

Submission: News Bargaining Incentive Consultation on Revenue Distribution

The Community Newspaper Association of Victoria (CNAV) represents volunteer-run and not-for-profit-run community newspapers from across Victoria.

At present, this amounts to at least 64 community news organisations across Victoria, with a strong presence in Regional Victoria.

Initiatives like the News Media Bargaining Initiative have a huge impact on our members. When the scheme was first rolled out, many of the publications in our Association did not engage with the process as they were not able to meet the minimum eligibility criteria, but when Meta and Alphabet stopped publishing Australian news on their platforms, our members were impacted.

For years, small, community-run, independent newspapers have been unable to access the benefits of these policies but are always negatively impacted by the consequences. If the News Media Bargaining Initiative is going to be part of the Australian Media Landscape, then CNAV wants to ensure the papers it represents (and others like it) can at least opt in.

This forms the basis of our submission.

Responses to questions:

Q1: The \$150,000 threshold is a hurdle for some of the news organisations we represent.

The reason there are so many of these small volunteer and not-for-profit organisations in Victoria is that their bottom line is very small (relatively speaking), as the majority of their costs are around the production/distribution of the content only.

We feel that just because a news organisation earned less than \$150,000 in the previous year does not negate their legitimacy.

If a news organisation is unable to meet the financial eligibility, then membership to a recognised peak body, such as the **Community Newspaper Association of Victoria** or **the Local Independent News Association (LINA)**, should be able to be used as an alternative to the financial eligibility.

Q3: In its current state the eligibility criteria is not fit for purpose as it excludes news organisations below the \$150,000 threshold.

The criteria -are skewed towards commercial, mainstream media, and funding from the initiative is being denied to small volunteer-run, not-for-profit run, and new media organisations because they are not big enough (financially).

Q5: As with other grant schemes in the past, the measure of payment based on FTE Journalists is unfair for volunteer-run and not-for-profit news organisations.

Any paid editorial roles are usually part-time, and journalism is almost always volunteered.

What should matter is the quality of the content, not how many Journalists you employ. While a system where a volunteer-run news organisation could produce volunteer timesheets to track the hours each volunteer spent working on core news would fit with the FTE model, it is not very practical, as many of the news organisations represented by CNAV do not track their volunteers in this way, and would be a massive administrative impost.

The strength in the news organisations represented by CNAV is the diversity of community voice – while the organisation is producing core news content, it is not necessarily written by the same person each time.

These ad-hoc contributions add to the core news picture but would be difficult to quantify under FTE equivalence.

We suggest that volunteer-run and not-for-profit-run news organisations are able to use a production costs measure as this more aligns with their operating practices.

If the production costs indicator were limited to recognised volunteer-run and not-for-profit-run news organisations, we feel the fears about inflating operational costs or gaming the system would be minimal, as it is not in the culture of these news organisations to do that.

Closing remarks

There is a shift in audience to digital news, and volunteer-run and not-for-profit-run news organisations are having to pivot to produce more digital content to meet the needs of their audiences and ensure the future of the organisation.

Actions for big tech companies to employ AI on their platforms are hurting all news organisations, big and small, as readers are becoming content with AI summaries of local news instead of clicking through to the website for the full story.

Local news is important, and it needs money to survive.

If big tech wants to sample our content to feed their AI news summaries, then they should be paying for the content that is keeping the user on their platform instead of coming to us.