

[Public  
Interest  
Journalism  
Initiative]

Submission to the

SENATE STANDING COMMITTEE ON ENVIRONMENT AND  
COMMUNICATIONS Inquiry into media diversity in Australia

January 2021

## BACKGROUND

The Public Interest Journalism Initiative (PIJI) welcomes the opportunity to make this submission to the Senate Standing Committee on Environment and Communications inquiry into media diversity in Australia.

For public interest journalism to survive and thrive in Australia, we need a robust news media sector that boasts a diversity of players of all sizes and types.

PIJI is platform-neutral and size-neutral with respect to supporting news media production. With no commercial interests, our organisation is focused on the necessary favourable pre-conditions and framework that will enable news media, including new market entrants, to innovate and grow, to ensure a robust, pluralistic ecosystem of public interest journalism that serves its role as a public good for the Australian community.

Our evidence-based approach focuses on three key research themes into public interest journalism: assessment of diversity, measures of public support and value, and investment and financial sustainability.

Due to a busy period of competing consultations and inquiries within the news sector and PIJI's limited resources as a small non-profit, this submission focuses on key issues and findings from PIJI's research of direct relevance to this inquiry. In particular it focusses on our *Australian Newsroom Mapping Project*, which has quickly been accepted as the central reference for tracking contractions and expansions in news production and availability across the country. This submission also summarises upcoming research of interest.

We would be pleased to expand on PIJI's current and upcoming research for the Committee's benefit and would welcome an opportunity to brief the Committee further.

## OVERVIEW

An informed community is crucial to our democracy.

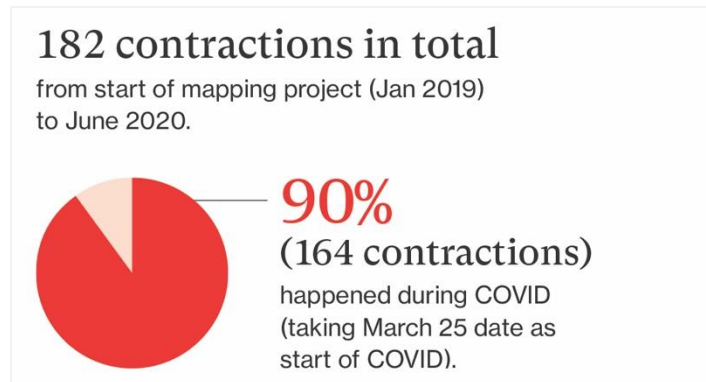
Public interest journalism – the news and current affairs media that has the primary purpose of recording, investigating and explaining issues of public interest or significance – plays a critical role in ensuring that the community is well and fairly informed. Without it, citizens' ability to engage in public debate and informed decision-making becomes challenged.

The importance and fragility of public interest journalism to our community have been held in sharp relief over the past year through national bushfires, the global pandemic and political disconcert amid rising misinformation and disinformation.

Prior to COVID-19, the impact of digital transformation in the news industry and the evolution of social media had already fundamentally changed the nature of journalism. Content and audience reach had grown exponentially, but the economics underpinning the costly nature of producing public interest journalism was challenged. Advertising revenue that once funded reporting shifted away from journalism, compromising traditional business models. The ACCC found that 106 unique local and regional newspapers closed over the period 2008-09 and 2017-18, representing a decline of 15

per cent.<sup>1</sup> This crisis has been accelerated by economic shock of COVID-19, which dried up remaining advertising almost overnight.

Newsrooms across Australia have shrunk and closed. PIJI's *Australian Newsroom Mapping Project* shows of the 182 contractions (eg. masthead or newsroom closures, suspension of services) over the past 2 years, 164 occurred during the first three-month wave of COVID-19 in Australia.<sup>2</sup>



Based on 30 June 2020 data, 68% of these contractions were concentrated in regional Australia with the remaining 32% in metropolitan areas, largely affecting local titles.

Queensland, NSW and Victoria were the states hardest hit with news closures through the initial onset of COVID-19. While some green shoots appeared – mainly through the shift to digital such as the expansion of News Corp

Australia's digital community news titles, particularly in New South Wales and Victoria – the availability of news has declined as a result of COVID-19. Furthermore, while recently closed print titles pivoted to digital, such consolidations were likely to negatively impact job numbers and the location of those jobs.

Translating total contractions in terms of jobs is hard to quantify<sup>3</sup>. Pre-pandemic data from the Australian Bureau of Statistics shows that from 2006 to 2016 the number of people employed as journalists and writers fell by nine per cent and by 26 per cent for traditional print journalists.<sup>4</sup> In 2018, the Media, Entertainment & Arts Alliance estimated that 3,000 journalists lost their jobs between 2011 and 2017 through redundancies alone.<sup>5</sup> News-related job losses through COVID-19, even with the temporary prop of JobKeeper support, included BuzzFeed's closure in Australia with the loss of 25 jobs;<sup>6</sup> News Corp's restructure of its regional and metropolitan publishing divisions, with an estimated 200 job losses among its journalists and photographers;<sup>7</sup> the Australian Associated Press version 2.0 saw about 60 journalist roles lost.<sup>8</sup> The ABC also cut 229 jobs from across its divisions in response to a funding freeze implemented in 2019.<sup>9</sup>

These industry contractions, closures and job losses seriously affect the depth and breadth of public interest journalism in Australia, particularly in suburban, regional and rural areas. The eastern states

<sup>1</sup> Australian Competition and Consumer Commission 2019. *Digital platforms inquiry – final report*. Canberra: Australian Competition and Consumer Commission. p. 321.

<sup>2</sup> Dickson G. 2020. *Australian Newsroom Mapping Project*. Melbourne: Public Interest Journalism Initiative. <<https://anmp.piji.com.au/>>

<sup>3</sup> Simons M. and Dickson G. 2019. *Availability of Local News and Information*. Melbourne: Public Interest Journalism Initiative. <<https://piji.com.au/wp-content/uploads/2019/06/PIJI-Availability-of-local-news-and-information.pdf>>

<sup>4</sup> ACCC. 2019. p. 310-1.

<sup>5</sup> Zion L. et al. 2018. *New Beats Report: Mass Redundancies and Career Changes in Australian Journalism* p. 5 (citing Media, Entertainment & Arts Alliance 2017. Submission #64 to the Senate Select Committee into Public Interest Journalism p. 6).

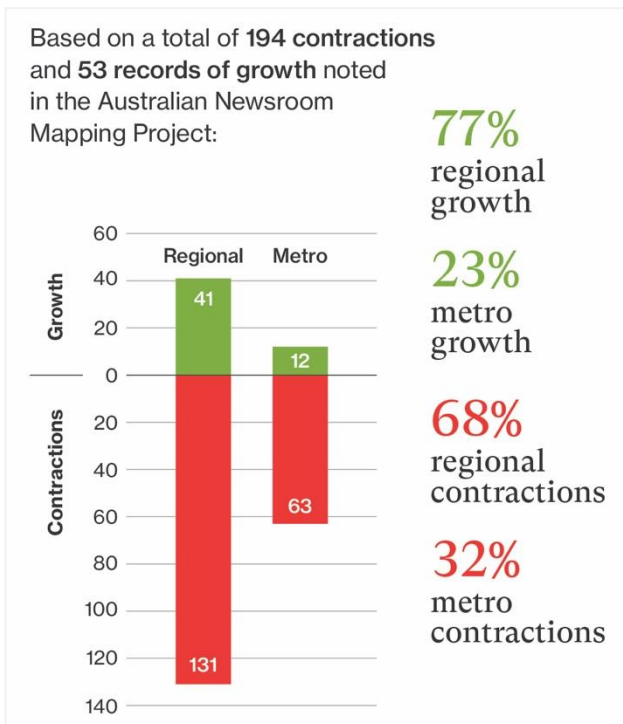
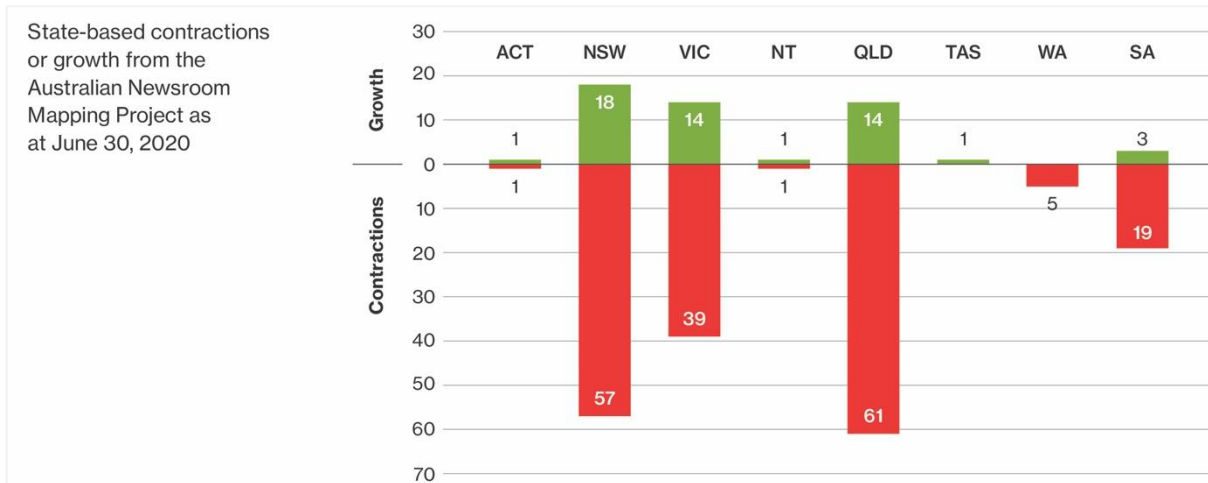
<sup>6</sup> Samios Z. 2020. BuzzFeed to close Australian, UK news operations. 14 May. *Sydney Morning Herald*. <<https://www.smh.com.au/business/companies/buzzfeed-to-close-australia-uk-news-operations-20200514-p54srs.html>>

<sup>7</sup> Meade A. 2020. News Corp Australia cuts more jobs at end of brutal year for media. 27 November. *Guardian Australia*. <<https://www.theguardian.com/media/2020/nov/27/news-corp-australia-cuts-more-jobs-at-end-of-brutal-year-for-media>>

<sup>8</sup> Samios Z. 2020. AAP staff cuts may breach consult laws. 6 July. *Sydney Morning Herald*. <<https://www.smh.com.au/business/companies/aap-staff-cuts-may-breach-consult-laws-20200705-p55970.html>>

<sup>9</sup> Visentin L. 2020. ABC cuts 229 jobs in response to government funding freeze. October 21. *Sydney Morning Herald*. <<https://www.smh.com.au/politics/federal/abc-cuts-229-jobs-in-response-to-government-funding-freeze-20201021-p567a1.html>>

were the worst affected by closures, and particularly in regions such as the Northern Rivers, Hunter Valley and Riverina in New South Wales.



The emerging deficits in the quantity and quality of available local news and information threaten community cohesion and economic recovery during these uncertain times and undermine Australia’s democratic systems.<sup>10</sup>

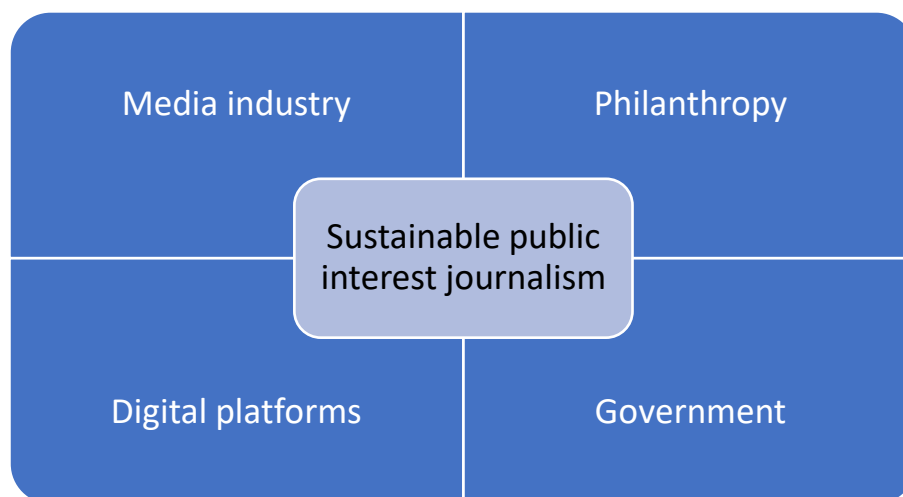
<sup>10</sup> Simons and Dickson 2019. p. 13; Simons M., Dickson G. and Alembakis R. 2019., *The Nature of the Editorial Deficit*. <<https://piji.com.au/wp-content/uploads/2019/11/piji-the-nature-of-the-editorial-deficit.pdf>>.

## OUTLOOK

We now have a unique, strategic window to achieve real and lasting impact through a media regulatory framework that supports a diverse, independent news media sector and that supports its long-term financial sustainability.

The Australian Government has provided welcome response to the current external environment challenges through short-term interventions like JobKeeper and the Public Interest News Gathering Fund. These have played a critical role in providing remedial relief for news businesses. Major reforms such as the Mandatory News Media and Digital Platforms Bargaining Code and the Disinformation Code also offer long-term opportunities for innovation and transformation with an emphasis on engagement between news media businesses and digital platforms. The Government has also recently released a Media Reform Green Paper entitled '*Modernising television regulation in Australia*', which offers further opportunity. But there is no silver bullet.

A mix of policy levers must be used to address the seriousness and extensiveness of the problems facing public interest journalism in this country. Complementary levers across media, digital platforms, philanthropy, and government can stimulate investment and innovation in the sector such as the following initiatives.



- Taxation mechanisms could offer significant returns in industry investment and other support. PIJI has developed a three-part, research series into the capacity for industry investment, philanthropic incentives and commercial and impact investment in the news media sector.

The first stage research, commissioned by PIJI and conducted by the Centre for International Economics (CIE), consists of an analysis of the potential of a Research & Development (R&D) rebate for the news industry and guidance on how to implement a scheme. Based on the report's modelling, results suggest that a tax rebate for public interest journalism could have a significant positive investment impact. Conservative analysis suggests a benefit-cost ratio of up to 1.90, and as much as \$356m additional benefit. The accompanying guidebook outlines the types of activities and eligibility criteria for a Public Interest Journalism Tax Rebate and serves as a model for policymakers in designing such a scheme.

The second stage of research, currently underway, looks at philanthropic mechanisms and their propensity within the Australian domestic context. While philanthropy remains an under-utilised resource in Australia, it has been employed extensively in the USA to support

public interest journalism and the growth of new models. With appropriate policy settings, philanthropy could emerge as important capital for public interest journalism, particularly for start-ups or local news initiatives in rural and regional communities. However, the potential of philanthropy to contribute to the development of non-profit news production in Australia is under studied. PIJI will shortly release a brief literature review of existing deductible gift mechanisms for news organisations, to be followed by research that examines philanthropic funder appetite to support public interest journalism, the potential capacity available for the sector, and the factors that might encourage or constrain such gifts. Results are expected to be released mid-2021.

The third stage of PIJI's taxation research will look the suitability of tax mechanisms to incentivise private investment in public interest journalism is currently being scoped for anticipated commencement in late 2021.

*For further information on this research series, please refer to Annex B: PIJI Research Projects Relevant to the Inquiry.*

- The establishment of an independent fund to provide ongoing program support for public interest journalism. It could prioritise industry needs that other measures cannot address, such as start-up capital or loans and hyper local content or community-led co-operative models (where local news may not be commercially viable) in addition to retaining flexibility for other program interests, such as original investigative journalism.

The fund could be structured to receive multiple revenue streams, for example, proceeds from auctioning off excess broadcast spectrum or co-contributions from philanthropic and corporate partners and to operate at arms-length from government and corporate interests.

Ultimately a well-informed Australian community should be an underlying obligation for all players in the sector.

This inquiry presents an opportunity to commit collectively to that public interest.

## ANNEX A: ABOUT THE PUBLIC INTEREST JOURNALISM INITIATIVE (PIJI)

The Public Interest Journalism Initiative (PIJI) is a non-partisan organisation established to ensure that Australia develops a sustainable ecosystem of independent journalism. It conducts research to inform practical policy solutions and public conversation on the importance of an effective, pluralistic news media of all sizes.

As a non-profit company limited by guarantee (ACN 630 740 153), PIJI is governed by its board of independent directors and guided by its Expert Research Panel and Policy Working Group. Established in December 2018, it is designed as a limited shelf-life initiative of no more than five years. It operates as a major research project of the newDemocracy Foundation and a registered charity with the Australian Charities and Not-for-profits Commission (ACNC).

PIJI's research focuses on three themes in public interest journalism: assessment of media diversity; community value and support; and investment and financial sustainability. PIJI research is guided by its Expert Research Panel.

### *Board of Directors*

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### *Expert Research Panel*

[Dr Margaret Simons](#)

[Associate Professor Jason Bosland](#)

[Professor Axel Bruns](#)

[Associate Professor Andrea Carson](#)

[Associate Professor Andrew Dodd](#)

[Associate Professor Kristy Hess](#)

[Professor Sora Park](#)

[Professor Julian Thomas](#)

[Professor Glenn Withers AO](#)

### **PIJI's six guiding principles:**

**'In the public interest':** the element of news that is deemed a 'public good', including a primary purpose of recording, investigating and explaining issues of civic significance; its roles as an essential service for the cohesion and well-being of community – most notably in rural and regional Australia, and as part of emergency infrastructure.

**Plurality:** diversity of voices, types and sizes of news media (i.e. production and delivery)

**Evidence-based:** policy design informed by rigorously established, objective evidence

**Neutrality:** does not unjustifiably favour any particular media outlet, type, platform or organisation

**Independence:** (e.g. non-partisan)

**Practical:** consideration of the context in which policy recommendations are implemented (e.g. timing of execution) and duration (e.g. short-term remedial or long-term support or stimulus)

### *Policy Working Group*

[Richard Eccles](#) (Chair)

[Professor Glyn Davis AC](#)

[Professor Allan Fels AO](#) (Chair)

[Professor the Honourable Marilyn Warren AC QC](#)

[Professor Simon Wilkie](#)

### *Team - Research*

[Anna Draffin](#), Chief Executive Officer

[Gary Dickson](#), Research and Projects Manager

## ANNEX B: PIJI RESEARCH RELEVANT TO THE INQUIRY

### Theme 1: Assessment of diversity

This research theme focuses on understanding the production, quality and availability of public interest journalism across Australia, through indicators such as voice and representation, media ownership and community coverage. There is particular emphasis on geographic communities of interest: rural, regional and suburban.

#### Theme projects

##### Australian Newsroom Mapping Project

[First released April 2020, research ongoing]

<https://anmp.piji.com.au/>

The Australian Newsroom Mapping Project is an ongoing research project documenting changes to news production and availability around Australia. A comprehensive database of changes since 1 January 2019 has been created and is presented visually for public use. Since launch, the project has become a key metric in public, media and policy discussions of the availability of news.

##### Building a database of news production

[In development for release late 2021]<sup>11</sup>

The first stage of the Australian Newsroom Mapping Project captures changes to news production and availability since 1 January 2019, but it does not include data about uninterrupted production. It can demonstrate that a newspaper has closed, but it cannot show that another newspaper remains. The proposed second stage of the Australian Newsroom Mapping Project will develop a database of all news producers around Australia and their location. This will be mapped visually and will provide the baseline for a deeper assessment of where news is being produced in the post-COVID news environment.

PIJI is also scoping further, inter-related research projects to better document and analyse Australia's media diversity:

##### Analysing production of public interest journalism in communities

[In development]<sup>11</sup>

We are seeking to develop capacity for a news deserts mapping project, which would involve collecting newsroom data to undertake a basic assessment of where news deserts (geographic areas with no local news coverage) might be emerging. We are also evaluating a possible project to analyse journalistic output to more confidently assess which communities and topics are not being covered by news media.

##### Assessing the rise of ghost newspapers

[In development]<sup>11</sup>

A recent study<sup>12</sup> in the US identified the rise of 'ghost newspapers': newspapers that continue to exist as mastheads but are unable to meet their civic obligations to provide locally-relevant public interest journalism. Evidence collected by PIJI through the Australian Newsroom

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<sup>11</sup> Project subject to funding

<sup>12</sup> Abernathy P. 2018. The rise of the ghost newspaper. *The expanding news desert*. Chapel Hill: University of North Carolina. <<https://www.usnewsdeserts.com/reports/expanding-news-desert/loss-of-local-news/the-rise-of-the-ghost-newspaper/>>



Mapping Project suggests that there are already at least a dozen ghost newspapers in regional Australia, though the real number may be higher.

This study (which may operate independently or in conjunction with other research to be conducted) proposes analysing a sample of newspapers from the news producer database and assessing news production over a one-month period, in order to identify potential ghost newspapers, as well as conduct a broader assessment of public interest journalism production.

#### **Court and local government news analysis [In development] <sup>11</sup>**

In the judicial sector, news coverage is an important part of ensuring public trust, encouraging public safety and educating the community about important functions such as sentencing. Within the local government space, research shows that reduced coverage can lead to lower voter turnout, as well as less oversight of governance and therefore increased levels of graft and corruption.

These projects propose to closely examine reporting on inferior courts, including in regional areas, and local government budget cycles, in order to gain insights into the depth of public interest journalism in local news.

#### **Availability of local news and information [Released June 2019]**

<https://piji.com.au/wp-content/uploads/2019/06/PIJI-Availability-of-local-news-and-information.pdf>

This research drew from a survey of media managers in local government about their perceptions of news coverage of council. Follow-up interviews took place with seven subjects. The project demonstrated an alarming decline in the availability of news about local government, particularly in the suburbs of major cities. The majority (53%) of those surveyed said there had been decline in coverage of council in the previous five years, while only 16% said there had been 'some' or a 'significant' increase. Metropolitan councils were more likely to indicate decline (68%) than those in regional / rural areas (45%). Newspapers remain the most common source of local news in most of Australia and in most places new digital start-ups were not covering council activities at all.

#### **The nature of the editorial deficit [Released November 2019]**

<https://piji.com.au/wp-content/uploads/2019/11/piji-the-nature-of-the-editorial-deficit.pdf>

For this project PIJI conducted interviews with 13 editors from a variety of newsrooms around the country about public interest journalism, how they manage limited resources and the challenges that they face in serving their communities. Those surveyed nearly uniformly said that their reporting lacks desirable depth and that particularly in local government and court coverage, both breadth and depth have suffered. Investigative reporting is now out of reach for most publications except the large metropolitan and national media, where it is prized. Local news editors said that when a resourcing constraint limits their ability to serve their communities, it tends to undermine their position and their ability to gather news in the future.

#### **Theme 2: Measures of public support and value**

This theme asks whether the public values public interest journalism and assesses audience consumption and value.

Theme projects

Community value survey

[Released in three parts: October 2019, April 2020, October 2020]

<https://piji.com.au/research-and-inquiries/our-research/community-value-of-public-interest-journalism/>

PIJI conducts regular surveys of public sentiment on and willingness to pay for public interest journalism. The surveys are conducted by Essential Media biannually in April and October and have been used to inform other PIJI research, including investigations of public support for tax incentives for public interest journalism. The next survey is proposed for April 2021<sup>13</sup>.

PIJI is also scoping two ways in which to better understand public sentiment:

**Community value focus groups**

[In development]<sup>11</sup>

PIJI proposes that existing survey material gathered as part of the Community Value Survey be complemented with a series of focus groups to better explore key issues, including motivation and reasoning for responses, related issues and concerns and alternative policy options.

**Demographic analysis**

[In development]<sup>11</sup>

An analysis of the existing survey material examining the personal characteristics of respondents and their expressed views on public interest journalism, including their willingness to pay via incremental tax increases.

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### Theme 3: Investment and financial sustainability

This theme examines the financial health of the news media sector and investigates mechanisms for their potential to encourage investment and the financial sustainability of public interest journalism in Australia.

#### Theme projects

##### **Tax Incentives for Public Interest Journalism**

[Released September 2019]

<https://piji.com.au/wp-content/uploads/2019/11/piji-tax-concessions-for-public-interest-journalism.pdf>

This report, the first in a three-part series, considers the case for tax incentives and examines the potential application of the R&D model to the news media sector. A 25% rebate would cost taxpayers \$188 million per year. But the benefit to public interest journalism would be between \$183 million and \$356 million. Based on the report's modelling, a rebate of 50% would cost around \$375 million a year, but the benefits to public interest journalism would be \$365 million to \$711 million.

##### **Philanthropic incentives for public interest journalism**

[To be released February/ March 2021]

The potential of philanthropy to contribute to the development of non-profit news production in Australia is under studied. PIJI will shortly release a brief overview of proposals to provide news organisations with tax deductible status.

The second stage of this project, currently underway, involves extensive interviews with non-profit news producers and philanthropists to better understand the potential of philanthropic giving for journalism in the Australian context.

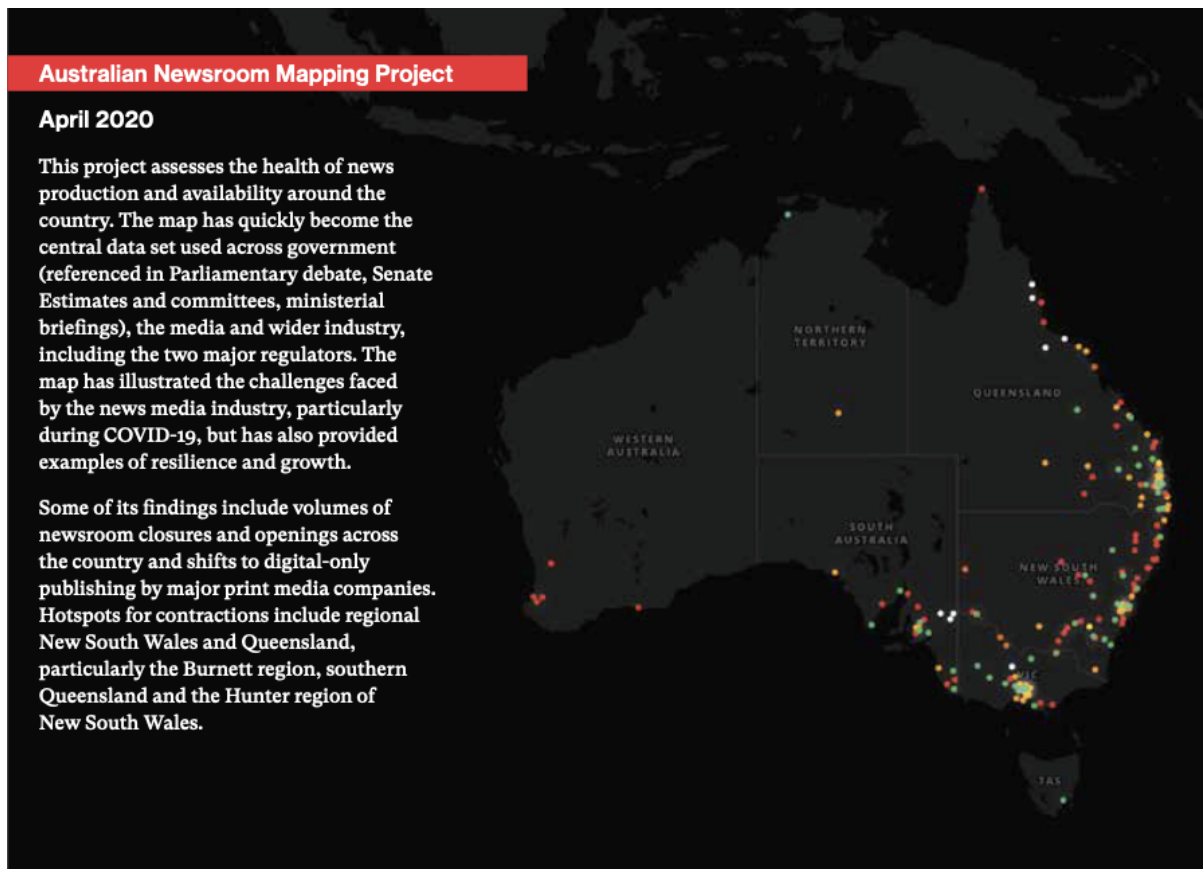
##### **Commercial and social impact investment incentives**

[In development]<sup>11</sup>

The next stage of PIJI's taxation investigation will assess incentives for commercial and social impact investment in news, including for news media start-ups. This project is still being scoped and is not expected to commence until early 2022.

## ANNEX C: THE AUSTRALIAN NEWSROOM MAPPING PROJECT

The [Australian Newsroom Mapping Project](#)<sup>14</sup> is an ongoing PIJI research project that documents changes to news production and availability around Australia. A comprehensive database of changes since 1 January 2019 has been created and is presented visually for public use. Since its launch in April 2020, the project has become a key metric in public, media and policy discussions of the availability of news.



*Illustration 2: PIJI's Australian Newsroom Mapping Project*

The map captures five *change types*, four of which can have either negative (contraction) or positive (expansion) attributes. The change types are ordered according to the seriousness of their impact on production or availability. The change types are:

1. **Masthead or station closure / opening;** meaning an entire news outlet closing or opening. In most cases this means a publication within a larger organisation, but rarely it can mean a whole news company, e.g., Vice Australia.
2. **Newsroom closure / opening;** meaning a news company removing or adding a place from / to its coverage area while otherwise maintaining local news production. There are few examples in this category; the closure of the WIN TV newsroom in Albury is one, as the company could continue to meet its broadcast license obligations from its newsroom in Shepparton.

<sup>14</sup> Dickson G. 2020. Australian Newsroom Mapping Project. <<https://anmp.piji.com.au>>

3. **Decrease / increase in service**; meaning changes availability with a corresponding change in production. Most often this has captured changes to the publication frequency of a printed newspaper, but can also capture reductions in news programming schedules.
4. **End / start of print edition**; meaning changes in availability without a corresponding change in production. A newspaper that transitions to digital-only publication without reducing its coverage is an example.
5. **Merger**, meaning the coverage and/or content area of one news outlet being absorbed into another. This change type is treated as a contraction but is the lowest level of concern.

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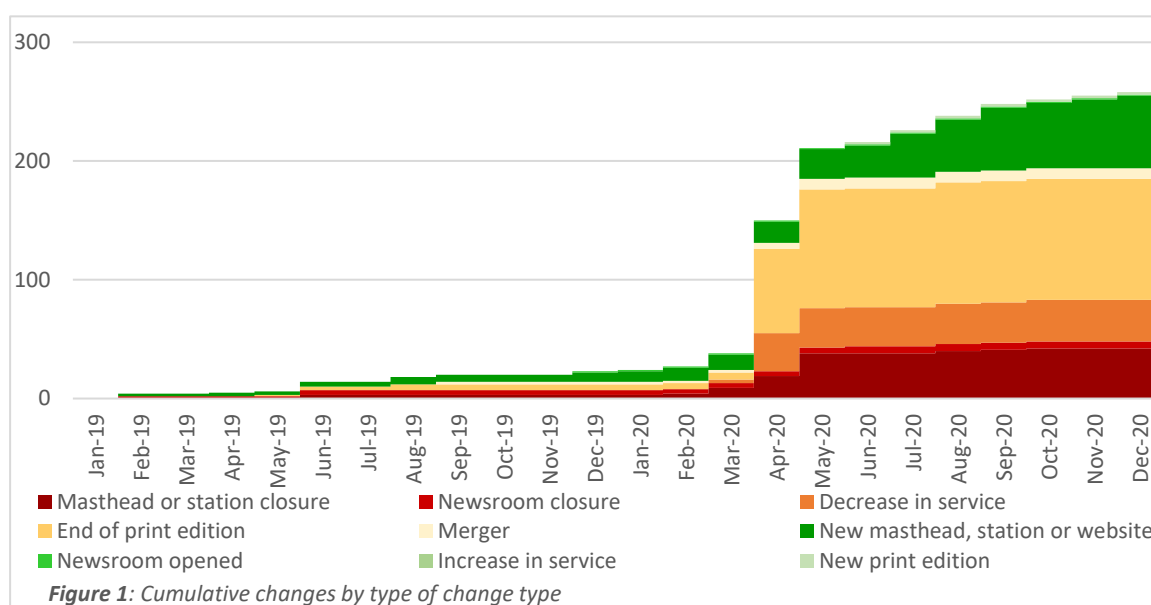
- We do not record any information about journalism job gains and losses due to significant methodological difficulty in ensuring.
- PIJI does not have full visibility over industry changes; this data relies on monitoring by our researchers, industry media coverage and tips from the public.
- Closures and openings do not reflect disparities in size of newsrooms affected by change, for instance many newsrooms facing closure are larger in size than new market entrants.

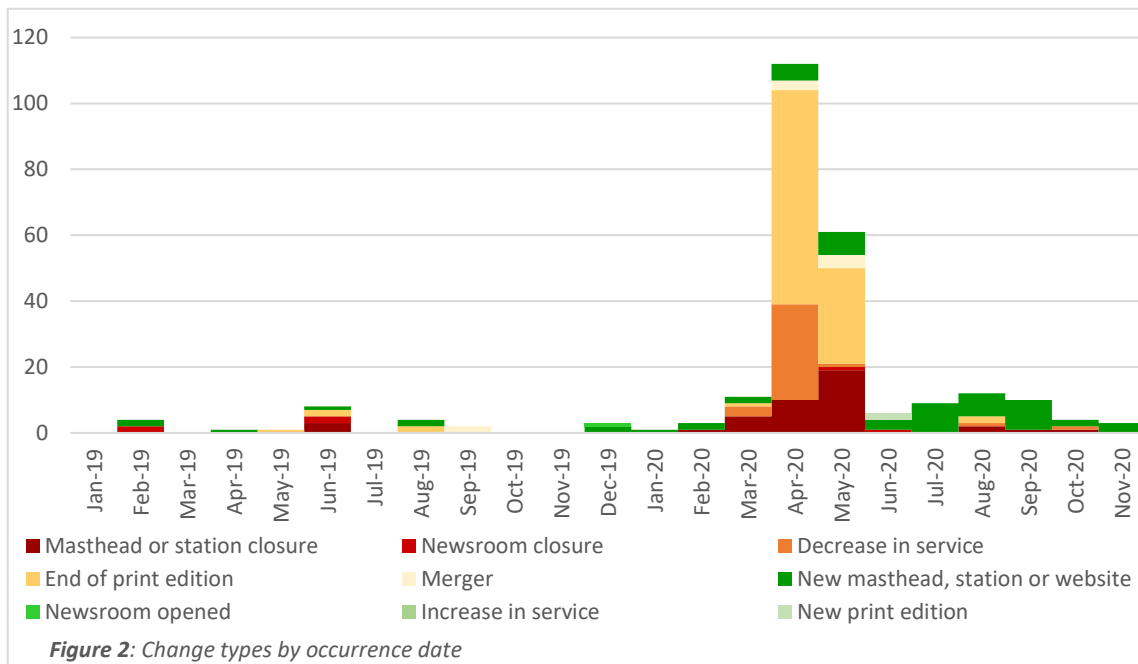
**Interim data as at 14 December 2020**

The following summary shows some key changes and trends across the aggregated data captured as at 14 December 2020, and therefore varies slightly from the 30 June 2020 data in the overview of this submission. PIJI intends to produce a report at 31 December 2020 to track the second half of the year and would be pleased to provide this to the committee.

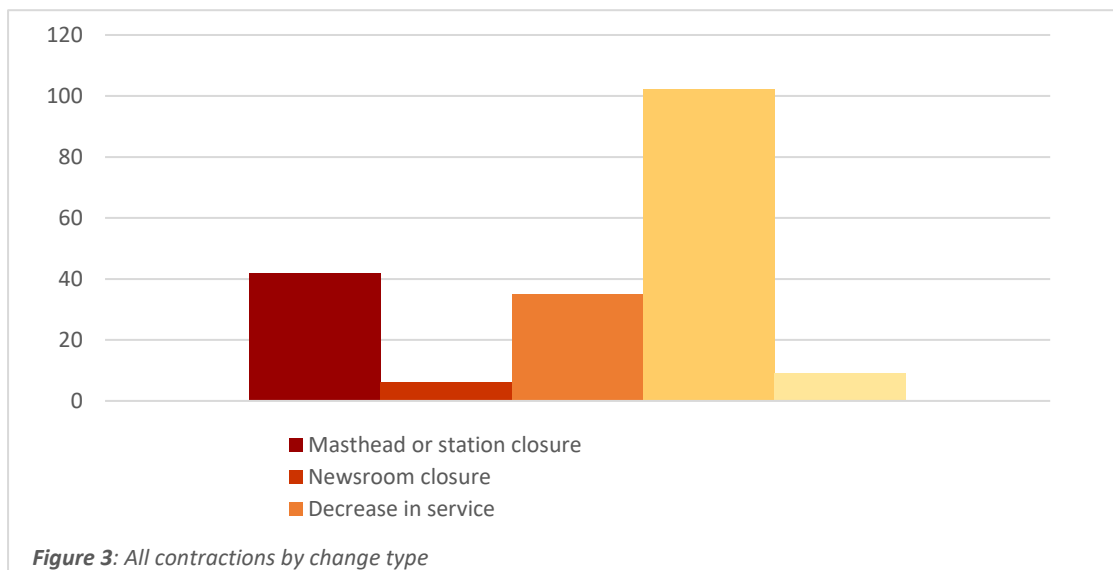
Since 1 January 2019, there have been 194 contractions in Australian news production and/or availability with 63 expansions recorded across the same timeframe.

- The majority of contractions (171 of 194, 89%) peaked between late March and May 2020. This shock has been followed by a period of low but consistent growth between June and December (Figure 1; Figure 2).



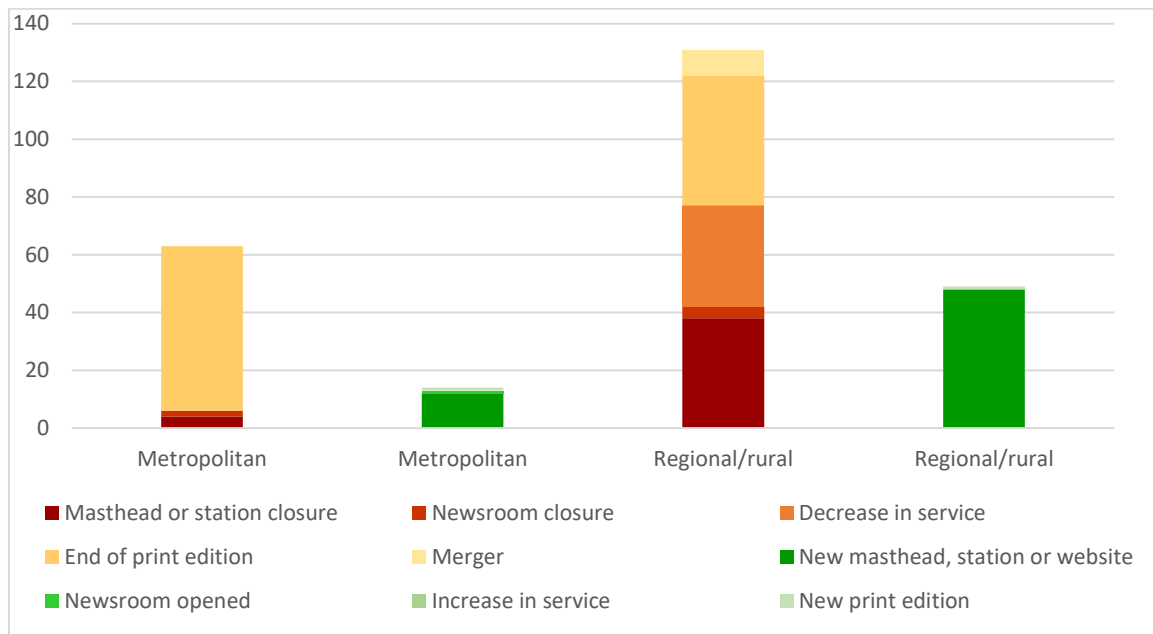


- Slightly more than half of all recorded contractions (102) were the ‘end of print edition’ change type, suggesting that COVID-19 accelerated the shift to digital-only publishing, a pre-existing trend in news media (Figure 3).



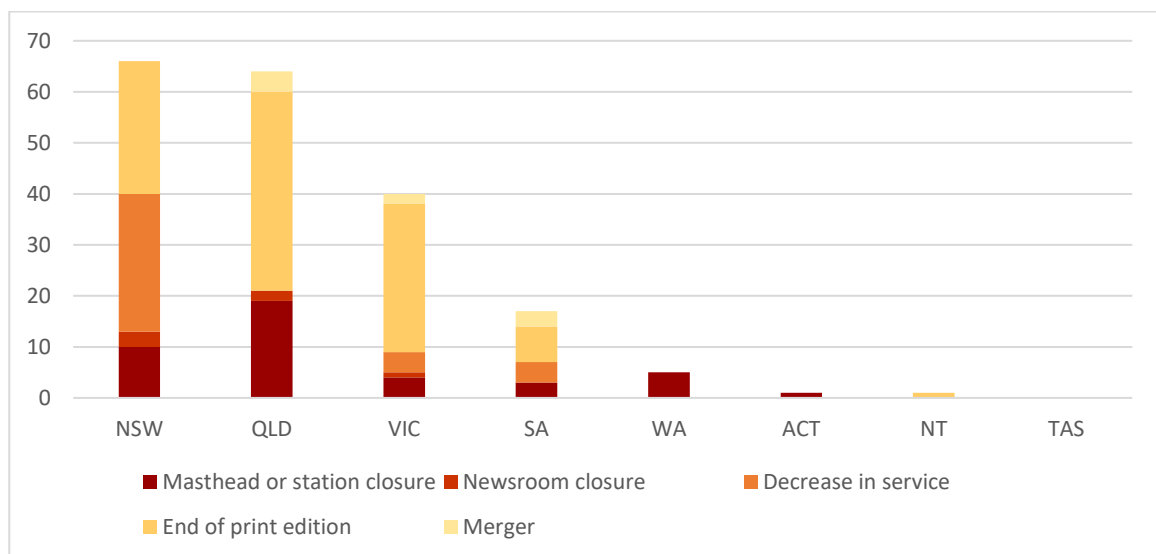
- The shift to digital is particularly apparent in metropolitan areas, where ‘end of print edition’ accounts for 57 of 63 of recorded changes (90%) (Figure 4). The majority of these entries are reflective of News Corp’s decision to end most of the remaining print editions of its community newspaper titles in Sydney, Melbourne, Brisbane, and Adelaide.
- In rural and regional areas ‘end of print edition’ accounts for 45 of the 131 changes (34% of rural/regional changes), but many more concerning changes have been observed as well: 38 ‘masthead or station closure’ changes (29%) and 35 ‘decrease in service’ changes (26%) (Figure 4).

Around half of the masthead closures are former News Corp titles, most of which were in Queensland, as well as some Australian Community Media titles particularly in New South Wales.



**Figure 4:** Change types broken down by local government area classification in which the change occurred, 1 January 2019 – 14 December 2020.

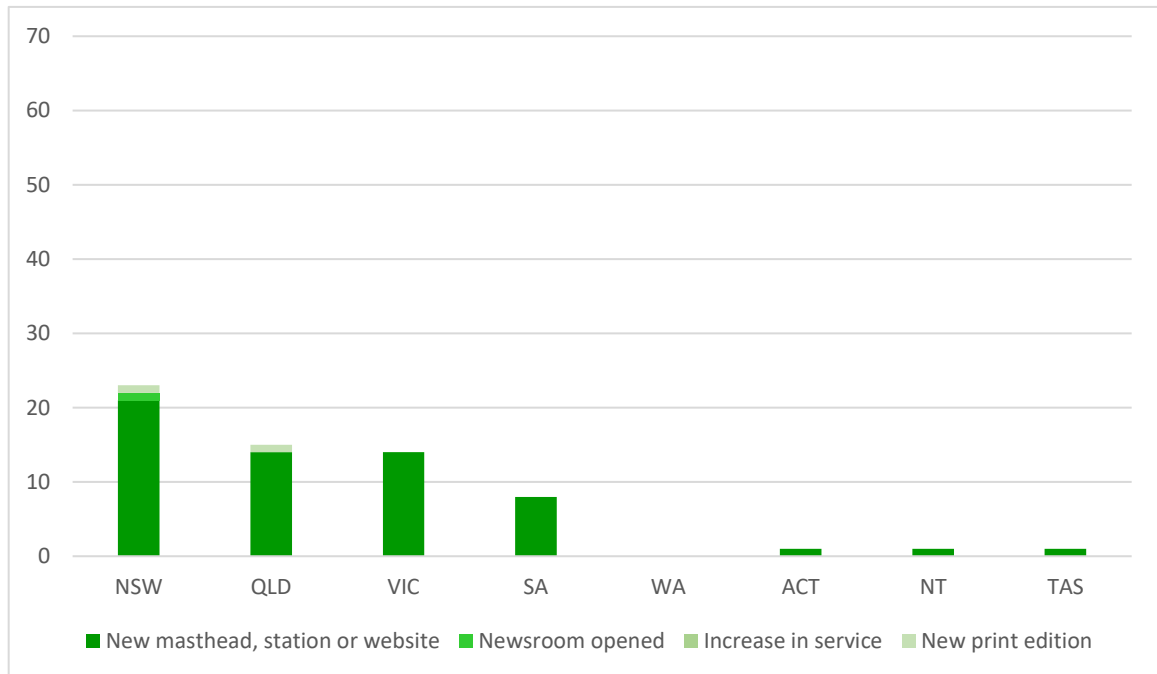
- The number of new mastheads, stations and websites launched across the period (60) significantly exceeds the number that have been closed down (42). This is true across both metropolitan and regional areas (Figure 4). As noted above, we cannot conclude whether what has been gained is equivalent to what has been lost, and caution should be taken with this observation.
- We have recorded the most changes in New South Wales and Queensland, followed closely by Victoria, South Australia, Western Australia and, distantly, the territories. We have not recorded any contractions in news production or availability in Tasmania across our surveyed time period, however, we are aware as observers of the industry that significant changes that occurred in that state just prior to the recorded period (Figure 5).



**Figure 5:** Contraction types broken down by state, 1 January 2019 – 14 December 2020.

## [Public Interest Journalism Initiative]

- There was no observable second wave of closures when Victoria re-entered lockdown between 7 July and 27 October 2020. Only one contraction was recorded in this state across this period, and it was in regional Victoria, which largely escaped the lockdown. The publication in question had launched only a few months previously to fill the gap left by the March closure of another newspaper. (Figure 6)



**Figure 6:** Expansion types broken down by state, 1 January 2019 – 14 December 2020