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EXECUTIVE DIRECTOR

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Friday May 6, 2022

**Review of the News Media
and Digital Platforms
Mandatory Bargaining Code**

By email: NMDPbargainincodereview@treasury.gov.au

The Secretariat, News Media and Digital Platforms Mandatory Bargaining Code Review

Country Press Australia (CPA), the industry body representing the interests of over 190 independent regional and local newspapers, was an active participant in the development of the Code, and acted on behalf of its members in Collective Bargaining negotiations outside the Code with Google and Meta, with the authorisation of the ACCC.

Our members are the major, and in some cases, only independent providers of local news for their communities. Our members employ appropriately trained professional journalists working under a code of ethics to help ensure our communities receive balanced, factual and impartial reporting in their local newspaper.

The printed newspaper remains the primary source of revenue for our members to support the production of public interest journalism, and the impacts of the Covid19 pandemic and significant increases in our inputs, in particular newsprint, has placed further pressure on an increasingly fragmented and evolving advertising market.

Country Press Australia negotiations and outcomes

CPA has successfully negotiated monetary outcomes on behalf of its members from Google and Meta. Details of these agreements are protected by Deeds of Confidentiality or similar restrictions.

The full impacts of the News Media Bargaining Code, and associated negotiations outside the Code are yet to be fully realised and appreciated. Finalisation of agreements with CPA has been a slow process but in recent months most eligible member publishers have started to receive some financial benefit as well as other more practical benefits due to the agreements reached with the digital platforms through CPA.

Whilst the agreements with the digital platforms have been reached on the basis of commercial confidentiality some elements of the agreements are in the public domain which we will expand on.

Seventy member newspapers were invited by Google to participate in Google News Showcase. Some of the requirements of Google News Showcase have been difficult for some members to deliver, especially without more resources, but overall this product has provided publishers remuneration on the basis of providing content. Without having specifically available data, and some publishers still finalising agreements and content

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arrangements, the overall result has seen an increase in journalist numbers to ensure the content requirements are met.

Payments from commercial deals only commenced from February 2022, and are yet to be accessed by all eligible members. As a result, a detailed assessment across members of the benefits provided by the funding has not been undertaken, nor has it necessarily provided a business impact as yet.

Other agreements including the Facebook Walkley Foundation coordinated grants, have provided certain CPA members to support and expand the provision of public interest journalism including underserved regional and remote communities. A number of projects are funding members to launch or relaunch newspapers into regions where news deserts existed, or have provided funds for members to provide more journalism resources to existing publications to assist with specific journalism projects. These grants are also assisting with a number of technology projects to build websites or innovation with data and journalism projects as an example.

Other agreements have provided funds for projects based on sustainability and innovation such as the Meta Fund where 106 CPA members received funds for Newsroom Sustainability and Digital Transformation.

Some of the CPA member recipients stated at the time:

Lauren Duffy, General Manager / Editor - The North Central Review, Whittlesea Review

“To increase our production of public interest journalism, we need to increase readership and advertising revenue, and we believe improving our digital presence will do this. In order to grow in the digital space, we need someone to step into the leadership role, which will not only assist in the production of news content but increase website traffic, which will increase digital advertising.”

Andrea Graham, Director - Colac Herald

“It is our responsibility as it has been for over 155 years to provide this local, professional and independent journalism to keep our community educated and informed. The funding would provide for two areas of our business: new camera equipment and maintaining editorial personnel will assist in continuing to provide our premium local news content that will feature on multiple channels including our print and digital editions, social media including Facebook and Instagram. Retention of staff and upgrading equipment allows us to move forward in both print and digital.”

Andrew Schreyer, General Manager/Publisher - The Warragul and Drouin Gazette

“This funding will be used to strengthen the circulation of our paid weekly newspaper, the Warragul and Drouin Gazette. A strong circulation is critical to the sustainability of a paid newspaper. The funding will allow us to employ additional journalist resources, add extra editorial content to our publication and print additional copies of our paper to distribute to new housing estates and secondary schools. The aim of this project is to secure new readers and subscribers. I’d like to thank the CPA negotiating team and Facebook for this funding. It will make a big difference to all successful applicant publishers and the industry.”

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Most recently CPA members have been invited to be involved in the Google Digital News Academy aimed at further skilling our journalists with digital knowledge and tools. The outcomes of this project are yet to be determined.

Both Google and Facebook have a number of other training initiatives in place. Their benefits to our members are yet to be assessed and most of the initiatives are yet to be delivered.

The use of the funding by many of our members, is encouraging a greater focus on implementing and expanding strategies to transition to a print/digital news media model to help provide a more sustainable news media business, although the results and importance of this is yet to be determined.

CPA believes the prospect of designation of the digital platforms assisted with negotiations and was crucial to bringing the digital platforms to the negotiating table.

Country Press Australia was the first news media representative body to apply to the ACCC for approval to bargain collectively with the Digital Platforms. As a result, members were not encouraged to register while negotiations were conducted outside the Mandatory Code. We believe two members did register.

Revenue Test

The revenue test requires that the news business corporation's revenue exceeded A\$150,000 in the most recent year for which there are such accounts, or in 3 of the 5 most recent years for which there are such accounts. This test is applied at the corporation level. A news business corporation does not need to show that the revenue was generated by, or relates to, the operations of its news sources.

CPA has always been of the view that the revenue test should relate to the operation of its news sources. CPA also believes that any legitimate news organisation with professionally trained journalists could not possibly operate with revenue below \$150,000.

In the future CPA is keen to see the digital platforms provide more funds for ongoing sustainability to ensure the provision of public interest journalism to local communities using both platforms and less emphasis on innovation projects. Local news organisations need to ensure they can sustain their journalism and the digital platforms are providing some good assistance to this sustainability.

Definition of genuine news and public interest journalism

During the development of the Code, there was much discussion about the definition of "news", and the identification of those newsmedia businesses that provided true Public Interest Journalism.

CPA has consistently advocated for a clearer and more specific definition of a genuine provider of Public Interest Journalism, and continues to consider this an important matter to resolve as part of the Code review.

The registration of certain organisations as Newsmedia Businesses through ACMA, also highlights the need for a review in this area.

The concern is that organisations that do not meet nor provide appropriate levels of Public Interest Journalism benefit to the detriment of genuine providers of public interest journalism.



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A positive ongoing working relationship has been struck with the digital platforms during the negotiations and subsequently.

CPA reiterates its recognition of the vital role of the Federal Government and the ACCC in the development of the Mandatory Code, which is recognised internationally as world leading legislation.

The Code provided the underpinning of agreements that appear to be assisting publishers with ongoing sustainability and is assisting to extend the provision of public interest journalism across Country Press Australia members.

It is vitally important that the digital platforms continue to support local media and public interest journalism. The cost pressures on local media have never been greater and our journalism has never been needed more and our audiences have never been so large.

Yours faithfully,



Andrew Manuel
Country Press Australia President