



A SUBMISSION: TO THE SENATE STANDING COMMITTEE ON ENVIRONMENT AND COMMUNICATION

INQUIRY INTO

MEDIA DIVERSITY IN AUSTRALIA

FROM:

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Chair

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Senate Standing Committee on Environment and Communications
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Canberra, ACT 2600

Re: Media Diversity in Australia

1. The New Daily is pleased to contribute to this inquiry. The New Daily is a new voice in the Australian media landscape, committed to public interest journalism, fair and balanced reporting, and content that informs and engages our readers.

What is The New Daily?

2. The New Daily was established in 2013. It aims to deliver a respected and sustainable digital news service, with a reputation for fair and balanced reporting, focusing on content that engages ordinary Australians, and that specialises in content that enhances the financial literacy of its readers.
3. The news and editorial content is provided by a team of around 40 journalists and contributors employed and engaged by our publishing partner, Motion Publishing, and supplemented by content from third parties such as AAP, Getty, and the ABC.
4. The publication has a Charter of Editorial Independence, approved by the Board, that governs the editorial process. The Charter requires honest, fair and objective reporting.
5. The New Daily is a member of the Australian Press Council and abides by its rulings. It prides itself on the quality and independence of its journalism.
6. The Editor Neil Frankland and Deputy Editor Andrea Hamblin are supported by Bruce Guthrie as Executive Editor.

A new model for news in Australia

7. The New Daily is provided as a newsletter to superannuation funds and a service offered by other organisations to their members or customers.
8. These organisations provide The New Daily to their members or customers to boost their brand, communicate with their members or customers (through prominent banner ads) and enhance their members' financial literacy. It is also available through direct free subscription.
9. Organisations that distribute The New Daily are able to co-brand the newsletter and have the right to the banner ad each day. This is a valuable direct communication channel, in a market where consumers are traditionally disengaged.



10. Embedding messages in The New Daily via the banner ad supplements the direct member and customer communications channels. It provides an engaging communications channel which can address consumer inertia and disengagement. The banner ad can be used to deliver messages to fund members to assist them make sound choices to improve their retirement savings. For example, during recent falls in markets some funds used the banner ad to talk directly to members.
11. Unlike traditional direct mail, The New Daily email enjoys open rates and click through rates that are double the industry benchmarks for the media, entertainment and publishing industry.
12. Put simply – while letters from super funds sit un-opened on kitchen benches across Australia, members open and read The New Daily.
13. The New Daily also has a focus on financial content. This content is not generated by the superannuation funds and is covered by the Charter of Editorial Independence. The finance category is widely read, (second most popular after news and before Lifestyle), and readers overwhelmingly report that The New Daily improves their financial literacy.
14. The New Daily is owned by Industry Super Holdings. As it is in start -up mode, its operations are funded in part by advertising revenue, and in part by support from its shareholder. Our ownership is integral to our business model, as it assists us acquire readers and generate revenue, while providing a valued service to the superannuation funds and their members.
15. Advertising revenue is generated through both programmatic and direct sales. Despite the well-known issues with monetising journalism online, advertising revenue has grown year on year with growth in distribution and readership.

Growth and reach

16. The New Daily's website audience continues to grow month-on-month reaching over 4.6M unique users per month in June 2020. (Google Analytics).
17. In the last financial year, subscriptions to The New Daily reached over 1.75M, which represented a year-on-year increase of 27 percent. Growth was driven by both direct subscriptions and distribution by organisations.
18. The New Daily is one of only two independently owned news platforms and the only Australian digital news native to break the Nielsen top 20. This year, only 7 years into its operations, The New Daily moved up the rankings to No 15, behind the country's most established and international mastheads.
19. Google Search engines regularly rank The New Daily's stories in the top five when users search for news – a further indication of its popularity and use across Australia.
20. Recent research conducted by an arm's length research firm found that 22 percent of the market were aware of The New Daily and that six percent of the market were currently subscribed to the publication.



Reader satisfaction

21. The New Daily conducts regular surveys of its readers. The most recent reader survey (of 12,946 readers) found 95 percent of subscribers read the publication at least once a day with 98 percent agreeing that The New Daily is a valuable source of news and 96 percent saying they trust the content.
22. 77% of respondents believed The New Daily improved their understanding of financial literacy/issues.
23. The subscribers reported high levels of satisfaction with the product and the association between The New Daily and super funds. If readers are aware they access The New Daily because of their membership, they are more likely to recommend their super fund to others.

The state of media diversity

24. The New Daily supports a thriving, competitive media industry. Yet, despite the reduction in the cost of entry offered by digital distribution, the landscape remains dominated by few large players. While it is true that digital publishing has allowed new international entrants to publish in Australia at very low cost, no longer restricted by foreign investment policy, there is currently little incentive for new Australian voices providing public interest journalism to launch in the Australian media landscape.
25. As a new entrant to the Australian media landscape, and a digital-only publication, we have seized the opportunity offered by low-cost digital distribution and are acquiring the scale needed to build a sustainable business model. But, like others, we are challenged by the proliferation of channels, the weakening of the advertisement supported business model, and the monopolistic practices of some of the dominant players.
26. Within the public interest journalism scope, there are only a handful of operators who have established in Australia over the past ten years. Many have not survived because the major cost, the journalism, cannot find a business model for funding.
27. The weakening of the advertising-based business model has seen new models emerge to support public interest journalism. The Guardian uses a model of philanthropy; some news outlets are building their digital paid subscriptions models and publishers like The Conversation is supported by the University Sector. The New Daily operates as a hybrid of the old and new models.
28. While online publishing has given rise to operators establishing voices through blogs, websites and social media, many of these operations are without the structure and investment of accredited journalism. These operations cannot be classified in the same way as digital news natives providing public interest journalism. There remains value in the discipline and rigour of trusted news sources.
29. Social media has assisted in helping news providers find an audience and, in some instances provide some revenue – through targeted digital advertising. However, it has also undermined that traditional business model.
30. The New Daily welcomes the moves to adopt a Mandatory Bargaining Code which has highlighted that the funding model for journalism must evolve to ensure that the users of the journalism pay its creators, ie the platforms pay the publishers. While we are yet to examine the details, the proposed Code will



address, at least in part, the impact social media is having on the production of journalism and the digital media business models.

31. But it is clear that if journalism is a public good – and this now seems widely accepted – then new commercial models will need to evolve. Around the world, there are growing calls for more public support, and in Australia calls for tax incentives and other government support. In our view, the New Daily offers a unique and innovative model, which only strengthens our media industry, public debate and ultimately our democracy.