

Inquiry into Australia's regional newspapers

**House of Representatives
Standing Committee on Communications and the Arts**



Submission of the Media Entertainment and Arts Alliance (MEAA)

28 January 2022

The Media Entertainment and Arts Alliance (MEAA), the union and professional association for Australian journalists and other media workers, welcomes the opportunity to provide a submission to this inquiry. We note the following terms of reference:

The Committee will inquire into the provision of newspapers (print and digital) in regional and remote Australia. The Committee will consider:

- *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 extent to which there has been entry into these or other markets by new operators, particularly small businesses*
- *The impact of the News Media Bargaining Code for regional and remote newspapers*
- *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.*

Regional newspapers, especially in print form, have been enduring a steady decline according to every benchmark – revenue, circulation, subscriptions, job numbers and local content - for well over a decade.

Reductions in staff, cuts to publication frequency, merging of regional newsrooms, suspensions of print publications and outright masthead closures have been the order of the day since well before early 2020. It has been a sorry story for the seven million people living in regional Australia.

The COVID-19 pandemic hastened the scale and pace of this decline, but the pre-2020 baseline was hardly encouraging. Prior to the pandemic, the ACCC noted that 106 unique local and regional newspapers closed over the period 2008-9 and 2017-18, representing a decline of 15 per cent. These closures meant 21 local government areas were without coverage from a single local newspaper, including 16 local government areas in regional Australia.¹

The ACCC's calculation, alarming as it is, did not take account of the overall workforce reductions in regional newspapers over this period, nor the harmful impact of mergers and acquisitions that have been facilitated by competition laws that have aided the demise of local public interest journalism.

¹ ACCC Digital Platforms Inquiry, Final Report, page 16

The Public Interest Journalism Initiative (PIJI) and its Newsroom Mapping Project has followed the openings, closures and suspensions of news services across all media platforms from the start of 2019 to the present date. The PIJI data has progressively revealed some startling and alarming data about the health of our regional news sector.

As the recent parliamentary inquiry into media diversity noted of PIJI's data, of the 182 contractions (e.g. masthead or newsroom closures, suspension of services) over the past 2 years, 68 per cent were in regional Australia.^{2 3}

MEAA's analysis over several years indicates that there are now fewer than 10,000 recognised journalists serving Australians across all media platforms in regional *and* metropolitan areas. We believe their number has fallen by around 5000 in the last decade alone. In regional areas, MEAA's best assessment is that there are now no more than 1500 journalists working in regional and rural news outlets. The number of regional *newspaper* journalists would be fewer still.⁴

The newspaper sector has been hardest hit of all media businesses – a product of avaricious digital platforms, economic shocks, changing consumer tastes and the ongoing degradation of journalistic resources through mergers, takeovers, rationalisations and closures.

Statistics drawn from regular IBISWorld analyses of the Australian newspaper industry are telling. IBISWorld reported that Australian newspapers had 23,472 employees⁵ in 2010-11. Although IBISWorld anticipated a fall to 16,373 in 2016-17, the true figure at June 2017 was 14,678.⁶ In June 2021, IBISWorld reported total newspaper industry employment of 11,082⁷ - less than half the 2010-11 number.

² *Media Diversity in Australia*, Report by the Senate Environment and Communications References Committee, December 2021, page 25

³ The latest PIJI figures state that between January 2019 - January 2022, the Australian news media sector had seen 246 contractions and 138 expansions, resulting in a net 108 contractions.

⁴ The basis of this calculation is an extrapolation of 2016 census data as interpreted by the University of Canberra's News and Media Research Centre. The Centre assessed that 15% of the then reported 16,000 journalists Australia-wide were in regional areas. This figure is 2100 journalists. Taking account of closures and redundancy data over the following five years, MEAA is confident that the current number of regional journalists has been considerably reduced.

⁵ The IBISWorld data refers to all newspaper employees and is not confined to journalists.

⁶ *'Paper Jam': Revenue Declines as consumers shift to online news platforms*, IBIS World, Newspaper Publishing Market Research Report, NZSIC J5411, December 2015

⁷ See: <https://www.ibisworld.com/au/industry/newspaper-publishing/169/>

The loss of thousands of journalists, sub-editors, photographers and other positions – and in many cases the mastheads that once employed them – means fewer outlets are covering matters of public interest and significance. Local communities are the poorer for these changes. As was observed in the July 2020 report – *Regional Journalists: What they need and how they see the future*:

*The contraction of news services in regional Australia over the past decade has led to increasing concern about the future of journalism in Regional Australia. This has been heightened by the economic impacts of the COVID-19 outbreak.*⁸

In the regional and rural newspaper industry, most newspaper job losses over the past two years have occurred at two companies: NewsCorp and Australian Community Media (ACM), although it is plainly the case that a range of longstanding independent news companies have also shed jobs and either rationalised or ceased production.⁹

In 2020, News Corp shut-down 114 local print editions in metropolitan and regional areas, closing 18 entirely while pledging that the rest would continue to be published online. Ninety-six community and regional titles were affected throughout Victoria, Queensland and New South Wales.¹⁰ Dozens of these titles have now been absorbed by their nearest metro tabloid's website, with readers asked to subscribe to the *Courier-Mail* or *Daily Telegraph* instead of a local title.¹¹

News Corp has not revealed how many editorial and other positions were shed as a result of its 2020 actions, but some reports estimated that at least 200 journalists and photographers were terminated across the company's mastheads in 2020 alone.¹²

At ACM, 86 of its approximately 140 publications were subject to suspended operations, closure or rationalised production over the course of 2020 and 2021. Regional non-daily newspapers were heavily impacted.

⁸ *Australian Regional Journalists: What they need and how they see the future*, Fisher, C. et al, News and Media Research Centre, University of Canberra, page 6

⁹ See, for example, the *Sunraysia Daily* – early in COVID it announced it was ceasing its daily printed edition, then revised that to become a weekly published on Saturdays. It has since expanded to also print on Wednesday but is still a shadow of its former self.

¹⁰ PIJI Quarterly Report, September 2021, page 7

¹¹ *Digital News Report: Australia 2021*, News and Media Research Centre, University of Canberra, page 25

¹² *News Corp Australia cuts more jobs at end of brutal year for media*, Amanda Meade, The Guardian, 27 November 2020

As PIJI's September 2021 Quarterly Report noted, some ACM papers did not return from suspension at all, remaining online but relying on syndicated material for coverage. PIJI has also observed that in the first quarter of 2021 'ACM seemed to retire nearly two dozen of its mastheads, closing their individual websites and social media presences', while later in 2021, PIJI 'listed further Australian Community Media newspapers as 'Decrease in service' following reductions to the publishing schedule'.¹³

The Guardian newspaper reported in December 2021 that numerous ACM closures and rationalisations occurred despite the company receiving more than \$10 million in federal government assistance.¹⁴

ACM has not publicly disclosed the extent of the cuts it imposed since the pandemic took hold in early 2020. There has been no disclosure about individual titles that have been closed or at which production has been scaled back; nor has there been any statement about the number of editorial and other positions lost.

MEAA urges the Committee to make suitable enquiries of News Corp and ACM about the scale of closures, service cuts and job losses across regional titles in the course of its inquiry deliberations. There is an abundant public interest in the company revealing how it has shed resources in regional communities.

MEAA Survey

MEAA knows from our members on the ground that there has been no post-pandemic revival of jobs. Journalist positions continue to be shed.

From August to November 2021, MEAA surveyed regional journalists across a range of media platforms – digital, print and broadcast. The union received 199 survey responses¹⁵, a significant return rate given the likely total (declining) number of journalists in regional areas.

Overall, survey respondents expressed little optimism for the future of regional media - a view informed by on-the-ground journalists witnessing (and coping with) ongoing cuts and closures over the course of their journalistic careers.

¹³ PIJI Quarterly Report, September 2021, page 8

¹⁴ *Australian Community Media awarded more than \$10m in Covid grants while scaling back newspapers*, Anne Davies and Amanda Meade, *The Guardian*, 2 Dec 2021

¹⁵ From MEAA members and non-members

Among the key survey outcomes was:

- Nine out of ten journalists who responded to the survey said the health of regional journalism was 'poor to very poor'
- 63 per cent of respondents believed they had no prospect of career advancement.
- More than half (54 per cent) could not see themselves still working in regional journalism in five years' time.

Among the most important issues in regional journalism, respondents nominated:

- Closure of regional media outlets affecting communities 27%
- Reduced coverage of community news such as council/shire meetings, sports, courts and crime 23%
- Relocation and closure of regional media to centralised media outlets bigger towns/cities 6%

MEAA's survey echoes the results of News and Media Research Centre's late 2019 / early 2020 survey of regional journalists. This survey yielded 307 responses. In the report's executive summary, the Centre stated:

A lack of time, staff and money were identified as the biggest obstacles to their work. A shortage of staff means there is no back up for those in small or single person newsrooms. There is rarely any paid overtime and some reporters feel torn about whether to cover important weekend and after-hours events, knowing they won't be paid.¹⁶

The MEAA survey reveals a culture where extensive unpaid overtime is the order of the day in offices that are increasingly under-equipped to undertake quality journalism.

Beyond the raw data, what the MEAA survey results reflect is a pervading sense of pessimism among regional journalists. For them, local media diversity is virtually non-existent; their challenge is to maintain the few resources that remain and to continue providing regional areas with relevant, quality news content.

¹⁶ *Australian Regional Journalists: What they need and how they see the future*, op cit, page 7

It is concerning that such a downcast attitude has grown among regional journalism professionals. They are closely connected to the regions they serve and want to keep communities engaged and informed. As the News and Media Centre stated in its 2020 report on regional journalists:

Regional journalists feel they have a closer connection to the community they report on than journalists in the city. Journalists working for local independent news outlets are more likely to see themselves as advocates for their local community. They are committed to serving their communities and find it satisfying.¹⁷

As to the way forward in regional journalism, MEAA survey respondents were clear in their support for ongoing support through:

- a continued and enhanced Public Interest News Gathering (PING) program (19 per cent)
- Improved dedicated funding for the ABC and SBS to step up their presence and role in regional Australia (18 per cent)
- Amending the News Media Bargaining Code to provide regional journalism funding (11 per cent)
- New grants to enable regional media start-ups (9 per cent)
- Tax reform to enable deductible contributions to be made to regional media outlets (6 per cent)

The survey revealed virtually no support (4 per cent) for further consolidation of regional media resources. These journalists have seen the outcome of years of mergers and takeovers and formed the view that the main outcome of relaxed media ownership laws are rationalisations within the newly merged companies, critical service cuts and their colleagues finding themselves without a job.

Impact of Major Publishers Suspending Print Editions

There are several impacts arising from the suspension (and termination) of print newspaper publishing. Regional and remote communities have lost access to a valued physical product. This loss is a tangible expression of decline in their local area. Local proprietors such as newsagents and other consumer outlets have also lost a product with which to draw in the public and which played a role in sustaining their overall businesses.

¹⁷ *ibid*, page 7

Of course, the termination of print publication has also led to significant job losses in the printing industry. ACM closed four print plants over the course of 2020 and 2021: Richmond (NSW); Canberra, Murray Bridge (SA); and Ballarat (Vic). Hundreds of news-related positions have been lost at these locations alone.

Newspapers that are still printed are produced in shared facilities used by multiple publishers. While this occurs in metropolitan and regional locations, the closure of regional print plants has an arguably more acute impact on regional communities.

The cost of printing newspapers has been viewed by news proprietors as 'low hanging fruit' with respect to cost reductions. In regional areas, this shift has come in the face of more than 70 per cent of regional news consumers preferring to read their local paper in print than online.¹⁸ In many respects, the community's growing appetite for online news over its printed form has been driven by the steady withdrawal of print publications. Consumers have had no choice but to change the way in which they read the news.

MEAA has little confidence that more than a handful of publications that moved to digital-only production will have print publication restored. There is no timetable that MEAA is aware of in which affected publications will have print production resumed. The union finds the absence of such a timetable (or any other indication) telling.

New Entrants into the Regional Newspaper Marketplace

The information provided by the PIJI reveals a clear net loss in the number of overall newspaper titles servicing regional communities. The PIJI data does however detect a significant number of news 'expansions' (138 between January 2019 and January 2021).

In considering 'expansions; it should be noted that PIJI does not report job gains or losses; nor does its research take into account the productive capacity of news outlets that are gained and lost. As PIJI's research reports advise, "a newspaper with deep community ties, strong editorial structures and half a dozen full-time journalists that closed would look identical in this data to a replacement

¹⁸ *Print isn't dead: major survey reveals local newspapers vastly preferred over Google among country news consumers*, Kristy Hess and Lisa Waller, *The Conversation*, 7 May, 2021. (The survey referred involved over 4000 country newspaper consumers.)

website employing one volunteer.”¹⁹ Moreover, PIJI data is likely to underestimate the true scale of changes that have occurred in newspaper publishing and other media outlets.

MEAA stresses these qualifications lest the Committee assume that newspaper services have been resumed on any reasonable scale in parts of regional Australia where cutbacks and closures are the order of the day. They have not.

In MEAA's experience, where titles have been replaced, they have often been community-driven, not-for-profit operations with far fewer journalistic and other resources available to the production of news compared those available in the former title.

MEAA welcomes these community efforts, but serious questions must be asked about the durability and sustainability of many of these new news providers. A separate analysis of this emerging sector would be required to determine the true scope of new newspaper publishers' operations and their financial viability.

Post-COVID Economic Recovery for Newspaper Producers

The union understands that ad revenues have improved across the Australian commercial media over the course of late 2020 and much of 2021 compared to the low-point of mid-2020. MEAA is not privy to advertising revenue data across the regional newspaper sector.

Notwithstanding the scale of the recovery in ad revenues, MEAA has not witnessed any reversal of the job losses sustained throughout 2020 and much of 2021. MEAA encourages the Committee to interrogate regional news proprietors about how any turnaround in financial fortunes will translate into the restoration of lost jobs and areas of local content that have been curbed or cancelled since early 2020.

Impact of News Media Bargaining Code

It is not possible to confidently assert the degree to which the News Media Bargaining Code (the Code) has aided regional and remote newspapers. All deals are considered commercial-in-confidence and it is rare²⁰ for news organisations to reveal the scope of any deals entered into with Google or Facebook.

¹⁹ See: PIJI Quarterly Report, September 2021, page 10

²⁰ There have been media articles stating that Nine Newspapers and Seven West Media have each entered into deals with Google that will see Google pay each company \$30 million per annum for the use of their news and

In the context of this inquiry, MEAA understands that ACM and NewsCorp have entered into deals with one or both of Google and Facebook for the use of content. It is also understood that Country Press Australia has signed off on an arrangement with Google and/or Facebook. Notwithstanding the scope of these payments, ACM, NewsCorp and CPA titles appear to have made only desultory efforts to engage new staff.

MEAA has consistently advocated that funds generated through (or because of) the Code should be used for the production of journalistic content. This condition was not adopted in the legislation that underpins the Code. This has led to the situation where tens of millions of dollars of new money is washing through Australian news companies, but a paltry amount is being devoted to reversing the decline (much less the growth needs) of regional journalism.

MEAA urges the Committee to take note of this situation and ask media companies that have struck arrangements with the major digital platforms how much funding they have received from these platforms and how much has been used to maintain or bolster journalistic resources.

The Code is also undermined by the fact that neither Google nor Facebook have been designated as being bound by the Code. This means that smaller regional media outlets have no means of forcing Google or Facebook to the bargaining table. In the real world, Google and Facebook (in particular) can turn their nose up at the prospect of negotiating to use the content of an independent regional news provider.

MEAA's view is that the original thinking behind the Code should have been adhered to: Google and Facebook should have been designated and automatically subject to the Code's bargaining requirements.

Notwithstanding whether Google and Facebook are designated and made to bargain in good faith with all regional news providers, there remains a very strong case for a fixed proportion of *all* funds secured (directly or indirectly) through the Code to be set aside for boosting regional journalistic resources. Such an arrangement would be consistent with the position advanced by MEAA in formal submissions on the draft Code in June and August 2020. In these submissions, MEAA referred to the 'escalating decline in Australia's regional and rural media sector' and advocated diverting a set proportion of funds to 'maintaining these invaluable news providers'.

other content. Most media commentary however does not specify the value of media companies' deals with Google and Facebook.

Public Interest News Gathering Program (PING)

In addition to modifying the operation of the News Bargaining Code, the Government must move quickly to provide direct, ongoing funding to aid the production of local news content, especially in regional and rural Australia.

At the time of finalising this submission, the short-term effort aimed at assisting regional news providers, the Public Interest News Gathering (PING) program, has run its course. All of its grant monies have been expended and no successor program has been formulated.²¹ This is a significant public policy gap which should be immediately remedied.

MEAA commissioned a report released in November 2021: *The Future of Work in Journalism*. The report was prepared by Dr Jim Stanford, of The Centre for Future Work at the Australia Institute.

The report emphasised that the provision of accurate and trusted media content is an undeniable public good that is essential to the health of our democracy. As such, the sector should receive significant Government support. The report stated:

*Because news and information constitute a 'public good', it should and must be a concern of active economic and cultural policy to support Australia's capacity to produce and distribute accurate, timely, and accountable domestic content.*²²

The *Future of Work in Journalism* report recommended that a fund totalling expenditures of \$250 million per annum be established across Australian news media news platforms to sustain the production of public interest journalism. Importantly, the report also contended that:

*Subsidies for journalism and news production should include a mechanism for regionally targeting support for journalism in smaller and regional communities, which have been especially damaged by the centralisation of ownership and production. Many regional towns have virtually no remaining journalism capacity. Therefore, the operation of a journalism foundation should include a targeted dimension to ensure a healthy share of resources flow to regional media.*²³

²¹ MEAA does not consider the PING Trust, as contemplated in the Government's Media Reform Green Paper, to be a viable vehicle for providing immediate financial assistance to regional news providers. The Trust is predicated on securing funds from spectrum auctions, which are not due to occur for several years.

²² *Future of Work in Journalism*, Centre for Future Work, November 2021, page 4

²³ *ibid*, page 33

The latest (2021) *Digital News Report: Australia* made a similar case:

*Public policy intervention should support a spectrum of industry players; large and small, retail and wholesale, metro and regional. Equally, it must produce a public benefit to ensure support is tied directly to quality news production and availability, something that has not always been the case in the Australian context.*²⁴

The call for sustained Government intervention and assistance in maintaining sound levels of public interest journalism have grown over the past decade. Such calls are now commonplace, even among proprietors who might once have been appalled at the prospect of receiving government funding, lest their independence be questioned.

It will be important, however, to avoid some of the pitfalls and mistakes that were evident in the PING program's first phase.

MEAA's analysis of PING in 2021 revealed that:

- the program was significantly under-funded, comprising only \$13.4 million in 'new' money
- the vast majority of funds went to major media companies - \$40 million of the available \$50 million grants to struggling regional publications were often in the order of \$10,000
- the worst affected media sector, newspaper publishing, received a minor share of the overall funding - \$18 million versus \$32 million for television and radio broadcasters.

More recently, disturbing claims have arisen that a range of PING grant recipients did not abide by the grant requirement that applicants maintain "existing levels of journalism production and distribution during the grant period".²⁵

It is MEAA's strong view that funds raised through either the News Bargaining Code or distributed under an enhanced PING program must be conditioned upon those funds being directed to the employment of journalists and allied workers and tied to the production of news content.

²⁴ *Digital News Report: Australia*, op cit, page 98

²⁵ See for example: *Australian Community Media awarded more than \$10m in Covid grants while scaling back newspapers*, The Guardian, 2 December 2021

The need for financial assistance to sustain the Australian news media – especially in regional Australia – cannot wait. In this regard, MEAA echoes the call in the report of the recent Media Diversity Inquiry that:

Many news organisations need assistance immediately, as without near-term support many will be forced to close. In regional areas, there is a risk that journalists will move on to different places and industries, and local communities will be left without the current affairs and local news they need.²⁶

Local public interest journalism must be seen as an indispensable part of a community's civic infrastructure – in all communities. Regional and rural communities, in particular, are being progressively denied local public interest journalism for the reasons set out in this submission. The tide must be turned so that communities are adequately informed and can contribute to local debates and decisions.

The time has well and truly arrived that Federal Government takes concrete steps to sustain local public interest journalism by embracing the need for multi-year, arms' length funding that is tied to the production of local content. Anything less will foster a continuation of the progressive decline of regional journalism.

²⁶ *Media Diversity in Australia*, Report by the Senate Environment and Communications References Committee, December 2021, page 131