summary and the question Q2.3, present broader issues around current structures and coordination of government and industry organisations measuring standards and adjudication of media content and public interest journalism. This is presently split between ACMA (electronic media), and the Australian Press Council (APC), representing most Australian print media apart from the Seven West Media newspapers, ACM, independent newspapers/digital publications not being a direct member or a members of country press associations. The publisher funded APC promotes freedom of speech through responsible and independent print and digital media, and adherence to high journalistic and editorial standards, through a robust and independent complaints handling process and procedures. It potentially represents a model and organisation for all news media, with consideration for government administrative funding support but constitutionally at arm's length from government, adjudicating complaints, setting/maintaining standards, education, and advising government on news media, legislation, digital media, and AI.
- Protection of journalists and their sources, secrecy, and press freedom are under threat in Australia; for brevity here, we refer to APC reports and recommendations for response to these issues.

Conclusion

Country newspapers, most of which are independently owned and operated, are primarily SME businesses with marginal returns; they provide an essential local community news and public interest journalism service.

It is imperative that national governments support their professional and community services roles and maintain their existence across regional Australia by doing commercial business with them. Attached is relevant data included 'Connecting Regional Communities', presented to the government last year.

This can be facilitated by the placing of regular, well planned, cost and message effective advertising. These measures will make the difference as to whether many country newspapers survive or not. This Assistance Programs will take time to consider and resolve; in the meantime, we urge consideration by government and departments to include current campaign advertising in country newspapers in coming weeks and months, to inform regional Australia.

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