ACIL ALLEN

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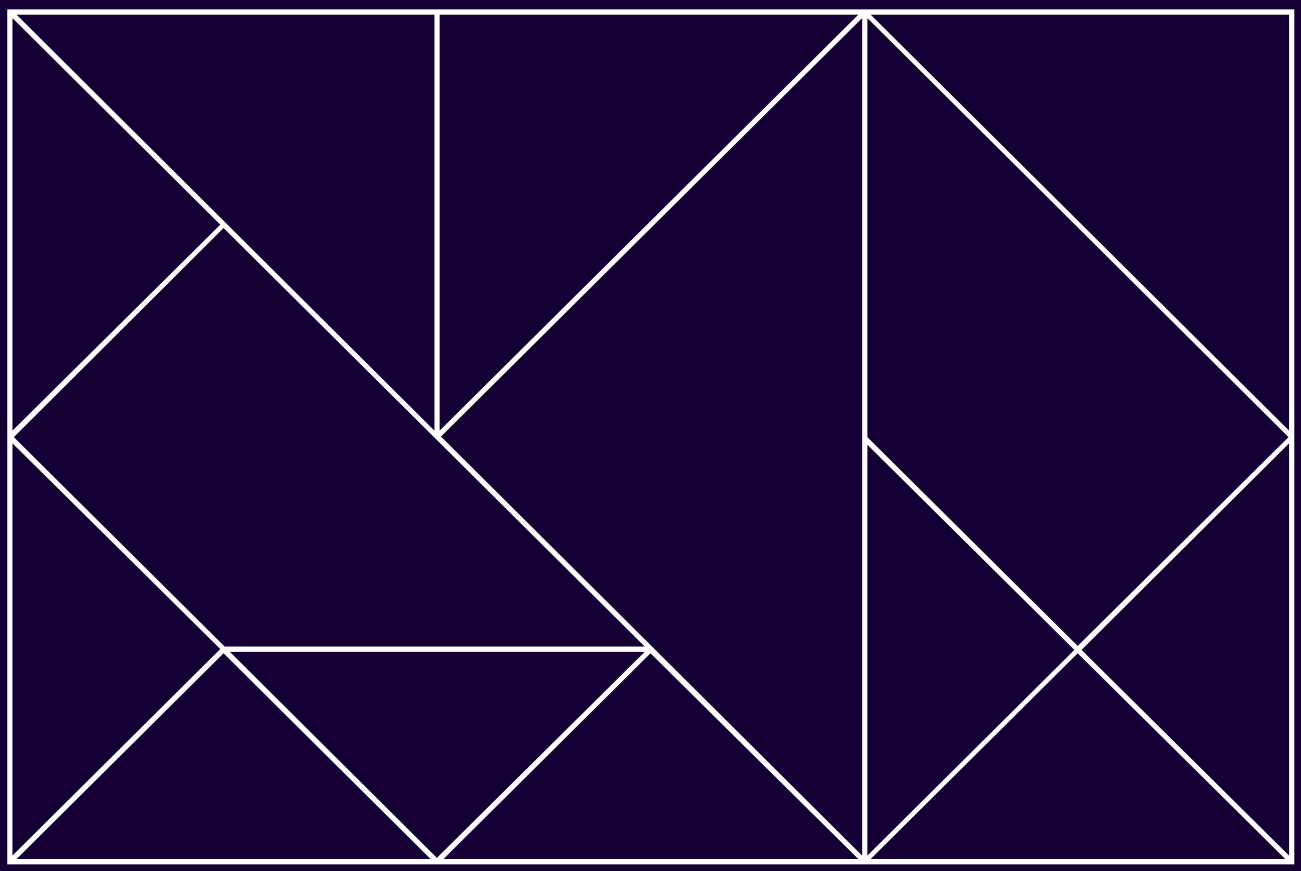
Report to The Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Independent evaluation of RASPJI and PING

Final report



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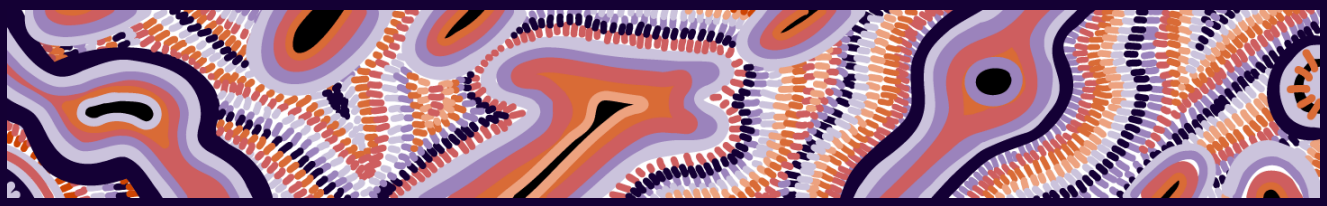


Goomup, by Jarni McGuire

Contents

Executive summary i

1 Introduction 6

1.1 Background 6
1.2 This evaluation 7

2 Industry context and policy rationale 9

2.1 Industry profile 9
2.2 Industry challenges and changes 14
2.3 Economic and policy rationale for the programs 16

3 Program design 22

3.1 A word or two about best practice program design 22
3.2 Design of the programs 23
3.3 Program design and market failure arguments 29

4 Program administration and delivery 31

4.1 Application processes and administration 31
4.2 Grant administration 38
4.3 Program monitoring and reporting 42
4.4 Delivery risk 46

5 Program achievements and outcomes 48

5.1 Outputs and outcomes: Scholarships program 48
5.2 Outputs and outcomes: Cadetships program 53
5.3 Outputs and outcomes: Innovation Fund 60
5.4 Outputs and outcomes: PING program 69
5.5 Public value outcomes of RASPJI and PING 76
5.6 Recipient's satisfaction with the programs and perspectives on opportunities for improvement 78

6 Key findings and opportunities for improvement 80

6.1 Key findings 80
6.2 Opportunities to amplify future impacts 81

A Program logics and additional program information A-1

A.1 Program logics A-1
A.2 Eligibility and assessment criteria A-6

B Stakeholders consulted B-1

C Additional survey information C-1

C.1 Survey respondents demographics C-1
C.2 Support for small metropolitan and regional publishers C-3
C.3 Scholarships recipients' outcomes C-5

Contents

C.4 Cadetships recipients' outcomes C-5
C.5 Innovation Fund C-7

D Other supporting information D-14

D.1 Evaluation Framework D-14
D.2 Industry challenges and changes D-16
D.3 Program data D-22

Executive summary

Context

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) has delivered two initiatives to support regional, small metropolitan, and public-interest journalism media organisations to provide content to Australian communities.

The Regional and Small Publishers Jobs and Innovation (RASPJI under the Broadcast and Content Reform Package) package allocated $60.4 million over three years from 2018 to deliver the Innovation Fund, Cadetships and Scholarships. These programs support small metropolitan and regional publishers to adapt to the contemporary media environment's challenges, create employment opportunities for cadet journalists and support regional students to study journalism.

The Public Interest News Gathering (PING) program was a $50 million program and part of a package of measures to support Australian media businesses during the COVID-19 pandemic. PING was part funded from unspent funding from the RASPJI package. It commenced in mid-2020 and aimed to support regional broadcasters and publishers to maintain or increase their production and distribution of public interest journalism in regional Australia during the COVID-19 pandemic.

The Department administered the Cadetships, Scholarships and PING programs, and the Australian Communications and Media Authority (ACMA) administered the Innovation Fund.

The Department engaged ACIL Allen to independently evaluate the RASPJI package and PING program. The evaluation's scope required analysis of program design, delivery, outcomes achieved and improvement opportunities.

The analysis was undertaken using a framework based on elements of market failure, program logic and public value. The analysis was underpinned by a substantial review of public information and the program data held by the Government. The analysis was also informed by stakeholder engagement in the form of a grant recipient survey and targeted consultation with key stakeholders.

The evaluation will inform the Department's future policies and grant programs that support public interest journalism and regional media. The evaluation also represents a commitment by the Department during the House of Representatives *Inquiry into Australia's Regional Newspapers* to commission an independent review in 2022.

Key findings

The evaluation's key findings are outlined below according to the key themes explored by ACIL Allen.

Overall, most stakeholders who received grant funding were, on balance, satisfied with their involvement in the programs. They considered the programs to be helpful in supporting the Industry

during a period of transition (with respect to RASPJI) and crisis (with respect to PING). However, they also identified ways similar programs can be improved in the future.

Most program participants and stakeholders valued the presence of these programs. They supported the continuation of funding in some form to support the Industry to become more sustainable and transition to new models of providing public interest journalism.

Program design

This evaluation has found that the programs were, in large part, well-designed and reasonably well-delivered. The underpinning logic to support an industry that provides public goods (i.e. public interest journalism) that regional communities value through innovation, employment, training and crisis funding, is sound. The supports reflect the challenges facing the Industry, including the need to support the Industry through the short-term economic shock caused by the COVID-19 pandemic, and market failures associated with the provision of public goods and imperfect competition. The Industry has supply and demand factors which tend towards ever-larger businesses, favouring fewer larger suppliers or natural monopoly providers, which disincentivise the provision of public interest journalism in the regions.

The individual programs (namely, Innovation Fund, Cadetships and Scholarships) aim to encourage industry self-sufficiency by encouraging digital transformation and changes to existing business models that deliver sustainability over time. Support for the Industry's future workforce (through on-the-job and formal training funding) provides the critical resources so that media organisations can generate the content needed to assist this transformation.

However, the evaluation identified several issues with the design of the programs that, if addressed for future programs, could support the delivery of greater impact.

The grant guidelines defined key terms, which informed eligibility, project design and delivery. These terms changed across funding rounds in response to stakeholder feedback; however, they were poorly understood or some stakeholders consulted felt confused by the changes. The definition of:

— ‘regional’ changed across the Innovation Fund rounds, which meant that some media organisations were variably included and excluded from applying
— ‘public interest journalism’ was a widely accepted interpretation but too narrow to capture all of journalism's ‘public good’ nature (i.e. public interest journalism fosters community and civic life in ways that are key to community health and well-being, for example, news about the local sporting team or local services)
— ‘innovation’ and ‘sustainability’ created confusion across rounds as to the purpose of the funding and expectations on stakeholders, and did not always reflect stakeholders’ needs.

The learning from these changes is one of trade-offs in both policy design and implementation. On the one hand, the decision to change core criteria demonstrated a degree of flexibility and responsiveness in program delivery. For some participants, this flexibility was valued. For others, the changes were confusing and led to sub-optimal participation in the programs. The lesson from this experience is one of balance between delivering certainty/clarity and flexibility/responsiveness. ACIL Allen believes that additional Industry and stakeholder engagement during the design phase of future program guidelines should help identify and resolve eligibility issues before the programs are delivered. This engagement should help to reduce the need to initiate changes once the programs have been launched.

The PING funding formula (based on applicants' revenue) was another design feature of contention among the stakeholders consulted for this evaluation. Some stakeholders perceived the formula to be skewed toward larger organisations that, by definition, required less support than small businesses during the COVID-19 pandemic. It was not within ACIL Allen’s scope to discuss the

relative merits of supporting large versus small businesses during the COVID-19 pandemic. However, our analysis has highlighted that the revenue criteria used for PING are a relatively narrow way of allocating program funding and could be balanced against the costs associated with delivering public interest journalism in metropolitan and regional areas in the future. This approach, while more complex for the Government to administer, could potentially provide a more equitable basis for allocating funding based on need. However, there is a need to balance this with the speed of delivery, noting that a more complex and equitable approach could potentially take longer to administer. As PING was delivered as an emergency response, delays may have resulted in adverse outcomes for some areas of the Industry.

Enhancing coordination between the program elements should be an important design theme of future programs. Ideally, the programs should be temporary (not permanent) measures to support the Industry in becoming self-sustaining. Participants need to graduate from the programs once they have become financially sustainable to ensure consistency with economic arguments about market failure. Future programs should recognise the importance of helping participants to build a sustainability pathway. This means providing strategic opportunities to innovate in areas that matter, find and train staff cost-effectively, and build revenue streams (based on increased readership/audiences) that drive Industry performance. It also means that future programs have strong connections between funding rounds to ensure their participants can effectively leverage all funding over time.

Program administration and delivery

This evaluation considered the administration and delivery of the Scholarships, Cadetships and PING programs. The Innovation Fund's administration is out of scope of this evaluation, as four separate independent audits were commissioned by the ACMA over the life of the program.

The programs were promoted through a range of government, industry and informal communication channels. Most funding was awarded and expended across the programs, with the exception of the Cadetships program, which was undersubscribed and expended substantially less funding than was awarded. This was due to challenges in identifying and retaining high-quality cadets. Universities experienced similar challenges with scholars, yet scholars were more easily replaced when needed. There were opportunities to improve the promotion of the programs (particularly the Cadetships program) to better reach the intended target audience.

Most recipients were satisfied with the grant application processes and administration for the Cadetships, Scholarships and PING programs. However, they would have benefited from a more streamlined application process and more guidance and support around the process and application requirements (particularly as many were first-time grant applicants who were unfamiliar with government granting processes).

In contrast, program reporting was largely focused on expenditure acquittal and outputs (particularly for Scholarships and Cadetships) and was administratively burdensome. This enabled the Department to manage risks regarding eligibility and improper use of funds.

There are opportunities to streamline reporting requirements and consider alternative mechanisms to mitigate the risk to the Department of grantees not meeting funding outcomes, including greater flexibility in the administration of grantee's eligible cost variations. Challenges faced by grantees are explored in more detail under 4.2.3. *Identifying and retaining suitable scholars and cadets*. Financial acquittal reporting requirements should be proportional, and seek to reduce the burden on grantees. A greater focus on reporting design to capture outputs and outcomes at completion and post-completion reporting is recommended.

Lastly, the design of the Cadetships payment arrangements (which grant payments provided payment six months in arrears) made it challenging for some media organisations to apply and for

some to maintain their involvement in the program. This was particularly important for smaller businesses with fewer financial resources available to cover the upfront payments. Providing recipients with upfront payments could have improved the success of this program.

Program outcomes

The programs awarded funding to 16 universities to deliver 66 scholars ($2.2 million), 40 media organisations to deliver 69 cadetships ($1.8 million), 129 Innovation Fund recipients ($17.6 million) and PING funding to 107 media organisations ($50 million, excluding AAP).

The Scholarships funding was reported to have reduced scholars' financial stress, supported them to overcome key financial barriers, undertake journalism-related courses, and complete their studies. It is unlikely these barriers would have been addressed for this cohort of students without the program. Some scholars gained industry-relevant skills, knowledge and relationships with industry stakeholders through internships (although this was not a requirement of the program).

The Cadetships program provided opportunities for cadets to explore journalism in practice and gain a broad range of practical skills and regional experience. This positioned Cadetships recipients to develop (and, in some cases, employ) the future journalism workforce. Recipients overcame labour and skills shortages (even in a small way) and capacity constraints that may not otherwise have been addressed. The added capacity led recipients to produce and distribute more tailored and accessible content to local communities, prioritise strategic and innovative thinking and better adapt to changes in the contemporary media environment.

The Innovation Fund supported recipients to digitise, use new content delivery methods and technologies, train staff and employ new business models. Recipients operated more efficiently, adapted and accelerated their digitisation efforts, created new revenue streams, and reached a broader and more diverse audience. The funding addressed key technology access gaps and challenges with digitisation that may not otherwise have been addressed. Recipients also acquired skills, knowledge and the confidence to grow their businesses. They became more sustainable, generated more revenue and content, and increased distribution and readership in regional communities. Some grant recipients considered Innovation Fund funding important in supporting businesses to transition to new operating environments and almost all consulted recipients stated they would not have been able to grow and build sustainability without the Innovation Fund.

There is also evidence to suggest that some organisations who participated in the Cadetships program, Innovation Fund and PING increased their level of public interest journalism produced and consumed as a direct result of the program. This evidence is important because it is contrary to evidence about the broader decline experienced by the Industry in the level of production and consumption over the past five years.

PING supported organisations with operational costs, digitisation and revenue creation. This enabled them to address challenges with declining advertising revenue and the COVID-19 pandemic that may not otherwise have been addressed. The funding enabled recipients to digitise, and maintain or increase their employment, content, readership and distribution. PING supported businesses to remain solvent and sustainable by providing timely funding to address immediate priorities.

The programs also delivered key elements of public value by supporting most Cadetships, Innovation Fund and PING recipients to build trust in public interest journalism in regional communities and legitimacy in the information provided.

Although not designed to coordinate, as noted above, the programs delivered stronger value where recipients received multiple grants (i.e. Cadetships, Innovation Fund rounds and/or PING). This enabled recipients to leverage each grant opportunity and the intangible benefits (i.e. business confidence, momentum) associated with the funding.

Opportunities to amplify future impacts

While the programs have delivered benefits to those involved, there are opportunities to learn from the design, delivery and impacts achieved to improve the design and delivery of future interventions and strengthen the outcomes achieved and the public value delivered.

Recommendations arising from the evaluation of the RASPJI package and PING program are presented below.

Recommendation 1

Better coordinate and sequence the programs to amplify the impacts and public value delivered by the funding. Individual and overall program logics that clearly map the connections between programs should be developed before they are launched.

Recommendation 2

Ensure similar programs clearly identify and target areas of need, define key terms appropriately and provide certainty for stakeholders.

Recommendation 3

Enhance the level and type of guidance provided to applicants (particularly for first-time applicants).

Recommendation 4

To set the foundations for delivering public value, the design of the funding formulas, funding acquittal and payment arrangements should:

- align with the intent of the program
- balance the burden of compliance with appropriate reporting obligations, and where possible, align reporting complexity with risk tolerance
- target support to areas or types of organisations most in need across the sector.

Recommendation 5

Use targeted promotion (including through closer engagement with relevant industry bodies) to raise awareness of the program among the intended target audience and ensure program take-up.

Recommendation 6

The program design should be outcomes-focused to enable flexibility in the delivery of the funding (to achieve program outcomes) and ensure that reporting, monitoring and evaluation capture progress toward intended outcomes.

1 Introduction

1.1 Background

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) has delivered two initiatives to support regional, small metropolitan, and public-interest journalism media organisations to provide content to Australian communities.

The Regional and Small Publishers Jobs and Innovation (RASPJI under the Broadcast and Content Reform Package) package allocated $60.4 million over three years from 2018 to deliver the Innovation Fund, Cadetships and Scholarships.

As a package, RASPJI supported small metropolitan and regional publishers to adapt to the challenges facing the contemporary media environment, create employment opportunities for cadet journalists and support regional students to study journalism. The objectives for each RASPJI element are provided in Table 1.1.

The Department administered the Cadetships and Scholarships internally, while the Australian Communications and Media Authority (ACMA) was responsible for administering the Innovation Fund.

Table 1.1 RASPJI package objectives

Scholarships objectives	Cadetships objectives	Innovation Fund objectives
– Assist journalism students to acquire the skills and knowledge necessary to operate effectively as journalists in the contemporary regional news media industry To increase the number of job-ready students at the completion of their studies	– To support the creation of new journalism cadet opportunities in publishers providing public interest journalism, particularly in regional and remote areas – To equip emerging Australian journalists, particularly in regional and remote areas, with skills and experience to operate effectively in a modern, digital media environment To enhance news coverage of issues of importance to local communities across the country, particularly in regional and remote areas	– Support the production of public interest journalism by assisting publishers (which includes content service providers) to innovate, stabilise their financial position and increase their revenue. This will support publishers to operate on a more competitive and sustainable basis in the medium term Round 1 (2018) focused directly on innovation and experimentation, while Round 2 (Regional Grant Opportunity, 2019) and Round 3 (2020 Round) focused on sustainability and facilitating innovation.

Source: Program logics (see Appendix A) derived from program guidelines

The Public Interest News Gathering (PING) program was a $50 million program designed to provide financial assistance to media outlets that publish or broadcast public interest journalism to regional communities. This was part of a package of measures to support Australian media businesses during the COVID-19 pandemic. It commenced in mid-2020. PING was designed to implement the Australian Competition and Consumer Commission's recommendation in the Digital

Platforms Inquiry to enhance the RASPJI to better support high-quality news, particularly in regional and remote Australia. As such, the stated objectives of the PING program were:

> *Support regional broadcasters (commercial television and radio) and publishers to maintain or increase their production and distribution of public interest journalism in regional Australia during the COVID-19 pandemic phase.*[1]

The Department administered the PING program.

1.2 This evaluation

The Department engaged ACIL Allen to undertake an independent evaluation of the scholarships, cadetships and grants administered under the RASPJI package and the PING program. This evaluation will inform the Department's future policies and grant programs that support public interest journalism and regional media. The evaluation also represents a commitment by the Department during the House of Representatives *Inquiry into Australia's Regional Newspapers* to commission an independent review in 2022.

The evaluation's scope is outlined in Box 1.1. It is important to note that the evaluation focuses on program design, delivery, outcomes achieved and improvement opportunities. Financial auditing or program assurance analyses are outside its scope.

Box 1.1 Evaluation scope

This evaluation has required ACIL Allen to:

1. Conduct a high-level examination of the media sector informed by consultation with the sector (including program grantees) to support report findings and recommendations.
2. Review the program outcomes for the PING and RASPJI Package – Innovation Fund; Cadetships and Scholarships Programs.
3. Review the program administration for the PING (excluding Australian Associated Press (AAP)), Cadetships and Scholarships Programs.
4. Evaluate the programs' design, implementation, assessment, funding allocation, and reporting processes.
5. Identify any parts of the programs that present a risk to the Department and Government, or inhibit the realisation of Government's policy objectives. This includes identifying where programs can be improved and/or streamlined to reduce the administrative burden on the Government, applicants and grantees.
6. Produce a report consisting of findings and recommendations.

Source: Request for Tender document 2022.

1.2.1 Evaluation approach

The evaluation was undertaken using the following five phases:

— Project inception, which involved meeting with the Department to refine the plan for delivering the evaluation.

[1] Program logics (see Appendix) derived from program guidelines.

- Refining the evaluation Framework with the Department. The Framework leverages elements of market failure,[2] program logic[3] and public value[4] as detailed in Appendix D to this report.
- Desktop review of relevant public and Department information and program data, including:
  - Program information held by the Department and ACMA.
  - Publicly available reports and information on the programs.
- Stakeholder engagement in the form of a survey of grant recipients and consultation with stakeholders (see Appendix B for more information). This included:
  - A survey of 141 grant recipients (six from Scholarships, 12 from Cadetships, 48 from Innovation Fund, and 75 from PING).
  - A survey of eight scholars and five cadets.
  - Consultation with 26 stakeholders, conducted in 22 interviews with the Department, the ACMA, stakeholders from each program (noting some stakeholders shared their perspectives on multiple programs) and four industry associations.

In conducting this evaluation, it is essential to note the limitations of the data used by ACIL Allen, which include:

- Scholarships and Cadetships recipients were not required to report on the outcomes achieved through the funding. As such, the discussion of outcomes relies on data from the consultations and survey.
- The number of respondents to the survey is only a proportion of grant recipients (38 per cent of Scholarships, 29 per cent of Cadetships, 37 per cent of Innovation Fund, and 70 per cent of PING). As such, the perspectives may not always represent the experiences of all grant recipients.
- Only grant recipients were invited to respond to the survey. The results exclude perspectives from those that did not apply or applied but were not successful in any round of grant funding.
- Only a sample of grant recipients' final reports was available for use in the analysis. This includes:
  - 75 PING reports (70 per cent of all reports)
  - 20 Innovation Fund reports, including three reports from Round 1 recipients (11 per cent), seven reports from Round 2 (12 per cent), and ten reports from Round 3 (23 per cent).
- The Department's program reporting information was obtained in May 2022. It was treated as accurate and up-to-date when it was provided.

[2] Market failures are a commonly provided rationale for why government intervention is needed in the media sector. They occur where there are conditions such as inequality of information, (natural or unnatural) market control, public goods and externalities. Market failures can result in an inefficient distribution of goods and services in the market, which can lead to suboptimal outcomes, warranting some form of policy intervention.

[3] Program logic considers the causal linkages between the objectives, inputs, activities, outputs, outcomes and impacts of a given policy or program. It is widely used in evaluation to systematically analyse a program's appropriateness, efficiency and effectiveness.

[4] Public value considers whether the programs are valued by the stakeholders they were designed to benefit. Mark Moore's (Harvard University) seminal work posits that a public program must pass three tests to be considered of public value, it must be: aimed at creating something substantively valuable (i.e. constitute public value), legitimate and politically sustainable (i.e. attract sufficient ongoing support and resources from the authorising environment), operationally and administratively feasible (i.e. doable with the available organisational and external capabilities needed to produce it).
Mark Moore (1995) *Creating Public Value: Strategic Management in Government*. Harvard University Press. USA.

2 Industry context and policy rationale

The Australian Media Industry (the Industry) provides diverse content (including public interest journalism) to people living in metropolitan, regional and remote communities. It is a vehicle for informing the public, holding public institutions to account, and providing the community with a shared experience and "reliable information to support decisions in political, economic and social life".[5] [6]

Over the past two decades, the Industry has experienced considerable challenges and changes, some of which are a direct consequence of the COVID-19 pandemic, and others are longer term. These challenges have hit small and regional media the hardest.

This chapter profiles the current Industry before considering it within the context of change. The chapter also considers the government's role in supporting regional public interest journalism and the rationale for that support.

2.1 Industry profile

The Industry is characterised by three key sectors: television broadcasting, radio broadcasting and newspaper publishing (as described below), with online platforms a key feature of the industry.[7] The RASPJI package and PING program targeted various sectors of the industry.

The Industry's contribution to national jobs (head count) is around 0.43 per cent (see Table 2.1). NSW has the highest industry job share, which is 0.63 per cent of the nation's total job count. The average contribution across all states and territories is 0.36 per cent.

For Tasmania, the Northern Territory and the Australian Capital Territory, Industry job count is concentrated in metropolitan areas. Across the other jurisdictions, the average share of regional media jobs to total media jobs is 25.3 per cent.

[5] Department of Infrastructure, Transport, Regional Development and Communications (2017). *2017 Media Reform Package*. Accessed 26 May 2022: https://www.infrastructure.gov.au/media-communications-arts/media-laws-regulation/2017-media-reform-package.

[6] News & Media Research Centre (2021). *Digital News Report: Australia 2021*. Canberra: University of Canberra.

[7] This report acknowledges that broadcasters and newspaper publishers are a subset of a wider media ecosystem. Sections of the Industry that exist online without a publishing or broadcasting component are not a focus of the report as the RASPJI package and PING program focused only on the publishing and broadcasting sections of the industry.

Table 2.1 Media industry profile by state and territory

State	Media industry contribution to employment (2019)	Share of regional media jobs to total media jobs (2019)	Number of broadcasting licence holders (2012)
NSW	0.63%	17.41%	260
VIC	0.43%	17.41%	135
QLD	0.26%	60.75%	251
SA	0.32%	14.29%	69
WA	0.32%	16.67%	145
TAS	0.32%	100%	33
NT	0.34%	100%	97
ACT	0.32%	100%	13
Other (license holders operate in multiple states)	-	-	32
National	**0.43%**	**25.73**	**1,035**

Source: All accessed 10 June 2022. ABS (2020). Australian Industry. https://www.abs.gov.au/statistics/industry/industry-overview/australian-industry/2019-20#data-download. ACMA (2012). Broadcasters by Region and State. https://www.acma.gov.au/sites/default/files/2019-11/Broadcasters%20by%20Region%20and%20State.PDF. Australian Community Media (2016). Demographics. https://www.acmadcentre.com.au/app/uploads/ACM-Demographics-Research-Report.pdf

Figure 2.1 shows the change in total versus regional media jobs since 2015. The figure is based on the best available industry job data from the Australian Bureau of Statistics (ABS). While the categories do not explicitly align with those referenced above (i.e. television broadcasting, radio broadcasting and newspaper publishing), they are used in this chapter to illustrate the industry's relative size and economic significance. Figure 2.1 shows that since 2015 the industry supported:

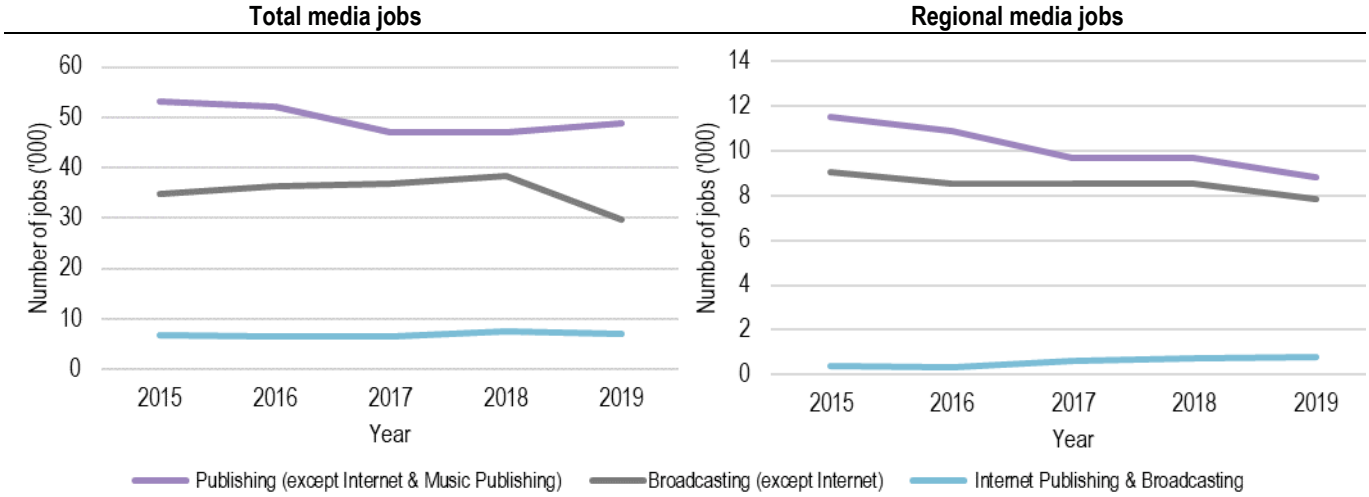
— 48,800 jobs (head count) in publishing (except Internet and music publishing), of which 8,800 jobs are in regional areas (18.1 per cent). Between 2014-15 and 2018-19, the average annual decrease in total jobs was 2.1 per cent each year and 6.4 per cent in regional areas, although it is unclear what factors are causing this substantial difference.

— 29,800 jobs in non-Internet broadcasting, of which 7,800 jobs are in regional areas (26.2 per cent). The average annual decrease for non-Internet broadcasting regional jobs was 3.5 per cent, lower than the annual average decrease for total regional media jobs at 4.4 per cent.

— 7,000 jobs in Internet publishing and broadcasting, of which 800 jobs are in regional areas (11.1 per cent). This sector proved to be an area of growth within the regional media industry, with an average annual growth of 20.5 per cent per year, compared to the minor growth of 0.6 per cent per year for the whole sector.[8] This growth partially offsets the job losses (by approximately 10 per cent) in traditional publishing and non-Internet broadcasting above.

[8] ACIL Allen analysis based on ABS (2021) data. *Jobs in Australia*. Accessed 02 June 2022: https://www.abs.gov.au/statistics/labour/jobs/jobs-australia/2014-15-2018-19#data-download

Figure 2.1 Total and regional media industry jobs (2015–19)



Source: ACIL Allen analysis based on ABS (2021) data. Jobs in Australia. Accessed 02 June 2022: https://www.abs.gov.au/statistics/labour/jobs/jobs-australia/2014-15-2018-19#data-download

2.1.1 Commercial television broadcasting industry

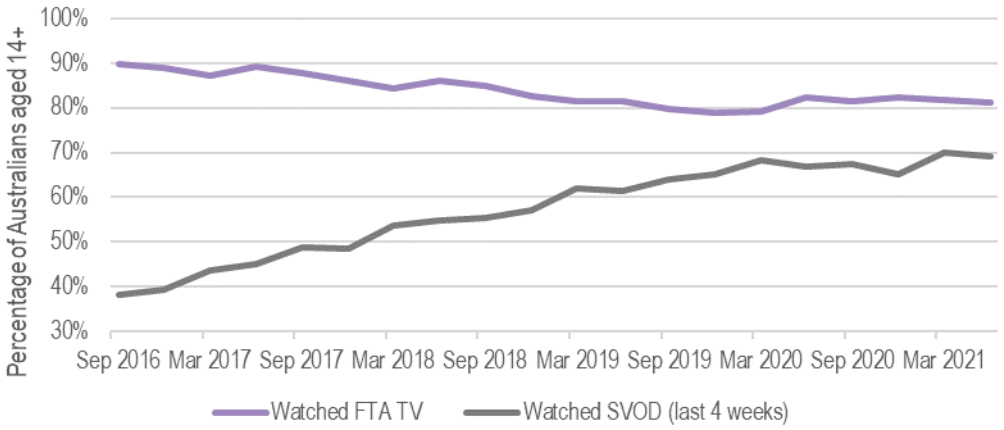
The commercial Australian television broadcasting industry has a turnover of $4.4 billion per year, following an average annual decline of 4.7 per cent from 2016 to 2021. The industry supports 11,600 jobs. Seven West Media Ltd and Nine Entertainment Co each have around a quarter of Australia's market share, making them the largest players in the highly concentrated industry.

The demand from media buying agencies and total minutes of television watched are important drivers of performance. The number of internet subscribers and pay television density (the main competitor for viewing audiences) are also important in the performance of this industry segment.[9]

The Free-to-Air (FTA) television industry declined by 10 per cent from September 2016 to June 2021, while Subscription Video-on-Demand (SVOD) rose by over 30 per cent (see Figure 2.2). These trends will likely continue (SVOD viewership is anticipated to overtake FTA viewership soon) and place significant pressure on the sustainability of the FTA industry's ad-based revenue model.

[9] Chapman, C. (2021). *Industry Report J5621: Free-to-Air Television Broadcasting in Australia*. California: IBIS World.

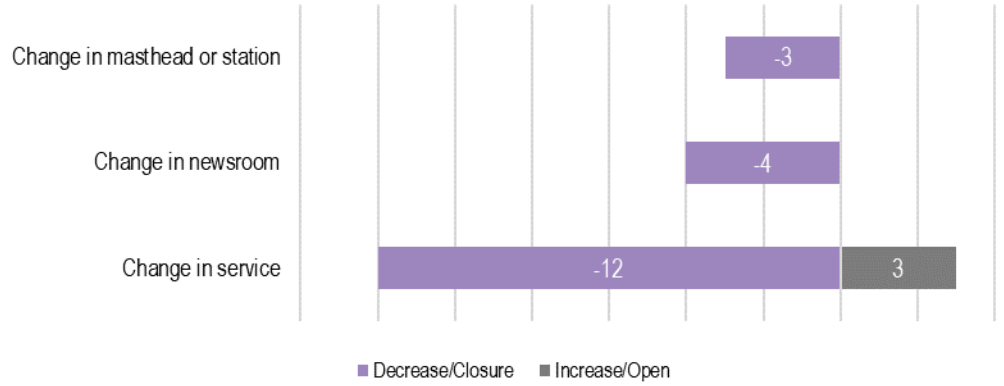
Figure 2.2 FTA television and SVOD (September 2016 – June 2021)



Source: Department of Infrastructure, Transport, Regional Development and Communications. Subscription video on demand (SVOD) dashboard. Accessed 03 June 2022: https://www.infrastructure.gov.au/research-data/bureau-communications-arts-and-regional-research/our-work/subscription-video-demand-svod-dashboard.

Since January 2019, the number of metropolitan mastheads or stations, newsrooms and services has remained the same.[10] This contrasts with regional areas, which experienced the closure of three mastheads or stations and four newsrooms. Further, 12 decreased in service and three increased in service over the same period (see Figure 2.3). This period included the 2020-21 period of economic shock caused by the COVID-19 pandemic.

Figure 2.3 Changes in masthead/stations, newsrooms and service in regional areas (February 2019 – October 2022)



Source: ACIL Allen analysis based on Dickson G. 2020. Australian Newsroom Mapping Project, Name of Map/Database. Melbourne: Public Interest Journalism Initiative. Accessed 14 June 2022: https://anmp.piji.com.au/

2.1.2 Commercial radio broadcasting industry

The commercial Australian radio broadcasting industry has a turnover of $1.4 billion per year, following an average annual decline of 6.3 per cent between 2016 and 2021. The industry supports 5,300 jobs. Southern Cross Austereo (SCA) and Australian Broadcasting Corporation (ABC) are the largest operators in this industry segment, each having around a quarter of the market share.

The radio broadcasting industry's performance is correlated with several factors. On the one hand, demand from media buying agencies, consumer sentiment, and the number of motor vehicles (i.e.

[10] Public Interest Journalism Initiative (2022). *The Australian Newsroom Mapping Project*. Accessed 14 June 2022: https://anmp.piji.com.au/.

people listening to the radio while in vehicles) influence industry performance. On the other hand, mobile telecommunications density is reported to have significantly impacted its performance over the past decade.[11]

Commercial radio broadcasts in metropolitan areas account for the largest share of industry revenue and target specific age and gender demographics. Regional radio broadcasters have smaller markets and thus receive less revenue from advertising. To counteract this, they aim to appeal to a broader audience and socio-demographic profile.

2.1.3 Commercial newspaper publishing industry

The commercial Australian newspaper publishing industry has a turnover of $2.8 billion per year, following an annual average decline of 5.7 per cent between 2017 and 2022. The industry supports 13,500 jobs. News Corp Australia is the largest industry player, with a 56.3 per cent market share.

The newspaper publishing industry's performance is positively correlated with business confidence, population growth and increases in real household discretionary income, and negatively correlated with growth in internet connections and subscriptions to online platforms.[12]

Australian Community Media's (ACM) research into the demographics of their readership, comprised of 4.5 million people,[13] showed that half of the industry's readership is employed, mostly in white-collar jobs, and a quarter is retired. Two-thirds of the readership believes the dominant media organisations are neglecting regional areas of Australia.[14] Moreover, Norske Skog, the only manufacturer of newsprint paper in Australia, is expected to raise its price by 30-40 per cent in the latter half of 2022.[15]

The newspaper publishing industry has been affected by a rising cost base and long term decrease in demand for traditional print news media. This has occurred due to demographic changes and a decline in the economies of scale that once enabled this industry segment to operate regional newspapers profitably.

Since January 2019, Australia has witnessed 163 contractions[16] of newspapers and mastheads across the country, 103 (63 per cent) of which are regional newspapers (37 per cent are metropolitan).[17] It is unclear from the data whether these businesses have moved to online business models or ceased operations altogether. However, consultations undertaken with industry representatives suggest that most contractions relate to business closure or media concentration.

The net reduction in the number of newspapers and mastheads is 102, 64 of which are regional (63 per cent, see Figure 2.4). These data show that regional area newspapers are disproportionally affected by the contraction of newspapers and mastheads compared with metropolitan areas. This decline also coincides with the economic shock caused by the COVID-19 pandemic.

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[11] Chapman, C. (2021). *J5610: Radio Broadcasting in Australia*. California: IBIS World. Page 10.

[12] Reeves, M. (2022). *Industry Report J5411: Newspaper Publishing in Australia*. California: IBIS World. Page 10.

[13] Australian Community Media (2016). *Demographics*. Accessed 26 May 2022: https://www.acmadcentre.com.au/app/uploads/ACM-Demographics-Research-Report.pdf.

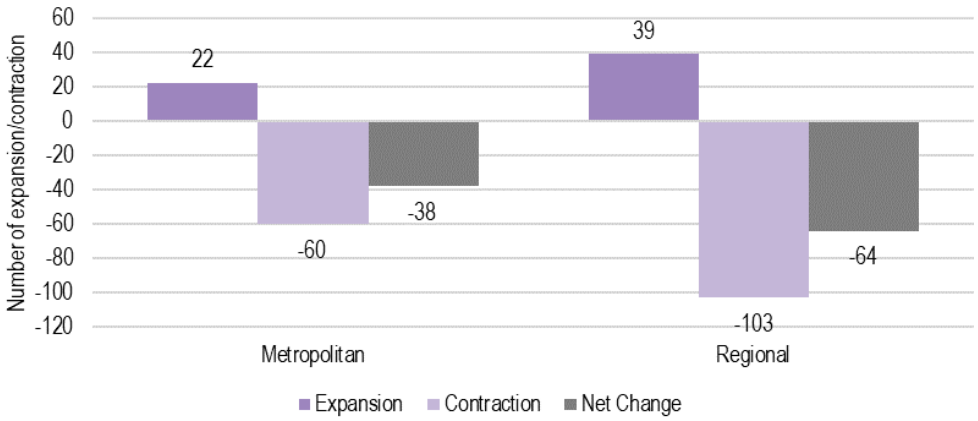
[14] Ibid.

[15] The Sydney Morning Herald (2022). *Paper crisis could put news titles out of business.* Accessed 10 June 2022: https://www.smh.com.au/business/companies/paper-crisis-could-put-news-titles-out-of-business-20220311-p5a3ym.html

[16] Contraction of newspapers is defined as the termination of mastheads, newsroom, end-of-print edition and reduction in service.

[17] ACIL Allen analysis based on Public Interest Journalism Initiative data. Accessed 14 June 2022: https://anmp.piji.com.au/.

Figure 2.4 Expansion and contraction of newspapers (January 2019 – June 2022)



Source: ACIL Allen analysis based on Public Interest Journalism Initiative data. Accessed 14 June 2022: https://anmp.pjii.com.au/

2.2 Industry challenges and changes

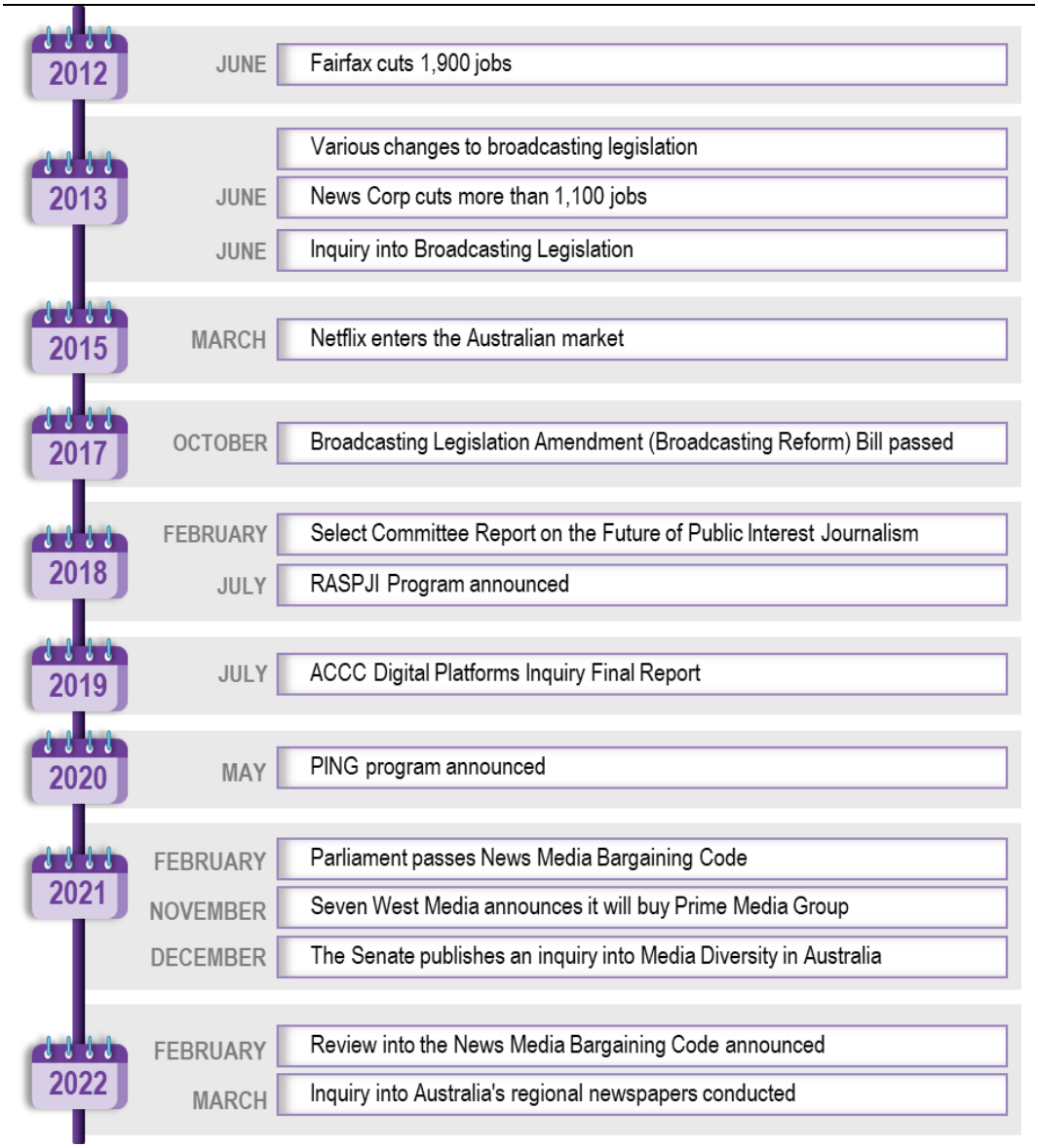
The last two decades have presented a series of challenges for the industry, especially for those media organisations operating in the regions. The industry has experienced difficulties in attracting and retaining employees, increased operational costs and reduced financial sustainability.

In response to these challenges, the Government has supported the industry to transition to the digital age and become more financially sustainable. This support is a relatively recent phenomenon, as governments have not traditionally assisted small metropolitan and regional media operators in this way.

There have been a broad range industry changes over the past two decades, which are summarised in the timeline of key events provided in Figure 2.5. Notably, the July 2019 Digital Platforms Inquiry conducted by the ACCC recommended Australian Government grants for local journalism in the order of $50 million per annum.[18]

[18] Australian Competition and Consumer Commission (2019). *Digital platforms inquiry – final report*. Canberra: Australian Government.

Figure 2.5 Timeline of changes in the industry



Source: ACIL Allen

These events show the diversity of influences on the industry's performance and viability since the 2000s. They can be categorised into four key themes:

— *Legislative and regulatory changes* have impacted the industry by changing ownership, reach and local content rules. Recent changes in legislation and regulations (e.g. reforms to media diversity laws in 2017, and the News Media Bargaining Code in 2021) have allowed for changes in the market. As noted in the News Media Bargaining Code Review Consultation Paper,[19] the Code aims to address bargaining power imbalances to ensure that digital platforms fairly remunerate news businesses for news content, thereby helping to sustain public interest journalism in Australia. The Code provides incentives for digital platforms and news businesses to reach commercial deals outside of the Code.

— *Changes in media consumption* have focused on a decline in traditional media and an increase in online content consumption due to the growing availability of online platforms and significant changes in consumer preferences. Consumption has also shifted in each industry

[19] The Treasury (2022). *Review of the News Media and Digital Platforms Mandatory Bargaining Code Consultation paper*. Canberra: Commonwealth of Australia.

segment. The ABC and Special Broadcasting Service (SBS) have increased their market share, readership of regional and local newspapers has reduced since 2016 with many closing, and revenue of metropolitan radio stations declined over 2020 due to the COVID-19 pandemic lockdowns. In some instances, these changes improved consumer access to content in metropolitan areas; in many others, they reduced access to quality journalism in the regions.

— *Structural changes and industry consolidation*. A long-term decline in consumption, changes in legislation and consumer preferences, and the COVID-19 pandemic impacted the industry's structure. Publishers moved to online-only publication and reduced publishing frequency. All industry segments have had mergers and consolidations to limit declining profit margins and take advantage of increased demand during the pandemic. Many believed these changes would reduce the number of companies focusing on local content and thus the industry's long-term investment in quality journalism, especially in the regions.

— *Funding support for regional media.* Governments (primarily Commonwealth) have financially supported regional media over the last 20 years. Most Commonwealth funding supports the ABC, SBS, and a range of critical infrastructure to facilitate digitisation. By comparison, the investment in RASPJI and PING are relatively modest and targeted at upskilling the next generation of journalists, enabling innovation, and building sustainability.

A more fulsome discussion about each of these themes is provided in Appendix D.

2.3 Economic and policy rationale for the programs

The reasons why governments intervene in the media industry are diverse and change over time.

That said, the often-cited reasons for programs like RASPJI and PING relate to some form of market or policy failure that needs to be addressed by government intervention. The root cause of these failures are described below and can include externalities, barriers to entry, lack of property rights, market power, the inability to monetise media content, and the unintended consequences of government policy, legislation or regulation (see Box 2.1).[20]

It should be noted that the presence of a market or policy failure is a necessary but insufficient justification for government intervention. For an intervention to be justified economically, failure must not only be present, but the benefits of the intervention should exceed the costs. There are many instances of failure – including in the media sector – where governments choose not to intervene or the benefits of intervention do not exceed their costs.

The following sections consider key arguments for market and policy failure and whether they are reasonable justifications for the programs. The section's focus is on market failure (more than policy failure) as market failure is a key part of this evaluation's scope.

2.3.1 Types of market failure

Market failures occur where there are conditions such as inequality of information, (natural or unnatural) market control, public goods and externalities. Market failures can result in an inefficient distribution of goods and services. These conditions can lead to suboptimal outcomes, which warrant policy intervention.

The major forms of market failures discussed in this chapter are shown in Box 2.1 below.

[20] UNC Centre of Media Law and Policy (2020). *Addressing the decline of local news, rise of platforms, and spread of mis- and disinformation online: A summary of current research and policy proposals*'. Accessed 1 July 2022: https://citap.unc.edu/wp-content/uploads/sites/20665/2020/12/Local-News-Platforms-and-Mis-Disinformation.pdf.

Box 2.1 Types of market failure

The four main types of market failure are:

Public goods — public goods exist where provision of a good (a product, activity or resource) for one user means it is available to all users at no extra cost. Public goods are non-excludable and non-rivalrous in consumption. Because the good is non-excludable anyone can use it, making it very difficult to recoup the costs of provision by extracting costs from users. A lighthouse is a commonly cited example of a public good. Consumption of the benefits from its light by one ship does not preclude other ships from consuming those benefits. Note that despite the non-rivalrous and non-excludable nature of consumption, this does not automatically suggest that provision and maintenance of the lighthouse cannot be charged for.

Externalities — externalities can either result in a positive or negative spillover to parties not directly involved in a transaction. Such spillovers subsequently result in either too much or too little goods and services being produced and consumed than is efficient. For example, if the cost of using a piece of land does not include the full cost of environmental damage, a negative spillover occurs, with the land being over-used. Alternatively, there are positive externalities associated with environmental conservation which would not be priced by private usage of the land and a subsequent failure to take into account the public benefit of environmental conservation of the land. Merit goods are goods or services that government believes are beneficial to society but are not produced to the level that is optimal. Frequently, merit goods produce positive externalities to the community.

Information asymmetry — information asymmetry (or information failure) occurs when one party to a transaction has more or better information than the other. Typically it is the seller that knows more about the service/good than the buyer. Asymmetric information can prevent consumers from making fully informed decisions. An example of asymmetric information would be the sale of land that contained hazardous waste which is not transparent to the purchaser at the time of sale although it obviously has future adverse effects on the value and use of the land.

Imperfect competition and market power — market power exists when one buyer or seller has the ability to exert significant influence over the quantity of goods/services traded, or the price at which they are traded. An example of market power is where individuals/entities have exclusive privilege to be the sole provider of a good/service.

Source: Office of Best Practice Regulation (2020), Australian Government Guide to Regulatory Impact Analysis, Second Edition, https://obpr.pmc.gov.au/sites/default/files/2021-06/australian-government-guide-to-regulatory-impact-analysis.pdf

2.3.2 Journalism as a public good delivering positive externalities

Many academics, commentators and practitioners argue that public interest journalism is a form of public good.[21] The rationale for this argument is two-fold. First, many believe that public interest journalism is non-rivalrous in the sense that one person's consumption of it does not detract from another's (such as in the case of radio or TV news broadcasts). Second, many believe that public interest journalism is non-excludable in the sense that it is challenging to exclude public interest journalism from free riders (as print media providers have faced the unauthorised publication of newspaper content online). Moreover, many have argued that public interest journalism produces positive externalities. These externalities are benefits that accrue to parties who sit outside a direct economic transaction.[22]

[21] Australian Competition and Consumer Commission (2019). *Digital Platforms Inquiry Report 2019*, page 19. Canberra: Australian Government.

The Australian Institute (2021). *The Future of Work in Journalism 2021*, page 28. Canberra: The Australian Institute.

[22] Pickard, V. (2016). *Confronting Market Failure: Past lessons toward public policy interventions*. Lew Friedland and Mark Lloyd (Eds.). *The Communications Crisis in America (and how to fix it)*. New York: Palgrave.

Public goods that produce high levels of positive externality are referred to as 'merit goods'. These are goods that society requires (e.g. credible information about local issues or events during times of crisis) but that individuals typically undervalue and are therefore not produced at a level that is optimal by the private market.

Like many merit goods, public interest journalism has never been fully supported by direct market transactions. Traditionally, advertisers have paid media organisations to access newspaper, radio and television audiences and public interest journalism was the by-product of these interactions. Today, this business model is increasingly unsustainable as audiences and advertisers migrate to online sources, where advertising sells for a fraction of their traditional paper-based, radio and television counterparts.[23]

There are easily identifiable instances where the RASPJI programs have public good characteristics. For example, the Innovation Fund's core objective is to 'support the production of public interest journalism by assisting publishers (including content service providers) to innovate, stabilise their financial position and increase revenue'. This objective (if achieved) 'supports publishers to operate on a more competitive and sustainable basis in the medium term'. It seeks to address the problem of declining traditional revenue sources by supporting print and online media organisations to transition to digital platforms that attract new (additional) revenue sources and maintain (or grow) their operations. It is through these transitions that media organisations are incentivised to create public interest journalism for those regional consumers who benefit from it but are unlikely to pay for its full cost.

By contrast, the relationship between Scholarships and the concepts of public good is less obvious. The objectives of Scholarships centre on providing a pipeline of professionally competent regionally focused journalists with the skills to support quality public interest journalism in the future. To this end, the program provides the feedstock that enables a future media industry to generate content in the future but does not directly contribute to the generation of public goods per se.

Cadetships reflect the concepts of public good in as much as it seeks 'to enhance news coverage of issues of importance to local communities across the country, particularly in regional and remote areas'. Cadetships thus play a role in supporting media organisations to generate positive externalities by building the capacity to deliver public interest journalism in the regions.

PING funding was aimed at supporting an existing industry through a period of economic shock. The relationship between public good arguments and the PING program is strong over the short term as PING directly supports public good production at required levels during a severe economic downturn. Over the longer term or through a business-as-usual operating context, the arguments for maintaining PING are less economically compelling.

2.3.3 Imperfect competition and public interest journalism

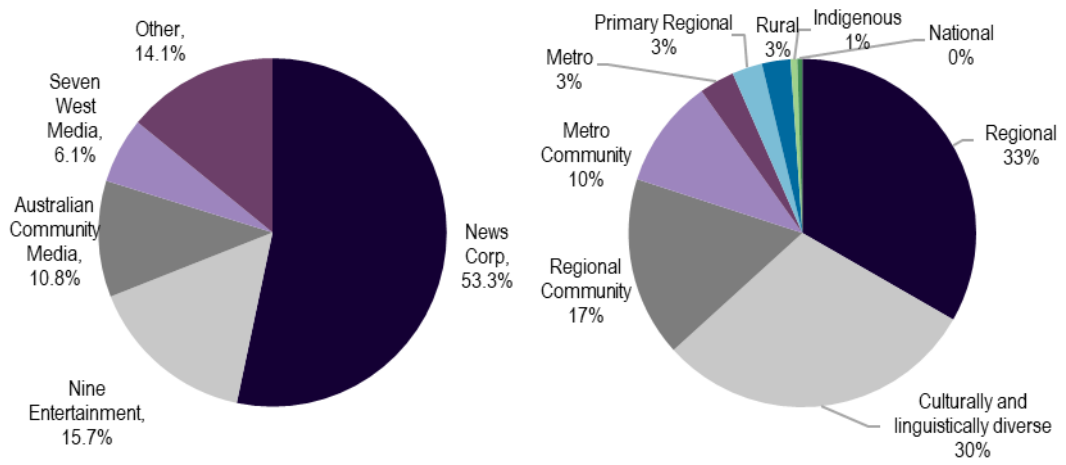
Imperfect competition is often cited as a reason for market failure, hence government intervention in the media industry. The media industry has supply and demand factors that tend towards ever-larger businesses, favouring fewer larger suppliers or even natural monopoly providers. For example, Figure 2.6 (left chart) shows that 86 per cent of the newspaper publishing industry's market share is consolidated in just four major media corporations. This consolidation is indicative of what has also happened in the television and radio sub-sectors examined in our report (see Section 2.1 above).

Further, Figure 2.6 (right chart) shows the structure of the newspaper publishing sector as of 2020. Of a total of 748 newspaper publishers, only 640 had information available on their reach and ownership. This shows that 33 per cent of the sector is comprised of regional publishers,

[23] Pickard, V. (2016).

30 per cent are culturally and linguistically diverse, and 17 per cent are regional community publishers. Further, 63 per cent are group-owned (i.e. by organisations such as Australian Community Media, News Corp Australia and Star News Group), and 37 per cent are independently owned.

Figure 2.6 Market share and structure of the newspaper publishing industry



Source: IBISWorld (2021)

Historically, the industry has relied on a two-sided market where advertisers pay to access consumers, and consumers pay for the content. This market structure favours larger-scale providers (and suppliers who target larger urban markets). The rise of social media, digital platforms, and loss of advertising revenue resulting from the COVID-19 pandemic has contributed to the collapse of the traditional business model for public interest journalism — expediting the trend to fewer producers.

Addressing this market failure is a core objective of the RASPJI package. The Innovation Fund's core objectives are directly aligned with addressing the market power imbalances, which exacerbate the uncompetitive nature of regional and small print and online media organisations through innovation (with the exception of Round 2, where non-regional media organisations were excluded). RASPJI's (Innovation Fund) focus on regional and small publishers and content providers is key to our assessment of its alignment with this type of market failure.

> *… support the production of public interest journalism by assisting publishers (including content service providers) to innovate, stabilise their financial position and increase revenue. To support publishers to operate on a more competitive and sustainable basis in the medium term.*[24]

ACIL Allen believes other elements of RASPJI are less well aligned to arguments about imperfect competition because they focus on providing future journalists for an industry, not addressing the power imbalances in a highly concentrated media industry.

PING's core objective was aimed at supporting an existing industry through a time of economic crisis and is not consistent with this type of market failure.

[24] Innovation Fund program logic, see Appendix A.

2.3.4 Asymmetric information and public interest journalism

Information asymmetry (or information failure) occurs when one party to a transaction has more or better information than the other. Asymmetric information can prevent consumers from making fully informed decisions, as outlined in the 'land purchase' example provided in Box 2.1.

While there are many information failure issues in the media sector, they are not well aligned with the core rationales of the RASPJI package and PING program. This is because the programs explicitly focus on supporting media organisations to be more competitive, innovative and sustainable (supply side considerations) and not on the customers who consume their content (demand side considerations). We acknowledge that while consumers will benefit from more content of higher quality over the longer term, these benefits are not the stated focus. Asymmetric information will have a very small part in these programs' overall rationale for government intervention.

2.3.5 Other forms of failure

Short-term economic shocks as a form of failure

The COVID-19 pandemic reinforced the important role that public interest journalism plays in the community, especially in regional areas. During the pandemic, public interest journalism investigated the practices of organisations and others actively involved in disseminating disinformation and misinformation in relation to COVID-19. It also provided communities with timely and (largely) accurate information about changing heath circumstances and requirements in their regions.

However, the COVID-19 pandemic was the most significant economic shock experienced since the great depression. Since January 2020, the measures to reduce the spread of the virus (e.g. social distancing, commercial trading restrictions, and stay-at-home orders) have had varying impacts on economic activity. The most noticeable impacts were driven by the COVID-19 variant, which arrived in Australia in January 2020 and the 12 months thereafter. Australia's response to the initial outbreak of COVID-19 led to a large fall in gross value added (GVA) in the June quarter 2020, driven by a record decrease in market sector GVA. Impacts were widespread throughout industries, with only Mining and Financial and Insurance Services recording growth. The largest falls were seen in tourism and hospitality-related industries, reflecting the restrictions imposed on movement.[25]

As this chapter shows, Australia's media sector was not immune from this economic contraction. Many newsrooms and mastheads have closed and shed staff simultaneously as demand for news and information increased. The pandemic has further undermined the media business model that was already challenged by the global market dominance of digital platforms such as Facebook and Google and significant domestic media concentration and contraction.[26]

In recognition of the importance of public interest journalism to both the regions and metropolitan areas, PING was introduced in 2020. The stated objective of PING was to 'support regional broadcasters (commercial television and radio) and publishers to maintain or increase their production and distribution of public interest journalism in regional Australia during the COVID-19 pandemic phase'. The goal of PING was to 'deliver timely, demand-driven support to enable the

[25] ABS (2022). 'Effects of COVID-19 strains on the Australian economy'. Accessed 1 July 2022. https://www.abs.gov.au/articles/effects-covid-19-strains-australian-economy

[26] Sweet, M., M. Williams, R. Armstrong, J. Mohamed, S. Finlay, A. Coopes (2020). 'Converging crises: public interest journalism, the pandemic and public health'. *Public Health Research and Practice*. 2020;30(4):e3042029.

provision of trusted public interest journalism in regional Australia during a time of crisis and to build resilience to future shocks'.

Once again, there are easily identifiable instances where PING has public good characteristics. PING's sole purpose was to provide trusted public interest journalism to the regions during extreme financial uncertainty. While all Australians required the outputs of public interest journalism during the pandemic, it was crucial to regional Australians because it occurred at a time when localised content was decreasing.

To this end, the reallocation of unspent RASPJI funding to PING during the COVID-19 pandemic seems to be a sound economic policy decision to address a market failure. That is, the decision is consistent with the need to support the delivery of a merit good by a mixture of small, medium and large media businesses that delivered public interest journalism during a national and international crisis. However, the decision to reallocate funding came at the expense of providing some smaller and regional operators with opportunities to enact digital and other transformations. The investment is also relatively modest compared with the other industry support mechanisms and government employment schemes during the pandemic.

Market failures and industries in long-term decline

Some economists take a very narrow view of market failure and do not believe that industries that are in transition or are fundamentally uncompetitive are valid arguments for government support.

This chapter has identified a long-term and gradual decline in the media industry's profitability and sustainability. There are many changes the industry has faced and many challenges that it will need to overcome to become sustainable. This decline in-of-itself is not sufficient grounds or a strong argument for government intervention through programs like RAPSJI or PING. The arguments for government intervention become more powerful when they are linked to arguments about market failure (i.e. in terms of public goods, monopolistic behaviour and short-term intervention to deal with temporary shocks).

A review of RASPJI and PING's program guidelines, objectives and policy intent shows that they are appropriately designed to address the failures identified above and not a general decline in an uncompetitive industry. Such decreases are more adequately explained and addressed as matters of structural adjustment within a traditional industry. The economic principles of structural adjustment suggest there is a role for government in helping industries, communities and individuals to transition to more productive industries/economic activities. The principles are often underpinned by notions of economic efficiency and equity by supporting uncompetitive industries (and their workforces) to transition to more economically productive activities.[27] Other policy interventions and subsidy schemes could be implemented to support such a transition.

Of the remaining arguments, the following have direct applicability to the RASPJI package and PING program:

— Public goods, positive externalities and social benefits (note that these concepts are all overlapping). This is the strongest set of arguments for market failure in relation to several different types of public interest journalism outputs and outcomes.

— Imperfect competition in as far as the industry has supply and demand factors which tend towards ever-larger businesses, favouring fewer larger suppliers or even natural monopoly providers, which disincentivise the provision of public interest journalism in the regions.

These arguments are progressed in the next chapter, which considers key issues relating to the design of the RASPJI package and PING program.

[27] Productivity Commission (1999) *Structural Adjustment Exploring the Policy Issues, Workshop Proceedings.* Accessed 1 July 2022. https://www.pc.gov.au/research/supporting/structural-adjustment/structuralchange.pdf

3 Program design

3.1 A word or two about best practice program design

Identifying a policy problem and designing the correct responses that address the problem are fundamental steps in policy-making.[28] To this end, it is appropriate that RASPJI and PING's design features reflect the problems facing the industry, the rationale for intervention (see chapter 2 and section 3.2) and some of the principles of good practice policy design.

While there is no single consolidated view of what constitutes good program design for media interventions, it is possible to identify core principles upon which the programs could have been designed and implemented. These principles can be derived from core documents published by key agencies, such as the Productivity Commission,[29] the Department of Finance,[30] the Australian National Audit Office,[31] and other policy literature.[32] In developing small and regional business programs that address policy problems, this advice tells us it is essential to consider the following design features.

First, it is vital to appropriately define a program's target group to ensure that it supports businesses that experience some form of economic failure rather than support businesses on the basis of size alone. Many programs set size thresholds in an ad hoc way, which should be avoided.

Second, it is important to design programs to achieve good take-up by their target groups. This includes ensuring that program and eligibility information is disseminated in a consistent and accessible way.

Third, it is essential to keep the compliance costs of a program low by ensuring relatively simple and easy application procedures. Otherwise, eligible program participants may not find it worthwhile to apply.

[28] Organisation for Economic Co-operation and Development (2018). *Toward Sound Policy formation and Design*. Accessed 8 September 2022: https://www.oecd.org/governance/policy-framework-on-sound-public-governance/chapter-3-oecd-draft-policy-framework-on-sound-public-governance.pdf.

[29] Productivity Commission (1998). *Design Principles for Small Business Programs and Regulations*. Accessed 8 September 2022: https://www.pc.gov.au/research/supporting/small-business-principles/smbuspar.pdf.

[30] Department of Finance (2019). *Outcome Statements Policy and Approval Process*. Accessed 18 September 2022: https://www.finance.gov.au/sites/default/files/2019-11/outcome-statements-policy-and-approval-process_1.pdf

[31] Australian National Audit Office (2014). *Successful Implementation of Policy Initiatives, Better Practice Guide*. Accessed 8 September 2022: https://apo.org.au/sites/default/files/resource-files/2014-10/apo-nid41796.pdf.

[32] Bridgman, P. and G. Davis (1998) *Australian Policy Handbook*. Melbourne: Allen and Unwin.

Fourth, it is critical to ensure, as far as practicable, that program participants are not funded for activities that they would have undertaken without the assistance. This will help a program to deliver maximum levels of additionality.

Fifth, it is desirable that programs focus on outcomes, not inputs or activities, to achieve maximum impact.

Sixth, programs must be coordinated and effectively sequenced to ensure maximum leverage and benefit from the allocated funding. Moreover, program fragmentation can lead to unwanted implementation costs (such as increased administration and transaction costs).

Seventh, it is important to ensure that governance and delivery arrangements are accountable, transparent, performance-oriented, and support active (not passive) risk management. This includes ensuring that programs have strong governance, risk management, monitoring and evaluation arrangements embedded into their design.

Not all of these best practice design issues were raised by stakeholders as a concern during the evaluation. The most important RASPJI and PING design issues based on stakeholder feedback are discussed below.

3.2 Design of the programs

3.2.1 Overview of the design

The RASPJI package was designed as three separate competitive grant funding programs.

The Cadetships and Scholarships programs directly provided funding to media organisations and universities. Media organisations and universities, in turn, conducted their own application and assessment processes to select cadets and scholars to participate in the programs.

Cadetships applicants could request funding of up to $40,000 (ex. GST) for each cadet. This was a matched co-contribution stipulated under the grant guidelines requiring media organisations to provide 50 per cent of the salary and on costs. Over two years, funding was available for 100 cadetships, or $8 million (ex. GST).

Scholarships applicants could request funding of up to $40,000 (ex. GST) for each scholar, to 60 scholarships, or $2.4 million (ex. GST) over two years.

The Innovation Fund provided funding directly to media organisations for a range of projects which could include early-stage projects, pilot or trial initiatives, as well as large-scale projects. For administrative purposes, grants were divided into three tiers based on the amount funded (excluding GST): small grants (to a total value of up to $20,000); medium grants ($20,001-$250,000); and large grants ($250,001 or more). Grants were awarded based on the merit of each application, irrespective of their tier.

Applicants in Round 1 could apply for a maximum total grant amount of $1,000,000 (excluding GST) across one or more grants. Applicants in Rounds 2 and 3 could apply for a single grant for a maximum of $400,000 (ex. GST). In each round, large grants were required to provide an independently audited financial report, at the grant acquittal stage (financial reports for small and medium grants did not need to be independently audited).

Rounds 1 and 3 also specified that between two-thirds and 75 per cent of total funding would be provided to regional publishers and content service providers (noting that Round 3 depended on the applications received and their relative merits).

PING was designed as a demand-driven funding scheme. Funding was awarded to applicants under three streams[33] based on a revenue formula. The formula calculated the grant amount for each applicant according to the applicant's revenue for the 2018-19 financial year as a proportion of the total revenue of all eligible applicants for a particular stream. Only funding for regional publishers in Stream 3 specified a minimum grant amount ($10,000 ex. GST). In awarding funding, the Department considered factors such as the total number of applicants and the costs and level of public interest journalism produced and distributed in regional areas by each applicant.

As noted in chapter 1, the RASPJI package and PING programs were designed by the Department and approved by the Minister. The Department administered the Scholarships, Cadetships, and PING programs. The ACMA was chosen to administer the Innovation Fund as an independent statutory agency and was not involved in the design of the Innovation Fund.[34]

The objectives of the RASPJI package and PING program are overviewed in chapter 1 and provided in more detail in the program logics for each program in Appendix A.

The objectives informed the eligibility and assessment criteria used to assess applications. These are detailed in Appendix A. Applications that satisfy the eligibility criteria are eligible and are then assessed on their merits using the assessment criteria.

Payment arrangements varied across the programs as follows:

— Scholarships grantees received a single, upfront payment following the execution of the grant agreement.
— Cadetships grantees received 50 per cent of the funding following the Commonwealth's acceptance of the six-month performance report and the remaining 50 per cent on acceptance of the 12-month final performance report.
— Innovation Fund grantees received an initial payment upon the execution of the grant agreement, with the final payment for Round 3 made by 30 June 2022. Details were specified in the individual grant agreements.
— PING grantees received a payment of 90 per cent of the final grant allocation upon execution of the grant agreement, with the remaining 10 per cent paid following the Department's acceptance of the six-monthly Interim Report.

3.2.2 Stakeholder perspectives on key design elements

Stakeholders raised several challenges with the design of the programs during consultations and in the survey. They related primarily to the definition of key terms, the PING funding formula, the payment arrangements, and the programs' strong focus on inputs (as opposed to outcomes). The challenges are discussed below.

The definition of key terms

The grant guidelines specified key terms, such as regionality, sustainability and innovation, that were important in defining funding eligibility and guiding project design and delivery. These terms were commonly poorly understood by stakeholders who reported a degree of confusion about how to interpret them during the application stage of each program.

It is important to note that stakeholders also raised issues about the definitions of public interest journalism underpinning the programs. Stakeholder feedback mirrored, in many respects, the

[33] Stream funding pool 1: Regional Television Broadcasters, Stream funding pool 2: Regional Radio Broadcasters, Stream funding pool 3: Regional Publishers.

[34] Department of Communications and the Arts (2017). *Regional and Small Publishers Innovation Fund*. Canberra: Australian Government.

diverse debate on this subject recorded in the 2018 Senate report on the Future of Public Interest Journalism.[35]

The programs' definitions are consistent with widely accepted interpretations of public interest journalism adopted by the Commonwealth Government. These interpretations typically capture the watchdog role of the news media, as described by the ACCC:

> *"Journalism with the primary purpose of recording, investigating and explaining issues of public significance in order to engage citizens in public debate and inform democratic decision-making at all levels of government."*[36]

Negotiations relating to the introduction of the News Media and Digital Platforms Mandatory Bargaining Code have highlighted that this definition may be too narrow to capture all of journalism's 'public good' nature. While public interest journalism is essential to democratic functioning, this is not its only purpose. The Public Interest Journalism Initiative (PIJI) has argued that public interest journalism fosters community and civic life in ways that are key to community health and well-being. This kind of journalism, according to PIJI, is relevant in the regions where news about the local sporting team or local services also qualify as public interest journalism.[37]

While the issue was not a cause of confusion for the stakeholders consulted by ACIL Allen, it potentially limited the inclusion of media organisations that would meet the criteria of 'public interest journalism' under an expanded definition. This will be an issue that requires resolution should industry packages like RASPJI and PING be developed in the future. That is, future programs should be based on the most widely accepted (i.e. credible) definition of public interest journalism.

Regionality

A broad range of stakeholders raised issues with the definitions of regionality across the programs and the Innovation Fund rounds.

In Round 1 of the Innovation Fund, the assessment of an applicant's regionality was based on the definition of "in an area classified as being in the 'Inner Regional Australia', 'Outer Regional Australia', 'Remote Australia', or 'Very Remote Australia' Remoteness Area Categories in the Australian Statistical Geography Standard".[38] In Round 2, the definition changed to "radio broadcast licence area that is not a metropolitan licence area" (i.e. Sydney, Melbourne, Brisbane, Perth or Adelaide, or Western suburbs Sydney).[39] In Round 3, the definition reverted to the same definition as Round 1.

Many Innovation Fund recipients (some of whom were also unsuccessful in funding rounds) and industry stakeholders consulted for the evaluation noted that the definitions used were confusing. The changes in the grant guidelines across funding rounds meant that some media organisations were variably included and excluded from applying.. Where possible, grant guidelines should maintain consistent definitions and eligibility criteria across funding rounds. Further, the definition

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[35] See also: Senate (2018). *Select Committee on the Future of Public Interest Journalism.* Canberra: Commonwealth of Australia.

[36] ACCC (2019). *Digital Platforms Inquiry, Final Report*. Canberra: Commonwealth of Australia.

[37] Public Interest Journalism Initiative (2020). *Guidebook to implement and claim a public interest journalism tax rebate*. September.

[38] The Australian Communications and Media Authority (2018). *Grant Opportunity Guidelines Regional and Small Publishers Innovation Fund: 2018–19 grants round*. Canberra: Australian Government.
The Australian Communications and Media Authority (2020). *Grant Opportunity Guidelines Regional and Small Publishers Innovation Fund: 2020 Round*. Canberra: Australian Government.

[39] The Australian Communications and Media Authority (2019). *Regional and Small Publishers Innovation Fund Regional Grant Opportunity*. Canberra: Australian Government.

was not thought to reflect a common-sense definition of regional. For example, metropolitan licence areas extend to the hinterlands of some state capital cities.

This feedback was also consistent with the survey response by Innovation Fund recipients. Eleven recipients provided free-text responses to a question on opportunities to improve future funding in this area. They identified that the changes in definition between rounds were confusing and disappointing (e.g. where they were ineligible or were unsuccessful in subsequent funding applications). They considered that the design could have applied more appropriate and consistent definitions.

Some stakeholders noted that the radio-based definition of regionality used in Round 2 was not readily understood or considered appropriate for most applicants (primarily from the publishing sector). This definition also provided less flexibility than the Australian Statistical Geography Standard as there are fewer types of commercial radio licence areas. This was also the case for PING, which defined regionality as being a "regional television broadcaster" (defined by regional commercial television broadcasting licence) or "regional radio broadcaster" (defined by regional commercial radio broadcasting licence), or "regional publisher" (defined by radio broadcast licence area that is not a metropolitan licence area).[40] Using a radio broadcast licence area to select eligible regional publishers was not considered appropriate.

The ACMA provided a postcode finder on GrantConnect in Rounds 2 and 3 to reduce confusion and support applicants in identifying whether they met the regional eligibility criteria. Our discussions or survey findings do not clarify whether the finder reduced confusion. However, it appears to have been a reasonable response to stakeholder feedback about the eligibility criteria relating to regionality. It also supports the principle of good design in that it ensures eligibility information is provided in a consistent and accessible way.

One Scholarships recipient commented on the definition of regionality. Regionality is defined as students who reside in, or have a sufficient connection (i.e. previously residing for at least three of the last five years and completing their final two years of schooling in a regional or remote area) to a regional or remote area (Inner Regional, Outer Regional, Remote, or Very Remote by the Australian Statistical Geography Standard). The Scholarships recipient had students that temporarily moved from regional to metropolitan areas and were considered ineligible. This created administrative challenges with reporting on the funding.

There is an opportunity to clarify the definition of regionality to reflect the context in which future programs are delivered and the needs of the intended target audience. This needs to be better communicated in the grant guidelines and on GrantConnect to provide greater certainty to grant applicants and ensure the program targets the intended recipients.

Innovation and sustainability

Many stakeholders consulted felt that the concepts of innovation and sustainability used in the Innovation Fund were confusing across the rounds or did not reflect their innovation and business improvement needs. Similar to 'regionality', this does not align with one of the principles of good design, around clear and accessible program information.

Broadly, the three funding rounds focused on innovation and experimentation in digital journalism and the sustainability of news creation and publishing activities. However, none of the grant guidelines clearly defined 'innovation' or 'sustainability' (i.e. they do not appear in the glossaries and are only referenced as part of the broader eligible activities under the program). This is discussed further in chapter 6.

[40] Department of Infrastructure, Transport, Regional Development and Communications (2020). *Public Interest News Gathering Program Grant opportunity Guidelines*. Canberra: Australian Government.

The Innovation Fund Round 1 assessment criteria focused on developing and trialling sustainable models for the provision of public interest journalism.[41] This centred predominantly on improving digital capability and capacity to produce public interest journalism in the medium and long term, as well as improving the potential for businesses to survive and compete in the digital world. The Advisory Committee looked favourably upon applicants that were: on the path to digitisation and seeking to accelerate or upgrade their digital presence; seeking to innovate their business models; or seeking to fund a pilot or minimum viable product to minimise their risk and increase their incremental learning. Applications that proposed projects that represented 'business as usual' activities (i.e. little or no change in how journalistic content is produced or distributed) were not funded. Round 1 only focused on sustainability to the extent that the applicant was seeking to develop or trial sustainable models for providing public interest journalism.

Rounds 2 and 3 focused on sustainability. Sustainability was broadly measured (but not clearly defined) as the ability to increase advertising or subscription revenue or other revenue that supports the production of public interest journalism, increase readership or distribution, or reduce operating costs through more-efficient business practices.

In administering the funding, the ACMA used a common-sense definition of innovation that did not seek to limit how applicants might use the funding to innovate. This focused, for example, on implementing new business models and transitioning to digital.

Some stakeholders considered that the Innovation Fund guidelines rounds confused the concepts of innovation and sustainability. As such, it was not always clear to grant recipients what the purpose of the funding was, what proposals would be successful and what they were expected to achieve through the funding. A range of stakeholders (including grant recipients, industry and program managers) considered that there was a need for the industry to build both innovation and sustainability, yet these may be better addressed through separate funding programs.

The distinction between sustainability and innovation is important for ensuring that the program addresses specific market failures related to sustainability and that the funding supports businesses to take innovation-related risks they would not otherwise pursue (see chapter 2).

There is an opportunity to clarify the definitions of innovation (e.g. those adopted by the business.gov.au website[42]) and sustainability to provide greater certainty to grant applicants. The definitions should align with industry gaps and needs to achieve the greatest benefit. - There is also value in identifying metrics to track the extent to which businesses achieve innovation and/or sustainable business models and conducting further evaluation research post grant completion to measure change over time.

The PING funding formula

PING was designed as a stimulus measure to activate regional business and job retention in the immediate short term. PING was delivered as a rapid industry response to the impacts of the COVID-19 pandemic and was therefore designed and implemented at a fast pace. Applicant eligibility was based on business revenue formula as noted in section 3.2.1.

Many stakeholders identified issues with the appropriateness of the PING funding formula and the extent to which it was designed equitably. Very small and small organisations made up 66 per cent of PING recipients. The opportunity to better target organisations based on need would have

[41] The Australian Communications and Media Authority (2019). *Senate Standing Committee on Environment and Communications Answers to Senate Estimates Questions on Notice, Budget Estimates 2019–20 April 2019, Communications Portfolio*. Canberra: Australian Communications and Media Authority

[42] Australian Government (n.d.). *Innovation in your business*. Accessed 13 September 2022: https://business.gov.au/change-and-growth/innovation/innovation-in-your-business.

required a more nuanced and complex funding formula, which would have taken more time to design and implement.

Several stakeholders reported instances where larger recipients of PING funding had closed mastheads, reduced staff numbers or failed to employ local journalists. This did not assist with keeping journalists employed in regional communities or supporting the diversity of news, and seven of the 107 grantees (excluding AAP) returned a proportion of the funding received under the program as a consequence.

Some larger organisations with more complex organisational structures found it challenging to calculate revenue due to changes in business structure (e.g. mergers) and changes in affiliations. They considered that the PING funding agreement was not sufficiently flexible on the requirement for staff retention to meet their needs. This created an administrative burden to report on the funding and sometimes resulted in recipients needing to return part of the PING funding to the Department. While this was a deliberate design feature of the program, it would be helpful for future program design to test whether the revenue calculations could be easily interpreted by a range of targeted organisations.

Scholarships funding ratios

During the application process, universities identified the amount and ratio of funding that would be spent on tuition and approved study-related expenses. Scholarships recipients were required to acquit, through an auditor, the funding paid under each scholarship, including the proportion of funding allocated to tuition and study-related expenses.

All Scholarships recipients stated that the prescriptive nature of the funding acquittal was administratively challenging and burdensome to comply with. This does not align with one of the principles of good design around keeping compliance costs low and managing the financial risks of scholarships in proportion to the value of the grant.

Cadetships grant payments

A matched co-contribution stipulated under the grant guidelines required media organisations that were successful under the Cadetships grant to provide 50 per cent of salary and on costs.

The Cadetships payments were made to grantees six months after the execution of the funding agreement. This arrangement made it challenging for some media organisations to apply and for the grant and some of the Cadetships grant recipients to maintain their involvement in the program. This was particularly significant for smaller businesses with fewer financial resources available to cover the upfront payments for the cadet. As a result of this design feature, some businesses that would have been eligible for the grant did not apply for funding and some recipients withdrew from the program altogether (see section 4.2.3). This does not align with one of the principles of good design around defining the program's target group and ensuring that program requirements are tailored to that group.

Recipients of the other programs did not raise any issues with the payment arrangements.

Design of future administration arrangements

In the future, it will be important for the Department to balance accountability, the proper use of grant funding and proportionate administrative burden. This balance is difficult to strike. However, additional industry and stakeholder engagement during the design phase of a program's implementation arrangements can help to resolve these issues effectively.

Key Finding 1 Design of the programs

Several challenges were identified in the design of the programs:

- The grant guidelines defined key terms, which informed eligibility, project design and delivery. These terms changes across funding rounds and were poorly understood. The definition of:
  - 'regional' changed across funding rounds, which meant that some media organisations were variably included and excluded from applying
  - 'public interest journalism' was a widely accepted interpretation, but too narrow to capture all of journalism's 'public good' nature
  - 'innovation' and 'sustainability' created confusion across rounds as to the purpose of the funding and expectations on stakeholders, and did not always reflect stakeholders' needs.
- The PING funding formula was perceived to be skewed toward larger organisations that did not require as much support. Reporting on the funding agreement was administratively burdensome for recipients.
- The prescriptive nature of the Scholarships funding acquittal was administratively challenging and burdensome to comply with.
- Cadetships payment arrangements made it challenging for some media organisations to apply and for some to maintain their involvement in the program.

3.3 Program design and market failure arguments

The design of Cadetships and Innovation Fund aligns with the market failure of public goods delivering positive externalities. These programs' eligibility and assessment criteria support the selection of media organisations that focus on producing and distributing public interest journalism (public goods) or building the capacity and capability to produce and distribute public interest journalism. Although, they use a relatively narrow definition of what constitutes public interest journalism in doing so.

The Innovation Fund criteria also focused on supporting regional and small media organisations, which is central to addressing the market power imbalances which exacerbate the uncompetitive nature of regional and small media organisations through innovation. The use of clearer definitions (as discussed above) could have strengthened the program's alignment with arguments of imperfect competition.

The demand-driven, emergency response-focused design of PING aligns with the need to support the industry through a short-term economic shock. The eligibility criteria enabled PING to reach a mixture of small, medium and large media businesses. However, the design of the funding formula has distributed funding proportional to organisation size rather than need (which could be assessed through different metrics such as loss of revenue). This may limit the extent to which the design can support smaller organisations to adjust to the short-term economic shock of the COVID-19 pandemic.

The extent to which the programs were designed to address market failures also impacts their potential to deliver public value. This is further discussed in chapter 5.

Key Finding 2 Program design and market failure arguments

The design of Cadetships and Innovation Fund aligns with the market failure of public goods delivering positive externalities, as they directly support or build the capacity of media organisations that produce and distribute public goods. The Innovation Fund's support for regional and small media organisations, is also central to addressing market power imbalances. Clearer definitions may have better addressed these market failures.

The demand-driven design of PING aligns with the need to support the industry through a short-term economic shock. Yet the distribution of funding proportional to organisation size rather than need may limit the support needed by smaller organisations to adjust to the short-term economic shock.

Program administration and delivery 4

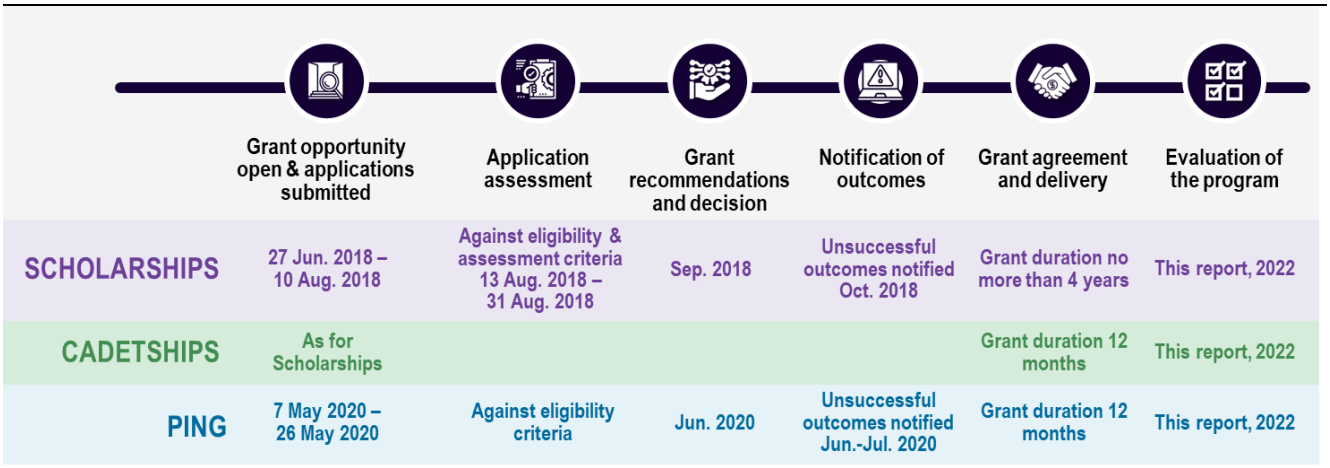
This chapter addresses the administration and delivery of the Cadetships, Scholarships and PING programs.

4.1 Application processes and administration

This section discusses the promotion of the programs, the application processes and systems and the applications received.

The application window and process for the three programs are overviewed in Figure 4.1.

Figure 4.1 Program application process



Source: ACIL Allen summary of the Department's program documents

4.1.1 Promotion of the programs

Good practice design identifies the need to effectively communicate with target groups to ensure sufficient take-up of a program (see section 3.1).

The RASPJI package was announced in October 2017,[43] and the PING program in April 2020.[44] The programs were promoted through an initial media release, the Department and the ACMA websites, and direct correspondence with potential grant applicants.

ACIL Allen's survey of grant recipients showed that PING and Cadetships respondents most commonly became aware of the programs through their or their organisation's professional networks (52 per cent and 36 per cent), while Scholarships recipients commonly became aware of the program through their organisation (see top chart Figure 4.2). Respondents less commonly became aware of the programs through Government advertising and their existing relationship with the Department. Other communication channels included Country Press Australia (five respondents), word of mouth (three respondents) and GrantConnect (one respondent).

All of the PING funding was awarded, and the majority (95 per cent) of the available Scholarships funding was awarded. However, only 22 per cent of the available Cadetships funding was awarded. Importantly, all Cadetships applications were successful; the program was simply undersubscribed.

This suggests that universities were aware of the scholarships with a strong application to award ratio and all but $200,000 of the $2.4 million funding awarded. The application to award ratio for the Cadetships program indicates that the program was significantly undersubscribed with $1.7 million of the $8 million finding awarded. There appears to be an opportunity to improve the promotion of Cadetships to broaden its reach, increase the number of applicants and ensure that the available funding was best used to support the intended recipients. As PING funding was divided among applicants, it is not possible to comment on whether PING reached and received applications from the expected breadth and number of organisations.

Roughly half of the survey respondents stated that the promotion of the programs could be improved through direct approaches from the government (see bottom chart Figure 4.2), as well as advertising through industry networks and social and professional media. This aligns with a suggestion by several stakeholders who noted an opportunity to work more closely with industry bodies to raise awareness of the program. Qualitative survey feedback from PING and Cadetships respondents identified the need to promote the program through newspapers and print media (five and two respondents, respectively). Three other respondents considered that PING was well promoted.

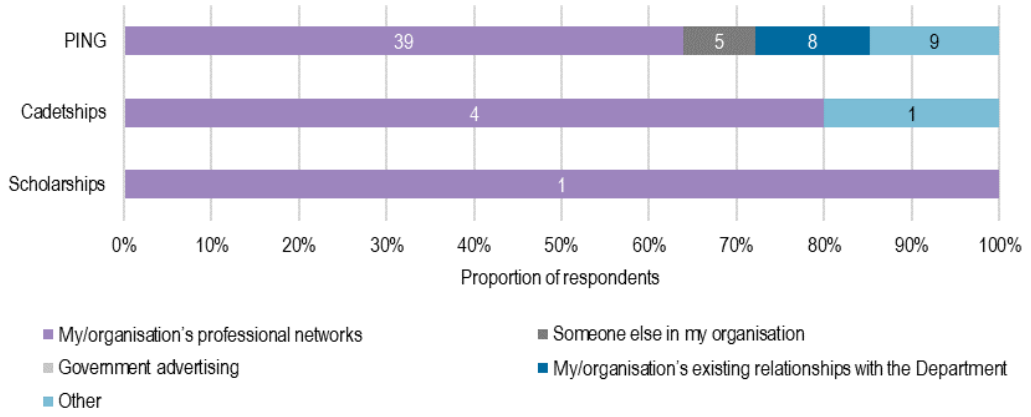
This feedback suggests that future Departmental promotion and awareness activities are best focused on professional networks and associations to build an understanding of the programs and their purpose.

[43] Department of Communications and the Arts (2017). *Regional and Small Publishers Innovation Fund*. Accessed 15 September 2022: https://www.infrastructure.gov.au/sites/default/files/regional-and-small-publishers-innovation-fund-update.pdf.

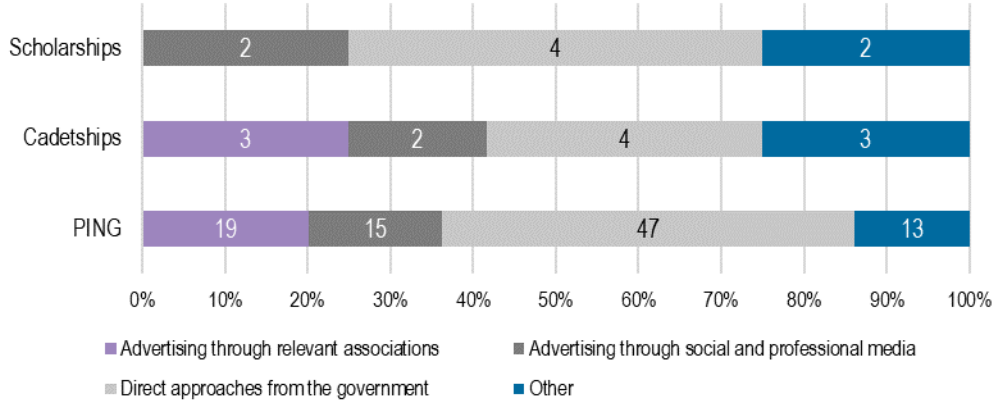
[44] Fletcher, P. (2020). *Media Release: Supporting public interest journalism*. Accessed 12 September 2022: https://www.paulfletcher.com.au/media-releases/media-release-supporting-public-interest-journalism.

Figure 4.2 Awareness and improvement of promotion of the programs

Respondent's sources of awareness of the programs



Opportunities to improve promotion



Scholarships survey responses n=6. Cadetships survey responses n=11-12. PING survey responses n=75-77.
Source: ACIL Allen survey of grant recipients

4.1.2 Application processes and systems

The applications for three programs were managed through SmartyGrants, a grant management system developed in 2009 and used by some federal departments and state governments.

Instructions for applying for funding through SmartyGrants were included in the publicly available grant guidelines. These documents also included information on the funding available, eligibility and assessment criterion, selection process, and outcome notification window. Applicants could direct questions to the Department about the grant and application process via phone or email.

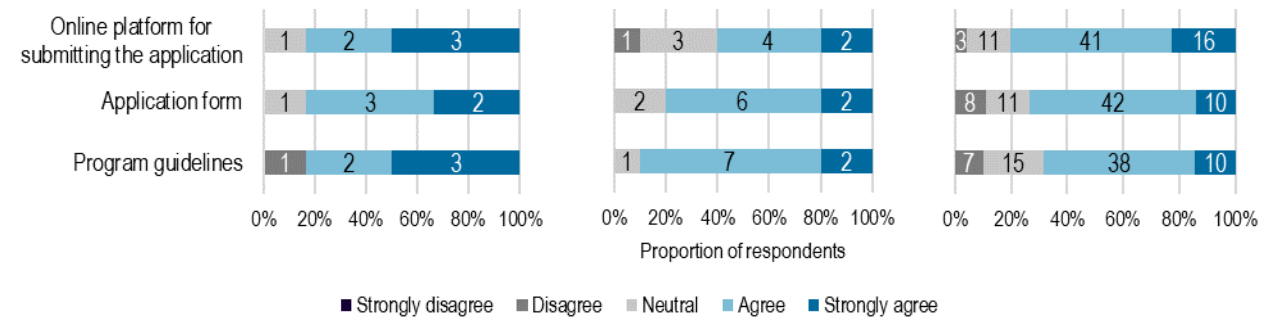
An overview of the application process for the three programs is provided in Figure 4.1. All programs followed a typical design process, including the design of grant guidelines and application forms; assessment and selection of grantees; establishment of grants; ongoing management of grantees and grant activities; and evaluation of grant opportunities and activities, as outlined in the Commonwealth grant guidelines and process requirements.[45]

While the Scholarships and Cadetships programs followed a similar process, PING was delivered as part of an emergency response package, and the grant application, selection and administration processes were streamlined to ensure prompt delivery.

[45] Department of Finance (2017). *Commonwealth Grant Rules and Guidelines 2017*. Accessed 14 September 2022: https://www.finance.gov.au/sites/default/files/2019-11/commonwealth-grants-rules-and-guidelines.pdf.

As part of the evaluation, ACIL Allen asked stakeholders to reflect on the application process. Figure 4.3 shows that most respondents were satisfied with elements of the grant application processes and administration, including the extent to which the program guidelines, application forms and online platform for submitting the application were clear. These results are consistent with consultation feedback that the application forms across the programs were clear and some felt supported during the application process.

Figure 4.3 Survey respondent's agreement on their satisfaction with the application processes and administration



Scholarships survey responses n=6. Cadetships survey responses n=10. PING survey responses n=70-71.

Source: ACIL Allen survey of grant recipients

That said, the consultations and the Department's own survey work identified some areas of dissatisfaction and opportunities for improvements. For example, several grant recipients identified that the application process was too long and time intensive. Two industry stakeholders noted that the application process preferenced organisations with experience in writing grants.

This aligns with the Department's survey of grant applicants, where 57 per cent of Scholarships respondents and 52 per cent of Cadetships respondents found the application process difficult. Further, 28 per cent of Scholarships respondents and 19 per cent of Cadetships respondents found the instructions unclear. ACIL Allen's survey further demonstrates that 33 per cent of Scholarships respondents and 60 per cent of Cadetships respondents identified the need for simpler instructions.

Some considered the PING application process to be more streamlined and proportional to the value of the grant. This feedback may reflect the context in which PING was delivered and its design as an emergency relief fund. However, some noted that the application and guidelines appeared to have been designed for newspaper publishers, which made it challenging for television or radio organisations to apply. Further, the application was not well suited to publishers with multiple mastheads that share journalists or staffing resources.

Several grant recipients also considered that they would have benefited from more guidance and support around the process and application requirements (especially on the potential value of funding they should seek). For example, one Cadetships grant recipient applied for fewer cadets than they would have liked due to uncertainty around the available funding. Program management stakeholders commented on the challenge of providing fair and equitable access to support and information to apply for grants with the program resourcing available at the time.

Several grant recipients compared the application process for RASPJI and PING funding to grant funding provided by Google and Facebook (now Meta). They considered the Google and Facebook funding application forms to be more streamlined and less burdensome to complete than applications for RASPJI and PING funding.

The support or advice provided by the program teams prior to the submission of applications was also largely considered clear/easy to follow by Scholarships and PING recipients. Cadetships recipients were mostly neutral.

4.1.3 Applications received and funding awarded

Table 4.1 overviews the number and value of applications received, awarded and expended.

The Scholarships program received applications from seventeen universities totalling approximately $3.5 million. This represents 63 per cent of the roughly 27 universities that offer journalism degrees in Australia.[46] Sixteen universities (94 per cent) were successful, with 66 scholars funded out of 97 proposed from the seventeen universities (68 per cent). This amounted to approximately $2.2 million. The majority of this funding was expended.

The Cadetships program received applications from media organisations totalling approximately $1.8 million. Fifty-two media organisations applied for 88 cadets, and funding was awarded to 40 organisations for 69 cadets. Program data shows that 28 cadets withdrew from the program after being funded, and 41 cadets completed their cadetships. The awarded amount (approximately $1.8 million) was substantially less than the funding available.

A large proportion of Cadetships applicants were unsuccessful (20 per cent). A survey of Cadetships applicants administered by the Department received ten responses from unsuccessful applicants. Five applicants identified that the eligibility criteria impacted their application (i.e. one organisation failed the turnover tests as they did not have three years of financial records and one failed the incorporated test as they were a family partnership), two identified that the grant assessment criteria impacted their application (i.e. one failed the "training future journalists" criterion as they were a small digital business that did not have a central office and they proposed conducting cadetship training by phone or videocalls). A further two identified issues with the co-contribution that affected their application, which was not submitted on the grants management system. Four of the ten respondents also found the application process difficult.

PING received applications from 107 media organisations (excluding AAP). One hundred and seven organisations (82 per cent) were awarded grants totalling $50 million. Most of this funding was expended.

Noting that this chapter does not include commentary on the Innovation Fund, to inform chapter 5, it is important to note that there were a total of 618 applicants and 129 recipients of the Innovation Fund. Across the rounds, this equals 27 in Round 1, 59 in Round 2 and 43 in Round 3.

[46] International Education Specialists (2022). *Undergraduate Journalism courses in Australia*. Accessed 16 September 2022: https://www.idp.com/australia/search/courses/suggestion/category/SearchBox/1801/?q=%3Apopularity%3AsubjectFilterFacet%3A18%2F1801%3AstudySector%3AUndergraduate%3Adestination%3AAustralia&text=Journalism.

Table 4.1 Overview of program funding for recipients (exc. GST)

	Scholarships	Cadetships	PING^	Innovation Fund		
				Round 1	Round 2	Round 3
Available funding						
Total funding available	$2,400,000	$8,000,000	$50,000,000	$16,000,000	$12,400,000	$5,000,000
Maximum funding allowable per grant	$40,000 per scholarship	$40,000 per cadet	N/A*	$1,000,000	$400,000	$400,000
Requested funding						
Total funding requested	$3,519,720	$1,782,282	N/A*	$46,786,508	$25,015,608	$57,902,996
Total number of requests for funding	17 universities 97 scholars	52 organisations 88 cadets	107 organisations	186	113	319
Average funding requested per recipient	$36,286	$43,470	N/A*	$251,540	$221,377	$181,514
Awarded funding						
Total funding awarded (budget)	$2,291,834	$1,772,282	$50,000,000	$3,442,900	$9,059,235	$4,978,590
Total number of recipients awarded	66 scholars	69 cadets	107 organisations	29	62	43
Average funding awarded per recipient	$36,378	$23,919	$467,290	$118,721	$146,117	$115,781
Expended funding						
Total expenditure	$2,198,302	$928,129	$48,348,623	$3,315,343	$7,601,119	$4,537,175
Total number of recipients completing	63 scholars	41 cadets	75 organisations*	27	56	42
Average expenditure per recipient	$34,725	$23,710	$469,419*	$122,790	$135,734	$108,028

^: Based on the 75 available final reports for PING as of the time of evaluation, does not represent the final figures.

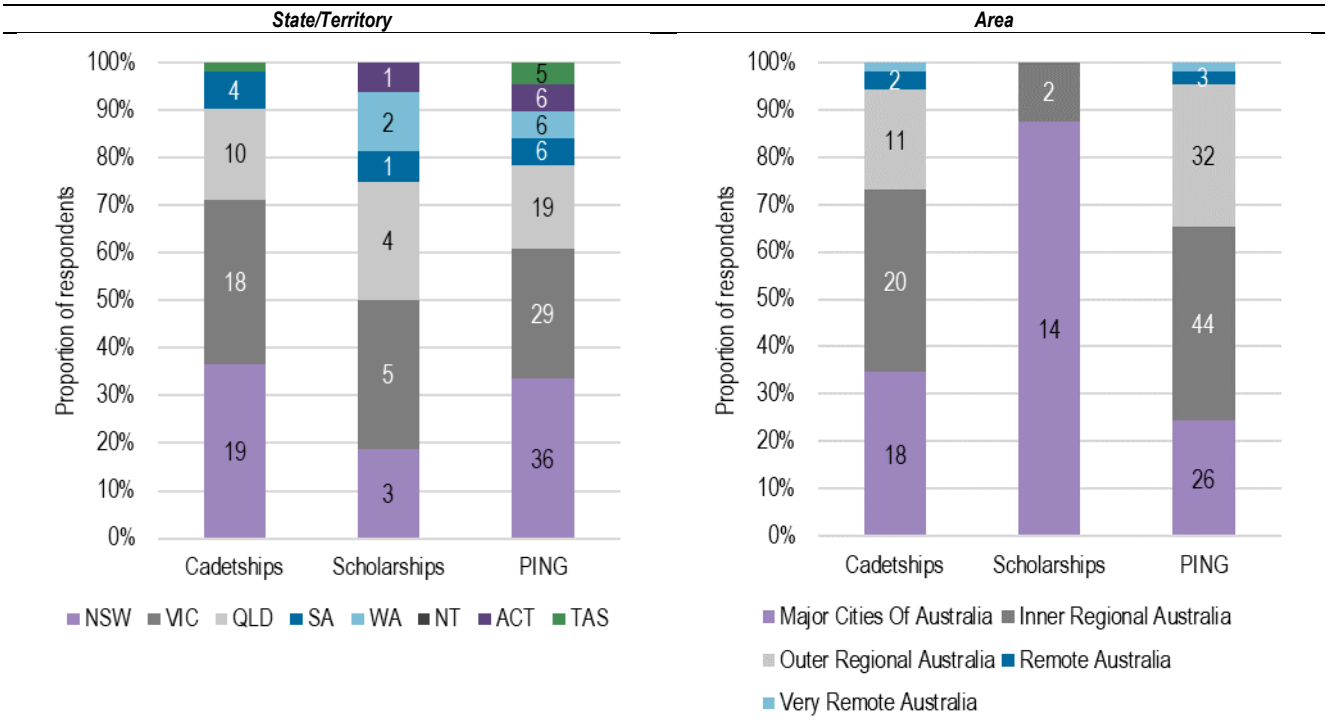
N/A*: Not applicable. PING did not have a maximum allowable funding per grant, and as the program was demand-drive, applicants did not request specific funding amounts.

Source: ACIL Allen analysis of Department's program data and ACMA's program data, 2022

The three programs show a similar distribution of recipients across each state and territory (see Figure 4.4). On average, 82 per cent of applicants are from New South Wales, Victoria, and Queensland. The Northern Territory had no successful applicants across any of the programs. Compared to the media industry profile (contribution of the media industry to employment in each state/territory) presented in Table 2.1, this distribution is weighted toward New South Wales, Victoria, and Queensland. In contrast, the remaining states and territories have similar proportions of media industry employees yet Tasmania and the Australian Capital Territory make up only a small proportion of recipients, especially in the Cadetships and Scholarships programs. Further, no applicants were received from the Northern Territory for the Scholarships and Cadetships programs, and only one (unsuccessful) applicant was from the Northern Territory for the PING program. The program missed an opportunity to better target organisations in underrepresented states and territories.

The Scholarships program awarded 88 per cent of scholarships to universities located in major cities (where most eligible universities are located). Most Cadetships (65 per cent) and PING (74 per cent) recipients were awarded to media organisations from regional and remote areas.

Figure 4.4 Grantees by state/territory and by remoteness



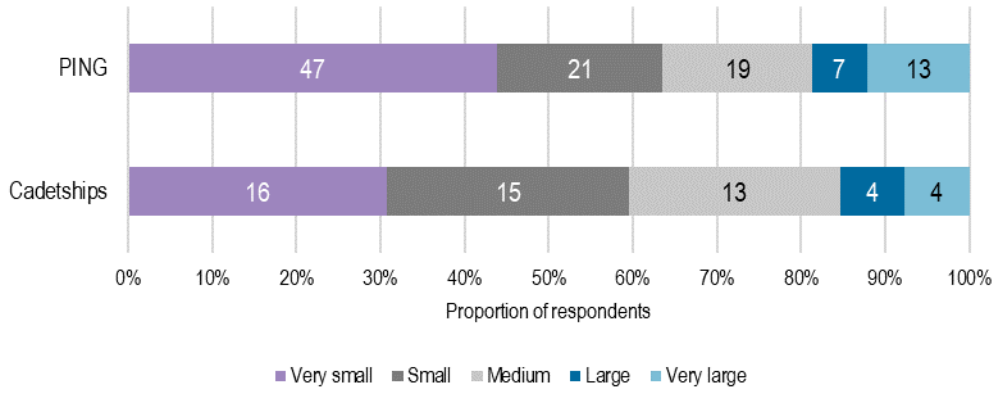
Scholarships survey responses n=16. Cadetships survey responses n=52. PING survey responses n=107.

Source: ACIL Allen analysis of Department program data, 2022

The business size of Cadetships and PING recipients was diverse (see Figure 4.5). Very small and small organisations made up 66 per cent of PING recipients and 60 per cent of Cadetships recipients. These findings are consistent with the programs' intention to support small media organisations exposed to various issues (such as market concentration, declining advertising revenues, increasing production costs, and digital transformation) that challenge their sustainability.

The size of universities awarded under the Scholarships program is not directly related to its focus on journalism and has not been included in the analysis.

Figure 4.5 Grantee entity size by number of employees



Very small: 1 to 5 employees, Small: 6 to 10 employees, Medium: 11 to 30 employees, Large: 31 to 50 employees, Very large: more than 50 employees.

Cadetships survey responses n=52. PING survey responses n=107.

Source: ACIL Allen analysis of Department program data, 2022

Key Finding 3 Application processes and administration

The programs were promoted through a range of government, industry and informal communication channels. There are opportunities to improve the promotion of similar programs in the future.

Many of the recipients had not previously applied for government grants and found the process challenging. They would have benefited from more guidance and support to apply, subject to the availability of Departmental resources and arrangements to ensure the equitable treatment of applicants.

The Scholarships and PING program largely awarded and expended the amount of funding available. The Cadetships program awarded and expended substantially less funding than was available.

The programs were largely distributed proportionally to the population across the states and territories, with most applicants and recipients from New South Wales, Victoria, and Queensland. Tasmania, and the Australian Capital Territory make up only a small proportion of recipients, especially in the Cadetships and Scholarships programs. The program missed an opportunity to better target organisations in underrepresented states and territories.

4.2 Grant administration

This section discusses the assessment of applications, funding agreements and negotiations and the extent to which universities and media organisations identified and retained suitable scholars and cadets.

4.2.1 Assessment of applications

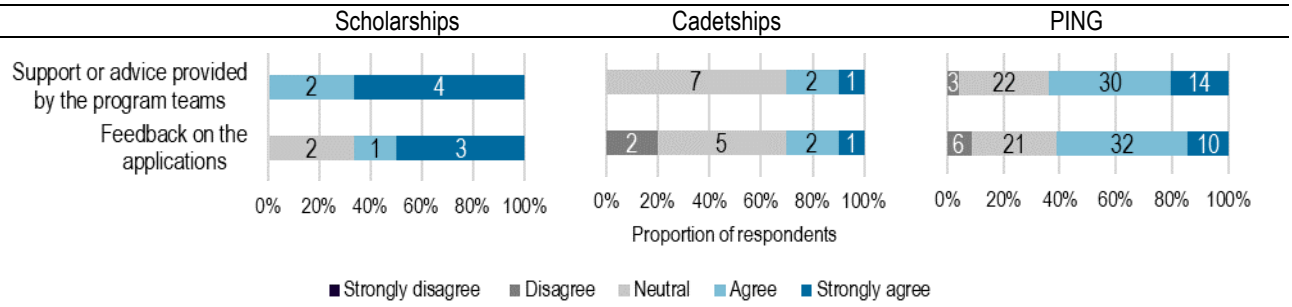
As overviewed in section 3.2, applications were assessed according to eligibility criteria (see Appendix A). Eligible applications were then assessed according to the assessment criteria outlined in the program guidelines by a panel/assessment committee of Department staff (see section 3.2). The Department provided final recommendations on the applications and funding amounts to the Minister for Communications (of the Minister for Communications, Cyber Safety and the Arts, for PING), who approved the funding. The Minister's decision was final in all matters, including the approval of the grant, grant funding amount to be awarded, and terms and conditions of the grant. There was no appeal mechanism for the decisions for either of the three programs.

Lists of successful applicants were published on the Department's website and on GrantConnect, which aligns with good practice. Successful applicants were informed of the outcomes in writing. Unsuccessful applicants were notified of the assessment outcome and could request feedback on their application from the Department.

This evaluation's scope did not extend to direct engagement with unsuccessful applicants, except for a select number of grantees who were successful in one program/round of funding but not in another. For example, one of these grant recipients commented on the feedback they received as a successful applicant to the Scholarships program. In their application, they applied for funding for a greater number of scholars than they were awarded. The grant recipient noted good communication with the Department and appreciated the feedback and rationale provided for the decision.

The example is consistent with our survey results, which show that most respondents agreed or strongly agreed that the feedback provided on their applications was clear/easy to follow (see Figure 4.6). This was particularly the case for Scholarships recipients, followed by PING recipients. Cadetships recipients were more neutral, and some disagreed that the feedback was clear/easy to follow.

Figure 4.6 Survey respondent's perspectives on whether the feedback and support were clear/easy to follow



Scholarships survey responses n=6. Cadetships survey responses n=10. PING survey responses n=69.

Source: ACIL Allen survey of grant recipients

4.2.2 Funding agreements and negotiations

Successful applicants were required to enter into a grant agreement with the Commonwealth that set out funding terms and conditions. For the Scholarships and Cadetships programs, the grant agreement and negotiation process took place in late 2018. For PING, this took place in the latter half of 2020.

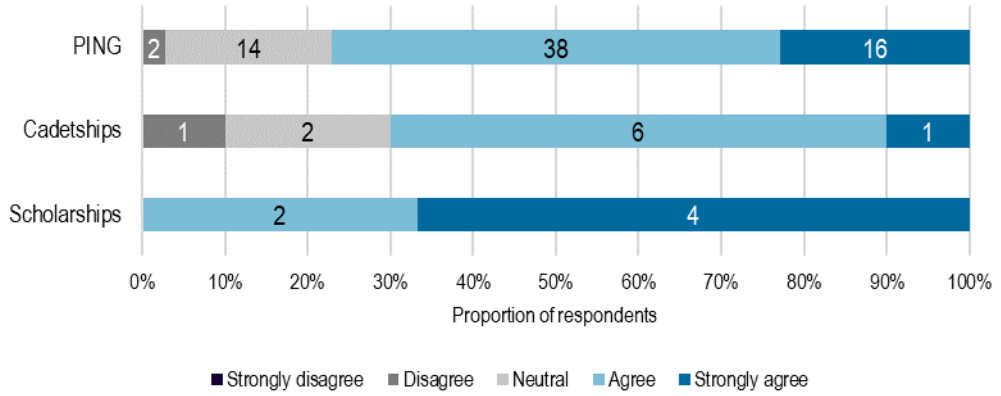
The Commonwealth Standard Grant Agreement, developed by the Commonwealth Department of Finance,[47] was used for all programs. Standard terms and conditions for the grant agreement applied and could not be changed. A schedule was used to outline the specific grant requirements (such as payment arrangements). Any additional conditions attached to the grant were identified in the grant offer or during the grant agreement negotiations.

Four grant recipients commented on the funding agreement and negotiation process during consultation. Three considered that this process had worked well and reported positive levels of engagement with the Department. Only one Cadetships grant recipient raised an issue with the large amount of paperwork involved in executing the funding agreement.

Overall, most respondents across three programs thought the process for executing the grant agreement was clear and easy to follow. All Scholarships respondents, 70 per cent of Cadetships respondents, and 77 per cent of PING respondents agreed with this statement (see Figure 4.7).

[47] Commonwealth Department of Finance (2021). *Tools and templates*. Accessed 13 September 2022: https://www.finance.gov.au/government/commonwealth-grants/tools-and-templates.

Figure 4.7 Survey respondent's perspectives on whether the requirements for executing the grant agreement were clear/easy to follow



Scholarships survey responses n=6. Cadetships survey responses n=10. PING survey responses n=70.
Source: ACIL Allen survey of grant recipients

4.2.3 Identifying and retaining suitable scholars and cadets

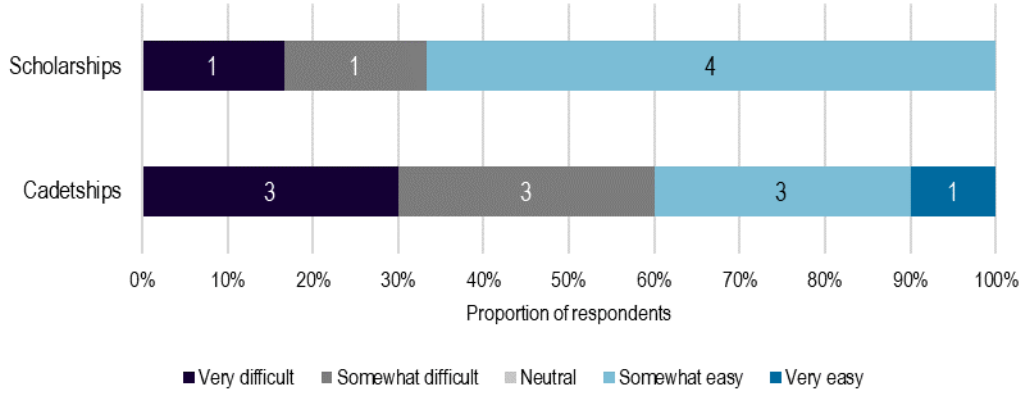
Grant recipients presented mixed views on the ease of sourcing cadets and scholars.

Cadetships and cadets

Cadetships recipients consulted considered it was challenging to source suitable applicants. One employed a cadet from a major city who relocated to the region (a seven-hour drive) to take up the position.

Consultation feedback is consistent with the survey responses provided by Cadetships recipients. These results show that 60 per cent of respondents found it very or somewhat difficult to find high-quality cadets (see Figure 4.8). Two Cadetships recipients provided additional feedback on the quality of applicants. One noted that it was challenging to encourage cadets to relocate to regional areas, and one stated that they had received underqualified applicants.

Figure 4.8 Survey respondent's perspectives on the difficulty of finding high-quality cadets and scholars



Cadetships survey responses n=10. Scholarships survey responses n=6.
Source: ACIL Allen survey of grant recipients

During consultation, one organisation considered that applying for and being awarded the funding at the end of the year made it challenging to employ cadets because many are still in formal

education. An open application window at a different time of year may have made it easier to recruit cadets.

Approximately 40 per cent of cadets withdrew from the program. As shown in Table 4.1, funding was awarded for 66 cadetships, yet only 41 cadets completed their cadetships. Grantees cited various reasons for these withdrawals, including changing eligibility requirements and the inability to identify suitably qualified cadets. Consultations suggested that the ability to source and maintain cadets was particularly challenging for media organisations operating in very remote or remote regions. These organisations called for future government programs to be designed with additional flexibility to overcome the challenges of sourcing and maintaining cadets in regions (which typically have small towns and population centres).

The Cadetships program was designed to provide payments to media organisations in two instalments: the first after six months and the second after 12 months. As such, media organisations provided the total funding to employ cadets for the first six months prior to receiving the first instalment of the grant payment from the Department. The staged payment of the grant was challenging for some grantees particularly small organisations that did not have sufficient or sufficiently flexible capital to fund the total costs of cadets. Consequently, some organisations withdrew from the Cadetships program or hired fewer cadets than they would otherwise have. In some instances they hired fewer than they were funded for and were required to return the funding to the Department.

Scholarships and scholars

Across the six universities responding to the Scholarships survey, two-thirds of the respondents agreed that it was somewhat easy to find high-quality candidates, and one-third found it very or somewhat difficult (see Figure 4.8). The demographics of survey respondents are provided in Appendix C.1.

One university consulted commented that the Scholarships eligibility criteria were narrow, meaning they only had a small number of eligible students to select from. As such, they had to identify suitable applicants and encourage them individually to apply. This required additional administrative work yet helped ensure the grant funding could be allocated.

Program data provided by the Department shows that several scholars withdrew from the program before completing their degree. Some universities identified challenges with retaining some scholars throughout the grant, such as:

— changing degrees or moving to study a double degree
— leaving their studies
— reducing their study load (which is not eligible under the funding agreement), either intentionally when moving to part-time study or due to course availability
— moving from regional to metropolitan areas (thus no longer being eligible for funding).

Students were replaced with another suitably qualified student where possible. However, universities were required to return the funding to the Department if suitable replacement scholars could not be found. One university sought approval and a varied funding allocation where a student's study load was reduced due to course availability. This circumstance created confusion during reporting and a considerable administrative burden on the university and Department.

Key Finding 4 Grant administration

The assessment of applications was straightforward and followed processes clearly identified in the grant guidelines.

The Commonwealth Standard Grant Agreement was appropriately used for all programs, consistent with good practice. Most considered the process for engaging with the Department and finalising the grant agreement to be clear/easy to follow.

Some recipients had difficulties identifying and retaining high-quality cadets and scholars, with several scholars withdrawn and replaced throughout the grant. Variations to grant agreements were uncommon and when undertaken, created reporting anomalies. Reporting could have been more streamlined, and greater flexibility in the application of eligibility criteria may have resulted in greater retention of individual scholars and cadets.

4.3 Program monitoring and reporting

The Department required the recipients of the three programs to produce six and 12-month reports for the grant duration. Reporting templates were completed through the SmartyGrants platforms. These reports were used to monitor recipients' progress and ongoing eligibility. A summarised version of the requirements in each report is outlined in Table 4.2 below.

Table 4.2 Recipients reporting requirement

Scholarships	Cadetships	PING
Half and Full-Year Report	6-month and 12-month Reports	Interim and Final Report
Includes evidence of scholar's eligibility and the continued satisfaction of the criteria, expenditure information, and detailed discussion and evaluation of the Activity and Grant Objective regarding conduct	Includes evidence of cadets' employment, eligibility, and publishers' matched contribution. Also includes a breakdown of cadets' costs, reporting, published works, and progress	Includes public interest journalism-related expenditure breakdown, number of employees, news bulletins and mastheads, key activities according to the recipient's proposed work plan, and statements on how the funding has contributed to the objective and outcomes of PING program, including the impact of the grant on sustainability and solvency

Source: ACIL Allen's summary of grant guidelines

The Scholarships and Cadetships programs did not require grantees to report on the outcomes achieved from the funding. The Department's requirements focused on expenditure acquittal and outputs. As a result, some grant recipients did not clearly understand what they were expected to achieve or the outcomes and impacts that were achieved (e.g. by scholars or cadets). Although a "detailed discussion and evaluation of the Activity and Grant Objective regarding conduct, benefits, and outcomes" (see 3.2) was identified as a reporting requirement in the grant guidelines for Scholarships recipients, the Department did not incorporate outcome reporting in the completion reporting templates.

PING recipients were required to report how funding contributed to PING's objectives and outcomes and their sustainability and solvency. These requirements are the closest to best practice outcome-focused reporting of the three programs. However, they stopped short of delivering the type of systematic information that is suitable for a final program impact assessment.

Section 3.2.1 outlined the design of the payment process. Stakeholders did not identify any issues with the timeliness of the payments process or the Department's responsiveness.

Scholarships recipient perspectives on monitoring and reporting

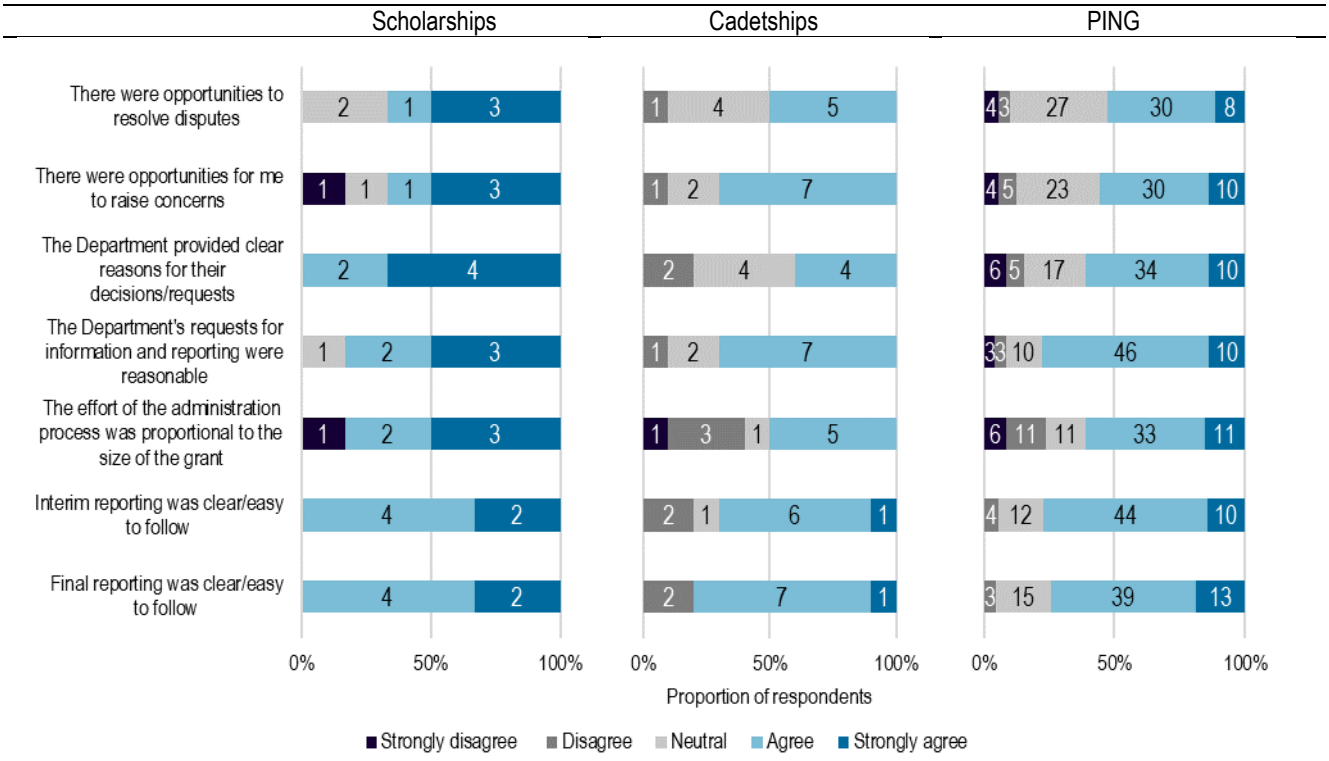
During the application process, universities identified the amount of funding that would be spent on tuition and approved study-related expenses. Universities were required to provide detailed expenditure information and a statutory declaration from the relevant financial officer to verify student expenditure, including the proportion of funding allocated to each expense.

All Scholarships recipients stated that the funding acquittal process was overly prescriptive, not always appropriate (i.e. where the financial officer did not oversight the spending) and created an unnecessary administrative burden on universities. Some universities made comparisons with other scholarship or donor programs to highlight that Department's processes were substantially more burdensome.. For example, one university noted that for 80-90 per cent of scholarship programs administered by the university, the scholarship is delivered directly to a student's bank account with no requirement for detailed receipts. Instead, students must report to the university on the benefits of the funding.

All universities considered that the Department was highly responsive and communicative during the reporting process. The Department was considered flexible and understood the challenges and complexities of obtaining information and receipts from students. This was particularly the case when scholars were replaced part way through the funding or when scholars were no longer funded under the program, and did not have an obligation to input to completion reporting.

This feedback is consistent with survey results (see Figure 4.9). The results show that Scholarships respondents mostly agreed or strongly agreed that there were opportunities to raise concerns and resolve disputes. The Department's requests for information and reporting (including interim and completion reporting) were clear and reasonable.

Figure 4.9 Survey respondent's perspectives on the Department's administrative support and clarity/ease of reporting



Scholarships survey responses n=6. Cadetships survey responses n=10. PING survey responses n=70-72.

Source: ACIL Allen survey of grant recipients

Universities also experienced challenges with the administration of the funding formula, with students required to spend agreed proportions of the funding on tuition and study-related expenses. Universities poorly understood their obligations, which led to some scholars inadvertently spending their funding disproportionate to the accepted ratio. This required administrative rectifications. All universities considered there would be value in taking a needs-based approach, which would allow \ scholars to spend the funding on items of most need for their studies. Moving toward an outcomes-focused reporting requirement would also help in focusing the funding to ensure the funding meets the required outcomes.

We believe that the discrepancy between the consultation feedback and the survey results relates to the Department's strong support in helping resolve reporting issues experienced by universities.

Some universities considered that the reporting requirements was of limited value in providing insights about the program, as it largely focused on acquitting expenditure and did not capture outcomes for scholars. As such, the universities (and the Department) often had limited evidence of the outcomes and impacts achieved through the grants. This has limited the extent to which this report can present consultation data on the outcomes of the Scholarships program (see chapter 5). One university asked scholars to complete annual impact reports for their own records.

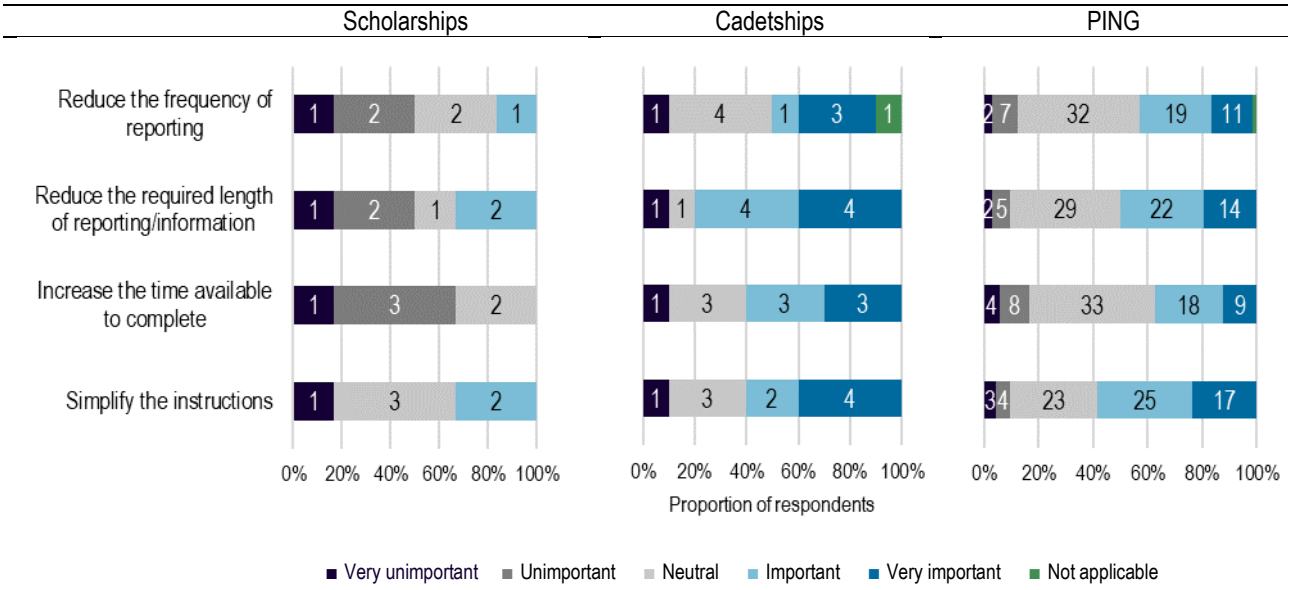
Most considered that reporting on the outcomes and impacts achieved by the funding was central to demonstrating their achievements and the program's achievements as a whole. This would align with best practice reporting.

Some universities considered that the forms in SmartyGrants did not cater for reporting anomalies, including instances where scholars were replaced during the scholarship. Universities also reported that there was duplication of data entry on scholars (i.e. personal details, regional location) and would have appreciated this data being prefilled in the SmartyGrants forms.

One university commented that there would be value in factoring in an administrative allowance as an eligible cost under the grant. Currently, 100 per cent of grant funding is distributed to students, consequently the grant does not cover university administration costs.

The grant recipients' survey identified insights on how the reporting processes could be improved (see Figure 4.10). For Scholarships recipients, the most commonly identified improvements were reducing the required length of reporting/information, simplifying the instructions, enabling the reporting software to automatically populate scholars' details for each period and clarifying the reporting periods.

Figure 4.10 Survey respondent's perspectives on the importance of improvements to the reporting processes



Scholarships survey responses n=6. Cadetships survey responses n=10. PING survey responses n=72.

Source: ACIL Allen survey of grant recipients

Cadetships recipient perspectives on monitoring and reporting

Cadetships grant recipients considered the reporting process to be detailed yet appropriate and proportional to the size of the funding. Some Cadetships stakeholders also considered the reporting was too focused on inputs rather than the outcomes that the cadets achieved. Some considered this a lost opportunity to identify the key benefits of the funding.

Cadetships survey respondents largely agreed or were neutral on the administrative support provided by the Department (see Figure 4.10). Respondents most commonly considered that it was important to make improvements to simplify the instructions (80 per cent), reduce the required length of reporting/information (60 per cent) and increase the time available to complete the reporting (60 per cent) (see Figure 4.10).

PING recipient perspectives on monitoring and reporting

PING grant recipients considered the reporting process to be streamlined and flexible, with the burden of reporting largely proportionate to the size of the funding. Two industry stakeholders noted that the reporting was important to ensure that the program is transparent and accounts for the public value delivered using government funding.

Some grant recipients that were part of larger organisations found it challenging to report on the PING grant funding. This was because the complexity of their business arrangements made it difficult to comply with and report on the requirements (e.g. employment figures, number of mastheads, solvency). For example, one organisation reported that it employed part-time employees to address staff turnover gaps to ensure it met the PING employment obligations. The complexity of the reporting also made it challenging to administer and acquit from a program management perspective, especially when staff have multiple roles in organisations and proportions of their time (salary costs) needed to be attributed to the funding grant.

PING survey respondents largely agreed or were neutral on the administrative support provided by the Department (see Figure 4.10). However, many respondents disagreed or strongly disagreed that the Department provided clear reasons for their decisions and requests and provided

opportunities to raise concerns. Future programs could benefit from providing the additional feedback, and communication stakeholders seek, pending available resources.

The varied stakeholder perspectives on administration are reflected in the survey of PING grant recipients (see Figure 4.10). This showed that respondents most commonly considered that it was important to make improvements to simplify the instructions (58 per cent) and reduce the required length of reporting/information (50 per cent).

Key Finding 5 Program monitoring and reporting

Program monitoring and reporting was focused on 6- and 12-monthly expenditure acquittal and outputs for the Scholarships and Cadetships programs. The PING program reported on the outcomes and impacts of the funding.

Reporting on Scholarships funding was clear yet overly prescriptive. This created an administrative burden for universities and the Department. Reporting on Cadetships and PING funding were largely considered proportional to the funding provided. However, larger organisations found it challenging to report on the requirements due to their more complex business structures.

The Department was largely considered to be supportive of recipients in administering the programs.

Scholarships and cadetships completion reporting templates did not include outcome reporting which compromised data collection for program evaluation.

4.4 Delivery risk

Good practice embeds risk management within a program's delivery arrangements. Risk should be identified, documented and actioned. It should be managed, not avoided. The strategies (or actions) used to manage program delivery risk should be proportional to the likelihood and consequence of failure and support a culture of program improvement over time.

Three core risks are associated with the programs' delivery: 1) eligibility risk; 2) improper use of funds; and 3) poor outcome achievement. Eligibility risk is the risk that grantees were not or would become ineligible during the program, as the programs were designed to address specific areas of the industry.. Eligibility Criteria were designed to ensure that grants were targeted to entities, expenditure and activities identified in the Program Guidelines. Effective outcome measurement is reliant on the consistent application of eligibility criteria. When there was a change to the eligibility status of an individual during the scholarship or cadetship activity, a range of risks needed to be managed by the Department.

The Department used a risk-based approach to manage the grant agreements, balancing the need for accurate and timely reporting with the burden placed on grantees to demonstrate progress.

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Six monthly reporting intervals established by the Department required grantees to provide evidence that individual scholars and cadets maintained their status to meet eligibility criteria throughout the activity. Changes to the status of scholarship participants as outlined under section 4.2.3, frequently led to them having to withdraw from the program and a replacement participant being recruited by the university. This required more nuanced and flexible reporting against performance measures.

One of the selection criteria for Scholarships and Cadetships applicants was on applicants' demonstrated capacity to "identify and manage the risks associated with the delivery of the grant activity, including risks relating to perceived conflicts of interest, governance, performance

management, fraud and debt management"[48] and financial management for Scholarships applicants. This requirement gave the Department a lever to assess an applicant's financial risk profile before awarding funding, to reduce the risk of improper use of funds.

The Department's use of assessment criteria to identify suitable candidates provided an opportunity to select those likely to deliver successful outcomes. However, these outcomes were not systematically tracked across the Scholarships and Cadetships programs, and as such, the Department could not effectively monitor for outcome achievement or likelihood of success.

The Department required PING recipients to report on early activities, outputs and outcomes, which provided visibility of early indicators of success. Recipients were required to maintain the number of journalists employed and the number of mastheads compared to the initial figures in the grantee's application. Using the recipient's final reporting, the Department could determine where these conditions were not satisfied and assess whether to apply a reduction to the overall funding amount. Each grant recipient was assessed on a case-by-case basis, with seven recipients required to repay the difference in funds to the Department. This amounted to $1,651,377. The reasons for repayments were masthead reduction (three cases), journalist employment reduction (three cases), and reduction in print frequency (one case).

Generally, stakeholders were positive about their interactions with the Department This typically involved engaging with grant recipients to discuss risk management or approaches to improve compliance with the funding agreement.

Key Finding 6 Delivery risk

Risk management was an important aspect of the programs' delivery arrangements. However, the approach to risk management focused mainly on avoiding risks associated with eligibility and improper use of funds, as they presented after the grant agreements were executed. Greater focus on assessing and managing risks associated with poor outcome achievement will improve monitoring and evaluation of future programs.

[48] Department of Communications and the Arts (2018a). *Regional Journalism Scholarships Program—First funding round guidelines.* Canberra: Australian Government.
Department of Communications and the Arts (2018b). *Regional and Small Publishers Cadetships Program—First funding round guidelines.* Canberra: Australian Government.

Program achievements and outcomes 5

This chapter details the outcomes and impacts achieved by each program.

Overall, most stakeholders were satisfied with their involvement in the programs. They considered the programs to be helpful in supporting the industry during a period of transition (with respect to RASPJI) and crisis (with respect to PING). Most stakeholders supported the continuation of funding in some form to support the industry to become more sustainable and transition to new models of providing public interest journalism.

5.1 Outputs and outcomes: Scholarships program

Universities were not required to report on the outcomes and impacts of the Scholarships program on scholars. As such, the university stakeholders consulted had limited visibility of its impacts and the career pathways chosen by students. Further, several universities also noted that it is too early for the impacts to have been realised.

This has limited the extent to which our report can present data on the outcomes of the Scholarships program. As such, the sections below focus on the evidence available of the Scholarships program's outputs and outcomes (according to the grant guidelines[49] and program logics, see Appendix A). Future funding delivered in this area should focus on tracking the outcomes delivered by the funding.

5.1.1 Acquiring skills and knowledge

The Scholarships program funded 66 scholars at 16 universities. All participants in the scholarships program provided feedback that the scholarship helped them to complete their studies.

Four universities reported that the funding was mainly used for tuition, living and studying expenses, equipment, and travelling to internships. They felt that the funding helped to reduce their scholar's financial stress and was particularly valuable for regional students from low socioeconomic backgrounds.

Results from the survey of Scholarships recipients showed that 100 per cent of respondents found the program to be very helpful in supporting scholars to undertake journalism-related courses and complete their studies. However, they provided mixed views on whether the program supported scholars to gain the skills and knowledge needed to work in the regional news media industry (see Figure 5.1 bottom chart). Half strongly agreed that the program provided this support, while one

[49] Department of Communications and the Arts (2018a). Op. cit.
Department of Communications and the Arts (2018b). Op. cit.

strongly disagreed, and one was unsure. This likely reflects that some universities did not require scholars to undertake internships as part of the funded activity (see section 5.1.2).

> *"Regional journalism is suffering in terms of career options. It's hard to create skilled graduates who graduate and get jobs at the end. Some students will find jobs in media – but this is more likely in major cities." – Scholarships recipient*

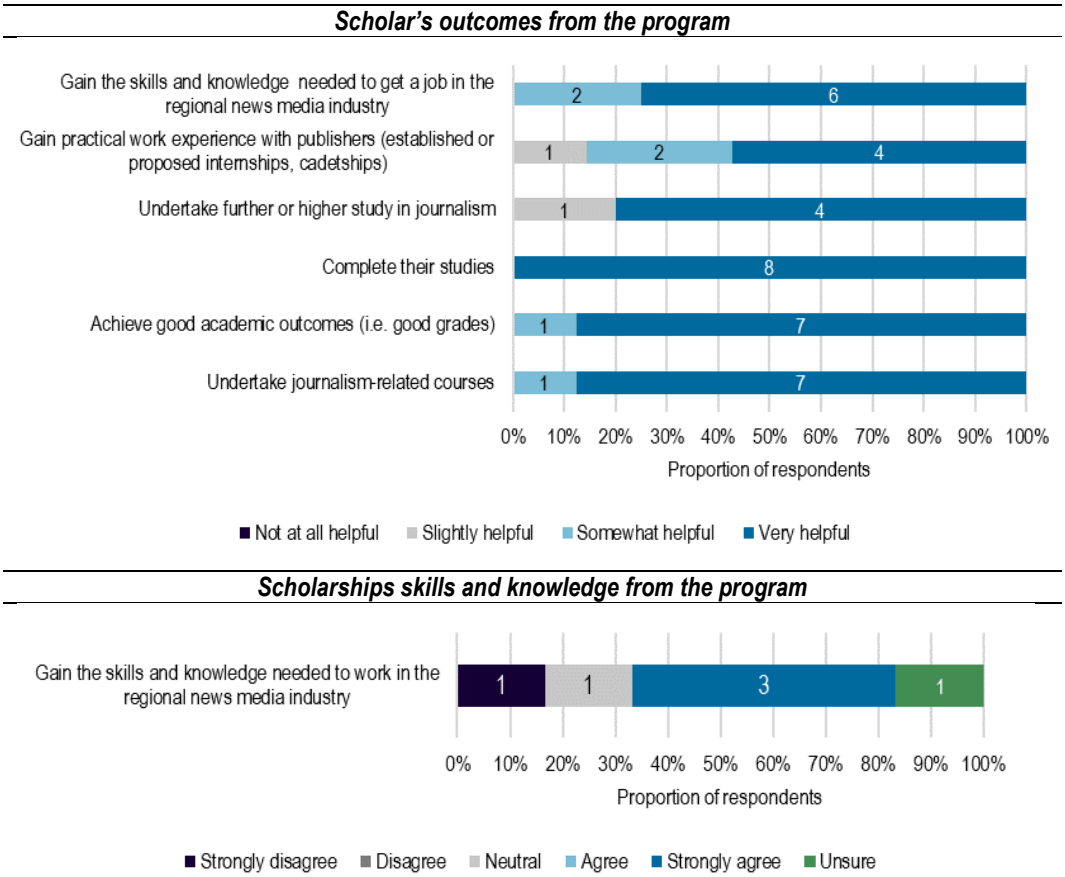
The survey of scholars showed that all agreed that the program was somewhat or very helpful in supporting them to complete their studies, gain relevant skills and knowledge, achieve good academic outcomes and undertake journalism-related courses (see top chart Figure 5.1).

Gaining the skills and knowledge needed to work in the regional news media industry is one of three long-term impacts anticipated for the Scholarships program (see Appendix A). This should have been a central focus of the program as it was part of the selection criteria (i.e. "the opportunities offered for scholarship recipients to gain practical work experience with publishers, including any established or proposed internships, cadetships or work experience placements").[50] However, some of these opportunities were not required as part of the university courses, and this was not enforced through the Scholarships program.

Future funding for scholarship programs could consider university course requirements for work experience opportunities more closely when designing program guidelines and selection criteria. This should aim to include a stronger focus on providing vocational skills and knowledge for scholarships recipients.

[50] Department of Communications and the Arts (2018a). Op. cit.

Figure 5.1 Scholars and Scholarships recipients' perspectives on the program outcomes



Scholars survey responses n=8. Scholarships survey responses n=6.

Source: ACIL Allen survey of scholars and Scholarships recipients

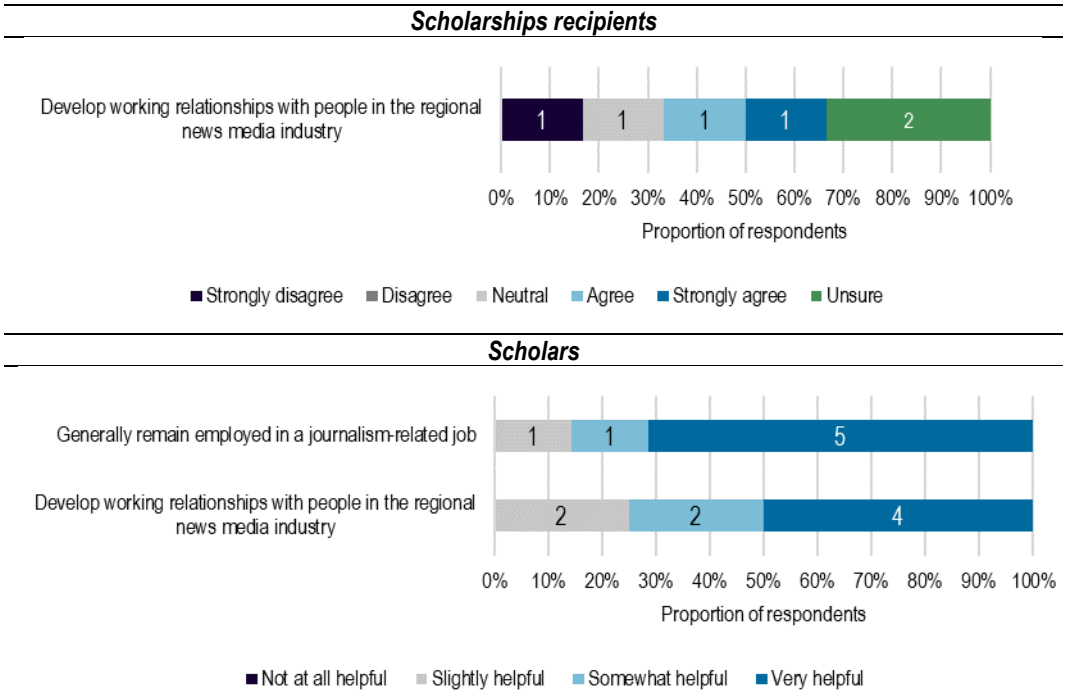
5.1.2 Building working relationships with regional news media industry stakeholders

The Scholarships program does not require recipients (and, in turn, scholars) to build working relationships with regional news media industry stakeholders, for example, through internships or placements with industry or formal scholar or alumni engagements.

Two universities consulted identified internships as a valuable component of students' studies and an opportunity to encourage students to get work experience rather than simply providing tuition support. One university required scholars to complete at least one industry internship. However, to fulfil this requirement, the student could elect to get work experience in a range of organisations, not necessarily one specific to journalism (e.g. public relations and corporate communications) or an organisation operating/supporting the regions. The other university encouraged but did not require students to complete internships (with only two of the five scholars completing one).

The survey of Scholarships recipients presented mixed views on whether the funding supported scholars to develop working relationships in the industry, as shown in Figure 5.2 (top chart). In contrast, among the scholars responding to the survey, 75 per cent found the funding somewhat or very helpful in helping them to develop working relationships with people in the regional news media industry. This may reflect the firsthand experiences of scholars that are not readily observed by the universities or different perspectives on what constitutes working relationships.

Figure 5.2 Scholarships recipients' and scholars' perspectives on developing working relationships with industry



Scholarships survey responses n=6. Scholars survey responses n=8.

Source: ACIL Allen survey of grant recipients and scholars

Scholarships and Cadetships recipients considered that there was also value in better connecting scholars with each other (e.g. through an alumni group) and with industry during their studies (e.g. through internships with media organisations). This may afford a greater sense of belonging to a community and potentially by extension, an opportunity for students to gain real-world experience during their studies and progress into journalism-related roles. Opportunities for promoting future grant programs could also be advanced through an alumni network.

One recipient suggested that their students would benefit from more engagement with the funding provider. They found it essential for students to know that the scholarship provider cares about them and their success and is invested in their future. The recipient suggested the Department could better connect with students to improve their chances of success in their studies. This could also provide an opportunity to engage with students longer term to better understand the longer term impact of the Scholarships program..

5.1.3 Careers in the regional news media industry

The Scholarships program indirectly provides a pipeline for students to pursue journalism-related careers. Universities consulted believed it was challenging for graduates to progress to employment in regional journalism-related fields at the end of their degrees. This was due to various reasons, including that journalism degrees lead students to various career options (e.g. public relations and corporate communications) and that students may gain employment in journalism but in metropolitan areas. Further, the availability of journalism jobs in regional areas will incentivise graduates to continue to live in regional areas. This is complicated by the location of some universities, the lack of local opportunities for students to work in journalism, and the closures of regional media organisations (see chapter 2).

The survey of Scholarships recipients shows that half of the respondents found the program helpful in supporting scholars to seek employment in the industry (see Appendix C). Some (17 per cent)

did not think the program helped at all, and 33 per cent were unsure. However, this may be skewed because approximately half of the scholars had not graduated at the time they responded to the survey.

Scholarships recipients consulted identified that some scholars had graduated and were working in various industries, including journalism, communications, public relations, and advertisement. This also reflects that the students often study journalism as part of a broader degree, such as a Bachelor of Communication and Media (Journalism) or Bachelor of Communication (Journalism).

Many stakeholders, including Scholarships and Cadetships recipients, industry organisations and program managers, considered that the Scholarships program could deliver greater industry and public value if it was overtly connected to the Cadetships program (see section 5.2.6). In particular, stakeholders valued the potential for the programs to provide a pathway to maintain or grow the size and sustainability of the industry over time. This included better linking and sequencing of the two programs, such that university students have the opportunity to participate in internships with media organisations, and scholars graduate with the potential to become the next journalism cadets.

Some stakeholders acknowledged this was a broader, industry-wide issue, with many organisations operating different emerging journalism programs. There is an opportunity to learn from the engagement activities of other Commonwealth-funded scholarship/internship programs (such as the New Colombo Plan[51]) to facilitate career pathways for emerging journalists.

5.1.4 Need for and importance of the Scholarships program

Scholarships survey respondents were asked to identify the program's key needs or gaps and the likelihood that the recipient would have been able to address these without the program (i.e. the counterfactual situation).

Five of the six respondents spoke of the value of the program in addressing the barriers to study associated with regional and rural students. These are predominantly related to course fees, living expenses for students relocating from regional or remote areas, and expenses related to regional internships. One considered that the program supported high-achieving students to study journalism, which may expand journalism in the regions.

This echoes the feedback obtained from Scholarships recipients during consultations. Scholarships recipients considered that the funding supported students to complete their journalism degrees. This was particularly important for one university, which noted that the Scholarships supported those most in need of the funding and most at risk of dropping out of their studies. Two other universities found that more academically gifted students tended to apply for funding and that all participating scholars had graduated with high grades.

Five respondents did not believe the above needs or gaps would have been addressed without the program. This was due to a range of reasons, including that their sources of scholarship funding were limited, funding was prioritised to the most disadvantaged students, and the universities lacked a mechanism to support and encourage students from regional areas.

One university suggested the program needed to address staffing issues currently plaguing rural journalism. But the university did not believe the program had much impact on this issue, as it is a systemic problem for the industry. The Scholarships program does not (and should not) compel scholars to take regional jobs in journalism after completing their degree, so there is little a program like this can do on its own.

[51] Department of Foreign Affairs and Trade (n.d.). *The New Colombo Plan Scholarship Program*. Accessed 8 September 2022: https://www.dfat.gov.au/people-to-people/new-colombo-plan/new-colombo-plan-scholarship-program.

Key Finding 7 Evidence of the Scholarships program's outputs and outcomes

The Scholarships program funded 66 scholars at 16 universities. Funding was used for tuition, living and studying expenses, equipment, and travelling to internships.

The funding reduced scholars' financial stress, supported scholars in overcoming key barriers to study, and supported scholars in undertaking journalism-related courses and completing their studies. It is unlikely these barriers would have been addressed without the program.

The program only supported some scholars to gain the skills and knowledge needed to work in the regional news media industry or to build working relationships with industry stakeholders.

The pathway to employment for scholars is unclear. Some continued to jobs in the industry (mostly in metropolitan areas), while others moved into related industries. The program could deliver greater value to the industry and greater public value if it were better connected with the Cadetships program.

5.2 Outputs and outcomes: Cadetships program

Cadetships recipients were not required to report on the outcomes of the program. This has limited the extent to which our report can present data on the program's outcomes. As such, this section relies predominantly on feedback obtained during consultation and from the surveys.

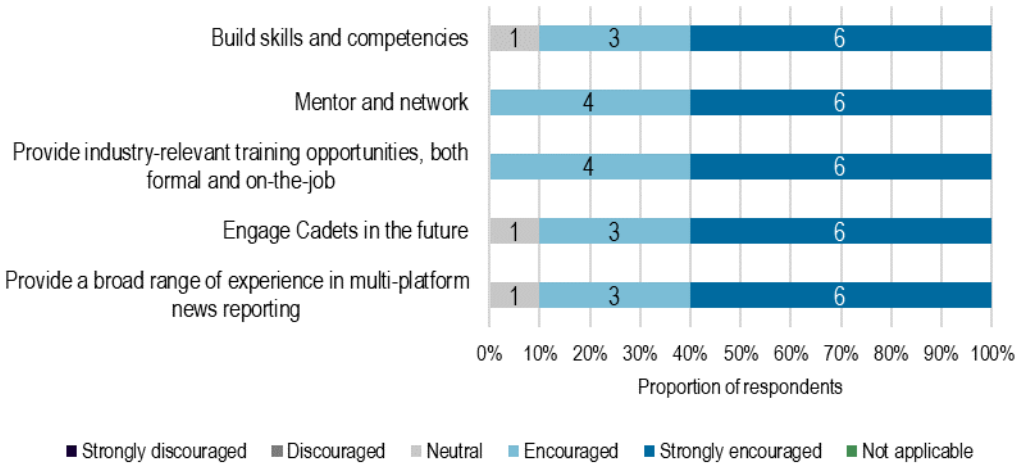
5.2.1 Acquiring skills and knowledge

Cadetships recipients commented on the value of the Cadetships program in providing opportunities for new graduates to gain broad and practical skills in digital and print writing, content management, and social media. Two Cadetships recipients noted that their cadets further upskilled during their cadetship by studying part-time post-graduate degrees in journalism.

Funding cadets to work in a regional organisation was highly valued by Cadetships recipients. This gave cadets a broader range of skills than they would otherwise gain at metropolitan organisations. This includes regional perspectives and a strong understanding of the local community.

Most Cadetships survey respondents agreed that the program encouraged them to build skills and competencies, and provided mentoring and networking, industry-relevant training opportunities and broad experiences in multi-platform news reporting (see Figure 5.3). Most (90 per cent) would seek to engage cadets in the future.

Figure 5.3 Cadetships recipients' perspectives on the activities the program encouraged



Cadetships survey responses n=10.

Source: ACIL Allen survey of grant recipients

5.2.2 Supporting early career journalists

The Cadetships program supported 41 cadets.

Two Cadetships recipients consulted identified the main types of cadets that they worked with: year 12 graduates and university graduates. They noted that the year 12 graduates tend to be located more in regional and rural areas than university graduates. However, graduates are more skilled and require less mentoring and training from their host organisation.

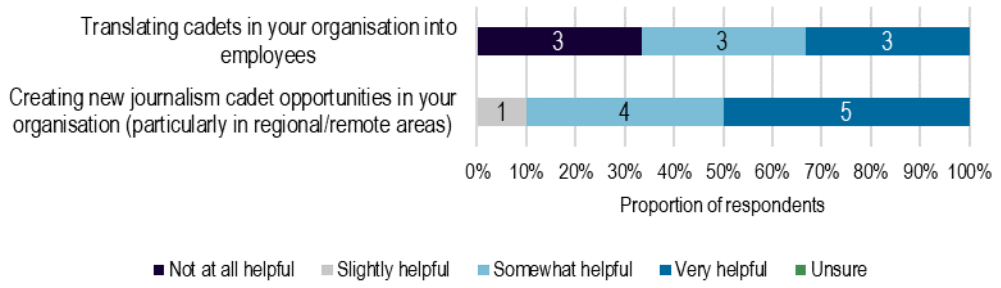
The Cadetships recipients valued the role of the program in creating a future journalism workforce and considered that it provided an opportunity for new graduates to explore journalism in practice. One recipient considered cadets based in regional and small organisations more likely to accelerate their career by gaining exposure to a broader range of skills, topics and higher profile issues (relative to those in larger businesses or metropolitan areas). For example, one cadet had the opportunity to interview Government Ministers visiting the region.

Two recipients also noted that the Cadetships program allowed younger journalists to be trained and mentored by more senior journalists. While this requires additional business time, it was seen as a positive for the cadet, beneficial for the business overall and an opportunity for the senior journalists to 'give back'. The program also inspired one grant recipient to fund additional cadets after a long period of not engaging cadets.

Of the Cadetships recipients consulted, nine cadets were employed under the Cadetships program. Five of these were employed by the grant recipient beyond the length of the program, two went on to roles in other organisations (one in sports journalism, one in marketing), and two could not be retained due to the impacts of the COVID-19 pandemic and cadets needing to relocate. One recipient noted that a barrier to keeping cadets after the cadetship was the more competitive salaries offered by employers located in metropolitan areas.

These results are also reflected in the survey of Cadetships recipients. Figure 5.4 shows that two-thirds agreed that the program helped transform cadets into employees, with a third not finding the program helpful at all. Most respondents agreed that the program was somewhat or very helpful in creating new cadet opportunities (90 per cent).

Figure 5.4 Cadetships recipients' perspectives on the program's helpfulness for media organisations



Cadetships survey responses n=10.

Source: ACIL Allen survey of grant recipients

One Cadetships grant recipient had employed an intern and provided a stipend for their travel, accommodation and food. While this was an expensive business cost, it was important for employing the intern following graduation. As previously discussed, an internship program was also suggested to be important for supporting regional job placements. With opportunities for remote working, this is becoming increasingly important as cadets have opportunities for cadetships located in cities or in remote regions.

Some recipients commented on the need for more flexibility in the Cadetships program to meet the emerging needs of early career journalists. This included providing an allowance/subsidy for cadet accommodation, raising the value of the grant in line with the current market value of cadets and expanding the opportunity to enable part-time cadets to participate. This would support media organisations in attracting a greater diversity of cadets to the regions.

Several media organisations identified challenges with employing suitably qualified cadets. As noted in section 5.1.3, several stakeholders identified the opportunity to better connect the Scholarships and Cadetships programs and use this as an early career pathway for journalists. This would involve closer links between universities providing journalism courses and media organisations. For example, students may be interested in opportunities to intern in media organisations and follow on to become cadets. These networks could be invaluable for emerging journalists.

While only a small sample size, the survey of cadets shows that all three cadets strongly agreed that they were provided with mentoring, networking, and on-the-job and formal industry-relevant training opportunities (see Appendix C.3). Two cadets strongly agreed they were provided with a broad range of experiences in multi-platform news reporting (one was neutral). Further, three of the four cadets thought the program was very helpful in enabling them to remain employed in the industry after their cadetship. One thought the program was only slightly helpful.

5.2.3 Support for small metropolitan and regional publishers

Cadetships grant recipients reported the funding delivered several benefits to their businesses. The cadets provided additional capacity, which allowed them prioritise more local public interest issues and news journalism. This resulted in more content being generated and distributed to local communities.

This feedback is consistent with the survey of Cadetships grant recipients. Cadetships grant recipients were asked to identify the program's impact on the number of articles written for regional communities. On average, respondents stated that they increased the number of articles by an average of 44 per cent as a direct result of the funding. Respondents were not asked to comment on the length and nature of these additional articles. Respondents also self-reported that, on average, their readership in regional communities and the number of articles written for local communities also increased (13 and 14 per cent, respectively, see Appendix C.3). This may suggest that the programs have had some impact on reducing the declining readership outlined in section 2.1.3 and 2.2, which contributes solid evidence of the program's impact.

During consultation, one Cadetships grant recipient also considered that their cadet had positively influenced the quality of the content generated by the business. Another grant recipient found that employing cadets improved the organisation's culture and raised the number of staff, which they believed could positively affect future potential employees and clients.

Having a cadet also meant that some smaller media organisations could continue to generate content (through the cadet) while prioritising more strategic and innovative thinking. One recipient considered that having the cadet had helped them better manage their workload and, as a result, improve their mental health.

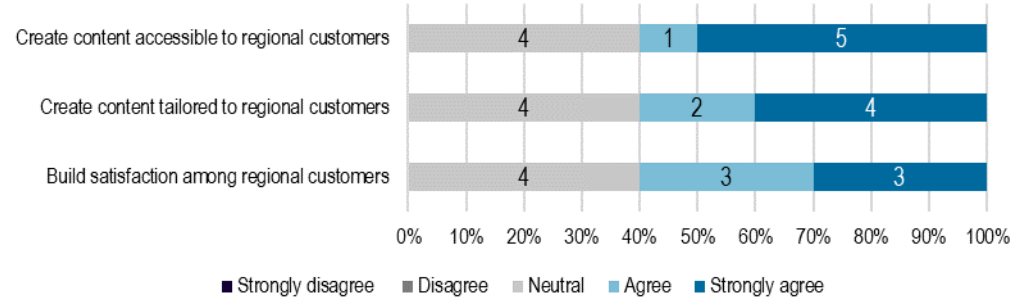
Some recipients also considered that the cadets were having a positive impact on their local communities. This was because cadets could spend time understanding and working with the community and sourcing locally relevant stories for publication.

Employing a cadet locally also added economic benefit to the community through an additional income spent locally. In one instance, this also supported an organisation to open two new mastheads and expand into additional regional areas by providing additional news generating

capacity. They stated that this would not have been possible without the cadet, and they would not have been able to fund the cadetship position without the Cadetships funding.

The survey of Cadetships recipients reflects these perspectives. Most respondents (60 per cent) agreed or strongly agreed that the program supported them to create content that was more accessible and tailored to regional communities and to boost reader satisfaction among this group (see Figure 5.5). However, it is too soon to comment on whether the funding will have a long-term impact on the quantity and quality of public interest journalism in the regions. There is currently no longitudinal assessment to track cadets' impact over time.

Figure 5.5 Cadetships recipients' perspectives on the program's support for grantees to improve regional journalism



Cadetships survey responses n=10.

Source: ACIL Allen survey of grant recipients

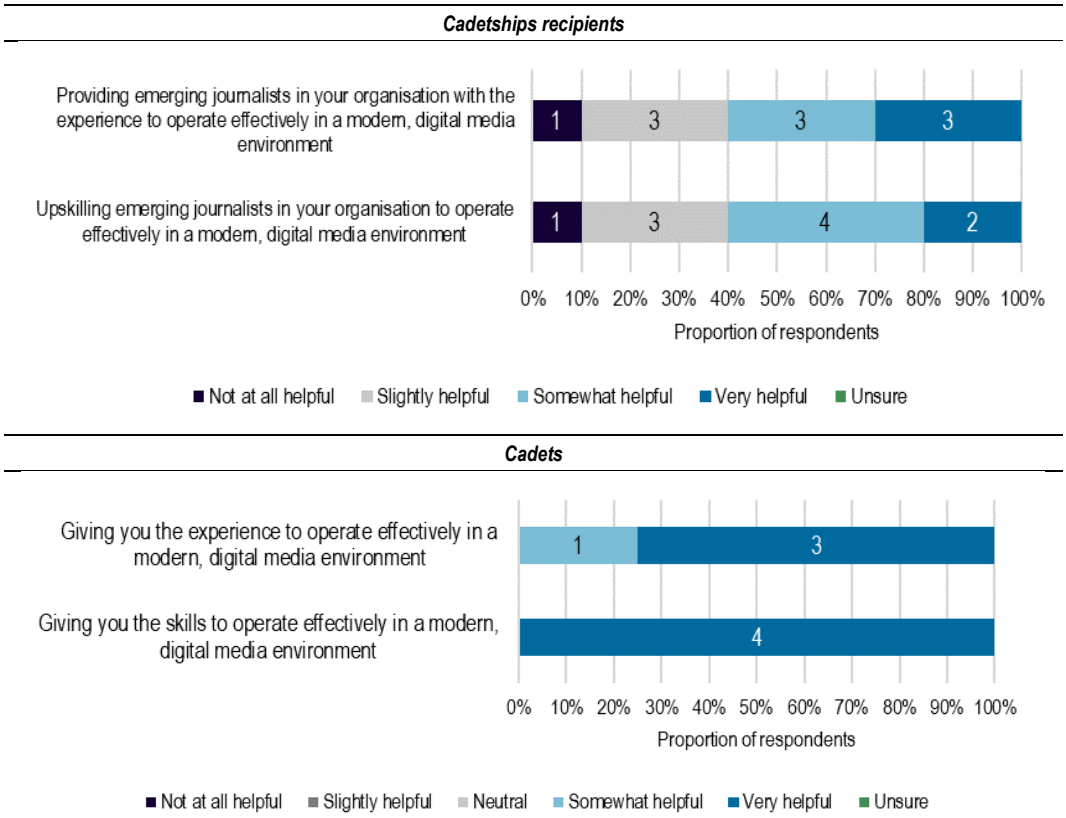
5.2.4 Adapting to changes in the contemporary media environment

Cadets both directly and indirectly supported Cadetships recipients to build digital capability and adapt to changes in the contemporary media environment, which is a core objective of the RASPJI package. Two Cadetships grant recipients reported that their cadet brought much-needed digital skills and capability to their business. These are related to social media and developing an online presence. These skills were particularly valuable where businesses were small and/or predominantly staffed by older journalists.

For another recipient, their cadet focused on content development, which provided them with time to focus on developing a digital business strategy and transitioning to a digital platform.

Further, Figure 5.6 shows that both Cadetships recipients' and cadets found the program to help provide emerging journalists with skills and experience to operate effectively in a modern, digital media environment.

Figure 5.6 Cadetships recipients' and cadets' perspectives on the program's helpfulness in providing skills and experience



Cadetships survey responses n=10. Cadets survey responses n=4.

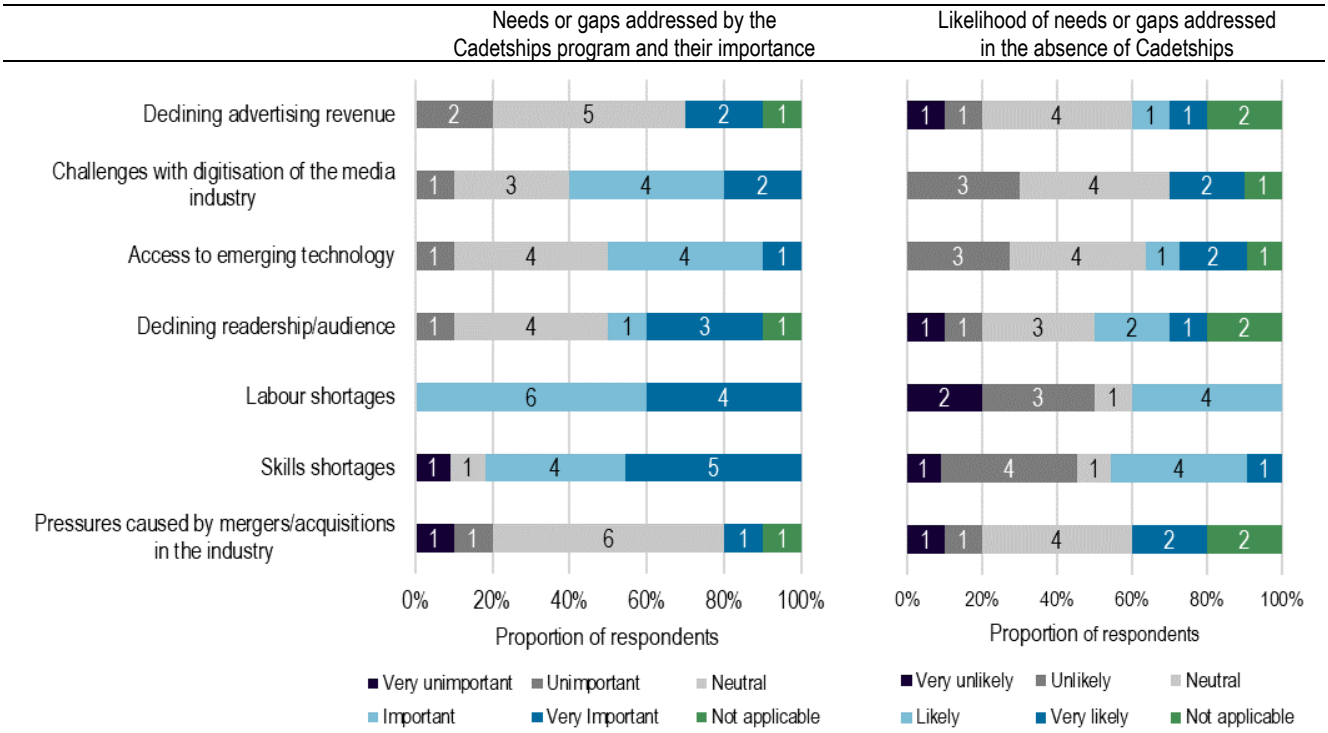
Source: ACIL Allen survey of grant recipients and cadets

5.2.5 Need for and importance of the Cadetships program

Cadetships grant recipients were asked to identify the needs or gaps addressed by the Cadetships program, their importance, and the likelihood that these would be addressed without the program. Skills and labour shortages were the two areas most commonly identified as needs or gaps that were important for the program to address. These were also least likely to be addressed without the program (see Figure 5.7).

Only two Cadetships recipients provided qualitative feedback on the needs or gaps addressed by the program. One respondent suggested that the program had helped reintroduce the concept of employing cadets into the organisation. Another noted the need for the program to attract cadets to regional areas but did not consider that the program had helped address this.

Figure 5.7 Cadetships recipients' perspectives on the needs or gaps related to the program



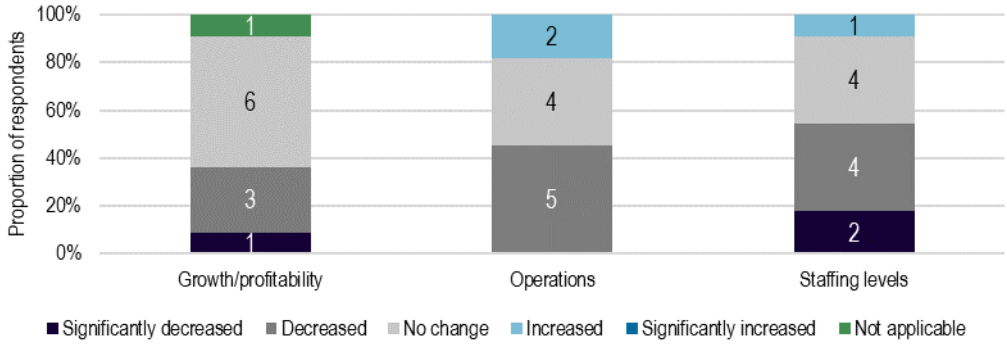
Cadetships survey responses n=10.

Source: ACIL Allen survey of grant recipients

The survey found that 80 per cent of Cadetships recipients could engage more cadets than they usually would because of the program. Consultations also revealed that the process of employing and training cadets had declined before the program because of changing market conditions, and cadets were in short supply in regional areas. Further, the industry salaries were not attractive enough to compete with other career opportunities in metropolitan areas. The Cadetships program allowed regional publishers and content providers to employ cadets again.

In the absence of the program, 45 per cent of survey respondents agreed that they would have experienced some negative impacts on their organisations. Staffing levels would be the most heavily impacted, followed by operations and growth/profitability (see Figure 5.8). Interestingly, a few respondents considered that they would have experienced improved operations and staffing levels without the program. This may reflect the additional administrative, training, and mentoring responsibilities incurred by Cadetships recipients (see section 5.1.3).

Figure 5.8 Cadetships recipients' perspectives on the impact of the absence of the program



Cadetships survey responses n=11.

Source: ACIL Allen survey of grant recipients

5.2.6 Additionality of the grants

Some Cadetships recipients that had also received Innovation Fund grants considered that the grants were complementary and that the benefits seemed to amplify when they received both sources of funding. This was because the initial funding provided intangible benefits, such as the confidence of businesses to apply for subsequent funding and momentum to improve their organisations. Case examples of this additional benefit are provided in Box 5.1 and Box 5.2.

Box 5.1 Case example: Cadetship and Innovation Fund recipient

One media business operates a small newspaper in a regional town with a declining population. The owner was looking for ways to engage readers across two communities using a digital approach, and to streamline the workload.

The owner applied for and received Cadetships funding. The cadet provided additional capacity to generate content while the owner could focus on expanding the business and planning the move to a digital platform.

We are a very small publication and before the Cadetships and Innovation Fund funding, it was just me. I ran the business, produced the newspaper and wrote 20-30 stories a week.

The experience with the cadet also gave them the confidence to apply for the Innovation Fund. The grant enabled them to employ a journalist and procure advice, hardware, software and training to build their digital capability. This was essential for providing access to external expertise that otherwise would not have been affordable.

Having someone step into that and help was phenomenal. It made a big difference to my workload and mental health.

The owner strongly advocated for the role of timely assistance for small businesses. The owner noted that this should not be provided on an ongoing basis, yet should be available to support large business changes, such as capital investments, investment in skills and capacity building.

As a result of the Cadetships and Innovation Fund programs, the owner could demonstrate capability in the digital news sphere and meet the eligibility criteria to participate in the Google News 'News Showcase' funding. This provided a monthly payment based on content provided on the platform. The business is required to provide content daily in order to meet the funding agreement.

The owner identified strong additionality from being involved in multiple programs.

This allows you to do more than you would have been able to without the funding.

Source: ACIL Allen

Where there are common grant recipients across the programs (or across Innovation Fund rounds), there is an opportunity to ensure that grantees can leverage the multiple funding sources to deliver more impact (noting that each application was required to be self-contained).

Key Finding 8 Evidence of the Cadetships program's outputs and outcomes

The Cadetships program provided opportunities for new graduates to explore journalism in practice, and gain a broad range of practical skills, and regional experience. This supported recipients to overcome key gaps in labour and skills shortages that otherwise may not have been addressed for some recipients.

The program supported recipients to develop the future journalism workforce (through mentoring, training and development) and translate some cadets into employees. Others were not employed due to the impacts of the COVID-19 pandemic and more competitive opportunities in metropolitan areas.

It was challenging for some recipients to hire and retain suitably qualified cadets, resulting in some withdrawing from the program.

Cadets provided added capacity to recipients, producing and distributing more tailored and accessible public interest journalism to local communities. The added capacity also led recipients to prioritise strategic and innovative thinking and better adapt to changes in the contemporary media environment.

Recipients of the Cadetships and Innovation Fund grants achieved greater additional benefit from leveraging each grant opportunity and the intangible benefits (i.e. business confidence, momentum) associated with the funding.

5.3 Outputs and outcomes: Innovation Fund

Round 1 of the Innovation Fund focused on innovation and experimentation, while Rounds 2 and 3 focused on sustainability and facilitating innovation.[52] Recipients' outcomes are outlined below according to these areas (according to the grant guidelines[53] and program logics, see Appendix A).

Outcomes have been broadly grouped across the Innovation Fund (Rounds 1, 2 and 3) to provide a collective impact story. A more detailed analysis by funding round is provided in Appendix C.5. Where there are important differences across the rounds, these have been referenced in the sections below. The information provided below was collected through survey and consultation by ACIL Allen during the course of the evaluation, except where ACMA is referenced as the source.

5.3.1 Innovation and experimentation

Many recipients consulted spoke of the impact of the funding on their activities in digital journalism. Three recipients developed new websites, two expanded their social media and digital presence, two upgraded their content-making equipment (e.g. video cameras, phones, podcasting equipment), one launched a smartphone application, and one set up a studio and began creating podcasts. These digital offerings were provided together with traditional print journalism.

ACIL Allen's survey of Innovation Fund recipients identified changes recipients made because of the Innovation Fund (see Figure 5.9). The most common area of change was in using new methods

[52] Funded activities included: Round 1: market research or external reviews to identify improvement opportunities, developing or upgrading a website and building capacity to produce online audio and video content. Round 2: software and hardware purchases for news gathering, recruiting and training staff, equipment purchases to establish digital publishing platforms, and employing consultancies for website design and digital strategy development. Round 3: software and hardware purchase for news gathering, recruiting and training staff; developing content, podcasts or marketing and social media strategies; printing and distribution and developing or upgrading a website.

[53] Australian Communications and Media Authority (2018). *Regional and Small Publishers Innovation Fund: 2018–19 grants round.* Canberra: Australian Government.
Australian Communications and Media Authority (2019). *Regional and Small Publishers Innovation Fund Regional Grant Opportunity.* Canberra: Australian Government.
Australian Communications and Media Authority (2020). *Regional and Small Publishers Innovation Fund: 2020 Round.* Canberra: Australian Government.

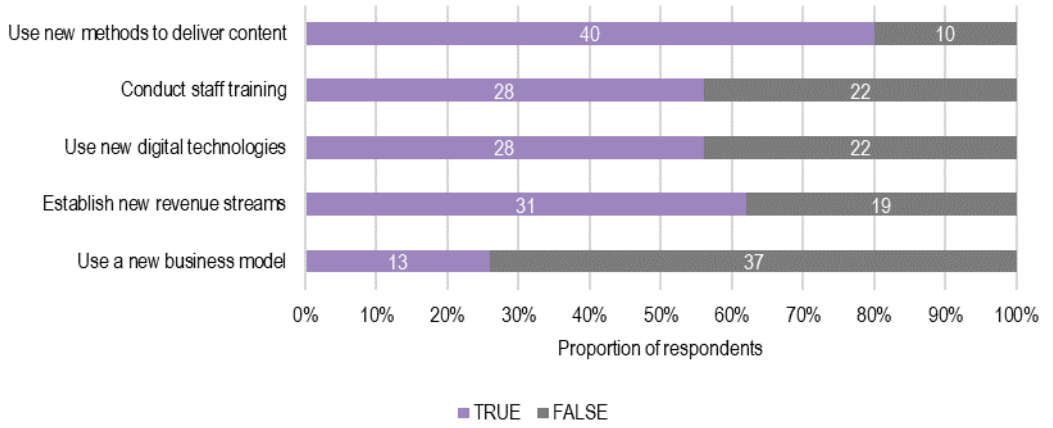
to deliver content (e.g. podcasts and websites) (80 per cent) and conducting staff training and using new digital technologies (both 56 per cent). Respondents also established new revenue streams (62 per cent) and employed a new business model because of the program (26 per cent).

This is supported by a sample of Innovation Fund recipients' reports made available to ACIL Allen by ACMA for this evaluation.[54] This showed that many recipients created new publishing platforms (websites, podcasts, newsletters), implemented systems and process improvements, researched markets and consumers, trained staff, purchased equipment, and built infrastructure.

As a result of these activities, recipients could operate more efficiently, adapt and accelerate their digitisation, create new revenue streams (e.g. paid subscriptions, online advertising from the new website, new partnerships, and the introduction of an online marketplace), and reduce operational costs. Most of the survey recipients (56 per cent) digitised their business in some way (e.g. websites, paywall systems, social media presence), and 60 per cent increased their content production, reached a wider audience (e.g. across a greater geographic area or different audience types, such as a younger audience), created new mastheads and expanded their coverage.

Five respondents provided free text responses on other changes made, including rebranding their business, improving operational costs, and increasing the volunteer base.

Figure 5.9 Innovation Fund recipients' perspectives on changes made



Innovation Fund survey responses n=50.

Source: ACIL Allen survey of grant recipients

During consultation, some grant recipients considered that their improved digital services had expanded their business offering and enabled them to reach a broader and more diverse audience through traditional and online approaches. All recipients stated that they would not have been able to conduct these changes without the funding. For example, one recipient found that developing the website through the Innovation Fund had allowed them to create more local news content, broaden their distribution and create a new revenue stream. In turn, this has led their business to become sustainable.

One recipient spoke of the decreasing readership for their printed paper. They saw the importance of continuing to provide print media as this helped build trust, legitimacy and satisfaction across the local community. This was also their primary source of revenue. However, more customers wanted to engage with news digitally. The growing print cost and decreasing readership for printed news mean they were transitioning their business to a hybrid model. They had moved from no digital content before the Innovation Fund to now receiving 10-20 per cent of their revenue from digital.

[54] Recipients are required to report on, among other things, the significant benefits delivered by the funding, the extent to which the recipient was supported to adapt to the digital environment and can compete more successfully, and growth in the business and public interest journalism.

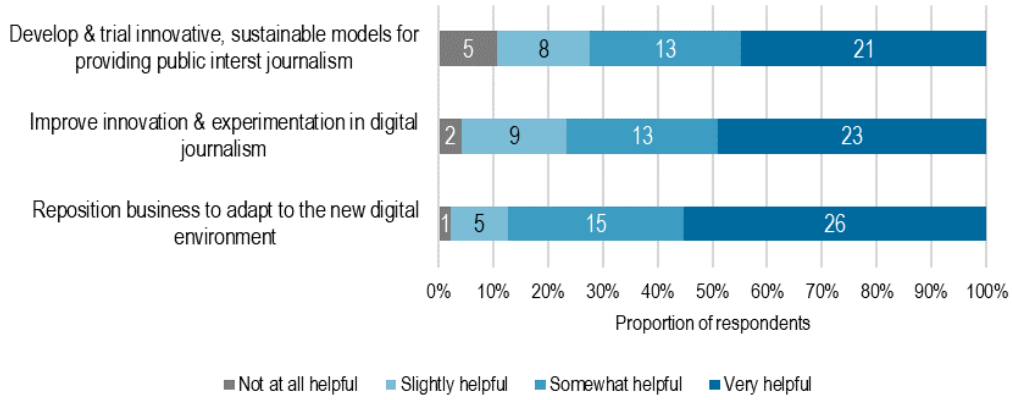
They predicted this would grow to 30-40 per cent in the next two-three years. The Innovation Fund had allowed them to develop a digital strategy, create digital content and expand their digital readership. The business grew its first-party data subscribers from 600 to 26,000 in 12 months. It recognised the importance of providing the community with reputable print and digital news.

> *"It's a scary time to see if regional publishers can transition to digital – if they can't then they won't succeed." – Innovation Fund recipient*

The Innovation Fund also created opportunities to continue to build digital capability and presence. For example, one recipient used the funding to conduct a pilot of an online component of their business. This led to a 10-20 per cent increase in traffic to their website. They later employed staff to continue to improve their digital offering. The improved digitisation also made some recipients eligible for other funding opportunities, such as from Google.

The survey of Innovation Fund recipients broadly aligns with the consultation data, with most recipients finding the program helpful in supporting innovation (see Figure 5.10). Respondents most commonly thought the program was somewhat and very helpful in supporting them to reposition their business to adapt to the new digital environment.

Figure 5.10 Innovation Fund recipients' perspectives on the helpfulness of the program in innovating



Innovation Fund survey responses n=47.

Source: ACIL Allen survey of grant recipients

Due to the uncertain nature and novel nature of innovation, several Innovation Fund recipients found it difficult to assess their innovation needs and provide accurate costings for their grant applications. This is particularly important for a program that focuses on increasing innovation across the industry (and likely across traditional businesses transitioning to a modern, online environment). The nature of the projects and the intangible nature of the outcomes sought also meant that more support was required by businesses to access and make the best use of the funding.

> *"If you haven't done this before, you don't know how much it costs and how much to apply for." – Innovation Fund recipient*

The rapidly changing nature of innovation also meant that by the time the funding was awarded, some grant recipients realised they had not received an accurate quote for the services they required or no longer considered that the funding was best spent on the ideas proposed in their grant application. Some grant recipients received approval from the ACMA to make amendments to their proposed spending. This generally occurred where grantees requested to purchase different equipment that served the same purpose as proposed in their application (such as changing to different software that provided substantially the same functionality, or substituting one computer

system for a more powerful one). However, others' grant agreements did not allow grantees to repurpose funding for completely different project activities or items that were not within the project scope set out in their approved application. Some grantees perceived that this prevented them from spending the funding in a way that best suited their innovation goals, instead spending the funding on less-optimal products or services. These stakeholders considered that they could have benefited more from the funding if they had been able to spend where needed. One recipient suggested that if the reporting was more focused on outcomes, then recipients could better target their activities and spending to ensure outcomes are achieved rather than delivering on the expected (yet less flexible) outputs.

5.3.2 Sustainability and innovation

All rounds focused to some extent on business sustainability and innovation, particularly a business's capacity to generate revenue, strengthen its financial position and reduce its operating costs through more efficient business practices.

Acquiring skills and knowledge

In later rounds, the Innovation Fund allowed businesses to employ staff with skills and knowledge in areas relevant to their business growth needs.[55] This is often related to digitisation, journalism and public relations (i.e. developing relationships with local agencies that are important sources of regional news). Two recipients spoke of the Innovation Fund's value in helping them build the legitimacy of their work and the local community's trust in the publication. This was because the businesses used the funding to employ local staff to work actively on the ground in the community to deliver local content. This was seen to be highly valued by the community.

Two recipients noted that they had applied for funding to employ a new staff member focused on marketing and sales. These activities are important in supporting revenue generation for the provision of public interest journalism. However, these grants were not awarded or were awarded in part (with no funding for a marketing/sales position). It is unclear which round these recipients were reflecting on, noting that in Round 1, grant funding could not be used for the employment of staff (which may explain why these positions were not funded). These recipients considered that by not receiving funding for this purpose, they had less capacity to generate revenue streams to fund content creation and were, therefore, less sustainable.

The survey asked respondents to reflect on how much the Innovation Fund encouraged them to conduct more activities. Table 5.1 shows the extent to which the Innovation Fund encouraged or strongly encouraged each activity by round. Further detail is provided in Appendix C (Figures C.11-13). This shows that different rounds encouraged respondents to varying degrees. Notably, respondents involved in Round 2, compared with Rounds 1 and 3 were more encouraged to digitise (including acquiring new technologies, developing websites, and developing marketing, social media and digital strategies). Round 1 respondents were more encouraged to employ staff directly connected to generating revenue (noting that this was likely through engaging consultants as Round 1 grant funding could not be used to employ staff) and build capacity to produce online audio and video content. Interestingly, Round 2 had the highest proportion of not applicable responses across the rounds, most commonly around acquiring intellectual property or other rights, building capacity to produce online audio and video content and developing podcasts (see Appendix C).

[55] In Round 1, consistent with Government policy, grant funding could not be used for the employment of staff.

These results may reflect a difference in the maturity or objectives of organisations applying for each round, as the type of organisations responding to the survey (i.e. content service provider or publisher) were similar across the rounds (see Figure C.4).

Table 5.1 Areas of activity the Innovation Fund encouraged or strongly encouraged by round

	Round 1 (n=4)	Round 2 (n=6-12)	Round 3 (n=13)
Publish newspapers, magazines or other periodicals	75%	100%	54%
Purchase or lease software or hardware for news gathering	75%	75%	46%
Print and distribute news	75%	88%	54%
Support increased sustainability of news creation and publishing	75%	100%	83%
Conduct market research/reviews to identify business improvements	25%	63%	23%
Employ staff directly connected to generating revenue	100%	63%	46%
Train staff	75%	75%	54%
Acquire technology to produce/distribute content	50%	83%	69%
Develop or upgrade a website	75%	82%	69%
Develop marketing and social media strategies	50%	90%	69%
Develop digital strategies	25%	82%	69%
Develop podcasts	75%	50%	23%
Build capacity to produce online audio and video content	100%	22%	31%

The shading in the table visualises the proportion of respondents stating that they were 'encouraged' or 'strongly encouraged' to perform each activity. Darker colour indicates that respondents felt less encouraged, lighter colour indicates that respondents felt more encouraged.

Source: ACIL Allen survey of grant recipients

Support for small metropolitan and regional publishers

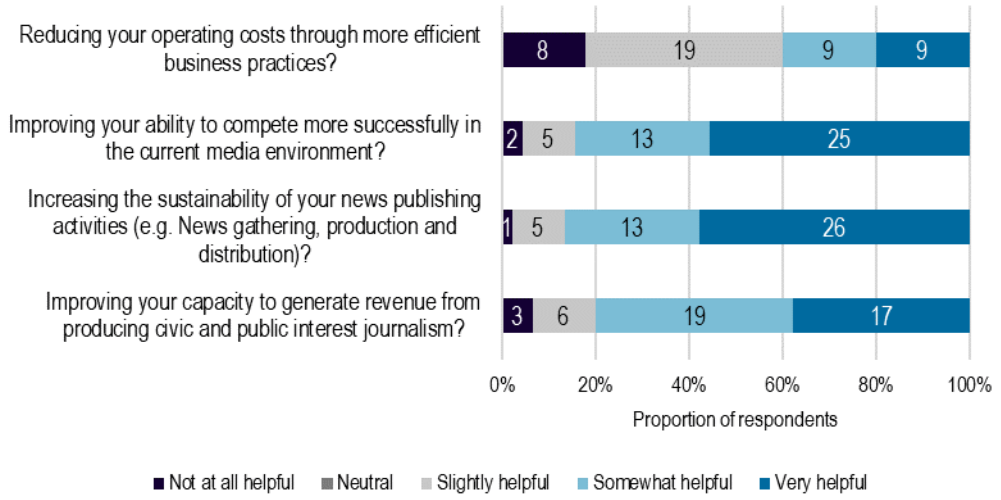
The Innovation Fund provided a range of intangible benefits to businesses, including confidence, capacity to think broadly and strategise, and time and resources to execute their strategies. seven of the nine Innovation Fund recipients consulted used the funding to train, employ or contract staff. This was often focused on building digital capability, procuring digital advice, developing websites or smart phone applications, and purchasing computers and other hardware.

As a result of the funding, some recipients had increased their number of employees (either directly funded by the Innovation Fund, or by continuing to employ personnel after the funding ceased), the amount of content provided (e.g. one recipient increased their print newspaper from 24 to 48 pages), their advertising sales and revenue, their distribution and the amount of locally-tailored content. Much like the Cadetships funding, by enabling businesses to employ staff, the Innovation Fund commonly enabled business owners to invest in broader strategic considerations for the business, including growth and development.

The survey of Innovation Fund recipients shows that the program was broadly helpful in supporting respondents to improve and become more sustainable (see Figure 5.11). Respondents most commonly thought the program was somewhat and very helpful in supporting them to increase the sustainability of their news publishing activities and ability to compete more successfully in the current media environment.

This is supported by Innovation Fund program data which shows that 83 per cent of Round 2 and 93 per cent of Round 3 recipients considered that they would be able to compete more successfully in the current media environment due to the funding.

Figure 5.11 Innovation Fund recipients' perspectives on the helpfulness of the program in improving sustainability



Innovation Fund survey responses n=45.

Source: ACIL Allen survey of grant recipients

Program data provided by ACMA from the Innovation Fund recipient program reporting showed that 42 per cent of recipients increased their revenue because of the program (see Figure D.4). While a large proportion (53 per cent) were unsure, which is likely a result of the uncertainty around how the COVID-19 pandemic impacted revenue.

Some businesses awarded partial funding for their proposed projects did not experience any immediate impact on their revenue or operating costs. This was the case where grantees received funding for the first stage of a scoping study or pilot project, where this did not affect their financial position.

Business growth

Survey results suggest the Innovation Fund helped grantees to expand their area of distribution by an average of 53 per cent, increase readership in regional communities by 37 per cent, and increase the number of articles written for regional and local communities by 35 per cent and 32 per cent, respectively (see Appendix C.5). This is supported by Innovation Fund program data which shows that 77 per cent of Round 2 and 88 per cent of Round 3 recipients considered that the funding had helped them to increase their circulation and/or readership.

Together this data may suggest that the programs have had some impact on reducing the declining readership outlined in section 2.1.3 and 2.2.

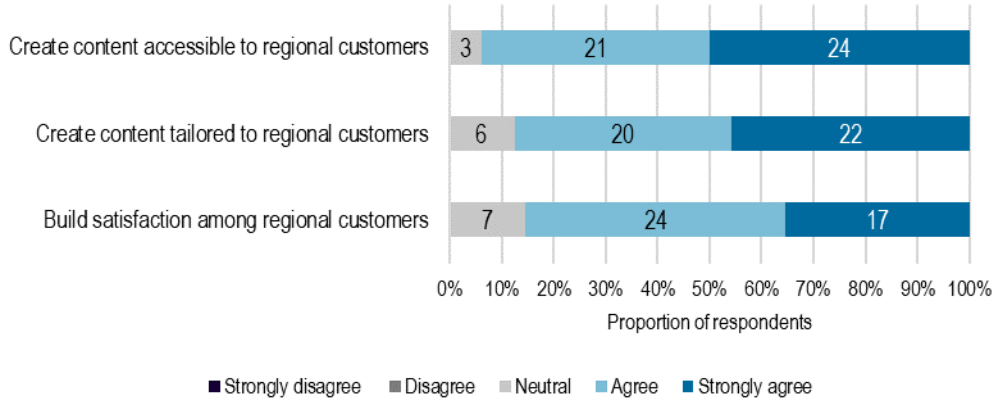
These results were largely similar across the funding rounds (see Appendix C.5). However, recipients of each round reported differences in the extent to which the program increased the area of distribution across regional communities (for example, 137 per cent for Round 1, 133 per cent for Round 2 and 38 per cent for Round 3).

This may reflect the impacts of the COVID-19 pandemic, as program reporting showed a significant impact of the pandemic on the operations of most grantees. This was particularly the case for Rounds 2 and 3. For example, some businesses increased their production because of the funding yet experienced stunted revenue growth and financial stress due to the pandemic. Many also stated it was difficult to attribute revenue benefits to the program because of the impact of the pandemic on the industry (see Figure 5.12).

The program supported recipients in making improvements to the production of public interest journalism (see Figure 5.12). Across three rounds, most respondents agreed or strongly agreed that the program helped them to create content accessible to (96 per cent) and tailored for regional customers (88 per cent). Further, 86 per cent reported that they had built satisfaction among regional customers because of the program. These results were most positive for Round 1 recipients (see Appendix C.5).

This is supported by Innovation Fund program data which shows that 70 per cent of Round 2 and Round 3 recipients considered that the funding had helped them to grow public interest journalism in their region, for example, through an increase in engagement with stories or a greater number of articles written.

Figure 5.12 Innovation Fund recipients' perspectives on the program's collective support for grantees to improve regional journalism



Innovation Fund survey responses n=48.

Source: ACIL Allen survey of grant recipients

5.3.3 Differentiating between sustainability and innovation

As noted in section 3.2.2, program stakeholders must have clarity on the definition of key terms. Terms like sustainability and innovation were central to the Innovation Fund's design; however, some stakeholders reported confusion when trying to interpret them. This has flowed into program delivery and outcomes, with some stakeholders suggesting that the Innovation Fund rounds confused the concepts of innovation and sustainability.

It was not always clear to grant recipients what the purpose of the funding was, what grant application proposals would be successful and what they were expected to achieve through the funding. A range of stakeholders (including grant recipients, industry and program managers) considered the need for the industry to build both innovation and sustainability. Yet, these may be better addressed through separate funding programs with clear linkages (see chapter 6).

There are opportunities for future programs to clarify these terms are assessed and what grant recipients are expected to achieve with the funding. There is also value in measuring the extent to which businesses undertake innovation activities and achieve sustainability.

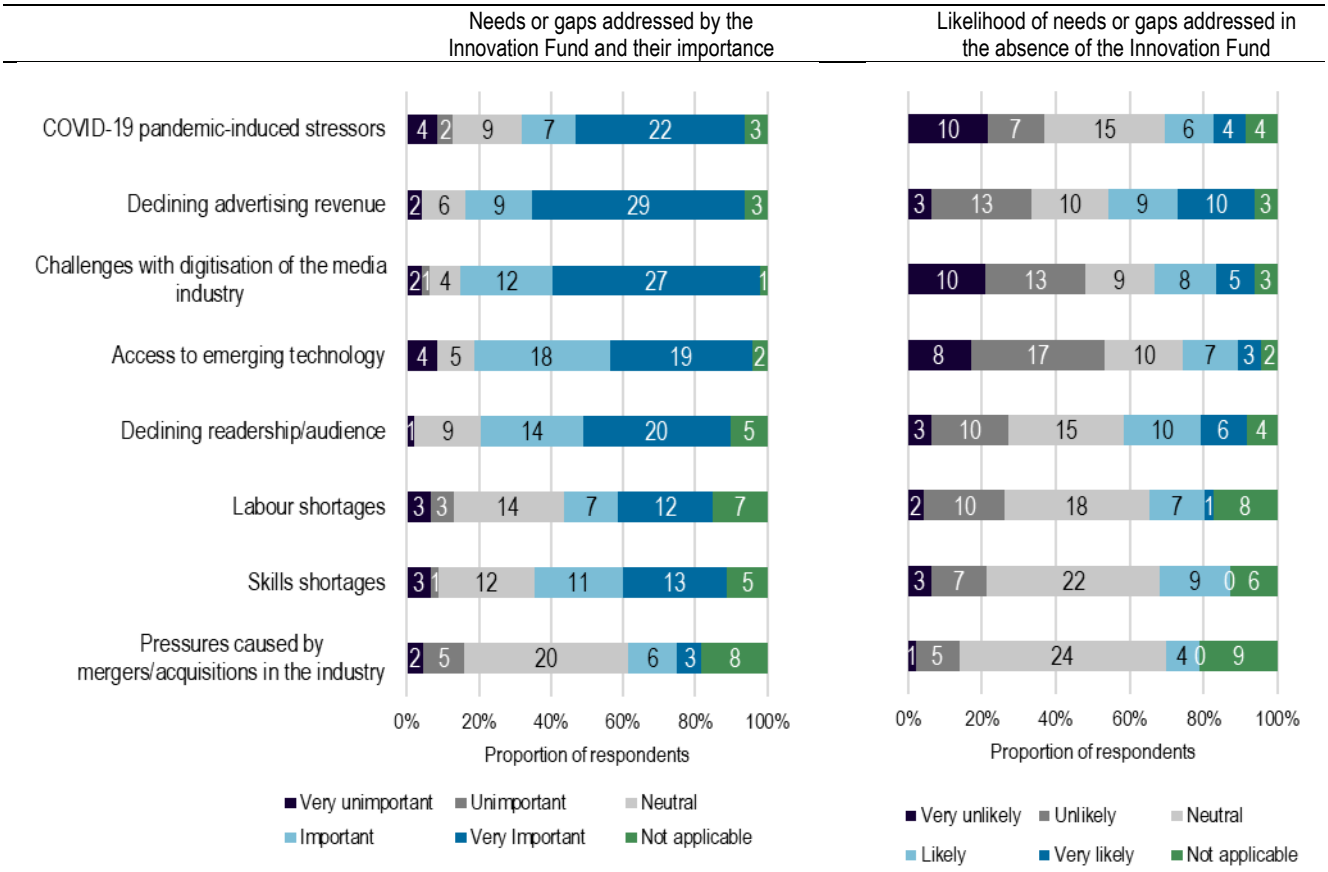
5.3.4 Need for and importance of the Innovation Fund program

Innovation Fund recipients were asked to identify the needs or gaps addressed by the program, their importance, and the likelihood that these would be addressed without the program (see Figure 5.13). Declining advertising revenue, challenges with the digitisation of the media industry and access to emerging technology were the most important needs that the program addressed.

Ten Innovation Fund recipients provided feedback on the needs or gaps addressed by the program. These primarily related to business expansion (three respondents), expansion of distribution area (three respondents), and business enhancements (i.e. digital transition, rebranding, two respondents).

The survey results were similar across the Innovation Fund rounds. However, respondents in Round 2 more commonly identified the importance of the funding in addressing needs or gaps in access to emerging technology and challenges with digitisation of the media industry. Respondents noted these would be least commonly addressed without the funding (see Appendix C).

Figure 5.13 Innovation Fund recipients' perspectives on the needs or gaps related to the program



Innovation Fund survey responses n=43-49.

Source: ACIL Allen survey of grant recipients

In the absence of the program, most survey respondents agreed that their organisation would experience negative outcomes (see Figure 5.14). This included a decrease in their growth/profitability (67 per cent), operations (63 per cent), and staffing levels (55 per cent). These results vary by round, with the most prominent estimated negative impacts occurring for Round 1 applicants, followed by Round 2 then Round 3. Notably, none of the Round 3 respondents thought they would have experienced a decrease in operations, and about half of the respondents thought there would be a decrease in growth/profitability and staffing levels (see Appendix C.5). This may reflect that many respondents participated in more than one round of the Innovation Fund, and the marginal benefit of the program reduced over time.

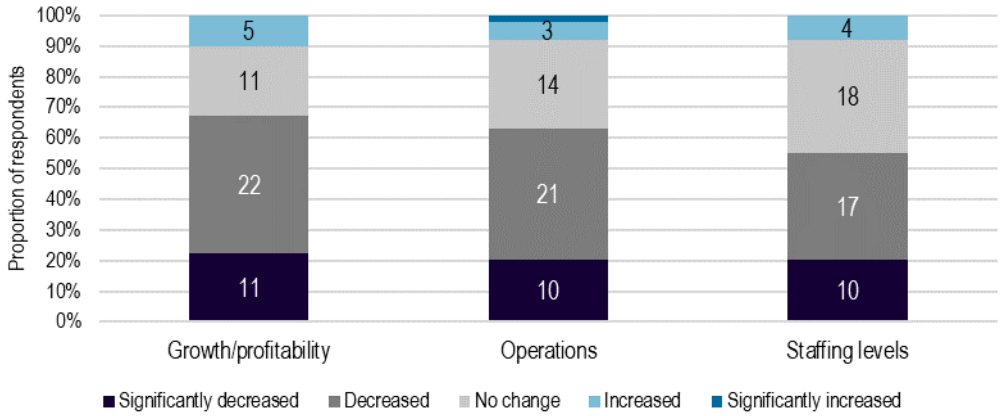
Ten per cent or fewer survey respondents (see Figure 5.14) considered that their growth/profitability, operations and staffing levels would have increased or significantly increased without the funding. While the survey did not specifically explore the reasons behind this (and the administration of the Innovation Fund is not in scope for this review), when asked for suggested

improvements to the programs, respondents commonly identified challenges with the application process being too complicated (12 respondents), the application and reporting processes being too burdensome (12 and 5 respondents respectively), poor flexibility of the funding to accommodate changing circumstances (such as the COVID-19 pandemic, changing technology or business needs) (9 respondents), and poor communication within the application and grant management stages (7 and 7 respondents respectively).

Further, lessons from the administration of the Cadetships and PING programs (see sections 5.2.5 and 5.4.4) and consultations with Innovation Fund recipients indicate that the burden of applying for and reporting on the grant may result in recipients experiencing reduced capacities as a result of the funding.

To understand the importance of the funding, survey respondents were asked whether there were other funding sources available that they could have applied for. Half of the respondents were unsure, and 27 per cent (13 of 49 respondents) agreed that there were other funding sources. Nine respondents applied for these sources of funding. These included funding from Facebook and Google (four respondents) and the PING program (two respondents).

Figure 5.14 Innovation Fund recipients' perspectives on the perceived impact of the absence of the program



Innovation Fund survey responses n=49.

Source: ACIL Allen survey of grant recipients

Some grant recipients considered Innovation Fund funding important in supporting businesses to transition to new operating environments. Almost all consulted Innovation Fund recipients stated they would not have been able to grow and build sustainability without the Innovation Fund.

Key Finding 9 Evidence of the Innovation Fund's outputs and outcomes

Many used the Innovation Fund to digitise, use new content delivery methods and technologies, train staff and employ new business models. This enabled recipients to overcome gaps in access to technology and challenges with digitisation that may not otherwise have been addressed for some.

Recipients were able to operate more efficiently, adapt and accelerate their digitisation efforts, create new revenue streams, reach a broader and more diverse audience, and reduce their operational costs.

Innovation is inherently uncertain and novel, and recipients could achieve more value from the funding with more flexibility to assess and update their innovation needs and use the funding accordingly. The initial program design did not define innovation and sustainability well, which led some program stakeholders to be confused about the purpose of the funding and what they were expected to achieve.

The Innovation Fund allowed businesses to acquire skills and knowledge in areas relevant to their business growth needs. This supported them in building confidence, the capacity to think broadly and strategise, and the time and resources to execute their strategies. This supported businesses to become more sustainable, generate more revenue and content, and increase the area of distribution and readership in regional communities.

5.4 Outputs and outcomes: PING program

Evidence of PING's outputs and outcomes are described below according to its key outcome areas (outlined in the grant guidelines[56] and program logics, see Appendix A).

5.4.1 Public interest journalism in regional communities during the COVID-19 pandemic

PING supported operational costs, digitisation and revenue creation. In particular, consultations showed that many stakeholders used the funding to support their efforts to digitise their distribution.

As discussed in section 3.2, recipients submitted interim and final reports. Seventy-five final reports were available for consideration during this evaluation (out of 107 grantees). The vast majority (71 of 75) of recipients maintained their employment level during the program.

ACIL Allen assessed the outputs of a sample of the top 20 final reports by funding value. These recipients accounted for 70 per cent of the funding awarded.

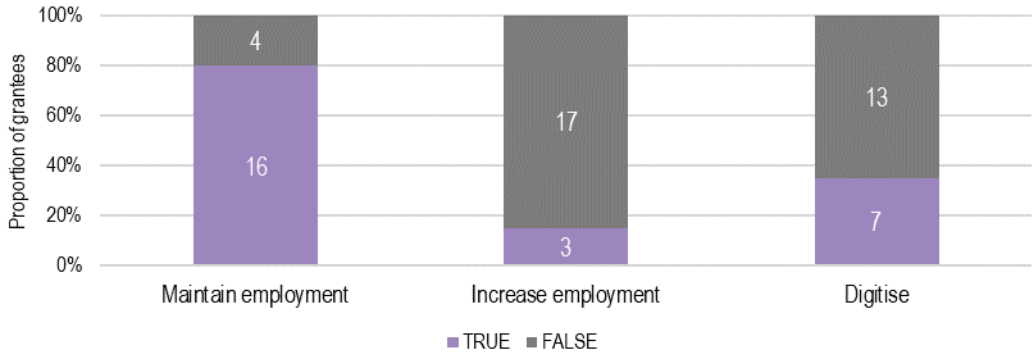
Recipients self-reported their funding contribution to the program objectives and ongoing sustainability (see Figure 5.15). Of the 20 recipients assessed, 80 per cent maintained their employment and 15 per cent increased their employment because of the PING funding. A further 35 per cent had improved their digital presence.

The reporting showed that most grantees used most of the funding to subsidise employee salaries, allowing them to maintain the same employment level. This was particularly important as some grantees were the only provider of local news in their area. One reported that they could maintain the operation of the only local television news service in a region. Another reported that they were able to launch their region's first independent and free digital news website thanks to the funding.

The recipient's reporting also shows that the program allowed several grantees to digitise their businesses. Funding was used to upskill staff in digital production, update their technology and systems, and launch new websites.

[56] Department of Infrastructure, Transport, Regional Development and Communications (2020). *Public Interest News Gathering Program Grant opportunity Guidelines.* Canberra: Australian Government.

Figure 5.15 Employment and public interest journalism outcomes of the PING program

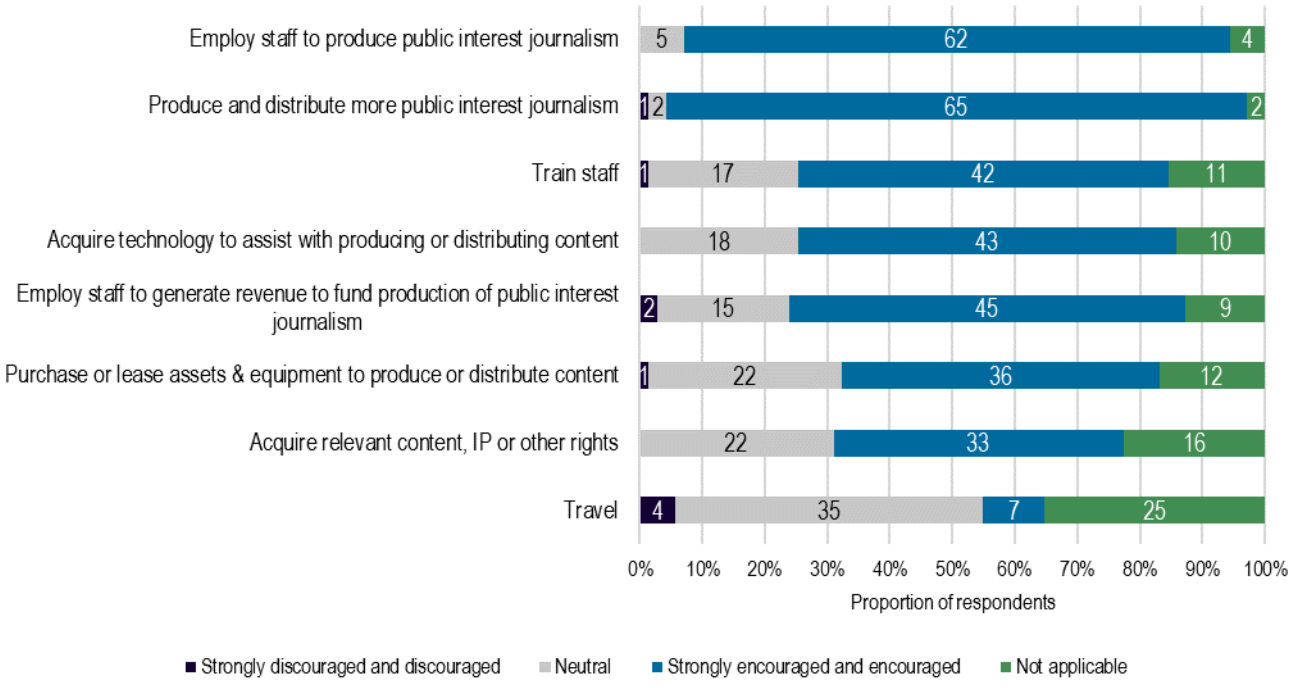


Based on final reports of the top 20 highest-funded grantees from available reports as of September 2022.
Source: ACIL Allen's analysis of the top 20 PING recipient's final reports

These findings are also reflected in the survey of PING recipients. Respondents stated that PING most commonly encouraged and strongly encouraged recipients to produce and distribute more public interest journalism (93 per cent agreement rate) and to employ more staff to produce public interest journalism (87 per cent of respondents agreed) (see Figure 5.16). PING also encouraged or strongly encouraged recipients to train staff, acquire technology, and employ staff to generate revenue.

Stakeholders considered PING essential in enabling recipients to continue to produce and distribute public interest journalism for regional areas during the COVID-19 pandemic. In some cases, businesses could expand their distribution to reach wider audiences. This was seen as essential due to various media organisation closures in regional areas during 2020-21.

Figure 5.16 PING recipients' perspectives on the ways the funding incentivised grantees



PING survey responses n=71.
Source: ACIL Allen survey of grant recipients

5.4.2 Level of public interest journalism in regional communities

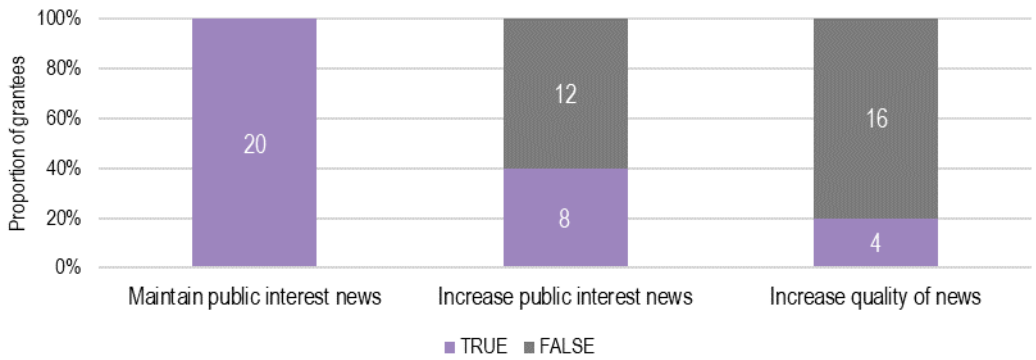
Stakeholders considered the PING program important in maintaining public interest journalism content created for regional communities during the COVID-19 pandemic. This was essential in keeping communities informed and providing content for the rapid growth in consumption of public interest journalism by the public during the COVID-19 pandemic (see chapter 2). One grant recipient considered continuing to provide content essential for building public trust and confidence in the media organisation.

In the sample of 20 PING final reports, recipients identified how the funding contributed to improving the availability of public interest journalism (see Figure 5.17). Of the 20 recipients assessed, all recipients maintained the level of public interest journalism produced, with 40 per cent reporting an increase in their frequency or coverage and 20 per cent reporting an increase in the quality of news produced.

The reporting also highlighted the pandemic's large impact on the industry's ability to generate public interest journalism and revenue. Recipients reported that the funding supported them in maintaining the production and broadcast of public interest journalism in regional areas, in terms of frequency and quality, during a time of declining revenue and financial uncertainty. Funding was also used to pay for other operational costs like printing and broadcasting to distribute news.

Most grantees could improve their sustainability because of the program; this included maintaining the employment level required to operate at optimum capacity, improving their efficiency, increasing revenue or establishing new revenue streams. However, some grantees reported that although PING helped them to maintain their regional journalism production, it did not help in terms of sustainability.

Figure 5.17 Employment and public interest journalism outcomes of the PING program



Based on final reports of the top 20 highest-funded grantees from available reports as of September 2022.
Source: ACIL Allen's analysis of the top 20 PING recipient's final reports

The survey of PING recipients shows that the funding helped recipients expand their distribution area by an average of 40 per cent (see Appendix C), increase the number of articles written for local and regional (32 and 25 per cent) communities and the readership in regional communities (18 per cent). This may suggest that the programs have had some impact on reducing the declining readership outlined in section 2.1.3 and 2.2.

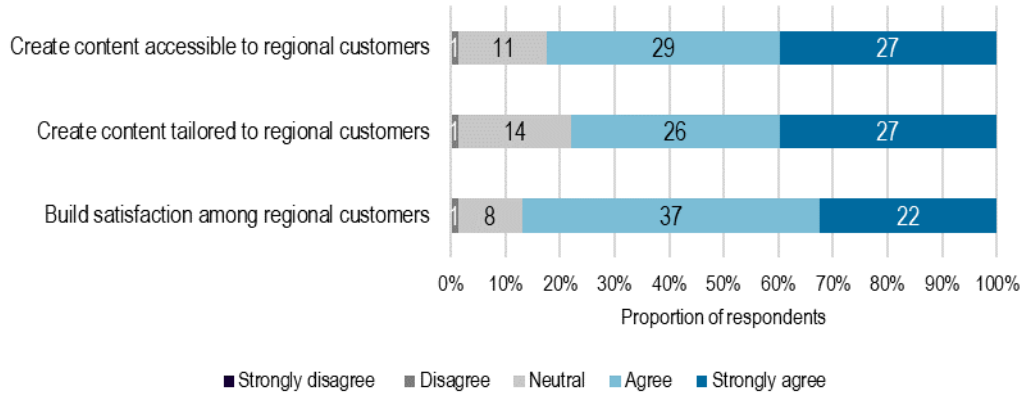
When comparing the results between the Cadetships program (see Figure C.7), Innovation Fund (see Figure C.8) and PING (see Figure C.9), it appears that the Cadetships respondents self-reported a higher average increase in the number of articles written for regional communities (44 per cent), compared to the Innovation Fund and PING (both 25 per cent). However, Innovation Fund recipients reported a substantially higher average increase in readership in regional communities (37 per cent) relative to the Cadetships program (13 per cent) and PING (18 per cent). This may suggest that the Cadetships program has had more of a capacity-building impact, with

the Innovation Fund better supporting improvements in the way organisations reach and communicate with their readers and increase uptake. Innovation Fund respondents also reported a higher average level of increase in the area of distribution across regional communities compared with PING (53 and 40 per cent, respectively). This may suggest that Innovation Fund respondents have had a higher level of investment in digital distribution capability and capacity (a focus of the Innovation Fund) compared with PING, and have been able to increase their area of distribution as a result.

The Innovation Fund and PING respondents reported an average increase in the number of articles written for local communities by 32 per cent, with Cadetships respondents reporting a lower increase of 14 per cent.

Most respondents also agreed or strongly agreed that PING helped them to create content accessible to (82 per cent) and tailored for regional customers (78 per cent) (see Figure 5.18). Further, 87 per cent reported that they had built satisfaction among regional customers because of the program.

Figure 5.18 PING recipients' perspectives on the program's support for recipients to improve regional journalism



PING survey responses n=68.

Source: ACIL Allen survey of grant recipients

5.4.3 Sustainability and resilience of the media industry in regional Australia

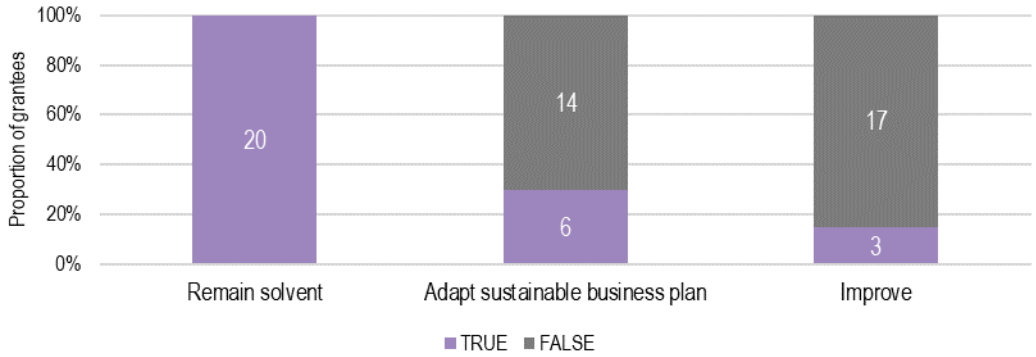
Stakeholders consulted for the evaluation considered that PING had played an essential role in maintaining employment during the COVID-19 pandemic, particularly in content production roles. This was essential for sustaining businesses through this period, particularly as other programs did not support operational costs. PING enabled businesses to spend time refining, implementing existing or developing new business strategies to boost sustainability in response to the pandemic. It provided some with the certainty and confidence to keep operating.

> *"PING was extremely critical to the industry. The agility and responsiveness of the program is very positive. The fund was also enough to make a big difference." – Industry stakeholder*

> *"PING gave a lifeline for a lot of businesses during COVID." – Industry stakeholder*

Figure 5.19 assesses the top 20 recipients' final reports. All 20 remained solvent as a result of the funding, 30 per cent were able to adapt to more sustainable business plans, and 15 per cent implemented improvements (e.g. efficiencies, upskilling, creating new revenue streams).

Figure 5.19 Sustainability objectives outputs of PING program

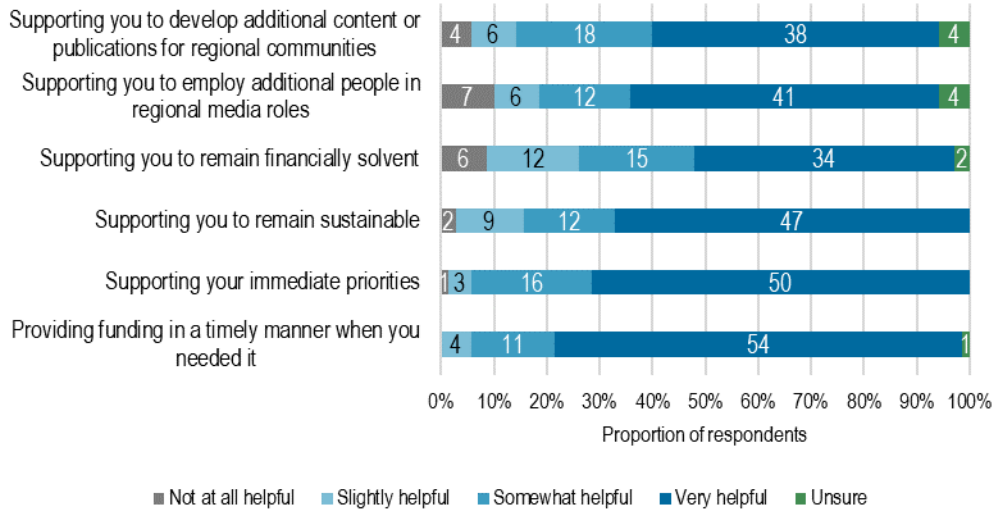


Based on final reports of the top 20 grantees highest-funded grantees from available reports as of September 2022

Source: ACIL Allen's analysis of the top 20 PING recipient's final reports

Most PING survey respondents considered the program helpful in supporting their business across various measures (see Figure 5.20). Most commonly (99 per cent), respondents agreed that PING helped provide timely funding when needed and that this supported their immediate priorities. PING was also helpful in supporting sustainability, financial solvency (see Figure 5.19 above), employment and content development.

Figure 5.20 PING recipients' perspectives on the helpfulness of the program in supporting recipients



PING survey responses n=70.

Source: ACIL Allen survey of grant recipients

Staff retention was critical to ensure businesses could 'bounce back' following the COVID-19 pandemic peaks. One recipient noted they would likely have closed 50-60 mastheads and drastically reduced their staffing without PING. Instead, with PING they closed ten mastheads and were able to support 400 employees (40 per cent of which were regional). Two other recipients would have reduced their workforce by 15-20 per cent and 10 per cent without PING.

One recipient had reduced their staffing numbers, hours and salaries due to the COVID-19 pandemic. They had also stopped producing their hyper-local new services. The PING funding allowed them to maintain employment and restore their services to pre-pandemic levels.

"The PING funding allowed us to retain our staff. This meant that we could keep writing news relevant to local communities and rapidly capture the bounce back after COVID. We would have had to cut our workforce by 15-20 per cent without PING." – PING recipient

One grant recipient identified challenges with the delays between the announcement of PING and the funding guidelines being released and between submitting the application and progressing with the grant. This created some confusion across the industry, yet it is likely to be a minority opinion when considering the survey results presented in Figure 5.20.

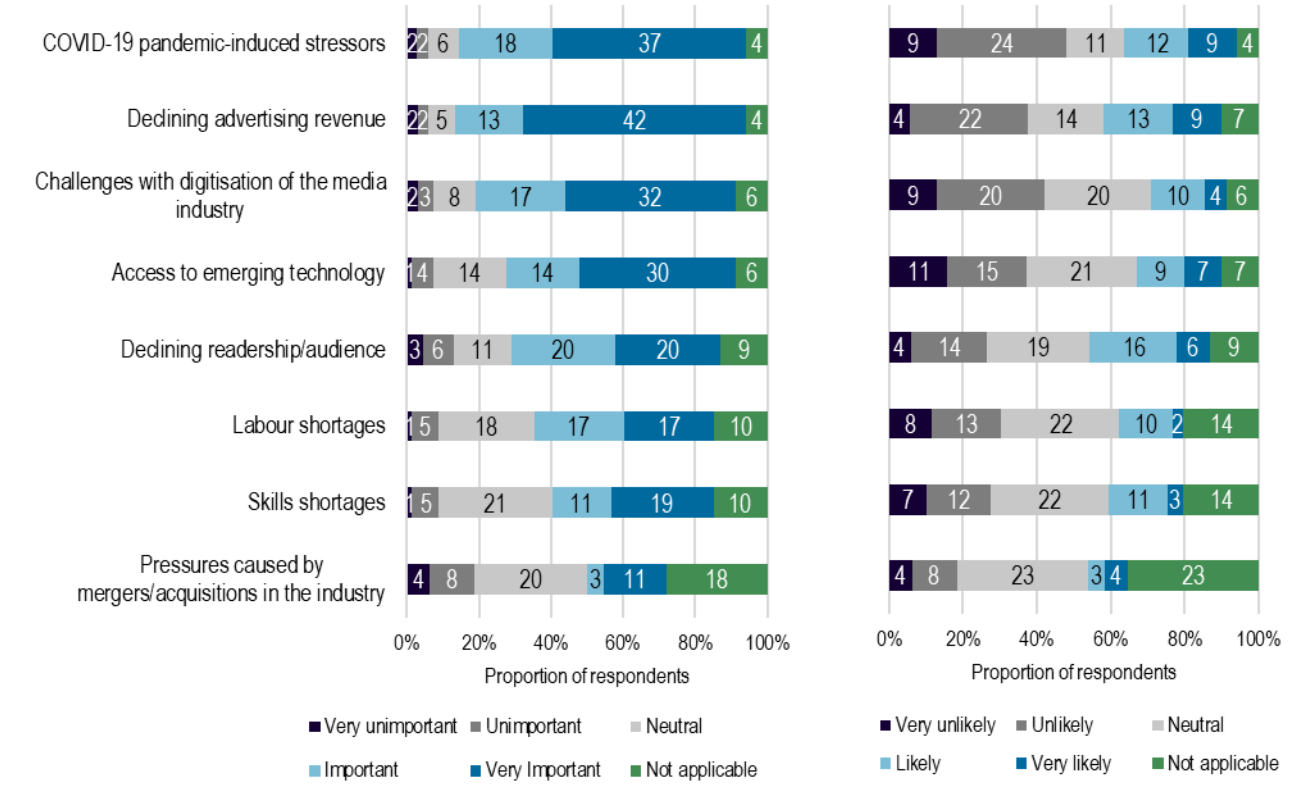
Some organisations were required to return PING funding due to reductions in staffing numbers. For example, one business received funding to maintain employment in multiple regional areas. They maintained employment numbers in one and increased employment in the other while experiencing losses in other regions. As a result, they were required to repay some of the PING funding. The business felt that increasing employment numbers in one region should have been allowed to offset decreased employment numbers in other regions, as long as there was no net loss. Future program design could consider greater flexibility under these, or similar, circumstances.

Interestingly, one PING recipient perceived that the strict requirements of the PING funding agreement (to maintain their traditional broadcasting arrangements) had tied them to their legacy system and limited their capacity to transition to a digital platform.

5.4.4 Need for and importance of the PING program

PING recipients were asked to identify the needs or gaps addressed by the program, their importance, and the likelihood that these would be addressed without the program (see Figure 5.21). The most important needs addressed by the program were the impacts of declining advertising revenue (68 per cent of respondents), the COVID-19 pandemic (59 per cent), and digitisation of the industry (56 per cent). These were also least likely to be addressed without the program and access to emerging technology.

Figure 5.21 PING recipients' perspectives on the needs or gaps related to the program

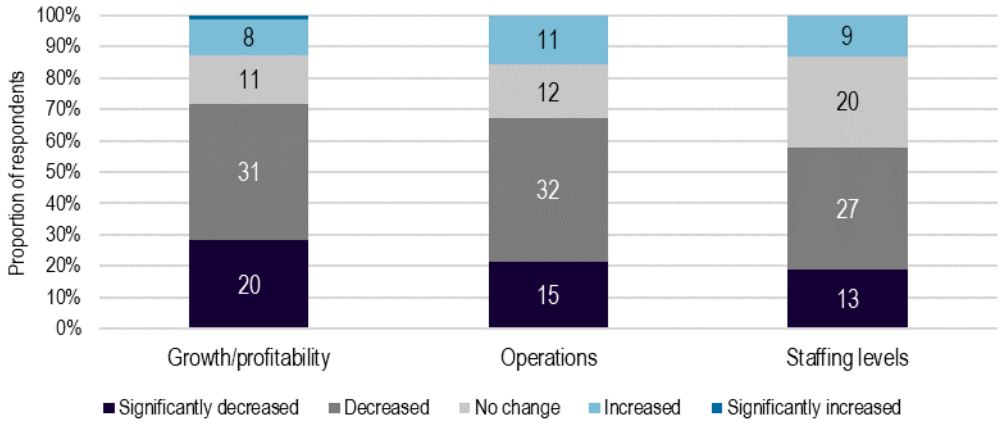


PING survey responses n=64-70.

Source: ACIL Allen survey of grant recipients

Figure 5.22 shows that most survey respondents would have seen a decrease in their growth/ profitability (72 per cent), operations (67 per cent) and staffing levels (58 per cent) without PING funding. Interestingly, a notable minority consider that they would have had an increase in these areas without PING. These respondents were compared to those that expected no change or decreased/significantly decreased benefits in the absence of the program. There were no large variations between the two groups of respondents in terms of salary, location, number of total employees or the funding stream. However, those that stated they would have experienced positive benefits without the program had a higher average proportion of full time equivalent employees that were journalists compared to those that expected no change or decreased/significantly decreased benefits in the absence of the program (98 per cent and 30 per cent, respectively). This may reflect that the organisations that stated they would have experienced positive benefits without the program were more likely to have invested journalist's time in applying and reporting on the grants (which may have impacted their capacity to produce and distribute public interest journalism), while the other organisations may have had more specialised or administrative resources to perform these functions. More data is needed to explore these possibilities. This likely aligns with the experiences of the other programs (see section 3.2.2).

Figure 5.22 PING recipients' perspectives on the impact of the absence of the program



PING survey responses n=69-71.

Source: ACIL Allen survey of grant recipients

Key Finding 10 Evidence of PING's outputs and outcomes

PING provided resources to support operational costs, digitisation and revenue creation. This enabled them to address key gaps in declining advertising revenue and challenges with COVID-19 pandemic-induced stressors. It is unlikely these would have been addressed for some without the funding.

The funding enabled recipients to maintain or increase their employment, level of content, readership and distribution of public interest journalism in regional communities. This content was more accessible and tailored to regional communities.

Importantly, PING supported businesses to remain solvent and sustainable by providing timely funding to address immediate priorities.

A small number of PING recipients were required to return funding due to reductions in staff numbers.

5.5 Public value outcomes of RASPJI and PING

Recipients of the Cadetships, Innovation Fund and PING programs were asked about the extent to which the program supported them to build trust in public interest journalism in regional communities and the legitimacy of the information provided (see Figure 5.23).

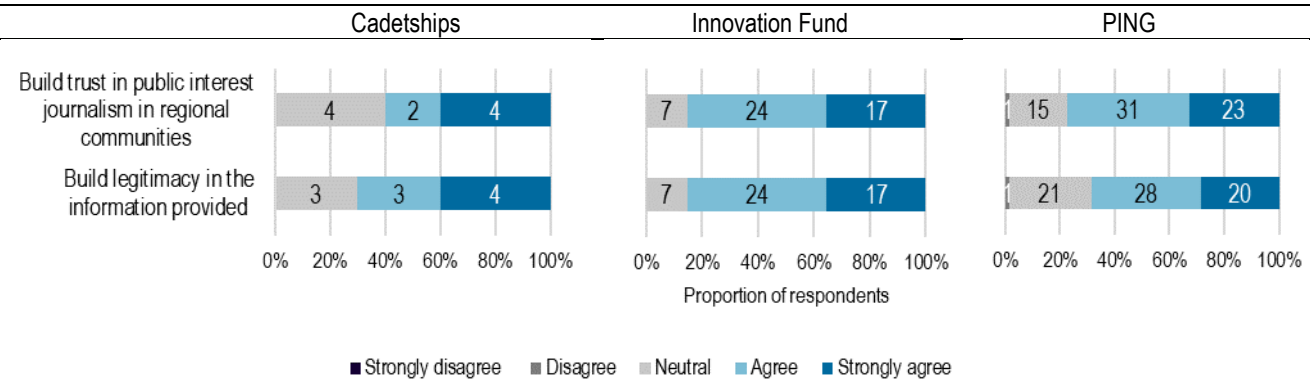
Cadets played an important role in building the capacity of media organisations to produce and distribute public interest journalism to regional communities. Figure 5.23 shows that most Cadetships recipients agreed that the program supported their organisation to build trust in public interest journalism in regional communities (60 per cent) and legitimacy in the information provided (70 per cent). These results suggest that the program supported, in some small way, the delivery of public value that may not have been delivered otherwise.

The activities undertaken by Innovation Fund recipients because of the funding were important for building their capacity to produce and distribute public interest journalism to regional communities. Figure 5.23 shows the majority (85 per cent) of Innovation Fund grantees agreed that the programs supported them in building both trust and legitimacy of regional public interest journalism.

The activities undertaken by PING recipients because of the funding were important for sustaining and building their capacity to produce and distribute public interest journalism to regional communities. Seventy-seven per cent of respondents agreed that the program supported them in

building trust, and 69 per cent of respondents agreed that the program supported them in building legitimacy.

Figure 5.23 Recipients' perspectives on building trust and legitimacy in public interest journalism, by program



Number of Cadetships survey respondents: 10. Number of Innovation Fund survey respondents: 48. Number of PING survey respondents: 70.
Source: ACIL Allen survey of grant recipients

During consultation, stakeholders also commented on the value of the programs in building trust and legitimacy in public interest journalism. An example is provided in Box 5.2.

Box 5.2 Case example: Trust in public interest news

One media organisation that received both a Cadetship, Innovation Fund and PING grant spoke of the importance of balancing the use of traditional print and online media and the need for a smooth transition to digital media.

We would be uncompetitive if we stayed print only - we need to provide customers with a choice on how to engage with what our content produce.

The business found that much of the trust, legitimacy and satisfaction of their readers is built through their engagement with print media.

However, their print media readership has declined (from 17,500 to 7,500 papers), and there is a need to reach a broader and younger audience (through digital platforms), reduce organisational costs, increase profit margins and broadly remain competitive in an increasingly digital market. For example, the business stated that its profit margins were 11 per cent for print-only services, and 94 per cent for digital-only. This could be combined in bundle packages at a profit margin of 43 per cent.

Our main source of income is currently from print – so we need to balance coming off this source and on to digital.

The business was looking to transition to digital media slowly, to ensure that its reputation was maintained and its business would remain sustainable.

In transitioning to digital, the organisation employed a digital strategist, purchased video cameras and podcasting equipment that allowed them to create different types of content and developed their social media platform. The funding provided them with the capacity to open two new mastheads.

There is additionality; there is more ability to take the extra growth step once you have some investment. Without grants, a lot of publishers would have given up during COVID, including us.

Source: ACIL Allen

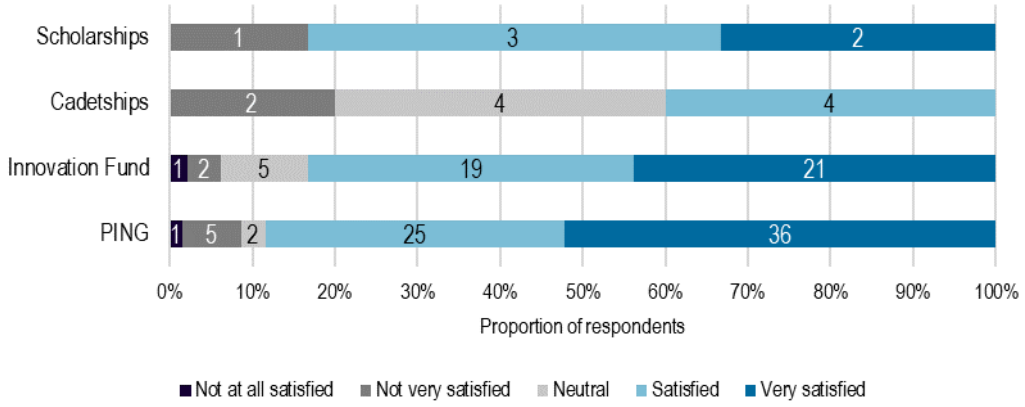
Key Finding 11 Evidence of public value outcomes

The programs supported most Cadetships, Innovation Fund and PING recipients to build trust in public interest journalism in regional communities and legitimacy in the information provided.

5.6 Recipient's satisfaction with the programs and perspectives on opportunities for improvement

Overall, most grantees of the PING program were satisfied with the program, the survey results showed 88 per cent of respondents stated that they were satisfied or very satisfied, and 9 per cent was not satisfied. The Innovation Fund program and the Scholarships program also had positive results, with 83 per cent of the program respondents felt satisfied. 13 per cent of Innovation Fund grantees and 17 per cent of Scholarships recipients were not satisfied. Only 40 per cent of the Cadetships program's respondents felt satisfied and 20 per cent was not satisfied (see Figure 5.24). Respondents were not asked to expand on the reasons for their satisfaction, but were asked to identify opportunities for improvement (discussed below).

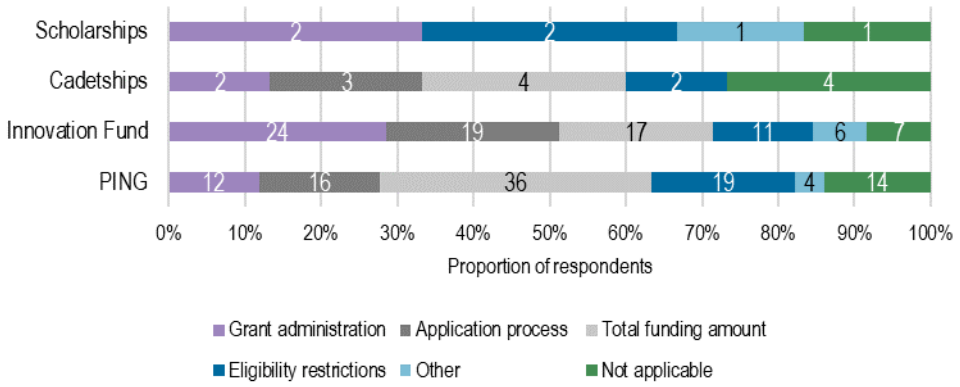
Figure 5.24 Survey results on satisfaction with the programs



Number of Scholarships survey responses: 6. Number of Cadetships survey responses: 10. Number of PING survey responses: 67.
Source: ACIL Allen survey of grant recipients

Survey respondents and stakeholders consulted for the evaluation were asked to identify opportunities for improvement across the programs that help to amplify the outcomes and impacts of future programs. Figure 5.25 identifies respondents' perspectives on improvements to the programs. This shows that the primary area of improvement for the Scholarships program was grant administration and eligibility restrictions, and for Cadetships and PING was around total funding. Innovation Fund's survey results identify the three areas of grant administration, application process, and total funding.

Figure 5.25 Survey respondent's perspectives on improvements to the programs



Number of Scholarships survey responses: 6. Number of Cadetships survey responses: 12. Number of PING survey responses: 77.
Source: ACIL Allen survey of grant recipients

Survey respondents provided qualitative detail on improvements that could be made to the programs. These have been analysed for key themes. Where respondents identified multiple themes in their response, the themes have been accounted for individually (i.e. one respondent may identify one or more themes).

The key themes identified across the Scholarships program were the need to streamline the grant administration and reporting requirements to reduce the burden on the grantee and increase flexibility in the eligibility criteria (e.g. allowing students enrolled in double degrees to participate).

The key areas of improvement for the Cadetships program were in the total funding amount and application process. Like the Scholarships program, Cadetships recipients identified opportunities to streamline the application process and provide more support for first-time applicants.

The key themes identified across the Innovation Fund were the complexities of the application process, the burden incurred by the application and reporting processes and poor flexibility of the funding to accommodate recipients' changing circumstances. While matters of program administration are outside the scope of the evaluation, the design of the grant application and reporting processes and the delivery of the grant have partially hindered our ability to report on outcomes. This is because the types of information collected from recipients changed with each round and provisions were not made for the reporting data to be used for evaluation purposes. As such, only a small number of recipients that consented to sharing their reports were included in the evaluation.

There are opportunities to streamline the Innovation Fund funding processes and provide better clarity on key program design elements to support recipients in delivering outcomes and for the program to deliver public value.

PING recipients most commonly identified that the design of the funding allocation (based on organisation size/revenue) disadvantaged some regional businesses and their business models. While PING's administration and reporting were viewed positively by recipients (relative to other grants), stakeholders identified opportunities to further streamline these processes for future programs.

Key Finding 12 Recipient's satisfaction and perspectives on opportunities for improvement

Recipients were broadly satisfied with their experiences with the programs. Key opportunities for improvement include streamlining application and reporting, increasing funding flexibility, supporting applicants, and ensuring program design is fit-for-purpose.

Key findings and opportunities for improvement

6

This chapter identifies the key findings and opportunities for improvement arising from the evaluation.

6.1 Key findings

This evaluation has found that the programs were, in large part, reasonably well-designed and delivered. The underpinning logic to support an industry that provides public goods that regional communities value, through innovation, employment, training and crisis funding, is sound. The individual programs aim to encourage industry self-sufficiency by encouraging digital transformation and changes to existing business models that deliver sustainability over time. Support for the industry's future workforce (through on-the-job and formal training funding) provides the critical resources so that media organisations can generate the content needed to assist this transformation. This evaluation finding is supported by stakeholder feedback from many participants who were satisfied with the programs and valued their funding.

Moreover, there is evidence that recipients delivered outcomes aligned with the program's intent. Sixty-six scholars across 16 universities were awarded funding under the Scholarships program. The funding supported students to overcome key financial barriers, undertake journalism-related courses, and complete their studies. It is unlikely these barriers would have been addressed for this cohort of students without the program. Some scholars gained industry-relevant skills, knowledge and relationships with industry stakeholders through internships (although this was not a requirement of the program).

The Cadetships program provided opportunities for 41 cadets to explore journalism in practice, and gain practical skills and regional experience. This positioned Cadetships recipients to develop (and in some cases, employ) a small part of Australia's future journalism workforce. Recipients overcame labour and skills shortages (even in a small way) that may not otherwise have been addressed and were able to produce and distribute more tailored and accessible content to local communities.

The Innovation Fund supported 125 recipients to operate more efficiently, adapt and accelerate their digitisation efforts, create new revenue streams, and reach a broader and more diverse audience. The funding addressed key technology access gaps and challenges with digitisation that may not otherwise have been addressed. Recipients acquired skills, knowledge and the confidence to grow their businesses. They became more sustainable, generated more revenue and content, and increased distribution and readership in regional communities.

PING supported 107 organisations with operational costs, digitisation and revenue creation. This enabled them to address challenges with declining advertising revenue and the COVID-19 pandemic that may not otherwise have been addressed. The funding enabled recipients to digitise,

and maintain or increase their employment, content, readership and distribution. PING supported businesses to remain solvent and sustainable.

6.2 Opportunities to amplify future impacts

While the programs have delivered benefits to those involved, there are opportunities to learn from the design and delivery of the RASPJI package and PING program, to improve the design and delivery of future interventions and strengthen the outcomes achieved and the public value delivered. These opportunities are discussed below according to the good practice design features presented in chapter 3.

6.2.1 Enhancing program coordination to amplify impact

Coordination is central to good practice policy design (design element six). The Scholarships and Cadetships programs both focused on building the journalism workforce pipeline, albeit at a limited scale. The Department missed an opportunity to connect these programs. There are opportunities to build the pathway for journalism scholars to transition into cadetship positions at media organisations, and for scholars and cadets to better understand the industry by connecting with each other (e.g. student forums or alumni groups) and with industry stakeholders (e.g. internships, networking events, mentoring). If the Government intends to scale its support for workforce training, skills and development in the future, such coordination will be critical to achieving the intended impact.

There is also an opportunity to leverage instances where recipients are (competitively) awarded multiple rounds of funding. The intangible benefits provided by a round of funding (e.g. business confidence and momentum) can be leveraged to deliver greater impact.

ACIL Allen believes that future programs should be designed and delivered as a continuum. We believe that participants should progress through a coordinated set of government supports up to a point where businesses (that are on a pathway to sustainability) graduate from the programs. The intent of the programs should be to help organisations find a pathway to financial sustainability. This means that the programs need to provide strategic and integrated support to address a number of sustainability barriers facing organisations. They should not be delivered in isolation as this isolation deprives participants of the opportunity to leverage grant funding received in one program or one round from other programs or rounds.

Individual and overall program logics are central to program design and should be developed to determine the relationships between programs and future spending before the programs are launched.

Recommendation 1

Better coordinate and sequence the programs to amplify the impacts and public value delivered by the funding. Individual and overall program logics that clearly map the connections between programs should be developed before they are launched.

6.2.2 Defining and engaging with the target group (intended beneficiaries)

The first element of good practice design is to define the program's target group and use this to inform key elements of the program's design. The programs were designed to support small and regional media organisations to adapt to challenges facing the contemporary media environment and build the journalism workforce pipeline through journalism students and cadets.

However, there were several instances where the program's design did not align with the target group's needs, and lack of clarity around key definitions created uncertainty in delivery and impeded program take-up.

There is an opportunity to leverage insights from key industry stakeholders on the gaps and opportunities for the industry. These insights should be incorporated into the key design elements of future programs delivered in this area, such as:

- definitions of key terms (e.g. regional, innovation, sustainability, public interest news, see section 3.2.2) to provide greater clarity and certainty for all stakeholders and focus the program delivery and outcomes
- design of program outcomes, including the use of program logics to guide the focus, delivery and ultimately outcomes (see section 6.2.6)
- promotion of the programs to ensure broader reach and stronger uptake so that the allocated funding can be disbursed (see section 4.1.3)
- coordination of the programs where multiple programs or funding streams are delivered, particularly where these are administered across different delivery bodies (see section 6.2.1).

More work is needed on the key definitions underpinning future programs, although this is not an easy issue to resolve. This is because defining a region in Australia is not clear-cut, and multiple definitions could be used.[57] To collect statistical information without overlap or duplication, the ABS has statistical definitions of regions that comprise aggregates of 'mesh blocks' or functional areas, which build on each other over four Statistical Area Levels (SA1 to SA4), States and Territories and the nation. Australia is comprised of 358,122 mesh blocks, the smallest units, and 107 SA4 regions (the largest units at a sub-state level). Future work is needed at the mesh block level to ensure the right regions are selected for programs covering print, radio and television.

Future work is also needed to arrive at a definition of innovation that supports the needs of potential participants, drives program outcomes and is aligned with the market failure arguments for government intervention discussed in this evaluation. In particular, future programs could seek to align the definition with accepted existing definitions as outlined in the *Income Tax Assessment Act 1997* (section 355.5 (objects 1 and 2)). An adaption of these definitions in the following ways could be considered:

> *… encourage the conduct of innovation activities that might otherwise not be conducted because of an uncertain return from the activities, in cases where the knowledge gained is likely to deliver benefit to the organisation…*
>
> *… conduct experimental or novel activities to generate new information in either a general or applied form (including new knowledge in the form of new or improved products, devices, processes or services).*

Furthermore, there is an opportunity to define the public interest journalism that government will support to better reflect the public value delivered by the industry. The government could adopt a definition similar to the one promoted by PIJI. This definition encapsulates how public interest journalism fosters community and civic life to support community health and well-being.[58] This would enable future programs to fund media organisations that produce journalism related to a

[57] For example, in addition to the media licence regions used for the program, there are: six states and two territories in Australia (these regions are not particularly relevant for future programs); 168 Commonwealth Electoral Divisions; 448 State Electoral Divisions; 563 Local Government Areas (LGAs); and 60 Regional Development Australia (RDA) regions that were built from 2014 local government areas and do not align with any existing regional classifications (See https://data.gov.au/data/dataset/regional-development-australia-rda-2014-15).

[58] Public Interest Journalism Initiative (2020). Op. cit.

broader range of community needs, which capture hyper-local issues of significance to regional and very remote communities, thus extending their reach and impact.

Recommendation 2

Ensure similar programs clearly identify and target areas of need, define key terms appropriately and provide certainty for stakeholders.

6.2.3 Supporting funding applicants

Many RASPJI and PING recipients were first-time funding applicants, and many reported having a limited understanding of application processes and requirements. Recipients could have benefited from additional guidance and support to apply, noting that this should be subject to the availability of program manager's resources and the need to ensure the equitable treatment of applicants.

The type of guidance provided to applicants of the Commonwealth's Research and Development Tax Incentive could be used for future programs. This guidance provides potential applicants with clear sector-specific examples of application issues, provides participants with simple overviews of the program, offers checklists for self-assessment against eligibility criteria, and provides information about program integrity and compliance arrangements.[59]

In providing additional support, there is an opportunity to meet potential applicants' needs better. This is particularly important for those businesses that are most in need of the funding and have the least resources (skills, capacity, grant writing experience) to apply.

Recommendation 3

Enhance the level and type of guidance provided to applicants (particularly for first-time applicants).

6.2.4 Aligning funding matters with program intent and need

The program funding formulas, funding acquittal and payment arrangements were in some ways misaligned with the program's intent and the needs of its target groups.

Cadetships recipients received grant funding in arrears which limited involvement with and completion of the program by some small businesses with limited financial resources.

The requirement placed on Scholarships recipients to undertake detailed acquittals was tedious, burdensome and often not feasible or practical (particularly where students finished their studies or left the university and had no obligation to complete reporting). Furthermore, the funding ratios did not provide sufficient flexibility for students to use the funding as needed. This should be an important future consideration as each student's barriers are different, and funding flexibility provides the best way of dealing with that difference.

The PING funding formula provided funding proportional to organisation size (by revenue) rather than an assessed level of need. This pragmatic decision enabled the funding to be delivered in a timely manner, which was necessary during the COVID-19 pandemic and aligned with its role as an emergency response measure. However, PING missed an opportunity to target the funding towards those most in need and hence, to deliver the most public value. Should a program of

[59] Australian Government (2022). *Research and Development Tax Incentive*. Accessed 12 September 2022: https://business.gov.au/grants-and-programs/research-and-development-tax-incentive.

PING's nature be designed in the future, it will be important to understand the trade-offs between a revenue-based funding formula and one based on industry needs/potential impacts.

Considering the lessons above, there is an opportunity to align better the way future funding is designed, delivered and acquitted with the program intent. This will ensure the intended end users are best equipped to complete the grant and report on the funding, and that the program is accessible to those most in need of the funding.

Recommendation 4

To set the foundations for delivering public value, the design of the funding formulas, funding acquittal and payment arrangements should align:

- align with the intent of the program
- balance the burden of compliance with appropriate reporting obligations, and where possible, align reporting complexity with risk tolerance
- target support to areas or types of organisations most in need across the sector.

6.2.5 Promoting the program

The second element of good practice design is ensuring target group take-up. The Cadetships program was undersubscribed and missed the opportunity to reach and benefit a broader range of media organisations.

There is an opportunity to promote future programs better to increase uptake across the intended target audiences and ensure allocated funding is distributed. This includes working more closely with industry associations/representatives from all media sub-sectors, directly approaching intended applicants (such as universities) and using social and professional media.

Recommendation 5

Use targeted promotion (including through closer engagement with relevant industry bodies) to raise awareness of the program among the intended target audience and ensure program take-up.

6.2.6 Focusing on outcomes

Outcomes should be central to program design (design element five), and future programs should adopt an outcomes-focused logic framework. The focus on outcomes should guide the design of the grant guidelines, application and reporting templates, performance monitoring and evaluation of the programs (aligned with design element seven on accountability). This will ensure that future programs focus on achieving maximum impact rather than their activities and outputs. It also ensures that public funds are used to deliver maximum public value and are accountable.

Many stakeholders consulted considered the programs to be overly input rather than outcome focused. For example, they considered application and reporting processes overly burdensome for grant recipients and program managers, and too focused on the wrong things. They felt that there is an opportunity for future programs to focus on the outcomes achieved by the funding, and by doing so help/encourage participants to extract maximum value from the funding received.

In practice, future program design and delivery must strike the appropriate balance between responsible grant management and accountability for the proper use of funds with the flexibility recipients are seeking to use the funding as needed to achieve the intended outcomes. Such a

balance will ensure that the programs are responsive to emerging sector or recipient needs, and that the funding remains relevant and delivers the maximum possible value to the recipient.

Finally, a greater focus on outcomes needs to be supported by an evaluation framework and methodology. Longitudinal evaluation activities should be incorporated into any future program delivery and evaluation framework to ensure outcomes from funding can be measured. This could include evaluation activities at the beginning and end of a scholar's/cadet's tenure and for the following years. Using outcome-focused surveys at dedicated times could be a simple way of capturing information about the impacts of the programs.

Evaluation activities could also involve longitudinal analysis of the relative performance of grant holders against a control group of non-participating businesses using the ABS' Business Longitudinal Analysis Data Environment (BLADE) database and its Business Characteristics Survey.

Recommendation 6

The program design should be outcomes-focused to enable flexibility in the delivery of the funding (to achieve program outcomes) and ensure that reporting, monitoring and evaluation capture progress toward intended outcomes.

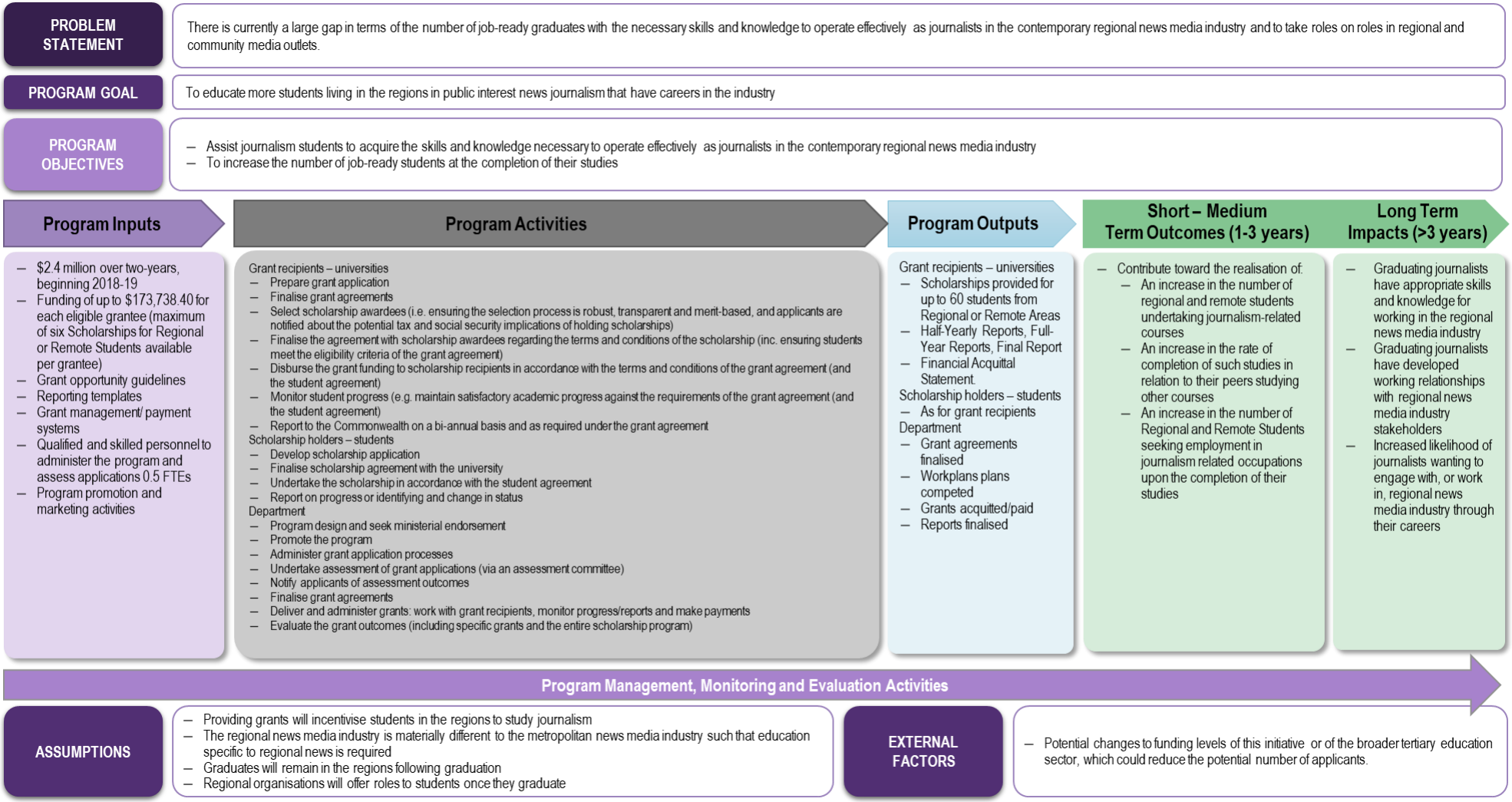
Program logics and additional program information

A

A.1 Program logics

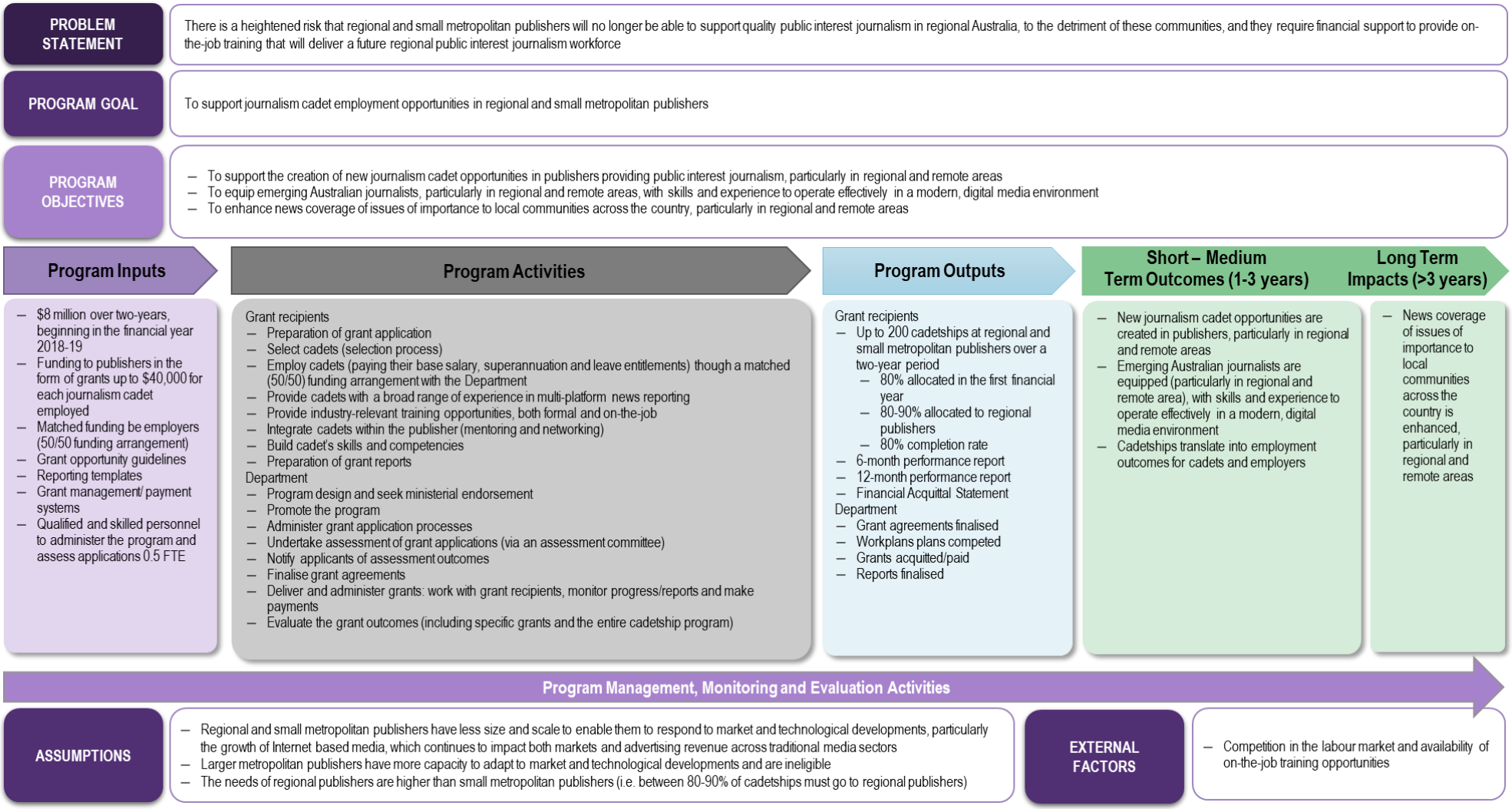
Figures A.1-A.4 provides the program logics for the four programs. These were developed by ACIL Allen using program guidelines and other material from the Department and the ACMA, to guide the evaluation.

Figure A.1 RASPJI Scholarships program logic



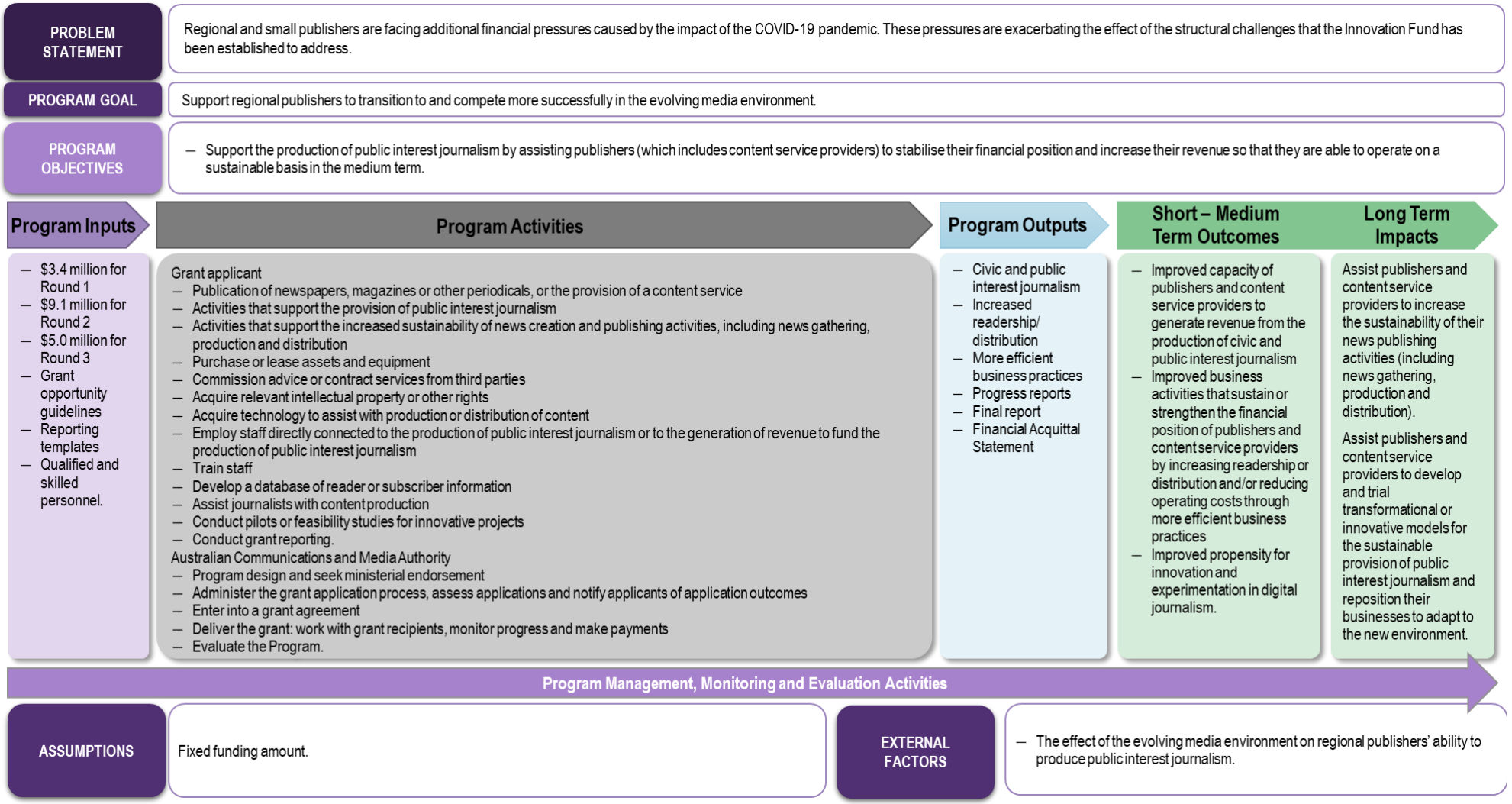
Source: ACIL Allen, various sources

Figure A.2 RASPJI Cadetships program logic



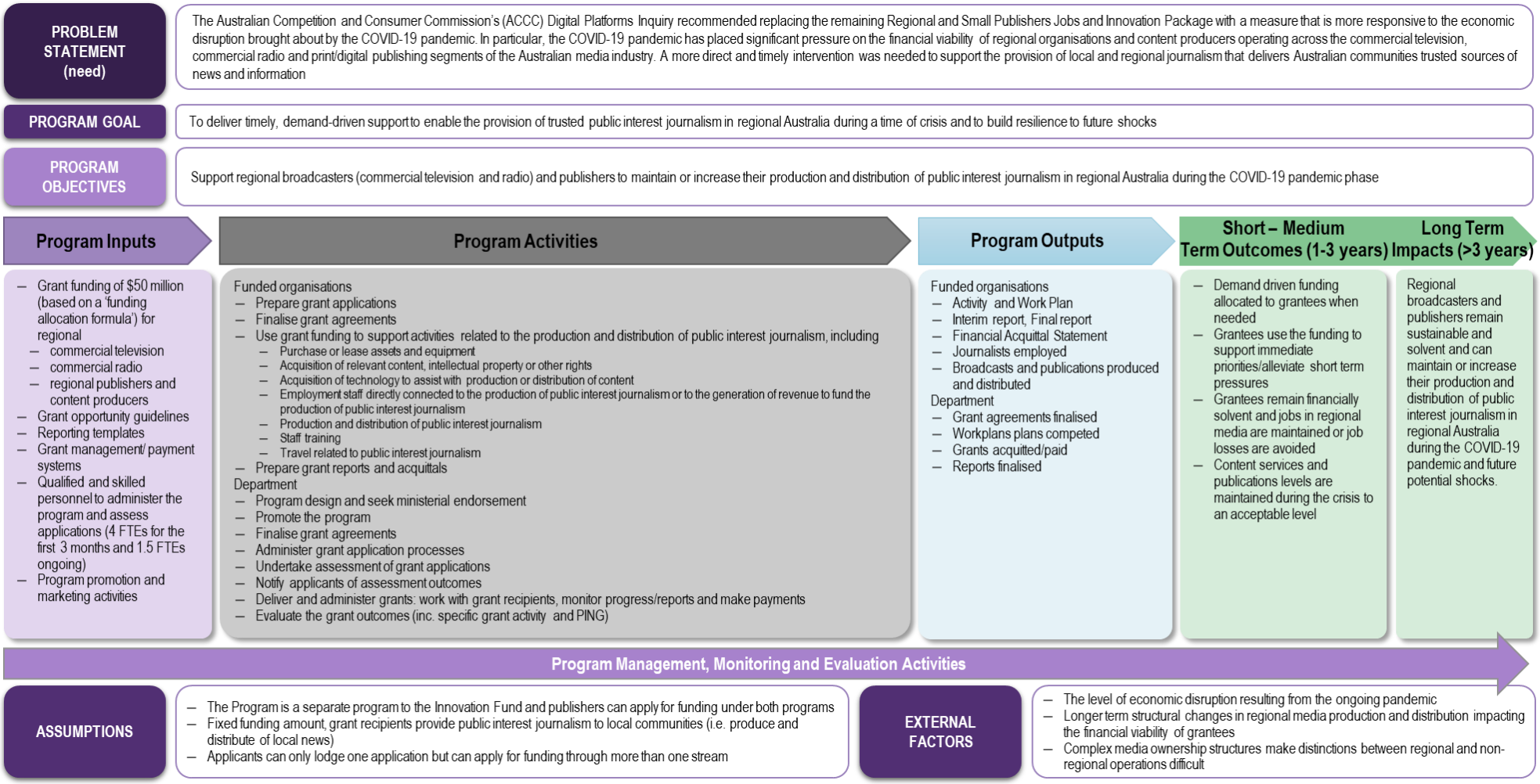
Source: ACIL Allen, various sources

Figure A.3 RASPJI Innovation Fund program logic



Source: ACIL Allen, various sources

Figure A.4 PING program logic



Source: ACIL Allen, various sources

A.2 Eligibility and assessment criteria

– Eligibility criteria

A summarised version of these criteria is outlined in the table below. Applications that satisfy all these criteria are eligible and will be moved on to be assessed on their merits.

Table A.1 Eligibility criteria

Scholarships	Cadetships	PING
Higher education provider – Applicant must be a higher education provider Offer an eligible course of study – Are classified as, or equivalent to, the Australian Standard Classification of Education field of study "Creative Arts—Communication and Media Studies—Journalism" – Are classified at the Australian Qualification Framework Level 5 (Diploma) to Level 9 (Master Degree) Level, and – Have a maximum course duration equivalent to four years full-time study. Scholar's eligibility requirement – Students that reside in, or have a significant connection to, a regional or remote area of Australia	General eligibility – Applicant must be either a Non Income-Tax Exempt company incorporated under the Corporations Act 2001, or a corporation incorporated under the Corporations (Aboriginal and Torres Strait Islander) Act 2006. – Not affiliated with a political party, union, financial institution, Non-Government Organisation or policy lobby group where that affiliation would influence, or might be seen to influence, the content produced by the applicant. – An applicant must have its central management and control in Australia. Regional and public interest publisher – Primary operations located in a regional area, and – News and journalistic output targeted to readers and audiences in one or more regional areas. – Organisations that meet the definition of 'regional publishers', but are part of a larger group whose operations include non-regional media services, will be considered regional publishers provided that their application relates to journalism cadets who would be employed to perform duties solely for their regional operations. – The applicant must be a publisher whose primary purpose is the production of public interest journalism with an Australian perspective. If not, applicant otherwise produces public interest journalism with an Australian perspective, and journalism cadet will be engaged on projects directly related to the production of public interest journalism with an Australian perspective. Turnover thresholds – Applicant must have an annual average turnover of more than $150,000, but less than $30 million, for the three years prior to the lodgement of the application, combined with any related bodies corporate.	General eligibility – Have an Australian Business Number (ABN), be registered for the purposes of GST, not be a foreign controlled Australian entity and not currently be insolvent. Affiliation and conflict of interest – Not be formally affiliated with a political party, union, financial institution, Non-Government Organisation, or policy lobby group where that affiliation would influence, or might be seen to influence, the content produced by the applicant. Regionality – Be a Regional Television Broadcaster or Regional Radio Broadcaster, or Regional Publisher. – Demonstrate provision of public interest journalism to local communities, including the production and distribution of local news

Source: ACIL Allen's summary of Department's program documents, 2022

A.2.1 Assessment criteria

An Assessment Committee assessed all eligible applications based on their merits using the assessment criteria outlined in the table below.

Table A.2 Assessment criteria

Scholarships (equal weightings)	Cadetships (equal weightings)	PING
Training future journalists	Training future journalists	Demand driven
How proposed eligible course(s) of study will equip recipients to work in a modern publishing environment	The extent to which cadets will be provided with a broad range of experiences in multi-platform news reporting	Nominal grant allocation for each successful recipient

Scholarships (equal weightings)	Cadetships (equal weightings)	PING
The opportunities offered for scholars to gain practical work experience with publishers The demonstrated academic outcomes, student employment outcomes and other relevant performance measures for the journalism or media school in which scholars will undertake their study.	The extent to which cadets will be provided with industry-relevant training opportunities The extent to which cadets will be integrated within the publisher, including through mentoring and networking The extent to which cadets will have the skills and competencies necessary to operate effectively in a modern media newsroom.	is equal to applicant's certified financial revenue divided by total applicant certified financial revenue times stream funding
Delivering the grant activity	Delivering the grant activity	
Process for selecting recipients, how to select students that reside in, or have a significant connection to, a regional or remote area How the scholarship funding is to be paid The systems that will be used to monitor the progress of students The financial systems that will be used to disburse grant funding to recipients and ensure that funding is appropriately used and acquitted Details on whether scholarship funding will be applied directly towards tuition costs / HECS debt, or whether it will be provided as a cash advance to recipients Capacity to identify and manage the risks associated with the delivery of the grant activity	Demonstrated capacity to comply with relevant workplace and employment laws Demonstrated capacity to identify and manage the risks associated with the delivery of the grant activity Process for selecting cadets.	
Demonstrated experience delivering scholarships	Demonstrated experience delivering cadetships	
Demonstrated experience in administering, or ability to administer, a scholarships program in an efficient and outcomes-focussed manner.	Demonstrated experience in managing a cadetships program in an efficient, effective, and outcomes-focused manner.	

Source: ACIL Allen's summary of Department's program documents, 2022

Stakeholders consulted

B

Table B.1 lists the stakeholders consulted for the evaluation. A total of 26 stakeholders were consulted in 22 interviews.

Four stakeholders from each program were selected for consultation. Some of the stakeholders had received funding under more than one program, and could comment on their broader experiences across the programs. This breadth of stakeholders has been captured in Table B.1.

Notes were recorded during interviews to enable qualitative thematic analysis. Interviewees were provided with a discussion guide.

Table B.1 Stakeholders consulted

Stakeholder group	Number of stakeholders
Program delivery teams – The Department – ACMA	5
RASPJI Innovation Fund	9
RASPJI Cadetships	8
RASPJI Scholarships	4
PING	7
Sector stakeholders – LINA (Local & Independent News Association) – Commercial Radio – Plains Producer – PIJI (Public Interest Journalism Initiative)	5

Source: ACIL Allen

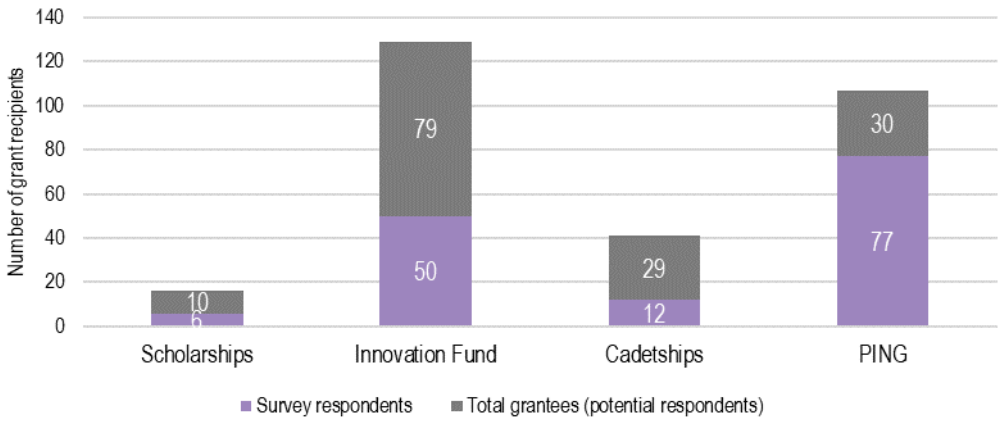
Additional survey information

C

C.1 Survey respondents demographics

The figure below presents an overview of the number of survey responses received relative to total potential respondents.

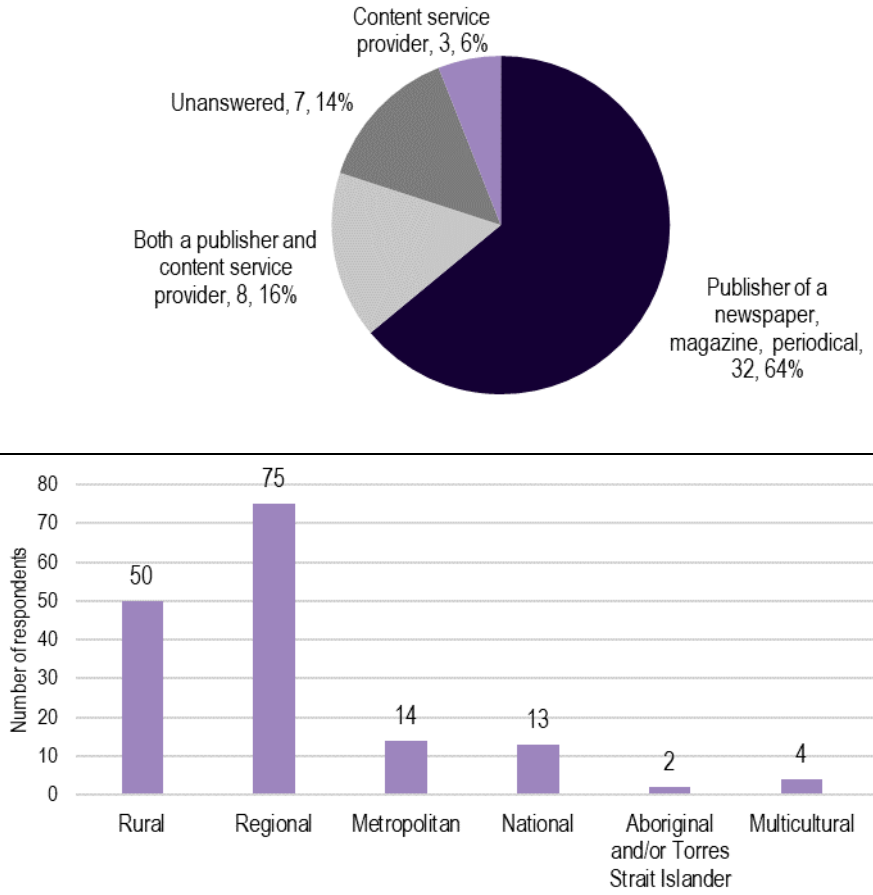
Figure C.1 Number of survey responses received and total potential respondents



Source: ACIL Allen survey of grant recipients

Survey results are provided below on the demographics of survey respondents.

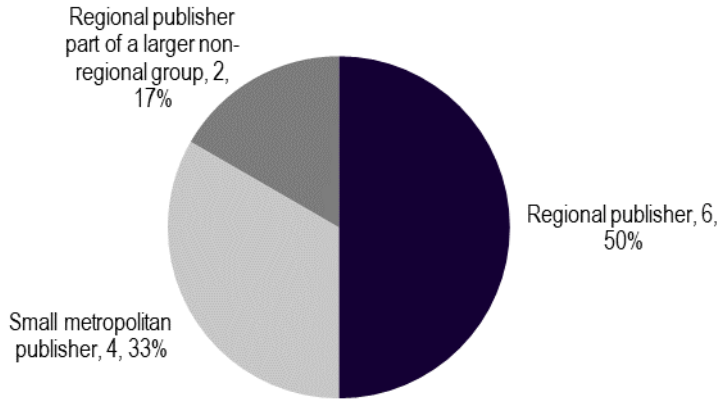
Figure C.2 Demographics of all survey respondents



Total number of survey respondents n=118.
Source: ACIL Allen survey of grant recipients

Survey results are provided below on the regionality of Cadetships recipients.

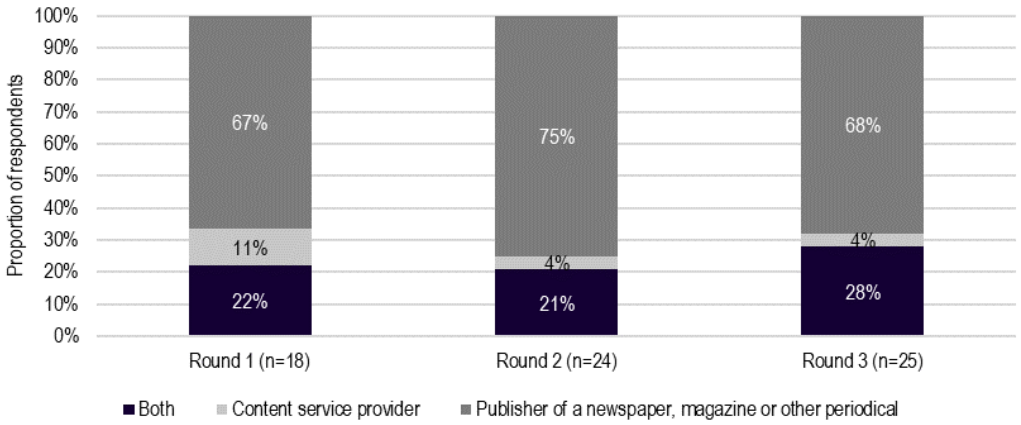
Figure C.3 Regionality of Cadetships survey respondents



Cadetships survey respondents n=12.
Source: ACIL Allen survey of grant recipients

Survey results are provided below on the type of organisation operated by Innovation Fund respondents.

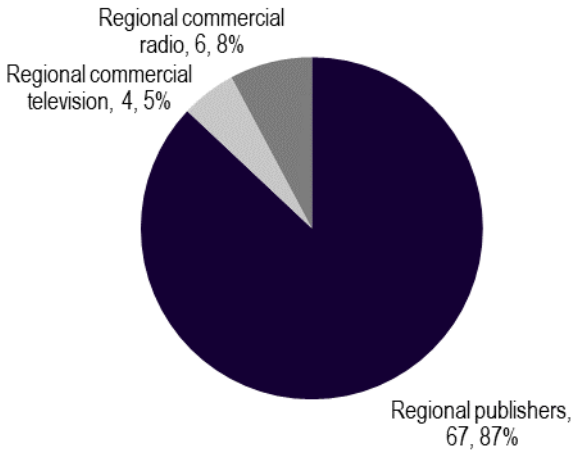
Figure C.4 Innovation Fund survey respondents' organisation type



Cadetships survey respondents n=12.
Source: ACIL Allen survey of grant recipients

Survey results are provided below on the distribution of respondents by PING funding stream.

Figure C.5 PING stream applied of survey respondents

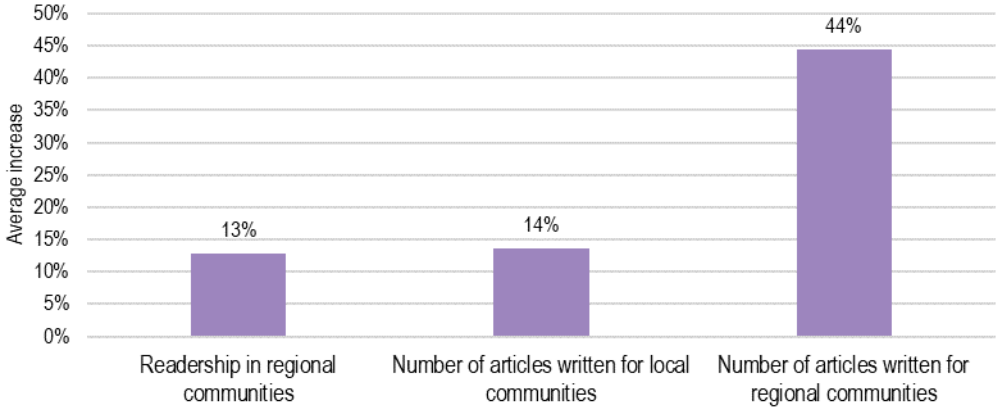


PING survey respondents n=77.
Source: ACIL Allen survey of grant recipients

C.2 Support for small metropolitan and regional publishers

Survey results are provided below on Cadetships recipients' perspectives on the average increase in regional journalism of recipients attributed to the program.

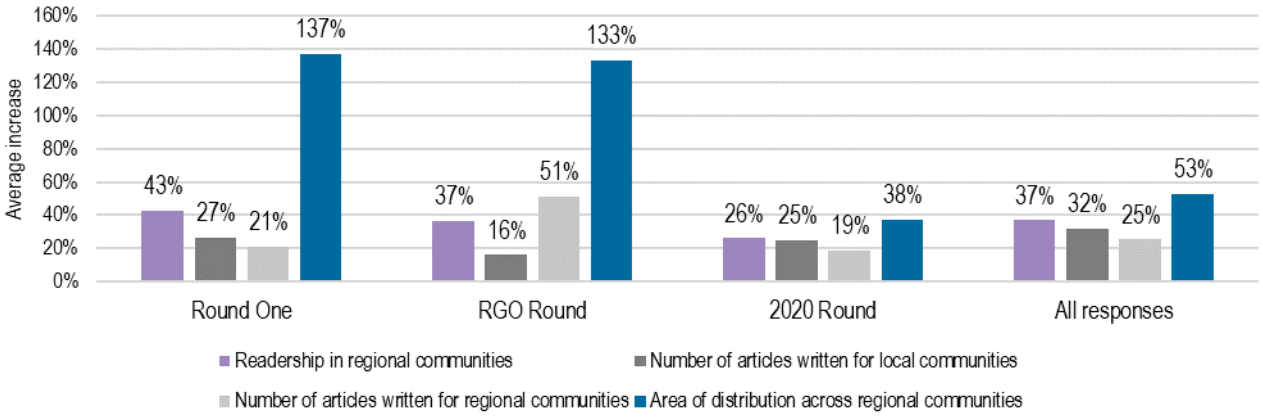
Figure C.6 Cadetships recipients' perspectives on the increase in regional journalism attributed to the program



Cadetships survey responses n=5-6.
Source: ACIL Allen survey of grant recipients

Survey results are provided below on the average increase in regional journalism of Innovation Fund grantees attributed to the program, separated by round and on average across all responses.

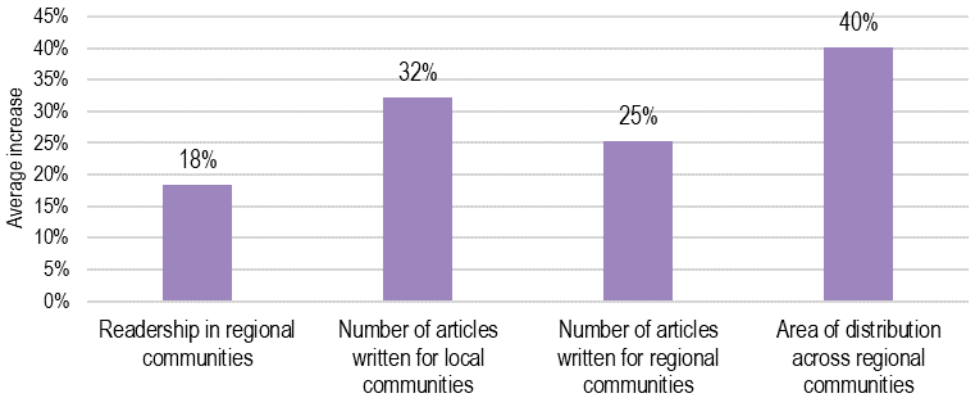
Figure C.7 Survey results on average increase in regional journalism of Innovation Fund grantees attributed to the program



Round 1 survey respondents n=4. Round 2 survey respondents n=10. Round 1 survey respondents n=13.
Source: ACIL Allen survey of grant recipients

Survey results are provided below on PING recipients' perspectives on the average increase in regional journalism of recipients attributed to the program.

Figure C.8 PING recipients' perspectives on their average increase in regional journalism attributed to the program



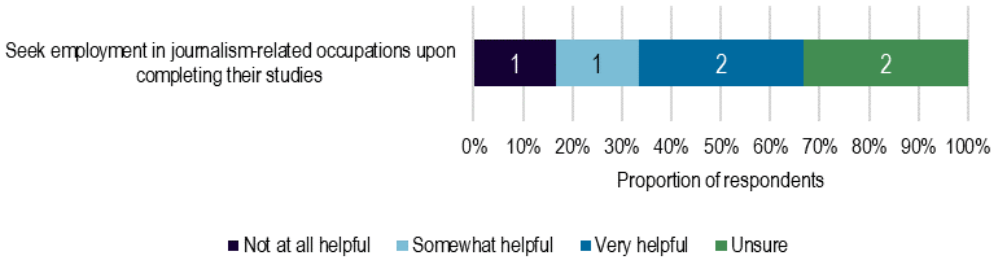
PING survey responses n=67-69.

Source: ACIL Allen survey of grant recipients

C.3 Scholarships recipients' outcomes

Survey results are provided below on Scholarships recipient's perspectives on careers in the regional news media industry.

Figure C.9 Scholarships recipients' perspectives on the impact of the program on employment



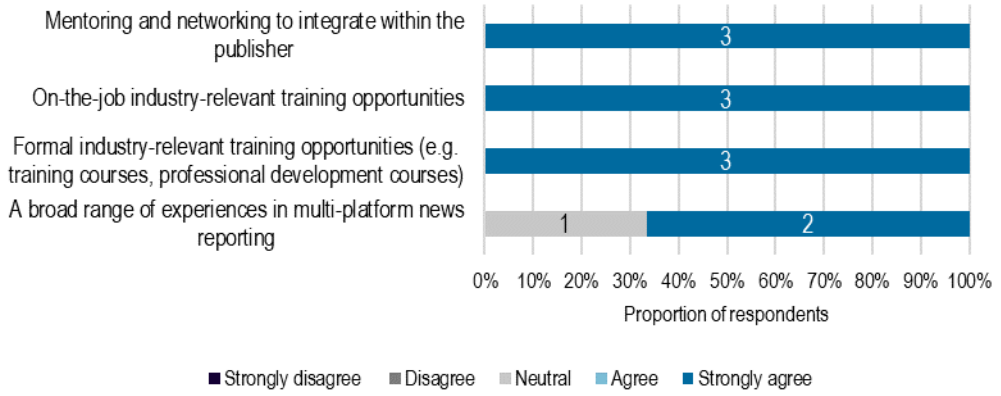
Scholarships survey responses n=6.

Source: ACIL Allen survey of grant recipients

C.4 Cadetships recipients' outcomes

Survey results are provided below on Cadetships recipient's perspectives on supporting early career journalists.

Figure C.10 Cadetships recipients' perspectives on the training cadets received



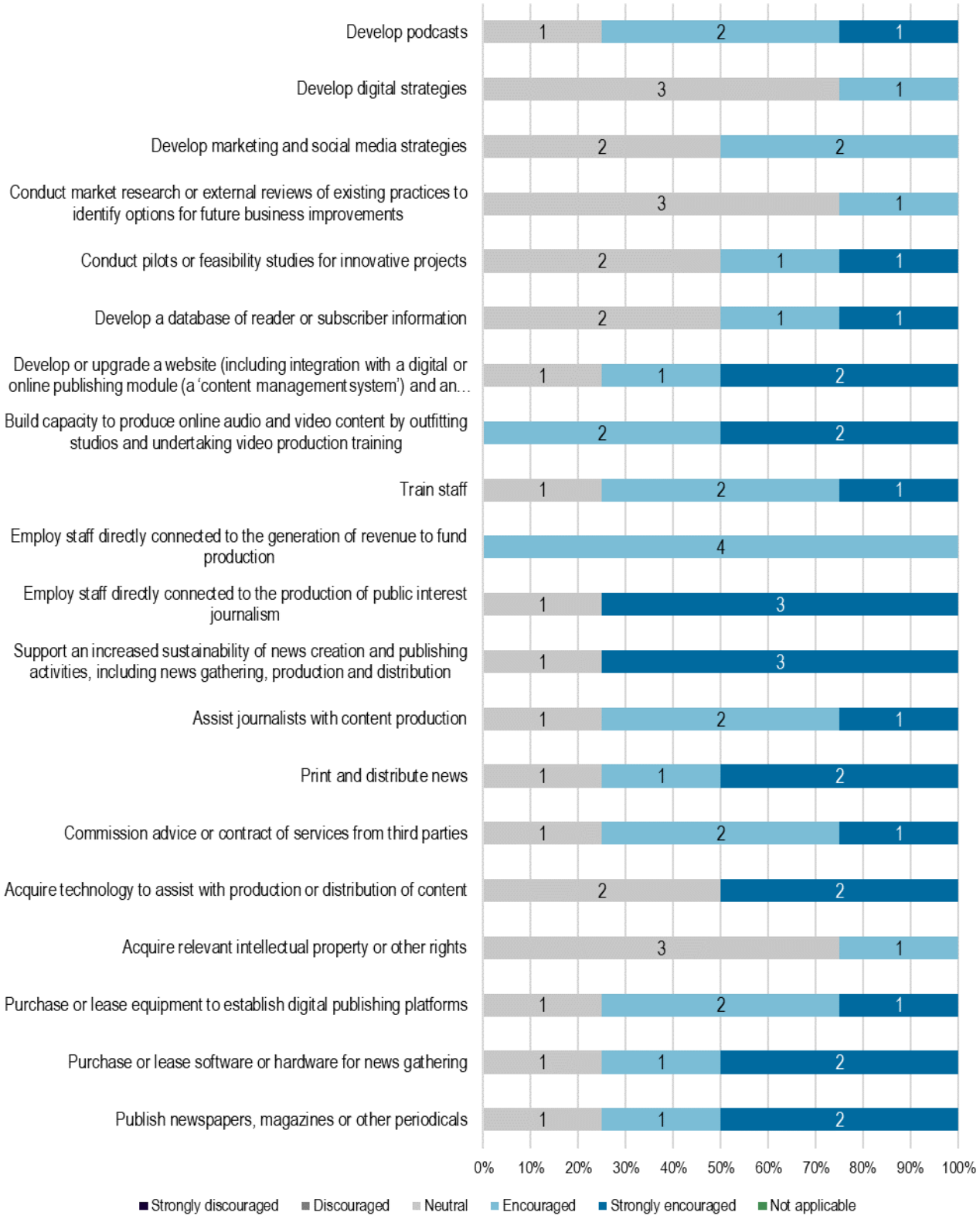
Cadets survey responses n=3.

Source: ACIL Allen survey of cadets

C.5 Innovation Fund

Survey results are provided below on Innovation Fund incentives to grantees, separated by round.

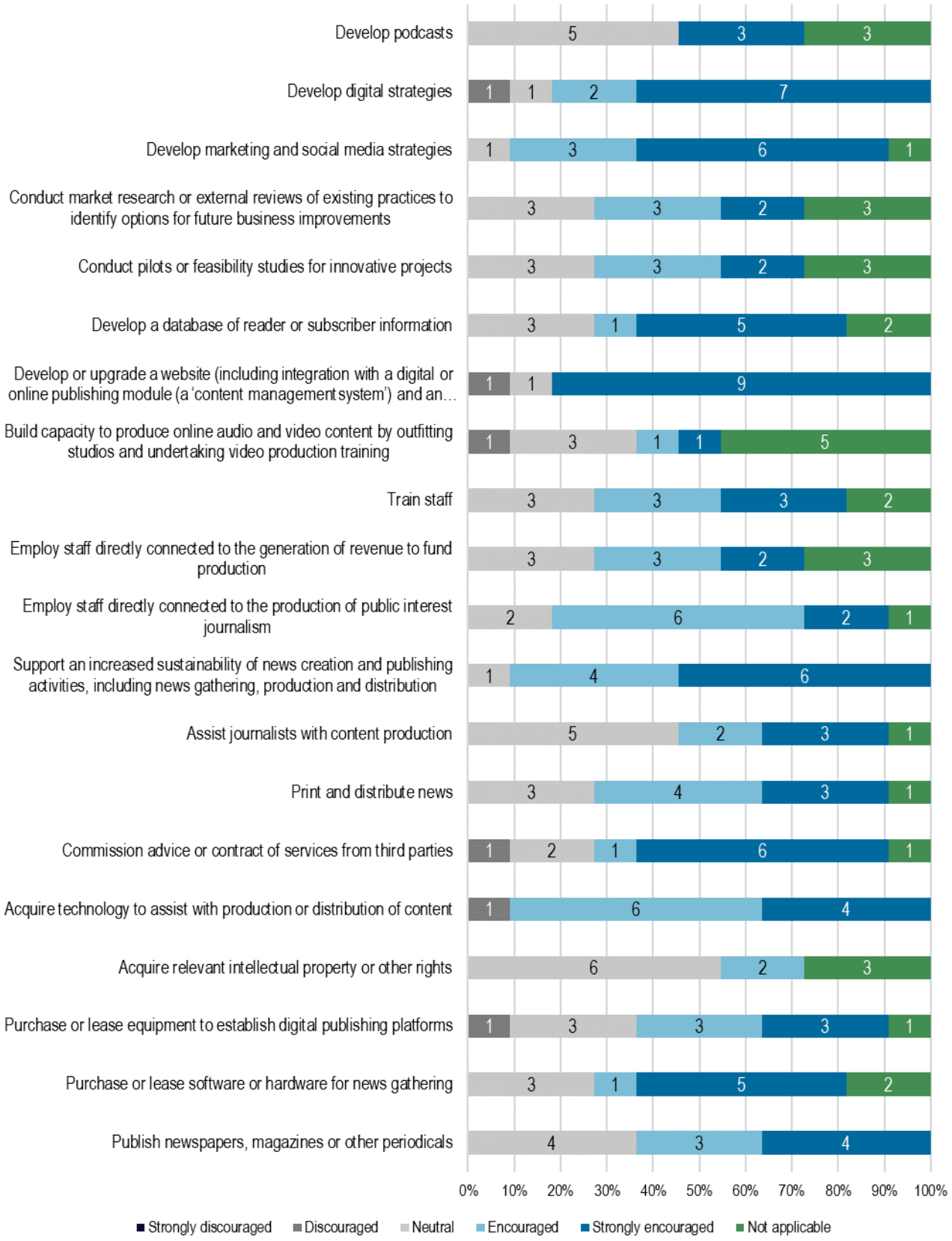
Figure C.11 Survey results on Innovation Fund Round 1's incentives to grantees



Round 1 survey respondents n=4.

Source: ACIL Allen survey of grant recipients

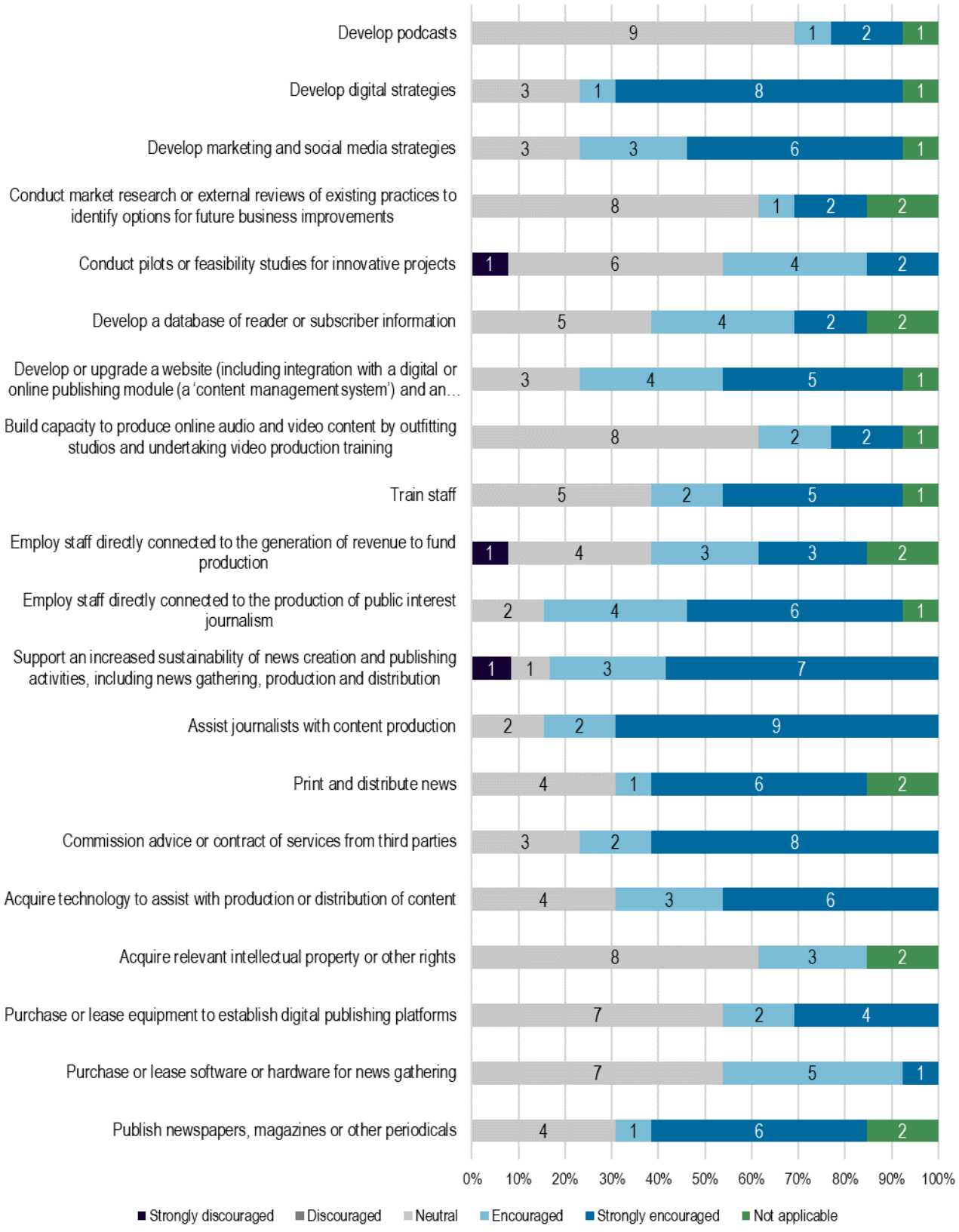
Figure C.12 Survey results on Innovation Fund Round 2 incentives to grantees



Round 2 survey respondents n=11.

Source: ACIL Allen survey of grant recipients

Figure C.13 Survey results on Innovation Fund Round 3's incentives to grantees

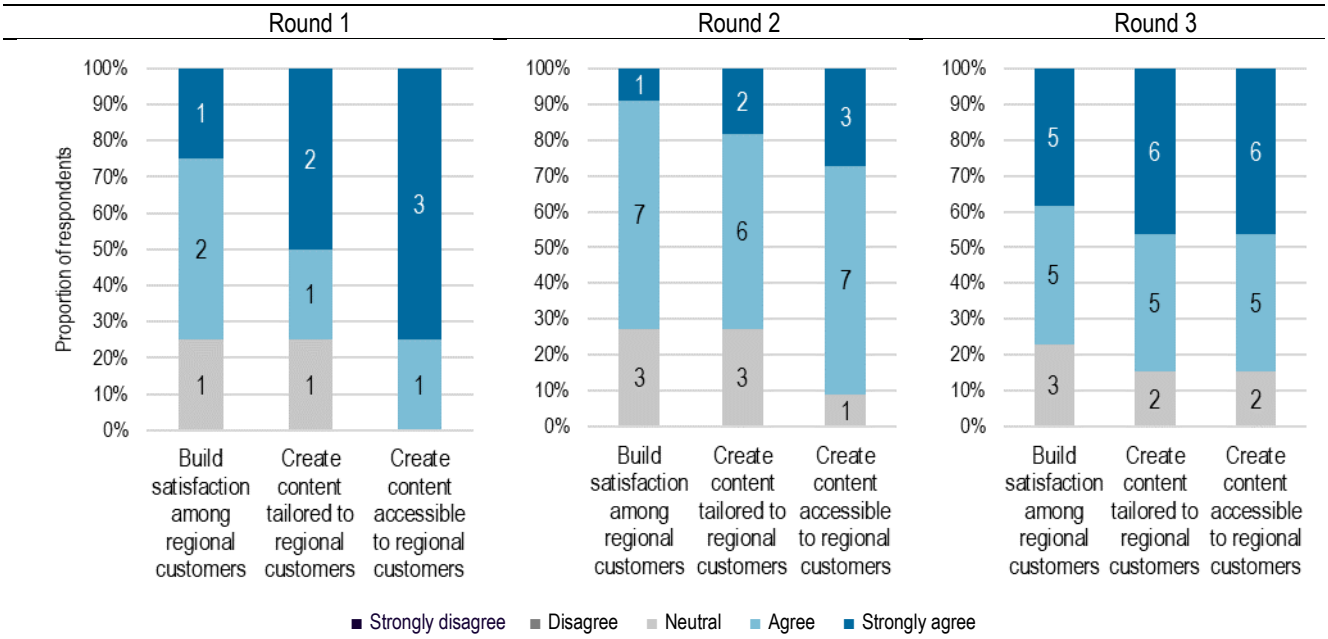


Round 3 survey respondents n=13.

Source: ACIL Allen survey of grant recipients

Survey results are provided below on the Innovation Fund's support for grantees to improve regional journalism, separated by round.

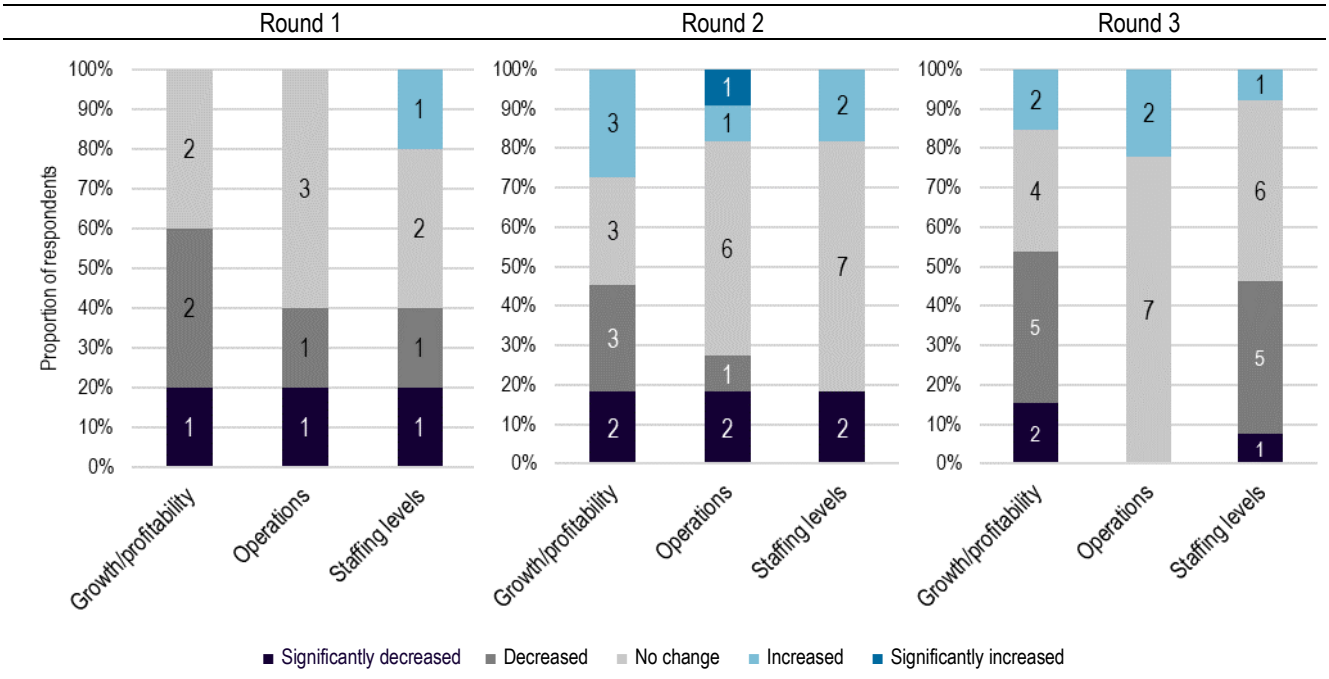
Figure C.14 Survey results on Innovation Fund's support for grantees to improve regional journalism, by round



Round 1 survey respondents n=5. Round 2 survey respondents n=11. Round 1 survey respondents n=13.
Source: ACIL Allen survey of grant recipients

Survey results are provided below on operational change to recipient's businesses in the absence of the Innovation Fund, separated by round.

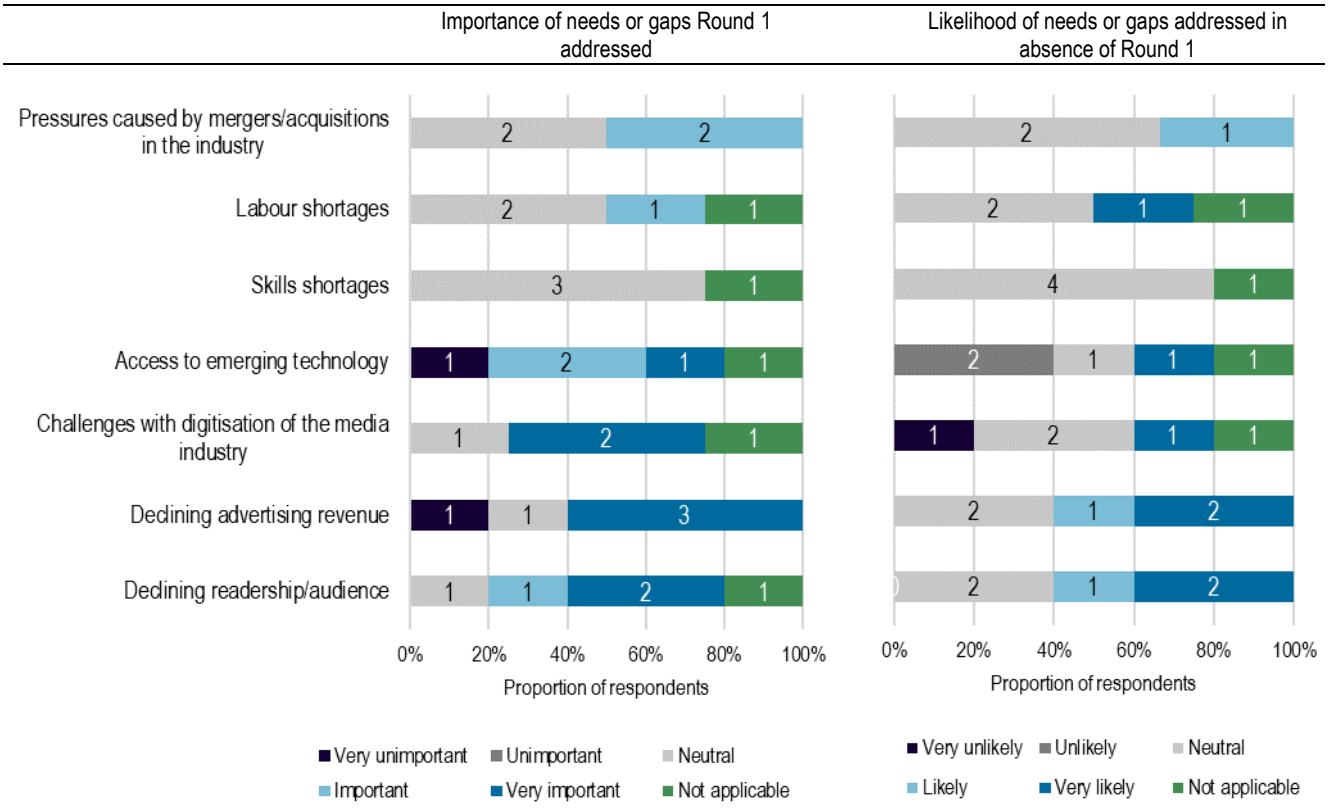
Figure C.15 Survey results on operational change in absence of Innovation Fund, by round



Round 1 survey respondents n=5. Round 2 survey respondents n=11. Round 1 survey respondents n=13.
Source: ACIL Allen survey of grant recipients

Survey results are provided below on the needs or gaps the Innovation Fund addressed, and the likelihood of those needs or gaps being addressed in absence of the program, separated by round.

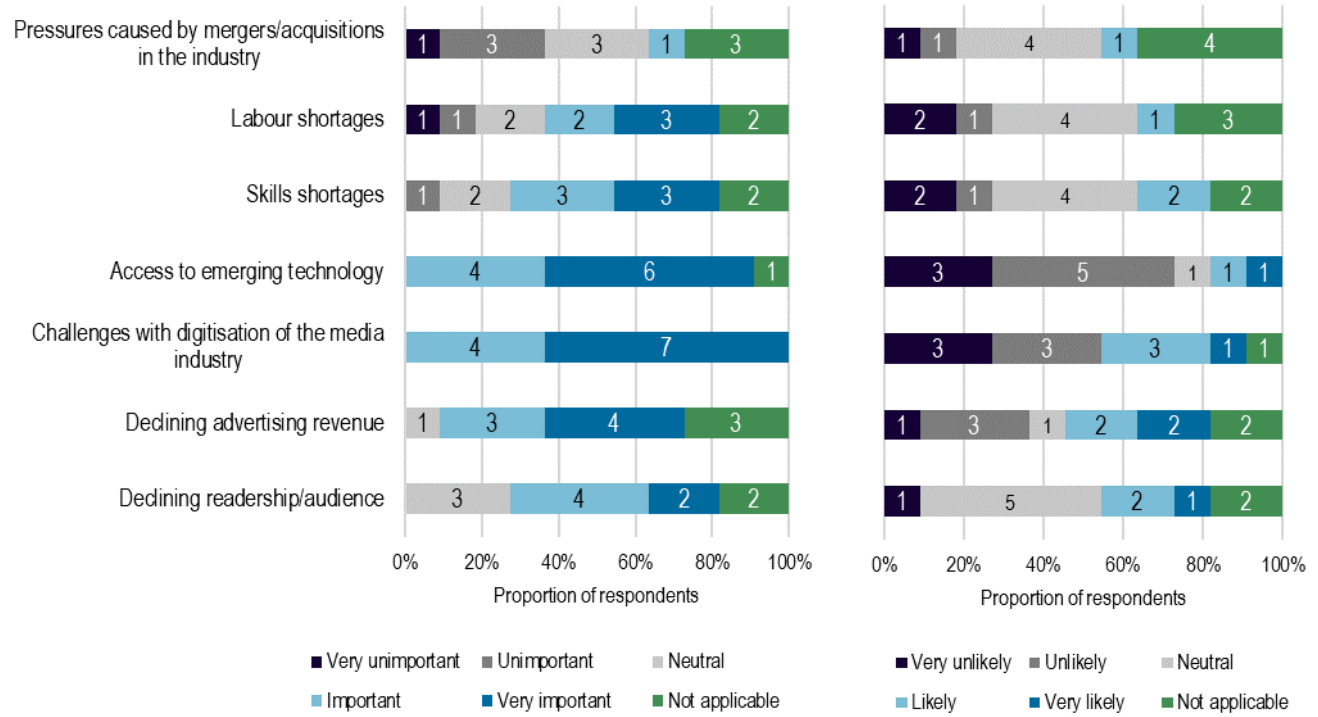
Figure C.16 Survey results on needs or gaps addressed by the Innovation Fund Round 1



Round 1 survey respondents n=5.

Source: ACIL Allen survey of grant recipients

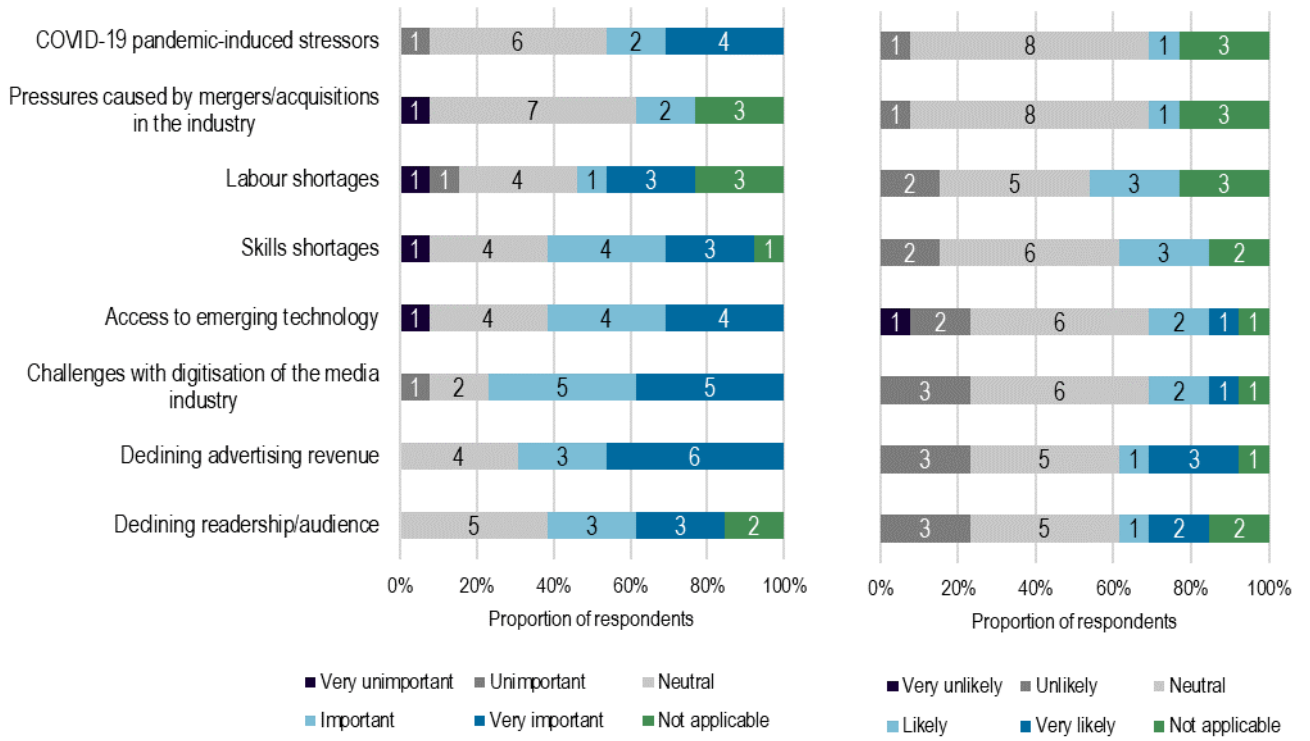
Figure C.17 Survey results on needs or gaps addressed by the Innovation Fund Round 2



Round 2 survey respondents n=11.

Source: ACIL Allen survey of grant recipients

Figure C.18 Survey results on needs or gaps addressed by the Innovation Fund Round 3



Round 3 survey respondents n=13.

Source: ACIL Allen survey of grant recipients

Other supporting information

D

D.1 Evaluation Framework

The following concepts underpin the framework used for this evaluation.

D.1.1 Market failures

Market failures are a commonly provided rationale for why government intervention is needed in the media sector. They occur where there are particular conditions such as inequality of information, (natural or unnatural) market control, public goods and externalities. Market failures can result in an inefficient distribution of goods and services in the market. These conditions can lead to suboptimal outcomes, which warrant policy intervention.

Two well-known market failures characterise parts of the media industry:[60]

— **Natural monopolies**: The media industry has supply and demand factors that tend towards ever-larger businesses, favouring fewer larger suppliers or even natural monopoly providers. Historically, the industry has relied on a two-sided market where advertisers pay to access consumers and consumers pay for the content. This market structure favours larger-scale providers (and suppliers who target larger urban markets). The rise of social media, digital platforms, and loss of advertising revenue resulting from the COVID-19 pandemic has contributed to the collapse of the traditional business model for public interest journalism — expediting the trend to fewer producers. This market failure is at the heart of the logic behind the RASPJI program.

— **Public goods**: some news and reporting are considered a public good. The information can be shared endlessly (non-excludable), and the consumption of media by one individual does not impact the consumption of another (non-rivalled). While digital rights management can limit the sharing of articles (for example, through a paywall), media organisations are unable to prevent the information contained in the article from being on-shared. This combination of features means that public goods are typically under-supplied by the free market. This rationale is the core of journalism's public value. The public good market failure is central to the logic of the PING program.

It is important to note that these two market failures can and do interrelate. Some firms will be producing public benefit journalism but have a viable business model. Others will be producing narrow interest journalism but struggle with scale and market reach. However, some firms that

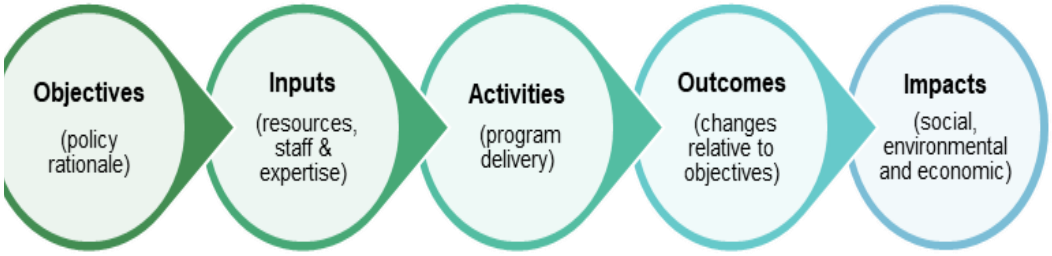
[60] Arguments have been made for a number of other market failures and market structures such as externalities, vertical integration, barriers to entry, monopolistic behaviour, and anti-competitive behaviour of advertisers, et cetera. Many of these factors also apply, but more often to a sub-set of media suppliers. We have focused on the two core market failures which justify the PING and RASPJI programs.

make public interest journalism will be crippled further by market trends and the COVID-19 pandemic.

D.1.2 Program logic – the pathway to impact

Our conceptual Framework also includes the concepts of a standard program logic framework. This logic considers the causal linkages between the objectives, inputs, activities, outputs, outcomes and impacts of a given policy or program. It is widely used in evaluation to systematically analyse a program's appropriateness, efficiency and effectiveness. The logic is derived from the elements shown in Figure D.1 below in its most basic form.

Figure D.1 Elements of the pathway to impact



Source: Adapted from CSIRO evaluation framework

D.1.3 Concepts of public value

While elements of market failure and program logic are central to the design of the programs alone, they will not provide sufficient insight into whether the programs are valued by the stakeholders they were designed to benefit.

For this reason, the notions of market failure have been augmented with concepts of **public value.** From a policy design perspective, public value can be used to measure the nature and consequences of a market failure, that is, the value contributed by an organisation, program or policy to society. The approach leverages key themes from Mark Moore's (Kennedy School, Harvard University) seminal work in the 1990s on public value and more recent interpretations found in the Australian policy literature. The most commonly referenced themes in this literature relate to Moore's conception of a strategic triangle. The strategic triangle posits that a public program must pass three broad tests. First, it must be aimed at creating something substantively valuable (i.e. constitute public value). Second, it must be legitimate and politically sustainable (i.e. attract sufficient ongoing support and resources from the authorising environment). Third, it must be operationally and administratively feasible (i.e. doable with the available organisational and external capabilities needed to produce it).[61]

These broad tests act as filters that can be applied to the information we collect during the evaluation. The filters will help determine whether the intervention by the government (in this case, RASPJI and PING) has generated the public value anticipated from the investment (i.e. it has met both the policy intention and the expectations of key stakeholders). Where there are gaps or deficiencies in the programs (relative to their purpose), they have been noted as opportunities to enhance the public value of programs in the future.

[61] Mark Moore (1995) *Creating Public Value: Strategic Management in Government*. Harvard University Press. USA.

D.2 Industry challenges and changes

– Legislative and regulatory changes

Legislative and regulatory changes have impacted the industry by changing ownership, reach and local content rules.

The introduction of the *Broadcasting Amendment Act 1987* allowed for the aggregation of existing licence areas in regional television markets. The Act enabled the creation of larger and more viable services by providing the opportunity for license holders to expand and develop regional content. While the aggregation led to an increased quantity of local broadcasting, it also facilitated a decline in local radio and television programming, competition (and therefore diversity of local news content) and local non-news content.[62]

More recently, changes in the legislative and regulatory environment have continued to shape the conditions of the media market. The 2017 reforms to media diversity laws led to the repeal of the two out of three and 75 per cent reach rules.[63] The reforms allowed media organisations to control commercial television licences that collectively reach more than 75 per cent of the Australian population and operate more than two of the three regulated forms of media (radio, television and newspapers) in the one commercial radio licence area. The repeal of the 75 per cent reach rule was a recommendation of the 2013 Joint Select Committee on Broadcasting Legislation.[64]

The reform aimed to provide support for the local media industry to enable further economies of scale by allowing regional and metropolitan networks to merge, for metropolitan networks to expand into regional Australia, and to establish smaller regional networks.[65] However, there were concerns by the Joint Select Committee and the industry[66] that repealing the reach rule would result in losses of local staff, content and advertising, with consumers having less variety and choice due to less competition in regional markets.[67]

The introduction of the News Media Bargaining Code (February 2021) aimed to address the power imbalance between Australian news media businesses and digital platforms by forcing platforms to pay local news publishers for the news content linked on their platforms. The Code focused on online content, predominantly in the newspaper publishing sector. Following its introduction, Google and Facebook (now Meta) reached commercial agreements with many media

[62] Gardiner-Garden, J. & Chowns, J. (2006). *Media Ownership Regulation in Australia*. Accessed 10 June 2022: https://www.aph.gov.au/about_parliament/parliamentary_departments/parliamentary_library/publications_archive/archive/mediaregulation.

[63] Department of Infrastructure, Transport, Regional Development and Communications (2017). *2017 reforms to media diversity laws*. Accessed 27 May 2022: https://www.infrastructure.gov.au/media-communications-arts/media-laws-regulation/2017-reforms-media-diversity-laws.

[64] Joint Select Committee on Broadcasting Legislation (2013). *Three broadcasting reform proposals*. Canberra: Commonwealth of Australia.

[65] Ibid.

[66] ABC (2017). *Government's media ownership law changes pass Senate with help from NXT, One Nation*. Accessed 10 June 2022: https://www.abc.net.au/news/2017-09-14/media-law-changes-bill-passes-senate/8946864?utm_campaign=abc_news_web&utm_content=link&utm_medium=content_shared&utm_source=abc_news_web.

[67] Joint Select Committee on Broadcasting Legislation (2013). Op. cit.

organisations.[68,69] A review of the Code is currently underway (by the Commonwealth Department of the Treasury) to ensure it is workable and fair to industry and consumers alike.[70]

D.2.1 Changes in media consumption

Changes in consumer preferences and patterns have significantly impacted the Australian media landscape over the past decades. These changes have been driven by the decline in traditional media consumption that coincides with increased online content consumption. This decline has been facilitated by the growing availability of online platforms and the increased use of smart devices. This trend is expected to continue as 5G services are rolled out across Australia.[71] Research indicates that consumers remain interested in localised content as they move to online consumption but are likely to consume it in different (on-demand) ways that challenge traditional print, radio and television platforms and formats.[72]

Today, consumers are offered more opportunities to access online radio (e.g. podcasts and audio streaming platforms such as Spotify and Apple Music), television (e.g. YouTube, Netflix, Disney+, Stan rather than free-to-air programs) and newspaper publishing (e.g. News Corp and the New York Times) content than they were a decade ago. The growth in online access has placed Australian media organisations in direct competition with international media publishers and broadcasters.

Advertising agencies have followed consumers to online advertising markets.[73] As such, advertising demand for free-to-air television networks, newspaper publishing and radio broadcasting are in a long-term decline. For example, Table D.1 shows that between 2015 and 2020 regional television advertising revenues decreased by 29 per cent and regional television audience reach decreased by 26 per cent, noting that most of this decline occurred between 2015 and 2019. It also shows that the largest decline in advertising revenues occurred during the height of the 2020 COVID-19 pandemic and subsequent lockdowns.

Table D.1 Regional television advertising revenues, four aggregated east coast markets

Year	Audience reach	Aggregate decline	Total advertising revenue	Aggregate decline
FY2015	1,436,950		$688.4 million	-
FY2016	1,355,322	-5.50%	$646.3 million	-6.10%
FY2017	1,262,751	-12.00%	$622.3 million	-9.60%
FY2018	1,184,648	-17.40%	$599.7 million	-12.90%
FY2019	1,087,558	-24.20%	$572.8 million	-16.80%
FY2020	1,065,243	-25.80%	$486.2 million	-29.40%

[68] Australian Competition and Consumer Commission (2021). *News media bargaining code*. Accessed 26 May 2022: https://www.accc.gov.au/focus-areas/digital-platforms/news-media-bargaining-code.

[69] Fisher, C., McCallum, K., & Park, S. (2021). *Is the news media bargaining code fit for purpose?* Accessed 26 May 2022: https://theconversation.com/is-the-news-media-bargaining-code-fit-for-purpose-172224.

[70] Department of The Treasury (2022). *Review of the News Media and Digital Platforms Mandatory Bargaining Code*. Accessed 26 May 2022: https://treasury.gov.au/consultation/c2022-264356.

[71] Corbett, P. & Herman, J. (2021). *Digital Consumer Trends – The great connectivity upgrade*. Accessed 10 June 2022: https://www2.deloitte.com/au/en/blog/technology-media-telecommunications-blog/2021/digital-consumer-trends-connectivity-upgrades.html.

[72] News & Media Research Centre (2021). Op. cit.
News & Media Research Centre (2022). *Digital News Report: Australia 2022*. Canberra: University of Canberra.

[73] Wils, T. (n.d.).

Year	Audience reach	Aggregate decline	Total advertising revenue	Aggregate decline

Source: Media Reform Green Paper submission by Prime Media Group, Southern Cross Austereo, WIN Network, May 2021

The nature of consumption has also shifted in each industry segment.

The market shares held by the ABC and SBS have increased over recent years (despite budget cuts) as commercial broadcasters' revenue has declined by more. This was particularly evident during the COVID-19 pandemic when consumers sought information from public broadcasters who are often seen as more reputable sources of information.[74] As noted in section 2.1.1, the FTA television industry has declined as consumption of SVOD has risen. Viewership of televised nightly news bulletins has decreased across metropolitan audiences, with channel Seven's 6pm news dropping 15 per cent, Nine's 6pm news by 17 per cent, Ten's 5pm news by 49 per cent and ABC's 7pm news by 24 per cent between 2011 and 2021.[75] These declines have forced many Australian media organisations to restructure their operations in a way that has inadvertently reduced their capacity to produce public interest journalism, especially in the regions.[76] [77]

Research published by the News & Media Research Centre shows that local newspapers and their websites are considered by consumers to provide the best source of news and information about local issues, including politics and government, the COVID-19 pandemic, and economic issues. However, consumption of print news halved between 2016 and 2021, with 80 per cent of Australians with access to the internet reporting that they had not read a newspaper or news magazine in the past week.[78] Further, 25 per cent of regional Australians do not have a local television news service or newspaper.

Regional and local newspapers have been losing readership since 2016, with consumption dropping by half to 17 per cent in 2021 (see Figure D.2). This drop is related to many regional and local newspapers having either closed or suspended their print editions.[79] For example, a 2021 study found that most regional news consumers who access local news regularly (87 per cent of respondents) experienced a local news service closure or merger in the last five years (19 per cent). The study also suggested that Australians who read newspapers (as their main news source) felt a diminished sense of community and belonging with the contraction of local services.[80]

[74] News & Media Research Centre (2021). Op. cit.

[75] Madde, J. & Elsworth, S. (2022). *Eyeballs on the march as free-to-air TV slumps*. Accessed 20 June 2022: https://www.theaustralian.com.au/business/media/eyeballs-on-the-march-as-freetoair-television-slumps/news-story/0c1b75f006d73dbcb2624f53cb35d004.

[76] Wils, T. (n.d.).

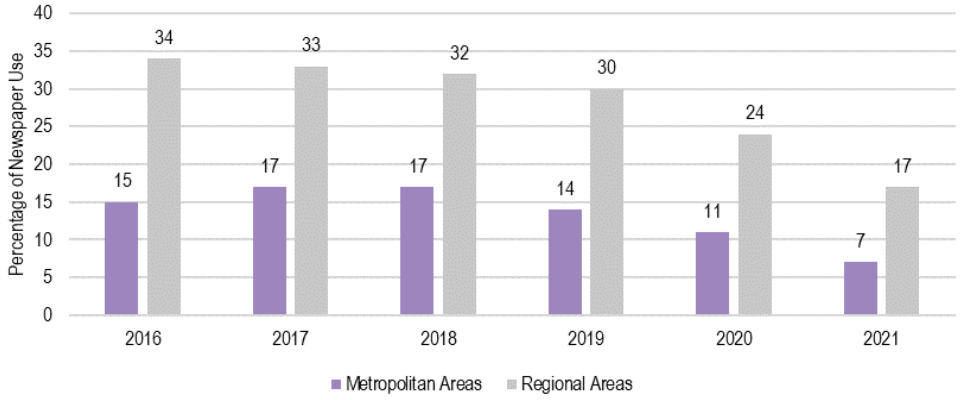
[77] Ibid.

[78] News & Media Research Centre (2021). Op. cit.

[79] Ibid.

[80] News & Media Research Centre (2021). Op. cit.

Figure D.2 Newspaper use (2016 – 21)



Source: News & Media Research Centre, University of Canberra (2021). Digital News Report: Australia 2021. Accessed 21 June 2022

Australians also continue to listen to radio programs while driving, causing numbers to peak during commute hours. While metropolitan radio stations saw a decline in revenue over 2020 due to the COVID-19 pandemic lockdowns, regional radio largely maintained its share. During lockdown periods, regional stations demonstrated additional value in providing localised real-time content to those most in need while also being supported by and supportive of local advertisers.[81] This demonstrates the important role of community radio in providing timely and local content. However, 33 per cent of regional Australians do not have a local commercial radio, and 55 per cent do not have a local ABC radio.[82]

In summary, the shift to online content has forced the media and advertising industries to amend their business strategies including prompting structural changes and consolidation of the industry (see section D.2.2). In some instances, this has improved consumer access to content in metropolitan areas; in many others, it has reduced access to high quality journalism in the regions.

D.2.2 Structural changes and industry consolidation

Changes in legislation and consumer preferences and the COVID-19 pandemic have impacted the Australian media industry's structure. In part, structural change has been facilitated by the repeal of the two out of three rule, which paved the way for Fairfax Media and Nine Entertainment to merge and become Australia's largest domestic media company.[83] While the Australian Competition & Consumer Commission (ACCC) considered the merger's impact on competition acceptable,[84] many commentators believed that it would reduce the number of companies focusing on local content and thus the industry's long term investment in quality journalism, especially in the regions.[85]

The COVID-19 pandemic has also influenced the industry's structure. Since the COVID-19 pandemic, regional centres have experienced significant growth and, along with this, increased

[81] PricewaterhouseCoopers (2021). *Outlook The Australian Entertainment & Media Outlook*. Australia: PwC.

[82] News & Media Research Centre (2021). Op. cit.

[83] Wils, T. (n.d.). *Media and broadcasting in the digital age*. Accessed 10 June 2022: https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook46p/MediaBroadcasting.

[84] Sims, R. (2022). *Canada is right to protect public interest journalism from Big Tech. Legislation can address the power imbalance between dominant digital platforms and news businesses, says Australia's former competition chief.* Accessed" 1 July 2022. https://nationalpost.com/opinion/rod-sims-canada-is-right-to-protect-public-interest-journalism-from-big-tech

[85] Ibid.

demand for radio.[86] Some radio broadcasters have consolidated radio networks to take advantage of this demand, limit falling profit margins, reduce fixed costs associated with broadcasting radio programs and streamline advertising space sales.

The COVID-19 pandemic also exacerbated the Newspaper Publishing industry's long-term decline in revenue. Declining demand from advertisers has made print runs unfeasible for some smaller publications. Many of these publications have moved to online-only publication, increased staff redundancies, merged with other publications, or shut down entirely.[87] Broadly, the long term structural decline of the industry has been more prominent in newspaper publishing than in radio and television.

Moreover, structural changes have been brought about by a long-term decline in the consumption of radio, television and newspaper publishing sectors. Volatile consumer sentiment and weak economic conditions, particularly during the COVID-19 pandemic, have in aggregate reduced newspaper publishing circulation, demand from advertisers and advertising revenue in recent years. While media (in particular, news) consumption rose during the early stages of the COVID-19 pandemic, peaking at 69 per cent of Australians accessing news more than once a day, this soon reverted to pre-COVID-19 pandemic levels of 51 per cent.[88]

D.2.3 Funding support for regional media

Commonwealth, State and Territory governments have provided a range of support for regional media over the last 20 years. Some of this support is general; other support focuses specifically on helping the industry to manage the impacts of technological, competition and consumer change.

While not the focus of this evaluation, it is worth noting that most of the Commonwealth Government's funding support for the media industry is provided to the ABC and SBS. Some of this funding specifically supports the consumption of public interest journalism in the regions.[89] For example, the ABC and SBS each received $66.2 million in additional funding over four-years from 2001 to transition to digital broadcasting.[90] More recently, the ABC received $46 million to support enhanced newsgathering, specifically focusing on supporting news gathering and reporting teams in regional and outer-suburban areas.[91]

[86] Ward, M (2021). *HT&E snaps up radio company to capitalise on growing regional market*. Accessed 10 June 2022: https://www.afr.com/companies/media-and-marketing/ht-and-e-snaps-up-radio-company-to-capitalise-on-growing-regional-market-20211112-p598dh.

[87] News & Media Research Centre (2021). Op. cit.

[88] News & Media Research Centre (2021). Op. cit.

[89] Department of Infrastructure, Transport, Regional Development and Communications (2022). *ABC and SBS TV*. Accessed 6 June 2022: https://www.infrastructure.gov.au/media-technology-communications/television/abc-sbs-tv.

[90] A major change has been the digitisation of the media industry. Digital transmission rollout began in 2001. This converted the former PAL analogue television (delivered in the VHF and UHF bands) to digital television (European DVB-T1 standard using MPEG-2 video coding and compression). The conversion involved new digital channels that overlap with existing analogue channels, which were then switched off. The conversion process was completed in 2014. Remote areas were last to digitise. The digital transmission conversion process was particularly expensive in regional areas. The Commonwealth Government funded a Regional Equalisation Plan to support the conversion. This provided for 50 per cent of the estimated rollout costs, $260 million between 2001 and 2014. Funding was delivered as capped annual rebates against broadcast licence fees, with additional grants provided to deliver the full rebate amount. A Household Assistance Scheme also provided support to 225,000 households with pensioners to upgrade analogue antennas or install satellite television equipment.

[91] Dalzell, S. (2022). Op. cit.

The ABC will receive $3.3 billion and the SBS will receive $959 million over three years from 2022-23. This funding represents a large share of the total Commonwealth Government funding allocated to broadcasting.[92]

The Commonwealth's most explicit recognition of the industry's continued decline in regional areas comes in the form of the RASPJI package. The RASPJI package was announced under the Broadcast and Content Reform Package in July 2018.[93] The package focused on improving the viability and sustainability of the industry, as noted in Chapter 1.

In recognition of the impact the COVID-19 pandemic was having on the media industry, the Department announced the Public Interest News Gathering (PING) program in May 2020.[94] The PING program allocated funding to strengthen the viability of the media industry, which included unallocated RASPJI funds.

The Commonwealth also provides a range of support for regional infrastructure and connectivity improvements. Some of this funding supports enhanced digital connectivity, which improves the ability of regions to competitively engage in the digital economy, and ultimately supports public interest journalism that is online.[95,96,97] State Governments also provide support for regional media through infrastructure and digital connectivity programs.[98]

In summary, the majority of government support for the media industry is provided by the Commonwealth, with smaller levels of investment from state and territory governments. Most Commonwealth funding supports the ABC, SBS, and critical infrastructure to facilitate the transition towards digitisation. The investment in RASPJI and PING are, by comparison, relatively modest

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[92] Commonwealth of Australia (2022). *Budget Strategy and Outlook Budget Paper No. 1*. Accessed 21 June 2022.

[93] Department of Infrastructure, Transport, Regional Development and Communications (2018). *Regional and Small Publishers Jobs and Innovation Package*. Accessed 27 May 2022: https://www.infrastructure.gov.au/media-technology-communications/television/regional-small-publishers-jobs-innovation-package.

[94] Department of Infrastructure, Transport, Regional Development and Communications (2018). *Relief for Australian media during COVID-19*. Accessed 27 May 2022: https://www.infrastructure.gov.au/media-technology-communications/television/relief-australian-media-during-covid-19.

[95] Under the Regional Connectivity Program, the Commonwealth Government has contributed $117.9 million for more than 130 place-based telecommunications infrastructure projects across Australia. See Department of Infrastructure, Transport, Regional Development and Communications (n.d.). *Regional Connectivity Program*. Accessed 10 June 2022: https://www.infrastructure.gov.au/media-communications-arts/internet/regional-connectivity-program.

[96] Telstra co-invested $16 million to deliver 30 projects and over $13 million from state and local governments aimed at improving regional infrastructure. See Telstra (2021). *Telstra to help deliver 30 connectivity improvement projects across Australia worth almost $55m*. Accessed 26 May 2022: https://www.telstra.com.au/aboutus/media/media-releases/telstra-rcp-announcement#:~:text=The%20Regional%20Connectivity%20Program%20(the,'place%2Dbased'%20telecommunications%20infrastructure.

[97] NBN Co announced the Regional Co-Investment Fund in September 2020. NBN Co called for Expressions of Interest from all levels of government to co-fund projects to improve connectivity, lift the digital capabilities of regional and rural communities and provide ongoing social and economic benefits. See NBN Co (2021). *Co-funding projects to boost regional broadband, NBN Co invites applications for Regional Co-investment Fund*. Accessed 26 May 2022: https://www.nbnco.com.au/corporate-information/media-centre/media-statements/nbn-co-invites-applications-for-regional-co-investment-fund.

[98] By way of example, the Victorian Government's Digital Futures Now program (2020-21) aims to improve regional and rural telecommunications infrastructure to boost the digital economy, prevent a digital divide and address black spot issues in regional networks. See Department of Regional Development Victoria (2020). *Putting regional people first*. Accessed 10 June 2022: https://www.rdv.vic.gov.au/news/putting-regional-people-first.

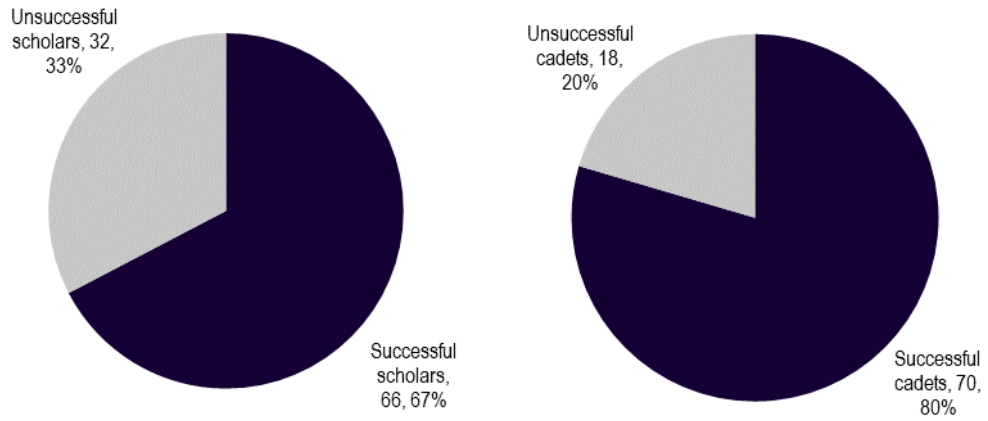
and targeted at upskilling the next generation of journalists, enabling innovation, and building sustainability.

D.3 Program data

D.3.1 Successful and unsuccessful applicants

Data on successful and unsuccessful scholar and cadetship applications received by universities and media organisations are provided below.

Figure D.3 Scholar and cadet applicants

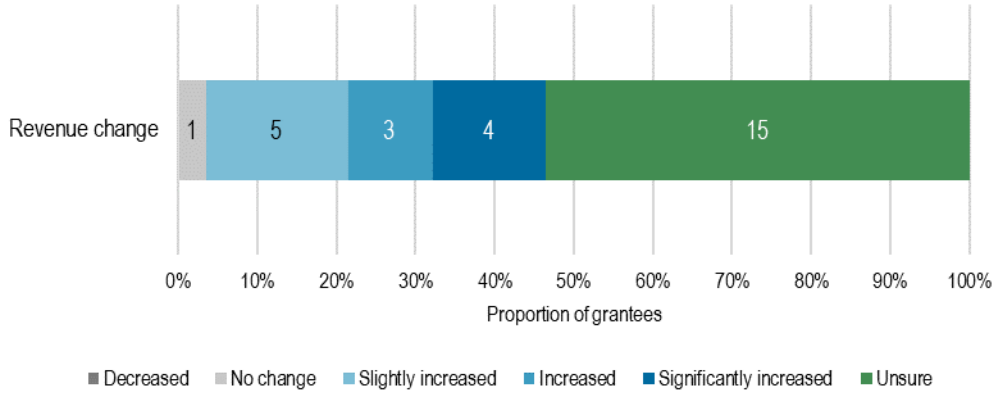


Scholarships applicants n=98. Cadetships applicants n=88.
Source: ACIL Allen analysis of Department program data

D.3.2 Innovation Fund recipients' change in revenue attributed to the program

Results from the Innovation Fund recipient's program reporting provided by ACMA are below. This shows recipients' perspectives on the change in revenue attributed to the program.

Figure D.4 Innovation Fund recipients' perspectives on the change in revenue attributed to the program



Innovation Fund n=28.
Source: ACIL Allen's analysis of Innovation Fund recipient's program reporting

Melbourne
Suite 4, Level 19; North Tower
80 Collins Street
Melbourne VIC 3000 Australia
+61 3 8650 6000

Sydney
Suite 603, Level 6
309 Kent Street
Sydney NSW 2000 Australia
+61 2 8272 5100

Brisbane
Level 15, 127 Creek Street
Brisbane QLD 4000 Australia
+61 7 3009 8700

Canberra
Level 6, 54 Marcus Clarke Street
Canberra ACT 2601 Australia
+61 2 6103 8200

Perth
Level 12, 28 The Esplanade
Perth WA 6000 Australia
+61 8 9449 9600

Adelaide
167 Flinders Street
Adelaide SA 5000 Australia
+61 8 8122 4965

ACIL Allen Pty Ltd
ABN 68 102 652 148

acilallen.com.au