

Supporting Media Diversity: Nordic Lessons

*Australia can learn from Scandinavian measures to
widen the range of views available for the public.*

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Introduction

Australia's media caters to a population of 25 million, which is about the same as the combined population of the Nordic nations. The similarities end there.

Australia's media ownership is among the most concentrated in the developed world. Citing data from an international collaborative research project¹, the report produced in 2012 by the Independent Inquiry into the Media and Media Regulation made several startling observations about concentration of media ownership in Australia²:

- In 2012, Australia was the only country of the 26 surveyed in which the leading press company—News Ltd, at 56%—accounted for more than half of daily [newspaper] circulation;
- The share of circulation held by the top two press companies was 86% per cent; and
- The top four media companies together accounted for 99% of daily circulation.

For comparison, the next most concentrated market was Switzerland, where the top four companies accounted for 76% of circulation.

Outside the world of newspapers, the situation is somewhat better: Australian TV, radio and online benefit from the presence of the ABC and SBS. Even so, a 2016 study placed Australia 13th out of 18 Western countries for per capita public funding of public broadcasting, and 15th for funding as a share of total government expenditures.³

By contrast, Nordic media is strikingly diverse—and it is largely maintaining, or even expanding, this level of diversity despite a changing and challenging media landscape.

¹ The data cited was from the International Media Concentration Research Project, led by Professor Eli Noam and hosted at Columbia University's Institute for Tele-Information. The project's website remains at <http://internationalmedia.pbworks.com>.

² Finkelstein (2012) *Report of the Independent Inquiry into the Media and Media Regulation*, Commonwealth of Australia, pp 59-60, <https://apo.org.au/sites/default/files/resource-files/2012-02/apo-nid28522.pdf>

³ Nordicity (2020) *International Comparison of Public Funding for Public Service Broadcasting, 2018*, for Canadian Broadcasting Corporation, <https://site-cbc.radio-canada.ca/documents/vision/strategy/latest-studies/Nordicity-analysis-of-government-support-for-public-service-broadcasting-april-2020.pdf>

Norway, Denmark and Sweden rank #1, #2 and #3 on the 2022 World Press Freedom Index, with Finland #5 and Iceland #15. Australia came in at #39.⁴

In addition to maintaining strong public broadcasters, Nordic countries have enacted a variety of press subsidies in order to support a robust media sector with the capacity to media diversity, to produce quality news, and to service national, niche and local audiences.

The Nordic nations' rationale for these policies is related to the grander goal of social democratic states, which is to provide "welfare" to their citizens. The type of welfare the state provides in this context is "political welfare", i.e. freedom of speech and democracy. This is distinct from—and extends beyond—economic welfare (i.e. financial and employment security) and social welfare (i.e. social and cultural benefits).⁵

The media has an important role in holding politicians accountable for their actions and disseminating political news and information to the public.⁶ However, it is constrained by the commercial context in which it operates. These constraints can be eased by legislation, which can be "an instrument to counter the negative consequences of radical commercialisation processes, where the selection and presentation of news are highly influenced by self-serving, commercial rather than journalistic and societal considerations".⁷

The Albanese Government came to power with a range of commitments to improve media diversity and strengthen public interest journalism, including:

- A review of how media diversity is measured for regulatory purposes;⁸
- A consultation on news media assistance that aims to "lay the foundations for principled, targeted and evidence-based intervention to support the news media sector";⁹ and

⁴ RSF (2022) *World Press Freedom Index*, <https://rsf.org/en/index>

⁵ van Cuilenburg and McQuail (2003) "Media policy paradigm shifts: Towards a new communications policy paradigm" in *European Journal of Communications*, Vol 18 Issue 2, p 184, <https://doi.org/10.1177/0267323103018002002>

⁶ Allern (2018) "The role of the media in Scandinavian politics", in Nedergaard and Wivel (eds.) *The Routledge Handbook of Scandinavian Politics*, Routledge, p 174

⁷ Kammer (2016) "A welfare perspective on Nordic media subsidies" in *Journal of Business Media Studies*, Vol 13 Issue 3, p 144, <https://doi.org/10.1080/16522354.2016.1238272>

⁸ Rowland (2022) *First step towards news measurement framework for the digital era*, <https://minister.infrastructure.gov.au/rowland/media-release/first-step-towards-news-measurement-framework-digital-era>

⁹ Rowland (2022) *Media Policy: Priorities for a New Government*, <https://minister.infrastructure.gov.au/rowland/speech/media-policy-priorities-new-government->

- Support for public broadcasting, including a revised approach to funding for the ABC that will involve a shift to five-year funding cycles and a review to investigate “options for delivering a greater level of financial stability and certainty to the national broadcasters, to safeguard against funding cuts and political interference.”¹⁰

There is a great opportunity to learn lessons from Nordic countries in the development of these policies. This report examines how Norway, Denmark, Sweden and Finland have been able to cultivate such a diverse media landscape, and how the lessons learned from doing so could inform the Albanese government’s strategy on reforming Australia’s media.

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¹⁰ Rowland (2022) *Speech to ABC Friends Victoria*,

<https://minister.infrastructure.gov.au/rowland/speech/speech-abc-friends-victoria>

Nordic press subsidies

Nordic governments offer a range of media subsidies to newspapers and other written publications. The initial aims of this support were to uphold democracy, reduce the impact of market failure, and promote a diverse media system.¹¹ This has been particularly successful where subsidies have targeted second-largest newspapers and minority publications.¹² As in Australia (and many other countries), newspaper readership in the Nordic countries has fallen due to the rise of social media, but governments have pursued support for journalism and news as a public good. In general, assistance has been strengthened and expanded in recent years.

NORWAY

Norway's newspapers are typically small local operations with circulations of less than 5,000.¹³ In Norway, the number of newspapers that publish at least once a week has remained stable in the six decades to 2019, hovering between 191 at its nadir in 1969 and 230 newspapers at its peak in 2014. In 2019, there were 218 Norwegian newspapers that published at least weekly.¹⁴

Until the mid-1980s, most of the country's 200 or so newspapers were individually owned. Since that time, ownership has concentrated and today the top three newspaper owners have market shares of 27%, 24% and 10% of total circulation respectively.¹⁵ This period has also seen a change in the editorial direction of Norwegian newspapers. Prior to the 1980s, many Norwegian papers were partisan and affiliated with specific political parties, but research has found that since then, this

¹¹ Gustafsson (1980) "The press subsidies of Sweden: A decade of experiment", in Smith (ed.) *Newspapers and Democracy: International Essays on a Changing Medium*, MIT Press

¹² Sjøvaag and Pedersen (2018) "The effect of direct press support on the diversity of news content in Norway" in *Journal of Media Business Studies*, Vol 15 Issue 4, pp 300–16, <https://doi.org/10.1080/16522354.2018.1546089>

¹³ Østbye (n.d.) *Media landscapes: Norway*, <https://medialandscapes.org/country/norway>

¹⁴ Høst (2021) *Avisåret 2020*, Høgskulen i Volda, p 7, <https://hdl.handle.net/11250/2738370> (in Norwegian—English summary via Google Translate at <https://bit.ly/3IPgZSI>)

¹⁵ Østbye, op cit.

partisanship has declined. This decline has coincided with concentration of ownership, and also with the professionalisation of journalism.¹⁶

In 2015, Norway's newspapers earned more revenue from readers than from advertising, a trend later repeated in television. In 2018, the total digital revenue of Norway's newspapers compensated for the decline of hard-copy sales, resulting in newspapers' total revenue being roughly the same as it was in 2017. This is mainly explained by an increase in digital subscriptions; overall advertising revenue decreased, despite revenue from digital advertising increasing.¹⁷

Norway also supports the news media and journalism through a range of taxpayer subsidies, which were introduced in the 1960s and 1970s when market failure threatened newspaper competitiveness and diversity.¹⁸ Subsidies are typically offered to support democracy, accountability and freedom of speech, as well as to support a range of media views. They include direct support for production and distribution as well as exemptions from taxes like value-added tax. Similar subsidies operate to different extents in the other Nordic countries.

In Norway, media diversity is supported by direct subsidies provided to the second-largest newspaper in terms of circulation in each city, in a system known as "press support". Press support was designed to prevent monopolies in Norway's small but locally rich local media landscape. The support includes subsidies for Sami newspapers (i.e. newspapers for First Nations people) and for the distribution of newspapers in remote areas that service small populations. The press support is primarily aimed at the non-dominant local newspaper market player in particular cities, but some support also goes to small local newspapers. The size of the subsidy is determined by several factors, including geographical location, the number of weekly issues, and the competitive position of the paper within its local market. A publication must contain news and current affairs to qualify for a subsidy.¹⁹

¹⁶ Allern (2007) "From party press to independent observers? An analysis of election campaign coverage prior to the general elections of 1981 and 2005 in two Norwegian newspapers" in *Nordicom Review*, Vol. 28., pp 63-79, <http://norden.diva-portal.org/smash/get/diva2:1602107/FULLTEXT01.pdf>

¹⁷ Nordicom, op cit.

¹⁸ Allern and Pollack (2019) "Journalism as a public good: A Scandinavian perspective" in *Journalism*, Vol 20 Issue 11, pp 1432-3, <https://doi.org/10.1177/1464884917730945>

¹⁹ Skogerbø (1997) "The press subsidy system in Norway: Controversial past— unpredictable future?" in *European Journal of Communication*, Vol 12 Issue 1, pp 99–118, <https://doi.org/10.1177/0267323197012001005>

DENMARK

Denmark differs somewhat from its neighbours in that its media landscape is dominated by public broadcasters. A report commissioned in 2019 for the Australian Competition and Consumer Commission found that Denmark's two public broadcasters dominate its TV market, and that on the whole, the press is a smaller market than in the other Nordic countries: Denmark had only 32 daily newspapers in 2016, compared to 227 in Norway and 174 in Finland, despite the three countries having roughly similar populations.²⁰

This was the case despite the fact that there was a policy shift in 2013 toward the provision of more direct funding to the media. Prior to this, Denmark focused on indirect support such as tax exemptions and postal subsidies, and the change in policy reflected a turn away from a 'liberal' media model towards reinforcement of the values of a 'democratic corporatist' model.²¹ In 2018, a controversial policy cut 20% of funding from DR, the main state broadcaster, but provided more money for the press subsidy program for online and local media.²²

Like Norway, Denmark has subsidised its secondary newspapers, although the 2013 reforms shifted funding support from physical distribution to editorial production. This meant that online-only outlets could also benefit from subsidies.²³ The subsidy is "given to private news media based on how many journalists are employed, the social diversity of their readership, and the amount of democratically important political and cultural content they create".²⁴ The Danes also provide a crisis support package for struggling print and online news outlets and an innovation fund to support the establishment and development of media organisations.²⁵

²⁰ Foster and Bunting (2019) *Public Funding of High-Quality Journalism: A Report for the ACCC*, Australian Competition and Consumer Commission, p 50, <https://www.accc.gov.au/system/files/ACCC%20commissioned%20report%20-%20Public%20funding%20of%20high-quality%20journalism%20-%20phase%201,%20Communications%20Chambers.PDF>

²¹ Allern and Pollack (2019), op cit., pp 1432-3; Hjarvard and Kammer (2015) "Online news: Between private enterprise and public subsidy" in *Media, Culture & Society*, Vol 37 Issue 1, pp 115–23, <https://doi.org/10.1177/0163443714553562>

²² Schrøder and Ørsten (2019) "Denmark" in Newman et al (eds.), *Reuters Digital News Report 2019*, Reuters Institute, pp 80-1, https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-06/DNR_2019_FINAL_0.pdf

²³ Foster and Bunting (2019), op cit., p 52

²⁴ Ibid.

²⁵ Ibid., pp 52-3

SWEDEN

Similarly, Sweden has a press support scheme that offers operating aid to print or online news outlets that are not market leaders, distribution support for newspapers that aims to promote availability across the country as widely as possible, and development support for print publishers to provide digital services.²⁶

In 2018, following a media inquiry, the Swedish government increased subsidies for publications that “regularly produce[d] original news content comprising at least 55% of their content, and [that] have at least 1500 news consumers’.²⁷ These additional forms of “platform neutral media subsidies” were aimed at strengthening local journalism in areas where it was deemed insufficient,²⁸ and in particular at strengthening innovation and development. Sweden also provides indirect support through tax breaks for newspapers.

FINLAND

Unlike its Nordic neighbours, Finland has moved away from direct media subsidies.²⁹ However, it still provides indirect support for the media through tax advantages. A promising subsidy method consists of “tax credits that directly reduce the marginal costs of investing in journalism and [that] stimulate investigative journalism”. However, tax reductions and exemptions are a weaker alternative policy option that have proven to be less effective at promoting journalism as a public good.³⁰

²⁶ Ibid., p 52

²⁷ Westlund (2019) “Sweden” in *Reuters Digital News Report 2019*, op. cit.

²⁸ Harrie (2018) “New media subsidy scheme suggested in Sweden”, Nordicom, University of Gothenburg, <https://www.nordicom.gu.se/en/latest/news/new-media-subsidy-scheme-suggested-sweden>

²⁹ Allern and Pollack (2019), op cit., pp 1433-4

³⁰ Ibid., pp 1435–6.

Australian media challenges and background

AUSTRALIA'S WORLD-WORST LACK OF DIVERSITY

While both Australia and the Nordic countries encompass large geographical areas and are home to populations of around 25 million people, Australia's media landscape is *very* different to that on the other side of the world. Its media ownership is the most concentrated in the developed world: its two largest media companies accounted for 86% of newspaper circulation in 2012, and if the 13% collective share held by the next two largest companies is added into this equation, we see that 99% of Australia's newspapers are owned by only four companies. For comparison, the next most concentrated market is Switzerland, where the top four companies account for 76% of circulation.³¹

Reporters Without Borders has highlighted the concerning way in which Australia's media arrangements resemble an oligarchy, with little diversity of media sources.³² Newspapers have been dominated for decades by News Corp Australia, Fairfax Media (now Nine), Seven West Media and APN News and Media. In 2016, these four companies accounted an estimated 90%+ of industry revenue. Australia's local newspaper sector is dominated especially by Australian Community Media, News Corp and APN. However, there are also almost 200 small, independently owned commercial publications affiliated with associations such as the Country Press Australia and Local Independent News Association.

The situation is somewhat better in broadcast media because of the presence of Australia's public service broadcasting system. This consists of the Australian Broadcasting Corporation (ABC); the Special Broadcasting Service (SBS), which is Australia's multicultural and multilingual broadcaster and also generates some advertising income; and National Indigenous Television (NITV). The ABC alone operates 14 broadcast radio services, 4 free-to-air TV channels, an on-demand video streaming service, streaming radio services, apps and a massive online platform.³³

³¹ Quoted in Finkelstein (2012), *op cit.*, pp 59-60

³² Reporters Without Borders (2022) *Australia*, <https://rsf.org/en/country/australia>

³³ Australian Broadcasting Corporation (2022), *Annual Report 2021-22*, <https://about.abc.net.au/wp-content/uploads/2022/10/2021-22-ABC-Annual-Report.pdf>

This all means that Australia’s TV and radio industries are more diverse than its print media. Nevertheless, both these industries remain very concentrated in terms of ownership and are each dominated by a handful of commercial players.

In 2012, the Federal Government of the time commissioned an independent inquiry into Australia’s media and media regulation environment. While the inquiry’s terms of reference did not refer specifically to diversity of ownership, the resultant report—the Report of the Independent Inquiry into the Media and Media Regulation, referred to hereafter as the “Finkelstein report”—nevertheless addressed the question of subsidies to encourage diversification, concluding that “there is not a case for government support [for the news media]”.³⁴ This conclusion was reached on the basis that the report’s authors expected the internet to facilitate new entrants to the news media and ensure a diversity of voices. (It did, however, recognise that the market was rapidly changing and recommended “careful and continuous monitoring” of market changes.)

To a certain extent, the internet has indeed facilitated new digital-only entrants to the media, beginning with *Crikey* through to more recent sites such as *Guardian Australia*, the *New Daily* and *The Daily Mail*. However, while some of these digital entrants have established themselves in the media landscape and have been successful at finding new and mixed revenue models, none of these new media entrants have substantially challenged the dominance of incumbent legacy media. Others, such as BuzzFeed News, the Hoopla and HuffPost enjoyed brief periods of success before closing.³⁵

Since the Finkelstein Report, Australia’s media landscape has only become further concentrated. Circulation for paid newspapers has been in steady decline since 2010.³⁶ While Australia’s local news media was already struggling before the critical juncture events of 2020, the COVID-19 pandemic and accompanying lockdowns have taken a devastating—and, most likely, long-lasting—toll on local newspapers across Australia. According to Australia’s Public Interest Journalism Initiative (PIJI), more than 157 newsrooms closed temporarily or permanently between January 2019 and May

³⁴ Finkelstein, op cit., pp 10–11

³⁵ Wake (2020) “9 reasons you should be worried about the closure of BuzzFeed News in Australia”, *The Conversation*, <https://theconversation.com/9-reasons-you-should-be-worried-about-the-closure-of-buzzfeed-news-in-australia-138610>

³⁶ Audited Media Association of Australia (2020), untitled and unpublished research report for the Australia Institute

2020.³⁷ The availability of local news declined by up to 68% in suburbs and 45% in regions in the five years to 2019.³⁸

In May 2020, News Corp Australia announced that more than 100 regional and local newspapers would either cease printing altogether or switch to digital only publication, accompanied by numerous job losses. This current media low-point follows more than a decade of cuts, layoffs and closures across rural and regional newspaper and television newsrooms (especially those owned by media conglomerates), altering their capacity to serve their communities. This was the case even before COVID-19: between 2008-2018, for example, 106 local and regional titles had already folded across the country.³⁹

The issues facing local newspapers and print media generally are certainly not specific to Australia. However, they are particularly a problem for Australia, given that it is a large nation continent where rural and regional areas struggle with broadband connectivity and have ageing populations that prefer to connect with their community through reading a physical copy of the local newspaper.⁴⁰ Indeed, there is a real danger that certain local communities are now effectively what one commentator called “news deserts: towns, communities and local government areas where the supply of news appears to have been reduced to nothing”.⁴¹ In 2022, the PIJI estimated that there were 31 local government areas with no print or digital local news outlets.⁴²

³⁷ Meade (2020) “More than 150 Australian newsrooms shut since January 2019 as COVID-19 deepens media crisis”, *The Guardian*, <https://www.theguardian.com/media/2020/may/18/more-than-150-australian-newsrooms-shut-since-january-2019-as-covid-19-deepens-media-crisis>

³⁸ Simons and Dickson (2019) *Availability of local news and information*, Public Interest Journalism Initiative, p 16, <https://piji.com.au/wp-content/uploads/2019/06/PIJI-Availability-of-local-news-and-information.pdf>

³⁹ Australian Competition and Consumer Commission (2019) *Digital Platforms Inquiry: Final Report*, p 18, <https://www.accc.gov.au/system/files/Digital%20platforms%20inquiry%20-%20final%20report.pdf>

⁴⁰ Hess (2020) “Another savage blow to regional media spells disaster for the communities they serve”, *The Conversation*, <https://theconversation.com/another-savage-blow-to-regional-media-spells-disaster-for-the-communities-they-serve-139559>

⁴¹ Dickson (2020) “Local news sources are closing across Australia: We are tracking the devastation (and some reasons for hope)”, *The Conversation*, <https://theconversation.com/local-news-sources-are-closing-across-australia-we-are-tracking-the-devastation-and-some-reasons-for-hope-139756>

⁴² Public Interest Journalism Initiative (2022) “The Australian Newsroom Mapping Project”, <https://piji.com.au/australian-news-data-report/aus-local-news-per-lga/>

AUSTRALIA'S REGULATORY FRAMEWORK

In light of the above, it might be surprising to discover that the provision of funding to media companies by the Australian Federal Government is not unprecedented. The former Coalition Government, for example, provided more than \$50 million to support news organisations between 2018 and 2022. COVID-19 prompted the former Government to announce the News Gathering (PING) Program, which funded 107 regional publishers and broadcasters during 2020–21 with the explicit aim of supporting “the continued provision of quality news and information to communities across regional and remote Australia”.⁴³ This followed the introduction of a Regional and Small Publishers Jobs and Innovation Package, which awarded \$17.6 million to local news and education providers, mostly to support the hiring of cadet journalists, training and for digital infrastructure and equipment.⁴⁴ There was also tax fee relief for commercial television and radio broadcasts.⁴⁵ (All of these funding initiatives were targeted at existing news providers that had been in operation for at least two years and had a minimum turnover of \$300,000, meaning that they overlooked new hyperlocal start-ups.)

The scattershot nature of these programs, however, exemplify several major criticisms of government funding for media in Australia: that it has been mostly ad hoc, lacked transparency, and often been awarded to larger media companies. A good example of this ad hoc approach is the grant of \$10m made in 2020 by the former Coalition government’s grant to pay TV channel Foxtel—owned by News Corp—to support “women’s, niche and other under-represented sports”.⁴⁶ This followed a similar grant of \$30m made in 2017. Neither were accompanied by any detail on how the money was to be used or how the decision to award it was made.

The provision of funding has also often failed to preserve jobs or publications: regional broadcaster WinTV, for example, was awarded \$4 million during the early days of

⁴³ Fletcher (2020) “Media Release: \$50m to flow to support regional news”, <https://www.paulfletcher.com.au/media-releases/media-release-50-million-to-flow-to-support-regional-news>

⁴⁴ Department of Infrastructure, Transport, Regional Development, Communications and the Arts (2022) “Funding for cadet journalists now available”, <https://www.infrastructure.gov.au/department/media/news/funding-cadet-journalists-now-available>

⁴⁵ Department of Infrastructure, Transport, Regional Development, Communications and the Arts (2020) “Relief for Australian media during COVID-19”, <https://www.infrastructure.gov.au/media-technology-communications/television/relief-australian-media-during-covid-19>

⁴⁶ Meade (2020) “Coalition gives another \$10m to Foxtel to boost women’s sport on TV”, *The Guardian*, <https://www.theguardian.com/australia-news/2020/jul/22/coalition-gives-another-10m-to-foxtel-to-boost-womens-sport-on-tv>

COVID-19 to support its local news services—but only months later, it cut some 20 staff and axed nine local TV news bulletins.

More fundamentally, there has been no coherent strategy informing the allocation of funding. While some subsidies—such as the PING program—have at least had a clear aim and a set of criteria, even these have been temporary measures in response to crises, rather than well-defined and well-thought-out policies designed to achieve a specific purpose.

There has also been a lack of consistency when it comes to support from Australian states and territories. It is perhaps no coincidence that Australia’s largest cluster of local, independently-owned newspapers are located in the state of Victoria, where the state government has offered some of the greatest and most consistent financial support to media. For example, the Victorian state government made a 2022 election pledge to provide a weekly page of advertising in every local newspaper paper each week to provide some surety to the commercial business model. This followed a \$4 million pledge to advertise in local newspapers during COVID-19 and a \$2.7 million grant for wire service Australian Associated Press to supply news to existing local providers.⁴⁷ Since 2020 the wire service, which supplies fact-based syndicated copy to its subscribers such as News Corp and Nine, has faced financial difficulties as their customers have dwindled or are paying less. Its closure would have been devastating for small and regional media which rely on the service for stories and photographs.

Other states, meanwhile, have moved to change legislation to no longer require departments or councils to advertise in local newspapers, which represents a significant revenue source for providers of public interest journalism. This contrast is an all-too-illustrative example of Australia’s confused and often contradictory approach to media policy.

⁴⁷ Cox (2022) “Dan Andrews and Victorian government promise to advertise weekly”, *The Border Mail* <https://www.bordermail.com.au/story/8002526/publishers-welcome-government-guarantee-for-regional-newspapers/>

Lessons from Nordic broadcasting funding

As digitalisation hastens the decline of journalism's traditional business model, examining the role of press subsidies and public broadcasting funding in Nordic countries should be a priority for Australian policymakers. It is time for policymakers to consider whether permanent subsidies might be required to ensure Australia's news media ecology has enough options for an adequate and diverse range of views. This section examines three key areas in which Australia could learn from the Nordic model.

SUPPORT FOR PUBLIC BROADCASTERS

Given the dramatic differences between the Australian media landscape and that in the Nordic countries, it might seem strange to be recommending Australia look northwards for inspiration. However, despite the stark differences in the situation regarding media ownership, there are also some unexpected similarities on which to build.

The Nordic countries have a strong tradition of support for their public service media, in part because they recognise its importance to their relatively small populations.⁴⁸ Publicly funded broadcasting is “built on the recognition of broadcasting as a public good, in line with national defence, scientific research, public roads and street lighting in towns”.⁴⁹

Nordic public broadcasters enjoy widespread public support and patronage. In each Nordic country, the leading public broadcaster channel has a larger audience share than the biggest private channel,⁵⁰ and neoliberal arguments for privatising public broadcasters have been largely rejected because, as Christian Nissen pointed out in a 2013 piece on Nordic public service media, “the Nordics are considered (and consider themselves) citizens in a society rather than mere consumers in a public market”.⁵¹

⁴⁸ Nordicom, op cit.

⁴⁹ Allern (2018), op cit., p 180

⁵⁰ Allern and Pollack, op cit., p 1430

⁵¹ Nissen (2013) “What’s so special about Nordic public service media? An introduction”, in Carlsson (ed.) *Public Service Media from a Nordic Horizon*, Nordicom, p 11, <http://norden.diva-portal.org/smash/record.jsf?pid=diva2%3A1534796&dswid=-1408>

Could Australian media ever look like this? While the differences are stark, there is certainly a base on which to build, because Australia’s public broadcasters enjoy significant public support. The ABC, celebrating its 90th year, is Australia’s largest public broadcaster and consistently enjoys high levels of public trust compared to commercial broadcasters: the level of trust in the ABC has increased dramatically from 41% in 2013 to 58% in 2019.⁵²

The ABC also performs the role of an emergency broadcaster, demonstrating its value as a public good. During Australia’s perpetual bushfires, floods and extreme weather events, the ABC works with emergency agencies to “deliver warnings, alerts, information and news about disasters and emergencies on TV, radio, online and on mobile”.⁵³ Although this role is not an official part of the ABC’s Charter,⁵⁴ the ABC was credited with saving lives during the Black Summer bushfires of 2019–20.⁵⁵

However, despite its popularity, the ABC has endured severe funding cuts to its operational budget for several decades. Public broadcasters in Nordic countries are supported by a combination of licence fees—an annual mandatory fee payable by anyone who owns or uses a TV or device capable of receiving TV broadcasts— and direct funding. Some also generate advertising income. In Australia, the public broadcasters are directly publicly funded through the Commonwealth Budget, not through a licence fee. This has left its funding vulnerable to the whims of Federal Governments.

At the first ABC Annual Public Meeting in February 2018, the ABC’s Chief Financial Officer, Louise Higgins, told the audience, “Back in 1987, your ABC famously cost each Australian eight cents a day. In 1987 dollar terms we now cost each Australian just four cents a day.”⁵⁶ In other words, she said, per capita funding had halved in real terms. One report calculated that by 2022 the ABC’s total funding would be cut by around three-quarters of a billion dollars (\$783 million), or close to a 30% decrease since 1985–86.⁵⁷ The ABC announced 229 redundancies in its most recent round of job cuts,

⁵² The Australia Institute (2020) *Polling—The ABC and public broadcasting*
<https://australiainstitute.org.au/report/polling-the-abc-and-public-broadcasting/>

⁵³ Australian Broadcasting Commission (2012) “About ABC Emergency”
<https://www.abc.net.au/news/emergency/2012-08-27/about-abc-emergency/4225628>

⁵⁴ Commonwealth of Australia (1983; last amended 2016) *Australian Broadcasting Corporation Act 1983*
<https://www.legislation.gov.au/Details/C2016C00300>

⁵⁵ Meade (2020) “Australians say ABC saved lives during summer bushfires, Royal Commission told”, *The Guardian*, <https://www.theguardian.com/media/2020/jun/02/australians-say-abc-saved-lives-during-summer-bushfires-royal-commission-told>

⁵⁶ Higgins (2018) *Chief financial officer APM speech*,
<https://about.abc.net.au/speeches/chief-financial-officer-apm-speech/>

⁵⁷ Dawson (2020) *It’s Our ABC*, Per Capita, p 10, https://percapita.org.au/our_work/its-our-abc/

which include the news section, as well as substantial cuts to programming and services such as the flagship 7:45am radio news bulletin.⁵⁸

Research by consultants Nordicity, for the Canadian Broadcasting Corporation, found that in 2016 Australia placed 13th out of 18 Western countries for per capita public funding of public broadcasting, and 15th for public funding of public broadcasting as a share of total government expenditures. Norway, Denmark, Sweden and Finland all have much higher per capita public funding than Australia. Australia spends less than half of what Finland spends per capita on public broadcasting and just a third of what Norway spends.⁵⁹ If Australia's public funding per capita were equivalent to that of Finland, the ABC's budget would more than double from \$1.06 billion to \$2.4 billion per year. It would more than triple to \$3.2 billion per year if equivalent to Norway.⁶⁰

Despite constant attacks to its bottom line, the ABC has indicated a strong commitment to securing the future of public interest journalism in regional Australia. It has arguably been the most transparent about its motivations and intent to spend funds allocated to it as part of the mandatory bargaining code. It has contributed funding towards expansion of its regional reporting, including the recruitment of 55 content makers for regional Australia.⁶¹ These included one in Esperance, WA, after the town lost its only newspaper in 2020. The ABC has also opened operations in 10 new regional locations. The ABC has also pledged to investigate collaborations with other news providers to help secure news services outside of metropolitan areas for the longer term.

DEALING WITH A CHANGING MEDIA ENVIRONMENT

The rapid transition from print to digital media has precipitated an ongoing crisis in funding for journalism. In many countries around the world—including both Australia and the Nordic countries—revenues from digital advertising have not been sufficient

⁵⁸ Visentin (2020) "ABC cuts 229 jobs in response to government funding freeze", *Sydney Morning Herald*, <https://www.smh.com.au/politics/federal/abc-cuts-229-jobs-in-response-to-government-funding-freeze-20201021-p567a1.html>

⁵⁹ Nordicity for Canadian Broadcasting Corporation, op cit.

⁶⁰ Assuming the ABC's share of public broadcaster funding remained in proportion. Calculated by the authors from ibid. and Commonwealth of Australia (2019) *Portfolio Budget Statement 2019–20*, pp 73 and 287, <https://www.transparency.gov.au/sites/default/files/2019-20-portfolio-budget-statement-originalc572.pdf>

⁶¹ ABC (2022) "Australia benefits from major expansion of regional and rural coverage", <https://about.abc.net.au/press-releases/australia-benefits-from-major-expansion-of-regional-and-rural-coverage/>

to replace those from traditional advertising.⁶² This is especially problematic for newspapers, where publishers are “not earning enough from digital revenues to abandon print, yet digital subscriptions are cannibalising print subscription revenue”.⁶³

To counter this, Australia’s competition watchdog, the Australian Competition and Consumer Commission (ACCC), put forward a positive, world-leading “news media bargaining code” to tackle the power imbalance between news media companies and tech giants like Google and Facebook.⁶⁴ In 2020, Australia took centre stage in the battle between traditional and new media titans that reverberated across the globe when the Federal Government announced a mandatory bargaining code that would force Facebook and Google to compensate news providers for content shared on their platforms. After intense lobbying and “experimenting” with removing and demoting current news in the search results available to some Australian users, Google came to agreements with some media organizations through its Google News Showcase by the time the Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code) Bill passed its first legislative hurdle. Facebook soon followed suit.

However, details about both deals and their beneficiaries remain commercially in confidence, again raising issues around transparency.⁶⁵

Much of the news and commentary about the code so far has been on big legacy media players, who commentators say are expected to fare well in the long run. For example, Tama Leaver has observed that News Corporation was “the biggest winner in the Code debate’: ‘They were the strongest advocates of regulation forcing the digital giants to pay for news in the first place and had the most to gain and the least to lose in the process’”.⁶⁶

⁶² Allern and Pollack (2019), op cit., p 1424

⁶³ Carson (2015) “Behind the newspaper paywall—lessons in charging for online content: A comparative analysis of why Australian newspapers are stuck in the purgatorial space between digital and print” in *Media, Culture & Society*, Vol. 37 Issue 7, p 1037, <https://doi.org/10.1177/0163443715591669>

⁶⁴ Australian Competition & Consumer Commission (2020) *Mandatory news media bargaining code: Concepts paper*, <https://www.accc.gov.au/system/files/ACCC%20-%20Mandatory%20news%20media%20bargaining%20code%20-%20concepts%20paper%20-%202019%20May%202020.pdf>

⁶⁵ See Mediaweek (2021) “Summer Series: Media Code laws see deals struck throughout the year”, <https://www.mediaweek.com.au/summer-series-media-code-laws-see-deals-struck-throughout-the-year/>

⁶⁶ Leaver (2021) *Going Dark: How Google and Facebook Fought the Australian News Media and Digital Platforms Mandatory Bargaining Code* in *M/C Journal*, Vol 24 Issue 2, <https://doi.org/10.5204/mcj.2774>

However, Australia’s smaller outlets, including independently owned rural newspapers and non-profits that produce public interest journalism, are in a weaker position than their metropolitan and internationally funded peers when it comes to bargaining with the tech giants, and will need further protections if Australia is to maintain a sustainable and diverse local news media. Not-for-profit media, such as community broadcasting, is excluded from these arrangements, while small newspapers do not have the volume of articles to post online that is required for funding.

Above all, then, these changes respond to a commercial imperative, but ignore the public good aspect of journalism. This is where the Nordic commitment to the idea of journalism as a public good in and of itself could, and perhaps should, have informed the Governmental response to the situation. There remains a strong argument for finding some way to assist smaller publications, not-for-profit media, and other outlets that lack the bargaining power of News Corp, rather than leaving these outlets to fend for themselves. This would seem a perfect case for Nordic-style subsidies.

ADDRESSING OWNERSHIP DIVERSITY

This question of journalism-as-public-good should also inform the policy response to Australia’s concentration of media ownership. Unfortunately, while there is strong support for public service media in Australia, it’s less clear that Australians consider the media in general to be a “public good”. The Finkelstein report noted a “general public distrust of the media” and worried about “the consequences of this for the Australian polity.” The report also did a good job of identifying the reasons for this public disdain for the media: it identified shortfalls in “professional standards and accountability” throughout the Australian media, along with “numerous instances of the media doing unjustified harm to people, and the failure of the existing regulatory systems to hold the media to account for these harms”.⁶⁷

This distrust of commercial media would make it difficult to sell the idea of (formalised) taxpayer-funded subsidies for the companies that own the vast majority of that media. An alternative idea was proposed via a 2022 parliamentary inquiry into the state of rural and regional media in Australia, which outlined 12 recommendations to respond to a well-documented crisis facing the sector and the future of public interest journalism. One recommendation included support for the ABC to facilitate partnerships with small regional publishers. This idea was modelled on a similar arrangement from another Northern European state, namely the United Kingdom: the BBC Local News Partnership program.

⁶⁷ Finkelstein, op cit., pp 18 and 20

A key aspect of the BBC model is the creation of up to 150 local democracy reporters who cover local government and other public services on behalf of the BBC and local news organisations.⁶⁸ News partners—largely small newspapers, online or broadcast outlets—are entitled to receive content generated through the news hub. They can access data journalism and content from local democracy reporters.⁶⁹ Such a collaborative approach to news is increasingly being trialled by industry in other parts of the globe and has been examined and conceptualised by journalism scholars.⁷⁰ There are some concerns that collaborative approaches to news can generate unfair competition within the sector and issues of power must be considered and resolved.⁷¹ However, the idea of collaboration between news providers on some level seems like a promising alternative to the direct subsidisation of small publications and organisations, if the latter proves politically unfeasible.

⁶⁸ Johnston (2020) *A review of the BBC local news partnership*, BBC

<https://downloads.bbc.co.uk/aboutthebbc/reports/reports/lnp-review-2020.pdf>

⁶⁹ BBC (n.d.) *News Hub*, www.bbc.com/lnp/news-hub/

⁷⁰ See Wiltshire (2019) *Keeping it local: Can collaborations help save local public interest journalism?*, Reuters Institute, <https://reutersinstitute.politics.ox.ac.uk/our-research/keeping-it-local-can-collaborations-help-save-local-public-interest-journalism/>;

Jenkins and Graves (2019) *Case Studies in Collaborative Local Journalism*, Reuters Institute,

<https://reutersinstitute.politics.ox.ac.uk/our-research/case-studies-collaborative-local-journalism/>; and

Jenkins and Graves (2022) “Do more with less: Minimizing competitive tensions in collaborative local journalism” in *Digital Journalism*, <https://doi.org/10.1080/21670811.2022.2026237>

⁷¹ e.g. Barnett and Greenslade (2020) “Not the way to use our money” in *British Journalism Review*, Vol 31 Issue 2, <https://doi.org/10.1177/0956474820931404>, and Hess and Ross (2022) “Exploring small newspaper attitudes to a collaborative approach with Australia’s primary public broadcaster” in *Australian Journalism Review*, Vol 44 Issue 2, https://doi.org/10.1386/ajr_00105_1

Conclusion

Several media policy lessons can be learned by Australia from Nordic countries. Those countries maintain strong support for public broadcasting and, although their media is similarly threatened by large tech companies and falling revenue, they have maintained diversity through direct and indirect subsidies that aim to ensure press freedom.

The main argument for such provision of direct support to less dominant newspapers has been that it upholds both political and geographical diversity. The main argument against press subsidies—which have come mostly from parties on the right of politics, along with some large media companies—has been that state involvement could undermine their notions of press freedom.

However, in Nordic nations today, the argument that state involvement undermines press freedom is rarely made. This is because of the strong convention that has evolved to ensure no significant governmental pressure in 40 years of the subsidies' operations, and because of the exceptionally high rankings of the Nordic countries on the World Press Freedom Index. The challenge now for Australian policymakers is to ensure better transparency and clearer accountability for all news providers who benefit from the taxpayers' dollars.

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