

Digital competition bill must help independent publishers who need it most

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- Independent news providers reach millions of people in local communities across the UK but generate little income. Tech platforms keep a lion's share of the revenue that news generates.
- The Government has proposed that the Digital Markets, Consumer and Competition bill will include an equivalent to the Australian News Media Bargaining Code. This must prioritise independent news publishers in the UK, or we risk harming an already struggling section of the industry.
- The Australian News Media Bargaining Code, introduced in 2021, failed to help those that needed it the most by directing money toward powerful legacy and corporate publishers and making small, local providers less competitive.

The Public Interest News Foundation

PINF is the first charity in the UK with a remit to promote public interest news. Through the News for All campaign, we are working with a growing coalition of news providers and others to ensure that everyone in the UK can benefit from sustainable independent news.

Independent local news in the UK: a snapshot

Small, independent news publishers play a vital role in providing public interest news to otherwise hard-to-reach communities but, due to their size and the size of their audiences, are largely unable to generate the revenue they need to stay afloat.

Press Gazette estimates that there are at least 400 independent local news publishers across the country.¹ Recent research by PINF and others shows that these publishers are:

1. Trusted by the communities they serve
2. Valuable to the platforms, which profit from their high-quality news that is properly sourced, fact checked, and regularly updated²
3. In dire need of support to keep the lights on.

From a 2021 poll, we learned that a majority of the British public trusts local news only when it is produced by outlets based in their areas, with most respondents saying they distrusted local news produced by regional or national outlets.³ In our 2022 survey of independent publishers, we found that respondents reached an audience of 39 million

¹ <https://pressgazette.co.uk/news/uk-independent-community-news-sector/>

² Value of News to Digital Platforms in the U.K. by Professor Matthew Elliott, University of Cambridge, published by News Media Association

³ <https://www.publicinterestnews.org.uk/post/public-more-likely-to-trust-local-news-if-it-s-produced-locally>

people but generated £7 million in revenue. The typical outlet had annual turnover of just £31,000.⁴

We estimate that the total revenue generated by the UK's independent news sector in 2021 was in the range of £20-40 million. In the same year, Google and Meta reported an estimated £16.1 billion in UK advertising revenue.

For meaningful impact, a UK bargaining code must go beyond Australia's

In early 2022, the government asked the Competition and Markets Authority (CMA) to establish a new body, the Digital Markets Unit (DMU), to introduce and enforce a code of conduct modelled on the Australian News Media Bargaining Code (ANMBC).

However, the ANMBC has not enhanced the sustainability of local journalism in the public interest in the two years since its passing. The Code has not actually been triggered and, if it were, would exclude publishers with turnover below AUS\$150k (c.£86k).

This has enabled the dominant platforms to strike secret deals with big publishers that may actually hurt local journalism in the public interest. Since March 2021, the news sector in Australia has suffered a net decrease in journalistic activity, with an overwhelming majority of closures and reductions happening in regional and rural areas.⁵

How can government use the bill to help independent publishers?

The DMU should ensure that small and start-up publishers can benefit on fair and equal terms from a UK code, and that deals between are transparent.

We agree with the principles set out by the CMA and Ofcom regarding a platform-publisher code of conduct,⁶ and recommend in particular that the DMU should:

1. **Adopt a holistic approach**, calculating the value of news not only by web traffic or advertising revenue, but by considering the overall value of independent news publishing to tech platforms and the British public.
2. **Reduce the revenue threshold to include small publishers**, as the Australian threshold would exclude independent providers.
3. **Enable collective bargaining** for small, medium and micro-businesses, to address the imbalance between publishers and platforms and avoid forcing individual publishers to negotiate with tech giants.
4. **Establish an independently run public interest journalism fund** into which tech companies can pay, and allow small publishers to opt out of negotiation and apply for support from the fund instead.

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⁴ <https://www.publicinterestnews.org.uk/pinfindex>

⁵ https://piji.com.au/wp-content/uploads/2022/05/nmbc-review_piji-submission_may-2022.pdf

⁶ <https://www.gov.uk/government/publications/advice-to-dcms-on-how-a-code-of-conduct-could-apply-to-platforms-and-content-providers>