



Hon Bronwyn Bishop MP
Standing Committee on Communications and the Arts
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Parliament House
CANBERRA ACT 2600
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5 February 2016

Dear Ms Bishop,

I am pleased to forward to you Deakin University's submission to the broadcasting, online content and live production to rural and regional Australia inquiry.

Deakin University believes this inquiry, in examining the importance of public and commercial broadcasting, online content and live production to rural and regional Australia, including the arts, news and other services, is addressing a particularly important issue for Australia's future.

This submission has been prepared by Dr Lisa Waller, Dr Kristy Hess and Dr Julie Freeman from the School of Communication and Creative Arts at Deakin, all are leaders of research on local media both nationally and internationally. Their scholarship on theorising and understanding the place of local news in a digital world has been published in leading academic publications throughout the world and they have received funding from university, government, not-for-profit and philanthropic agencies to examine the community, civic and/or hyperlocal news space in Australia and overseas. With support of philanthropic foundations, Deakin University created a research group in 2016 to focus intently on regional media in Australia. This was supported with the appointment of a research fellow (Dr Julie Freeman) to examine news and civic participation in rural/regional Australia. The University is also the academic partner of Country Press Australia, providing education and training for dozens of practicing journalists employed by regional newspapers across the nation. Dr Kristy Hess and Dr Lisa Waller are co-authors of *Local Journalism in the Digital World*, soon to be published by Palgrave MacMillan in the UK.

I commend this submission to the inquiry and the recommendations to the Standing Committee

Yours sincerely

Jane den Hollander
Vice Chancellor



Deakin University

Submission

Broadcasting, online content & live production to rural and regional Australia

5 February 2016

Preamble

Thank you for the opportunity to provide a submission to the inquiry into 'Bringing the arts, news and other services to rural and regional Australia'.

The comments in this submission focus on rural and regional local news media in the digital environment and draw upon the Australian Broadcasting Corporation (ABC), Special Broadcasting Service (SBS) and Australian Communications and Media Authority's (ACMA) 2014-2015 annual reports from the inquiry's terms of reference.

We commend the Standing Committee's interest in rural and regional access to reliable and relevant online content. We offer comments in relation to economic, political and community aspects of local rural/regional news, including the need to further resource rural and regional news media, consider how proposed changes to media ownership and reach rules may impact local content and undertake further exploration of how news media consumption varies between rural/regional and urban areas.

The role of local news media continues to hold vital importance for democracy, but there are risks amid the rapidly changing digital media landscape of ill-informed rural and regional communities, which can create debilitating democratic deficits. To inform evidence-based policy, we recommend that further research is urgently required to assess how Australian rural and regional communities are served for local news.

Resourcing rural / regional local news media

It has been well-documented that rural and regional news media outlets are facing increasing economic pressures in the digital media environment. Declining resources impact the availability and quality of local journalism and limit capacity for news gathering, investigative reporting and independent analysis (Hess, Waller & Ricketson, 2014; Richards, 2014). Newspaper sales and advertising revenues are in parlous health and the closure of local newsrooms in favour of centralised production, together with the increasing homogenisation of news across print, online and broadcast platforms, results in content that is less relevant to local audiences in rural and regional communities. Research shows the availability of news is directly related to enhancing civic life and community social capital in regional Australia (Bowd, 2012; Hess, 2016; Richards, 2014).

The national Finkelstein Inquiry (2012) into the state of Australian media noted that the adequacy of regional news media requires urgent monitoring to assess how communities are served for local information:

There is some evidence that both regional radio and television stations and newspapers have cut back substantially on their newsgathering, leaving some communities poorly served for local news. This may require particular support in the immediate future, and I recommend that this issue be investigated as a matter of some urgency (p. 11).

The Finkelstein report noted a particular concern that many local newspapers had limited resources and consequently low capacity for in-depth coverage of local issues. It suggested regional media could benefit from financial support from government to help overcome the “shortcomings in journalistic surveillance and the richness of the media environment felt most at local levels, outside the major cities” (p. 331).

Deputy Prime Minister Warren Truss’s suggestion that media reform need not include a required quota of journalists or editors based in regional areas, but instead include a minimum number of minutes for local programming (Mitchell & Davidson, 2016) neglects consideration of the need for local content to be produced by people familiar with local areas. It also gives media companies discretion to homogenise ‘local’ news services rather than invest in providing quality and niche information for small towns and cities. Burns (2014) argues that considerable community benefit arises from “local people telling stories for and about local people”, with rural and regional media prime starting grounds for young budding journalists and a valuable source for local economies. Many rural and regional news reports are already produced hundreds of kilometres away from the towns to which they are broadcast, with smaller communities often entirely overlooked. The ABC’s structural reforms in regional areas bring threats to community ties and local employment, with programming cuts potentially creating news and information content gaps in rural and regional Australia, such as occurred when *Bush Telegraph* was axed in late 2014.

Declines in rural and regional news media do not mean that there are declines in demand for local news. A 2015 report on news consumption in Australia found that 20.8% of consumers surveyed had accessed a regional or local newspaper in the past week. In comparison, 15.2% accessed the *Sydney Morning Herald*, 12.1% *The Age*, and 8.4% *The Australian* (Watkins et al., 2015). While the ABC and SBS annual reports document that digital technologies are being used to access more news than ever before, the uneven rise of digital journalism is yet to fill gaps created by reductions in traditional regional/rural outlets (Nielsen, 2015). Consideration needs to be afforded to what it is, and who it is that determines local news. Local outlets connect people

and keep them in touch with the places and events where they live or work, and they keep an eye on councils, courts and police in the interests of democracy. The key to success in digital times rests upon news outlets having an intimate knowledge and appreciation of their communities. Further research is needed into how local media are faring, what forms these media take across regional Australia, the challenges facing independent online 'startup' publications in regional areas and importantly to assess where issues of media plurality are greatest. Australia should both protect and bolster the types of news and information channels available to people across regional and rural Australia (Waller & Hess, 2014).

Deakin Recommendation: Examination is required into the kinds of government support and/or alternative funding models available to ensure news and information needs are being met in regional Australia, and how types of direct or indirect subsidies might be effective in ensuring a healthy news system at the regional/rural level.

The potential impact of the proposed new media reforms

The Turnbull Government's recent proposed new media reforms should be approached with due consideration for the complexity of ensuring access to local news content in rural and regional areas. The potential removal of the two-out-of-three and 'reach rules' for commercial providers, which currently prevent broadcasters from owning more than two media platforms in license areas and reaching more than 75% of the population, have been deemed necessary for the industry to adjust to technological changes and encourage media diversity and local jobs. Australia's four independent regional broadcasters – Prime, WIN, Southern Cross Austereo and Imparja – argue that without change, 'local voices' will be lost because they are at risk of shutting down or cutting back further on information services and contend that the 75% reach rule is redundant in the digital world. The practice of digital streaming, for example, means broadcasters can now reach a national audience, providing people have the tools and broadband internet service to access content. This places regional networks in a vulnerable position because they are buying expensive content from metropolitan networks, which could go around them by streaming on the internet. While regional broadcasters urge changes to media ownership laws to protect local news services, it is important to stress that abolishing the two-out-of-three rule may open the gate for more mergers and takeovers, limiting media diversity and plurality of reporting in the bush.

The abundance of international and national news available through digital platforms has created a media market demanding more local content (Waller & Hess, 2015). Media providers should focus on niche marketplaces where there remains money to be made, but arguably the profits must now be shared among a variety of players. Research in the UK highlights that relaxation of media ownership rules has resulted in a rapid period of consolidation and success in the local and regional news sector has become increasingly dependent on scale. Mergers lead to centralised resources and this means more and more news gaps are created as journalism is practised from further afield by one company across multiple platforms. Commercial news sites rely increasingly on public relations as quick, ready-made news sources to help fill news bulletins (Hess & Waller, 2008). The question on policymakers' minds should be whether loosening media restrictions will mean a greater emphasis on and improved quality of local news in all corners of the country, rather than a 'better something than nothing' approach. The Federal Government should encourage and promote potential for diversity, at least for the time being, rather than be quick to reinforce existing power structures. We need to know more about what we mean by 'local' news in the digital world, question whether traditional legacy media providers are the saviours and, if

so, ensure they inform and give strong voice to regional communities. The fact that small towns and cities are harder to reach and more expensive to cover should not mean they miss out on quality coverage of regional affairs and they deserve more than tokenistic media coverage of their regions.

Deakin Recommendation: While reform of Australian media ownership and coverage capacity is necessary in the highly digitalised world, provisions should be in place to protect local newsrooms and encourage diversity of voices in rural and regional areas. Policy settings need to accommodate how to best serve the news and information needs of rural and regional communities in a shifting media environment.

The state of local rural / regional news media

The state of local news media and variabilities between media consumption in urban and rural/regional Australia requires further research. The AMCA's annual report notes declining consumption of newspapers and increasing access to more interactive and dispersed news sources, particularly through the use of mobile devices. However, the report does not extend to include potential differences between, for example, urban dailies and regional or local non-daily newspapers, satisfaction levels with local content in digital or traditional commercial forms, the rise of new community-led news platforms, or whether levels of digital connectivity impact rural/regional news media consumption.

Previous ACMA (2013) research into *Regional Australians' Access to Local Content* found that both television and local print newspapers were important sources for local news, with 39% of respondents preferring televised local news and 30% noting a preference for local newspapers. Local news through the internet was preferred by 14% of respondents. The difference in preferred formats is influenced by the level of connectivity present in rural and regional communities. Fast and reliable connectivity is a perennial problem in rural and regional Australia despite large-scale investments and infrastructure developments under various iterations of the National Broadband Network (NBN) and several specific-purpose rural access programs in earlier years (Park et al., 2015). The Department of Communications' (2013) *Broadband Availability and Quality Report* found that:

[T]here are areas of inadequate access to infrastructure across the country—approximately 1.4 million premises (13 per cent) are in areas where fewer than 40 per cent of premises can access a fixed broadband service. The premises in this category are typically located in regional or remote areas of Australia, or in small pockets of poor service in metropolitan and outer metropolitan areas. (p. 3)

Access to and use of communications platforms and local content varies between urban and regional/rural consumers. The decreased speed and bandwidth that will be available to rural and regional Australia through satellite and fixed wireless NBN coverage will offer inferior connections to consumers in urban areas (Park et al., 2015), meaning connectivity can be both a fundamental enabler and barrier to accessing online news. Moreover, the two most recent *Regional Telecommunications Reviews* (2012, 2015) concluded that mobile coverage and its capacity to connect to the internet was the most pressing issue for rural and regional Australia. As news production and distribution practices change to accommodate the growing popularity of mobile platforms (as documented in the ABC, SBS and ACMA annual reports), rural and regional consumers may face inequities in access to online content. Entertainment programs are already

being produced and sent straight to iView by the ABC, which means those with limited connectivity may be disadvantaged for content choice.

While the ACMA's annual report outlines satisfaction levels with internet services (with data speeds obtaining the highest rate of dissatisfaction among consumers at 26%), this does not account for different forms of connectivity (such as satellite vs cable coverage) in varying regions and how this may impact on both consumption practices and satisfaction rates. Connectivity cannot be separated from media access. High-speed broadband infrastructure and mobile internet play pivotal roles in the future of rural and regional access to news and information. Underserved rural and regional areas should be prioritised for government investment in broadband infrastructure developments, as they were in the period before the NBN was commissioned.

The needs of society should be considered in conjunction with the economic and political concerns of media organisations (Picard, 2013). Consultation with audiences is necessary to fully assess the impact of changes to the availability and quality of local news (Meadows, 2013). Recent research undertaken in the UK found that community media and hyperlocal news sites have the potential to fill important gaps created by declines in traditional local media by contributing to local knowledge, extending the plurality of local opinions and ensuring democratic accountability (Barnett & Townend, 2015). This study recommended that policy interventions account for emerging forms of community news by helping to maximise existing operations, offering seed funding for new initiatives and through organisational assistance by creating partnerships between the BBC and those running hyperlocal sites with demonstrated civic benefits. This type of media plurality may be essential to ensuring a variety of local viewpoints in rural and regional Australia's future.

Deakin Recommendation: Commission comprehensive research to map the state of regional media and determine potential news gaps across rural/regional Australia. Such research should examine the causes and effects of these gaps, and how they would best be remedied to facilitate and maintain access to reliable and relevant local news.

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