



Country Press New South Wales Inc.
Australia's oldest newspaper industry association
Founded 1900

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SUBMISSION FROM COUNTRY PRESS NSW INCORPORATED

Introduction

Country Press NSW Inc represents over 30 independent regional publishers in the state. The body is the oldest newspaper industry association, founded in 1900. Today, we represent a diverse range of print publications from the coast, southern NSW, northern, western NSW and the ACT. Country Press NSW Inc also operates under the peak national body Country Press Australia.

Our member publications are independently run, small, often family teams, focussed on their local government areas. All are print newspapers with various online or digital capacities.

These publications provide a vital service to their communities, many have been in publication for over a century.

The recent void left by the bigger publishers, NewsCorp and Australian Community Media (ACM), has afforded the opportunity for some members to expand and create new titles in adjacent local government areas. These new publications have been emphatically welcomed by the readership, who have felt left down and abandoned by ACM and its predecessor, Fairfax Media.

Other services such as the ABC, community Facebook groups and local councils have tried to fill voids however, a recent survey conducted by the Australian Research Council's Linkage Program and Deakin University, found local newspapers are still proven to be trusted above all, and often the first place people go for information about their community. Newspapers are still preferred in print, in regional Australia because often internet services are still poor.

Local newspapers also are important time and history keepers, with many communities now without access to historical events, due to the closure of newspapers.

Responses to the Terms of Reference

- *The impact of decisions in a number of markets in regional and remote Australia by large publishers such as News Corp and Australian Community Media (ACM) to suspend publication of print editions*

ACM's suspension of around 80 non-daily print editions, forced the closure of news offices across the country, replacing local knowledge and employment with outdated, syndicated content on websites that now have virtually no local content. How is this providing any service to regional residents?

The change of business operations at ACM has not only hurt communities where a newspaper has been lost, but it has also affected many others with the closure of ACM printing facilities.



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In the last 12-months, many of our members have had to source other printing and delivery options, at a month's notice, as ACM advised they were no longer able to print independent titles at their print facilities in Sydney or Tamworth.

This put extreme pressure on third-party printers to accommodate a large increase in small publications, often under 1000 copies. NewsCorp is also unable to accommodate small publishers on their Sydney presses.

This closure has forced publishers to accept reduced and stressful deadline changes, often 24 hours earlier than previous. It has also caused several logistic issues with timely, reliable and cost-effective delivery of newspapers.

There is genuine commitment, strength and resilience in independent regional publishing and Country Press members are just the tip of a very big iceberg. Many smaller regionally-based publishers operate under the political radar without acknowledgement, consideration or assistance from government.

- *The extent to which there has been entry into these or other markets by new operators, particularly small businesses*

A positive of the vacation of ACM in regional NSW has been the opportunity for small publishers to expand into previously held markets. Some of our member publishers have expanded or begun, in markets previously held by ACM such as, The Hunter River Times, Wellington and District Leader, Nyngan Weekly, Narromine Star and Gunnedah Times.

These new publications have been well-received by the readerships in their communities. The creation of new titles were greatly encouraged by the local councils, who still recognise a need for a local media outlet.

Staffing of these publications proved difficult, with a large number of experienced journalists, sales and administration personnel leaving the industry with the closure of ACM print editions. Journalist cadetship funding as promised in the Innovation Fund has also ceased. Making it harder for publications to retain young journalists in regional areas.

More expansions may occur in the future, however, not everyone has the access or industry knowledge to create newspapers. Lack of printing options, increases to costs of printing and newsprint (over 30 per cent in the past six months) may prove to be prohibitive for new publications.

- *The impact of the News Media Bargaining Code for regional and remote newspapers*

Advertising revenue for newspapers has been in decline for some time. The emergence of the bigger online players, Facebook and Google, have decimated newspapers once thriving classifieds section and local, state government and federal government advertisers have also strayed from print in favour of digital.

Country Press Australia, on behalf of its members have negotiated some deals with digital companies. These deals are mostly yet to be completely finalised but will go some way to helping qualifying publishers recoup the costs of producing extra content for online. These deals have been



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brokered outside of the code, and it is yet to be realised how much effect, this world-first code will have on the industry. Many smaller publications will not qualify for some deals struck with tech companies, as the commitment to meet the required quantity of online publishing may prove to be too arduous to staff, or they simply don't have an online presence.

With the Innovation Fund and the PING funding now abandoned, it is unlikely many publishers will have the capacity to innovate technically to keep up with the bigger market players. It is our members' experience that a digital news website, is not as popular with the regional readership and certainly not with government or commercial advertisers.

- *The degree to which there has been economic recovery in regional and remote markets from the impacts of COVID, and whether this has led to advertising revenue improving.*

The impacts of COVID in regional areas are now beginning to be realised. Local businesses have dealt with two-years of major disruption, this has flowed on into local media, with businesses forced to close during lockdowns, such as beauty services, pubs, clubs and social events; these are often the only sources of local advertising dollars for newspapers.

Some of these advertisers have not returned to print due to the ongoing uncertainty in their business. Regional NSW is also feeling the full extent of the spread of the omicron (COVID) variant, with large numbers of residents contracting the virus during the holiday period. This is likely to continue throughout 2022, leading to another year of disruptions for local business and in turn, local advertisers. Although the federal government has provided a much welcomed and continuing advertising campaign during the COVID pandemic, the state governments and associated state departments have had varied responses.

The Victorian government greatly supported local newspapers with full page advertising in the height of pandemic. NSW, and NSW Health conducted sporadic, and in our opinion ineffective advertising campaigns in the past 24 months. Local health districts provided no-paid advertising on testing centres, opting for Facebook and instead bombarded publishers with media releases seeking free content. All the while, various government and health officials pleaded with the public to seek out 'trusted sources of information' without using these sources to correctly communicate to a worried regional population. Also at a state level, various legislation such as recent changes to the local government act, and Water NSW acts, have removed the requirement for important notices to be advertised – instead these important notices such as development applications, infrastructure projects, water notices, will be buried on departments and local government websites, which Country Press NSW feels is a backwards step in transparent governance and a worrying trend in new legislation. It is impossible for regional residents to search hundreds of websites to find out if something a government department may do in their area is happening or will affect them. Some of our member publications also reported an immediate cessation of local government advertising in 2020 due to this change in law.

Various other federal government initiatives and/or services are still not advertised in local newspapers and are often badly patronised by the people they are purportedly there to help, because no one knows they are coming to town. Our member publishers receive multiple media releases, daily, from government departments looking for 'free publicity', many of these are advertisements disguised as



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news. When questioned about the lack of advertising, replies are 'there is no budget for advertising' or 'this is a community alert'.

These 'no budget' campaigns are then seen advertised on social media, often in sponsored posts, so the response that there is no budget is an excuse given by low-level marketing employees to placate publishers.

Newspapers provide a much-needed service to their communities – quality journalism comes at a cost. But it also creates skill opportunities for employment in regional Australia, and great opportunities for young people.

This blatant ignorance of what is advertising is likened to pulling up at a petrol station with the government sponsored bus and asking them for free petrol. It wouldn't happen because it is recognised that petrol stations offer a service that comes with costs, so do newspapers.

Recommendations

1. Funding

Country Press NSW supports our peak body Country Press Australia in their recommendation for the federal government to re-commit to previous funding, as recommended by the ACCC. This includes funding for cadetship programs, to encourage publishers to take on journalists and address the skills shortage facing our industry. The cadetships program could be expanded to include Internships and traineeships in other industry areas such as graphic design and printing. Any future funding such as the PING or Innovation Funds, should allow for collaborative applications and resource sharing between publishers.

Different levels of assistance could be created, so that large and small publishers are competing at appropriate levels. Funding allocations could be based on actual original regional content published and/or number of staff working in a regional office or area, rather than spurious claims by the corporate publishers about their coverage, audience, content, regional staffing etc.

2. Government advertising

We also would encourage all levels of government to re-evaluate their communication, or their lack of, with regional Australia, through local newspapers. There are many opportunities for collaboration to achieve effective messaging and increase service delivery in regional areas, through print newspapers and their digital editions. A review of the effectiveness and ROI of social media spends should be conducted, and more budget allocated to local newspapers.

3. Paper and printing costs

The cost and availability of newsprint is an emerging issue that is an obviously vital material for print edition newspapers. The federal government needs to take the lead on this issue and consult with all parties - publishers, and manufacturers to work towards an effective solution. Having reliable print and distribution chains is also a vital need for publishers.

4. Inquiry timing

Country Press NSW also suggests that more consideration be given to the timing of the announcement of this inquiry and short submission process. For many non-daily regional publications January is the only time they can close offices for their well-deserved annual break and closing submissions before



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many came back from holidays, may have effectively excluded regional readers from having input. We look forward to more communication with the inquiry and/or any further hearing process.

5. *Terms of Reference*

The terms of reference needed to be better defined. What does the inquiry consider as a regional newspaper? Are 'regional newspapers' companies who meet a number of criteria eg. Have physical offices in regional areas, have a registered print edition at least once per fortnight, employ journalists and other staff who are based in regional areas, and provide at least 90% of content directly relevant to the regional area they claim to serve. Just having a masthead with a regional name or (syndicated) slightly regional content does not make you a regional publisher.

6. *Online survey*

The online survey is too simplistic and shows a lack of understanding of the nature of regional publishing eg. Q8 – do they subscribe to 'print OR digital'? Many would read both. Some titles aren't subscription based, some buy individual editions and don't 'subscribe' as such.

We do thank the Federal Parliamentary Standing Committee on Communications and the Arts for their interest in our industry and we would welcome any further discussions on positive outcomes for local newspapers.

Mrs L Peart, president and Mrs Lee O'Connor, vice president
On behalf of Country Press NSW Inc

Country Press NSW Inc members

Apsley Advocate

Barrier Daily Truth

The Bugle, Kiama

Condobolin Argus

Coonabraran Times

Coonamble Times/Western Plains App

Hay Riverine Grazier

Hunter River Times

Koondrook Barham Bridge

Manilla Express

Monaro Post

Tumut & Adelong Times

Twin Town Times

Walgett Spectator

Warren Weekly

Wellington District Leader

Yass Valley Times

West Wyalong Advocate

Gilgandra Newspapers: Gilgandra Weekly,

Narrromine Star, Nyngan Weekly

Panscott Media: Dubbo Photo News, Orange City Life

New State Media Group: Canberra Weekly,

Newcastle Weekly

McPherson Media Group: Corowa Free Press,

Deniliquin Pastoral Times, Finley Southern

Riverina Herald

North Western Courier Pty Ltd: Narrabri

Courier, Gunnedah Times, Wee Waa News