



COUNTRY PRESS AUSTRALIA INC.

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EXECUTIVE DIRECTOR

Bruce Morgan

January 31, 2019

ACCC Digital Platforms Inquiry (Preliminary Report) *Country Press Australia – Response*

Country Press Australia (CPA) congratulates the Australian Competition & Consumer Commission (ACCC) on a thoroughly comprehensive review, and report, and for its determination in making strong recommendations. CPA will urge the Federal Government to act on this report. Should it do so in a determined way, the western democracies will be watching with keen interest.

CPA's interest and concern is two-fold.

Firstly, our organisation represents small and regional publishers, so clearly their interests lie at the heart of our support for the Preliminary Report.

Regional publishers are working hard, and are determined, to future-proof their businesses by engaging with digital platforms while continuing to attempt to deliver quality journalism in community publications that are profitable.

However, the threat to our businesses is clear and remorseless. Unless a more level "playing field" is legislated, many of these businesses will not survive.

Secondly, and just as important in context of the above, CPA believes that digital platforms such as Facebook and Google, are doing enormous damage to the fabric of the regional communities they represent, communities which are now starting to understand that impact.

This damage will be far greater should such platforms lead to the demise of small, regional publishers further than they have already, as outlined in Box 6.8 of your report (*many more publications have ceased operation or merged in recent years, including Fairfax Community titles in the east and south east of Melbourne, the merger of Fairfax community titles with Star News Group titles in the west of Melbourne, the closure of The Tweed Weekly, Port Macquarie Independent, Armidale Independent, Geelong Weekly Review, and South East Weekly Review among others*).

The local publisher of unique content, both in newspaper format and online, is the journal of record for regional communities. In most cases, it is the only source of unique local content.

So, a threat to publishing businesses is, in fact, a threat to local communities.

Regional and small publishers do not have a successful digital model as indicated in 7.1 of the report and instead have become reliant on both Facebook and Google to drive audiences to their online channels.

CPA, therefore, urges urgent and significant Federal Government actions (as indicated in your conclusion in clause 7.5 of the report) resulting from this report when it is formally tabled later this year.

Among those actions, we strongly support actions around the following issues:

- 1) CPA accepts that these digital platforms will not go away, even as communities realise the damage being done to their local businesses. Therefore, we support legislation that will force the dilution of their market dominance.



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- 2) CPA member publishers have suffered significantly as Government advertising agencies have been seduced by the digital platforms. This has led to massive revenue loss that directly threatens their existence. The ACCC identifies with “the ability of news organisations to fund their journalism”. We would therefore urge Government to legislate to ensure a fair and reasonable percentage of advertising be allocated to regional publishers.
- 3) Further to this, the cost of ensuring choice and quality in journalism has been assisted by the recent Federal Government support through its Innovation Fund. We urge the ACCC to acknowledge that this is a legitimate, ongoing need to ensure sustainable communities (and is no less acceptable than funding the ABC).
- 4) The digital platforms have plundered our content which not only damages our businesses but is a gross abuse of market power. CPA urges the ACCC to recommend Government legislation to either stop this or make them pay, or a combination of the two.
- 5) The ACCC recommends the monitoring of platforms and the potential consequences for publishers and advertisers. We urge the ACCC to make its recommendations, taking into account the damage done to the fabric of small, regional communities, and not just the businesses in isolation. This is a national issue of community sustainability.
- 6) A fair legislative playing field, specifically in relation to defamations and copyright obligations

Specifically, CPA references Preliminary Report **6.8.3**, **6.10** and **6.10.2**, and urges the ACCC to recommend legislative actions in each case in support of these recommendations.

6.8.3

For businesses that continue to produce journalistic content that is in the public interest, the commercial incentives are also relevant. For instance:

- There are unlikely to be strong financial incentives to produce news which is relevant to a small audience even if it contributes to the public interest (e.g. local or regional news and/or court reporting).
- There are complicated incentives around the production of original content, given the expanded potential for competition from re-publishers under fair use.
- There are increased resource needs for media businesses to optimise their content for search engine and other algorithms. These costs may be met at the expense of journalism production.

6.10

Areas for further assessment

Key findings

The ACCC has identified for further analysis and assessment proposals for the leading digital platforms to work with the ACMA to improve online media literacy for the population. This could include a broad campaign targeted at all Australians to improve their understanding of how news and journalism is curated and displayed on social media and other platforms.



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The ACCC is also considering a proposal to improve the ability of consumers to recognise the source of news content presented to them by digital platforms and the journalistic credentials of the media entity from which the content is sourced. The proposal is for digital platforms to inform consumers whether a news media business has signed up to a code of journalistic practice when displaying journalistic content. This recognition could be by way of a ‘badge or signal’ on the news content as it appears in search results or a users’ news feed.

The ACCC has identified the following potential proposals aimed at improving the ability of news media businesses to fund the production of news and journalism, as an area for further analysis and assessment:

- subject to review, the expansion or modification of existing government programs for supporting small and regional media outlets to support quality and plurality beyond their end - date of 2020–21
- tax incentives for the production of journalistic content
- tax incentives for personal subscriptions for news and journalism.

6.10.2

Area for further analysis and assessment—Improving the ability of consumers to make informed choices about news and journalism accessed via digital platforms

The ACCC is considering whether digital platforms and media businesses should be required to take steps to increase the ability of consumers to make informed choices about news and journalism accessed via digital platforms. This proposal would not interfere with how the algorithms select and display news and journalism, the news stories which consumers may choose to access (consumer choice) or press freedom. Elements of an approach the ACCC is considering would include:

(a) Digital platforms would be required to signal, in their display of content to consumers, content from news media businesses that have signed up to certain standards for the creation of news and journalist content by complying with recognised codes of journalistic practice. This signalling could be by way of a ‘badge’ on the news content as it appears in search results or a user’s news feed.

(b) The ACMA would recognise codes of journalistic practice from news media representative groups that contain principles and processes, including but not limited to accuracy (fact- checking), clarity, and avoidance of harm.

(c) Digital platforms would be required to inform consumers about their accountability system and to better inform consumers about how their news and journalistic content is curated and displayed to them.

(d) The obligations on digital platforms to take the steps, could be contained in separate ACMA approved code(s) submitted by the digital platforms, or be mandated by the ACMA.

Area for further analysis and assessment—Improving the ability of news media businesses to fund the production of news and journalism

The ACCC is continuing to consider approaches to improve the ability of news media businesses to fund the production of quality news and journalism. The ACCC has identified three potential options on which it would like feedback:



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- (a) A review of the impacts of the measures comprising the Regional and Small Publishers' Jobs and Innovation Package in 2018–19 to determine whether the Package should be continued beyond its current three-year funding profile (and potentially modified or expanded).
- (b) Tax offsets for the costs incurred by news media organisations to produce particular forms of journalism that have high public benefits and are at risk of under-production. The ACCC recognises the difficulties in determining the scope of such a subsidy and the risk of misappropriation or fraud.
- (c) Making personal subscriptions for publications by media businesses that are signatories to an approved ACMA code of practice as set out in the potential proposal described above, tax deductible to encourage production and consumption of news and journalism.

On behalf of the Members of Country Press Australia, thank you for your consideration,

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Ben Taylor, President

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Bruce Morgan, Executive Director

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Paul Thomas, immediate past President