

# Submission from Region Media regarding the News Media Assistance Program

March 21, 2024

## What is Region Media?

- Region Media is a wholly independently owned, for purpose, news technology platform based in the ACT and operating across southern NSW and Far North Queensland.
- Region Media serves local communities across Australia by facilitating important conversations through trusted, balanced journalism and content creation.
- The company is a commercially viable entity employing 57 staff and reaching approximately one million monthly unique readers aggregated across seven news platforms and 24 social media sites.
- The company is engaged on a second round of capital raising and aims to expand into multiple locations with a view to ASX listing in the mid-term. Region Media does not depend on philanthropy or government grants.
- Region Media's content is free and does not require a subscription or paywall to access. Content adheres to clear professional editorial and commercial standards.
- Region Media's swift, sustainable, growth demonstrates a commercially viable alternative path for media diversity in Australia.



# Region Media's interest in the News Media Assistance Program outcomes

- Australia's media industry is amongst the most concentrated in the world. Between them, News Corp and Nine publishers account for more than 70% of the news industry, supplemented by Australian Community Media in many regional areas once served by Fairfax.
- Australian media has endured major systemic change as the established business model failed, resulting in the closure of multiple local news outlets, significant staffing cuts and syndication of content. This deprived more than eight million regional Australians of access to free, fair, and locally sourced content and locally based advertising opportunities.
- The two major players leverage long established relationships to dominate the advertising market, including consistent revenue streams from all three tiers of government. Entrenched agency control of advertising spend creates significant difficulties for smaller players.
- Social media generates traffic to news platforms. This traffic assists in funding locally generated content by exposing readers to advertising from locally owned and operated businesses. Meta's withdrawal from Australian news will have anti-democratic, anticompetitive effects that will disproportionately affect independent regional news organisations.



# Region Media's primary areas of concern:

## Government advertising:

- The 25-year average of taxpayer funded government advertising campaigns nationally is \$200 million per annum.
- The ACT government spent \$25 million on advertising and marketing activities in 2023. Region Media received less than \$100,000 despite reaching a larger digital audience than any other commercial news organisation in the jurisdiction. Region Media has never received any Commonwealth advertising expenditure.
- All levels of government currently allocate significant advertising to Meta, a foreign owned company that is actively disadvantaging the Australian media industry.
- Government advertising funds are expended on behalf of the Australian public, circulating information for the benefit of citizens. Withholding this information from independent, locally owned digital platforms with an established reach into communities represents at best a failure in government duty and at worst a misuse of public funds.

# Region Media's primary areas of concern:

## Social media and the news:

- Meta will remove its news feed in April and has significantly deprioritised news in its algorithms. If designated under News Media bargaining code negotiations, it's likely Meta will withdraw from news entirely.
- It's unclear how Meta defines news. Evidence from Canada and elsewhere suggests a very wide range of community content may be excluded. All Region social media channels, including sport, lifestyle content and local history are currently labelled as "news" by Meta.
- Region Media has taken effective steps to minimise dependence on Facebook traffic following the 2021 news shutdown. However approximately 15% of Region traffic across all Region news platforms is generated from social media including Facebook and Instagram, where most stories are posted on a daily basis. Loss of this traffic will impact client reporting and revenue.
- Access to balanced, professionally produced, news for regional communities will be further diminished while disinformation and misinformation not labelled as news will be unaffected by Meta's withdrawal.
- Region Media has benefited from access to the Google News Academy and received some funding for equipment from Meta. This has assisted us in employing and training cadet journalists to grow our own organisation and contribute to the industry's future. Withdrawal from engagement with Australian media jeopardises these opportunities for growth and renewal.



## Region's submissions:

- A mandated 20% government advertising spend with independent publishers whose revenue is less than \$35 million would sustain diverse regional media growth outside the Nine/NewsCorp duopoly and mitigate the fallout from Meta's news withdrawal.
- A mandated spend would provide financial sustainability without the need for additional grants or philanthropy, encouraging the growth of independent, diverse and viable local news organisations.
- Government advertising's reach into the community would be significantly enhanced by using established platforms with strong existing readership.
- A tax rebate for news media organisations who can demonstrate they engage in public interest journalism would also assist in fostering a more diverse and competitive media industry.
- Government should carefully consider the impact on regional news access and the potential for active disinformation if social media companies withdraw entirely from news because of designation.

