

Supplementary submission to the Inquiry into Media Diversity in Australia

Submission to the Senate Standing Committees on
Environment and Communications

Thursday 21 October 2021

[Public
Interest
Journalism
Initiative]

BACKGROUND

The Public Interest Journalism Initiative (PIJI) welcomes the opportunity to make a supplementary submission on our [original submission](#) to the Senate Standing Committee on Environment and Communications inquiry into media diversity in Australia.

PIJI's first submission focused on key issues and findings from our research available at the time, including the December 2020 results in our *Australian Newsroom Mapping Project*, and noted our upcoming research.

PIJI now submits to this inquiry, research of interest that has been produced during 2021.

In preparing the following comments, PIJI has been guided by key principles that inform all our work: 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.

OVERVIEW

Since PIJI's inception in late 2018 as an independent think tank researching a future for public interest journalism, there has been more change than anyone thought possible in the news media landscape, not just in Australia, but worldwide.

But one thing hasn't changed: the need to find ways to secure the future of news production, and more specifically, the future of public interest journalism – across its spectrum of investigative reporting to the nuts and bolts of routine, but crucial, news coverage. Indeed, if anything this prerequisite has become even more urgent.

In an era of media convergence and business model disruption, the onset of COVID-19 dried up the last vestiges of meaningful advertising revenue and resulted in large, volume change to news production within a concentrated timeframe. Since January 2019, there have been 232 contractions (closures, reductions in service or ends of print editions) and 110 total expansions in the Australian news landscape, according to figures from the Australian Newsroom Mapping Project, a PIJI initiative, which tracks growth and declines in public interest journalism's production and availability¹. While green shoots have emerged in different hot spots, some recent market entrants have already closed their doors. The map has captured over 342 changes as at 30 September 2021, for a net change of -122.

Roughly two thirds of changes are market contractions from the past 18 months and are disproportionately skewed to regional Australia. Regional contractions are more likely to be closures or decreased services of local titles while the majority of metropolitan contractions were end of print edition [*see Figure 7*].

Furthermore, the eastern states have been predominantly impacted both in the volume and the types of change. New South Wales, Queensland and Victoria together account for 87% of all changes in the database while the Australian Capital Territory, Northern Territory and Tasmania have jointly recorded fewer than 2% [*see Figure 8*]. For further breakdown of this data, please refer to [Australian Newsroom Mapping Project Report: September 2021](#).

¹This map tracks changes in news production and availability across Australia since 1 January 2019 [Dickson G. 2020. Australian Newsroom Mapping Project. Melbourne: Public Interest Journalism Initiative. <<https://anmp.piji.com.au>>

News is part of the civil infrastructure of any working democracy and plays a critical role in emergency infrastructure as repeatedly demonstrated during recent bushfires and floods². It assists community resilience and cohesion, particularly in rural and regional areas, where the majority of news contractions have taken place. Interestingly, in data presented in the University of Canberra’s *Digital News Report: Australia 2021* respondents who are more attached to their community are more likely to pay for news than those who do not³.



Figure 4: Change types by state or territory, data as at 30 September 2021.

However, the cost of producing public interest journalism is high and as financial returns on this essential service diminish, so too does the commercial incentive to continue its production.

Yet in Digital News Report 2021, half of Australians indicate they are not concerned about the financial state of news organisations and a third

aren’t even aware that news outlets are less profitable than they were a decade ago⁴.

Sustainable public interest journalism requires a thriving, diverse news sector, which necessarily includes commercial operators as well as other models.

To ensure media diversity and plurality in Australia, a mix of substantive, fiscal measures is necessary to support, transition and stimulate existing news businesses and encourage new entrants.

The Federal Government has recognised news as an essential service, responding to rapidly changing market conditions through pandemic-relief, such as JobKeeper’s broad capture and the industry specific, \$55M Public Interest News Gathering program, alongside longer term initiatives such as the legislative passage of the News Media Bargaining Code. The introduction of the Code has moved digital platforms like Google and Facebook towards substantial financial deals with major media players that put a value on the commercial benefit derived by the platforms from news content. The context for these deals is a world first and sets an interesting precedent for other jurisdictions as well as the future of Australian news.

But importantly, public policy intervention should support a spectrum of industry players; large and small, retail and wholesale, metro and regional. PIJ also advances that it must produce a public benefit such that support is tied directly to quality news production and availability, something that has not always been the case in the Australian context.

There are a range of further solutions worthy of consideration. Taxation mechanisms could offer significant returns on investment and public benefit. PIJ 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. For example, an industry rebate scheme would link investment

² The Royal Commission into National Natural Disaster Arrangements showed 60% of people in bushfire-affected areas believed local reporting helped ensure their safety¹. Radio media reached communities that couldn’t access mobile, landline telephone, television or internet services: <https://naturaldisaster.royalcommission.gov.au/publications/nnd00101143>

³ Park, S., Fisher, C., McGuinness, K., Lee, J.Y. & McCallum, K. (2021). *Digital News Report: Australia 2021*. Canberra: News & Media Research Centre, University of Canberra.

⁴ Park, S., Fisher, C., McGuinness, K., Lee, J.Y. & McCallum, K. (2021). *Digital News Report: Australia 2021*. Canberra: News & Media Research Centre, University of Canberra.

directly to journalistic resources and suggests a possible \$356M injection for the industry⁵. Such a scheme has recently been introduced by the Canadian government. The introduction of specific settings to encourage philanthropic giving as per the US example could also stimulate growth in domestic, non-profit news media. Our recently released report, [Understanding the role that philanthropy can play in supporting public interest journalism and how to enable it](#), provides new insights into the small but growing market of philanthropists interested in this sector, and some of the mechanical and practical barriers to this style of investment.

Australia's news blackout on Facebook in February 2021 demonstrated to the community the extent to which their everyday lives rely upon news and current affairs, especially during the COVID-19 era and amid rising dis- and misinformation.

Public interest journalism is a public good, which needs safeguarding now. There is no silver bullet. Its future requires investment from the industry itself, digital platforms, philanthropy, and government as well as consumer support.

PIJI maintains that media plurality — a diversity of voice, ownership and community coverage — is central to delivering the objective of a robust and sustainable ecosystem for public interest journalism in Australia.

⁵ Centre for International Economics 2019. Tax Concessions for Public Interest Journalism. <<https://piji.com.au/wp-content/uploads/2019/11/piji-tax-concessions-for-public-interest-journalism.pdf>>

PIJI RESEARCH & SUBMISSIONS 2021

The following summary outlines PIJI's key work in the areas of media diversity and financial sustainability for public interest journalism over the past ten months, and the key findings from each project.

A written report from each of these projects is included with this submission.

For a complete list of all PIJI's work in these areas, please refer to Appendix B: PIJI Research 2019-2021.

Theme 1: Assessment of diversity

This enquiry theme is particularly concerned with understanding the current health in the production, quality and availability of public interest journalism across Australia, but with particular emphasis on geographic communities of interest: rural, regional and suburban.

PROJECT: The Australian Newsroom Mapping Project

Gary Dickson, Public Interest Journalism Initiative

First release: 1 April 2020; Latest release: 30 September 2021

PIJI's Australian Newsroom Mapping Project (ANMP) tracks indicators of changes to news production and availability. The project captures data from 1 January 2019 to present day for changes such as openings and closings of news outlets, increases and decreases in service, mergers and changes to print publication frequency. The ANMP is the most complete record of changes over the studied period and the data is regularly verified and audited to ensure its integrity.

A monthly narrative summary of changes, a quarterly data insights report and open access and license to the data are all provided to assist policymakers and researchers to develop an evidence base for their work.

[Australian Newsroom Mapping Project Report: September 2021](#)

[Australian Newsroom Mapping Project Report: August 2021](#)

[Australian Newsroom Mapping Project Report: July 2021](#)

[Australian Newsroom Mapping Project Report: June 2021](#)

[Australian Newsroom Mapping Project Report: May 2021](#)

[Australian Newsroom Mapping Project Report: April 2021](#)

[Australian Newsroom Mapping Project Report: March 2021](#)

[Australian Newsroom Mapping Project Report: February 2021](#)

Theme 3: Investment and Financial Sustainability

This enquiry theme examines the financial health of the news media sector and investigates tax mechanisms for their potential to encourage investment in public interest journalism. Within this area of interest, 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.

For detail on the first part research into a public interest journalism tax rebate, please refer to Appendix B: PIJI Research 2019-2021.

Philanthropic incentives for journalism

Multiple government and regulatory inquiries have examined the financial difficulties facing the news industry over the past decade. A recurring recommendation of these inquiries is to provide incentives for philanthropic giving to the news sector, but the potential impact of such incentives is under-studied. This research involves interviews with donors and news organisations to better understand the potential of philanthropy for journalism.

PROJECT: Reviewing proposals to facilitate philanthropic funding of news in Australia

Gary Dickson, Public Interest Journalism Initiative | March 2021

<https://piji.com.au/wp-content/uploads/2021/03/dickson-g-2021.-proposals-to-provide-news-organisations-tax-deductible-gifts.pdf>

The comparison is often drawn to the United States, where philanthropy contributes around US\$500m every year. This project conducted a review of proposals to government inquiries over the past decade.

Key findings:

- the two options consistently suggested are 1) to create a new category of deductible gift recipient for journalism, and/or 2) create a central philanthropic trust to receive and distribution donations;
- there are some indicators that there is likely to be demand for funding but no comprehensive study of the potential uptake of non-profit, charitable, deductible gift recipient status among news organisations; and
- there has been no research in the Australian market among philanthropic funders to assess whether they are interested in giving to journalism and, if so, what incentives and barriers may exist.

PROJECT: Understanding the role that philanthropy can play in supporting public interest journalism

Regina Hill | September 2021

<https://piji.com.au/wp-content/uploads/2021/09/hill-r-2021.-understanding-the-role-that-philanthropy-can-play-in-public-interest-journalism.pdf>

Despite repeated proposals to provide news media organisations with deductible gift recipient (DGR) status, there had been no study to interrogate the mechanical barriers for funders and news organisations, and the motivational factors that may affect the philanthropic sector's appetite to fund public interest journalism.

This report draws on a series of interviews conducted with approximately forty stakeholders from news media organisations and philanthropy to provide insights into the motivations and mechanisms that impact philanthropic giving to public interest journalism.

Key findings:

- There was a strong view that philanthropy does have a role to play in supporting the Australian news media industry, though participants did not anticipate that philanthropy would be likely to account for a substantial investment;
- A small but growing market of philanthropists is supporting public interest journalism, motivated by its nature as a public good; by its potential to further another cause they care about; and its importance to community infrastructure;
- Philanthropic funders lack awareness of the need for support;
- Current charity and taxation laws are a key constraint;
- Philanthropists and news media organisations may have only limited exposure to examples of what is being funded and the rationale for it, hindering development;
- News media organisations do not have experience engaging with philanthropy and can struggle to articulate the social and civic impact of public interest journalism;
- By addressing regulatory constraints and tapping into existing cause areas, there is potential to grow philanthropic support for the not-for-profit journalism sector.

SUBMISSION: Response to the Media Reform Green Paper

Submission to the Department of Infrastructure, Transport, Regional Development and Communications | July 2021

<https://piji.com.au/wp-content/uploads/2021/07/210712-piji-submission-to-the-media-reform-green-paper.pdf>

Key comments:

- where direct relief is provided to the news media industry, it should carry some obligation to support public interest journalism, consistent with the position that such journalism is a public good.
- TV still remains an important and trusted source of news for Australians, despite shifts towards other types of technology.
- Any transition must ensure that Australians do not experience any decrease in access to news content wherever they reside in Australia and continue to enjoy a choice of Australian news providers.
- Media regulation needs to encompass the different commercial realities faced by regional, remote and metropolitan broadcasters.
- while there are fundamental differences between public and commercial broadcasters, any reform must be inclusive of common interest, specifically regarding safeguards and innovation for public interest journalism.

The green paper includes a proposal for a Public Interest News Gathering (PING) Trust, which would be funded by the sale of broadcast spectrum and would provide grants to public interest journalism producers. PIJI supports this proposal and is conducting further research into the appropriate model for delivering such a trust, subject to funding.

APPENDIX A: ABOUT PIJI

The Public Interest Journalism Initiative (PIJI) is a specialist think tank focussing on how Australia can secure the future of public interest journalism. Established in late 2018, PIJI's evidence-based work informs practical policy solutions and public conversation on the importance of an effective, pluralistic news media of all sizes.

As a registered charity (ACN 630 740 153), PIJI is governed by a board of independent directors and guided by an Expert Research Panel and Policy Working Group. PIJI is a limited shelf-life initiative, due to cease operation in June 2023 in line with achieving its intended impact.

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APPENDIX B: PIJI RESEARCH 2019-2021

Assessment of diversity

This research theme is particularly concerned with understanding the current health in the production, quality and availability of public interest journalism across Australia, but with particular emphasis on geographic communities of interest: rural, regional and suburban.

PROJECT: Availability of local news and information

Dr Margaret Simons and Gary Dickson | June 2019

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

PROJECT: The nature of the editorial deficit

Dr Margaret Simons; Gary Dickson and Rachel Alembakis | November 2019

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

PROJECT: Australian Newsroom Mapping Project

Gary Dickson | April 2020

<https://piji.com.au/research-and-inquiries/our-research/anmp/>

Community value of public interest journalism

A precondition for good policy is that it should enhance community value by more than it costs. It can be difficult to measure that benefit when so much of it seems intangible, such as journalism's contribution to strengthening democracy and social life. With these surveys we sought to understand whether and how the community values public interest journalism. The surveys were conducted by Essential Media for PIJI at six-monthly intervals and analysed by Professor Glenn Withers AO of Australian National University and Applied Economics.

PROJECT: Survey period October 2019

Professor Glenn Withers | October 2019

<http://piji.com.au/wp-content/uploads/2020/08/1910-piji-community-value.pdf>

PROJECT: Survey period April 2020

Professor Glenn Withers | April 2020

<http://piji.com.au/wp-content/uploads/2020/08/2004-piji-community-value.pdf>

PROJECT: Survey Period October 2020

Professor Glenn Withers | October 2020

<https://piji.com.au/wp-content/uploads/2020/12/2010-piji-community-value.pdf>

Public interest journalism tax rebate

Research suggests that an R&D-style 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. This program of work consists of analysis of the potential of a rebate and guidance on how to implement and claim such a scheme.

PROJECT: Tax concessions for public interest journalism

David Pearce, Executive Director, Centre for International Economics | November 2019

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

PROJECT: Guidance to implement and claim a public interest journalism tax rebate

Dr Margaret Simons; David Pearce, Centre for International Economics; Eddie Ahn and Gabrielle Hedge, DLA Piper | September 2020

<https://piji.com.au/wp-content/uploads/2020/09/200609-pij-rebate.pdf>

Philanthropic giving for journalism

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PROJECT: Understanding the role that philanthropy can play in supporting public interest journalism

Regina Hill, Effective Philanthropy | September 2021

<https://piji.com.au/wp-content/uploads/2021/09/hill-r-2021.-understanding-the-role-that-philanthropy-can-play-in-public-interest-journalism.pdf>

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