



**MEAA MEDIA SUBMISSION TO THE INQUIRY INTO
THE COMMUNICATIONS AMENDMENT
(REGIONAL AND SMALL PUBLISHERS INNOVATION
FUND) BILL 2017**

January 2018

Communications Legislation Amendment (Regional and Small Publishers Innovation Fund) Bill 2017

MEAA welcome the opportunity to comment on the Communications Legislation Amendment (Regional and Small Publishers Innovation Fund) Bill 2017 and related programs.

We note the three core components of the Government's program:

- the \$50 million Regional and Small Publishers Innovation Fund
- the Regional and Small Publishers Cadetship Program, which will support 200 cadetships, at approximately \$40,000 per cadetship; and
- 60 regional journalism scholarships.

MEAA acknowledges the potential benefits of these programs, but maintain our view that these developments are insufficient 'compensation' for abandoning the two-out-three media diversity rule.¹

Regional and Small Publishers Innovation Fund

This Fund will provide \$16.7 million in grants per year over three years (totaling \$50 million) to support eligible publishers to transition and compete more successfully, through, in part, better enabling businesses to develop new business models and practices. We understand that grant funds may not be allocated towards salaries, but will be available for initiatives that support the continuation, development, growth and innovation of Australian civic journalism. MEAA strongly support the emphasis on such journalism.

The Government has advised that the types of projects that *may* receive funding include purchasing / upgrading equipment and software, software development, business activities to drive revenue and readership, and training.

The eligibility criteria presently require:

- annual turnover of not less than \$300,000 revenue and not more than \$30 million in revenue
- a primary purpose test (of producing civic and public interest journalism with an Australian perspective)
- an Australian residence test (being incorporated under Australian law and having central management in Australia)
- an independence test (not affiliated with a political party, union, superannuation fund, financial institution, non-government organisation or policy lobby group)
- a control test (being an entity that is majority controlled by Australian residents)
- being a member of the Australian Press Council or having a robust and transparent complaints process, and
- having in place editorial guidelines, a code of conduct or similar framework relating to the provision of quality journalism

¹ Please see MEAA's submission to the Senate Select Committee Inquiry into the Future of Public Journalism, 14 July 2017 -

Grants will be capped at a maximum of \$1 million per year for any media group, and at least two thirds of total funding must go to regional publishers and not less than 25 per cent for non-regional publishers.

MEAA support the fund's administration by the Australian Communications and Media Authority (ACMA). We also broadly support ACMA seeking input on the distribution of grants from an external Advisory Committee comprised of the Australian Press Council, The Walkley Foundation and the Country Press Association. The engagement of independent stakeholders is vital to the effective distribution of these funds.

With respect to the proposed independence test, the use of the word 'union' strongly infers a partisan intent by the Bill's sponsors. If this element of the independence test is maintained, it is essential that the word 'union' be replaced with 'registered industrial organisation'.

In addition, MEAA strongly query the utility of requiring an entity be 'majority controlled by Australian residents'. This criterion seems selective and designed to isolate potential applicants who otherwise fit squarely within the program's objectives.

MEAA strongly believe that the key determinant for grant eligibility should be an entity's capacity to cover and deliver bona fide Australian public interest journalism. We also query why the term 'Australian residents' was chosen ahead of 'Australian citizens'.

Although we generally support the requirement of fund recipients being a member of the Australian Press Council, we query who will judge whether non-APC members have 'robust and transparent complaints processes'.

Cadetship Program

The Government has advised that 'to assist the creation of employment opportunities in regional media and ensure that journalists continue to provide informative and compelling regional news, the Government will support 200 cadetships over two years through the Regional and Small Publishers Cadetship Program'. Of the 100 cadetships available each year (from 2018-19), between 80 and 90 will be for regional publications.

We note that an employer's eligibility to engage cadets is not subject the revenue thresholds that apply for the Innovation Fund.

We further note that regional media organisations – as compared with (undefined) 'small metropolitan publishers' – will not have to meet the control test, which concerns majority control of a media entity by Australian residents. The absence of this requirement jars with the obligations concerning the Innovation Fund. The reasons for excluding regional employers from this requirement are unclear. It may be that the inconsistency between the programs' eligibility criteria illustrates the undesirability of mandating Australian residency (as a stand-alone concept) in any of these initiatives.

Cadetships will be supported via a wage subsidy of up to \$40,000 (GST inclusive) per journalism cadet. MEAA support the principle that employers should provide matched funding as a safeguard for the appointed cadets.

MEAA understand that the cadetships will be offered for twelve months and enable recent graduates the opportunity to train in multi-platform reporting, as well as workplace-based learning, which will be the basis for professional (on-the-job) mentoring.

We strongly support the emphasis on the stated program elements, but are concerned with the proposed twelve month duration of the cadetships. This departs from the longstanding media industry practice of two-to-three year cadetships (other than for graduates), as acknowledged in numerous industrial agreements that MEAA is a party to – *see our comments on the current national award below*.

MEAA believe the twelve month cadetship must be reviewed and converted to two years. In the alternative, it may be appropriate to seek the agreement of media entities engaging cadets through the program that they commit to completing a cadetships as recognised by the media industry.

The greater the misalignment of a cadetship's duration with media industry practice, the greater the risk will be for partly (or inadequately) trained media workers simply exiting the industry after one year and seek alternative employment. This would be contrary to the stated aims of the Government's initiatives.

Other than the variations about the control test for the Innovation Fund mentioned above, MEAA note that the eligibility criteria are the same for cadetships. In this vein, we restate our concerns regarding the proposed independence test and the use of the word 'union'. (Please see our earlier comments.)

MEAA also seek further information as to how the laudable principle of 'increas[ing] journalism resources, rather than replace existing jobs', will be safeguarded. We propose an ongoing audit and the public dissemination of journalist headcounts at entities receiving program funding. It seems to us that this information should be reported through the ACMA annual report, bearing in mind that the Government has advised that ACMA will report on the administration of the Innovation Fund through its Annual Report. This would be a worthwhile addition to ACMA's reporting requirements.

The Government ought to be mindful of the requirements of the *Journalists Published Media Award 2010* (JPMA) and key enterprise agreements when nominating the rights and obligations of journalism cadets.

We note that the JPMA defines a cadet, at clause 4, as an employee who is constantly or regularly in training for journalism, press photography or editorial art and who has not become classified as an award level employee.

For example the JPMA prescribes the following as minimum entitlements, at clause 13:

Cadet journalists

- (a) *A cadet journalist may be employed:*
 - (i) *as a graduate cadet; or*
 - (ii) *as a standard cadet.*

Graduate cadet

- (b) *An employee with either an appropriate diploma or degree (as determined by the employer) from a tertiary institution will be employed as a graduate cadet.*
- (c) *The period of cadetship for graduate cadets will not exceed one year, provided training requirements are met, during which the cadet will be paid at the rate for a final year cadet.*

Standard cadet

- (d) *A standard cadet is a cadet employed as other than a graduate cadet.*
- (e) *The period of cadetship for standard cadets must not exceed three years, provided training requirements are met. In calculating the period of cadetship, experience as a cadet will be regarded as continuous despite a cadet having been employed by several employers.*

Training of cadets

- (f) *A cadet journalist will be fully and thoroughly taught and instructed by the employer in practical journalism as it operates in the office in which the cadet is employed. An experienced person will supervise the training of the cadet. The training will include the handling of news from its collection to its publication. Cadets in press photography or editorial art will be provided with the appropriate training.*
- (g) *A cadet journalist will be permitted to be absent during working hours for periods of up to four hours in any week to attend classes approved by the employer. An additional six hours will be granted to attend at an Australian university for a course in journalism or other approved course. Cadets in press photography and editorial art will be permitted to be absent for up to 10 hours a week to attend classes approved by the employer. All fees for the studies prescribed will be paid by the cadet and reimbursed by the employer provided that the cadet's conduct and progress are satisfactory. This provision will not apply where the employer pays the fees. The employer is not required to either reimburse or pay for any amounts owed by the cadet under the Higher Education Contribution Scheme.*

At clause 14, it is provided that:

Cadets will be paid the following percentage of a Level 1 employee:

Year	%
<i>First</i>	<i>60</i>
<i>Second</i>	<i>75</i>
<i>Third</i>	<i>90</i>

It is vital that these initiatives be administered in a manner consistent with national employment laws and standards. To be clear, MEAA assert that cadetships awarded under this program must be of no lesser benefit – in terms of both salary and conditions - than otherwise provided in an employment agreement covering the employer receiving government assistance. Under no circumstances should cadets be engaged as independent contractors.

Regional Journalism Scholarships

The Regional Journalism Scholarships will support students and graduates from regional areas of Australia to take up opportunities to study journalism. As the Government has noted, media employment numbers in regional Australia are under pressure as traditional media outlets are challenged by the evolving media landscape.

In total, 60 scholarships will be made available over a two year period (commencing 2018–2019), with each scholarship valued at \$40,000. The funds will be able to be used by recipients to pay for course related expenses, including tuition fees, accommodation and living costs. Scholarships will be allocated to institutions across the country so that students in every state and territory have an opportunity to apply.

It is not clear whether the \$40,000 per scholarship funding assistance is meant to cover one year, two years or an entire course/period of study or a lesser period. We note that the Minister for Communications' media statement dated 18 September 2017 referred to '\$2.4 million over three years', while his department's advisory note refers to scholarships being 'made available over a two year period'. MEAA seek clarification on this point.

In this respect, MEAA note that at the time of writing, the scholarship program's eligibility criteria were under development. The best information from the Government is that it 'anticipates that the program will be oriented to those universities and institutions with a focus on partnering with industry, driving innovation in the media sector, and fostering regional journalism.'

We welcome that emphasis will be placed on journalism courses that are capable of providing students with the skills and knowledge necessary to work in multi-platform media environments and data analytical abilities.

This support is however tempered by the capacity for scholarship recipients to run into an employment 'dead-end' (i.e. no available jobs) at the end of their scholarship. In several respects, this is the most risk-intense of the three programs in terms of sustainable employment outcomes.

MEAA note that 'students will be expected to be either located in regional areas or to have (and be able to demonstrate) a strong connection to a regional area'. We query whether this requirement may distort which applicants receive scholarships and/or curb attraction to the scholarships. By this, we mean that many communications and journalism students study at regional universities, but then either return or relocate to metropolitan areas. In addition, a student from a regional area (thereby satisfying the 'strong connection to a regional area' criterion) may be studying at, for example, the University of Technology, Sydney and have little or no intention of practising journalism in their home (or other regional) location(s).

We believe that the core criteria should be a student's commitment to undertake editorial work (either as an adjunct to their studies or as a clear undertaking) in a regional area immediately after their studies are completed.

Finally, should the number of scholarships in regional areas not be allocated in either of the two years of the program, MEAA believe these funds should be made available for deserving non-regionally based candidates or allocated to either the Innovation Fund or cadetship programs. The same principle should apply with respect to any shortfalls in other parts of the \$60 million available under the broader program.

Conclusion

Although MEAA is supportive of the general approach of the three strands of Government action, we should put on the record a concern that short-term assistance programs may, without follow-up, do not much more than temporarily boost the numbers and scope of journalists and journalism.

We are hopeful that some consideration will be given to sustaining these programs during their roll-out; if this does not occur, the programs' benefits will be largely exhausted shortly after the 2020-21 financial year.

In that scenario, scheme participants, especially the recipients of scholarships and cadetships, will be added to the approximately 3,000 Australian journalist positions lost over the past ten years.

MEAA representatives would be pleased to provide further information on the above matters should a further contribution be sought.