



Queensland Country Press Association

Submission to the Australian Government's Department of Infrastructure, Transport, Regional Development, Communications, and the Arts News Media Assistance Program Consultation Paper

Executive Summary

The Queensland Country Press Association (QCPA), represents 60 news media print publishers throughout Queensland and stands committed to advancing the delivery of high-quality, reliable news, and advertising services across the region.

Our overarching goals include fostering publishing development by facilitating communication and contacts among Members. We seek to assist Members in expanding audiences, sustaining advertising, and increasing revenues through compelling seminars, conferences, and informative publications.

Aligned with our dedication to the growth and sustainability of news media, the QCPA presents this response to the Australian Government's News Media Assistance Program Consultation Paper. We stress the critical need for government support in the local and regional news media industry to ensure media diversity, uphold vital public interest journalism, and recognise its indispensable role as essential democratic infrastructure for Australian society. This support is crucial for maintaining a robust and diverse media landscape, contributing to the informed and engaged local communities essential for a thriving democracy.

Regional and local news is essential for well-informed communities and nurturing robust democratic engagement, especially in local and regional settings. Local newspapers serve as the lifeblood of regional communities and provide a vital medium through which local and regional communities connect with issues directly affecting their lives. Local journalists' deep understanding of the socio-political landscape ensures that coverage is deeply rooted in context and relevance.

Local newspapers transcend being mere sources of information; they are central to the development of critical democratic infrastructure. Their role extends beyond traditional reporting as they become community connectors, offering platforms for local voices to be heard, shared, and celebrated. They provide a vital historic record of community happenings in the regions they serve. 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. Our sister organisation, The Victorian Country Press Association secured this weekly advertising guarantee which assists with the financial sustainability of Victorian regional newspapers but also enhance the visibility and reach of these newspapers, ensuring their continued presence as vital information sources.

Securing the integrity of regional and local news stands as a cornerstone for maintaining public trust and ensuring the delivery of accurate information to communities. Local newspapers, characterized by their steadfast adherence to rigorous editorial standards, emerge as bastions of reliable and balanced reporting. This commitment to upholding professional journalism gains heightened importance, particularly when juxtaposed with the challenges encountered by various online platforms prone to sensationalism and the dissemination of unverified information without any sense of accountability.

The pursuit of quality in regional and local news not only aligns with but also advances the broader goal of nurturing a resilient democratic society. Local newspapers, acting as fundamental elements of democratic infrastructure, contribute not merely by reporting news but also by playing a crucial role in holding local authorities accountable, addressing community concerns, and championing initiatives that drive positive change. In this context, government support becomes not just beneficial but imperative to sustain the vital role of these newspapers in fostering a well-informed and engaged citizenry.

However, the industry is under pressure and the traditional financial models have collapsed. A significant impact to this financial decline has been the Australian Government's removal of advertising in local and regional newspapers. There has been enquiry after enquiry including Upper and Lower House enquiries and the ACCC. There have been countless University studies. There have been countless recommendations. This News Media Assistance Program is yet another process which continues to be delayed. Every delay leads to more and more publications closing and essential public interest journalism no longer available to local and regional communities. The Public Interest Journalism Initiative (PIJI) report in December 2023 "logged 171 sector expansions and 327 contractions since 1 January 2019. This equates to a net result of -156 at year's end, a deeper decline than the -144 recorded at the same time in 2022."¹

Urgent immediate and ongoing support by the Australian Government is essential.

Media Diversity in Regional and Local News

Fostering media diversity in regional and local news is not just an objective but a fundamental necessity for a thriving democracy. Regional and local newspapers play a vital role in presenting the diverse tapestry of voices within communities, ensuring a comprehensive spectrum of perspectives. The promotion of diverse ownership structures, particularly independent ones, is crucial to prevent the dominance of a single narrative.

Government support, in the form of financial incentives, plays a pivotal role in advancing media diversity. Initiatives such as advertising guarantees, where the government commits to a minimum level of weekly advertising in regional and local newspapers, go beyond ensuring financial stability. They also contribute to cultivating a media landscape that reflects a wide array of voices and perspectives. Additionally, tax credits for regional and local news organisations serve as an extra tool for incentivising investment and sustainability or via a robust cadetship program or other grants program, these measures contribute to a vibrant and diverse regional and local media environment.

Government Intervention and Support

Sustaining regional and local public interest journalism relies heavily on government intervention and support. Direct funding becomes imperative when market forces falter in maintaining the crucial role of these newspapers.

Government support, encompassing advertising guarantees, direct assistance, and tax credits, serves a dual purpose. Firstly, it offers financial stability to local newspapers, ensuring their sustainability. Secondly, it acknowledges the pivotal role these newspapers play in conveying government messages to regional Australians. This symbiotic relationship enhances both the financial well-being of local media outlets and the effectiveness of government communication in regional areas.

Australia's biggest local news survey by Deakin University stated "Audiences believe local newspapers should be collaboratively funded by a range of relevant stakeholders including media companies, advertisers, subscribers, government and philanthropy to ensure their future."²

¹ The Public Interest Journalism Initiative (PIJI) report December 2023.

² Deakin University - Media Innovation and the Civic Future of Australia's Country Press, 2022

Innovation in Business Models

The news media sector confronts substantial challenges in embracing innovative business models, including technological shifts, heightened competition from digital platforms, and the crucial task of finding a sustainable model. It is crucial to prioritise sustainability over innovation, particularly given that recent emphasis on innovation has often come at the expense of sustainability and the provision of quality journalism. Policies such as tax credits and grants can offer essential support in this regard.

Collaborative endeavours between the government and industry are essential to cultivate a culture of innovation, fostering experimentation while concurrently developing sustainable business models. While regional and local newspapers, adapting to the digital age, can spearhead exploration into new revenue streams and delivery methods, it is imperative for the government to prioritise support for sustainability. This focus is vital to ensure the continued delivery of high-quality local and regional public interest journalism. Collaborative efforts between the government and industry must navigate the evolving needs of the regional and local news landscape, emphasising innovative yet sustainable solutions.

Tax-based Incentives

In the intricate dynamics of democratic societies, journalism stands as a vigilant watchdog, the resonant voice of the people, and the chronicler of our shared narratives. This is why QCPA believes that a tax-based incentive should be introduced through a tax credit for journalism, implemented similarly to the Canadian journalism tax credit. The Canadian journalism labour tax credit is a refundable tax credit. The credit is calculated by applying a rate of 35% to the total qualifying labour expenditure incurred for a period in the tax year.

A tax credit transcends a mere financial measure; it symbolises a strategic investment in the grassroots vitality of democracy.

A targeted tax credit serves as a direct reinforcement for the sustainability of local and regional newspapers, the lifeblood of informed communities. This focused approach ensures that core institutions delivering local news receive the support needed to uphold their pivotal role in keeping the community well-informed about issues that profoundly impact their lives.

Quality journalism demands adept professionals committed to investigative reporting, fact-checking, and ethical standards. A tax credit becomes a potent incentive for local and regional newspapers to invest in hiring professional journalists, ensuring that the news delivered is not only accurate but also thoroughly researched and balanced. This enhances the credibility and reliability of local news sources.

The positive impacts of a journalism tax credit extend to the employment landscape. Fuelled by financial incentives, local and regional newspapers are more likely to hire local journalists, photographers, editors, and support staff. This not only strengthens the local job market but also cultivates a pool of professionals dedicated to understanding and representing the nuances of their communities.

As the largest employers of regional journalists in Australia, local and regional newspapers provide essential place-based journalism. In contrast to broadcasters, which often deliver "local" news from centralised regions located in other states, newspapers hire journalists who reside in the regions they report on.

Journalists and editors function as cultural ambassadors or civic custodians, aiding in constructing a community's identity by highlighting its traditions and distinct geographies.



In 2019 the Canadian Government introduced the Canadian journalism labour tax credit providing a refundable tax credit for eligible newsroom employees to Canadian news organisations. This tax credit has been extremely valuable and was increased in November 2023 to further support the industry: “News Media Canada, which represents 570 news publishing titles across Canada, welcomed the changes to the Canadian Journalism Labour Tax Credit announced in the Government of Canada’s Fall Economic Statement.

“The environment for publishers – large and small – is extremely challenging,” said Dave Adsett, chair of News Media Canada and publisher of the Wellington Advertiser. “For local journalism to survive, it needs to be supported by the community and by online companies who benefit from the fact-based, fact-checked work our hard-working journalists produce.

“These changes recognize the extremely difficult state of the industry and today’s realities of attracting and retaining talent, and reward publishers who invest in and grow their newsroom,” said Paul Deegan, president and chief executive officer of News Media Canada. “Local news is vital, and this targeted investment is both timely and necessary.”³

Australia is no different and needs a similar investment in this critical piece of democratic infrastructure.

A diverse media landscape is indispensable 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.

Local newspapers act as 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 community engagement and a shared commitment to community well-being.

Many regional and local areas grapple with 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.

“Journalists and editors play the role of cultural ambassador or civic custodian, helping to construct a community’s identity by highlighting its traditions and distinct geographies”.⁴

A tax credit designed for journalism extends beyond mere fiscal incentive; it represents a strategic investment in the grassroots vitality of democracy. Governments, through supporting local and regional newspapers, actively contribute to fostering informed communities, vibrant civic life, and a resilient media landscape that mirrors the diversity and dynamism of our societies. This incentive serves as a cornerstone, empowering journalism to play a pivotal role in shaping the democratic narrative of local and regional communities.

³ News Media Canada - News Media Canada welcomes changes to Canadian Journalism Labour Tax Credit, 2023

⁴ Media Innovation and the Civic Future of Australia’s Country Press, 2022. Deakin University.



In 2020 The Public Interest Journalism Initiative (PIJI) recommended Government consider a tax rebate for journalism providing a Guidebook to implement and claim a public interest journalism tax rebate.⁵

Advertising Support

The QCPA strongly advocates for the Federal Government's provision of weekly advertising support to regional and local newspapers, highlighting its pivotal role in sustaining these vital information sources. This backing transcends mere financial assistance; it stands as a strategic investment in preserving and nurturing the democratic fabric within regional communities. A commitment from the Federal Government of one page per week in each newspaper would be the most important outcome of this consultation and would have the greatest impact on the industry, providing ongoing sustainability and surety.

Regional newspapers serve as the backbone of democratic infrastructure in regional areas, setting them apart from minority-focused news sources. These local newspapers act as vital conduits for community engagement, community participation, and the dissemination of information crucial for democratic processes. They are irreplaceable in holding local authorities accountable and fostering a sense of community cohesion.

In regional areas, the absence of sustainable alternatives to local newspapers is conspicuous. 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. Local and regional newspapers set the agenda for other media. They are the single most important media to hold the powerful to account and provide a voice for the community. This uniqueness positions them as indispensable and irreplaceable in the local information ecosystem.

Governments routinely invest in infrastructure like broadcast towers, boosters, and the regulation of radio/TV spectrum to ensure the dissemination of information. In a similar vein, supporting local newspapers can be viewed as an investment in the foundational infrastructure needed for a thriving democracy. This extends 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. Ensuring the financial sustainability of local newspapers through weekly advertising support is a government investment in the long-term vitality of democratic processes at the grassroots level.

Regional and local 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, which is critical for democratic health.

In regional areas, the absence of local newspapers could result in a significant information void. Local and regional 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.

⁵ Public Interest Journalism Initiative - Guidebook to implement and claim a public interest journalism tax rebate, 2020.

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 crucial for civic participation and democratic decision-making.

Providing weekly advertising support to regional and local newspapers is not just about financial assistance; it is a strategic investment in the democratic infrastructure of regional communities. By differentiating itself from other minority-focused news outlets, the federal government underscores the unique and irreplaceable role that local newspapers play in fostering democracy, community cohesion, and an informed community. This support is not only about sustaining newspapers; it is about investing in the democratic health of regional Australia.

Recognising the significance of regional newspapers, governments, such as the Victorian Government, have committed to consistent spending on regional newspapers, including one full page of advertising per week in each paper. This commitment is rooted in the understanding that regional newspapers are essential for community well-being, and advertising support is instrumental in ensuring their survival. When announcing the policy, the Premier, Daniel Andrews stated "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."⁶

Australia's biggest local news survey by Deakin University stated "Audiences overwhelmingly view a printed copy of their newspaper as an essential service for their community. This accords with our previous research that has advocated for recognition at the policy level of the vital importance of the printed paper."⁷

Direct Government Support through Grants

The Queensland Country Press Association emphasises the importance of direct government support through grants, particularly cadetship grants, as a strategic investment in the future of journalism and community engagement. Cadetship grants are identified as playing a pivotal role in nurturing emerging talents in journalism, contributing to the development of a skilled workforce dedicated to covering local news.

Government-funded cadetship programs are viewed as fostering enhanced connections between journalists and the communities they serve. These initiatives empower media organisations, particularly in regional areas, to recruit and train young journalists who possess an intimate understanding of the localities they serve. This direct support plays a crucial role in ensuring the overall sustainability of local news outlets.

QCPA would also not oppose an alternative to a tax credit as a grant based on the employment of journalists and providing a similar 35% cost of journalism outcome.

Direct government involvement aligns with the objective of promoting diversity within newsrooms. By providing opportunities for aspiring journalists from diverse backgrounds, cadetship grants contribute to a more nuanced and representative depiction of community experiences. The government's dedication to supporting diversity through direct grants reinforces the democratic principle of ensuring a broad spectrum of voices is heard.

The ACCC Digital Platforms Enquiry recommendation 10, suggested a "targeted grants program that supports the production of original local and regional journalism, including that related to local

⁶ Backing Regional News in Regional Communities - Media Release. Victorian Labor - danandrews.com.au

⁷ Media Innovation and the Civic Future of Australia's Country Press, 2022. Deakin University.

government and local courts... the program should provide a greater amount of funding – totalling in the order of AU\$50 million per year.”⁸

In 2022 the House of Representatives Parliamentary Committee Recommendation 8 stated “The Committee recommends that the Australian Government develop a targeted grants program aimed at small, independent newspapers based in regional and remote Australian communities.”⁹

Australia's biggest local news survey by Deakin University stated “Audiences overwhelmingly indicate any additional funding for local news should be directed to employing more local journalists to report news (71 per cent), over increasing digital connectivity (13 per cent) and digital innovation products (17 per cent)”¹⁰

Regulation

The media landscape should operate within the principles of a free market, but the current scenario presents an uneven playing field, particularly with digital platforms facing significantly less regulation compared to news providers. This disparity calls for a necessary shift, advocating for a more balanced regulatory framework that ensures fair competition and equitable standards across all players in the media industry.

Media Literacy

Support for media literacy is imperative, particularly in regions and fringe suburban areas of capital cities, where regional and local newspapers play a pivotal role in fostering literacy. Educational initiatives should extend beyond conventional news consumption, encompassing evolving habits and empowering individuals to navigate the intricate media landscape with the guidance of local news sources.

In areas with regional and local newspapers, low media literacy levels pose significant social and economic risks, impacting vulnerable populations with limited education. These newspapers act as educational resources, providing valuable information and serving as literacy-building tools. The spread of misinformation and reduced civic engagement in these regions underscores the need for targeted research to understand how media literacy levels affect the quality of news and journalism. This research should delve into the effectiveness of various educational approaches, emphasising access to trusted news, media technologies, and changing news consumption patterns facilitated by regional and local newspapers. The crucial role of these newspapers in promoting literacy becomes evident, emphasising the importance of supporting media literacy initiatives in these specific areas.

Conclusion

The urgency of Federal Government support cannot be overstated. Federal Government advertising is currently at an unprecedented low, and despite numerous recommendations from the ACCC inquiry, various university studies, and proposals from both Senate and House of Representatives committees advocating for direct government involvement, increased advertising, and ongoing support, little action has been taken. The industry is on the brink, and immediate support is imperative to prevent further deterioration. The two most important policy outcomes of this process are for the Federal Government to commit a full page of advertising to every local and regional newspaper and to commit to a tax credit for journalism. But vitally important is an immediate emergency fund whilst these initiatives are put into place to ensure there is no further deterioration and reduction in local news providers.

⁸ Digital Platforms Inquiry. Australian Competition and Consumer Commission June 2019.

⁹ The Future of Regional Newspapers in a Digital World. Australian Government Parliamentary Committee 2022.

¹⁰ Media Innovation and the Civic Future of Australia's Country Press, 2022. Deakin University.

In this context, the News Media Assistance Program Consultation Paper from the Federal Government takes on heightened significance. It underscores the intricate relationship between government support, industry innovation, and the essential role of regional and local newspapers in upholding democratic infrastructure. These comprehensive responses highlight the pressing need for customised strategies that recognise the distinct challenges and potential of regional and local media outlets. The collaborative engagement between government and industry stakeholders becomes paramount in guaranteeing the endurance and vitality of regional and local news ecosystems, ultimately playing a key role in fostering the overall health of Australian democracy.

Local and regional newspapers provide unique content, they provide critical democratic infrastructure which the government needs to support urgently.

