

News MAP submission

Warragul Regional Newspapers P/L

I welcome the opportunity to make a submission to the News MAP consultation process. I hope there are significant outcomes for regional and local newspapers and that action is swift to prevent further closures and a further reduction in the supply of public interest journalism in regional, rural and outer-suburban communities.

Background

Warragul Regional Newspapers P/L is the publisher of the paid weekly newspaper the Warragul and Drouin Gazette. The Gazette, as it is known locally, is sold in a 40-kilometre radius of the towns of Warragul and Drouin in West Gippsland, Victoria. 85% of Gazette copies are sold in Warragul, Drouin, Yarragon, Trafalgar, Neerim South, Longwarry and Bunyip. Our 125-year-old newspaper has a cover price of \$2.50, averages 80-90 pages per week, produces only local public interest journalism and employs 5.20 full time equivalent journalists. The Gazette is almost the sole source of local public interest journalism in the community it serves. The local AM radio station and ABC radio, offer limited local news but cover a wider patch with much fewer journalists. We set the news agenda in our region without question.

We sell 6,500 hard copies of the Gazette per week, plus 300 digital subscriptions, and have one of the highest paid circulations in regional and rural Australia. We are a member of Victorian Country Press Association and Country Press Australia.

Business conditions

Business is tough for us. The newspaper business model of advertising revenue and a cover price paying for the production of public interest journalism is broken and the industry needs government intervention now. Newspaper closures have been well documented and, if the recent pattern continues without government intervention, few of us will still be publishing in two years' time. Advertising revenue is in decline – over the past 7 years, aside from the COVID period, we've lost 5-8% of advertising revenue per year. Since the current government came to power in May 2022, Federal Government advertising has been virtually non-existent. We've had less than ten Federal Government print ads since May 2022. For The Voice campaign we received only one advertisement, and the No sentiment was strongest in the regions. Costs have increased substantially. We are told most ads are being placed with foreign-owned social media platforms and on television. Our two biggest expense lines are printing and wages. Our printing costs have risen by 32.80% in the period between February 1, 2020 and today. This is due to the price of newsprint (the biggest input - has risen by 50.80%), ink, plates, freight and labour price rises being fairly passed on by our printers. Our own wage increases are also high. In 2023 alone wages rose over 6% when the superannuation increase is included.

Yet the demand for the local public interest journalism we produce has never been greater. Our communities see the public interest journalism we provide as an essential service.

We employ more journalists now than five years ago to meet the demand for our printed public interest journalism, but also the appetite for our online content and the content fed to our social media channels.

The Google and Meta agreements struck by the industry have helped and would be keeping many regional and local publishers afloat.

As a Victorian based publisher, we have been fortunate to be included on the Victorian Government's '1 page per week commitment'. This has no doubt saved journalist jobs in our company and has saved many newspapers around Victoria from closing their doors. It allows us to keep producing the public interest journalism in our patch. Newspaper closures are less in number when compared to closures in New South Wales and Queensland as a result of the commitment.

The Victorian Government commitment has not impacted the independence of our journalists. Our journalists operate under a code of conduct and if they were to write puff-pieces supporting the government our readers would tear us apart with letters to the editor and on social media and would stop buying the paper. Editorial independence has never been, and will never be, impacted by government intervention.

The public good of our local journalism can be illustrated by our campaign for a new West Gippsland Hospital in Warragul. Our journalists worked hard for many years, culminating in a 12 month long 'Where's The Funding' campaign in the Gazette. The result – the promise of a new hospital for our community. This result would not have been possible without the lobbying work of our newspaper.

Our local public interest journalism holds the powerful to account and gives a voice to those who would otherwise go unheard. We offer no-charge or discounted advertising to community group and charities to run events that otherwise would not be able to run. One of our key advertisers summed it up well "the Gazette is the fabric of life in our district".

We closed our free distribution newspaper, The Baw Baw Shire and West Gippsland Trader, which we'd published for 35 years, at the start of 2020. Advertising revenue had fallen off a cliff and the cost of printing and distribution made it unviable – a loss of public interest journalism in our area.

News MAP objectives

The four proposed objectives of access, diversity, quality and engagement to guide future potential government interventions are all strongly linked to the strengths of regional and local newspapers.

Access to news is vital for informed decision making. Regional and local newspapers are often the only source of local news in their communities. The loss of these newspapers would be catastrophic to a community's access to news.

Media diversity is vital to the democratic health of our society. Regional and local newspapers are operated by mostly family-owned independent publishers, covering only local news, and staffed by journalists living and working locally and writing on issues affecting their communities. Regional and local publishers provide a patchwork of local news, with a wide range of voices, that is critical to the benefits resulting from media diversity. Without regional and local newspapers media diversity in Australia is lost.

Quality is paramount to what we do in regional and local newspapers. Trained professional journalists operate under a strict code of conduct. Many operate under the code of ethics stipulated by the Media, Entertainment and Arts Alliance (MEAA) and all are subject to the regulatory processes of the Australian Press Council. Additionally, readers of local news would simply not tolerate poor news quality.

Regional and local newspapers are the heartbeat of their communities and are highly engaged with their communities. Local journalists attend local council meetings, court cases, sporting and community events, school events charity nights and any occasion which is important to the communities they serve. They advocate for the interests of their region and have a close relationship with their readers. No other medium offers this level of engagement with their communities.

Countless government inquiries, university studies and the like have all said the same thing – newspapers need government support to survive and thrive – and this support needs to come quickly.

What can the government do to support us?

A government advertising/public messaging commitment, a tax-based incentive, grant funding and funding to support journalism cadetships are crucial mechanisms for supporting public interest journalism. Specifically, and in order of importance, Warragul Regional Newspapers P/L, as publishers of the Warragul and Drouin Gazette, is seeking the following support –

A full page of Federal Government advertising/public messaging in every regional and local newspaper every week in line with the Victorian Government model.

A refundable tax credit of 35% of eligible newsroom employee costs for publishers of regional and local public interest journalism up to a salary cap of \$85,000 per eligible newsroom employee per annum in line with the Canadian model.

An annual grant of 35% of journalism costs for publishers of regional and local public interest journalism.

Supplementary funding to be implemented with any of the above mechanisms – Funding 70% of first year wages for 100 cadet journalists per year employed in regional and local newspapers.

The Victorian model of one page per week has slowed newspaper closures in Victoria when compared to New South Wales and Queensland. It provides equitable advertising revenue for publishers and is the best way for government to get its message to regional and rural audiences. Publishers know the value of this revenue and can plan journalism resources around it.

The refundable tax credit model and the annual grant model are directly related to the costs of employing journalists. Both models reward publishers for employing journalists who are the creators of public interest journalism in regional and local newspapers. Any grant support should be targeted at sustainability and not transformation.

Cadets are the newspaper industry's apprentices. Like the support offered for the employment of apprentice tradespeople, we seek support from the government to encourage the employment of cadet journalists. This will result in a healthy supply of journalists for the future.

All these mechanisms support the production of sustainable local public interest journalism in regional and local newspapers.

Conclusion

I urge the government to respond with significant support for our industry. I support the funding announced in December for AAP and PIJI and earlier LINA. However, it is a source of great frustration to me that those around the periphery are being funded yet the regional and local newspapers – the publishers of true public interest journalism – have, to date missed out. And to make matters worse, Federal Government advertising has been virtually non-existent.

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- This submission may be made public