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18 January 2021

Senate Economics Legislation Committee
Parliament House, Canberra ACT

**Country Press Australia Submission
Treasury Laws Amendment
(News Media and Digital Platforms Mandatory Bargaining Code) Bill 2020**

Country Press Australia (CPA) welcomes the opportunity to provide a submission to the Senate Economics Legislation Committee on the News Media and Digital Platforms Bargaining Code.

CPA is the industry body representing the interests of more than 160 independent regional and local member newspapers across Australia.

We have been an active participant throughout the ACCC's initial Digital Platforms Inquiry and the subsequent development of the Mandatory Code.

CPA appreciates and recognises the efforts of the Australian Competition Consumer Commission, the Treasury, the Department of Infrastructure, Transport, Regional Development and Communications, and the Senate Economics Legislation Committee to consult widely about this vital piece of legislation.

As stated in the Explanatory Memorandum the Bill intends to establish a mandatory code of conduct to help support the sustainability of Australian news media, yet there are a number of elements in this Bill which will undermine the ongoing sustainability and diversity of media for news organisations operating across regional and local communities.

The Bill is weighted to large media organisations and does not take into account the ongoing need for a diversified media across Australia.

The Senate Committee should consider changes to ensure continued sustainability of a diversified media and not provide undue weight to broadcast media.

CPA's submission supports the inclusion of the prohibition of differentiation, suggests amendments to certain sections of the Bill and proposes the exclusion of ABC and SBS from coverage in the Bill and the option to consider a licensing arrangement as part of the value exchange.

We consider these proposed changes contribute to the Bill achieving the original intent of the Code.



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522C Digital service to be supplied without differentiating in relation to registered news businesses

The addition of this section that would otherwise have allowed Digital Platforms to differentiate between news businesses covered by the code, provides protection and security for those news media businesses covered by the code.

Inclusion of this section underpins the successful operation of the code and is vital to achieve the desired outcome of addressing the power imbalances that exist between the digital platforms and news media businesses.

This section also ensures the dissemination of news content on Digital Platforms is not based on commercial considerations and encourages a multiplicity of voices to be heard that is vital to our democracy.

Inclusion of ABC and SBS as part of the Code

Changes to include the ABC and SBS as part of the Code, could in fact lead to an outcome that is opposite to the intention of the code, i.e. a reduction in media diversity.

These taxpayer funded media organisations compete for audience with commercial media operations whose viability and survival depends on advertising revenue now decimated by the Digital Platforms.

Ironically, this significant transfer of revenue to the DPs has been a result of the engagement and volume of audience driven by the content created by news media businesses and used by the Digital Platforms for commercial gain.

To include the ABC and SBS provides them a further unfair media advantage and also the potential for commercial news media businesses whose revenues have been severely impacted by the DPs to receive a smaller share of whatever “pie” is available.

The result could be that communities lose their main source of local news; the ABC/SBS are not substitutes for both the volume and detail of local journalism produced by the local commercial newspaper.

A key objective of the code is to support media diversity by legislating a fair commercial value exchange, required to help maintain viability due to the loss of news media revenue.

The most recent reference to the commercial imperatives underpinning the importance of the code to news media businesses, was highlighted in **1.7** of the Explanatory Materials.

“(a directive) to develop a mandatory code reflected a media sector already under significant pressure ... exacerbated by a sharp decline in advertising revenue ...”



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These “already significant” commercial pressures do not apply to taxpayer funded media organisations.

Therefore, neither should this Code be applied to the ABC and SBS.

52M Revenue test

Over the last six months or so, small news organisations have commenced in local communities to fill the void in public interest journalism created when existing newspapers ceased publishing.

The fact that many of those communities are now again receiving true local news by new media organisations, should be applauded and supported wherever possible.

However, the Bill requires the revenue must be set out in the news business annual accounts prepared with generally accepted accounting principles; Schedule 1, item 1, section 52M(1).

The Bill needs to take into account that many communities are now receiving their news from new organisations and a revenue test that allows them to prove amortised revenue will be at minimum \$150,000.00 annually must be included.

This change would not in any way dilute the intent of this provision, but enables new entrants who have already provided sound evidence of their capabilities and viability to benefit from their investment in the production of public interest journalism

1.64 Explanatory Memorandum

Allowing a news organisation to have the revenue test applied at the corporation level and not require the revenue to be generated by or related to the operations of its news sources, again provides broadcasters and large organisations to take advantage of the code. This will only allow them to get bigger and force out smaller more relevant and true news organisations.

52A Definitions – Core News Content

The Draft Legislation requiring that core news content be produced by a journalist should be re-instated.

Removing this requirement, is to reduce both credibility and accountability to standards that are crucial to independent, objective and impartial journalism, vital to our democracy.

The requirement should be for core news content to be produced by trained journalists.



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52P Professional standards test

The Bill provides professional journalistic standards that are substandard and provide the inclusion of content providers without journalistic training or subject to journalistic ethics.

The professional standard, at minimum, must ensure the test ensures the organisation is using professionally trained journalists, not academics, radio or television personalities. To do otherwise undermines the authenticity of the reasons and justification for such a Code.

The Committee must also ensure that organisations included in the Code have a commitment to a professional industry code of editorial conduct.

A news source should be subject to a professional standard or a code of an independent body, and be accountable to that body.

It is not sufficient to be able to adhere internal standards no matter how “analogous” they may be. It does not, but should, require external accountability. Independent accountability and wider oversight is at the core of any worthwhile standard.

Licencing fee option for the Value Exchange

Consideration should also be given to the value exchange/remuneration process to ensure the outcome is sustainable for all parties. Country Press Australia supports the option of a licence fee that provides compensation for set amounts of content contributed by publishers to the digital platforms.

Country Press Australia thanks the Committee for their consideration of our submission.

Country Press Australia

Bruce Ellen
President

January 2021