

McPherson Media Group

Response to Consultation Paper – News Bargaining Incentive Revenue Distribution

McPherson Media Group appreciates the opportunity to respond to the Department's consultation paper on a proposed statutory payment scheme for the distribution of any incentive revenue arising out of application of the News Bargaining Incentive legislation.

It broadly supports the response provided by Country Press Australia, of which McPherson Media Group is a long-standing member, so comments below are in respect of amplification or nuances that reflect MMG's specific circumstances.

Q1: Do you have any concerns with the proposed registration and application process?

No.

Q2: Would your organisation meet the criteria as set out under the ACMA register? If not, please explain which component of the eligibility criteria may cause an issue.

Yes.

Q3: Is the proposed eligibility criteria fit-for-purpose in ensuring that the scheme supports continued investment in public interest news; diversity of media voices; and quality journalism?

Yes.

Q4: Do any of the proposed eligibility criteria present significant costs or administrative burden for your organisation?

No.

Q5: Is FTE journalists a good approximation for investment in news and journalism, and an appropriate basis for determining payments to the sector?

Yes.

Q6: Are the identified editorial roles clear and fit-for-purpose? Are there other roles that should be included?

Editors and sub-editors are intimately involved in the production of public interest journalism and must be included. In addition, MMG believes roles directly supporting the growing component of digital news are very much part of this process: in our previous comments and submissions on the code and other forms of support for public interest journalism, we have repeated our commitment to developing a pathway to viability in a digital-only environment, which seems likely to ultimately eventuate. This requires significant investment in the ever-evolving tech stack, in

turn requiring technical staff with data management and coding skills to maintain and improve the responsiveness of Apps and online versions of our journalism – without them, a digital-only future which is viable in a regional context is impossible. Therefore we believe that roles solely relating to editorial – rather than sales or marketing, for example – should be included.

Q7: Do the proposed evidentiary requirements present any specific difficulties, or a sizeable burden, for your business? Are there any risks arising from these evidentiary requirements?

No.

Q8: Are the proposed weighting categories an appropriate and effective means of accounting for the economies of scale and resourcing differences across the sector; and meeting the objectives of the Statutory Payment Scheme?

Yes.

Q9: What weighting values would best achieve these aims?

MMG believes weighting values should better reflect the considerable difficulties regional publishers face in recruiting and retaining eligible journalists. For example, the “holy grail” of locally-sourced cadet journalists being trained on the job is almost impossible to sustain for the length of a cadetship: they are quickly identified and offered highly attractive salaries by local government or statutory bodies such as rural water corporations, or local politicians. Journalists sourced from elsewhere are targeted by larger media groups and the ABC seeking regionally-based staff - or too lazy to train their own; such “poaching” often results in a move of others to the same place. For many years we have had to assume around 30% annual turnover of editorial staff. We think a weighting of 30% is more appropriate.

Q10: Is the proposed retention obligation an appropriate measure to ensure that funding provided to the sector delivers against a clear and valid public purpose?

Yes, but the obligation should recognise the kinds of pressures referred to above – numbers can vary significantly for periods during a year.

Q11: Are there any risks or other issues we should take into consideration with regard to the retention obligation, including time periods and tolerance thresholds?

In our experience we can lose a number of staff over a short period, particularly when poaching is brutal (eg, journalists moving to a larger outlet are often asked “Who else is any good there?” and quickly made an offer) or “the travel bug” suddenly surfaces among a close cohort. Managing this is part of the small publisher’s lot, of course, but we think a publisher acting in good faith should be allowed a tolerance level of maintaining, say, 80% of the FTE obligation without incurring draconian penalties or being excluded from the scheme.

Q12: What penalties should apply for organisations that are later found to have mis-reported their eligibility or employment practices?

Where mis-reporting is found to be deliberate, repayment is appropriate and, where mis-reporting consistently occurs, penalties ought to apply.

Q13: Do you have any concerns about the general approach to regular reporting and an event-based notification framework?

No, provided requirements for event-based notifications are in respect of significant or material events.

Q14: What lead-in time would you require for information required under regular reporting and event-based notices? Do you have any concerns about the feasibility of collecting this information, the timing or sequencing of obligations, or disclosure of commercially sensitive information?

60 days seems adequate, with a capacity to seek an extension in unusual circumstances.

Q15: Do you have any concerns or views about penalties under the scheme, including the thresholds and penalties for serious non-compliance?

Penalties for serious non-compliance are entirely appropriate where public money is involved and the scheme must be seen to be fair and properly administered, without imposing draconian penalties on minor oversights or disregarding unusually difficult circumstances.