

12 September 2019

Structural Reform Division, The Treasury
Langton Crescent
Parkes ACT 2600

Submitted Online

Australian Government Response to Digital Platforms Inquiry

Dear Sir/Madam,

The Public Interest Journalism Initiative welcomes this opportunity to respond to Australian Government with regard to the ACCC's Digital Platforms Inquiry final report. PIJI made submissions to the ACCC Inquiry which were extensively quoted in the final report, and some of our ideas were reflected in the final recommendations associated with *Chapter Six: Choice and quality of news and journalism*. We congratulate the ACCC on a report which demonstrates close understanding of the relevant industries, their operations and challenges, and is grounded in extensive research, some of it pre-existing but including valuable new work done by the ACCC.

In this response we focus mainly on the areas of direct interest to the purposes of the Public Interest Journalism Initiative – namely, Chapter Six and the resulting recommendations.

We also comment on other areas of relevance, particularly aspects of Chapters One and Two and Four¹. We draw attention to areas of cross-over and interaction with other inquiries, both current and past, and raise issues concerning other digital platforms – including Chinese controlled – which we believe are somewhat overlooked in the ACCC Report.

We also detail research projects that PIJI has currently underway or pending commission. The findings of this research will be of direct relevance to the ACCC recommendations concerning news media. While these projects will not be completed before the Treasury's deadline for submissions, we expect our qualitative research on existing editorial capacity to be available in

¹ Chapter 1: The rise of digital platforms; Chapter 2: Do digital platforms have market power?; Chapter 4: Digital platforms and media – regulatory frameworks

early October, with additional research on tax policy and public willingness to pay for public interest journalism to be published in early November. PIJI would welcome the opportunity to provide the government with a report on the results and engage in further discussions.

What is the Public Interest Journalism Initiative?

PIJI is a non-partisan, philanthropically funded, not-for-profit body established as a limited-life initiative (3-5 years) to conduct research, develop policy and promote public discussion for a sustainable ecosystem of independent, pluralistic, public interest journalism (PIJ) in Australia.

PIJI was established in 2019 after consultations with publishers, editors, philanthropists, business leaders, policy-makers and researchers, and is governed by a board of highly-credentialed voluntary directors across the disciplines of media, law, public policy, research, philanthropy and business. PIJI supports informed debate with credible research, and works independently and collaboratively to develop rigorous public policy options.

Since its commencement PIJI has conducted research on local journalism in conjunction with the Australian Local Government Association and has additional research underway of direct relevance to the ACCC recommendations (see *Appendix A: PIJI research projects*). PIJI also contributes to relevant government inquiries, including the [Senate Standing Committees on Environment and Communications Press Freedom Inquiry](#).

For more information about PIJI, including membership of our board, please see our website at www.piji.com.au

General comments on the ACCC Report in relation to public interest journalism

We welcome the ACCC's strong recognition that public interest journalism is a public good, important for the healthy functioning of democracy and providing significant benefits to Australian society as a whole. The ACCC has added to pre-existing research with new data on the falls in advertising revenue and the decline in the numbers of journalists and the nature of the resulting deficits in news and information available to Australian communities.

We welcome the ACCC's recognition that the public good nature of public interest journalism justifies a public policy response, including:

- public funding for journalism, including through grants and tax-deductible status for philanthropic support to not-for-profit journalism enterprises;
- attention to the fairness of market relationships involving digital platforms, and the need for increased regulation in this area;
- public funding for media literacy education;
- an updated and fit-for-purpose system of media regulation; and
- the development of a specialist branch of the ACCC to build expertise and monitoring in the operation of digital platforms, including the capacity and power to mount inquiries.

We note that section 6.2 of the ACCC Digital Platforms Inquiry final report adopts, with a slight modification, the definition of public interest journalism (PIJ) suggested in our submission as:

Journalism with the primary purpose of recording, investigating and explaining issues of public significance in order to engage citizens in public debate and inform democratic decision making at all levels of government.

PIJI welcomes and endorses the ACCC's observation that local journalism – rural, regional and suburban – is an area of particularly acute, journalistic deficit. This corroborates PIJI's *Availability of Local News and Information* research conducted earlier this year in partnership with the Australian Local Government Association. For a copy of the full report please see *Appendix B*. PIJI has three additional pieces of research currently underway (see *Appendix A: PIJI research projects*). PIJI is, however, disappointed that some measures with great potential to address emerging journalistic deficits were not given more attention.

Tax incentives for investment in public interest journalism

PIJI believes that the ACCC rejected the idea of tax rebates or incentives to encourage investment in public interest journalism without sufficient consideration (Section 6.9). On the ACCC's own calculations, a 25 per cent rebate on current levels of expenditure would provide a benefit to media businesses, and a cost to the Budget, in the order of AU\$150 million a year. In the context of the current total investment of \$600 million in full time equivalent employees producing journalism in Australia, this investment would be a significant benefit and indeed would go a long way to addressing the crisis in journalism.

The ACCC considered that a tax rebate would not be effective because it would be difficult to use it target the employment of journalists producing specifically public interest journalism. The ACCC implies that it would be difficult to ensure 'additionality' of PIJ because the rebate does not target particular content. Further, it contended that attempts at targeting would be administratively costly and may lead to 'gaming'. The ACCC rejected the idea of tax rebates for the production of PIJ on these in-principle grounds.

It is notable that in a report otherwise firmly grounded in research and analysis, the ACCC did not conduct a benefit-cost analysis of such a policy, nor did it consider whether it was possible to design a policy to address the expressed concerns. The ACCC mentioned the Australian Screen Production Incentive as a point of comparison, and noted that it was designed to support discrete projects, rather than ongoing activities (such as public interest journalism). However, the ACCC did not consider other tax rebate schemes such as the Research and Development Tax Incentive, which provides a relevant and interesting model in a number of regards:

- First, the R & D scheme illustrates the approaches that can be taken to target particular kinds of expenditure (which may have a direct analogy to types of expenditure on Public Interest Journalism)
- Second, it illustrates the challenges in achieving 'additionality' (an increase in Public Interest Journalism, for example, relative to what it would have been otherwise) and in measuring the public benefit associated with additional activity (of R&D or in this case PIJ).

PIJI considers that the tax rebate issue is worthy of further examination. To this end PIJI has commissioned two pieces of complementary research from the Centre for International Economics (CIE) and Applied Economics Pty Ltd.

1. PIJI Research: Examining the community's value of public interest journalism

PIJI has commissioned Professor Peter Abelson and Professor Glenn Withers of Applied Economics Pty Ltd to conduct an evaluation of the public value associated with public interest journalism, and the community's willingness to pay for journalism.

Applied Economics P/L has made important contributions on assessing public willingness to pay for intangibles in other areas of national interest such as environmental and cultural matters and for public budget reallocation. Professor Withers (with Professor David Throsby) has pioneered cultural public value, broadcasting public value and public budget valuation across all expenditure types and applied this work for bodies such as the Australia Council for the Arts and the ABC. Professor Peter Abelson pioneered the valuation of environmental amenity beginning with quantifying actual impacts in the case of London airport. The particular methodology for that case has become widespread and is known as "contingent valuation" or "willingness to pay". It seeks to quantify public benefits that transcend valuation captured in market transactions.

The research commissioned by PIJI will:

- gather the existing quantitative analyses that provide insight into the nature and magnitude of the public value of public interest journalism.
- conduct new survey research to assess the public willingness to pay for public interest journalism.

2. PIJI Research: Analysis of tax incentives for the production of public interest journalism

The Centre for International Economics, meanwhile, will set out the core elements of a tax incentive for production of PIJ drawing on a number of resources including:

- Other similar taxes, including the R&D Tax Incentive

- An understanding of the underlying nature of public interest journalism, the distinction between PIJ and opinion, and a clear definition of the activities that comprise PIJ.

Their report will:

- Propose a practical approach to setting up a tax incentive scheme drawing on the information derived above.
- Estimate the potential net benefits from the scheme.
- Set out key uncertainties and areas for future research.

Recommendation 1

PIJI believes that PIJI's new research should be considered before the idea of tax incentives for PIJ is rejected.

We would welcome the chance to share the results of these reports with the Government when the research is released in early November.

Rise of the Digital Platforms and their market powers

PIJI congratulates the ACCC on its well-researched and compelling account of the rise of digital platforms. PIJI strongly supports Recommendation Four of the ACCC report for a specialist digital platforms branch to be established within the ACCC to provide proactive investigation, monitoring and enforcement of issues in markets in which digital platforms operate.

As well as the reasons advanced for this in the ACCC report, PIJI would emphasise the fast-changing nature of digital platforms, and the possibility that Facebook and Google will not necessarily continue to dominate the market. This is an issue we raised in our ACCC submission.

PIJI regrets that platforms other than Facebook and Google receive scant attention in the ACCC report. We believe that in the decade ahead, the significance of other platforms to public interest journalism, and wider issues of democratic health, will rapidly become apparent. It is therefore essential that the regulator develop and maintain its expertise and capacity to respond.

In particular, we feel the ACCC report pays insufficient attention to WeChat, the Chinese social media platform which both commissions and distributes content from Chinese language media, including government-controlled media. Chinese WeChat accounts of Australian based Chinese language media frequently repurpose articles published in official Chinese state media. This content is distributed widely among the Chinese Australian community, including temporary migrants such as tertiary students. We have seen this impact Australian public life in recent weeks, with conflicts between Chinese students over the pro-democracy demonstration in Hong Kong. Earlier, the ABC and Sydney Morning Herald reported on the complexities of Australian political content during the election being shared on a platform subject to censorship by the Chinese Government.²

² Walsh M. and Xiao B. 2019. Uncharted Territory: WeChat's new role in Australian Public Life raises difficult questions. *ABC News* 19 April. <https://www.abc.net.au/news/2019-04-19/wechats-new-role-in-australian-politics-raises-questions/11031878>; Cannane S. and Hui E. 2019. Bill Shorten and Scott Morrison risk losing access to Chinese voters on WeChat. *ABC News* 24 April <https://www.abc.net.au/news/2019-04-24/morrison-shorten-risk-losing-wechat-access-to-chinese-voters/11037868>; Koslowski M. 2019. Warning WeChat could spread Chinese propaganda during federal election. *Sydney Morning Herald* 28 January <https://www.smh.com.au/politics/federal/warning-wechat-could-spread-chinese-propaganda-during-federal-election-20190118-p50s90.html>

Other scholars have described digital media as “blurring” the border between China and Australia in the wake of an analysis of news targeted at Chinese language audiences in Australia.³ China expert John Fitzgerald, from Swinburne University, has described WeChat as “a very effective instrument for curating what can and cannot be said in Australia, and chiefly among Chinese-Australians, on matters Beijing considers sensitive.”⁴

It is important, as well, to understand that WeChat’s business model differs in important respects from that of Google and Facebook. As well as commissioning content – including news content – from Chinese journalists both in China and, we understand, in Australia, WeChat is also a major provider of financial services in China. It is notable that some Australian food delivery services already accept payment via WeChat Pay.

Meanwhile, other fast emerging platforms include TikTok, which so far deals only in entertainment content but has potential to develop. As well, SnapChat is beginning to commission and create content in partnership with media partners.⁵

PIJI understands and appreciates that the ACCC Report seeks to establish a system of regulation and response to the digital platforms that will continue to be relevant and fit for purpose as the landscape changes. Nevertheless, we believe that inadequate attention is paid to these other platforms, their different business models and their capacity to affect news media content in Australia, including by allowing foreign influence. These present complex challenges.

We believe likely developments over the next decade will include:

- Digital platforms commissioning and producing content, with a likely bias towards entertainment but increasingly including news and journalistic content
- Digital platforms offering financial services

³ Tom Sear, Michael Jensen and Titus Chen. *How Digital Media Blur the Border Between Australian and China*. The Conversation 16 November 2018. <https://theconversation.com/how-digital-media-blur-the-border-between-australia-and-china-101735>

⁴ Walsh & Xiao 2019.

⁵ Sloane G. 2018. Snapchat Gives Publishers a New Way to Make Stories and Money. *AdAge* 13 September <https://adage.com/article/digital/snapchat-publishers-make-stories-money/314921>

These issues overlap with other areas of public policy concern, including financial services regulation, currency transfer regulation, money laundering and the influence of foreign powers.

Recommendation 2

PIJI believes that it essential that the ACCC develops its expertise in digital platforms and improves its capacity to proactively monitor and investigate, as well as conduct inquiries and make recommendations to Government.

Digital Platforms and media regulatory frameworks

PIJI supports Chapter Four/ Recommendation Six, for a review of media regulation with the aim of establishing a platform neutral harmonised media regulatory framework.

This is not a new issue. Similar recommendations have been made by a number of inquiries over the last twenty years, starting with the 2000 Productivity Commission review into the broadcasting spectrum⁶ and more recently by the Media Convergence Review in 2004.⁷

However, successive governments have emphasised the removal of outdated regulations governing cross media ownership without attempting the kind of root and branch review needed to construct fit-for-purpose media regulation in the digital age. We would urge urgent attention to Recommendation Six. As ACCC Chair Mr Rod Sims remarked to the Melbourne Press Club “the platform is burning” and Australia no longer has the luxury of delaying reform.⁸

Other than this broad support for review and reform, we will confine our comments to areas of regulation likely to affect public interest journalism.

Regulation of news media content and journalism

As the controversies leading up to the current parliamentary inquiries into press freedom make clear, it is vital that any system of government regulation not unduly impede the freedom of the news media to fulfil its fourth estate functions.

When it comes to news media content and journalism, PIJI believes that only a system of self-regulation is consistent with media freedom.

Previous inquiries that have examined media regulation have found fault with the existing system of press self-regulation in Australia and have recommended various means of compelling news media organisations to abide by self-regulatory codes meeting government-mandated standards.⁹

⁶ Productivity Commission. 2000. Broadcasting Inquiry Report, Report no. 11. Commonwealth of Australia.

⁷ Convergence Review, Final Report. Commonwealth of Australia 2012.

⁸ Sims R. The Digital Media Challenge. Address to the Melbourne Press Club, 13 August 2019. The remark was in response to questions at the conclusion of the address.

⁹ Finkelstein R. and Ricketson M. 2012. *Report of the Independent Inquiry into Media and Media Regulation*. Report to the Minister for Broadband, Communications and the Digital Economy 28

PIJI rejects the approach recommended in the 2012 Report of the Independent Inquiry into the Media and Media Regulation (The Finkelstein Inquiry) which was conducted as part of the Convergence Review. The Hon. Mr Finkelstein recommended the imposition of ‘enforced self-regulation’ through the establishment of an independent statutory news council to oversee the enforcement of news media standards and accountability—a body that Finkelstein believed could restore public confidence in the media. PIJI regards this as a step too far, and an unwarranted and risky incursion on freedom of the media, mainly because Finkelstein’s body would have had the power to compel the publication of corrections and apologies – including those news media considered were not warranted.

Following Mr Finkelstein’s work, the then Labor Government proposed a system under which a Public Interest Media Advocate would oversee media self-regulatory bodies. News media organisations would be effectively forced to belong to these bodies, or else lose their exemptions from obligations imposed by the Privacy Act – making most journalism impossible. We oppose this approach because it would mean a government appointed official would be responsible for determining ‘community standards’ as they should apply to the news media.

The application of ‘community standards’ in this context is wrong in principle. Journalists, in the course of their work, do many things in the public interest that violate community norms of behaviour. The public interest would be severely harmed, and the role of the media dangerously inhibited, if they were to be prevented from acting in ways that might violate community standards. These are difficult ethical dilemmas that need to be resolved by reference to professional standards, which are designed to take into account the complexities involved. This is a task utterly unsuited to general community standards.

The review of media regulation recommended by the ACCC Report has the potential to revive some of the concerns raised by earlier inquiries into media regulation, but also offers a new way forward – with a carrot rather than a stick.

February; Convergence Review Final Report, Report to the Minister for Broadband, Communications and the Digital Economy 28 February; Senate Environment and Communications Legislation Committee, Inquiry into the Broadcasting Legislation Amendment (Convergence Review and Other Measures) Bill 2013 [Provisions], Broadcasting Legislation Amendment (News Media Diversity) Bill 2013 [Provisions], News Media (Self-regulation) (Consequential Amendments) Bill 2013 [Provisions], News Media (Self-regulation) Bill 2013 [Provisions], Public Interest Media Advocate Bill 2013 [Provisions], Television Licence Fees Amendment Bill 2013 [Provisions]: [Report], The Senate, Canberra, March 2013

The ACCC anticipates, in Section 6.9, that access to the proposed system of grants, and also to tax-deductible gift status for contributions to not-for-profit journalism (Recommendations 10 and 11) would be contingent on media organisations committing to recognised standards – effectively to meaningful self-regulation. PIJI is not in principle opposed to such an approach, but the exact operation would have to be carefully thought through.

For example, would mere membership of a body such as the Australian Press Council – which was found wanting by Mr Finkelstein and has also been subject to criticism from within the industry – meet the test, or would it be necessary for the APC – and other relevant industry self-regulation schemes – to improve its operations or meet some externally imposed standard?

We believe the suggested new statutory authority “Journalism Australia” – modelled on Screen Australia, and composed of independent experts – (Recommendation 10 and discussion on page 335 of the report) offers a means by which such standards could be researched, thought through and applied as part of considering eligibility for grants and philanthropic support.

This structure would also allow issues raised by foreign media operating on digital platforms – such as the issues surrounding WeChat previously discussed – to be considered and recommendations made to government.

Rather than a punitive scheme, which would lead to an undesirable incursion on media freedom, the proposed scheme of grants and benefits overseen by Journalism Australia could lead to a constructive consideration of the thorny and recurring issue of improving journalism standards and self-regulation without impeding freedom of the media. Any review should not revive the punitive approach of previous proposals for news media regulatory frameworks.

A system of media regulation that is truly platform neutral would need to also encompass digital platforms carrying, or possibly in the future commissioning, news media content.

In these respects, a reformed, platform neutral system of media regulation is likely to overlap with the proposed codes that would mandate the taking down of certain objectionable content, such as fake news, violent videos, hate speech and propaganda inciting violence.

The ACCC anticipates that such codes would also apply to “designated digital platforms”. We would strongly urge a forward looking and flexible approach to what might constitute a “designated digital platform”.

Recommendation 3

PIJI supports the ACCC recommendation for a review of media regulation with the aim of establishing a platform-neutral, harmonised media regulatory framework.

Choice and quality of news and journalism

We have detailed above our response to the ACCC's rejection of the idea of tax rebates to encourage investment in public interest journalism, and the further research PIJI has underway on this issue.

Here, we provide further response to the issues raised in Chapter Six, and the resulting recommendations, and also discuss other PIJI research that has been completed or is underway.

Grants for local journalism

PIJI welcomes the ACCC's original research, described in Section 6.7 of the report, on the areas of emerging journalistic deficit, including numbers of journalistic jobs lost and categories of public interest journalism that have been eroded. As a result of this research, the ACCC's recommendations focus in particular on local journalism as an area of particularly urgent need.

PIJI's own research *Availability of Local News and Information* corroborates this (see *Appendix B*). Earlier this year, PIJI partnered with the Australian Local Government Association (ALGA) to survey local governments on the levels of local news available to the Australian community. The report, published as part of the Australian Local Government Association's *2019 State of the Regions* report, also surveyed previous research on local journalism in Australia.

The picture that emerged was of the sharp and worrying decline in the amount of local news available to Australians. Given that numerous pieces of research worldwide indicate a close relationship between journalism and the broader civic health of communities, this decline has serious implications for the agency, power and health of citizens in Australia's regions.

Local news is a service not easily substituted. Research shows that regional and rural news media fills a special role in their communities that metropolitan media does not. They are closer to their audiences and advocate for them; journalists and editors are much more accessible and contribute to social and community cohesiveness. Civic leaders believe local media does a better job of reflecting the needs of communities than state or national media. The recent digitally-based entrants to the news media business have all focussed on national and international news, leaving local reporting untouched. The Australian Broadcasting Corporation makes an important contribution but does not offset the overall picture of decline.

While some of the deficits emerging in local news media can be addressed by other institutions, broadening what might be described as the “news eco-system”, this is not a complete replacement for the functions traditionally filled by local media. Journalistic deficits result in a reduction in accountability for interest groups and institutions. If this is not addressed, our report concluded that media was likely to become more partisan and selective, and increasingly controlled and manipulated by those who have the skills and interest to do so. This, in turn, is likely to lead to less social cohesion.

The complete PIJI report is attached to this submission as *Appendix B: Availability of Local News and Information*.

PIJI is also nearing completion of its *The Nature of Editorial Deficit* research project, based on interviews with editors and producers of different media outlets across Australia. The interview subjects encompass rural and regional, metropolitan and national media – broadcast, print and online. The questions explore how reduced editorial budgets are manifesting in altered coverage, and editors’ perceptions of the adequacy of their coverage. The project also explores how extra funds, if they were available, would likely be spent.

This research (available early October) may help inform the design of the grants scheme recommended by the ACCC, and the further work of any “Journalism Australia” type body.

Recommendation four

PIJI endorses the ACCC’s recommendation for a system of grants with local journalism as its initial focus¹⁰ while also noting that other areas of deficit are likely to become apparent as time goes by and as a result of further research.

A properly resourced “Journalism Australia” statutory authority could provide a mechanism by which other areas of need are identified and prioritised and could also review the impact and effectiveness of the grants system.

¹⁰ *Recommendation 10: Grants for local journalism*

The public broadcasters

PIJI endorses and supports the ACCC's assessment of the important contribution made by the Australian Broadcasting Corporation and the Special Broadcasting Service, and its recommendation that they have "stable and adequate" funding¹¹.

The ACCC does not quantify what "adequate" funding might be, but PIJI notes the cuts in real terms of ABC funding over a long period of time. Most of the reviews into ABC funding have concluded that it is an efficiently run organisation, and needs more to fulfil its charter obligations, while also identifying potential areas for further efficiency. The most recent review report, resulting from the National Broadcasters Efficiency Review, has been provided to the national broadcasters, but not publicly released. Then Minister Fifield wrote to the chairmen of the ABC and SBS saying the report was for the broadcasters to "use and consider" as they saw fit. Mr Fifield also that the government did not support advertising on the ABC, nor charging for services such as iView and SBS OnDemand.¹² Without the contents of the most recent review, it is difficult to comment on what "adequate" funding might be, but particularly given the clear priority of local news, the government's renewal of the \$44 million funding for enhanced news gathering in the last budget is particularly welcome.

PIJI also notes that the current managing director, David Anderson, has called for the current triennial funding to be extended to five years, and the parliamentary inquiry into claims of political interference at the ABC deemed this "worthy of serious consideration".¹³

Recommendation five

PIJI supports the idea of longer funding cycles for the public broadcasters, in the interests of providing stability and independence. PIJI would also support both increased base funding for the public broadcasters, and consideration of further "Special purpose" funding such as the enhanced news initiative program.

¹¹ *Recommendation 9: Stable and adequate funding for the public broadcasters*

¹² Mitch Fifield Letter to Ms Ita Buttrose, 12 March 2019. Published at https://www.communications.gov.au/sites/default/files/letter_to_ms_buttrose_efficiency_signed.pdf

¹³ Duke J. 2019. Probe into ABC Political Interference Splits on Party Lines. *Sydney Morning Herald*. 1 April <https://www.smh.com.au/business/companies/probe-into-abc-political-interference-splits-on-party-lines-20190401-p519io.html>

Tax deductibility for not-for-profit journalism enterprises

PIJI strongly supports the ACCC’s recommendation for amended tax settings to allow for deductible gift recipient status for not-for-profit journalism enterprises¹⁴. Philanthropic support is growing for journalism in Australia, and this is to be encouraged, although it should be recognised that it is unlikely to address the larger structural issues that underlie the crisis in the industry.

PIJI is aware of the submission made by Philanthropy Australia and supports its recommendations. That submission supports two paths, which might be either alternatives, or complementary.

First, it supports creating a new category of charitable purpose for public interest journalism within the *Charities Act 2013* (Cth); and a new DGR category for public interest journalism within Division 30 of the *Income Tax Assessment Act 1997* (Cth) that would provide a simpler and more consistent method for organisations focused on public interest journalism to obtain DGR status.

Second, it suggests consideration be given to creating a new independent charitable organisation with a principal purpose to support public interest journalism in Australia, and providing it with a specific listing in section 30.105 of the *Income Tax Assessment Act 1997* (Cth). Philanthropy Australia nominates precedents for such a body, namely the Foundation for Rural and Regional Renewal and Australian Schools Plus.

This organisation could be regarded as an ‘infrastructure’ body focused on supporting the capacity of other organisations undertaking public interest journalism in Australia. It could administer a grants program for this purpose, with funding provided by the Australian Government and philanthropy, including by way of a ‘matching grants’ arrangement. In addition, it could act as an auspicing partner for philanthropic funding to flow to organisations which cannot access DGR status themselves.

¹⁴ *Recommendation 11: Tax settings to encourage philanthropic support for journalism*

PIJI sees considerable merit in this idea, and considers that an independent charitable entity could be either a complement or an alternative to a new DGR category for public interest journalism.

Both schemes would need careful design in consultation with stakeholders. In particular, the new independent charitable organisation's relationship to the proposed "Journalism Australia" would have to be well-considered. As well, care would need to be taken that public interest journalism is properly defined and that acquiring charitable status did not restrict the freedom of the media.

Recommendation six

PIJI strongly supports the proposal to amend tax settings to encourage philanthropic investment in public interest journalism. PIJI supports the recommendations of Philanthropy Australia in its submission for the creation of a new category of charitable purpose and an independent charitable organisation.

Tax incentives for the consumption of journalism

PIJI agrees with the ACCC assessment that providing tax deductibility for the cost of subscriptions for news services would be difficult to target to public interest journalism, and unlikely to be effective in supporting PIJ.

Privacy in relation to media freedom

Most of the material concerning privacy lies outside PIJI's area of expertise and concern. However, we note that the idea of a tort for serious invasions of privacy is a longstanding concern of news media. Close attention needs to be given to the interaction of privacy and defamation law, and any legislative action must not be allowed to further limit the freedom of the media.

Conclusion

The PIJI thanks the Treasury for the opportunity to make these submissions. We remain willing to engage in further discussions, particular when the results of PIJI's new research currently underway are to hand (for a complete summary of PIJI research, please refer to Appendix A).

Recommendations

1. PIJI believes that PIJI's new research should be considered before the idea of tax incentives for PIJ is rejected. We would welcome the chance to share the results of these reports with the Government when the research is released in early November.
2. PIJI believes that it essential that the ACCC develops its expertise in digital platforms and improves its capacity to proactively monitor and investigate, as well as conduct inquiries and make recommendations to Government.
3. PIJI supports the ACCC recommendation for a review of media regulation with the aim of establishing a platform-neutral, harmonised media regulatory framework.
4. PIJI endorses the ACCC's recommendation for a system of grants with local journalism as its initial focus¹⁵ while also noting that other areas of deficit are likely to become apparent as time goes by and as a result of further research. A properly resourced "Journalism Australia" statutory authority could provide a mechanism by which other areas of need are identified and prioritised and could also review the impact and effectiveness of the grants system.
5. PIJI supports the idea of longer funding cycles for the public broadcasters, in the interests of providing stability and independence. PIJI would also support both increased base funding for the public broadcasters, and consideration of further "Special purpose" funding such as the enhanced news initiative program.
6. PIJI strongly supports the proposal to amend tax settings to encourage philanthropic investment in public interest journalism. PIJI supports the recommendations of Philanthropy Australia in its submission for the creation of a new category of charitable purpose and an independent charitable organisation.

¹⁵ *Recommendation 10: Grants for local journalism*

Appendix A: Public Interest Journalism Initiative research projects

Title	Partner	Available
<i>Availability of local news and media</i>	Australian Local Government Association	April 2019
<i>The nature of editorial deficit</i>		October 2019
<i>Examining the community's value of public interest journalism</i>	Applied Economics	November 2019
<i>Analysis of tax incentives for the production of public interest journalism</i>	Centre for International Economics	November 2019



[Availability of Local News and Information]

Appendix B

Availability of local news and information

Margaret Simons & Gary Dickson

This report seeks to draw together what is known about the quantum of local news journalism in the regions of Australia and how this is changing, as well as making an original contribution to this knowledge. It is a consolidation of information gleaned from government inquiries, the Australian Bureau of Statistics and previous academic research, much of it qualitative.

The original contribution presented for the first time here is drawn from a recent survey of local government media managers, conducted by the Public Interest Journalism Initiative supported by the Australian Local Government Association. This survey offers indicative information about the amount of journalism available to the public on local events and issues in the regions of Australia, including the reporting of local government. As we report below, it corroborates the other data presented with a picture of overall decline, which is in some areas alarming and with serious implications for the agency and health of members of Australia's regions.

Obtaining an accurate picture of the state of news media in the regions of Australia is not easy. There is no central repository of information about the numbers of journalists employed, or the tasks to which they are allocated. As we discuss below, Australian Bureau of Statistics data is of limited use. Nor is measuring the impact of emerging deficits in journalistic capacity a simple task – something on which one of the current authors has written at more length elsewhere (Simons et al 2017).

Nevertheless, the state of rural and regional news services in Australia has been repeatedly highlighted as a cause for special concern, and even government action. The 2012 Finkelstein report found that regional news service “requires especially careful monitoring” and that there “is some evidence that both regional radio and television stations and newspapers have cut back substantially on their news gathering, leaving some communities poorly served for local news.” (Finkelstein and Ricketson 2012:11).

To give one high profile example, the major regional paper the *Newcastle Herald*, celebrated for its role in bringing about the Royal Commission into Institutional Responses to Child Sexual Abuse (Muller 2017), has been cut from 110 staff down to just 24 (Media Watch 2015). Other

newspapers, including the *Border Mail* in Albury-Wodonga and *Ballarat Courier* have faced similarly drastic cuts.

Meanwhile the former Fairfax regional newspaper network in December 2018 became part of the Nine media company, and in April this year was sold to Anthony Catalano and the Thorney Investment Group. This includes 160-plus regional titles including the Newcastle Herald, *The Examiner*, *The Border Mail* and the *Illawarra Mercury*. It also includes around 130 community-based websites, and agricultural publications such as *The Land*, Queensland Country Life, and *Stock and Land* (Kelly 2019). While Mr Catalano has said he intends to grow the business, he has also indicated that some of the titles in smaller population areas “Don’t make sense” from a business point of view (Parris 2019). Meanwhile, News Corp has been planning to sell its regional titles, though as of the time of writing that is on hold (Mason 2018).

Government inquiries – most recently the Senate Inquiry into the Future of Public Interest Journalism – have resulted in some government action to address these issues, in particular an innovation fund for regional and small publishers. However, to date the uptake has been low, probably because of restrictions on the kinds of funding that can be sought. For example, it has not been possible to seek funding for journalists’ salaries (ACMA 2018). Governments over the last decade have also placed emphasis on funding for the Australian Broadcasting Corporation’s rural and regional newsrooms – but again, this does not alter the overall picture of decline.

Local journalism matters. The work done by journalists employed by regional media is not replicated elsewhere. When journalists disappear, information deficits are likely to occur, and this directly affects the agency of citizens and the health of local communities. Over the last few years, there have been new, web-based entrants to the news media industry in Australia, including for example BuzzFeed, and local editions of the British Guardian and Daily Mail. These contribute to diversity in Australia’s traditionally highly concentrated news media ownership structure. However, they focus on national and international news. They don’t have journalists sitting in council meetings in Shepparton or covering the courts in Newcastle. Meanwhile, other research indicates that it is in the routine reporting of local communities that the most severe journalistic deficits are emerging as a result of the crisis in news media business models. The implications for the civic health of local communities are likely to be profound.

The importance of local media

Journalism operates in a complex network of causality. Nevertheless, it is clearly associated with the broader civic health of communities. A 2016 study by the Pew Research Center found that in the US, civic engagement is strongly tied to local news habits. Those with stronger news interest, consumption and better attitudes toward the news media were considerably more likely to feel attached to their communities and to always vote in local elections. People who regularly used three or more sources of local news were more likely to be involved in political

activity and local groups, and those who rated their communities favourably were also more likely to think their local media were doing a good job (Pew 2016:4).

Qualitative research shows that regional and rural news media fills a special role in their communities that metropolitan media does not. They're closer to their audiences and advocate for them; journalists and editors are much more accessible and contribute to social and community cohesiveness (Bowd 2012: 127). Civic leaders believe local media does a better job of reflecting the needs of communities than state or national media (Carson et al 2016).

Audiences broadly value news content, particularly at the local level. A 2017 study by ACMA found that 86 per cent of Australians consider local news important and 87 per cent were satisfied with its quality (ACMA 2017a: 7). Compared globally, the Pew Research Center found that Australians' attention to local news ranks behind only Kenya and Turkey, but that national news is followed more closely overall (2018: 24).

Nevertheless, despite strong evidence that local news is valued, it is not immune to broader problems with news media business models.

The collapse of the business model

The crisis in the business model that supports most journalism has been widely discussed and documented and is a trend across western societies. Although there is no evidence of declining appetite for news and information – indeed, rather the reverse – the business models that support it are in sharp decline.

Journalism is a difficult product to monetise. Doing so has traditionally relied on bundling the provision of news with advertising, either through the physical product of a newspaper, or through delivering a news service on broadcast media in a specified timeslot.

Commercial and classified advertising have long been the backbone of news media's business model. For newspapers, this model has been strained. In the early years of this century, online classified advertising sites largely replaced newspapers. The ACCC found that classified advertising revenue fell from an inflated-adjusted \$2b in 2001 to \$200m in 2016 (ACMA 2018). At the same time, the advent of digital media caused the audience to fragment, meaning the importance of and audience for regular broadcast news bulletins declined, reducing the amount that could be charged for advertising. The industry had not fully adjusted to those changes when the advent of social media saw much of the remaining advertising revenue diverted from news media (ACCC 2019).

In the period January 2013 - June 2017 the total advertising market in Australia grew by 11 per cent. The growth was overwhelmingly captured not by those who create the content against

which advertising is served – for our purposes the news media companies – but by those who provide advertising services and those who control access to the audience: search engines and social media platforms. This latter group of companies includes Google and Facebook and has come to be referred to as the ‘aggregators’ for the function they serve. There is more money being spent, but the share of it going to news media companies is falling.

The growth is almost entirely away from traditional media platforms and is instead on the internet. Digital advertising grew by 87 per cent in Australia between 2013 and 2017, from \$497m to \$929m. The amount of advertising money going to content sites rose by 17 per cent, but the share of total revenue that these sites received fell from 48 per cent to 30 per cent in the same period. Google and Facebook combined received 41 per cent of digital advertising revenue in 2017.

Other sectors fared differently. Advertising revenue in television fell 5 per cent, while radio is the exception to the rule: up 28 per cent, albeit on a smaller base. Print advertising revenue in newspapers fell from \$373m in 2013 to \$202m in 2017, a 46 per cent drop (Walton 2017). Across the nearly two decades from 1999 to 2017 and without adjusting for inflation, advertising revenue at Fairfax Media (now Nine)’s metropolitan papers has fallen from \$800m to \$225m (Fairfax Media 2018).

Forecasts of advertising spend in Australian newspapers from 2018-2022 by PwC suggests that gains in digital will not offset the losses in print in the short term (PWC 2018).

These broad industry trends affect regional Australia in different ways, as we discuss further below. In regional and remote areas of Australia, digital media has had less impact, and local media, particularly newspapers, remain important sources of local advertising and news. However, population declines also undermine even these business models. In other areas, such as the suburbs of our cities and many regional centres, technology has allowed media proprietors to cut costs by delivering news to local areas from newsrooms that are far away – sometimes even in different states. Meanwhile, in areas with socially active and digital savvy populations, more people are entering the news media business, though it is doubtful if all of what they do can be classed as journalism. Nevertheless, common themes emerge from the research. Fewer journalists are employed to report the affairs of local communities, and this has profound impacts on how the community operates (Simons et al 2019).

One common response by newspaper companies to falling advertising revenue and the shift of audiences to digital is to implement subscription services. In Australia, of the major metropolitan daily papers and *The Australian*, all have digital subscription offerings and paywalls in place. Early signs suggest paywalls and digital ad sales will never make up the loss of print advertising. Business Insider reported in 2012 that for every \$1 gained in the digital space, the average newspaper lost \$13 in print (Blodget 2012a).

Dr Andrea Carson argued in 2015 that in the short-term digital subscription revenues alone would be insufficient. Print newsrooms, she wrote, “are in a purgatorial space: they are not earning enough from digital revenues to abandon print, yet digital subscriptions are cannibalising print subscription revenue” (Carson 2015).

Reliable information on the number of paid subscribers to each masthead is hard to find. In a filing to the Australian Securities Exchange in August News Corp Australia said that there are 135,000 digital subscribers to the Australian, around 110,000 for each of the *Herald Sun* and *Daily Telegraph*, and 80,000 for the *Courier Mail* and *The Advertiser* (Samios 2018). In its 2018 annual report Fairfax Media claimed that combined digital subscriptions across *The Age*, *Sydney Morning Herald* and *Australian Financial Review* reached 313,000 (Fairfax Media 2018).

As for local and regional media, most mastheads have traditionally been free to the user, and have not charged for content. The authors are not aware of any examples of a local news outlet significantly supported by subscription revenue. At present and for the foreseeable future “user pays” is unlikely to offer a sustainable business model for local news.

Demand for News

Despite the collapse in the business model and declining newspaper circulation figures, indications are that news media consumption is actually increasing overall. Despite it being frequently claimed that young people, in particular, are less interested in news and current events, there is no evidence to support this and considerable data to suggest that news is highly valued by audiences – particularly local news.

The ACMA regional content study asked whether regional Australians had access to “all the local content they would like”. In 2016 78 per cent of respondents said that they did, down from 91 in 2013. The proportion of Australians in regional areas seeking out local news also dropped from 84 per cent in 2013 to 73 per cent in 2016

In regional and rural Australia, commercial television is still the dominant source of local news. Unsurprisingly, in areas where government regulation requires a minimum amount of local content – called ‘obligation areas’ by the regulator – more people report that commercial free-to-air television is a source of local content¹ than in non-obligation areas (74 v 61 per cent (ACMA 2017a). The differences are minor, but people living in non-obligation areas are more likely to find local content on new and non-commercial platforms: social media (58 v 62), local ABC radio (54 v 60), community radio (53 v 56) and the ABC website (34 v 39) (ACMA 20-17b). The reason for the split is not known, but it seems likely that the obligation areas are stronger commercial markets and better able to support local media regardless of regulator intervention.

1 Local TV content obligation areas are, broadly, regional Queensland, northern and southern NSW (except Griffith), regional Victoria (except Mildura / Sunraysia) and Tasmania.

In 2016, 41 per cent of Australians reported accessing news more than once a day (heavy users), 36 per cent once per day and 21 per cent less than that (light users). By 2018 those numbers have changed to 56 per cent, 26 per cent and 17 per cent. The biggest growth was among 18-24 year olds, who increased from 28 per cent heavy news users to 47 per cent in 2018 (Park et al 2018). In a global study the Pew Research Center found that Australians are well above the global median when it comes to accessing news online, with 61 per cent of respondents doing so at least once per day (global median 42). Only South Korea, Sweden, Israel and the Netherlands ranked ahead (Pew 2018:30).

The main platform for accessing news in 2018 was television, consistent with previous years, followed by news websites, other digital platforms (primarily social media and blogs), radio, and then printed newspapers and magazines. The numbers differ slightly between reports but the order is consistent (ACMA 2017a; Park 2018).

Though television remains the preferred platform, 2018 was the first time that more Australians accessed news online than offline, according to the Digital News Report. In major cities, websites and apps (excluding social media and blogs) have nearly reached parity with television as the main source of news (34 v 31 per cent) (Park 2018).

Nationwide, newspaper circulation has fallen significantly since widespread access to the internet. In their 2012 report Finkelstein and Ricketson note that strong population growth obscured that this is a much longer-term trend that has significantly accelerated in the last few years. Digital readership has shown strong growth, however.

Table 1. Print circulation measured against the population of Australia. (Finkelstein and Ricketson 2012)

Year	Number of titles	Circulation '000s	Population '000,000s	Sales per 100 people
1947	14	2,905	7.53	38.6
1954	14	3,317	8.99	36.9
1961	14	3,351	10.48	32.0
1967	17	3,781	11.80	32.1
1977	17	4,047	14.07	28.8
1987	18	3,525	16.11	21.9
1996	11	2,531	17.89	14.1
2000	11	2,488	19.17	13.0
2011	11	2,198	22.75	9.7

Table 2. Seven-day average print and digital audiences of select Australian print newspapers, 2015-18. (Roy Morgan 2016)

	Print			Digital			Total		
	Mar	Sep		Mar	Sep		Mar	Sep	
	2016	2018		2016	2018		2016	2018	
Publication	'000s	'000s	%	'000s	'000s	%	'000s	'000s	%
Courier Mail	1,148	908	-20.9	1,206	1,126	-6.6	2,077	2,034	-2.1
Financial Review	417	358	-14.1	938	1,091	16.3	1,270	1,449	14.1
Herald Sun	1,539	1,395	-9.4	1,684	2,006	19.1	2,837	3,401	19.9
Newcastle Herald	162	128	-21	160	116	-27.5	306	244	-20.3
The Age	907	853	-6	2,361	2,519	6.7	2,860	3,372	17.9
The Australian	930	843	-9.4	1,481	1,903	28.5	2,188	2,746	25.5
West Australian	821	657	-20	857	530	-38.2	1,425	1,187	-16.7

Numbers of journalists

All major news organisations in Australia have responded to reduced revenue by cutting jobs. It can be difficult to quantify exactly the extent of job loss. The New Beats Project, led by Professor Lawrie Zion at La Trobe University, makes the point that it can be difficult to define exactly what a journalism job is – “the same economic and technological forces that have disrupted the journalism business model have also transformed common understandings of what journalism is.” (New Beats 2017).

There are estimates, however. The Media, Entertainment and Arts Alliance (MEAA) says that between 2011 - 2017 at least 2,500 journalists were made redundant, and another 500 left their employment and were not replaced. Just outside of that window, during the Global Financial Crisis in 2008 there were another 700 job losses, for an estimate of around 3,700 (MEAA 2017). In the period between May 2017 and September 2018 the New Beats Project tracked at least another 300 announced cuts from organisations including Fairfax, News Corp, AAP, Pacific Media and the ABC (New Beats nd). In May 2018 the ABC revealed it had cut 1,012 jobs since 2014, though many of these were administrative and support positions (Meade 2018).

Over the period 2011-17 there have been a few new entrants to the Australian news media market, both home-grown and local outposts of foreign media companies, but that has been insufficient to stem the tide. The ACCC says that most digital-first newsrooms employ fewer than 20 journalists, and that the six largest combined employ fewer than 250 editorial staff. “Collectively”, the ACCC report says, “the number of journalists employed by digital natives appears to be much smaller than the number of editorial job losses among print publishers over

recent years.” (ACCC 2018). Significantly for our current purposes, none are employed specifically on local or regional news.

Data collected by the Australian Bureau of Statistics, provided in Table 3, shows convincingly that the number of jobs in journalism have dropped over the past decade. Print journalists, in particular, are down by almost 40 per cent – a devastating figure when it is translated into the impact on the amount of news and information available to Australians, given that newspapers usually set news agendas, and provide raw material for broadcast media reports. Radio journalists are only slightly better off, and while the decline in television journalism is much less, this is off a lower base, with newspapers traditionally having had the larger newsrooms.

Table 3: Occupation data collected by the Australian Bureau of Statistics. Percentage change provided between 2006 and 2016. * NEC: Not elsewhere classified, jobs that don't neatly fit into other categories. ** NFD: Not further defined, jobs that were insufficiently described to be placed within a category.

Occupation	2006	2011	2016	%
Newspaper editor	4,844	5,059	4,388	-9.4
Print journalist	6,308	5,510	3,827	-39.3
Radio journalist	671	603	468	-30.3
Television journalist	1,059	1,123	1,002	-5.4
Journalists and other writers NEC*	1,279	1,705	1,984	55.1
Journalists and other writers NFD**	1,414	2,125	2,532	79.1
Total	15,573	16,125	14,201	-8.8

The significant growth in the two broader categories also stands out. The NEC category includes bloggers, photojournalists, editorial assistants and critics. The largest growth by far is in the NFD category, which is for those whose response provided insufficient information to coders to be placed in one of the other categories. The likely explanation for the growth in these other categories is that an increasing number of journalists are working across multiple companies or only partially within the media sector. A 2016 study of 225 Australian journalists who were made redundant between 2012-14 found that while 31.1 per cent continued to work entirely within journalism, almost as many (29.8 per cent) were working in a combination of journalism and other industries. Of those who left journalism (22.2 per cent), most went into strategic communications for either an organisation (30 per cent) or in politics (26 per cent) (Zion et al 2016). The same study drew attention to journalists' strong professional identity, meaning that many continue to describe themselves as journalists even if they are not working in the industry.

The ABS figures corroborate this picture, At the national level, in 2006, 67 per cent of “journalists and other writers” were employed in the “information media and telecommunications industry”. By 2016, this had fallen to 54.6 per cent. On the other hand, the top five industries all

experienced growth in the numbers of “journalists and other writers” employed.

This suggests that journalists are moving out of traditional media jobs in very large numbers, but are finding work in other communications roles.

As we discuss below, other research suggests that increasingly deficits in local news media are being, in part, compensated for by other organisations – community groups, local councils and others – working to provide more information and news through their websites. Some of this change in occupational industry may reflect this trend.

A breakdown of ABS occupational data for the category “Journalists and Other Writers” by region is of limited use, given that it includes these large and growing categories of journalists not working for mainstream outlets. Nevertheless, it too shows an overall picture of decline, in that the number of people employed as journalists has remained static over ten years, despite increasing population. Within this, there is a much bleaker position in particular regions. For example, Tasmania North West has declined by 8.5 per cent per annum.

The data suggest, however, that the real picture is much worse than these figures suggest, with declines in journalistic capacity obscured by the large “NFC” and “NFD” categories mentioned above – that is, journalists who have moved out of mainstream media outlets to make their living elsewhere.

Table 4. Occupation data collected by the Australian Bureau of Statistics. Number of journalists and other writers employed, by region.

Number of Journalists and Other Writers employed						
	Number			Annual growth		
	2006	2011	2016	2006 to 2011	2011 to 2016	2006 to 2016
Sydney Metropolitan Core	1543	1679	1611	1.7	-0.8	0.4
Sydney Eastern Shores	1128	1099	1048	-0.5	-0.9	-0.7
Sydney Mid West	265	303	300	2.7	-0.2	1.2
Sydney Near West	1134	1191	1209	1	0.3	0.6
Sydney Outer Northern Shores	1119	1073	1033	-0.8	-0.8	-0.8
Sydney Outer South West	112	157	174	7	2.1	4.5
Sydney Outer West	321	346	379	1.5	1.8	1.7
Sydney Parramatta Ryde	455	461	453	0.3	-0.3	0
Sydney South East	268	281	295	1	1	1
NSW Central Coast	193	194	202	0.1	0.8	0.5
NSW Central West	85	115	89	6.2	-5	0.5
NSW Coastal Hunter	199	244	232	4.2	-1	1.5
NSW Illawarra	178	175	167	-0.3	-0.9	-0.6

NSW Inland Hunter	67	54	68	-4.2	4.7	0.1
NSW Murray Far West	77	76	79	-0.2	0.8	0.3
NSW Murrumbidgee	85	92	67	1.6	-6.1	-2.4
NSW North Coast	120	116	118	-0.7	0.3	-0.2
NSW Northern Inland	94	82	81	-2.7	-0.2	-1.5
NSW Northern Rivers	165	177	160	1.4	-2	-0.3
NSW Orana	52	65	42	4.6	-8.4	-2.1
NSW Southern Tablelands	175	194	159	2.1	-3.9	-1
NSW South Coast	74	65	70	-2.6	1.5	-0.6
Melbourne City	222	253	265	2.6	0.9	1.8
Melbourne Eastern Inner	571	578	504	0.2	-2.7	-1.2
Melbourne Eastern Outer	292	325	329	2.2	0.2	1.2
Melbourne Northern Inner	863	1063	1050	4.3	-0.2	2
Melbourne Northern Outer	117	145	159	4.4	1.9	3.1
Melbourne Southern Inner	1114	1219	1090	1.8	-2.2	-0.2
Melbourne Southern Outer	201	207	199	0.6	-0.8	-0.1
Melbourne Western	402	501	491	4.5	-0.4	2
VIC Geelong	129	143	148	2.1	0.7	1.4
VIC Gippsland	103	103	87	0	-3.3	-1.7
VIC Grampians	144	155	151	1.5	-0.5	0.5
VIC Hume	106	146	102	6.6	-6.9	-0.4
VIC Loddon Mallee	176	200	170	2.6	-3.2	-0.3
VIC South West	108	126	108	3.1	-3	0
SEQ Brisbane City	1117	1297	1306	3	0.1	1.6
SEQ Gold Coast	281	332	365	3.4	1.9	2.7
SEQ West Moreton	69	79	89	2.8	2.4	2.6
SEQ Logan Redland	154	154	148	0	-0.8	-0.4
SEQ Moreton Bay	141	136	148	-0.7	1.7	0.5
SEQ Sunshine Coast	216	272	252	4.7	-1.5	1.6
QLD Darling Downs South West	101	99	95	-0.4	-0.8	-0.6
QLD Far North Torres	138	111	102	-4.3	-1.7	-3
QLD Fitzroy Central West	95	94	70	-0.2	-5.7	-3
QLD Mackay	39	61	59	9.4	-0.7	4.2
QLD Townsville North West	113	122	100	1.5	-3.9	-1.2
QLD Wide Bay Burnett	104	100	92	-0.8	-1.7	-1.2
Adelaide South	492	565	478	2.8	-3.3	-0.3
Adelaide North	216	245	249	2.6	0.3	1.4
SA East	60	64	42	1.3	-8.1	-3.5
SA Far North and West	24	36	11	8.4	-21.1	-7.5
SA Fleurieu	100	118	87	3.4	-5.9	-1.4
SA North	42	51	41	4	-4.3	-0.2
Perth Central	702	729	637	0.8	-2.7	-1

Perth Outer North	249	316	276	4.9	-2.7	1
Perth Outer South	202	217	236	1.4	1.7	1.6
WA Gascoyne Goldfields	45	55	42	4.1	-5.3	-0.7
WA Peel South West	83	103	76	4.4	-5.9	-0.9
WA Pilbara Kimberley	20	25	19	4.6	-5.3	-0.5
WA Wheatbelt Great Southern	22	24	37	1.8	9	5.3
TAS Hobart South	203	233	199	2.8	-3.1	-0.2
TAS North	90	98	69	1.7	-6.8	-2.6
TAS North West	51	40	21	-4.7	-12.1	-8.5
NT Darwin	92	91	90	-0.1	-0.2	-0.2
NT Lingiari	36	25	29	-7.2	3	-2.2
ACT	705	668	622	-1.1	-1.4	-1.2
Sydney Metro	6345	6590	6502	0.8	-0.3	0.2
Melbourne Metro	3782	4291	4087	2.6	-1	0.8
Brisbane Metro	1481	1666	1691	2.4	0.3	1.3
Adelaide Metro	850	979	855	2.9	-2.7	0.1
Perth Metro	1236	1365	1225	2	-2.1	-0.1
Canberra Metro	880	862	781	-0.4	-2	-1.2
Northern Australia	533	529	469	-0.2	-2.4	-1.3
Australia	18459	19963	18976	1.6	-1	0.3

Case study research – how this story plays out on the ground

Previous research has suggested that it is local journalism that has suffered the biggest declines from the collapse in media business models. The Civic Impact of Journalism Project, a major research project aimed at assessing the civic impact of emerging journalistic deficits, has found that it is not investigative journalism, but rather the routine journalistic functions – “the continuous work of covering parliaments, courts and local governments” – that is most at risk of being lost in the new media environment, particularly in regional and rural areas (Civic Impact of Journalism 2017: 4). Court reporting, in particular, is in decline, with long term declines in the number of journalists reporting courts, and in the levels of experience and knowledge of court reporters. Suburban and regional magistrates’ courts are rarely reported (Simons and Bosland 2019).

The same project sought to shed light on how this plays out on the ground through case studies of four regional communities. (Carson et al 2016; Simons et al 2019). The studies were of four diverse communities: a wealthy beachside regional area (Byron Bay, New South Wales), a remote township (Moree, New South Wales) and a disadvantaged outer metropolitan suburb (Broadmeadows, Melbourne) and a major industrial regional centre (Newcastle, New South Wales). In total 36 semi-structured interviews were conducted with local journalists,

broadcasters, editors, media proprietors and civic and community leaders. These included local councillors, police officers, community activists, chambers of commerce representatives, real estate agents, property developers, school teachers, community workers and service and sporting club leaders.

The results suggested that there are considerable variations on how declines in news media affect local communities. For example in rural and remote regions, (Moree) the impact of digital media is very limited but population declines erode the business model of media outlets. Of all the communities studied, Moree in some ways was the most unaffected by the disruption to media business models. Its paper and radio station still had enviable reach, commercial viability and remained the main ways in which the community shares news and views. Yet, deficits exist. Fewer people are employed, there is a lack of journalistic training and the traditional “journal of record” function of the media in the community has suffered. Meanwhile, the lack of any digital media presence means the community lacks any means to fill the emerging deficits.

On the other hand, in areas such as Byron Bay, with highly politically active, digital savvy populations, citizens play an active role in media through publishing on blogs and social media. This adds to the news media eco-system, and the material makes its way into traditional media outlets - but in an environment of sharply reducing numbers of professional journalists. On the one hand, by using this material the media became arguably more responsive to community concerns; on the other, the media became more partisan and more vulnerable to being manipulated. The data suggests the decline in professional journalism leads to local media being more easily harnessed into partisan positions in local political debates, which can lead to declines in credibility and more fractured community debates.

Across the areas studied some similar issues emerged. “Legacy” media – newspapers, radio and television – are reducing their newsrooms. This, in turn, has limited their practice of “shoe leather” and “journal of record” reporting, such as reporting courts and local councils. Fewer stories are covered, and a deficit in quantum and quality of reporting follows. Untrained reporters are less confident when dealing with controversial issues, and more easily used by campaigners and institutions. Public relations content and propaganda from activists and lobbyists is often published without independent verification. Effectively, journalists become news takers, rather than news makers.

Local communities are adjusting to these changes. Often, community groups and institutions, including police and local governments, are using social media and websites to produce their own content, partly in response to the decline in journalism. This material is then often used by journalists in traditional media, as a substitute for independent news gathering. In this way, emerging journalistic deficits can be partly filled by the other institutions of society using social media and their websites to publish.

However, these case studies also drew attention to the things that mainstream institutional media do that are difficult, if not impossible, for other institutions and individuals to accomplish. For example, institutional players often shunned or avoided issues that were sensitive or controversial – and were naturally unlikely to draw attention to their own failings.

In short, while some of the deficits emerging in local news media can be addressed by other institutions, broadening what might be described as the “news eco-system”, this is not a complete replacement for the functions traditionally filled by local media. Journalistic deficits result in a reduction in accountability for interest groups and institutions. Media is likely to become more partisan and selective, and increasingly controlled and manipulated by those who have the skills and interest to do so. This, in turn, is likely to lead to less social cohesion.

The ALGA-PIJI survey

As we have outlined, gaining precise information on how many journalists are employed, and what kind of work they do, is complicated and difficult.

In an attempt to address the gaps in knowledge, in 2019 the Public Interest Journalism Initiative, supported by the Australian Local Government Association, conducted a survey of media managers employed by local governments in an attempt to better understand the state of local journalism across Australia, and how declines are impacting the important function of reporting on local government.

The decision to focus on local government areas (LGAs) was made for two reasons:

- Local government should be a key interest of public interest journalists, and in a healthy news ecology, representatives should have regular contact with local news journalists; and
- By targeting local government, it is possible to get a very broad sample from around the country.

Methodology and caveats on the data

The survey questions are provided in Appendix A.

The survey was sent on 11 February and closed on 5 March. In that time, 145 responses were received. After removing blank surveys there were 117 responses from 84 different local government areas. There are 543 local governments around Australia, meaning around 15 percent are represented in this survey. Responses were received from each state and the Northern Territory. Responses largely reflect the proportion of councils within each state, with the exception of Tasmania, which is significantly overrepresented (5 percent of all local government areas, 16 percent of unique responses).

Division into 'Metropolitan' and 'Regional/Rural' categories was done in analysing the results, not by the respondents. Council areas within capital cities were classified as the former, anywhere else is the latter. 65 percent of unique responses were from regional/rural councils, which is in line with the ALGA estimate that between 60-70 percent of local government is in this category. Therefore while the response rate is low in absolute terms, we can cautiously regard it as representative.

Table 5. Unique local government area respondents from each state, divided into Metropolitan (M) and Regional/Rural (R/R).

State	M	R/R	Total
New South Wales	9	14	23
Northern Territory	1	1	2
Queensland	2	8	10
South Australia	3	6	9
Tasmania	2	12	14
Victoria	3	8	11
Western Australia	9	6	15
Total	29	55	84

There were difficulties with the resulting data. In some cases, multiple and conflicting responses were received from the same LGAs. In other cases, anomalous answers suggested that the questions had not been properly read or understood. Because of this, follow up interviews were conducted with seven councils in order to supplement and clarify the available data². (The tables still reflect the original survey results, even if a follow-up call changed the response.)

The follow-up interviews also shed light on issues that we did not fully consider in composing the survey. For example, it became clear that our questions did not sufficiently encompass magazines, which emerged as an important source of news in some rural shires. We were also alerted to community-led social media sites that engaged in news as a secondary focus, usually in response to a local issue rather than a systemic manner. This was highlighted by many. For example, a media manager in Belmont talked about a buy/swap/sell group that also posts notices about events and road works, and reacts (often negatively) to council decisions. These community groups appear to be a significant part of the local news environment, and adds to the picture of this that emerged from the previously discussed case study research, but the sites don't engage regular coverage nor aim to adhere to professional journalistic norms such as objectivity or ethical standards. In the view of media managers, they are often responsible for spreading mis-information or a distorted picture of the truth.

It should be noted that we did not include any questions on the quality of local journalism, but rather sought to confine the survey to quantitative measures.

Because of the issues discussed above, the data collected should be regarded with caution, and as indicative rather than definitive.

2 Berrigan Shire (NSW); City of Belmont (WA); City of Greater Geraldton (WA); City of Victor Harbor (SA); Shire of Baw Baw (Vic); Shire of Merredin (WA); Surf Coast Shire (Vic)

Results

Overall, responses indicated sharply declining levels of local news. This varied between metropolitan and rural and regional categories.

Metropolitan LGAs suggested a very sharp decline in the amount of local news (68 percent), while slightly less than half said the same in regional and rural areas (45 percent) and 31 percent said that things were about the same.

Table 6. Q13. To the best of your knowledge, has the amount of local news available from all media to residents of your local government area increased, declined or stayed about the same over the last five years? n = 116.

	M	%	R/R	%	Total	%
Significant decline	12	31	20	26	32	28
Some decline	14	37	15	19	29	25
About the same	8	21	24	31	32	28
Some increase	3	8	11	14	14	12
Significant increase	0	0	5	6	5	4
Unsure	1	3	3	4	4	3
Total	38		78		116	

A total of 28 per cent of LGAs reported significant decline in the availability of local news in the last five years, with another 25 per cent reporting some decline. Only sixteen per cent reported an increase. These declines represent a significant and worrying change for Australia's regions.

Of the five rural/regional LGAs that indicated a significant increase in local news, three were contested by other responses. Two weren't, both from New South Wales: Eurobodalla (south coast, near Bega) and Berrigan (Victorian border, west of Albury).

The media manager at Berrigan clarified that the increase in local news coverage hasn't come from an increase in outlets or journalists – in their view, both have remained static over the past five years – but from a deliberate effort by the council to use Twitter to reach out to newspapers and radio. This media manager said council activities are now being reported by the Border Mail in nearby Albury and on radio stations around southern New South Wales, where that wasn't the case before. However, the source is the council itself rather than independent reporting. The City of Victor Harbor in South Australia, which indicated 'some increase', said the same in a follow-up interview: that social media, and in particular Facebook, has enabled better connections to local journalists and those in surrounding LGAs. These responses tend to confirm the trends identified in the case-study research. Some of the deficits in local news media are being addressed by local institutions, with local governments being important in this – but as we

discuss below, while this makes a contribution to the news eco-system, it does not replace professional journalism.

Table 7. Q3. Please think about the number of media outlets that provide local news to the residents of your local government area. Indicate how many of the following kinds of outlets provide local news to your area: Newspapers (including websites run by newspaper organisations)

	M	%	R/R	%	Total	%
0	2	5	2	3	4	3
1	8	22	18	24	28	24
2	12	32	33	41	44	38
3	8	22	12	15	20	17
4	3	8	5	6	8	7
5+	4	11	8	10	12	10
Total	37		78		115	

Local news provided by newspapers was fairly evenly distributed in both metropolitan and regional/rural areas. In both cases, about a quarter of respondents indicated that one or no newspapers are providing local news coverage.

The two zero responses from metropolitan LGAs are both from the City of Yarra in inner Melbourne, which includes suburbs such as Collingwood, Fitzroy and Richmond. A third response from the same LGA disagrees and says two papers cover local issues. The assertion that no newspaper covers local news here is probably incorrect: both *The Age* and the *Herald Sun* report on this council's activities, often regarding social and urban development issues. It could be that those at the City of Yarra believe the attention is inconsistent or driven by factors other than the public interest³, or that confusion led to respondents excluding the two larger metropolitan-wide papers, instead focussing on papers produced within the LGA. The Yarra Leader has closed, while the Melbourne Times has pulled back from council coverage.

The two zero responses from regional/rural LGAs were both from very remote places: Diamantina Shire Council in south-west Queensland, population 288 (2015); and the Central Desert Regional Council, which stretches across the centre of the Northern Territory from its western to eastern borders, population 4,368 (2015) (ABS 2016).

At the high end, the metropolitan LGAs that reported 5+ newspapers were the City of Sydney and the large neighbouring Inner West Council (including Croydon, Ashbury, Dulwich Hill, Newtown and Balmain); Brisbane City Council, and the City of Swan, about 20km northeast of the Perth CBD. A second response from Swan indicates two papers serve the LGA, and

3 Events within the LGA regularly feature as culture war fodder. As an example, in 2017 the City of Yarra was the first Melbourne council to move its citizenship ceremony from January 26.

suggests there have been some community newspaper closures in the past five years.

The regional/rural LGAs reporting high numbers of newspapers are all large council areas with dispersed populations. They are the Baw Baw and Surf Coast shires in Victoria; the Somerset and Scenic Rim regional councils in the West Moreton region of Queensland and the Glen Innes Severn and Hilltops councils in New South Wales.

The largest city in any of these is Warragul in the Shire of Baw Baw, population 35,353 (2016) (Australian Bureau of Statistics 2017.) In a follow-up phone call a media manager at the Shire confirmed that there are five newspapers that provide local news in the LGA: the *Warragul-Drouin Gazette*; the *La Trobe Valley Express*, based in Morwell in neighbouring La Trobe Valley Council but covering the eastern edge of Baw Baw; the monthly *Traf News*; and two community news sheets.

Surf Coast Shire is south of Geelong and centred on Torquay. The media manager confirmed the presence of five local newspapers, though like Baw Baw indicated that two of them are community news sheets. The manager said that the weekly paper the *Surf Coast Times* regularly covers council and, bucking the trend, is expanding. The paper is part of the Times News Group, also based in Torquay, and has established separate mastheads to cover Ballarat and the wider the Bellarine Peninsula.

The Shire of Merredin, which is 250km east of Perth, has 3,291 people across 3,300km² (Australian Bureau of Statistics 2016). The media manager initially responded that more than five newspapers serve the area, however in a follow-up call it was determined that they misunderstood the question to be asking about newspapers available for sale, not just those that report locally. The local paper, the *Merredin Wheatbelt Mercury*, closed in December 2015. A community-owned replacement, The Phoenix, launched shortly after. It regularly reports on council, though in both the survey and call the media manager expressed displeasure about its quality.

Two responses were received from Hilltops Council, both of which said 5+ while differing on other questions, including a split on whether there was 'some increase' or 'significant decline' in the amount of available news. Hilltops is a new council, amalgamated in 2016, with three separate offices and no fixed seat, which may affect the perception of local news provision. The media manager for Hilltops could not be reached.

Asked about outlets that had closed in the preceding five years, newspapers were the most commonly identified type of outlet (Question 14). In some cases closures were the result of consolidation: Inner West Council (Sydney) said after that News Corp purchased the *Inner West Courier*, the company closed its existing local paper *The Glebe*. *South-West News* and *The Satellite* in Ipswich merged with the *Bayside Star* in nearby Brisbane. In the City of Swan (Perth) at least three News Corp papers (*Ellenbrook Advocate*, *Hills Gazette*, *Midland Reporter*) were

combined. This may explain the disagreement about the number of papers servicing the LGA that was noted above.

Similarly, the *Southern Gazette* used to cover just the City of Belmont (Perth), but after amalgamation is now responsible for four LGAs: Belmont, Victoria Park, South Perth and Kalamunda. In a call, a media manager for Belmont said that it is difficult to assess how the quality or quantity of news reporting had changed, but did note that the communities of each LGA were quite different and that some of that diversity was no longer reflected in coverage.

As well, the mergers were made with a view to cost cutting. In most cases, no new staff had been employed although the areas being covered were much larger.

Papers may not have closed, but may no longer have the resources to adequately cover council. In West Tamar (northern Tasmania), one response indicated that fewer journalists are working in the area and that most news in the paper is from the mainland. Another response from the same council had a slightly different view: there are as many journalists around, but the turnover is high and coverage of local government has significantly reduced. It can be assumed that high turnover has led to less experienced journalists covering council, and therefore lower quality local news as well, and the case study research conducted as part of the Civic Impact of Journalism Project confirms this..

Table 8. Q4. Please think about the number of media outlets that provide local news to the residents of your local government area. Indicate how many of the following kinds of outlets provide local news to your area: Radio station news services (not including the ABC)

	M	%	R/R	%	Total	%
0	7	19	3	4	10	9
1	12	33	28	36	40	35
2	10	28	23	29	33	29
3	2	6	13	17	15	13
4	1	3	5	6	6	5
5+	4	11	6	8	10	9
Total	36		78		114	

Results indicate a strong role for radio in the provision of local news, particularly in regional/rural LGAs, with responses slightly more concentrated at the low end than in Table 8.

The metropolitan LGAs reporting zero radio news are Penrith in Sydney; the City of Campbelltown in inner Adelaide; the cities of Yarra (two responses) and Banyule in northern Melbourne, the City of Belmont and Town of Claremont in inner Perth. The rural/regional LGAs were Banana and Quilpie shire councils in Queensland and the District Council of Yankalilla

in South Australia. The latter is contested within the results: four different responses were received indicating between 0 – 2 stations serving the LGA.

In a follow-up call the media manager from the City of Belmont qualified their answer. Although no radio stations report regularly on council issues, the council is regularly discussed – highly critically – on 6PR, Macquarie Media’s talkback station for Perth.

The metropolitan LGAs reporting 5+ radio services are Brisbane City Council and Kingborough Council (south-west Hobart), with contested results from the City of Swan (Perth) and Ku-ring-gai Council (Sydney’s north shore). The rural/regional responses were Burdekin Shire Council (north of Townsville), the City of Victor Harbor (south of Adelaide), Greater Bendigo (Victoria), and three from Tasmania: Northern Midlands Council (south of Launceston), Sorell Council (south-east) and West Tamar Council (north-west). Of these, only Burdekin was uncontested by other results.

Victor Harbor’s media manager said that their connections with radio in particular have improved over the past few years, and that the local stations are increasingly willing to run stories in cooperation with council and to interview not just the mayor but other elected representatives.

The intention was that this question would capture only commercial radio, as such respondents were asked to exclude the ABC from their answers. A later question (represented in Table 9) asks specifically about community radio, but it is not explicitly excluded from this question and as such is likely to be partially present in some responses.

Table 9. Q8. Do community-run radio stations provide local news in your local government area?

	M	%	R/R	%	Total	%
Yes	27	73	57	73	84	73
No	10	27	21	27	31	27
Total	37		78		115	

It can be seen that across Australia community radio retains a strong role in the provision of local news.

Of the LGAs reporting zero radio news in Table 8, most also indicated no community radio presence. Two said no commercial radio news but yes to community radio: Yankalilla and Penrith. At the opposite end, all of the LGAs reporting very high commercial radio news also reported that community radio is present.

Table 10. Q5. Please think about the number of media outlets that provide local news to the residents of your local government area. Indicate how many of the following kinds of outlets provide local news to your area: Television station news services (not including the ABC)

	M	%	R/R	%	Total	%
0	21	58	13	17	34	30
1	1	3	14	18	15	13
2	8	22	28	37	36	32
3	3	8	13	17	16	14
4	1	3	6	8	7	6
5+	2	6	2	3	4	4
Total	36		76		112	

A strong divide emerges when asked about television. At the high end for metropolitan LGAs are two capital LGAs, the Cities of Sydney and Brisbane, and a contested result from Ku-ring-gai on Sydney's inner north shore. The two responses from rural and regional areas are from Victor Harbor (SA) and Quilpie (QLD). Both were contested: Quilpie in another survey response (which gave the number of stations at zero) and Victor Harbor by the media manager in a follow-up interview, who said three.

Overall, almost a third of LGAs said that there were no television news services providing local news in their area.

Table 11. Q7. Does the ABC provide local news to the residents of your local government area?

	M	%	R/R	%	Total	%
Yes	11	31	63	80	74	64
No	25	69	16	20	41	26
Total	36		79		115	

A clear country/city divide can be seen in Table 11. It seems that the ABC is far more likely to provide local news (as opposed to national or statewide news) in rural and regional Australia. Almost seventy percent of metropolitan LGAs stated that the ABC did not provide local news, compared to just 20 per cent of regional and rural LGAs. This highlights the importance of suburban papers – the same newspapers that are being amalgamated or closed – as a source of news in the suburbs. However, it is clear that even in rural and regional areas, there are perceived gaps in the ABC's ability to provide local news.

Table 12. Q6. Please think about the number of media outlets that provide local news to the residents of your local government area. Indicate how many of the following kinds of outlets provide local news to your area: Web-based news outlets (not including websites run by newspaper, television and radio companies)

	M	%	R/R	%	Total	%
0	20	56	41	55	61	55
1	4	11	16	21	20	18
2	6	17	7	9	13	12
3	2	6	5	7	7	6
4	0	0	1	1	1	1
5+	4	11	5	7	9	8
Total	36		75		111	

The number of digital news outlets interacting with council was reported to be very low. In both categories over half of all LGAS reported no digital news covering council activities.

However, this question highlighted the actions taken by councils themselves to fill emerging deficits in news. Two media managers from Queensland, in Ipswich and Bundaberg, separately contacted PIJI about their council's initiatives to set up websites that feature local news. Both sites provide positive news (from the council's perspective) to residents. On its about page, Bundaberg Now sets the limits of what it will publish and stresses that it is not seeking to replace local news:

There are reputable media outlets in Bundaberg that do publish those things⁴ and we acknowledge the important role they play.

...

Again, we acknowledge the role of other media. We don't seek to displace them, but to add to media diversity and provide a platform for many stories which currently don't get published.⁵

The City of Greater Geraldton was among the five regional councils that indicated a significant increase in local news. In 2012 a web newsroom 'Everything Geraldton' was launched.⁶ A media manager said that although they would frequently be covered in its early days, they felt that the site had pulled back from much of its coverage in the past year. The manager believed that this was due to insufficient resources.

4 Court and crime reports; politics; investigative journalism and negative stories.

5 <https://www.bundabergnow.com/about/>

6 <https://www.everythinggeraldton.com.au/>

Table 13. Q9. Are there any other news outlets run by ordinary citizens, such as blogs or community news sheets, that provide local news in your local government area?

	M	%	R/R	%	Total	%
Yes	26	72	57	73	83	73
No	11	28	21	27	32	27
Total	37		78		115	

Citizen run news outlets make an important contribution. Councils indicated that residents share information and news in a peer-to-peer manner on social media. Facebook groups functioning as noticeboards, for second-hand trading and as extensions of community organisations were the most common vehicle for this. The news shared in these groups tends to be infrequent and largely relies on others doing the initial newsgathering.

In follow-up interviews, media managers expressed mixed opinions about these groups. Surf Coast Shire said that reactions to news shared tended to be, in their view, unfairly negative toward council. It was also recognised that the group may not reflect community attitudes. A media manager from Berrigan said that there are many local Facebook groups that comment on council; some of them consistently positively and some consistently negatively.

Most councils admitted monitoring the discussion occurring in the groups, but none said they actively engaged in the groups.

At the City of Victor Harbor, a member of the community attends each council meeting and videotapes it. He then edits and publishes each video, along with text commentary.⁷ He will also republish statements from local community groups.

Table 14. Q10. Please think about the regular meetings of council in your area. At a typical council meeting, how many journalists would attend to report on the meeting?

	M	%	R/R	%	Total	%
0	12	32	24	32	36	32
1	16	43	34	44	50	44
2	8	22	14	18	22	19
3	0	0	4	5	4	4
4	1	3	0	0	1	1
5+	0	0	1	1	1	1
Total	37		77		114	

⁷ <https://www.southcoasttelevision.com.au/>

Table 15. Q11. Still thinking about the regular meetings of council in your area, how many journalists, whether or not they attend the meeting, would regularly follow up by contacting council to report on what council is doing and what decisions are made?

	M	%	R/R	%	Total	%
0	5	14	13	16	18	16
1	12	32	25	32	37	32
2	12	32	23	29	35	30
3	5	14	8	10	13	11
4	1	3	7	9	8	7
5+	2	5	3	4	6	5
Total	37		79		116	

Table 16. Q12. Beyond formal council meetings and decisions, how many journalists contact your local government on a regular basis for reporting on local government matters in your area?

	M	%	R/R	%	Total	%
0	7	19	5	6	12	10
1	5	14	25	32	30	26
2	13	35	22	28	35	30
3	4	11	12	15	16	14
4	2	5	0	0	2	2
5+	6	16	14	18	20	17
Total	37		78		115	

Almost a third of councils report that no journalists attend local government meetings. Although the figures suggest that some journalists follow up without attending the meeting, the indications are that a large part of local government business goes entirely unscrutinised and unreported.

Conclusion

The data collected and reviewed here should be of great concern.

First, the availability of local news in the regions of Australia has sharply declined over the last five years, and is likely to decline further. The decline is across the board, though more marked in the suburbs of metropolitan regions and in some rural and regional areas.

Newspapers are still a source of local news in most of Australia. Only two very remote council areas indicated no newspaper presence. In regional and remote areas, the newspaper generally retains its place as central to both the news ecosystem, and to advertising. However, population aging and decline in these areas, together with the overall industry trends, are still placing them under pressure. Our survey indicates that newspapers were the most common form of media to have closed or ceased reporting on councils in the previous five years. In some cases, newspapers had not closed but merged with other papers, or been given the task of reporting on a larger number of LGAs without an equivalent increase of resources. Often, this was done from a location remote from the audience for the outlet.

Our data also makes clear that digital news outlets interacting with councils does not make up for this decline. Such interaction was reported in our survey to be very low. Against this, social media groups run by community members often comment on council activities – but not at the level of consistent reportage. There are some indications that rather than increasing the health of local communities, this content can cause fragmentation and may even sometimes be false, or at least a highly partisan “take”.

Our survey indicates most councils still have at least one reporter attending meetings, but a large number are apparently not subjected to journalistic reporting at all. Of these, five were rural. As well, our survey confirms the previous case-study research suggesting that councils are acting to fill the gaps by providing an increasing amount of news on their websites and via social media.

The research suggests journalistic deficits result in a reduction in accountability for interest groups and institutions. Media is likely to become more partisan and selective, and increasingly controlled and manipulated by those who have the skills and interest to do so. This, in turn, is likely to lead to less social cohesion.

The recent ACCC Digital Platforms Inquiry ably summed up the ways in which news and journalism represent “public goods”.

Individuals value news and journalism as it contributes to their knowledge and understanding of the issues and events that directly or indirectly affect them. The information obtained enables and influences consumers’ decision making and participation in social, economic and democratic processes. The private benefits of consuming news and journalism can be obtained whether or not an individual pays to obtain information or acquires information that is publicly available ... However, the private consumption of news and journalism also provides broader social value. Society as a whole benefits from having its members able to make well-informed economic, social and political decisions. (ACCC 2019: 243)

The sharp deficits in local news identified here are therefore a cause of legitimate concern, and potentially offer the justification for action by policy makers to address the issue.

Without adequate local news and information, accountability of local institutions is reduced, individual citizens are disempowered, and power transfers to those with the ability and motivation to manipulate public opinion.

The result of these trends is likely to be more fractured, vulnerable, isolated and poorly informed regional communities, with serious implications for both them and the democratic health of the nation.

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Appendix A. Survey questions

The purpose of this survey is to collect information about local news coverage in Australia.

Research internationally and in Australia suggests that local communities are increasingly poorly served with news and information. While outlets may still exist (though some have closed) there are stories of news being written from far away, and much reduced coverage of local issues, courts and local governments. This has real implications for social cohesion and local democracy. It is sometimes said that it is easier to find out what Donald Trump was doing last night than what your local government is doing.

Gaining information on this is difficult, which is why the Public Interest Journalism Initiative - a research and advocacy body - supported by the Australian Local Government Association is asking you to help by completing this survey.

We want to understand the on-the-ground situation with journalism, and be able to detect the “news deserts” and places where local news has declined, as well as those places where new players and kinds of media outlet are emerging.

The information gained will be used to inform PIJI’s efforts in lobbying and making submissions to government and industry bodies.

Question Title

*1. Please select your state/territory2.

2. Which council are you from?

Please think about the number of media outlets that provide local news to the residents of your local government area. Indicate how many of the following kinds of outlets provide local news to your area:

3. Newspapers (including websites run by newspaper organisations)

0 1 2 3 4 5+

4. Radio station news services (not including the ABC)

0 1 2 3 4 5+

5. Television station news services (not including the ABC)

0 1 2 3 4 5+

6. Web-based news outlets (not including websites run by newspaper, television and radio companies)

0 1 2 3 4 5+

7. Does the ABC provide local news to the residents of your local government area?

Yes No

8. Do community-run radio stations provide local news in your local government area?

Yes No

9. Are there any other news outlets run by ordinary citizens, such as blogs or community news sheets, that provide local news in your local government area?

Yes No

10. Please think about the regular meetings of council in your area. At a typical council meeting, how many journalists would attend to report on the meeting?

0 1 2 3 4 5+

11. Still thinking about the regular meetings of council in your area, how many journalists, whether or not they attend the meeting, would regularly follow up by contacting council to report on what council is doing and what decisions are made?

0 1 2 3 4 5+

12. Beyond formal council meetings and decisions, how many journalists contact your local government on a regular basis for reporting on local government matters in your area?

0 1 2 3 4 5+

13. To the best of your knowledge, has the amount of local news available from all media to residents of your local government area increased, declined or stayed about the same over the last five years?

Significant decline Some decline About the same Some increase Significant increase
Unsure

14. Please list the names of any local news outlets that have closed or ceased operations within the past five years.

15. Please list the names of any local news outlets that have started operations or begun to provide local news within the past five years.

The Public Interest Journalism Initiative is a non-partisan, philanthropically funded, not-for-profit body established as a limited-life initiative (3-5 years) to conduct research, develop policy and promote public discussion to ensure a sustainable ecosystem of independent, pluralistic, public interest journalism in Australia. PIJI was established in 2019 after consultations with publishers, editors, philanthropists, business leaders, policy-makers and researchers, and is governed by a board of highly-credentialed voluntary directors across the disciplines of media, law, public policy, research, philanthropy and business. PIJI supports informed debate with credible research, and works independently and collaboratively to develop rigorous public policy options.

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