

Committee Secretary
Senate Standing Committees on Environment and Communications
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Parliament House
Canberra ACT 2600

Guardian Australia welcomes the chance to make some brief comments on the Communications Legislation Amendment (Regional and Small Publishers Innovation Fund) Bill 2017.

We support the purpose of the Regional and Small Publishers Innovation Fund and the intention of former Senator Nick Xenophon when he negotiated it. As we understand it, that intention was to try to ensure that smaller and regional publishers were not unduly disadvantaged after the parliament voted to dismantle long-standing laws protecting media diversity, and to help those publishers continue to produce Australian news and to employ Australian journalists.

Senator Xenophon consulted with Guardian Australia and many other smaller and regional publishers in developing the ideas he put to the government, although our suggestion - tax breaks to encourage philanthropic donations for public interest journalism like those available in the United States - was not accepted.

The senator assumed we would be one of beneficiaries of any package he negotiated, and to us this seemed a reasonable assumption.

After less than five years in Australia, we have 79 employees, 95% of them Australian, across our editorial and commercial divisions. We are an Australian company and our website is edited by an Australian.

We are not a foreign bureau of an overseas publisher, tasked with providing Australian news to readers overseas, nor do we aim to provide Australians with a foreign perspective on what happens here.

Our job is to provide Australian news to an Australian audience and, according to the latest Nielsen poll, we are now the fifth most read news website in this country with a unique monthly audience of 2.6m. All editorial decisions about our Australian news-gathering are made here and we've won at least one Walkley award every year we have been publishing.

The communications minister himself has cited the existence of sites like Guardian Australia as evidence that media diversity in Australia would not be threatened by his legislation to scrap long-standing laws controlling media ownership.

"Most Australians would be surprised to know that our media ownership laws ignore the existence of the internet," [Mitch Fifield, said last year.](#)

"A proliferation of news sources, including online publications like Guardian Australia, mean there is now more diversity than ever before."

Guardian Australia finances its Australian operations in this country. Our business, and the staff we employ, depend on our ability to maintain a viable Australian revenue model. Any profits we make in Australia will be reinvested in Australian journalism.

Like every other media company we are grappling with the rapid migration of advertising revenue to the online media giants Google and Facebook - the same disruption the big media companies said necessitated the abolition of the media diversity protections in the first place, so that they could embark on mergers to become even bigger and more competitive.

But the government insisted this package could not apply to Guardian Australia - a position Senator Xenophon suggested may have been due to "narrow, blinkered ideology" on the part on some in the coalition.

Whatever their motivations, we accept that the terms and conditions of any government program are the prerogative of the government and the parliament.

One of the conditions for the new Regional and Small Publishers Fund is a "control test" that rules out assistance to news organisations with a foreign parent company. The minister made it clear during the debate over the original bill that this prevented any assistance to Guardian Australia.

But this condition applies only to this particular fund.

The "control test" is explicitly waived for the second part of the same package negotiated by Senator Xenophon, the \$8m to be provided to help regional news organisations employ cadets. The government has confirmed that those grants will be available, for example, to News Corp Australia's regional publications, despite the fact that News Corp Australia, like Guardian Australia, has a foreign parent company.

And News Corp's foreign parent was also no impediment to the government's \$30m grant to Foxtel (half owned by News Corp Australia).

We will continue to provide independent quality Australian news for an Australian audience regardless of the final form of this legislation.

But we point out to the committee that the application of the "control test" for this fund appears arbitrary and that this test does not appear to apply to other government assistance to the media - not even to the cadetship fund which forms part of this same assistance package.

We also point out that the current form of the legislation excludes - and therefore disadvantages - a new, fast growing source of Australian news and of jobs for Australian journalists, when the whole purpose of the fund is to encourage both those things.

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