

JOINT COMMITTEE ON TOURISM, CULTURE, ARTS, SPORT AND MEDIA Future Business Model Plans and Long-term Vision for the Media Sector Opening Statement: Local Ireland

Chair, Deputies, Senators,

Thank you for inviting Local Ireland to address the committee on Future Business Model Plans and Long Term Vision for the Media.

My name is Bob Hughes Executive Director of Local Ireland and I'm joined by the Editor of the Anglo-Celt Linda O'Reilly, the CEO of Celtic Media Group Frank Mulrennan and the President of Local Ireland Declan McGuire.

As many of you will know, Local Ireland represents local news paid-for weekly newspapers and their digital content across a range of websites and social media platforms.

Firstly we would like to thank all Ministers, deputies and senators that supported our campaign to reduce VAT on newspapers and their e-papers to zero per cent in last month's budget.

It is a valuable measure to protect journalism and support the transition of local news publishers to digital business models.

The economic environment remains nonetheless very challenging.

Circulation for local paid-for weekly newspapers is still falling. It has fallen more than 50% since 2010 and was down around seven per cent for the first six months of 2022 compared with the first six months of 2021.

Advertising is down on average 14 per cent for local titles versus pre covid levels, again coming off the back of a long period of contraction following economic recession, the huge migration of advertising to the major tech platforms and the disruption to advertising during COVID from which we have not fully recovered.

Add to that the burgeoning cost of newsprint, which has increased 150% over the last 18 months, along with spiralling energy prices and the cost of living crisis and you can see why continuing supports are so important to us. The number of employees among local publishers has halved over the last two decades and since 2008 17 local newspapers have ceased publication, including one as recently as last month. That's 17 communities that have lost their local paper and that trend will accelerate without further support.

Digital is the future business model but the realisation of digital revenue is extremely challenging, particularly for local news publishers who lack the scale of major international and national groups both in terms of investment and securing meaningful returns.

Print, despite its challenges, remains the dominant source of income.

Support from Government is therefore vital. Local News publishers have not been able to benefit from supports available to local radio through various schemes, most notably the BAI's Sound and Vision Scheme which offers grants for public service content. During the pandemic, the scheme was extended to include COVID coverage. We have no issue with local radio receiving these supports but it is only fair that local news publishers should have had the same opportunity around content creation.

We very much welcome the Future of Media Commission's recognition of local news publishers as public service content providers and the recommendation that the new Commission – Coimisiún na Meán – should extend supports currently available for broadcasters to print and digital publishers.

These supports are intended to go beyond public service content to include schemes around community coverage, training, diversity, accessibility and digital skills.

We look forward to working with the new Commission on developing these supports and would hope that they can be implemented without any unnecessary delay.

As we have outlined, the migration of advertising to the major tech platforms has hit our sector severely. The tech platforms enjoy around 85% of all digital advertising spend.

They have also benefited from using the content of local news publishers to drive traffic on their platforms and thereby increase their advertising revenue.

The EU copyright directive adopted earlier this year and the EU Digital Markets Act which came into force at the beginning of this month enshrine the right of publishers to fair remuneration for the content they create.

It will be important for the creation of a fair dealing environment that the Department of Enterprise and the Competition and Consumer Protection Commission to ensure these measures are implemented in Ireland as they will be in other countries. As an example, even though the UK is not part of the EU, the Government there is preparing to legislate for the introduction of a Digital Markets Unit within the competence of its competition authority to underpin partnership negotiations with the tech platforms. In other developments, we also welcome the publication of the Defamation Review along with its recommendations and look forward to the publication of the legislation over the next few months. It is important to state that we recognise every individual's right to their good name but it is clear that the existing legislation has created an imbalance around press freedom that has had a chilling effect on journalism.

Another way in which we can be supported is through Government and state agency advertising. In general the Government has been supportive but at times it seems that departments leave decisions around placing ads to agencies so that inclusion of local publishers can be very hit and miss and some campaigns lack coherence. All we are looking for in this regard is that local news publishers are included in public information campaigns as a matter of course along with other media and the sector receives its fair share.

Local news publishers are not only important for journalism and our communities, they are also vital for our democracy in terms of information and accountability.

We are not looking for handouts but we are looking for fair treatment in comparison with other media. The future is challenging but with a level playing field and the right supports, local, professional, quality journalism will be protected and preserved and continue to do the job that it's been doing – in some cases – for more than 200 years.

Local Ireland is the promotional brand of the Regional Newspapers & Printers Association of Ireland (RNPAI) and represents local newspaper publishers and print organisations throughout the island of Ireland. For more information visit www.localireland.info