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Dear Secretariat

### **ACMA submission to the Inquiry into Australia's regional newspapers**

The Australian Communications and Media Authority (ACMA) is the independent statutory authority responsible for the regulation of broadcasting, radiocommunications and telecommunications in Australia.

This submission provides information on sources of data that may be useful to the Committee in its inquiry and a description of the ACMA's areas of engagement with newspapers, including those in regional Australia.

#### ***Relevant sources of data***

The following sources of data may be of assistance to the Committee:

- The University of Canberra's News and Media Research Centre (N&MRC) examines regional consumption of news as part of its long-running annual [Digital News Report: Australia](#) report. In 2020, the N&MRC also published a report on [Local News Consumers](#) that may be relevant.
- The Public Interest Journalism Initiative (PIJI) [Australian Newsroom Mapping Project](#) is tracking changes to news production and availability, including the opening and closing of news outlets and newsrooms, changes to service levels, and mergers and the digitisation of print publication. This project may assist in identifying the extent of new, smaller operators entering the market.
- In 2019, the ACMA also undertook its own research project on the Australian news market. As part of this work, we examined the current state of [localism and diversity in Australian news](#), which included a literature review and qualitative consumer research.

#### ***The ACMA's role in regulating and supporting regional newspapers***

The ACMA has, until relatively recently, had limited engagement with Australia's newspaper sector. This involved ensuring industry compliance with media diversity and control rules. However, our engagement has significantly increased through our administration of government grant funding to support the sustainability of regional and small publishers and our responsibilities under the new News Media Bargaining Code.

### *Media Diversity and Control*

In carrying out its functions, the ACMA administers rules set out in the *Broadcasting Services Act 1992* (the BSA) which go to compliance by Australian media companies with media control and diversity rules.

Media control and diversity rules are set out in Part 5 of the BSA and apply to regulated media assets – commercial television licences, commercial radio licences and ‘associated’ newspapers. Associated newspapers constitute a small subset of print publications that are listed by the ACMA in the Associated Newspaper Register (ANR)<sup>1</sup>. Most print publications, and all online publications, are not eligible for inclusion on the ANR and, therefore, are not covered by the media control and diversity rules.

The media control and diversity rules aim to constrain the number of regulated media entities that a single person or corporation can control, while allowing some degree of consolidation. In a single market, a person is permitted to control a combination of one commercial television licence, two commercial radio licences and any number of associated newspapers, provided there are at least 3 additional independent ‘voices’ (i.e. media entities or groups of media entities) in the same regional area, or 4 additional voices in a metropolitan area.

As part of its role in administering the media control and diversity rules, the ACMA is required to keep detailed records in public registers on its website. In addition to the ANR, registers that contain associated newspapers include the Register of Controlled Media Groups<sup>2</sup>, and the Register of Foreign Owners of Media Assets<sup>3</sup>.

### *Regional and Small Publishers Innovation Fund*

In October 2017, the government announced a Regional and Small Publishers Jobs and Innovation Package, which included the Regional and Small Publishers Innovation Fund (the Innovation Fund), administered by the ACMA.

The purpose of the Innovation Fund was to support a viable and sustainable public interest journalism sector. Grant funding would assist existing regional and small news publishers of public interest journalism to enable them to compete more successfully in the evolving digital media environment.

In the 2017-18 MYEFO process, the government allocated \$50 million to the Innovation Fund over 3 years, commencing in 2018-19. comprising \$48 million in administered funds (grant funding) and \$2 million for ACMA departmental expenditure.

In June 2020, the government reallocated \$30.3 million of unspent funding from the Innovation Fund to the Public Information News Gathering program administered by the Department of Infrastructure, Transport, Regional Development and Communications.

The ACMA has conducted 3 grant rounds, with the following total amounts awarded in each round, subject to the regional/metropolitan proportions set out in the Grant Opportunity Guidelines for each round:

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<sup>1</sup> The Associated Newspaper Register lists the newspapers that are ‘associated’ with commercial radio or commercial television licence areas. For the purposes of the BSA a ‘newspaper’ is a print publication in the English language and published on at least 4 days per week.

<sup>2</sup> <https://www.acma.gov.au/register-control-media-groups>

<sup>3</sup> <https://www.acma.gov.au/register-foreign-owners-media-assets>

	Regional	Metropolitan	Total	Regional/metropolitan proportion of funding to be awarded
<b>Round One (2018)</b>	\$2.227 million	\$1.215 million	\$3.442 million	At least two-thirds of total funding for regional publishers and not less than 25% for metropolitan publishers.
<b>Regional Grant Opportunity (2019)</b>	\$9.059 million	–	\$9.059 million	100% regional
<b>2020 Round (2020)</b>	\$3.456 million	\$1.522 million	\$4.978 million	At least two-thirds of total funding for regional publishers and content service providers and not less than 25% for metropolitan publishers and content service providers.

Key outcomes reported by grantees with completed projects in Round One, the Regional Grant Opportunity and the 2020 Round include:

- new revenue streams, including subscription streams and increased reader engagement
- expansion of service offerings such as online videos and podcasts
- new employment opportunities within the business
- expansion of public interest journalism to new markets and audiences
- reduced operation costs
- increased readership and distribution in print and/or online publications.

Details of all grantees funded under the Innovation Fund are available at <https://www.grants.gov.au/>. The ACMA's legislative authority to administer grant funding expires on 30 June 2022.

#### *News and Media Bargaining Code*

The ACMA is responsible for assessing and registering eligible news businesses under the News Media and Digital Platforms Mandatory Bargaining Code, a mandatory code to help support the sustainability of public interest journalism in Australia.

The *Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code) Act 2021* (the Bargaining Code) received royal assent on 2 March 2021. Division 3 of the Bargaining Code sets out the eligibility criteria for a news business to be registered by the ACMA. Some criteria relate to the applicant corporation and others relate to each news source that comprises the nominated news business. News sources can be any online newspaper masthead, magazine, radio or television program, website or part of a website, or digital content distributed over the internet.

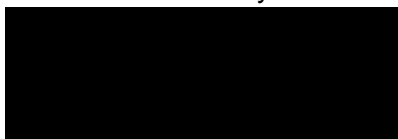
As at 31 December 2021, the ACMA had received 38 applications for registration from a range of metropolitan and regional news businesses. Further details about

the 28 news business corporations found to be eligible, thus far, are published on the ACMA website at <https://www.acma.gov.au/register-eligible-news-businesses>

To date, no digital platform has been designated under the Bargaining Code. As a result, the Code's obligations do not currently apply to any digital platform or news business. Businesses are still able to register with the ACMA for participation in the Bargaining Code prior to the Treasurer making a designation.

I hope this information is of assistance to the Committee's inquiry. The ACMA is available to provide additional information to the Committee as required.

Yours sincerely



Nerida O'Loughlin PSM  
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