

News Media and Digital Platforms Mandatory Bargaining Code

ACCC Request for Information

March 2024

The Local and Independent News Association (LINA) welcomes the opportunity to contribute information toward the ACCC's advice to the Assistant Treasurer relating to Meta's Facebook and Instagram services. Please see below LINA's response to the questions outlined in ACCC's March 2024 Interested Parties Information Request and contextual background relating to local and independent news publishers.

1. Describe the members of your stakeholder group and their role in the Australian news media sector.

LINA represents 64 digital news publishers, producing 106 mastheads in all States and Territories across Australia. LINA members are locally owned and operated news publishers, creating high-quality public interest news content that meets professional Editorial Standards, by and for a defined community. LINA membership is open to all digital news publishers who meet our membership requirements, however, most member services are tailored to capacity building for small publishers. Most LINA members having an annual income of less than \$350k and operating with fewer than five staff.

LINA sees these news businesses as the 'green shoots' of the news industry, observing the expansion of digital newsrooms in the wake of newsroom contractions/closures. This change reflects an audience shift to digital news consumption over decades and the weakening of business models sustained by advertising and user-fees on a global scale. These publishers play a particularly important role in representing diverse and regional voices, filling news deserts and areas where access to information has been significantly impacted by newsroom closures and the syndication of services. LINA's role is to support hyperlocal and independent digital news publishers, including the development of complementary revenue streams to ensure the sustainability of essential local news services.

It is worth noting approximately 20 of the newsrooms LINA represents do not meet the 'professional' service requirement in the Code to generate more than \$150,000 revenue per year, but they do provide strong public interest journalism services to local communities and would be eligible for registration with the ACMA by any other criteria besides income. In this way, the Code has not impacted small publishers nor been the panacea for supporting public interest journalism, particularly locally relevant journalism, for which the government had hoped. This makes progress on the News Media Assistance Program as well as other government support mechanisms that are required to grow media diversity in Australia all the more urgent.

2. Describe how and the extent to which Facebook and Instagram services are important to the members of your stakeholder group and/or Australian news businesses generally.

Facebook and Instagram are the two most commonly used social media platforms for LINA publishers, and attract the largest audiences. Ninety-eight percent of members used Facebook for their masthead with over 650,000 followers combined and 72 percent used Instagram with over 240,000 followers combined. These are trailed by X (formerly Twitter), the social media platform with the third highest collective audience with a combined following of approximately 112,000.

The collective print distribution audience for members (approximately 614,000 people) is smaller than the collective Facebook following, reflecting the global trend of shifting audiences from print to online.

The algorithmic capabilities of Facebook and Instagram provide a tool for newsrooms to engage with targeted audiences, reaching specific groups based on interest, location or other relevant demographics. Particular communities can be more quickly and easily reached with relevant information and can also use social media to make contact with journalists and provide an alternative voice or perspective to those who are reached through traditional, formal contact methods.

Facebook and Instagram therefore play a valuable role in supporting the visibility of publishers' content and helping to establish direct relationships with their audience, providing a platform for audience feedback and discussion, as well as promoting community engagement and the representation of diverse voices within media coverage.

3. Describe the dealings you have conducted with Meta on behalf of members of your stakeholder group regarding the Facebook and Instagram services and how that has changed over time.

LINA has not conducted dealings with Meta on behalf of its members, as many of these publishers were excluded from the initial commercial deals under the news media bargaining code, with the primary hurdle being the high threshold of the revenue test. Some eligible members are represented by the Public Interest Publishers Alliance, with representation support from the Minderoo Foundation.

Several LINA members received funding from the Meta Australian News Fund in partnership with the Walkley Foundation, but only two LINA publishers received funding through the bargaining process. The Meta grant program represented a \$15 million injection of funds to public interest publishers over the past three years and is not being continued. This was one of the only sources of grant income available to local and independent news publishers. LINA encourages the government to address this loss of income to the industry through its News Media Assistance Program.

While Instagram and Facebook may play a significant and sometimes vital role in the newsrooms of LINA members and other digital publishers (as outlined in response to Question 2), the relative reach and size of each of these audiences in the context of Meta's overall audience of active users is small. Therefore, a significant bargaining power imbalance exists between Meta and these Australian news businesses, compounded by Meta's market share dominance over competitor social media platforms.

The exclusion of smaller local publishers, particularly those operating predominantly for online rather than print audiences, is a pattern within media policy. LINA encourages the ACCC to consider the value of these publishers — in combatting misinformation and disinformation, supporting community health and safety (including emergency preparedness and resilience), fostering social cohesion, supporting workforce development and strengthening Australia's democracy — in advice given to the Assistant Treasurer on this issue.

4. If Meta were to remove all Australian news content from its Facebook and Instagram services, what would the likely impact be on:

a. members of your stakeholder group;

LINA anticipates that its members and other smaller independent publishers would be disproportionately affected. For the 60 percent of LINA members who have self-identified as being in the early or growing stages of their newsroom, Facebook and Instagram are particularly valuable in establishing awareness of their newsrooms and engaging new audiences.

Larger, more established news organisations have existing brand awareness and direct engagement with audiences through organic website traffic, newsletters and subscriptions etc., that would ensure ongoing engagement with readers. These connections take time to establish and constraining them contradicts government objectives to grow media diversity, address misinformation and build resilient communities.

The growth of local and independent newsrooms, many established in response to information voids in locally relevant updates during the COVID-19 pandemic over the past few years, must be a key priority for policy-makers with support provided to emerging and growing newsrooms to build their direct engagement capability, especially in the context of social media tools already being constrained by deprioritised algorithms. Some LINA publishers are already reporting significant differences in impression figures between news posted on their sites and news posted in community groups. In the past fortnight, for example, one publication reported impression-rates of only 15 percent of the traffic expected for the same type of story two months prior due to algorithm changes from Meta. Similar drops in views for news sites have been reported by multiple publishers in recent weeks. Referrals traffic is already plummeting at concerning rates.

The revenue of LINA members would be impacted by this change due to losses in website traffic driven by social media. LINA members typically support free access to public interest news content as a community service and have mostly opted not to implement paywalls and subscription models, unlike many of the national and state-based news outlets. User-pay

models are also not financially viable in many lower socioeconomic environments. Therefore, display advertising on websites is the greatest income for LINA members on average. As advertising sales rely predominantly on reported website traffic, this income source would be highly affected by the loss in traffic acquisition from social media. The revenue of the 56 percent of members that use advertorial content to generate income would be likewise impacted.

Twenty-eight percent of LINA members also use social media posts as advertising revenue, which would similarly be exceptionally impacted by the removal of their news content from Facebook and Instagram.

News services are already under significant financial pressure and this outcome would likely have major impacts on the capacity of smaller newsrooms particularly, possibly to the extent of closure. The pressures of providing timely news services to communities leaves these smaller news businesses particularly hamstrung by the dual requirements of meeting audience expectations and reporting on current events with very little time left for business development or innovation, including diversifying income streams.

Government has a responsibility to help guarantee public access to healthy and diverse information and communications systems. As such, financial support should be provided to newsrooms should Meta be designated, so newsrooms are able to strengthen existing alternative income sources and transition to new ones.

b. the Australian news media sector.

The removal of news content from Facebook and Instagram would have ongoing impacts on the diversity of news sources in Australia, and therefore the diversity of voices and ideas platformed within the news media.

The ability of new organisations and publishers to start-up and build their audience would be particularly impacted, further consolidating what is already one of the most concentrated media markets in the world. For example, Canada has, much like Australia, experienced a growth in digital news start-ups since 2025. However, following Meta's 2023 removal of news content, University of British Columbia School of Journalism digital media scholar Alfred Hermida [estimates that between 20 percent to 30 percent of audiences for digital news startups have disappeared overnight \(Reuters Institute, 2023\).](#)

Alfred Hermida said: "If you're a local start-up, the key thing you need to do is develop your audience and social media has become very important for audience engagement. You don't have the marketing budget and the reach that the larger players have so social media is a good way to alert people that you exist."

The broader implications of this change would be felt by the Australian public, 45 percent of whom get their news from social media, with Facebook the most popular platform for general news (University of Canberra 2023 Digital News Report Australia). The "casual" news consumer who does not intentionally engage with news sources but relies on news coming to

them will no longer receive this information, or will from less reliable sources. The AI-driven increase in misinformation and disinformation would be fuelled due to a heightened saturation of unverified information being shared on social media. The ACCC should be wary of any decision that potentially limits public exposure to journalism produced under professional editorial standards.

5. Please provide any other information or documents that you consider to be relevant to the ACCC's advice to the Assistant Treasurer in relation to news content and Meta's Facebook and Instagram services.

Should the ACCC choose to designate Meta, the government must provide support to counter expected negative impacts on local and independent news publishers, including the loss of the Meta/Walkley Foundation funding and the damaging impacts on small newsrooms should Meta remove news content from Facebook and Instagram. Local newsrooms have everything to lose, but very little to gain from designation. Supporting these newsrooms is essential for their viability and ability to serve the communities in which they operate by sharing essential information, acting as a watchdog of those in power, verifying sources, supporting civic engagement and fostering social cohesion. This government support is therefore also key to the overall health and functioning of Australian democracy and society.

LINA would be happy to discuss these potential impacts further and thanks the ACCC for its consideration of this matter.

Sincerely,



Claire Stuchbery
Executive Director