



UNIVERSITY OF  
**CANBERRA**

NEWS AND MEDIA  
RESEARCH CENTRE

# NEWS INDUSTRIES: FUNDING INNOVATIONS AND FUTURES



Edited by Sora Park, Caroline Fisher and Janet Fulton with Robert Picard

November 2024

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# **NEWS INDUSTRIES:** FUNDING INNOVATIONS AND FUTURES

**Edited by Sora Park, Caroline Fisher and Janet Fulton  
with Robert Picard**

Published by the News & Media Research Centre  
University of Canberra



SORA PARK

*The event was supported by Media Industry Studies Interest Group and Journalism Studies Division of the International Communication Association.*



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*Further information about these research projects and their teams can be discovered by clicking on the links.*



# CONTENTS

Co-editors	7
About the event	8
Background and overview	9
Key outcomes	10
The questions facing journalism in these turbulent times — Reflections from ICA Postconference 2023 convenors	12
<b>INNOVATION AND SUSTAINABLE MEDIA STRATEGIES</b>	<b>14</b>
‘Burning platforms?': Exploring local news futures in Australia	15
Industry panel summary: Innovation and sustainable media strategies	18
Commentary: News media sustainability requires operational change and structural support	22
Innovation in business models around the world	24
Am I niche enough to go it alone?	24
Valorising credibility: Trust as paradigm and revenue repair in South African news organisations 2012 to 2022	26
Youtuber business model: A profitable way forward for longform journalism?	28
Funding news through patronage: The case of Hankyoreh supporters in South Korea	30
Volunteer-run hyperlocals: Sustainability and professionalism	32
<b>NEWS SUBSIDIES</b>	<b>34</b>
Somebody always pays — rethinking the economics of news in the 21st century	35
Panel: International news subsidy schemes	36
Commentary: Experiences from the front lines	39
Digital platforms and news	40
The hidden threat to news media bargaining codes: How Facebook has undermined efforts to make platforms pay for news	40
Is Australia's news media bargaining code a blueprint for saving journalism?	42
Navigating the digital landscape: Challenges and opportunities in Iranian journalism	44
The press as platform?	46
Calculating the funding gap in local journalism — Methodological and empirical observations from a work in progress	48



ASKING QUESTIONS



ENGAGED AUDIENCE



CAROLINE FISHER

## Co-editors

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**Robert G. Picard** is an Adjunct Professor at the News & Media Research Centre, University of Canberra, a fellow of the Royal Society of Arts, a senior research fellow at the Reuters Institute for the Study of Journalism at University of Oxford, and a fellow at the Information Society Project at Yale University Law School. His scholarship focuses on the nexus between the economics of media and communications systems and public policy. Professor Picard has authored 33 books and consulted for leading media companies in North America, Europe, Asia, Africa, and Latin America.

# ABOUT THE EVENT

Global scholars, leading industry stakeholders, and government officials convened on the Gold Coast, Australia from the 24th–25th June 2024, for the [ICA Postconference News Industries: Funding Innovations and Futures](#), to share ideas about one common issue — how can we fund quality news and public interest journalism in an age of digital disruption?

It aimed to continue the conversations from [Novel directions in media innovations and funding](#), a similar postconference held in 2023.

Dr Richard Denniss, Executive Director of The Australia Institute kicked off the event at a dinner the night before with a talk designed to challenge us to rethink the role of news in democracy, why it should be funded, and alternative ways to pay for it.

Keynote speakers on the day included Professor Kristy Hess, who presented us with five provocative ideas about local news, and Professor Phillip Napoli whose presentation explored the cost of reversing news deserts and adequately funding local news in the US.

Two panel sessions included leading scholars from around the world who discussed the news media support schemes in Norway, Canada, South Korea and Australia, and industry leaders who shared their expertise in operating in the Australian news media ecology.

Lightning round participants presented research ranging from bargaining codes to new business models from the perspective of a broad range of countries including South Korea, Iran, Greece, South Africa, Singapore and Australia.

*The event program can be accessed [here](#).*

## **Postconference Organising Committee**

**Sora Park** / University of Canberra

**Caroline Fisher** / University of Canberra

**Terry Flew** / The University of Sydney

**Aljosha Karim Schapals** / Queensland University of Technology

**Derek Wilding** / University of Technology Sydney

**Janet Fulton** / University of Canberra

**Agata Stepnik** / The University of Sydney

# BACKGROUND & OVERVIEW

Today's media landscape is in disarray — increasingly audiences are turning away from mainstream news and splitting their attention toward a growing number of content options. Advertising revenues are shifting to digital platforms. Governments have attempted to address the imbalance in market power in the advertising market by encouraging global digital platforms to support news. However, these platforms are rethinking their commitment to news. At the same time, the rapid emergence of generative AI poses new copyright, financial, and visibility challenges to news outlets that are still adjusting to the last wave of digital disruption.

Some niche news offerings with well-defined audiences have remained strong, and even grown. However, the marginal strategies adopted by government and many traditional media companies to improve performance have had limited impact.

News businesses have proactively made efforts to diversify their revenue streams and in part have succeeded in growing their paid subscribers. In 2024, one in five Australians were paying for online news<sup>1</sup>. However, this is not sufficient to overcome the decline in advertising.

Government funding is often short-lived, poorly targeted and redirects valuable resources to apply for it.

Policy innovations, such as the News Media Bargaining Code in Australia, have offered short-term financial relief for some but has led to greater financial uncertainty as Google and Meta reconsider their funding relationships with news.

**It is clear there is need for bold and urgent change. Public interest journalism cannot continue to be dependent on algorithmic whims, secret deals of digital platforms or short-term government support.**

More stable, predictable, transparent forms of funding are required to maintain a healthy and independent news media sector that meets the information needs of the community.

This context provided the backdrop for discussions at the News Industries postconference event. The event was themed around two aspects of how to fund news: news business innovations and news subsidies. Based on the discussions, this report provides a global perspective on options for funding the future

of news. The focus of the event was to explore what industry, governments and researchers can do to support public interest journalism. This revolved around several questions:

- What can we learn from best practices around the world in transitioning successfully to sustainable digital news providers? This includes best journalism practices, innovative business models, building relationships with platforms, and effective transition to digital services.
- What can regulators and governments do to assist in the transition?
- What are the most urgent priorities they need to address? This includes regulation of digital platforms and support strategies for news organisations.
- What can scholars do to provide evidence and pathways to help achieve these proposed changes?

The report includes recommendations for government, industry and the research community. We hope this report will provide you with diverse perspectives on the current challenges facing the news industry and aims to help generate new ideas to strengthen and adapt journalism in a constantly changing information environment. While audiences were not the central theme of the discussions, many of the suggested solutions were about audiences and meeting their needs.

<sup>1</sup> Park, S., Fisher, C., McGuinness, K., Lee, J., McCallum, K., Cai, X., Chatskin, M., Mardjianto, L. & Yao, P. (2024). *Digital News Report: Australia 2024*. Canberra: News and Media Research Centre, University of Canberra. <https://apo.org.au/node/326816>.

# KEY OUTCOMES

A breadth of countries and media systems, several key themes emerged from the presentations and discussions.

## Government

### 1. Urgent help is needed.

The financial sustainability of the news media in Australia is further eroding as advertising continues to shift to digital platforms creating monopoly power. As we have experienced with the Voluntary Content Agreements sparked by the News Media Bargaining Code, platforms can withdraw their financial support for news at any time. These inconsistencies are adding to job losses and closures making journalism employment increasingly precarious.

#### **Recommendation**

*The federal government needs to act quickly to collaborate with industry to develop and implement long term financial solutions.*

### 2. Subsidies can be beneficial if targeted and well managed.

There were mixed views about the efficacy of government subsidy schemes, and some raised concern about the potential impact they can have on the independence of recipients. Funding considerations will need to include journalism serving both small and large communities, and at both local and national levels. For this reason, indirect subsidies, such as wage support schemes for journalists and infrastructure or tax concessions were favoured over direct funding.

#### **Recommendation**

*Government should prioritise indirect subsidies in the forms of tax relief, wages, training and infrastructure support. Direct funding should be used sparingly and only for specific purposes. For example, innovation funds for digital transition, audience engagement, developing new audiences, staff training, etc. can be very effective.*

### 3. Certain news requires special support.

There was general agreement that certain types of news needed to be prioritised for funding. They were local news, public interest journalism and news for diverse audiences. There is a wide range of national and international general online news offerings, however, gaps remain in three areas. Participants recognised that the high rate of news closures, contractions and job losses in regional Australia means that special attention needed to be paid to supporting local public interest journalism in the regions.

#### **Recommendation**

*Government needs to pay special attention to supporting local news, public interest journalism, and news for diverse audiences, and ensure the provision of these specialised news to all Australians.*

### 4. Revisiting the efficacy of the News Media Bargaining Code.

There was general consensus that the News Media Bargaining Code in Australia is no longer fit for purpose. It is clear that the threat of designation under the code led to a successful one-off injection of funds in the form of secret deals between the digital platforms — Meta and Google — and the major news outlets totalling more than \$200million per year. However, there is concern that it, and similar schemes in Canada and elsewhere, generate dependence and increase the vulnerability of news outlets to the whims of the platforms. In addition, Meta's announcement that they will withdraw funding from news and deprioritisation of it on its platforms, along with Google shrinking its deal payments, and the emergence of new platforms, such as Generative AI and TikTok, mean the current arrangement in Australia is no longer fit for purpose.

#### **Recommendation**

*The federal government should revisit the News Media Bargaining Code to either update it to accommodate the rapidly changing ecosystem and designate those platforms under the code or walk away from it and develop a new more sustainable option.*

### 5. Consider a levy on digital advertising.

As witnessed by the News Media Bargaining Code and Canada's Bill C-18, it is imperative that governments be actively involved in balancing market power. A levy on digital advertising was raised by keynote speakers and international participants as an alternative to news bargaining codes. It was seen to provide a more reliable and equitable source of revenue, because it does not depend on the decisions of digital platforms but, rather, applies the same logic to companies that generate revenues through digital advertising that are above a certain threshold. Removing news outlets from directly negotiating with the platforms and an independent entity managing and distributing funds will also mean that it will allow them to plan and maintain a stable workforce. This idea of a public interest journalism levy has been further developed in a recent Parliamentary Inquiry<sup>2</sup> and included in recommendations in the second interim report of the Joint Select Committee on Social Media & Australian Society.<sup>3</sup>

#### **Recommendation**

*The federal government should consider introducing a levy on digital advertising and use the funds to support local news, public interest journalism and news for diverse audiences.*

<sup>2</sup> Google is worth more in Australia than major news outlets. Here's how it could better fund journalism (theconversation.com)

<sup>3</sup> Joint Select Committee on Social Media and Australian Society: Second interim report: digital platforms and the traditional news media, October 2024

## 6. Principles of how to distribute funding.

The issue of which outlets should receive funding, and who decides recurred throughout the post conference. An independent body separate from government was preferred to ensure transparency and fairness. Countries such as Canada have developed such a model, though not without its challenges. Getting the model right is important.

### **Recommendation**

*The government must work with industry and academia to design an independent mechanism to disseminate funding from a levy on digital advertising for news media outlets.*

## 7. Evaluation and transparency of subsidy schemes.

There was ample discussion of funding programmes that came and went without any evaluation of their effectiveness or justification for it ending.

### **Recommendation**

*Any subsidy schemes must embed evaluation into the programs, to be conducted by independent researchers and made available to the public, to assess the outcomes of the schemes so that they can be improved.*

# Industry

## 8. Innovative business models are everywhere.

There was ample evidence of successful innovative business models for news across the globe with a special focus on digital formats, such as YouTube, Substack, and newsletters. Most of them had a component of audience subscription but not always. Outlets with niche audiences and content were seen to have greater success than generalist news outlets which face more competition and find it harder to establish a loyal customer base. News organisations can learn from various experiments around the world and focus on how they can meet audiences where they are.

### **Recommendation**

*News outlets should continue to broaden their reach to audiences via a range of value-added products such as email newsletters and video products. They should do so with clear strategies appropriate for their audiences and should be open to shifting their offerings to fulfil audiences' needs.*

## 9. Audience and quality are king.

Outlets need to be strongly connected to their community and meeting their information needs with quality content that is attractive to the audience and advertisers. News outlets need to better reflect their communities and collaborate with them, rather than relying on social media platforms that can change their algorithms at any time. This means they need to really understand their audiences, and what those audiences value.

### **Recommendation**

*News outlets need to focus on quality content and audience needs, which will strengthen trust and loyalty from communities and be attractive to advertisers.*

# Academia

## 10. Futureproofing the definition of news.

There was much discussion about the need to broaden the definition of news and news providers to match audiences' shifting behaviours and expectations. A broader definition could result in the inclusion of emerging news providers in any support schemes, for instance independent journalists on YouTube and niche community media.

### **Recommendation**

*Policy makers, traditional and alternative news providers, and academics should work together to redefine news. This will ensure consistency in distributing any funding to news outlets.*

## 11. Need for longitudinal industry research.

It is clear there are large gaps in data about the number and type of news outlets across the country. Valuable work has been done by the Public Interest Journalism Initiative and Australian Communications and Media Authority, but ongoing tracking research needs to be funded to monitor the size and make-up of the industry, and what is filling the information gaps in communities after closures of news outlets.

### **Recommendation**

*The federal government should fund independent research to track the changing state of the news industry, including both supply and demand.*

# THE QUESTIONS FACING JOURNALISM IN THESE TURBULENT TIMES

— Reflections from ICA Postconference 2023 convenors

By **Alfred Hermida** and **Mary Lynn Young** / University of British Columbia

There is a core question for scholars and journalists investigating the shifts in the economics of journalism, the evolution and emergence of novel media technologies, and changing audiences. All of these issues are material in times of turbulence and turmoil, with debates about business approaches, the function of the state, the role of platforms, and the obligations to audiences.

But the most pressing issue emerging from the ICA post-conferences in Toronto in Canada and the Gold Coast in Australia is simple to express yet hard to crack. That is, determining what we are seeking to repair, reform or transform, and for whom.

## **Crisis, what crisis?**

Both Canada and Australia are countries with a large land mass and relatively small populations. Both have highly concentrated media systems dominated by commercial conglomerates. In both, the discourse of crisis is a frequent refrain among journalists and policymakers against a backdrop of newspaper closures and job cuts. And both countries have passed legislation designed to funnel funds to the news industry from Google and Meta, given the platforms' dominance over digital advertising.

**There is no doubt that these are testing times for established and emergent news media as they undergo a period of transformation.**

But how these crises are defined is key to figuring out future directions for multiple journalismisms.

## Value of subsidies?

The function of the state provides a lens with which to explore these questions. Direct and indirect subsidies for the media have long been a feature of the news industry, not just in Nordic countries, but also in the Anglo-American media sphere. In Canada, more than CAD\$750 million (AUD\$822 million) has been channelled into state subsidies for the media since 2018 through a range of schemes, from hiring local reporters to grants for publications to tax credits on digital subscriptions. Out of all the initiatives, industry insiders point to the labour tax credit for journalists as one of the most effective ways to support media organizations. Under the subsidy, approved publications receive a 25% tax credit — recently increased to up to 35% — towards salaries.

The attractiveness for journalism organisations is easy to see. It directly supports salaries so the more journalists in a newsroom, the more money coming in. Larger newsrooms, which tend to be legacy media conglomerates, gain the most in this funding model. Smaller and newer players may not meet the subsidy threshold for number of journalists or quality due to the nature of their journalism. Moreover, readers may question the independence of a publication when a third of the wage bill is covered by the federal government.

## Whose voice?

Such an outcome is not surprising as media policy in Canada as structurally it is a small country by population. This puts limits on scale for news organisations, to the extent that a larger number of Canadians turn to *The New York Times* for their news. While useful for media organisations, the direct and indirect state subsidies have not stopped cutbacks and closures. Since 2023, 31 community newspapers have closed down, the three big private broadcasters have cut news programming and staff, and two major regional newspaper groups entered creditor protection, as [tracked by researchers at Toronto Metropolitan University](#).

When the former Heritage Minister Mélanie Joly set the aim of the government's media policy in 2017, she said: "Our approach will not be to bail out industry models that are no longer viable. Rather, we will focus our efforts on supporting innovation, experimentation and transition to digital." Whether this has happened is highly contested, even with the launch of more than [70 journalism start-ups in Canada since 2017](#).

## Addressing the challenge

### **The example of state subsidies in Canada illustrates why it is vital to work out what is the journalism we are seeking to support and promote, and who it is serving.**

To get there, four key questions emerged from both of the ICA post-conferences.

The first is to determine the nature of the challenge facing journalism. Much work has already been done tracking the closure of local news outlets and the rise of news deserts. Such research is valuable in assessing what journalism resources exist. There is scope for more to assess what kind of journalism is provided. The traditional local news staples of crime, weather and traffic are not fit for purpose, if they ever were. By comparison, [some newer entrants are focused on under-reported and marginalised local communities](#).

This question links directly to the second, which concerns publics. As well as assessing who they are and how they access news, there is more work to be done on investigating what news is of interest and value to these diverse publics.

The third question is how to fund this journalism. There is important research exploring how business models are evolving, from studies on reader revenue to the continued persistence of advertising as a source of funding. Here, again, there is scope for more work on considering what funding models are most pertinent and relevant in different contexts and countries. Within these discussions we need to ask what financial sustainability looks like — and for whom.

Last, but certainly not least, is continued analysis of the role and impact of platforms on the economic, social, and political context for journalism.

There is no magic bullet to address the challenges facing journalism. But it starts by considering the depth and breadth of those challenges and, more importantly, defining what success looks like and for whom.

# INNOVATION AND SUSTAINABLE MEDIA STRATEGIES

# 'Burning platforms'?: Exploring local news futures in Australia

Keynote by **Kristy Hess** / Deakin University



KRISTY HESS

## Summary

Professor Kristy Hess opened our post-conference event day with a keynote on the national significance of local news and its importance in keeping local communities informed, connected and safe.

Hess provided a definition of 'local' describing it as a geographic area, and local news reinforces ideas of community and people's sense of place. Hess provided five provocations around ways to rethink support for local public interest journalism:

- stop talking about the problem and solve it;
- hold outlets accountable to their local audience;
- don't conflate metrics with reach;
- collaborate; and
- stop donating content to Meta.

## Solve the problem

**We understand that local news matters and there's enough research out there to demonstrate this, and it's time to act.**

Hess suggested the next step should be addressing the following issues: sustainability, quality, and paradoxes. She argued the paradoxes are many: people want local news but don't want to pay for it; there is a lack of quality staff, but positions can't be filled; some outlets are making money, while others aren't; the industry wants government support but needs to keep a distance to maintain independence. How do we resolve these tensions?

## Accountability to local audiences

In the first instance, the attendees were asked what is a local news provider and who is doing it well? "Local" and "community" and "local voice" and "local democracy" are terms used by news outlets to demonstrate their investment in their community, but Hess argued, it is a term that can be exploited. Many news producers claim to be "local" when they may be local in name only. "There needs to be

far more accountability of providers of local public interest journalism to the people in the places they purport to serve." And any government assistance needs to support those areas with the greatest need.

## Metrics

Hess said there had been an obsession with digital metrics at the expense of attracting and supporting local audiences; metrics are about reach and local outlets should be able to concentrate on reaching their target catchment rather than, as Hess said, "attracting a global audience". Local advertisers want local customers and news coverage of local disasters, local community members and local issues is a powerful vehicle for bringing the community together.

## Collaboration

There needs to be what Hess described as a "collaboration equation" where competing interests come together to better serve communities that are vulnerable. Rather than attacking the credibility of other outlets (Richard Denniss mentioned this in his keynote as an "innovative business strategy"), news organisations should work together, drawing on different expertise and resources. Government departments could also work together, and government and industry should listen to each other.

## Meta

Hess stated bluntly that, "Facebook is not a friend of news providers." She lamented the initial oversharing of content with Facebook and now the paywall introduced by news outlets which stops citizens from accessing important local council reporting while still giving Meta other social and cultural content, including conversations and comments. Meta, she argued, is an advertising platform and that's how it should be treated.



QUESTIONS FROM THE AUDIENCE

Hess did provide glimmers of optimism. Her latest Australian Research Council grant, in partnership with the ABC, is developing a tool to assess news access at a local level. Internationally, public service media are deliberately eschewing social media and encouraging citizens to engage with them directly. There are other platforms where conversations can be had about civic affairs, such as council websites? that were developed for local councils to interact and engage with their constituents. Hess challenged us to think about alternative spaces for local civic dialogue that are not governed by the interests of global digital platforms.

Hess finished off by reasserting the local in the digital: "In a digital world, I think place is paramount. That's not a provocation. I think that's just fact."

**Professor Kristy Hess** is a Professor of Communication at Deakin University, Australia. Since 2018 she has been involved in four Australian Research Council grants that draw on her expertise on local media, digital journalism and rural communication. She is currently leading an ARC Linkage examining local news sustainability and the role of the public broadcaster, the ABC, in supporting the sector.



***"Local news is not and should not ever be made to massify. Its power is in its niche-ness. That's what's really important."***

KRISTY HESS

# Industry panel summary: Innovation and sustainable media strategies

## Panellists

**Megan Brownlow**, Non-Executive Director / Housten Consulting

**Jarrah Petzold**, Director of Marketing / Australian Community Media

**Will Hayward**, CEO / Private Media

**Jacqui Park**, Journalist / Editor and Media Strategist

## Moderator

**Robert G. Picard** / University of Oxford & University of Canberra

## Summary

With the introduction of web browsers and smartphones, traditional media such as TV and newspapers have been challenged with a fierce competition from digital media.

**Audiences now have access to more content in many different formats and have shifted to online.**

Advertisers have followed. The industry panel discussion ranged from sustainable strategies for small publishers, how funding from the digital platforms can support and develop tools for media companies, how innovation can be an enemy to sustaining success in organisations, and to the success of community focussed news models in the global south.

The presentation by **Megan Brownlow** demonstrated how small local publishers can successfully transition into a digital news enterprise. Drawing on her experience with Project Kookaburra,<sup>4</sup> Brownlow described successful strategies for independent regional publishers to adopt to become financially sustainable in a relatively short time period. The project developed several tools (media kits) with different levels of engagement for publishers to step into digital business models. Brownlow trialled and followed ten digital projects and found that a print-digital media kit reached the payback period within three months, a reader support model within six months, monetisable websites in nine months and an email newsletter suite in twelve plus months. The lessons learned were that content volume does matter, and digital publishers need to have sufficient content to keep the audience engaged. Second, staff training in



MEGAN BROWNLOW

<sup>4</sup> Project Kookaburra is an independent research program designed and run by Megan Brownlow, Simon Crerar and with participation from Mediality (formerly AAP Studio). It received arms-length funding from Google News Initiative. The five pilot programs ran from April to September 2020.

digital skills is essential because, in the long run, it will save costs. Third, to bring local advertisers along they need to be educated about the benefits of digital advertising. Finally, we need to acknowledge that metro and regional areas are very different, and the digital divide is still an issue.

**Jarrah Petzold** focused on the potential and merit of digital subscription for regional newspapers. He said Australian Community Media's (ACM) revenue continues to grow 10% year on year. This was possible because of the funds made available through the News Media Bargaining Code and the voluntary content agreements made with Meta and



JARRAH PETZOLD

Google in the past three years. This extra boost in cash allowed ACM to double the size of digital subscribers and to experiment with AI tools and audience metrics that help newsrooms in their editorial processes. Local news organisations increasingly need to know — and are getting to know — their audiences through these technologies. However, Meta's withdrawal of funding may mean that news businesses will have to make some hard decisions, especially among smaller publishers.<sup>5</sup>

"Innovation is overrated. Execution in everything" was **Will Hayward's** opening line. The CEO of Private Media said innovation is an expensive exercise which only large companies can afford. Instead, news organisations should accept that media is a low margin business and rather than being distracted by innovations, they should put all of their creative work into producing high quality journalism and finding the best ways to reach audiences. For example, Hayward said, at Private Media they obsess about sales calls and marketing emails, which may seem boring but are so essential for the sustainability of the business. He argued there are three ways to think about sustainability: growing the audience, growing the revenue per user, and growing the operational leverage. The rest is a distraction.

WILL HAYWARD



**Jacqui Park** has worked with the International Press Institute in Australia over the past four years, conducting global research into local media organisations in the global South. Rethinking business models across the globe and getting



JACQUI PARK

<sup>5</sup> Since this post conference, ACM has announced editorial job cuts and voluntary redundancies. <https://www.abc.net.au/news/2024-09-04/dozens-of-job-losses-at-regional-acm-newspapers/104309904>

insights from these local experiments has made it clear that there is a vast range of experimental models responding to different kinds of challenges. Park's research found that all of the successful innovative models involved a pivot to audiences. Many news media initiatives exist because they care about journalism and filling information gaps in the community. Park said this community-focused goal is one of the reasons why paywalls do not work well and argued that journalism in the global south should be open and free. The most successful media, Park said, are the ones that are taking a traditional journalistic approach of informing the public and understand how their audiences value it. Another success factor is to fulfil the news needs that have not been met, from the perspective of the audience. She emphasised that the relationship with the community and taking an audience centric approach was essential.

**Megan Brownlow** is an experienced strategist and non-executive director who, over the course of her 30-year executive career, held senior leadership positions in strategy, marketing and management for large media and consulting firms.

**Jarrah Petzold** is the Director of Marketing at ACM, Australia's largest privately owned media company publishing more than 100 news, agricultural and specialist brands. He leads consumer, digital and trade marketing as well as ACM's national design studio and Chi Squared — the research agency who founded ACM Heartbeat of Australia.

**Will Hayward** is CEO of Private Media, parent company of Crikey, SmartCompany, Inc. Australia and The Mandarin. Prior to working at Private Media, Will was CEO of JOE Media, an online lifestyle publisher focused on live video. He has also held roles at Dow Jones and The Economist.

**Jacqui Park** is a journalist, editor, media builder and strategic designer with deep experience telling stories and building journalism communities around media innovation, press freedom and high-integrity journalism. She is a Senior Fellow for Media Innovation at the University of Technology, Sydney.



ROBERT G. PICARD



PANELISTS L TO R: MEGAN BROWNLOW, WILL HAYWARD, JACQUI PARK, JARRAH PETZOLD

# Commentary: News Media Sustainability Requires Operational Change and Structural Support

By **Robert G. Picard** / University of Oxford and University of Canberra

Concerns about news provision in Australia and elsewhere are driven by developments in digital media and changing financial support for news production. Print media have been the basis of news provision for two centuries and they were primarily supported by a business model of subscriptions and advertising revenue. When broadcasting developed, it supplemented print news and took some audiences, but not advertising, away from print because broadcast news either did not carry advertising (the case of public broadcasting) or it carried different types of advertising than print.

The arrival of digital news media and social media, however, took both audiences and advertisers away from both print and broadcast news providers, forcing them to reduce or end their operations. This is seen in the one-quarter of Australians who now primarily get their news from social media, according to [Digital News Report: Australia 2024](#).

**The biggest challenges created by digital media have been audiences facing more content, from more sources, in more forms that have rapidly divided the available financial resources.**

These trends are affecting all digital content providers but are especially difficult for news providers and are pushing them into changes to adjust to the new environment.

The fundamental challenges in maintaining or starting up news providers are that capital is needed to establish news organizations, working capital is needed to sustain news organizations, and continuing revenue is needed to support operations. These challenges affect all news media, whether startup or established enterprises, commercial or not-for-profit operations, or national, state, or local news providers.

Digital technology, how journalism work is carried out, and the business of journalism have not changed the fundamental purposes and functions of

journalism. However, they require significant change in how journalism is gathered and distributed and the funding arrangements surrounding them. It is abundantly clear that traditional journalism funding is and must change to carry out the democratic imperatives at local, state, and national levels. These include expanding their sources of revenue including memberships and gifts from readers, grants from foundations and learned societies, new news products and commercial activities, as well as traditional funding from audiences and advertisers.

The necessity of innovation and change has been embraced by news providers and is being supported by industry organizations, as well as consultants and researchers who are working to alter company structures, operations, and financing. Trying new things and altering operations necessary to sustain public interest news gathering is difficult, however, and the resources required to do so vary widely depending upon the location and type of news operation.

National and international journalism and news enterprises have typically adapted most readily to the changes, but state and community journalism providers continue to struggle. The latter are particularly challenged because socio-economic conditions make it impossible for some communities to sustain the journalism they need. The Public Interest Journalism Initiative has documented 29 councils and shires in Australia that have no local print or digital publishers to support community and democratic well-being. Two-thirds of Australians say they are most interested in local news, but only half say they get enough, according to the [Digital News Report: Australia 2024](#).

Governments worldwide are wrestling with how to create effective public policies to support journalism ecosystems that meet social and democratic needs. These include providing charitable status for some not-for-profit news providers, subsidies to support operations, allowing collaborations among news providers, redistributing some revenue from digital platforms, and supporting local start-ups.

Australia is increasing ways to address the challenges encountered by news organisations. The News Media Bargaining Code was established and provided about \$200 million annually to large news publishers. The competition authority is conducting a continuing review of digital platforms for practices that may violate competition law and harm media companies. Australian Community Media is campaigning for cash subsidies, tax rebates, and requirements for local governments to advertise in local media. Other public interest news campaigners are arguing for subsidies and other support for regional and local news providers, especially for small not-for-profit news operations with strong community orientation that are driven by community service motives.

**There is no magic wand or formula for sustaining news provision across the country.**

But with internal change and structural support from all sectors of society, journalism will survive because it is needed in communities and the nation. Institutional arrangements, structures, and funding will continue to evolve. Citizens, news providers, and journalists, however, need to be continually watchful of those changes and ensure that the new activities and funding support news sustainability throughout the country and do not inadvertently move news providers away from their fundamental journalistic principles or unduly compromise their autonomy.

**Robert G. Picard** is an Adjunct Professor at the News & Media Research Centre, University of Canberra, a fellow of the Royal Society of Arts, a senior research fellow at the Reuters Institute for the Study of Journalism at University of Oxford, and a fellow at the Information Society Project at Yale University Law School. His scholarship focuses on the nexus between the economics of media and communications systems and public policy. Professor Picard has authored 33 books and consulted for leading media companies in North America, Europe, Asia, Africa, and Latin America.

# Innovation in Business Models Around the World

LIGHTNING  
ROUND  
CONTRIBUTIONS

## AM I NICHE ENOUGH TO GO IT ALONE?

By [Claire Merlo](#) / RMIT University

One of the burgeoning submarkets of independent journalism is the Substack-generation of newsletter journalists going it alone thanks to some significant push and pull factors driving these ventures. From a financial point of view, it isn't a particularly successful model for many but for a handful it has been. I will demonstrate some of characteristics and considerations for newsletter journalism through the lens of two newsletters that publish technology journalism.

Casey Newton's [Platformer](#) and Charlie Warzel's [Galaxy Brain](#) are newsletters reporting on the tech industry, technology culture, policy, and products. Both are US-based tech journalists who started their respective newsletter ventures on Substack. The spoiler here is that [Galaxy Brain](#) folded in less than two years, although it was absorbed into [The Atlantic](#) masthead. [Galaxy Brain's](#) experience is normal, whereas [Platformer](#) continued.

### **The majority of newsletter journalists tend to make less money as they would at a news organisation and often move back into that space.**

In no particular order, here are some of the characteristics of each newsletter:

**How much to give away for free:** [Platformer](#) provides one out of four articles per week free. [Galaxy Brain](#) gave away around half of the content, which, in retrospect, Warzel felt was too much.

**The type of journalism it published:** [Platformer](#) is 'insider' journalism with a well-defined product covering technology and democracy aimed at those who need to know the stuff he writes about to do their jobs, whereas Warzel is not a news breaker. The stories in his newsletter were topical, explanatory, analytical but not niche enough. In his farewell piece he wrote "pick a niche where people can expense you for their job".

**What did the journalists do immediately before starting the newsletter?** Casey Newton had spent 20 years as a journalist but just prior to beginning [Platformer](#), he spent three years as a writer at [The Verge](#), writing the daily newsletter [The Interface](#). Significantly, [The Verge](#) allowed him to take all his subscribers with him to Substack. Warzel's newsletter was established more organically. Prior

to starting [Galaxy Brain](#), Warzel had spent two years as a writer-at-large with [The New York Times](#). [Galaxy Brain](#) lasted a bit less than two years. It started with zero subscribers and finished with more than 18,000, 1,400 of whom were paying.

**Why go it alone?** [Casey Newton explains that his entire career was defined and punctuated by disruption.](#)

First print was disrupted by the internet, and then web journalism was disrupted by social media. He had become wary of the ever-growing precarity in the industry as well as the need to avoid the intermediaries between journalist and audience. Newsletters can bridge this divide and bring the conversation the journalists have with the reader much closer, and so too the financial transactions. He said he's never earned more in his career. For Warzel it was mostly about the work. He felt that independent journalism was the best way to do the kind of journalism he wanted to do which, in his words, is "[meandering and iterative](#)" with [no editorial oversight](#).

Substack as a platform has sparked the introduction of new, similar, but slightly different publishing software available to journalists. Ghost, Lede, and Beehive, also offer attractive infrastructure that's easy to set up and use, without the [controversial content moderation issues Substack has been criticised for](#).

[Platformer](#) is a better-defined journalism product than [Galaxy Brain](#) which demonstrates that digital journalism practice, study, and scholarship needs to be more concerned with the everchanging business considerations. Subjects like product design and business model innovation should be taught at journalism schools so newcomers to the industry understand the complexity in funding journalism and how different circulation and revenue strategies can work in concert.

### **A final note about platformisation**

A lack of content moderation forced [Platformer](#) and many other journalists to leave Substack. Newton stated that Substack had become a "haven" for controversial commentators and since the platform promotes all content to all readers on it, he [found some it to be distasteful and offensive](#). While these internal promotions added 70,000 free subscribers



PANELISTS L TO R: CATHERINE SOTIRAKOU, JOSIE VINE, MINJEONG KIM, CHRISTOPHER HALL, HARRY DUGMORE

to his list, he couldn't agree with some of the content being recommended. Additionally, Warzel also said these recommendations created new subscribers, but not usually paying ones.

What Substack and a handful of other email platforms offer is fast and easy entry with full-service publishing and monetisation infrastructure that journalists need to start getting their stories in front of readers straight away. They have also done much to help the broader news media system by encouraging readers into the habit of subscription news and newsletters without intermediaries. This fact will be a lasting change in the industry.

**Claire Merlo** is a PhD candidate at RMIT University in Melbourne. She studies journalism from the perspective of business models and is interested in media industry studies, startups, and platform economics.

LIGHTNING  
ROUND  
CONTRIBUTIONS

## VALORISING CREDIBILITY: TRUST AS PARADIGM AND REVENUE REPAIR IN SOUTH AFRICAN NEWS ORGANISATIONS 2012 TO 2022

By **Harry Dugmore** / University of the Sunshine Coast

In 2009, Jacob Zuma was elected President of South Africa, precipitating an extraordinary decade-long attempt to capture key parts of the national news media. Zuma and the elite surrounding him saw the news media as a key institutional obstacle to their plans to establish a 'shadow state' and surreptitiously extract rents from various organs of the state. Zuma's allies purchased the largest national newspaper group outright, started a new national 24-hour-a-day TV news channel and national daily newspaper, and inserted sympathetic journalists into the 'mainstream' media, with the help of their state security services. The country's Public Service Media, the SABC, was systematically 're-captured' by Zuma and his allies and rejigged to ensure that its TV, Radio and online news bulletins, despite the resistance of many of its professional journalists, delivered self-described "[Sunshine Journalism](#)".

At the same time, during the 2010s, the number of journalists working in South Africa declined by [at least 50%](#), as advertising revenues, long the main source of the news industries' income, were re-directed to digital marketing offerings of Multinational Platform Corporations, just as South Africans got more and more of their media, including news, online. While this was similar to what happened in many other countries, the situation was arguably worse in South Africa, as even the SABC's TV and Radio channels — a key source of news for [the vast majority of the country's](#) population — had been required to rely on commercial advertising for the bulk of their revenues.

This presentation explored how five organisations ([AmaBhungane](#), [GroundUp](#), [Bhekisisa](#), [The Conversation Africa](#) and [Daily Maverick](#)) were able to develop a

HARRY DUGMORE



credibility-centric counter-discourse to push back on the Zuma government's daily drumbeat that the news media was racist and beholden to ['white monopoly capital'](#). Drawing on recent re-theorisation of the ['value problem'](#) in journalism, the study focuses on the news-making 'value chain' to explore how different dimensions of value in the news — social, moral, political and economic — are asserted and claimed, via an examination of these five case studies.

That included a close look at these organisations' marketing materials, editorial statements and annual reports. By paying more attention to these organisations' contractual arrangements with the state, audiences, funders, and distributors of their news products, the study explores how they were able to generate what have proved to be durable revenue streams while also generating greater levels of trust in their news products.

The presentation discussed a typology of 'contracting layers' that these news organisations used across the value chain to structure their journalism practices and underpin their [metajournalist](#) discursive claims. These include, 'registrational contracts' formalising relationships with state and tax authorities; 'values validating' contracts promising audiences reliable journalism practices and content; 'news commons' contracts facilitating the wider free distribution of news products while preserving/transferring the 'truth claims' of each story; and 'communal reciprocity' contracts underpinning financial contributions or support in kind from their audiences. The presentation also briefly looked at their various 'arms-length core funding' contracts with local and global philanthropic donor organisations that provided these organisations with significant funding.

These organisations were thus able to 'operationalise credibility' in particular ways and reconstitute a portion of their audiences into communities of interest, committed to supporting their journalism work, often through direct financial inputs. They also enlisted their audience to assist with their reparatory ['boundary work'](#) and paradigm repair efforts, reclaiming, via fierce metajournalistic

discursive contestation, a degree of social affirmation for their more transparent methods for adjudicating and making 'truth claims'.

The presentation suggested that taken together, these organisations — [AmaBhungane](#), [GroundUp](#), [Bhekisisa](#), [The Conversation Africa](#) and [Daily Maverick](#) — had, by the early 2020s, outsized importance in the South African news media eco-system, and could lay claim to a significant share of the credit for trust in news increasing from 49% in 2018 to [61% in 2022](#), which was then the second highest regularly measured level of trust in news, out of the 47 countries surveyed annually by The Reuters Institute for the Study of Journalism. These practices and discursive manoeuvrings are likely to remain central to the survival of public interest journalism in South Africa, especially if Australia-like News Media Bargaining Codes prove to be inimitable in other national contexts.

**Dr Harry Dugmore** is Senior Lecturer and Discipline Lead in Communication at the University of the Sunshine Coast (UniSC) researching news media economics, precarity in African news ecosystems, and the normalisation of 'post-literate' authoritarian discourses.

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## YOUTUBER BUSINESS MODEL: A PROFITABLE WAY FORWARD FOR LONGFORM JOURNALISM?<sup>6</sup>

By **Christopher Hall** / University of Technology Sydney

Journalism has a funding problem. Journalists are [losing their jobs](#) as a result. News businesses have tried various models to sustain their operations, while the Australian government has also attempted to address it through initiatives like the [News Media Bargaining Code](#) and the [News Media Assistance Program](#). This problem is also discussed at [conferencing events](#) where academic and industry delegates debate news media funding models and journalism futures.

One underexplored funding strategy for journalism is the [youtuber business model](#). The growth of youtuber journalism indicates that this is a viable option for funding video journalism, especially long-form journalism.

So, what is the youtuber business model and how can it be used to produce journalism? In my PhD research I have identified two key elements of this business model: diversified revenue streams, and youtuber presentation styles and production norms.

Diversified income is a prominent feature of the youtuber model.

**While YouTube ad money is important as a revenue stream, it is unpredictable and insufficient.**

The bulk of revenue comes from audience contributions, most commonly via [Patreon](#). Alternatives to Patreon are sometimes used, these include [Buy Me a Coffee](#) and [Substack](#). Substack is its own platform, one that you may be familiar with. However, youtubers often use it in the same way Patreon is used, as a way to receive money from audience members. In-video sponsorships are also an important part of the mix. It is interesting how youtubers deal with editorial independence, but that is a topic for another time. Merchandise is another revenue stream, though a minor one.

Presentation style is an essential part of this business model. It is more than simply uploading videos to YouTube. The videos need to be made specifically *for* YouTube. A professional youtuber goes out of their way to avoid looking like polished corporate media. There is generally a main

presenter, and the rest of the team is hidden all or most of the time. The tone is conversational, and the outfits are generally quite casual. Editing styles and production techniques differ from those of other news media formats and genres. The set is low budget, backgrounds are simple, for example bookshelves illuminated by [bisexual lighting](#). Editing involves jump cuts, zoom cuts, and text directly addressing the viewer, especially to explain a mistake or update. All this gives a sense of authenticity and allows trust to be built over time.



CHRIS HALL

This business model is increasingly being used to fund journalism. It is not a hypothetical. It is happening now. The youtuber business model, including these presentation norms, is being adopted by some professional but now-independent journalists. For example, [Michael West](#) and [John Cadogan](#) have several decades of combined experience as journalists across print, TV, and radio. West prioritises YouTube as it attracts up to four times as many eyeballs as articles do on his news

<sup>6</sup> An abridged version of this article was first published in the [Centre for Media Transition News](#).

website. Cadogan emphasises the importance of authenticity for audiences when he says his videos ‘get TV type numbers worth of views because of authenticity’.

**Also, many youtubers, who once focused solely on education or entertainment, are now regularly producing journalism.**

These youtubers are adopting professional journalistic norms, such as factchecking, to produce fact-based stories on issues of public interest. We can therefore see a convergence, where certain youtubers and journalists are evolving towards each other and towards what I suggest is a new journalism format, [platform journalism](#).

Interestingly, there are signs that some in mainstream news organisations are taking the youtuber presentation style seriously, even if they are unlikely, or unable, to fully embrace the business model. The ABC’s [Media Bites](#) is an example. However, major news organisations such as the ABC and Sky News dramatically underperform in views compared to youtubers with similar subscriber

counts. Not fully adopting youtuber norms could be the reason. A perceived lack of authenticity could be another. Small news media outlets and independent journalists are better positioned to use YouTube effectively compared to large news corporations as they have fewer bureaucratic hurdles and are more likely to come across as an authentic, non-corporate youtuber.

In any case, the market for [online news videos is growing](#). There is audience demand for journalism presented in the youtuber style. And when the diversified revenue stream is applied there is profit potential. By adopting the ways of youtubers, journalists just might reach more of the audience and make a profit doing it.

**Christopher Hall** is a PhD researcher with the Faculty of Law at UTS. He works within the Centre for Media Transition. Christopher’s research focuses on the emergence of platform journalism on YouTube. He also teaches media practice, media theory, and media politics at undergraduate and postgraduate levels.



CATHERINE SOTIRAKOU

## FUNDING NEWS THROUGH PATRONAGE: THE CASE OF HANKYOREH SUPPORTERS IN SOUTH KOREA

By **Minjeong Kim** / Hankuk University of Foreign Studies

Recent research indicates a decline in news traffic from digital social and search platforms, the traditional gateway for general readers to visit media sites. This underscores the growing importance of cultivating reader loyalty. This presentation explored the case of South Korea's Hankyoreh Supporters as an intriguing example of funding news through patronage.

The *Hankyoreh* stands out as a robust national daily newspaper with a strong brand. Established in 1988, shortly after the June 1987 uprising that marked the onset of full-fledged democracy, it was founded by civil society leaders and a group of journalists dismissed during the pre-1987 dictatorship. Initial funding came from over 27,000 supporters seeking a press free from governmental and capitalist influences. The Hankyoreh Supporters Program (hereinafter, HSP), launched in May 2021, distinguishes itself from a paid subscription model, instead operating on a patronage basis. The former creates a barrier, allowing only those who can afford to pay to access quality news. The latter is a way to make good journalism available to everyone.

One can participate in the HSP through one of the following three ways: (1) one-time donation; (2) recurring (monthly) donation; (3) sponsorship by purchasing *Hankyoreh* shares. As of June 28, 2022, there were about 3,200 supporters and the cumulative donation was about 800 million KRW (about \$913,000AUD). Looking at the numbers, *Hankyoreh* hasn't even reached half of its original internal goals. But, the program is in place to connect with passionate fans who are willing to open their wallets for the cause. Comparing the percentage of donations at its launch with February 2024, the percentage of recurring donations has increased from 37% to 47%. The increase in recurring monthly donations means that the HSP has entered the stabilization phase.

The achievements of the HSP can be summarized in three main areas. First, communication and connection with supporters. The *Hankyoreh* sends out a monthly newsletter exclusively for supporters, featuring behind-the-scenes stories, interviews with newsroom managers, and information on rewards and events for supporters. According to a survey conducted from December 2023 to January 2024, more than 86% of respondents said they were either very satisfied or satisfied with the monthly

newsletter. In addition, the events organized as benefits and rewards for patrons are highly successful. The first-come-first-served list is usually filled within a few hours on the day of the event announcement.

Second, positive brand perception. To break away from the existing image of the *Hankyoreh*, the HSP ran a promotional campaign from May to November 2022, especially targeting younger generations. The HSP also developed character merchandise to position *Hankyoreh's* image as soft and trendy. The *Hankyoreh* brand is now perceived as more approachable, younger and friendlier.

Third, employee morale. Those who participate in the HSP have told the Hankyoreh Media Strategy Office that they joined the HSP to support the values that *Hankyoreh* stands for and that they want *Hankyoreh* to become a better press. The Hankyoreh Media Strategy Office continues to publish excerpts of the supporters' messages in the internal newsletter, which is sent to staff every two weeks, and also provides relevant feedback. This had had a positive effect on its employees.

The challenges and limitations of the HSP are mainly twofold. First, low conversion rate. News consumption in Korea is mostly done through portals (online news platforms), so the PV (Page Views)/UV (Unique Visitors) of Hankyoreh's own website is low. Second, difficulty in obtaining detailed data on the supporters. To lower the initial barriers to entry, the HSP used the non-login payment system. Because there is not enough information about early supporters who were highly engaged, it is difficult to get the detailed information about the supporters needed to develop customized marketing strategies. *Hankyoreh* plans to switch to a login payment system in order to secure detailed information on the supporters.

The Hankyoreh Media Strategy Office sets out future strategies including providing rewards combined with content and customizing 'support request' messages based on age, gender, and frequency of visit of the user when logged in. At the end of 2023, *Hankyoreh* introduced login-only content, which can only be viewed by logged-in readers. In this way, Hankyoreh hopes to increase the number of readers who deliberately visit the Hankyoreh website instead of skimming through Hankyoreh articles on portals.

The premise is that Hankyoreh promises to provide quality content to the point where people feel that it's worth paying for.

The HSP represents a promising model for funding news through patronage. It serves as a compelling example of how news organizations can adapt to the evolving media landscape by fostering direct relationships with their readers. Despite facing challenges such as low conversion rates and data collection issues, the program has made significant strides in fostering communication with supporters, enhancing brand perception, and positively impacting staff morale.

The lessons from the case of the HSP can be summarized as follows.

**First, engagement and community building is key.**

Providing exclusive content, organizing events, and fostering a sense of community are key strategies for retaining supporters. Second, transparency and accountability are crucial for building trust and sustaining long-term support. Third, using data analytics to understand supporter behavior and preferences and provide interactive and personalized content.

**Minjeong Kim**, a Media and Communication professor at the Hankuk University of Foreign Studies (HUF) at Seoul, South Korea, earned her M.A. and Ph.D. from the School of Journalism and Mass Communication at the University of North Carolina at Chapel Hill. She served as Hankyoreh Citizen Editor from March 2021 through to February 2022.



MINJEONG KIM

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## VOLUNTEER-RUN HYPERLOCALS: SUSTAINABILITY AND PROFESSIONALISM

By **Josie Vine** / RMIT University & **Timothy Marjoribanks** / Swinburne University of Technology

Who can forget the seemingly unassailable Kerry Packer, smiling toad-like in the 1991 Senate inquiry into print media. Or Rupert (Murdoch), earnestly declaring he was living the “most humble day” of his life in the 2012 UK Leveson Inquiry? Or even the satirical '90s ABC TV series *Frontline*, which we all found hilarious, but only because the corruption of truth in the fictional current affairs program's race-for-ratings was uncomfortably close to our own reality.

It wasn't that long ago we weren't worried about financing journalism. In fact, it was exactly the opposite: the amount of money journalism *could* make — mainly through sensationalism and the resulting ratings and circulation that was then sold to advertisers — was seen as the biggest threat to its democratic role. As David Salter of the ABC's Media Watch fame told the Melbourne Press Club in 2004, the “trade” he had “always loved” seemed to be “going soft”:

With very few exceptions the mainstream media is just not prepared to risk the small loss of market share that might come from knocking the gloss off our lovely self-satisfied lives. Result? Too much of what is published and broadcast today has the consistency of baby-food: timid, premasticated pap.<sup>7</sup>

Predigital revolution, we pinned our hopes on hyperlocal community journalism as an antidote to the “pre-masticated pap”. Jay Rosen (1997) went as far as prophesying that such journalism had potential to evolve into an ideal “type”, or a “whole journalism”, with an ability to “stress” journalism's somewhat utopian values such as civic participation, public conversation and cooperative problem solving. As Rosen says: “These are not professional norms or journalistic conventions; they're part of a vision of democracy that citizens can be invited to share with journalism.”<sup>8</sup>

**Since Rosen's 1997 prophesy, the importance of sustaining the hyperlocal community news media industry has moved from desirable to critical, particularly after the implosion of the local commercial news media sector.**

Scholarship has recognised urgency in finding a model of sustainability for volunteer-run hyperlocal outlets in terms of [economic](#), [cultural](#) and [social](#) capitals. In Australia, Thompson is currently examining how to address the “[crisis of visual news in regional areas](#)”, while Hess, Ross, Ricketson and Forde are [working with public broadcaster, ABC](#) to address the local news crisis. But what has not yet been considered is the implications of maintaining consistent sustainability of community-run hyperlocal news outlets, particularly on their citizen-led structures and communal editorial ethos; the very philosophy that suggests a “whole journalism” destiny.

Although profit is certainly not a hyperlocal community news media outlet's measure of success, it does, at least, need to break even.

**And yet, it is perhaps somewhat simplistic to believe that merely throwing money at the hyperlocal news sector will solve its problems.**

It is with the implications of *what this money is expected to achieve* that this essay is concerned.

In an exploratory pilot project, we asked six founders of community journalism outlets from around the nation what they required to keep the presses rolling.

Almost all interviewees were former professional journalists, fully trained in journalistic practice and ethical expectations. Despite the amount of experience in the media industry, all seemed surprised at the suggestion that commercial arrangements had potential to impact editorial content. Although some outlets took public subscriptions and grant money, all outlets took at least some form of advertising. However, almost as if it had never occurred to them before, the cohort made comments such as:

“I'm motivated, I guess, just to make myself useful to my community ... the community wouldn't put up with it, I mean, we provide local news and we don't sensationalise, that's our point-of-difference.”

<sup>7</sup> Salter, D. (2004). The Trouble with Journalism. Paper presented at Melbourne Press Club annual conference, October 5, 2004.

<sup>8</sup> Rosen, Jay. (1997). Public Journalism as a Democratic Art. In *Public Journalism, Theory and Practice*, Kettering Foundation.



JOSIE VINE

Here we can surmise that community connection is seen as somewhat of an armour between economic sustainability and potential commercialisation in a hyperlocal news context. However, looking at what that economic sustainability is expected to achieve suggests that community-run hyperlocal news envisages growth to the level of professionalization to sustain it at an organizational level.

Systems of governance and decision-making varied between the cohorts, from boards to individuals. But it was clear that the cohort desired professional skills and knowledge at this level. Three talked of conducting a “skills audit” to ensure the proper running of their outlet, and all said they needed more human resources, specialist skills and knowledge to share the rising amount of labor good governance required, including the increasing demand in government-grant application processes.

All interviewees spoke of an increasing need for time, commitment, skills and knowledge of editorial practice, business management, marketing and logistics. Some outlets pay professionals a nominal amount to run the outlet as a meaningful organ of public information, but most staff numbers are inadequate, ad-hoc and over-worked. All interviewees acknowledged their outlets were fulfilling an increasingly important democratic function but understood this relied on a social license. All claimed to be recognised as legitimate and trusted sources of news and information by other institutions, and as a community resource by the public. However, most complained of a misunderstanding among political activists and other ideological advocacy groups.

The issue here appears to be that the community nature of volunteer-run hyperlocals creates social misconceptions that they exist as organs of political activism, a serious misunderstanding when volunteer-run hyperlocals are increasingly taking on the democratic function of the now-defunct commercial local media sector. Even so, results suggest the social capital — communal recognition or a ‘social license’ — of hyperlocal news as a legitimate journalistic endeavor appeared to be more established. Social institutions such as local government, local judiciary, local law enforcement and the local business community were recognizing the journalistic role hyperlocal outlets played and

negotiated relations on that basis. Some volunteers were given press passes to events and others had a ‘press box’ in council and other meetings of democratic processes.

The findings of this initial exploratory project suggest that there is pressure on the community hyperlocal sector to evolve into a more professionalised institution, with enough economic, cultural and social capitals to function beyond an amateur sphere. This is important; our whole democratic process at the local level depends upon it. However, as we search for ways to sustain the hyperlocal sector as democratic institution, it is wise to keep in mind that, arguably, the relationship between sustainability and professionalisation founded mainstream commercial journalism’s original business framework and precipitated ownership concentration issues and general distrust of journalistic integrity. More work needs to be done on *how* sustainability may impact on the hyperlocal sector’s citizen-led structure and communal editorial ethos — the potential “whole journalism” that makes community hyperlocals so valuable to democracy in the first place.

**Josie Vine** is a senior lecturer in journalism at RMIT. Her teaching and research interests focus on the history and future of journalism’s democratic role. She is particularly expert on the historical development of journalism, and how its democratic ideology is inherited from one generation to the next of professional practitioners. She continues her professional practice as local government reporter for the hyperlocal Westsider news outlet.

**Timothy Marjoribanks** is Associate Dean Research and Professor of Management in the School of Business, Law, and Entrepreneurship at Swinburne University of Technology. He is also Pro Vice Chancellor Research Integrity. Tim’s research and teaching engage with debates in organisational innovation, technology and transformation, and leadership and management practice, both in Australia and internationally.

# NEWS SUBSIDIES



# Somebody always pays — rethinking the economics of news in the 21st century

Keynote by **Richard Denniss** / Australia Institute

## Summary

Richard Denniss put on his economist hat to remind us that Australia is a rich country with a GDP of \$3,000 billion dollars, that spends billions of dollars on subsidies, tax cuts and submarines. Why can't the government change a few simple things to support the news?

He pointed out that technology changes things all the time; radical change is not new. And news in our "traditional model" has been around for a very short time compared to democracy and society. Therefore, it is inevitable that business models and delivery models will change. Technology changes society; tastes and preferences change society; and culture changes society.

One simple solution, although not an overall panacea, would be for government funding of the ABC, as Australia's public broadcaster, to be doubled to \$2 billion dollars, it would still be a micro-fraction of Australia's GDP and would make an enormous difference to the Australian news industry. But that won't happen because a business strategy of some commercial outlets is to attack the credibility of their competitors, which then makes such a move politically difficult.

He provided three relatively easy solutions for the government to raise more money to support the news that he believes would get the media on board: stop giving away gas for free to foreign gas companies (and this change would benefit more than the media); tax the profits of foreign companies such as Google and Facebook; and develop a simple tax on online advertising. However, he explained, changes to taxation inevitably creates pushback, particularly in those news outlets that support a smaller taxing economy. Yet, it was also pointed out that a type of tax that would provide financial support to news organisations, would have the media on board. As Denniss wryly pointed out, "It is not hard to line up the revenue and the interest."

There was, though, a major caveat in Dr Denniss's solutions.

**Before funding solutions can be provided, critical questions need to be answered: Who gets to decide the news? Whose news judgement should be paid for? Who decides which news is fit to print?**

Should it be done by audience size? Should it primarily go to incumbents? In other words, who decides, and based on what criteria, which news organisations get the money?

Denniss pointed out that there is still a big focus on print media, and how to save it, yet print is not shaping debates as much as it used to: "there are plenty of other outlets out there that are doing things radically different."

Deciding how to go about raising the money, or finding the money, to support the news is one thing. As Dr Denniss said: "This is not complicated. This is not beyond our wit." It's deciding who to give it to that is the problem. And while the media is a small industry in the broader Australian economy, it has enormous democratic and political impact and, thus, it is crucial to consider how to support news and who gets the support.



RICHARD DENNISS

***"I think the hard part is not where will the money come from? I think the hard part is who should get it?"***

**Richard Denniss** is the Executive Director at The Australia Institute. He is a prominent Australian economist, author and public policy commentator, and previously an Associate Professor in the Crawford School of Public Policy at ANU. He writes regular columns in the *Australian Financial Review* and the *Guardian* as well as regular essays for *The Monthly* and has published six books.

# Panel: International news subsidy schemes



PANELISTS L TO R: TIMOTHY KOSKIE, MONICA ATTARD, ALF HERMIDA, ELI SKOGERBE, JAEMIN JUNG

## PANELISTS

**Alfred Hermida** and **Mary Lynn Young** / Canada  
**Jaemin Jung, Se-uk Oh** and **Youngju Kim** / Korea  
**Tim Koskie** / Australia  
**Eli Skogerboe** / Norway

## CHAIR

**Monica Attard** /University of Technology Sydney

## Summary

In the search of solutions to journalism's financial sustainability, Professor Monica Attard from the [Centre for Media Transition](#) chaired an international panel to discuss news subsidy schemes across Canada, South Korea, Norway and Australia.

### **The panel revealed a wide variety of approaches to supporting their local news industries.**

In **Canada**, Alfred Hermida explained, the news media is seen as part of nation-building and has a long history of direct and indirect subsidies. In 2018, the Canadian government introduced \$750 million worth of initiatives to prop up the news media. Indirect support comes mainly in the form of a labor

tax credit for journalists which has increased from 25% to 35%, and a less significant tax deduction for digital subscriptions. The direct subsidies include \$50 million over five years for the [Local Journalism Initiative](#), which supports 200 local reporters, plus money for some other special measures. An extra \$100 million in funding for journalism has also arrived in response to the introduction of Bill C 18 requiring digital platforms to provide money to news organisations. In exchange for being exempt from the law, Google will now pay \$100 million per year to an industry body, largely made up of independent news producers rather than legacy news organisations, to disseminate the funds to journalism creators. Harking back to Richard Denniss' keynote speech, the question now is who will get the money? As Hermida pointed out, this raises questions about who qualifies for the money, what constitutes a journalism organisation, and what counts as a full-time equivalent journalist?

In **South Korea**, Jaemin Jung explained the News Partnership Evaluation Committee, which is made up of representatives from news organisations, academia, expert groups and the community and is responsible for deciding which news outlets will be featured on the two main online portals, Naver and Kakao. There are different levels of partnership,

some more lucrative than others. Successful media outlets get a share of advertising revenue based on the level of traffic to their content. While these news partnerships are worth around \$31 million USD to the local news market annually, Jung said there are questions about the short- and long-term impacts of the scheme, which he argued should ideally be phased out. Beyond the partnerships with Naver and Kakao, the Korean Press Foundation (KPF) drives national efforts to provide financial and innovation support to the news media. With a budget of \$37 million USD the KPF funds digital innovation in newsrooms, building media literacy in

VAT exemption for most media organisations, and a small amount of grant funding to help offset production costs, which is extremely competitive.

In **Australia**, Tim Koskie painted a more complex and contested subsidy landscape for news producers. Unlike other countries, there is quite a deal of resistance to government support from independent news media. The complexity partly evolves from the concentrated nature of media ownership and the vast geographic distances of the Australian continent and a well-funded public broadcaster, the ABC. Over the past ten years a



JAEMIN JUNG



ELI SKOGERBØ

the community, supporting local newspapers, and promoting news distribution. The KPF also raises revenue for media projects via a 10% commission on advertising, from which a portion (approx \$10 million USD) goes to media promotion projects. The KPF also runs a \$20 million USD low-interest loan scheme for local journalists for living expenses and housing to support the financial stability and welfare of journalists.

In contrast, in **Norway**, Eli Skogerbø explained support for the news media is governed by the overarching framework of the Nordic welfare state model. Central to the Norwegian media system is the tax-funded and state-owned public broadcaster the Norwegian Broadcasting Corporation, which is obligated to provide programming across all genres, for the whole nation, including the Indigenous Sami and national minorities. The government also provides funding to private broadcaster TV2 to compensate for its commercial public service. There are specific subsidies too, including a 25%

few subsidy schemes have been implemented, but not continued. The first was the \$60 million Small Publishers Innovation Fund to assist regional media with the digital transition. This also included a popular program that funded regional journalism cadets and gave scholarships to regional journalism students. During the Covid pandemic the government provided \$50 million through Public Interest News Gathering grants to help keep the doors open and staff on the books as the economy contracted. In 2022, the government also provided \$15 million to regional, First Nations, multicultural and independent suburban newspapers to help defray the rising cost of newsprint that was threatening their viability. Koskie argued the provision of these subsidy schemes shows that the Australian government not only has the capacity to pay the money but also the capacity to have the political will to say that media is important and needs to be supported. In the absence of long-term subsidies, funding deals negotiated in the shadow of the News Media Bargaining Code between Google

and Meta and a large range of news outlets, has provided much needed relief by injecting around \$200 million into the Australian news market. However, Meta will not renew its deals with news organisations, leading to a new wave of job losses and contractions and Google's commitment to renew individual deals is uncertain. In the meantime, the federal government is developing an evidence base to guide future policy and funding support for public interest journalism.

**Alfred Hermida** is a professor and former director (2015–2020) at the School of Journalism, Writing, and Media at the University of British Columbia, and co-founder of *The Conversation Canada*. His current focus is the *Global Journalism Innovation Lab*, a six-year SSHRC-funded project investigating how the future of journalism is being shaped by innovation practices, business models and policy frameworks.

**Mary Lynn Young** is a professor in the School of Journalism, Writing and Media at the University of British Columbia. Her research interests include gender and the media, newsroom sociology, data and computational journalism, journalism startups and representations of crime. She is co-founder and board member of *The Conversation Canada* and has worked as a journalist with major daily news organizations in Canada and the United States.

**Se-uk Oh** is a senior researcher at the Media Research Center of the Korea Press Foundation. He is researching the impact of technology on journalism and has been responsible for developing the 'News Trust Algorithm', which aims to arrange news based on journalistic values.

**Youngju Kim** is the chief researcher at the Media Research Center of the Korea Press Foundation. Her research has mainly focused on media regulation and industry analysis. She has also been engaged in studying media users' behaviors in the digital environment.

**Jaemin Jung** is a professor at the Graduate School of Future Strategy at KAIST. His research interests include strategic management of media business, AI journalism, and the intersection of blockchain technology with the media ecosystem.

**Eli Skogerboe** is Professor at the Department of Media and Communication at the University of Oslo where she is Co-director of POLKOM — Center for the Study of Political Communication. She researches political communication in Norway and internationally and has recently co-edited (with Øyvind Ihlen, Nete Nørgaard Kristensen & Lars Nord) *Power, Communication & Politics in the Nordic Countries*, NORDICOM 2021.

**Timothy Koskie** is a researcher of online media and media pluralism with the Centre for Media Transition at UTS, with a recent focus on generative AI. His current projects include *Valuing News* and *Wikipedia's Discovery projects and the Implications of Generative AI for Knowledge Integrity on Wikipedia*.



ALF HERMIDA PRESENTING

# Commentary: Experiences from the front lines

By **Timothy Koskie** /University of Technology Sydney

Whether or not it can be described as a crisis, there is an [undeniable shift happening across the globe in the patterns of how and where we consume media](#), with a move away from traditional media — and traditional business models. Commercial media adapts, taking on new formats and services with some success in areas such as expanding subscriptions and moving to platforms. Nevertheless, news organisations are closing, with especially local and regional journalism struggling to make up the difference and [facing an existential crisis](#), and new players in the digital media space are finding it difficult to gain traction. Given the role that news media can play in [supporting effective democratic governance](#) and the potential benefits of having a [vigorous and independent commercial media](#), financial interventions to safeguard this capacity cannot be ruled out by the governments that rely on it.

The forms that these financial interventions, or news media subsidies, can take are diverse, as they are implemented in highly distinct national media ecosystems. These subsidies provide aid directly and indirectly, to news organisations and consumers, across history and in the short term, but all have faced challenges arising from their national media environments.

## Missing the media moment

**In many cases, a challenge to subsidies comes from public criticism that commercial media providers are benefiting from support from the governments they ostensibly watch over.**

In Norway, the support has been perceived to create a kind of dependency for news organisations that would otherwise not be able to compete, [distorting the commercial media market](#). At the other end of the spectrum, some subsidies, like Canada's digital subscription tax credit, saw extremely limited take up — [less than 1% of Canadians had made use of it one year later, and many of them were already subscribers](#).

Some subsidies have also been described as missing key concerns of the media market. In South Korea, none of the support measures took aim at one of the central problems facing their journalists: the [dominance of their massive digital platforms Naver and Daum](#), who are positioned to shape the commercial media market largely without oversight.



TIMOTHY KOSKIE

Further still, Australia's largest federal government subsidy scheme was [introduced as part of a reform that enabled further concentration](#) of its already highly concentrated media market.

These criticisms highlight that subsidies can pose a difficult challenge for policymakers seeking a panacea for commercial media market woes and must be crafted with an eye on the specific problems of the media ecosystem.

LIGHTNING  
ROUND  
CONTRIBUTIONS

## THE HIDDEN THREAT TO NEWS MEDIA BARGAINING CODES: HOW FACEBOOK HAS UNDERMINED EFFORTS TO MAKE PLATFORMS PAY FOR NEWS<sup>9</sup>

By **Peng Hwa Ang** / Nanyang Technological University

The push to make platforms such as Facebook and Google pay for the news content they carry on their platforms has been gaining momentum globally. Australia pioneered the News Media Bargaining Code, which mandates platforms to engage in good-faith negotiations with publishers to determine a fair price for news content, provide advance notice of algorithm changes, and share relevant user data with publishers. News organisations naturally welcomed this even as Google and Facebook lobbied against the Code. Facebook even blocked Australian news on its site for several days in 2021. In 2022, the threat of the Code being enacted enabled news organisations to collect some AUD\$200 million from individual voluntary financial agreements made with these platforms.

What seemed like an effective way to support news financial sustainability was emulated by Canada in 2023. Indonesia implemented its version, titled "[Digital Platform Company's Responsibility to Support Quality Journalism](#)", which took effect on August 20, 2024. Other countries are contemplating similar legislation.

An analysis of 15 leading news sites across all five continents found that such codes will not work well. This is because Facebook has been manipulating its algorithm so as to reduce news engagement on its site and thereby pay less for its use of news. The algorithm has downplayed news (deprecated in Facebook's term) with the result that engagement globally has halved. Secondly, Facebook has removed CrowdTangle, the tool that Meta said would help publishers track their content.



PENG HWA ANG

<sup>9</sup> Acknowledgment: Special thanks to Ms Siyu Lee who originated this research, collected and analysed the data, and wrote a significant part of the paper.

## The Changing News Landscape

The push for platforms to pay for their use of news has become more urgent because of the financial decline of news organisations. Digital subscriptions of news have not offset the losses from declining advertising and circulation revenues. In contrast, platform companies such as Facebook and Google have thrived, dominating the digital advertising market and thus taking revenue away from news organisations. The two companies alone command more than 50% of the global advertising expenditure. The 2024 Digital News Report said that more than half of those surveyed got their news from online platforms. It is therefore logical to get platforms to send some of their advertising revenue to support news operations.

But Facebook, in particular, has responded by reducing its use of news. In the study, three leading news organisations on four continents — North America, South America, Asia, Europe and Africa — were analysed for their engagement. Two types of engagement were analysed, post and link engagement. Post engagement refers to the likelihood that individual followers of the news outlet would interact with the outlet's post by liking, sharing, reacting, or clicking on links within the post. Our analysis found it was down by almost half at 49% during the period of the analysis between mid-2022 and mid-2023. Link engagement refers to the likelihood that followers of the news outlet would click on a link in a post by the outlet and was found to be down more than half at 58% over the same period.

The findings are striking because the significant drop in user engagement with news posts was across 15 countries on four continents, regardless of whether they had news bargaining codes in place.

**This suggests that platforms can diminish the visibility of news, thereby reducing its value and undermining publishers' bargaining power.**

The implications are worrying. If platforms can control how much news their users see, they can essentially dictate the terms of any negotiation. This could lead to publishers receiving less compensation



PANELISTS L TO R: DEREK WILDING, HAMIDE KHALEGI MOHAMMADI, PENG HWA ANG, JAMES MEESE, SACHA MOLITORISZ

for their content or, worse, being forced to adapt their content strategies to appease the platform's algorithms.

The study also found that news publishers responded to the algorithm change by posting less frequently and shifting away from link-based posts that drive traffic to their websites. The volume of posts by news outlets was down 10%. This further erodes their independence and financial viability. The findings challenge the core assumption of NBCs: that platforms value news content enough to pay for it. If platforms can simply make news less visible, they have less incentive to negotiate fair deals.

It would appear that if news bargaining codes are intended to help the financial sustainability of the news media, then there should be a levy or digital advertising tax. This would provide direct support to news publishers, reducing their reliance on platforms and ensuring their independence.

The study serves as a wake-up call for policymakers and regulators. It underscores the need for more robust measures to protect the news industry and ensure its sustainability in the digital age. The power of platforms to control the flow of information is immense, and it is clear that relying on voluntary agreements may not be enough. The future of journalism may depend on finding new ways to support it that are independent of the platforms that currently dominate the online landscape.

**Peng Hwa Ang** is a Professor at the Wee Kim Wee School of Communication and Information, Nanyang Technological University, where he researches media law and policy.

LIGHTNING  
ROUND  
CONTRIBUTIONS

## IS AUSTRALIA'S NEWS MEDIA BARGAINING CODE A BLUEPRINT FOR SAVING JOURNALISM?

By **Sacha Molitorisz** and **Monica Attard** /University of Technology Sydney

In February 2024, Meta announced it was not going to renew the deals made as a result of Australia's News Media Bargaining Code, which had been legislated into existence three years earlier. This meant the loss of tens of millions of dollars for Australia's news media businesses. Incensed, the government described Meta's turnaround as a 'dereliction of its commitment to the sustainability of Australian news media', vowing to do whatever was necessary to keep Meta paying. Google, by contrast, said it would keep making deals. At least until August, when it emerged that Google would be cutting its deals by about 40 per cent. It would also be shrinking its three-year deals into one-year deals.

All deals done as a result of the code contain strict confidentiality provisions, so it's hard to know precisely what all this means, in dollar terms. Rod Sims, the former ACCC chair fairly credited as the code's architect, says the combined payments of Meta and Google had totalled \$250million. Meta's payments were reportedly \$70million annually; Google's deals were patently bigger. Back-of-the-envelope calculations suggest that payments of \$250million as a result of the code may now be closer to \$110million. The code isn't just diminished, its very future is in doubt. Whichever way you slice it, the outlook for news media businesses is troubling.

As I tap out these words in early October 2024, the government is weighing its options. It might force Meta to make deals by 'designating' one or more of their services. In turn, this could prompt Meta to remove news from its platforms, or even exit the market. Or the government might enact an alternative, such as a public interest journalism levy imposed on platforms.

### **So, is the code worth keeping? Or can we do better?**

In 2023, Monica Attard and I interviewed representatives from eight organisations who successfully negotiated deals on behalf of more than 200 news media businesses, ranging from small regional publishers to the ABC, Nine and News Corp. They gave us some key insights into the workings of the code. These insights are, self-evidently, from the perspective of news media, which must be kept in mind. Even so, their responses help answer our questions.

Our interviewees generally deemed the code a success that led to the employment of significant numbers of journalists. That assessment is not surprising. It's also not surprising that interviewees from SBS and The Conversation, who struck deals with Google but not Meta, qualified their praise. Consistently, our interviewees said that the code was a big aid for public interest journalism; however, several interviewees acknowledged that the code could never be a complete and long-lasting solution for the challenges facing journalism.

It also emerged that the deals weren't just about cash. They also involved some quid pro quo, in the shape of digital innovation. There were, for instance, requirements that publishers expand their digital presence or publish a minimum number of online stories. This was unwelcome for small regional publishers without a digital offering. Many of these small publishers are struggling to survive, and attempts to force digital innovation, we were told, threatened their sustainability instead of promoting it.

Most of our interviewees said the threat of designation had worked. It had brought the platforms to the bargaining table, given they wanted to avoid designation and all that went with it, including the prospect of final offer arbitration. Indeed, several interviewees thought they did better in the absence of designation. However, there was a recognition by some that the secretive process was perhaps unfair and unsustainable. As one of our interviewees said, 'So far, the legislation has worked [but] it may be in the future that we have a different answer to that question [of whether designation is needed].'

### **The code's provisions sought to rebalance the relationship between digital platforms and news media businesses, and thereby to improve the public sphere.**

Some of these provisions are contained in the minimum standards activated if the Treasurer designates a service. One such provision requires digital platforms to notify news media businesses about algorithmic changes. Our interviewees had mixed responses, but several felt strongly that algorithms needed oversight and regulation. As one

interviewee said, 'These algorithms are so central to the digital economy now, that to have them being controlled exclusively by foreign companies based in Silicon Valley with no government oversight, or no democratic involvement in it, that's problematic.'

One of the recurring themes was that the legislation needs to be amended to keep pace with emerging technologies, such as AI, or even Apple News. As one interviewee said, the legislation:

'should be evolved by the government of the day to keep pace with the evolution in the market. And probably the two biggest evolutions, since the enactment of the laws, is generative AI and short-form video, TikTok. Neither of these were contemplated within the code that really focused primarily on the distribution of primarily text-based public interest journalism.'

Already, news companies globally are striking deals with AI companies, which may be a pre-emptive strategy by AI companies to avoid the imposition of a code such as Australia's.

The code is a world-first, effectively forcing a redistribution of revenue to news media businesses (who generate content) from digital platforms (who derive advertising revenue from that content). It's yesterday's intervention; but with improvements and additions, as our interviewees remarked, it could be tomorrow's intervention too. Alternatively, as other jurisdictions watch closely, we could recognise the code as the innovative intervention that it was, even as we replace it with something better.



SACHA MOLITORISZ

**Sacha Molitorisz** previously worked at the Sydney Morning Herald. Later, he completed a PhD about the ethics and law of digital privacy and is now with the Centre for Media Transition and UTS Law, where his work explores news media standards, journalistic ethics and how the law can best support public interest journalism.

**Monica Attard** is a Professor of Journalism Practice and Co Director of the Centre for Media Transition at UTS. During her 45 years as a journalist, she was an ABC foreign correspondent who documented the collapse of Soviet communism. Monica has won six Walkley awards, including a gold one, and received an Order of Australia for services to journalism.

LIGHTNING  
ROUND  
CONTRIBUTIONS

## NAVIGATING THE DIGITAL LANDSCAPE: CHALLENGES AND OPPORTUNITIES IN IRANIAN JOURNALISM

By **Hamide Khaleghi Mohammadi** / The University of Sydney

Digital journalism has emerged as a vital and transformative component of Iran's media landscape, filling a crucial gap left by heavily censored traditional media. This digital revolution has given rise to independent news websites, blogs, and social media channels, which have become powerful platforms for journalists to disseminate news and information in a more open and unrestricted manner. These digital platforms not only provide a vital outlet for uncensored content but also play a critical role in delivering timely and relevant news to the public. They have become instrumental in shaping public opinion and fostering open discussions on various important issues.

**However, while digital journalism has undoubtedly offered new avenues for journalistic expression, it also faces significant challenges.**

The financial dynamics of the industry remain complex, with many digital news outlets struggling to secure stable funding and revenue streams. Additionally, stringent regulatory frameworks govern the digital media industry, posing obstacles to the free flow of information. Despite these challenges, digital journalism continues to play a pivotal role in shaping the media landscape in Iran, offering hope for a more open and transparent flow of information in the future.

### Financial Dynamics of Digital Journalism in Iran

The financial landscape of digital journalism in Iran plays a crucial role in shaping the evolving media environment. The transition from traditional to digital media has presented new opportunities for broader and faster content dissemination, but it has also brought forth significant financial hurdles. Sustaining digital platforms necessitates substantial resources, ranging from technological infrastructure to the presence of skilled personnel. Furthermore, economic sanctions and limited advertising revenue pose formidable challenges, while the government's discontinuation of advertisements from non-compliant outlets further compounds the financial strain. As a result, many digital journalists in Iran operate under precarious conditions, often contending with limited resources and facing constant threats to their safety and livelihood. These financial dynamics underscore the complexities and obstacles that digital journalists in Iran confront as they navigate the ever-changing media landscape.

### Regulatory Challenges and Press Freedom

The Iranian government wields considerable influence over the media, enforcing regulations that limit press freedom. Digital journalists must carefully manoeuvre within these regulatory frameworks, balancing the need to comply with regulations while delivering accurate and timely information. The regulatory landscape is further complicated by government censorship, surveillance, and the prosecution of journalists covering sensitive topics. However, despite these obstacles, Iranian journalists' resilience propels the digital journalism sector forward.

HAMIDE KHALEGHI MOHAMMADI



## Citizen Journalism: Empowering Voices through Technology

In the realm of digital journalism in Iran, citizen journalism has emerged as a significant and influential force. Ordinary citizens, armed with smartphones and internet access, now actively participate in the spreading of news. By reporting events in real time and sharing their viewpoints on social media platforms, these individuals bypass traditional journalistic channels. This grassroots movement has empowered citizens to engage in journalistic activities, thereby contributing to a media environment that is more diverse and decentralized.

The widespread use of smartphones and social media has revolutionized the way news is both reported and consumed in Iran. Citizen journalists play a pivotal role in covering events that might otherwise be overlooked or censored by traditional media. Their capacity to capture and share images, videos, and live updates has rendered them indispensable in the information ecosystem. Furthermore, independent journalists can exploit these platforms to circumvent censorship and reach audiences both domestic and international with their reporting.

## Opportunities for Digital Journalism

In Iran, despite the challenges, the digital journalism space presents significant opportunities. The restrictive environment has paradoxically heightened public awareness and concern about sensitive topics, leading to an increased demand for reliable information. This surge in demand has not only driven the growth of citizen journalism but also compelled independent journalists to explore innovative funding models such as crowdfunding and subscription services. These approaches are valuable as they offer new avenues for financial sustainability and contribute to maintaining editorial independence, thus allowing journalists to pursue critical stories without compromising their integrity.

Moreover, the global nature of the internet enables Iranian journalists to expand their reach to a broader international audience. This global exposure not only raises awareness about local

issues on a global scale but also has the potential to attract support from global organizations. The support provided by these organizations could offer additional resources and protection for journalists working in hostile environments, thereby bolstering their ability to report fearlessly and without undue influence.

## Conclusion

The digital landscape of Iranian journalism presents many challenges, including financial and regulatory obstacles. Despite these difficulties, citizen journalism and the efforts of independent journalists are pushing the sector forward. Digital journalism in Iran reflects the ongoing struggle for press freedom in a constrained environment, yet it also holds promise for a more informed public and increased press freedom as digital platforms advance.



PANELISTS L TO R: HAMIDEH KHALEGHI MOHAMMADI, JAMES MEESE, SACHA MOLITORISZ, PENG HWA ANG

**Hamideh Khaleghi Mohammadi** is a dynamic academic and PR professional with a Ph.D. in Media and Communication Studies. As a student and lecturer at The University of Sydney, her research delves into journalism, social media, and communication. With a wealth of experience, she brings a unique perspective to academia and industry.

LIGHTNING  
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## THE PRESS AS PLATFORM?

By **James Meese** / RMIT University

Over the last decade, news media organisations and governments have been worried that products like Facebook and Google Search have become increasingly central intermediaries for news distribution. Of particular concern was the ability of Meta and Google, who owned these products to use algorithmic systems to influence news outlets. To an extent, these fears became a reality. The infamous [pivot-to-video](#), saw certain news organisations rush to invest in video production because Facebook signalled that they would favour this type of content. News companies also lost significant advertising revenue share to the advertising networks established by these tech giants.

As part of these discussions, various scholars suggested that platforms could be better understood (and regulated) as media. These analyses made sense when they were written, with many platforms (most notably Facebook), actively seeking to become a place where people went to find news. However, things have changed. Most platforms are no longer interested in the news sector and news organisations are no longer as reliant on platforms for audiences. Therefore, I suggest these analyses no longer hold.

Today, an alternative phenomenon is occurring.

### **Certain news outlets are starting to adopt the features of digital platforms in an attempt to develop more autonomy and independence.**

These efforts at adoption and mimicry happen across four major areas. News organisations are:

1. Increasingly using subscription strategies that resemble those used by digital platforms.
2. Developing their advertising networks to reduce their reliance on tech firms.
3. Collecting more first-party data on their audiences.
4. Investing in personalisation and recommendation capabilities.

### **When platforms inspire independence**

News media companies are now deeply invested in digital subscriptions and see it as a key revenue

source. While this revenue stream has been around for some time, what is notable is that platforms are now influencing subscription strategies.

Technology firms who run leading subscription-based business models, like Netflix and Spotify, are providing advice with the [International News Media Association's 2023 Media Subscriptions Summit](#) featuring a keynote from Spotify's former chief economist. News companies are also building technically sophisticated systems to manage subscription churn. For example, Bloomberg are deploying a [machine learning model](#) that predicts the demographics of their audience. These systems are just one example of how news companies are developing platform-like capacities. News companies are also collecting more [first-party data](#) to help them understand their audiences better, usually by asking people to log-in when reaching their sites. In some cases, this data is not just used for audience analysis but supports the development of in-house advertising platforms.

These combined efforts allow companies like Australia's Nine Entertainment to promote a [self-serve advertising platform](#) that can use AI to make television commercials for \$500, which can screen on their video-on-demand platform in 9Now in specified locations. However, these trends also see companies mimic two key features of digital platforms, the collection of personal data and the deployment of targeted advertising.

The final example is the growing investment in personalisation and recommendation. While there have been significant concerns about the algorithmic power of digital platforms, the increasing availability of machine-learning tools has meant that news companies are adopting similar techniques. The most notable is the Norwegian outlet Aftenposten's homepage, which can [present different news to different people](#) through an automated workflow.

### **The new platform-publisher relationship**

News media companies and digital platforms regularly fight over various policy issues, the most notable being, whether technology firms should pay for news content on their services. However, the above examples make it clear that these sectors have more in common than they would like to

admit. Some news companies have followed the old saying, “if you can’t beat ‘em, join ‘em”, in an attempt to establish independence from the platform sector and build long-term sustainability. However, only certain news businesses can invest in these platform features. I have previously described these outlets as internationally respected newspapers that can generate significant subscriber numbers across different markets or popular national papers that can rely on a national audience. As a result, many small and medium news businesses cannot adopt similar strategies.

The above developments present some interesting challenges for the future of news more generally.

**Only a few media companies will be able to leverage the opportunities created by technology and AI, to become largely independent from platforms and big tech companies.**

Adopting similar tactics also means that some concerns about platforms may soon apply to publishers. To pick one example to close, if we worry about Meta’s data collection capabilities and ability to target ads to individuals, perhaps we should also have similar apprehensions about news publishers seeking to build out similar features.

**James Meese** is an Associate Professor at RMIT University. He regularly publishes work in leading media and communication journals and his most recent book is *Digital Platforms and the Press* (Intellect).



JAMES MEESE

# Calculating the funding gap in local journalism — Methodological and empirical observations from a work in progress

Keynote by **Phil Napoli** / Duke University



PHIL NAPOLI AND TERRY FLEW

*“How much is needed for local journalism to effectively meet communities’ information needs?”*

## Summary

In a similar way to other areas in the world, local news is suffering in the United States and, as Professor Phil Napoli said: “Philanthropy has really taken notice of the crisis affecting local journalism in the US.”

A consortium of 20 funders has pledged \$US500million in the coming year to support local journalism in an initiative called Press Forward but according to Napoli, “Although this represents an unprecedented investment into US local news production, there is ongoing debate as to whether \$500 million will be adequate going forward.”

With that caveat in mind, Napoli has been charged with figuring out the gap between how much funding is available to support local journalism and how much is needed to ensure communities have their information needs met. His project ‘Estimating the Local Journalism Funding Gap’, funded by [Democracy Fund](#), is looking at the sectors of radio, television, digital and print media to determine the total revenue, in other words, gauging the size of the news market.

His keynote addressed the difficulties of how to measure both the amount of funding in local journalism and how much is needed. How much is enough? How are these measured? What is the baseline? And what needs to be considered? It is, as he said, both an empirical and normative challenge.

**In the first instance, it is difficult to ascertain what revenues are attributable to local journalism.**

Issues such as ownership concentration, a lack of readily available data, and the challenge of “churn” in local media all contribute to the challenge of generating data about revenue. The project is drawing on multiple sources: databases such as BIA Media Access Pro, organisations such as the Institute for Nonprofit News, fact tanks like Pew Research Center and government bodies including the Census Bureau and the Bureau of Labor Statistics. Financial reports from different sectors are being looked at and a group of undergraduates is manually tagging television stations to categorise whether or not they produce local news.

And the other question — how much is needed — is also difficult to answer.

**What is the best method to determine how much is needed for local journalism to effectively meet communities’ information needs? How do you choose a figure?**

Napoli provided some ideas. Do you pick a point in the past that was a high point in local journalism? Can the funding be linked to a time where political knowledge was high? What about when the level of satisfaction with local news was at its peak? Can current exemplars be used as a baseline? Could a Delphi study, drawing on experts’ knowledge, provide the answers? Other considerations include how many journalists is an optimum number in a community and what ratio of profit versus non-profit outlets would provide the best local coverage.

As Napoli noted, the early part of a project is methodologically and empirically challenging and complicated and this one is a work in progress.



PHIL NAPOLI

**Philip M. Napoli** is the James R. Shepley Professor of Public Policy, and Director of the DeWitt Wallace Center for Media & Democracy. His award-winning research has been funded by organizations such as the Ford Foundation, the Knight Foundation, Democracy Fun, and the Open Society Institute.



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