

Standing Committee on Communications and the Arts

Inquiry into Australia's regional newspapers: Submission from Today News Group

Introduction.

The *Today News Group* is a Queensland based independent publisher of local regional news, in newsprint and online, under 11 mastheads in the Rockhampton, Gladstone, Bundaberg, Gympie, Burnett, Noosa, Ipswich, Warwick, Stanthorpe and Longreach regions.

We were founded in Queensland after NewsCorp closed their regional newspapers in 2020 with a mission to provide regional news services in communities that were left without a local newspaper.

We have also recently revived the iconic 98 year old Longreach Leader.

Many of our staff are former NewsCorp employees that were made redundant when they ceased printing newspapers, and four of those ex-NewsCorp staff are key shareholders of publishing businesses in our group.

The *Today News Group* is not a corporation. We're a group of independent publishing companies with different shareholders and a common vision and approach to regional publishing in the modern era.

We're very proud to be playing a leading role in the revival of independent newspapers in Queensland, and we hope that with appropriate support from government of all levels, we can continue to serve our local communities with local independent news into the future.

Terms of reference

1. The impact of decisions in a number of markets in regional and remote Australia by large publishers such as News Corp and Australian Community Media to suspend publication of print editions

The impact of NewsCorp closing the print editions was felt very heavily in most of the markets we now publish newspapers in.

A 'local paper' does more than provide news. It's the journal of record for the region that gives a voice to the people and helps bind community and build identity, so it had a very deep emotional impact when the papers stopped being printed.

The worst effected people were the most vulnerable people in those communities, including those without the resources to access online news.

It should be noted that much of the 'local news' that was being published by NewsCorp papers in regional Queensland towards the end was not local at all, but syndicated national news being published to save the cost of employing more local journalists.

2. The extent to which there has been entry into these or other markets by new operators, particularly small businesses

The good news is that when NewsCorp stopped printing, it created opportunity for independent publishers (like us) to start-up and fill the void by providing essential local news, and adding to news media diversity in the process.

However, the revival that is underway requires support from government of all levels to be sustainable in the long term.

Publishing regional newspapers is a challenging business, but as awareness grows about our unique ability to reach regional Australians with a trusted and independent source of news, newspaper sales and advertising revenue will continue to grow.

Regional newspapers reach many Australians with regulated and trusted news that digital news does not.

One of the biggest challenges to local independent news businesses is the emergence of local government marketing departments that are employing journalists and producing 'news' in various digital formats under misleading names that give the impression of independence. For example, the Bundaberg Regional Council has a 'news' service called 'Bundaberg Now' that is a concept we believe poses a very real threat to independent local news in Australia.

3. The impact of the News Media Bargaining Code for regional and remote newspapers

The News Media Bargaining Code has been a very positive first step for independent news publishing in Australia, and is a positive precedent for other governments around the world.

However, further regulation is needed and the power balance is still very heavily skewed to the tech giants, especially in the area of defamation risk.

It should be of great concern that an increasing number of Australians are now getting their 'news' from unregulated social media, which we now know spreads false news more quickly than the truth.

4. The degree to which there has been economic recovery in regional and remote markets from the impacts of COVID, and whether this has led to advertising revenue improving.

Unlike Victoria and NSW whose economies suffered terribly during lockdowns in 2020 and 2021, regional Queensland economies have been relatively less impacted until now.

However, the current Omicron surge is having a very large impact on many businesses now.

Revenue is not recovering, in fact revenue in January 2022 has been lower than 2021 which is a great concern and largely due to the significant Omicron impacts.

For example, in one of our markets in Southern Queensland we currently have a major problem with the cancellation of local agricultural shows. The Stanthorpe Show, Killarney Show, Allora Show and Allora Heritage Week have all been cancelled. These events usually bring good revenue to our early papers each year when things are typically quiet. Another contributing factor to revenue loss is that many businesses have been shut due to staff shortages (COVID) or no trade.

The closure of NewsCorp papers lead to large national advertisers such as Harvey Norman to change their marketing strategy and moved their newspaper advertising into metropolitan dailies. The impact has meant that local newspapers are not seeing the national advertisers revenue and community connection.

COVID has had a significant impact on numerous inputs. Newsprint and gloss stock has increased by up to 30%. NewsCorp Yandina plant has just sent a letter to clients stating that printing prices will increase by 18% to independent publishers. The same plant also ran out of gloss stock in December leading to independent publishers moving or unable to be printed and in most cases due to limited supply gloss printing costs increased 60% or more.

In addition freight, ink and most inputs have increased in costs in the last couple of months. In a shrinking national advertising market, mixed with the local impacts of Omicron business has never been more difficult.

Conclusion.

1. There is a significant revival of independent newspapers underway, including Today News Group.
2. Revenue due to COVID-19 has never been more difficult.
3. Cost have increased significantly.