

[PIJI Federal Election Position Paper 2022]

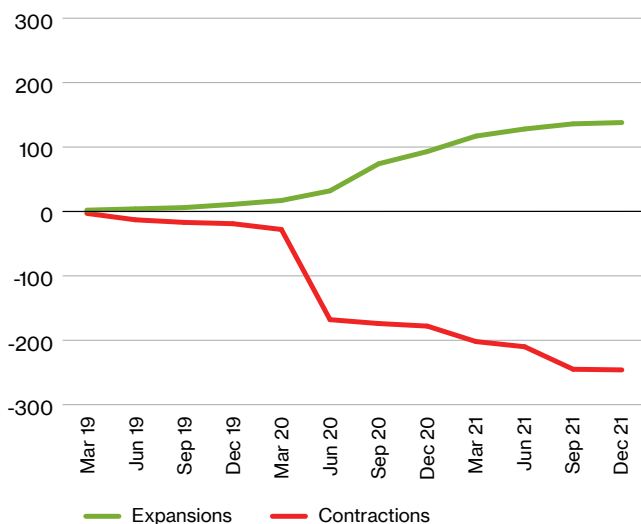
Towards sustainable public interest journalism across Australia

In the lead up to the 2022 Federal Election, the Public Interest Journalism Initiative (PIJI) calls on all political parties to ensure the future of public interest journalism as a key imperative in maintaining sector and community confidence. We ask for commitment to a comprehensive media policy recognising the fundamental value of quality journalism to our nation and its citizens.

PIJI, a small, limited-life think-tank, is the main source of core industry data in Australia. As our [Australian Newsroom Mapping Project](#) demonstrates, the gathering and distribution of news and journalism has declined across the country in real terms.

This trend must be stopped before the cost of its reversal becomes too high.

Figure 1: Cumulative Australian news sector changes 2019–2021



PIJI calls on the major political parties ahead of the election to recognise the importance of public interest journalism and secure its future by:

1. Establishing a suite of initiatives to stimulate news diversity and production at all levels. Options include*:
 - Encouraging industry investment through a public interest journalism tax rebate
 - Incentivising broadcast investment through the offset of license fees against news reporting costs for commercial players and funding certainty for public service broadcasters
 - Expanding access to existing apprenticeship programs by including a public interest journalism category for areas of undersupply (such as rural and remote communities)
 - Encouraging philanthropic investment through not-for-profit tax settings
 - Establishing a central trust funded by multiple sources at arms-length designed to encourage news diversity, coverage for underserved communities and other market gaps
2. Increasing transparency and public accountability through the reporting of public benefits resulting from government intervention in news media
3. Investing in data and active monitoring to enable informed policy development in support of public interest journalism through PIJI as an independent data centre

Schedule a briefing

PIJI CEO Anna Draffin is available to brief political representatives on the state of public interest news in their regions.

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This paper highlights the current health of newsroom activity. It shows why public interest journalism is so vital to community cohesion and an informed citizenry. It points to opportunities for government action. But most importantly it challenges governments to be ambitious, clear and focussed in support of this essential public good. PIJI remains ready to work with all political parties in pursuit of this ambition.

* See details on page 5

[Filling the policy vacuum]

Public interest news plays a critical role in ensuring that the community is well, and fairly, informed through holding powers to account¹ and providing a public record; for example reporting on courts and parliamentary sittings, advocating for social or policy changes and providing a forum for debate and discussion. It is also an essential part of keeping communities safe and resilient as we have seen through the increased frequency of bushfires, flood and drought.

At all levels, national news, regional news, local news, serve these purposes. It is wholly consistent with the stated aims of political parties to be transparent and accountable to Australians and given the declining trust in public institutions, it has never been more important.

While recent policy developments have been welcome, they remain piecemeal. The absence of a clear policy statement has resulted in a lack of clarity and cohesion in the programs and initiatives rolled out to date. And the absence of industry data has meant a lack of benchmarks and measures to determine the level of impact. The News Media Bargaining Code is globally significant in its intentions and ambitions, but it is not a comprehensive solution to sustain public interest journalism. It does not carry any obligation for public benefit from news media, nor does it cover all types of news businesses². Grant programs have also provided valuable funding injections. But these are not sufficient for public interest journalism to survive and thrive at all levels. Structural reform is required to provide wholesale change for public interest journalism's future.

Media policy objectives

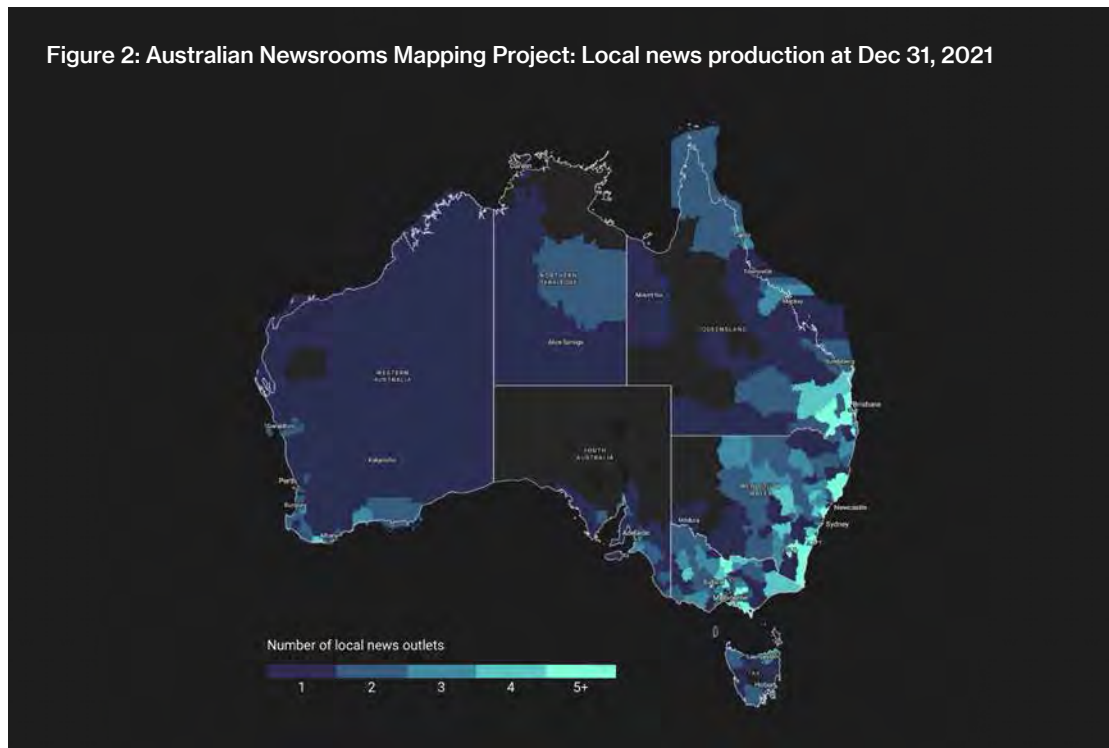
A PUBLIC GOOD: The ACCC found public interest journalism is a public good, benefitting the community as a whole, not only those who pay for and consume it: "Journalism can promote public interest by providing a volume, range and depth of information and analysis that would not otherwise be readily available."

COHESIVE AND RESILIENT COMMUNITIES: Studies have found local news has economic and social impact, but declines in local news coverage may result in less civic engagement and competition in local elections.

EMERGENCY INFRASTRUCTURE: Local reporting can play a vital role in keeping communities safe as found during Australia's 2019–20 bushfires and this year's floods, where alternate communication services were inaccessible.

ANTIDOTE TO MIS/DISINFORMATION: Australia's news blackout on Facebook in 2021 demonstrated to the community the extent to which their everyday lives rely upon news and current affairs, amid rising mis- and disinformation on social media. Research showed local news on COVID-19 attracted higher levels of trustworthiness and that those attached to their community were more willing to pay for news.

Figure 2: Australian Newsrooms Mapping Project: Local news production at Dec 31, 2021

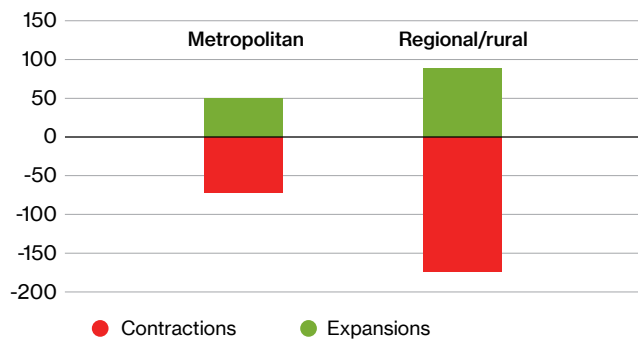


[A snapshot of Australia’s changing news]

The development of online technologies and social media has irreversibly transformed news production. Where advertising once cross-subsidised the high costs of producing public interest journalism, these dollars have now shifted to digital platforms. According to the ACCC, 81 cents in every advertising dollar now flows to the digital platforms.

As financial returns on this public good diminish, so too does the commercial incentive for its production, resulting in a significant reduction of news production and availability as tracked by PIJI’s Australian Newsroom Mapping Project. The map has recorded more than 400 changes since 2019 but it is the impact of COVID-19 that has led to a sharp escalation in volatility (Figure 1).

Figure 3: Urban vs regional changes in news production as at Dec 31 2021



Two thirds of all changes were market contractions, of which 78 were news closures. This represents a marked acceleration from previous ACCC data showing 106 news closures over a 10 year period (2008–18). Regional and rural communities have borne the brunt of news reductions, accounting for nearly 70% of the national decline. These reductions were also more likely to be total closures or reduced coverage, rather digital replacement, as with the majority of metropolitan contractions (Figure 3).

Local government areas without any local print or digital news coverage (33 of 537; 6%)ⁱⁱⁱ are regional or remote, with small populations and generally low population density; 45% are located in Queensland, followed by Northern Territory (21%), South Australia (18%), NSW (9%), Tasmania (6%) and WA (3%) (Figure 4).

Green shoots have emerged across most states and territories, but they generally reflect the trend to digital delivery, which does not assist vulnerable community members such as the elderly (digital literacy), disadvantaged (cost of access to technology) and remote communities (where technical connectivity remains an issue). The eastern states remain the worst affected (Figure 4).

Coupled with PIJI’s research prior to COVID-19 that suggested declines in local government reporting, we are faced with a challenging picture of emerging news degradation, particularly at a local, regional level.

Figure 4: Changes in news production by state or territory as at Dec 31 2021



[The opportunity]

Around the world, governments, community and the sector itself are grappling to find sustainable solutions.

Ahead of the federal election, an opportunity exists for a comprehensive vision to encourage community, business and industry support. Reform to date has focused on single-issue policy and partial or short-term responses to sustainability issues for public interest journalism.

So what is the path forward for public interest journalism?

To drive robust and thriving media plurality:

- Public policy interventions should produce a direct public benefit and the support should be tied directly to quality news production and availability, something that has not always been the case in the Australian context.
- Equally, a mix of policy measures should be devised to support a diversity of news producers: large and small, retail and wholesale, metro and regional, commercial, non-profit and public-service, existing businesses and start-ups.
- The industry continues to transform in response to the changed landscape. Innovation and different business models are key to this transformation and should be encouraged.
- Digital platforms are essential players in the industry. More consideration should be given to opportunities to incentivise transparent arms-length investment.
- The community also has a role to play. It must find its voice and be part of the conversation and the solutions.

[Multiple industry inquiries have found the current news media regulatory framework is fragmented^{iv}. This is the opportunity to rectify that gap while the market is in transition.]



[Options for consideration; the detail]

There is no 'one size fits all' solution to safeguard public interest journalism. The complexity and scale of different needs requires a multi-pronged approach.

However, there are clear opportunities that could help diversify revenues, encourage more news production and benefit regional and remote Australia, as well as other communities experiencing an undersupply of media diversity or plurality:

Encouraging industry investment

While the News Media Bargaining Code has generated new revenues for the industry, deals so far largely favour large or medium incumbents, and the Code itself does not carry any obligations on news media businesses to invest in news nor does it cover new market entrants – a clear financing need. PIJI recommends the following actions to address these issues:

1. The introduction of a **R&D-style tax rebate** for public interest journalism alongside the Code provides an attractive, public policy response to incentivise news media investment while providing direct public outcomes. Conservative analysis shows the potential for **\$356m benefit per annum**^v. Such a scheme has recently been introduced by the Canadian government and other jurisdictions are contemplating following suit.
2. The expansion of existing **apprenticeship programs** to include a public interest journalism category could encourage co-investment by industry, particularly in geographical areas of undersupply.
3. Incentivise broadcast investment through the **offset of license fees** against news reporting costs for commercial players and **funding certainty for public service broadcasters**^{vi} (accompanied by reporting requirements on their production of news, current affairs and journalism at national, regional and local levels).
4. The introduction of **tax deductible giving** settings could encourage philanthropic funding as per the US example to stimulate growth in domestic, non-profit news media. New research suggests a limited but growing Australian market of philanthropic funders interested in the sector.

5. The establishment of a **central trust** funded by multiple sources at arms-length; for example, contributions from digital platforms, philanthropic funders and broadcast spectrum auctions, that is designed to meet news diversity, underserved communities, and other market gaps. It could be structured for co-contributions and other revenue streams over time and shaped for start-up capital, loans or subsidies eg. community-led co-operative models where local news not commercially viable.

Increased transparency

Increase the transparency and accountability surrounding government intervention in news media – direct or indirect – through the reporting of any public benefit. For this function, routine core industry data and analysis are fundamental to enable clear insight including the identification of key trends, challenges and to avoid any unintended consequences.

Investing in data

Significant investment is needed in the consistent capture and maintenance of industry data to measure and monitor the national health of public interest journalism and to determine policy design and effectiveness in delivering public returns. For example, data can identify communities that experience a lack, or insufficient diversity, of public interest journalism.

Analysis will also assist broader discussions around acceptable minimum levels of coverage and overcome existing information asymmetries to better inform future policy.

With government funding, PIJI is well placed to build upon its specialist expertise and ongoing mapping work (Australian Newsroom Mapping Project) to become an independent data centre that produces longitudinal open-source data on news product and availability – with no establishment costs or break in delivery.

[Beyond 2022]

The current state of public interest journalism suggests some important questions to be resolved:

- **What should a minimum provision of diverse and plural news look like to promote a working democracy and support resilient communities, regardless of where people live or their economic means?**
- **What is a sufficient level of news infrastructure to keep communities safe during national emergencies such as bushfires, floods and pandemics?**
- **What interventions should occur where a news market is commercially unviable?**

Government must develop a visionary, contemporary regulatory framework that:

- ensures diversity and plurality of media voices, media ownership and community coverage
- addresses the different issues facing quality news content and availability at hyper-local, local, regional and national levels, including financial sustainability
- provides for a rich variety of news production including commercial, not-for-profit news models and new market entrants
- accounts for media convergence
- adheres to, and promotes, professional industry standards
- enables and encourages news media businesses to innovate, grow and serve in their role as a public good for the Australian community
- provides accountability and transparency in, and around, public policy support for public interest journalism
- establishes, or promotes a national conversation on, a minimum standard for the desired news levels across communities.

A well-informed, cohesive and resilient Australian community should be an underlying obligation and objective for all sides of politics.

References

- i See for example journalism's impact on [public finances](#); [corporate governance](#) and [misconduct](#).
- ii There is no requirement on media businesses to invest derived revenue in news production; plus, the Code is of limited use for regional television and radio, and excludes news wholesalers and start-ups.
- iii PIJI will be releasing additional data in coming months, including radio and television news data not currently included.
- iv Various reviews and inquiries have thrown light on the complexity of issues that face the industry and in particular public interest journalism, identifying policy gaps or inconsistencies that contributed to longstanding market failure and common themes for holistic reform. For example, the Finkelstein Inquiry into media regulation (2012), the Senate Select Committee on the Future of Public interest journalism (2018), the ACCC's Digital Platform Inquiry (2019) and most recently, the Australian Government's Green Paper into television broadcast reform and Senate Inquiry into media diversity (2021), Parliamentary Inquiry into Australia's regional newspapers (2022).
- v PIJI has also [developed guidelines](#) to assist policymakers in devising such a scheme.
- vi According to [recent research](#), the ABC and SBS are rated the two most trusted news sources in Australia.

ABOUT PIJI

The Public Interest Journalism Initiative (PIJI) is a specialised think tank, advancing a sustainable future for public interest journalism in Australia. It informs practical policy solutions and public conversation on the importance of an effective, pluralistic news media of all types and sizes – including new entrants.

PIJI's work is guided by six key principles: to act in the public interest; to ensure plurality of news production and neutrality of support; to be independent, practical and evidence-based in consideration of any options.

As a [registered charity](#), PIJI is governed by a Board of independent directors and guided by an Expert Research Panel and Policy Working Group. It is designed as a limited shelf-life initiative scheduled to expire mid 2023, in line with realising its impact.

