



JOINT SELECT COMMITTEE ON SOCIAL MEDIA AND AUSTRALIAN SOCIETY

Submission by the Local & Independent News Association

LINA is a not-for-profit industry association representing 70 digital news publishers producing 111 mastheads in 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. 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.

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Executive summary

The Local & Independent News Association (LINA) welcomes the invitation to submit to the Joint Select Committee on Social Media and Australian Society. LINA appreciates the Committee is considering a broad and intersecting range of issues relating to the impact of social media in Australian society. This submission provides contextual information on the relationship between social media and news publishing, with a focus on the News Media Bargaining Code and the role of journalism in addressing mis and disinformation. It suggests actions the government could take to mitigate the negative impacts social media platforms can have on individuals and society and enable local and independent news publishers to contribute to growing media literacy, strengthening democracy and providing essential trusted and relevant information services to communities.

LINA does not take a position on the use of age verification to protect children from social media or the distribution of illegal, violent and/or explicit materials via social media as these matters are beyond the scope of our expertise.

1. News media environment

News businesses have been under pressure as a result of audience migration to digital news consumption over decades and the weakening of business models sustained by advertising and user-fees on a global scale. From January 2019 to December 2023 there were 204 newsroom contractions and 151 expansions across Australia — a net decrease of 53 newsrooms over 3 years (Dickson & Costa, 2023), exacerbating what is already one of the most concentrated media markets in the world.

LINA sees its member news businesses as the ‘green shoots’ of the news industry, observing the expansion of digital newsrooms in the wake of newsroom contractions/closures. These publishers play a particularly important role in representing diverse and regional voices, providing public interest news services in areas where access to information has been significantly impacted by newsroom closures and the syndication of services.

To date, the Commonwealth has attempted to curb the newsroom closure trend through a variety of policy levers in recent years, including;

- creating the Regional and Small Publishers Innovation Fund;
- developing the News Media and Digital Platforms Mandatory Bargaining Code;
- the Public Interest News Gathering fund;
- tax relief measures for the commercial broadcasting sector; and
- a print relief assistance program for print newspapers.

While these actions have supported some media outlets through the COVID-19 pandemic, further measures are required to grow a sustainable and diverse media industry in Australia. LINA is hopeful that the News Media Assistance Program (News MAP) currently in development will set out a program of work to target varying supports to newsrooms at different stages and offering complementary news services to audiences. LINA encourages the Government to allocate appropriate funding to the implementation of the News MAP to support the industry through a period of transition, during which it has been heavily relied upon to keep communities safe from the COVID-19 pandemic, from increasingly frequent extreme weather events (including floods, cyclones and fires) and to mitigate the impact of mis and disinformation discussed in section 3 of this submission.

2. The decision by Meta to abandon deals under the News Media Bargaining Code

Over approximately the last fifteen years, Australians have embraced social media and news publishers have used social media platforms to connect with relevant audiences. However, over the years the symbiotic relationship between tech companies and news publishers has been strained by social media platforms benefitting from news content shared in good faith, without fair compensation for that work. This has played out globally and nationally, but, like many significant issues, it takes on an exaggerated intensity within localised communities where the avenues for finding news and information not covered by other media are limited and news businesses are operating within the constraints of local economies. Among the changes resulting from the widespread adoption of social media by the Australian public, the distribution of information online has become integrated across websites and social media to an extent that has blurred copyright and commercial interests.

a) Use of Facebook and Instagram by local and independent news publishers

Facebook and Instagram are the two most commonly used social media platforms for LINA publishers, and attract the largest audiences. Ninety-four percent of member publishers used Facebook for their masthead with over 1 million followers combined and 70 percent used Instagram with over 316,500 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 290,000. The collective print distribution audience for members (approximately 623,000 people) is far 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. In addition, news publishers have used social media platforms to gather story leads, to observe trends in conversations within the community (a function that is particularly relevant for monitoring the spread of mis and disinformation) and to gather community feedback on news services through commentary. 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.

b) Impact of the News Media Bargaining Code

In 2021 the Australian Government set a global precedent with the introduction of the News Media Bargaining Code, in an attempt to address an imbalance of power between global digital platforms and Australian news publishers and make digital platforms pay for the news content distributed on their sites. While the News Media Bargaining Code was an admirable attempt to force platforms to be responsible corporate citizens in the news space, it has not been the panacea for the news industry the government hoped it to be. Small publishers are disproportionately impacted by the algorithmic throttling of news content that is constraining traffic and revenue in places where revenue is already scarce, further compounding pressures on media diversity in Australia.

The Code excludes small and emerging newsrooms and primarily supports large news outlets with no guarantee that the money is spent on journalism. 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. 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 government to use editorial standards to define professionalism, rather than income levels. Adhering to professional editorial standards through membership of the Australian Press Council, the MEAA and/or LINA would enable a number of additional public interest news publishers to engage with the Code.

That said, there is a cross-section of small and medium news publishers who do meet the criteria for the News Media Bargaining Code, but have no capacity to negotiate with Meta or other tech giants, or even to engage with representatives. By necessity, their scant personnel resources are spent producing news, with little time left for sorely needed business development activities, much less lengthy and complex negotiation processes with no easily accessible representatives here in Australia. The Code provided solutions that remain inaccessible even to many eligible newsrooms.

Several LINA members did receive 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.

Local and independent newsrooms are already feeling the effects of Meta's algorithmic de-prioritisation of news publishers, and would be disproportionately affected if Meta were to remove all Australian news content from its Facebook and Instagram services in response to designation. [Preliminary studies](#) into the effects of Meta's news ban in Canada following similar failed negotiations with government give an indication as to how a similar news ban would impact newsrooms and news consumers in Australia (Parker et al., 2024). While the Facebook Pages of national news outlets lost approximately 64 percent of their Facebook engagement following the end of news availability for Canadian users, local news outlets in Canada lost approximately 85 percent. Researchers describe the "significant" effects of the ban as "particularly acute" for local news, with almost half of all local news outlets having stopped posting on Facebook entirely in the four months following the ban (Parker et al., 2024).

Therefore, while the News Media Bargaining Code has little direct impact on local and independent newsrooms, the subsequent withdrawal of Meta from deals established under the code will greatly affect the audience engagement and thus income of news publishers already operating marginal businesses.

c) Audience reach and engagement

The growth of local and independent newsrooms will be therefore impacted by any restrictions or changes Meta makes to news content on social media platforms. Many LINA publishers are already reporting significant differences in impression figures between news posted on their sites and news posted in community groups. LINA members are noting their content is now reaching around 15 percent of the audience that similar posts were reaching mere months ago. This tracks with global trends on news content, with publishers reporting similarly significant drops in reach, and therefore audience referrals to websites, as a result of algorithm changes at Meta over the past few months (Pollock, 2024). In recent weeks, [international publishers have also reported](#) news content posted on Facebook being marked as spam and removed from the platform (Tobitt, 2024).

The revenue of LINA member publishers is 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. Reader revenue (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 is highly affected by the loss in traffic acquisition from social media. 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.

d) Shared objectives

LINA shares concerns expressed by consecutive Australian governments about the current and potential impacts of increasing concentration of media in Australia, the spread of misinformation and disinformation and economic barriers to essential information. LINA member publishers are well placed to support Government priorities to meet the information needs of geographically and culturally diverse audiences, address news deserts and increase media diversity. Similarly, local media also provides a unique space to engage communities in the machinery of government, and this is the area of journalism most under threat (Cairncross, 2019). LINA members are well placed to bridge this information divide between communities and governments at all levels.

Connectedness with local communities makes hyperlocal news publishers uniquely placed to respond to increasingly frequent emergencies, as demonstrated by the pandemic and recent extreme weather events. Timely, locally relevant information is paramount for community safety in times of crisis. LINA members have capacity to provide this information services and offer significant return on investment.

However, local and independent news services are under increasing 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. 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. Public interest journalism is well established as a public good and merits government support for the benefits it delivers to democracies on a macro and micro level (Cairncross, 2019, UNESCO, 2022). As such, financial support should be provided to newsrooms to offset the impact of Meta's step back from news, particularly should Meta be designated, to enable newsrooms to strengthen existing alternative income sources and transition to new ones.

3. The important role of Australian journalism, news and public interest media in countering mis and disinformation on digital platforms

Mis and disinformation is particularly rife in areas without local news services, and the risks of this are only [set to increase over the next few years \(World Economic Forum, 2024\)](#). Local media's role in mitigating mis and disinformation promotes informed civic engagement and debate, testing of ideas and awareness raising for concerns, and supports the resilience of local communities, governments

and the broader Australian democracy. Strengthened by local knowledge and connections to the communities they serve, local and independent news outlets are particularly well-placed to identify misinformation circulating in their area, and investigate and report the truth quickly and efficiently.

For example, while a heated discussion was underway last year about a proposal to build off-shore wind farms off the coast of Wollongong, opponents in the community, national media and parliament began circulating claims that wind turbines were dangerous to whales, supported by a supposed University of Tasmania study. Local independent masthead The Illawarra Flame investigated and [found the research to be entirely fabricated](#), with no scientific evidence worldwide of wind farms harming whales, and were acknowledged for [their commitment to fact-checking by Media Watch](#). Many smaller publishers also play a moderator role within community discussion Facebook groups, either acting as official administrators reviewing comments and posts or sharing links to stories that contextualise the issues being discussed or address misinformation.

In environmental disasters, local news organisations play a particularly urgent and sometimes life-saving role in ensuring communities are receiving timely and verified information. For example, when Cyclone Jasper hit the Douglas Shire in December 2023, regional Queensland digital-only publication Newsport provided live blog updates, with hour-by-hour emergency updates, coverage of road conditions and essential information about emergency services. Newsport received 158,000 unique visitors to their site during the week, a five times traffic increase. The team of four journalists and two regular columnists continue to report on clean-up actions, repairs and available support to help the community rebuild following the disaster. Other local newsrooms around Australia are providing similar critical services to their local communities, IndyNR's coverage of the Lismore floods, In the Cove's coverage of water outages in Sydney, Tasmanian Inquirer's expose on the use of antibiotics in offshore salmon farming, and Yanchep News' coverage of recent fires in Gin Gin, WA.

The value of local news in countering mis and disinformation in emergency situations is further demonstrated through research into the effects of Meta's news ban in Canada. [Research](#) has found that the loss of local news on Facebook had "profound consequences for Canadians" during wildfires that spread through Northern Canada shortly after the ban was enacted in 2023 (Parker et al., 2024). Unlike previous years, local news organisations were unable to use Facebook to share essential information about the spread of fires and safety orders. This study states that "although government accounts were still visible to Canadian users, they proved to be insufficient in countering misinformation and confusion and effectively delivering information to residents of small, rural communities". [News reports in the aftermath](#) detail how "confusion and misinformation have abounded about which evacuation centres are still accepting people, how evacuees might be able to get financial compensation, the progression of the fires and what happens next as residents watch the fires through their screens, far from home" (Lindeman, 2023). Having strong local news services not only supports the delivery of critical information at the height of danger, but also supports community resilience and emergency preparedness prior and following emergency events, a unique role that broader state and national publications cannot sufficiently fulfil in a constantly changing news cycle.

a) Media diversity and mis and disinformation

Media diversity is also key to reducing the spread and impact of mis and disinformation. Media diversity should be considered in dual terms: the range and relevance of information available to audiences; and the range of voices and perspectives represented in the media landscape. Effectively, information in and information out of communities, both of which are vital. Market forces have, over decades, consolidated the news industry to the extent that Australia now has one of the most concentrated media markets in the world. Government support is required to address market failure as the antidote to dangerously skewed media coverage controlled by private interest. Left vacant, this void is filled with barely moderated rumour mills which are vulnerable to the spread of misinformation and do not serve the best interests of Australian communities. Media diversity provides audiences with reporting that meets editorial standards and draws from a range of sources, from which individuals can make their own decisions on any given topic. In relation to local and independent news, media diversity provides an opportunity to draw on local expertise, deep subject matter knowledge and community connections to include perspectives in news reporting that would not otherwise be shared. It also provides a nuanced level of coverage that state-wide or national media are unlikely to be able to attain. Due to the reliance of smaller and newer local media organisations on social media platforms to build and maintain their audiences, the diversity of Australia's media landscape is highly likely to be negatively impacted by a Meta news ban, unless these effects are mitigated by government support.

b) Media literacy and mis and disinformation

Australians' concern about mis and disinformation is among the highest in the world, skyrocketing to 75% of Australians reporting they had encountered misinformation on topics about the Israel-Palestine conflict, climate change and national politics the most (Digital News Report, 2024). A US study found three-quarters of surveyed adults are very concerned about the spread of misinformation and disinformation online, yet few reported that they were concerned about being fooled by either. Adults aged 55+ are some of the most likely individuals to share mis and disinformation on social media (Huguet, 2024). With around one in four Australians identifying social media as their primary source of news, the potential for increased dissemination of mis and disinformation among adults is hugely concerning.

News services produced under professional editorial standards act as a counterweight to misinformation and local newsrooms are uniquely positioned both to address mis and disinformation when it begins to circulate in communities, but also to provide educational services in communities as trusted sources of information. The "rhizomatic approach to newsgathering represents a challenge to mainstream journalism practices. By drawing from the lived experiences of community members, this approach rejects the notion that institutional and professional authority are the sole sources of credibility and trustworthiness. Community journalists are deeply embedded within their communities and are in constant contact with their many rhizomatic connections. This closeness and community membership ensures that community journalists are in tune with the issues of importance within their communities." (Anderson, 2022).

Local and independent news organisations have the expertise and trust due to their community connections to provide education services to local communities to grow media literacy among adults.

Media literacy in turn helps mitigate the effects of mis and disinformation by supporting people to identify methods of verification and legitimate sources of news.

In the [LINA Pre-Budget Submission 2024-25](#), LINA proposes a coordinated program whereby:

- LINA partners with a registered training organisation (e.g. Community Media Training Organisation) to develop a curriculum framework tailored for adult media literacy education;
- Local newsrooms are engaged to deliver media literacy programs to their own communities, supported by a centralised curriculum and teaching resources;
- Newsrooms partner with community organisations (e.g. schools, libraries, Councils) to deliver programs locally.

This program design has the dual outcome of increasing media literacy through trusted sources of information, as well as growing engagement with local newsrooms and partnerships with local organisations. It could be piloted immediately with a small group of locations in 2024-25 and expanded in future years based on learnings and successes in year 1. In the context of increasing circulation of generative AI-sourced images, upcoming elections and potential disruption to emergency responses, LINA encourages a whole-of-government approach to combatting mis and disinformation and urges urgent support for actions to strengthen media literacy.

4. The algorithms, recommender systems and corporate decision-making of digital platforms in influencing what Australians see, and the impacts of this on mental health

The opaque nature of algorithms creates an uneven playing field for businesses trying to engage audiences through social media. Large tech companies have cultivated reliance on their platforms from news organisations and other businesses [by offering a host of free training opportunities and digital tools provision](#) (Bossio, Carson and Meese, 2024). These organisations have subsequently invested time and resources into understanding and developing strategies for using the platforms' algorithms, only to have them change without notice.

Meta's announcement to abandon deals under the News Media Bargaining Code was preceded by an algorithmic de-prioritisation of news content in recent months. LINA members are noting their content is now reaching around 15 percent of the audience that similar posts were reaching earlier this year. This tracks with global trends on news content, with publishers reporting a drop of around 85 percent in reach, and therefore audience referrals to websites, as a result of algorithm changes at Meta.

Preliminary research into the effects of Meta's Facebook news ban in Canada suggests that Meta has "deprived users of the affordance of news sharing without suffering any loss in engagement of their user base". Six months after the ban, a third of Canadians responded that they still used Facebook and Instagram to access Canadian political and current affairs information, even though they no longer can see content from legitimate news outlets. Politically engaged users have been able to circumvent the ban by posting screenshots of news articles instead of links. However, this workaround poses potential additional risks to the dissemination of mis and dis information by

allowing more opportunities for information to be taken out of context or manipulated to suit an agenda, and increases the saturation of news delivered from less reliable sources than reputable news outlets. Meanwhile, the ban has drastically impacted click-through rates to Canadian news websites, “depriving outlets of web traffic at a time when the profitability of Canadian news is already waning.” 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 (Kahn, 2023).

For more casual news consumers, [research into the effects of Facebook’s brief 2021 Australian news ban](#) demonstrated a “significant disruption in news consumption patterns”, and that Australian news outlets experienced a substantial decline in page views (Gu, Lee & Tan, 2024). This same research showed a “deep-seated reliance on social media platforms for news content”, with Facebook, in particular, being some people’s primary and sometimes only news source. While an increase in web-traffic generated by search engines during the ban demonstrated audience adaptability, researchers raised concerns about whether algorithm-driven search results afford users with the same diversity of news exposure as a social media feed. Meta’s changes therefore deprive these people of the community connection generated by local news, and these findings “highlight the need for a diverse and robust news ecosystem” (Gu, Lee & Tan, 2024). The Digital News Report 2024 found local news to be the biggest gap between audience need and supply for news (Parks, 2024). While LINA is working to address this thirst for local news through supporting existing news providers, more support is needed for the establishment of emerging news services in areas devoid of local news reporting and therefore more susceptible to mis and disinformation.

The community-building aspect of local news stems largely from journalists reporting on matters that they know the community cares about. They know it because they are embedded in the community. This role should not be underestimated in the health of communities and the mental health of individuals and should be recognised more widely as a key outcome of media diversity. Voices are shared, perspectives are heard, people are better understood. This is news that shifts us from being people who just live near each other, to people who know and care about the people we live alongside. Online algorithms and recommender systems of online platforms encourage confirmation bias and can exacerbate polarisation on issues. On the other hand, a diverse and healthy media landscape supports a more nuanced range of perspectives and encourages participation in decision-making rather than corporatised decision making on the information individuals receive.

In relation to the mental health impacts of digital platforms’ influence on content that Australians are exposed to online, local and independent media play an important role. Not only do these newsrooms counteract and address harmful or misleading content but their work also fosters community resilience and promotes better mental health outcomes through a range of ways, including supporting workforce development and recruitment and promoting public events, opportunities and other community notices. Representation of diverse voices and experiences within local media also prompts connection and awareness and drives change to address otherwise hidden social and health issues.

Deliberate attempts to protect mental health by shying away from news that is perceived to be depressing, as well as mistrust in (primarily mainstream) news media, is causing audience

engagement with news to drop globally. News avoidance in Australia remains above the global average (Parks, 2023). Local and independent news also has a role to play in reversing this trend by:

- a) Reflecting the balance of everyday life that people see in their own communities, the good news stories along with the bad;
- b) Building levels of trust in media through their community connections and expertise;
- c) Keeping people up to date with locally specific information about what is happening in their communities and topical issues;
- d) Reflecting identifiable voices in media, the concept of the reporter being someone 'like us'; and
- e) Growing media literacy within the communities news publishers serve, through providing relatable discussion of trusted sources and identification of misinformation and generative AI content, particularly for adults.

Most of these functions are reported among the key importance of news identified by the sample surveyed in the [Digital News Report: Australia 2024](#). Findings from this survey also crucially identified that audiences were most interested in local news above all other news topics, but that there was a widening gap between this interest and the perceived availability of local news, particularly for regional audiences (Park et al., 2024).

5. Further comments

Public sentiment is shifting away from Facebook in some communities, however other platforms, such as TikTok are attracting increased attention. LINA encourages the government to take a platform-agnostic approach to media policy and supports a similar principle in relation to social media platforms. In addition to focusing policy reform on global tech platforms, in an evolving environment public education measures will also be required, including strengthening media literacy, as a means of harm reduction. Concern about mis and disinformation within the community is high, but few are confident in their ability to identify it. Similarly, increased support and recognition of trusted sources of information will help audiences know where to get verified and fact-checked news (and know what that means).

Promisingly, [research into the effects of Meta's 2021 temporary Australian news ban](#) showed a notable shift in news traffic and type of acquisition during this brief period, including an increase in news traffic to Australian news sites from search engines. These findings demonstrate "resilience and adaptability in user behaviour", and that social media is "more of a convenience than a necessity for serious news access" (Gu, Lee & Tan, 2024). This offers an opportunity for news organisations to also adapt their strategies to further influence and capitalise on fluid news consumer behaviour. Most Australian newsrooms have already begun diversifying and strengthening their various connections with audiences, including through the development of value-adding news products such as newsletters, podcasts, news apps and alerts. Examples include the creation of app-centred news products, such as LINA member publishers Fleurieu App and Lismore App. Recent findings from the [Digital News Report: Australia 2024](#) confirm that these methods are strongly linked to paying for news (Park et al., 2024). More Australian local and independent publishers are now developing apps for their existing news platforms, with initial development quotes for these ranging between \$6,000 to

\$14,000. Similarly, LINA members are pushing to build their audiences through more direct contact methods.

This bypasses [the limitations of relying on potentially flawed or biased algorithms to generate web-traffic](#) (Gu, Lee & Tan, 2024). For example, regional South Australian news publication Murray Bridge News purchased advertising on local digital signage with QR codes to direct locals to their website and the Fleurieu App invested in printing QR codes linked to their website onto promotional discs placed on tables and near coffee queues in local cafes. LINA encourages the government to support public interest news publishers to undertake these types of direct-engagement activities, to develop newsletter strategies, establish apps and optimise websites to help audiences engage with trusted news sources.

News organisations across the country are currently running promotional campaigns encouraging audiences to sign up to email newsletters, visit websites and download apps in an attempt to migrate audiences to direct engagement with newsmakers, rather than relying on third-party platforms over which they have no control to reach audiences. LINA member publishers are typically small and/or emerging news publishers who do not yet enjoy the brand recognition of news organisations with a 100-year history, such as the ABC or other mainstream mastheads. As such, they need to work harder to mobilise audiences to connect with news services directly. LINA is supporting publishers to understand best practice in this space, including developing newsletter strategies, building apps and promoting their services to local communities. However, all of these activities require precious resourcing, both in time and money, from already marginal businesses. LINA urges the government to provide funding support to local and independent news services to enable place-based solutions to audience engagement with professional news services to counter the impact of social media algorithms in Australian society.

Almost half of all LINA members (46 percent), which are filling critical roles in providing accessible local news, operate with an annual income of \$100,000 or less, and approximately 12 percent operate with zero or negative income, so these sorts of investments are not possible without funding support. The average emerging news service operates on approximately \$5,500 per annum in the first two years of establishment. 2023 data from the Institute for Nonprofit News' [annual Index survey](#) found that outlets that spend a significant portion of their total budget on revenue generation (including fundraising) report higher total median earnings, while outlets that spend less earn less (Holcomb et al., 2024). This highlights the challenging cyclical nature of news revenue and uneven playing field between established outlets and small newsrooms and new startups.

LINA encourages the government to urgently provide funding support to local newsrooms to immediately enable direct audience engagement innovations. [Research](#) into the 2021 Facebook news ban in Australia finds that a “more concerted and rigorous commitment to publicly funding journalism is required across all jurisdictions”. The study suggests that regulatory attention to address “concentration in the online advertising sector and wider antitrust concerns” would have a greater impact on the Australian media landscape than trying to “force an exchange of value” with online platforms such as Meta (Bruns & Angus, 2021).

6. Conclusion

The Commonwealth, LINA and its members are strongly aligned in the ambition to increase the sustainability of a diversity of newsrooms providing quality news services to communities across Australia; and therefore the diversity of local news services available to audiences. The actions outlined in this submission will significantly contribute to the sustainability of local and diverse newsrooms and strengthen Australia's democratic functions through strengthening public interest news reporting at a community/local level. While LINA recognises the Australian government is not responsible for the actions and decisions taken by Meta, the impacts of social media within Australian society do warrant a Commonwealth response.

LINA acknowledges the Government's attempt to encourage tech giants toward responsible corporate activity. However, the Australian government does not have jurisdiction over the actions of international corporations. This was demonstrated, for example, in the recent failed attempts to make X remove videos of the stabbing of a religious leader in Sydney recently. Australia's eSafety Commissioner [dropped its legal case against the global tech company](#), following X's refusal to comply with a temporary Federal Court take-down order for the video of the alleged terrorist attack.

LINA encourages a multi-faceted approach to mitigating harm caused by social media, similar to the approach taken to reduce other detrimental health impacts, such as smoking. This would include:

- a) Continued pursuit of measures to curb the impact of social media at the source, holding global corporations accountable as responsible corporate citizens, taking a platform-agnostic approach to regulatory reform;
- b) Direct support for local and independent public interest news publishers to reach audiences directly, rather than through third-party platforms;
- c) Allocate ongoing funding, via the News Media Assistance Program, to counter the negative impacts of Meta's withdrawal from news deals and de-prioritisation of news content and support newsrooms through this transition period. This would allow publishers to:
 - a) diversify and strengthen direct connections with their audiences and shift both newsrooms' and consumers'/audiences' reliance on third-party platforms, and
 - b) diversify and strengthen alternative income streams and value-adding news product offerings to improve revenue outcomes.
- d) Allocate budget towards LINA's proposed program to facilitate media literacy growth through a coordinated program involving local newsrooms;
- e) Enact a legislated minimum-spend allocation of government advertising budget to be directed to locally produced media services; and
- f) To shift consumer behaviour away from reliance on social media platforms for essential information; and
- g) Include digital-only publications and small and emerging newsrooms in all future policy and funding decisions, by using editorial standards to define professionalism, rather than income levels.

LINA encourages the Committee to mitigate negative impacts of social media platforms by supporting the work of Australian newsrooms. The recommended actions above suggest focusing efforts on the role of local and independent media in building media literacy, and strengthening the availability,

quality and diversity of news within the Australian media landscape to in turn address mis and disinformation. Supporting local and independent newsrooms is essential for their viability and ability to serve the communities in which they operate by sharing essential information, verifying sources, supporting civic engagement and fostering social cohesion, emergency preparedness and community resilience. Government support for the news media industry is key to the overall health and functioning of Australian democracy and society.

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