

Centre for Media Transition

**Crisis, challenge and choice in regional
and local news media:
The case for a service-first recovery**





Centre for Media Transition

The Centre for Media Transition is an interdisciplinary research centre established jointly by the Faculty of Law and the Faculty of Arts and Social Sciences at UTS.

We investigate three key areas of media evolution and transition: journalism and industry best practice; new business models; and regulatory adaptation. We work with industry, public and private institutions to explore the ongoing movements and pressures wrought by disruption. Emphasising the impact and promise of new technologies, we aim to understand how digital transition can be harnessed to develop local media and to enhance the role of journalism in democratic, civil society.

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Introduction

The Centre for Media Transition's regional and local media project was launched in late November 2017 as a collaboration between industry and UTS academics with the aim of addressing key issues broadly grouped around the headings, digital disruption and digital transformation.

Our hypothesis: regional and local media - always exposed to the vagaries of direct and indirect economic activity, population drift to larger centres and the cost/supply challenges in transport and infrastructure associated with remoteness and modest market size - is experiencing digital disruption on a greater and more sustained scale in proportion to 'mainstream' city-based media.

We are not alone in the concern that such disruption — and the collapse of the news media business model — is causing immediate and lasting damage to communities and the media companies that serve them. And, without a vibrant and sustainable local media, we fear a democratic deficit will open up in country and regional Australia.

This grim and pressing concern informs this paper, the culmination of the project's first stage, but is not its overarching theme.

The Centre for Media Transition (CMT) ascribes to a solutions-based ethos: we understand the need first to describe and capture the problem, and then to propose and promote potential solutions. Fixing what ails regional and community media will not happen overnight; nor is there any one fix. This paper is a first step. There need to be many more.

The CMT's work on regional media has been encouraged through the participation of News Corp, the ABC, Australian Associated Press and Google. The CMT greatly values their support and recognises that each entity has its own specific concerns and approach. Fairfax Media, in subsequent conversations with the CMT has also made it clear that it shares the same concerns.

But all these parties recognise the need to 'do something' about the state of regional and local news media, in part to protect their own business, policy and corporate interests, and in part because they recognise the role played by such media in fostering civil debate and enhancing social capital.

The early stages of the CMT's regional project coincided with the Senate inquiry into public interest journalism, the announcement of the Federal government's \$60m regional media innovation package and the subsequent release of the Senate's findings.

It is not our intention to use this paper as commentary on these developments or the conclusions of the Senate inquiry. But we do recognize the considerable and broad-based political and administrative goodwill towards ensuring a stable, innovative and prosperous regional media. We hope this paper — and the next stages of this project — can assist with that important goal.

This paper brings together three strands of work, each conducted as independent inquiries and able to be consumed as separate elements.

These three strands comprise: a review of some key texts in the literature and collation of resources on the state of news in regional Australia; an initial opinion survey of regional news consumers' attitudes to media; and a brief case study-based review of local and regional news media innovation in other countries.

None of these works is an end point in investigation. Rather, they have informed this paper and point to the need for further work. Planning is, for instance, already well advanced for a survey of regional editors and publishers to complement the consumers' survey.

What's more, the CMT is about to undertake a parallel project exploring what it will take for news consumers to become more trusting of journalists and journalism. Part of that project will be conducted in a regional area.

The CMT would like to acknowledge the work of research assistants Charlotte Grieve and Marie Palmer in compiling the literature review and case studies, respectively, and CoreData for conducting the consumer survey.

The end of scarcity

The implosion of the business model that underpinned journalism for the past century continues to create havoc in the news media industry, in city and country alike.

No longer tied to a masthead, channel or station, audiences are unshackled in the digital world, gaining their news and views from wherever they choose and more often than not from family and friends via social media.

For media operators, there was once a premium for owning the scarce resource of, say, a commercial printing press or a broadcast license.

This scarcity ensured viability as it gave the operators a level of exclusivity over advertising revenue. That is now gone, replaced by the ubiquity and abundance of low-cost digital media and the no-cost (to users) of the social platforms that deliver the news and much more.

As our survey shows, almost two in five regional news consumers say they gain local news from social media at least once a day. For more than two thirds, it's at least once a week. Even if the primary source of that news is legacy media, the greatest financial beneficiary is the digital platform.

The goose that laid golden or silver eggs for publishers, editors and licence holders is dead. In the regions, the traditional news media is no longer the sole source — well, of anything much. It can no longer claim to advertisers that it alone delivers audience eyeballs. It can no longer tell those same audiences that it is the only place to buy and sell goods and services. And it can no longer claim to be the singular pathway to news, views and useful information.

This is a profound shift, most often aired out in the now-familiar litany of media job losses, masthead and program closures, revenue decline and resource cutbacks.

There is no point sugar-coating: as the Australian Communications and Media Authority's 2017 report in regional content¹ found, there has been a 20 per cent decline in regional print newspaper sales between 2014 and 2016 and a 10 per cent decline in regional TV revenues since 2011. Newsroom numbers have been cut, services curtailed and, in an effort to cut costs, products dropped and services aggregated.

It is beyond the CMT's current scope to pinpoint exactly what has been lost — and more to the point, the impact of its passing. In fact, our literature review highlights a gap in the available data across regional media platforms, providers and zones.

A more expansive inquiry would deliver not only a fuller picture, but would also identify areas of promise. Things might still be crook in Tallarook but they just might be buoyant in Bathurst. We hope.

Even if that is the case, the truth is that the days when editors, publishers, broadcasters and reporters could go about their business without having to worry about where the money was coming from are over.

Even the national broadcaster is in the grip of constant review and re-organisation in an effort to master the impact and potential of technological change.

We would support — and conduct — an independent review of the impact and effectiveness of the ABC's regional and local reorganisation. Two key questions: 1. Is the money being well spent? 2. What can other media outlets learn from it?

Our concerns with business models, one of the CMT's three 'pillars', is not a backhanded way of saying that journalists need to join the sales team or trade in their independence. Journalists play specific roles; selling advertising is not one of them.

But precisely what journalism *is* for is an entirely pertinent query.

The implications of the end of scarcity are playing out in news media on a daily basis and will do so for many years yet. The fundamental shift in how journalism is supported and paid for will see to that.

¹ Australian Communications and Media Authority, 2017, Local Content in Regional Australia, ACMA, Canberra

There is no secret formula to halt the disruption. No click of the fingers will revive the previous business model. Instead, there are some useful questions.

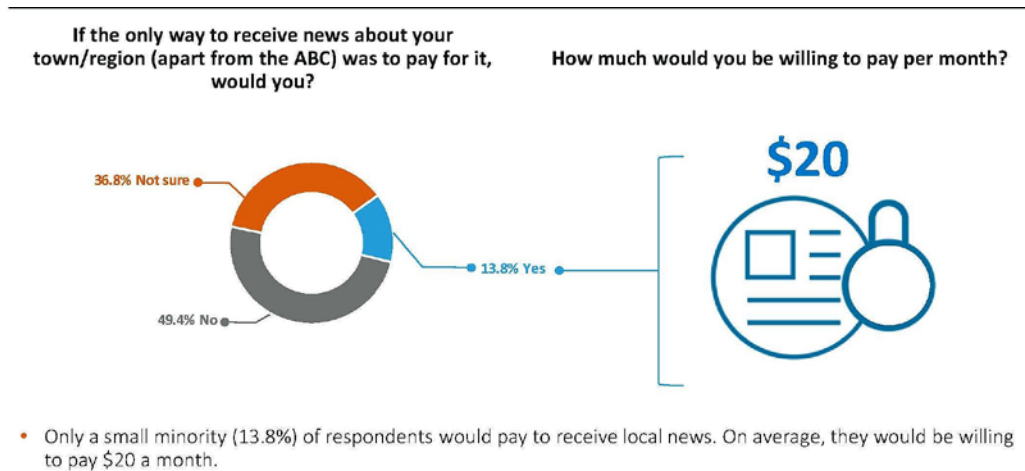
- Is journalism a service?
- If so, what is that service?
- What journalism services will audiences be prepared to pay for?
- And how does journalism prove and re-prove its value?

Pay? Who pays for news?

Regional audiences appear disinclined to subscribe to the services of journalism.

Of those surveyed by the CMT, only a small minority said they were prepared to pay for local news or premium news services (13.8 per cent and 13 per cent respectively). Premium news included greater access to events and popular columnists.

Table 1: Regional Australians prefer not to pay for local news



These sobering indicators, which accord with similar work in Australia by the Reuters Institute for the Study of Journalism, appear even more so when juxtaposed against news usage: almost half of those surveyed consumed local news on a daily basis, a similar number on a weekly.

Regional consumers surveyed by the CMT value local news but were not prepared to pay for it, though older Australians appear more willing to pay than other groups. This is unsurprising: they haven't grown up in a time when news was abundant and free.

Table 2: Willingness to pay is higher for older Australians but still low

If the only way to receive news about your town/region (apart from the ABC) was to pay for it, would you? (By age group and by gender)								
	29 years old & below	30 - 39 years old	40 - 49 years old	50 - 59 years old	60 years old & above	Female	Male	Overall
Yes	5.0%	12.4%	13.9%	13.5%	24.6%	10.8%	16.1%	13.8%
No	45.0%	55.1%	47.8%	46.9%	51.3%	45.1%	52.6%	49.4%
Not sure	50.0%	32.4%	38.3%	39.6%	24.1%	44.0%	31.3%	36.8%

How much would you be willing to pay to receive news about your town/region per month? (By age group and by gender)								
	29 years old & below	30 - 39 years old	40 - 49 years old	50 - 59 years old	60 years old & above	Female	Male	Overall
Average	\$10	\$15	\$27	\$24	\$15	\$14	\$23	\$20

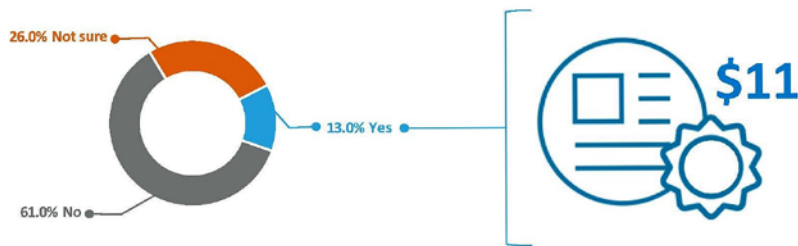
These results prompt multiple questions: what is news worth? Does it still have any value at all? How can the news media industry 'add' value to news?

However, the situation is perhaps not quite as bad — or as surprising — as it seems. Two in five regional consumers said they bought a printed newspaper at least once a week and almost one in five had a subscription to a digital news service. But again, when asked if they would pay for news if it was improved (more relevant; better quality; more local content), more than 60 percent were steadfast in their opposition.

Table 3: And prefer not to pay for premium news services

Thinking about news services, would you be willing to pay a small subscription fee in exchange for some premium services, such as increased access to popular columnists and events, in addition to access to the basic news service?

How much would you be willing to pay per month?



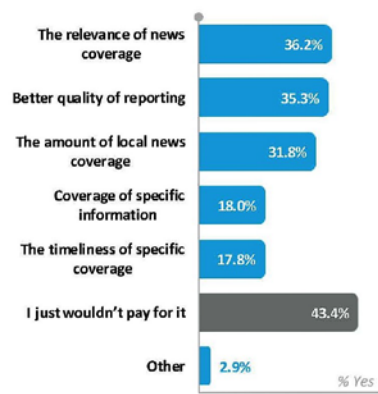
- Only a small minority (13.0%) of respondents would pay a small subscription fee in exchange for premium news services. On average, they would be willing to pay \$11 a month.

When given a list of what these premium services might be, opposition to paying at all eased a little, falling to around 44 per cent of those surveyed. This is just one survey. But it serves as a point to some further areas of fruitful debate and exploration.

Table 4: Great local relevance could improve willingness to pay

- To be willing to pay for or pay more for premium news services, the most common responses are improved relevance of news coverage (36.2%), better quality of reporting (35.3%) and improved amount of local news coverage (31.8%).
- However, more than two in five (43.4%) just wouldn't pay for it.

Which of the following would need to improve in order for you to be willing to pay for it or pay more for it?



Firstly, audiences are not uniform. The idea that audiences act en masse – and could be captured for advertisers of the same product — underpinned the old business model. It may have been a fib, a benign lie that enabled journalists to do what they did. Until digital disruption, it had surprising stamina.

There are multiple audiences; there always have been. The key challenges in the digital age are, A, get to know them and B, work out specifically how to service them — and C, how to get them or some other entity to pay for it.

Secondly, precisely what are we talking about when we talk about news? News is everywhere, it is a commodity: it is free from the ABC, it is free on social media and it is free on local TV and radio; it's in the ether, why pay for it? Discovering what news — or services — have actual value requires further detailed study. Understanding what audiences want via data analytics offers much promise in this regard.

The CMT survey indicates that there are types and styles of news with potential. Roughly a third of those asked were inclined to pay for more 'relevant news coverage', 'better quality reporting' or 'more local news coverage'.

Table 5: What would encourage you to pay for news?

Which of the following would need to improve in order for you to be willing to pay for it or pay more for it? (By age group and by gender)								
	29 years old & below	30 - 39 years old	40 - 49 years old	50 - 59 years old	60 years old & above	Female	Male	Overall
The relevance of news coverage	25.0%	40.5%	41.3%	34.8%	32.2%	35.8%	36.5%	36.2%
Better quality of reporting	15.0%	40.5%	39.1%	38.7%	33.2%	33.1%	36.9%	35.3%
The amount of local news coverage	29.9%	31.0%	38.0%	30.1%	25.8%	27.1%	35.4%	31.8%
Coverage of specific information	24.9%	14.0%	24.8%	13.5%	12.5%	14.6%	20.6%	18.0%
The timeliness of specific coverage	15.0%	18.4%	23.1%	14.0%	15.9%	21.2%	15.3%	17.8%
I just wouldn't pay for it	50.0%	42.7%	41.1%	41.1%	46.2%	44.4%	42.5%	43.4%
Other	0.0%	2.4%	2.4%	4.9%	4.0%	1.2%	4.2%	2.9%

Along these lines, there are potentially successful models in our own and other countries worth exploring. Among them are hyperlocal, soft paywall sites such as the *Franklin Reporter and Advocate* in New Jersey, and on a bigger scale the recent crowdfunding successes of *The Guardian* and *Crinkling News* in the local market and further afield, the likes of *De Correspondent* (The Netherlands), *Krautreporter* (Germany) and *The Ferret* (Scotland).

The Guardian's Wide Brown Land campaign, for instance, raised in early 2018 \$150,000 from readers to support an extended series of environmental reporting. It proudly mentions this achievement on its website.

Crinkling News, a children's newspaper dedicated to pre- and early teen kids, raised \$200,000 in mid-2017 to keep it going. (Despite this success, the newspaper closed in early 2018, its two founders simply too exhausted to keep it going.)

Could such fundraising techniques work in the regions? There is no doubt that The Guardian, for instance, has much more drawing power than a regional daily newspaper. Its left-leaning, environmentally-concerned audience is a good place to start for a crowdfunding campaign on green issues. But this is primarily a matter of scale and subject.

The deeper question is, does the success of the Guardian and Crinkling's crowd funding campaigns indicate that consumers are willing to change the nature of their relationship with the news media? Is there a fundamental shift happening here?

These questions would benefit from further exploration.

In passing, it is worthwhile noting that the recent Senate inquiry into public interest journalism recommended two potentially far-reaching ideas: making subscriptions to news media a tax deduction; allowing non-for-profit media to gain the tax benefits of charitable status. ²

While both ideas have merit, the former idea would surely be close to the ultimate test of whether consumers actually value news.

² Final Report of the Senate Select Committee on the Future of Public Interest Journalism, Recommendations, 2018, APH, Canberra

Closer in the bush

Regional news media operators are being compelled to innovate, take risks and be more relevant to the community at the same time as having to cut costs, aggregate services and generate new income streams to make up for revenue shortfalls.

Increasingly, they are boxed in: a 30 per cent staff cut in a newsroom of three people immediately changes what can and can't be covered. Forget the courts? Don't do every council meeting? Do audiences notice when they are given less and either charged the same or more? Of course.

Yet regional and local community media have many advantages not always enjoyed by their city counterparts.

As scholarly studies show, regional media fulfills functions beyond the simple provision of information: it is often a focal point for community connection, cohesion and education.

Furthermore, regional or rural newsrooms are more likely than their city counterparts to produce local news, be close to the audience, support advocacy and community togetherness over disunity.

As Australian scholar Folker Hanusch argues, country journalists can lay claim to being a "different breed altogether" as they are embedded in the community they report on.

These observations and elements are not startling or new. Being 'embedded' is a more evocative way of saying that local reporters, editors and producers live and work in the communities they report on and this may indeed affect how and what they report. Being inclined to advocate for local causes is, again, not a remarkable concept.

New or not, these are powerful ingredients.

Even allowing for the fact that audiences are increasingly fractured and overall less inclined to trust journalists, is there an opportunity to use the combination of proximity, relevance and advocacy to build a more sustainable model? And what role can innovation, propelled by necessity and fuelled by technology, play in that?

We see much hope in the nature of the relationship between audiences and journalists in the regions. As the most recent World Press Trends³ report notes, customer loyalty is the new key performance indicator. "There is now an increasing understanding in the news publishing industry that in order to grow your digital subscriber base, you need to focus on the passions of your readers, building loyalty through your journalism."

The report, published by the World Association of Newspapers and News Publishers (known as WAN-IFRA), goes on:

"There is a shift in the news publishing industry away from [audience] reach as a KPI – a model where the revenue per user is limited to what an increasingly challenging advertising market can yield. The emerging metrics are all about building a loyal community of readers who will provide not only direct subscription revenue but also generate more advertising revenue per user – as they spend more time on trusted news sites."

What can be more trusted than a local media organization providing its audiences with a rich stream of relevant and engaging content? The challenge, then, is how to reap this 'loyalty bonus' – within the economic, societal and demographic constraints common across regional Australia.

³ World Press Trends 2017, WAN-IFRA, 2017, p34-35, Frankfurt, Germany

The challenge of population

When it comes to media economics, low population density is a curse. Despite the low cost of market entry afforded by digital platforms — sometimes expressed as the thought that ‘everyone is now a publisher’ — the truth is that regional media needs people to survive and thrive.

Strategies that may work in more densely populated regional areas in others countries, such as the United States, may struggle to find traction here due to sheer (low) weight of numbers.

Likewise, the willingness of audiences to embrace new technologies that aim to assist journalism is often dependent on a trickle-down effect better supported by sizable population.

The relationship of population density and news media sustainability warrants further study. Given nearly three-quarters of the Australian population live in the country’s seven major cities, all coastal, it is not difficult to see the special tyrannies that a low consumer base can visit on news media.

There is no surprise that most local newspapers have circulations under 20,000 a day, often far lower, with most of them belonging to Fairfax Media or News Corporation.

Such concentration, largely played out in broadcast media too, is perhaps a necessary precondition of survival. But it has encouraged a ‘ring fence’ or island mentality that sees innovation and risk-taking play second fiddle to short-term cost cutting. This means that ideas for collaboration and aggregation are inevitably seen through the limited lens of ‘my masthead’.

That is why we have deliberately chosen to import ideas in which innovation may well require a more radical approach or necessitate greater co-operation. It is also why we see hope in new tools that aim to gain, retain or better service audiences.

Putting the hype into hyper-local

Hyperlocal is a buzzword that has in some circles lost some of its, er, buzz. Hyperlocal plus paywall is a combination that aims to capture the commonsense of giving local people more local news and views and adapting a payment model that has gone in, out and back into fashion.

On the face of it, the success of Franklin Reporter and Advocate in New Jersey in harnessing that model runs counter to our own survey results. As mentioned above, only a small number of respondents were willing to pay for news (13.8 per cent) and a similar number (13 per cent) for premium news and information services.

When asked how much they would be prepared to shell out, if they were, the numbers ranged from on average \$11 a month to \$20 a month. In smaller population centres it wouldn’t be surprising if media owners saw the idea as simply too much trouble for too little reward.

The Franklin Reporter and Advocate, which services *Eight Villages, One Community* has overcome this problem by offering up a super-serve of ‘meaningful’ local news – the subjects prominently featured on its website menu include taxes, crime, sports, religion, schools, pets, senior citizens and obituaries — a strict paywall (one free article, the rest is by subscription) and within the eight-village audience, it has a potential audience of about 70,000 people.

Here is part of editor Bill Bowman’s pitch:

We’re often asked, “Why should I pay for news?” Actually, you’re not paying for “news;” you’re paying for our 30-plus years of community journalism experience that goes into reporting and writing what you read in the Franklin Reporter & Advocate every day, and for the hours and hours it takes to attend the many meetings and events, search public records and talk to our neighbors to get the most comprehensive, accurate and balanced news report that you’ve come to expect from the FR&A.

Much of the public service information content lives on the free side of the paywall: petrol prices, traffic news, obits, community links and pet adoption. But the rest sits inside, as Bowman pitch goes on to say:

We offer our subscribers more news about their hometown than does any of our competition, at a far, far more reasonable rate. By showing your support through purchasing a subscription, you're showing that local, home-grown journalism matters to you.

Perhaps the Franklin's population is better off and therefore more willing to pay than in other communities? Perhaps the word, advocate, in the masthead is a clue: why wouldn't you back a website that was on your side? On the side of the locals? Or maybe Bowman and his reporters are hitting the mark in both pitch and content?

Last year the Tow Center for Digital Journalism at Columbia University graduate journalism school released a study⁴ into the state of small circulation newspapers (below 50,000) in the US. Three of its key findings stand out for the current debate in Australia:

Diversify to survive.

Small-market newspapers are experimenting with multiple means for generating revenue, including paywalls, increasing the cost of print subscriptions, the creation of spin-off media service companies, sponsored content, membership programs and live events. The report says:

Financial survival is dependent on income diversification. The evolution of local advertising markets and, in particular, the consumer retail experience makes it increasingly important that local newspapers continue to explore opportunities to broaden their revenue and income base.

One size doesn't fit all: forget the idea that there is a "cookie-cutter model for success in local journalism":

Outlet needs to define the right financial and content mix for itself...this may seem obvious, but some editors whose papers are part of larger groups were critical of corporate attempts to create templates—and standardise approaches—that remove opportunities for local flexibility.

There is cause for optimism:

Local newspapers may be in a stronger position than their metro cousins...they've experienced notable resilience thanks in part to exclusive content not offered elsewhere, the dynamics of ultra-local advertising markets and an ability to leverage a physical closeness to their audience.

We should be wary, for some of the reasons outlined already in this paper, to think that what happens elsewhere can apply to Australia. That is why we strongly support further work on the local market on several fronts. We are encouraged by discussions with several news media organisations that this is actually happening.

But there is little doubt that many of the challenges brought forth by digital disruption are universal, at least in pluralistic democracies.

It is certainly true that the final key finding of the Tow Center's study rings across the Pacific: The newspaper industry needs to change the "doom and gloom" narrative that surrounds it.

As the study's authors, Christopher Ali and Damian Radcliffe, write in the executive summary, "it is incumbent that the sector begins to change its own narrative".

Outlets need to be honest with their audiences about the challenges they face, but they can also do more to highlight their unique successes, continued community impact, and important news value.

In addition to hyper-locality and paywalls, we see cause for optimism in consolidating or templating backend functions to free-up funding for content creation and for the leveraging of user data. We explore that idea later.

As noted by the Tow Center's study (point 2 above), cookie cutter solutions may not work. In fact, they can put local audiences offside. But they may be a step along the way of offering the community more of what they want, such as, say, a more granular and comprehensive coverage of local sport.

⁴ Small-market newspapers in the digital age, Tow-Center for Digital Journalism, Columbia Journalism Review, Columbia Graduate School of Journalism, 2017, New York

Co-operate or perish?

A pressing question: can publishers and broadcasters curtail natural competitive tendencies and co-operate? If so, what are the limitations of such co-operation?

There is plenty of evidence to support a yes to the first question. Australian publishers co-own the national wire service, AAP; for years, Fairfax and News have shared trucks to ensure the delivery of city-based paper to non-metropolitan areas; and all media companies regularly band together to lobby governments. and have recently joined forces to appeal the record \$4.5million in damages awarded against magazine group, Bauer Media, for defaming movie star Rebel Wilson. On a much more modest scale, they helped inspire this report.

But the answer to the second part is less clear. As with many parts of the Australian economy, the media sector is beset by media concentration.

Regional areas tend to exhibit even higher levels of concentration than the cities given the size of the addressable market. The recent scrapping of the two-out-of-three rule, which prevented the same media owner controlling print, radio and TV in the same market, raised further alarms, with the head of the media union Paul Murphy calling the result a “poor day for media diversity”.

“Australia, which already has one of the highest concentrations of media ownership in the world, is now saying that plurality of media voices doesn’t matter. And history shows that once diversity is lost, you cannot get it back.”

Against such a backdrop, it may be naïve to expect media companies working together to ensure mutual survival in ways that are not anti-competitive but in fact promote the availability of local content to local audiences.

But it may not. In Spain, local media groups in different parts of the country have banded together to capture valuable data about its audience.

The members are collaborating, under the banner RADAR, to develop a data base of content (images, graphics, video and text) in much the same way as AAP, but also to explore ways of using data to better understand audience behaviours and needs. Scale is vital to the success of data plays.

In combining their efforts, the nine Spanish publishers are gaining the benefits of size and yet maintaining the identity and relationships inherent in being local. We would support similar moves in Australia.

Technology: threat and saviour

The handful of reporters who still occupy late night bars, waiting to dissect the first edition of the next morning’s paper, tend to be wise souls. Survivors are normally either stubborn or smart.

An industry struggling to do more with less, they might well reason, needs to work out how to do more with more. After all, readers want more and more relevant stories; journalists need more of everything — space, time, resources and fellow journalists.

They are not entirely wrong. It may be just a matter of emphasis: technological developments, such as chat-bots and machine learning, can and will deliver more content, more news and more information.

They already are. But they may not necessarily deliver more jobs, well, certainly not of the type readily recognised by those who frequent late night media watering holes.

This is an immediate challenge not just to media, but to other sectors, including universities. And while there have been attempts to paint in broad strokes, there is scant detailed information about both the prospects for and the impact of such technologies on journalism, irrespective of locale. There is certainly a need to do so — and to do so, with a set of clear eyes.

Evidence from this and other nations suggests artificial intelligence-driven automation, for instance, can aid publishers attempting to ensure news content is fast, relevant and clean, thus potentially enhancing the relationship between news user and news producer. Will the human journalist be deployed to chase down less templated, more nuanced stories or simply chopped? The answer might be both.

Here's what Ed Johnson, the managing editor of Bloomberg News in Australia and NZ⁵, thinks about the future of AI-driven journalism:

Jobs will go in the industry, but a lot of them will be the humdrum, rote elements of journalism. AI will free up time for humans to focus on the 'why' -- in other words, analysis of news. Automation will tackle the 'what' but it doesn't tackle the 'why'.

The potential of AI and other algorithmic technologies offers something of a salve to regional newsrooms starved of staff and resources. The British news agency, the Press Association, aims to use robot and data driven software to produce up to 30,000 local stories a month.

As mentioned earlier, a robot might be able to collate, edit and publish all the school sports results from a local town or community, thus freeing a human to do other more nuanced work. Again, there is a need for further inquiry and a great opportunity for innovation.

It is not our intention to provide a comprehensive or prescriptive list of what technologies can and can't do or how they should be used. But here are a few examples worthy of consideration by regional media owners:

1. Using AI to match relevant video with breaking news. A Sydney-based start-up *Oovvuu* is using machine learning to automatically place video content from the world's leading broadcasters onto news websites. Backed by IBM's Watson, Oovvuu's AI-driven machine 'reads' 300,000 articles a day and watches video from 39 key broadcasters and then embeds the relevant video into the relevant news story.
2. Using chat bots to personalize news services. French newspaper, *La Depeche du Midi*, mines users behavioural data (in much the same way as Facebook) to deliver local news. The bot, known as Robin, uses machine learning to understand and answer readers' questions about news. Several Australian media organisations, including the ABC and News Corp, are experimenting with chatbots. Could innovation funding be used by independent regional media to do the same?
3. Create trusting and transparent relationships between readers and journalists via blockchain technology. New York based start-up *Civil* plans to use blockchain, the enabling platform behind the crypto currency Bitcoin, as a way of helping individual news consumers fund independent journalists via direct, transparent payments targeted to a specific project.
4. Mining audience data to improve news quality. Swedish media group, Bonnier, is developing software that helps journalists uncover stories from the way their readers use their mobile phones. The software extracts insights and trends to map behavior and better understand news consumers' information needs.

The above ideas are small components of a global movement in journalism and innovation. The Centre sees itself as part of that movement and seeks opportunities in the area, in part to better inform the university's own practices and teaching and in larger part to ensure the survival of informed communities enriched by the activities and dedication of media professionals.


Where to next?

Stage one of any ambitious project casts a broad net. This paper is summation of our first throw of that net and, we suggest, it points to the value of more work, consultation and thinking.

There are some key issues requiring deeper inquiry. Some we have detailed, others we have mentioned in passing, and some we have omitted. Fortunately, this is not the final word in this project and we acknowledge, for instance, that this paper would benefit from the views of regional publishers and editors. This matter is in hand. We also acknowledge that specific on-the-ground consultations would be extremely useful, if only to provide a more nuanced view of the issues at hand.

It may be tempting to think of the issues facing regional media as uniform and consistent, but obviously they are not.

⁵ Personal conversation with CMT co-director Peter Fray, December, 2017



Different communities have different needs, met or unmet. Different types of news media face specific challenges. Financial constraints vary. The answer to the question of what success looks like will be different at virtually every level.

But one thing unites: regional media is at an inflexion point. There are risks and challenges at every turn. But there are corresponding opportunities, and many reasons to be optimistic about the future.

