

News deserts: Local journalism at risk

Dr Gavin Ellis

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Koi Tū Centre for Informed Futures is an independent, non-partisan, future-focused boundary organisation dedicated to tackling the complex, long-term challenges shaping Aotearoa New Zealand's future.

We provide high-quality, evidence-based insights to address critical national and global issues arising from rapid social, economic, technological, and environmental change.

Our name, Koi Tū, was gifted by Ngāti Whātua Ōrākei. Koi means "the sharp end of an arrow" and "to be bright and clever," while Tū means "to stand" and conveys resilience. Like our namesake, Koi Tū aims to get to the heart of the most pressing long-term issues.

The Koi Tū Trust is a registered charity – Charity Services Number: CC63033.

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Foreword

Democracy relies on an informed public, which in turn depends in no small part on robust, balanced and effective media. The so-called fourth estate has been a key component of ensuring accountability, but that relies on it being a trusted institution. Yet institutional trust is in short supply, affecting both media and governments. There are many reasons for this, but the very different information environment in which people now live is an important factor. Infotainment has become more important than information, opinion replaces fact, and facts themselves are a matter of dispute.

But a democracy also relies on social trust, and on society being a place in which diverse peoples with inevitably different world views, ideology and interests can constructively live together in a community that meets their needs. This too relies on information exchange, but requires provision of news not only relevant to their national participation but that more granular and distinct information relevant to their community

Technology has played a major role in driving changes that affect both social and institutional trust. The emergence of transnational platform companies, social media, and in particular the changed business model of advertising away from traditional media sources threatens the very nature of information transmission and exchange. As a result, the media landscape is undergoing fundamental change.

Change in itself is not bad and is inevitable. There will be those who are relaxed and optimistically assume that a new market-led equilibrium will arise and meet the same needs as in the past, albeit in different ways. But local communities may have needs not met through the market-led approach and there are important reasons to suggest that a passive response may be unwise.

Journalism traditionally acted as a broker to distill complexity, to debate and to inform – a role that is diminishing in a more polarised world. Social media removes the intermediary broker altogether, and the impact on both information reliability and opinion formation is apparent. Many now avoid the mainstream media because it has become more opinionated and less trustworthy, or simply because they are now captured by the attention economy.

Social and institutional trust are essential for a democratic society that is resilient and cohesive. Since it formed five years ago, Kōi Tū has focused both domestically and internationally on understanding and enhancing social cohesion as an essential aspect of our thriving futures, and it has considered it within the context of emerging technologies.

It is not obvious that the newer information modalities can adequately replace the core needs of information exchange, brokerage and accountability at different levels of granularity from national to local. Given the stewardship obligations of the State in ensuring social cohesion and protecting democracy, its future role in protecting public good media in either its current or future forms must be considered.

The issues of social cohesion and living with technological change are core to Kōi Tū's mission of being a non-partisan, evidence-informed thinktank focused on long-term issues with policy implications. In this discussion paper, Dr Gavin Ellis, one of our honorary fellows and former editor-in-chief of the *New Zealand Herald*, has reviewed the international and national evidence, and considered the future of local journalism and its effective disappearance in some places – the so-called news deserts. The paper provides a sobering analysis. It does not pretend that there are simple solutions, but it highlights why the issue merits attention and suggests some possible actions for consideration.

This issue should not be a partisan political matter: it is a needed service for communities now compromised by changed market realities. New Zealand's small scale makes it even more challenging to find a market-based solution.

Our role in Kōi Tū is to promote the conversation; we hope policymakers at central and local levels and actors in the media and community find the report valuable in considering a vital sector of our society.

Sir Peter Gluckman ONZ KNZM FRSNZ FMedSci FISC FRS
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Introduction

The term 'news desert' was coined 14 years ago in the United States. It was defined then as "a place where vital information does not reach one's neighbourhood".¹ Since 2011, the significance of news deserts has expanded beyond the neighbourhood to the point where it is now defined as "a community, either rural or urban, with limited access to the sort of credible and comprehensive news and information that feeds democracy at the grassroots level".²

This definition points to the fundamental impact on democratic societies when principled newsgathering and dissemination ends or is curtailed to the point where it can no longer adequately inform people on matters vital to their participation in civil society.

'Adequacy' should not be defined as the mere presence of a media outlet. It is conditioned by the level of journalistic endeavour in a given location. Minimal local coverage has given rise to another term: 'ghost' or 'zombie' newspapers. They are evident in many countries, including our own. Penelope Muse Abernathy, the Knight Chair in Journalism and Digital Media Economics at the Hussmann School of Journalism and Media at the University of North Carolina at Chapel Hill, captured the issue:

.. there is a risk that news deserts are emerging not only in communities without newspapers but also in areas with significantly diminished newspapers. This puts large swaths of the country – especially those that are rural and economically struggling – at risk of becoming news deserts.

*... significant diminishment in quality and quantity of news that occurs as a result of financial constraints on the industry and the rise of newspapers owned by investment entities, such as hedge funds and private equity firms. Many newspapers have become ghosts of their former selves, both in terms of the quality and quantity of their editorial content and the reach of their readership.*³

News deserts have been tracked and documented in North and South America, Europe, Africa, Asia and Australia. The numbers have been steadily increasing and the impact has become more severe over time. This paper outlines the deteriorating state of news coverage and its consequences in those regions, before assessing the state of news coverage in Aotearoa New Zealand and potential consequences.

The paper outlines moves made in other jurisdictions to 'reflower' news deserts. These initiatives range from federal government interventions to community and individual initiatives. Not all attempts to overcome the effects of decline in traditional media have been successful, but many provide opportunities worthy of consideration.

1 Washington, Laura S., 'The Paradox of Our Media Age -- And What to Do About It'. *In These Times*, April 5, 2011.

2 Center for Innovation and Sustainability in Local Media, School of Media and Journalism, University of North Carolina.

3 Abernathy, P.M. 'What Exactly is a "News Desert?"', Center for Innovation and Sustainability in Local Media, April 10, 2018.

Key findings

- News deserts are defined as areas in which there is little or no local news produced through professionalised public interest journalism and distributed on a regular basis through recognised outlets.
- New Zealanders are interested in local news, but a minority are prepared to pay for it.
- The international review at the core of this paper shows news deserts are a worldwide phenomenon that is becoming evident in this country.
- No measures are currently in place that prevent the growth of news deserts here.
- Demonstrable gaps will be evident in our media ecosystem by the end of 2025.
- Social media have at best a palliative effect and at worst are highly detrimental to social cohesion and democratic health. Social media are not a solution to news deserts.
- News deserts in other jurisdictions have been found to cause:
 - Decreased public knowledge and participation in local democracy.
 - Decreased social cohesion.
 - Increased misinformation and disinformation.
 - Increased official corruption.
 - Higher costs of public finance.
 - Less effective commercial advertising.
- There is international recognition that journalism and media contribute to democracy, economy and community, and there is a reviving public appreciation that, as a public good, it should be supported by those that benefit from it – including in part by public funding.
- Governments at national, state and local levels have acknowledged the need for intervention and have implemented measures to prevent or ameliorate the impact of news deserts.
- A broad approach is needed in this country to avoid the serious consequences of news deserts. Recognition of public interest journalism as a public good is justification for comprehensive initiatives by government, the media industry and the community.
- Consultation and careful definitions are required to ensure action is directed where needed.
- Innovative vehicles for the production and distribution of news will be required.
- Initiatives should be based on the most effective measures implemented in other jurisdictions and should take an integrated approach.
- Government (central and local) has a fundamental role to play in the following:
 - Structural reform, including recognition of certain forms of journalism as charitable endeavours in their own right.
 - Assistance with costs, including materials, operations, production and distribution.
 - Incentives and obligations to place advertising with local news media.
 - Technological development, including digital and AI innovation, and investigation into a national hosting platform for local news hubs.
 - Review of funding schemes following recognition of public interest journalism as a public good.

- Development of public education programmes to improve trust in government and media, including the importance of local news.
- Encouragement for media to produce journalism that meets public interest standards.
- Communities must help themselves by:
 - Supporting local news outlets.
 - Supporting nonprofit solutions where commercial enterprises have failed.
 - Participating in local news initiatives.
 - Encouraging individuals to create innovative solutions.

Local news paradox

New Zealanders have a high interest in local news.

The 2025 Trust in News Report produced by the Journalism, Media and Democracy Centre (JM&D) at Auckland University of Technology found that 72 per cent of survey respondents expressed highest interest in local news, compared to 70 per cent for international news, 62 per cent for political news, and 56 per cent for stories about crime and security.⁴

The JM&D survey parameters differed from those used in the annual international survey by the Reuters Institute at Oxford University. However, the 2025 Reuters Institute report found that in the 48 markets it surveyed, an average of 81 per cent of respondents accessed at least one type of local information a week – ranging from local news stories to local public notices.⁵ This is in spite of the fact that in many of those markets, local and regional newspapers have struggled to adapt to the digital environment.

However, although people repeatedly say in surveys that they are interested in local news, too few say they are prepared to pay for it. The shift to online delivery has created significant financial issues for local media.

The Reuters Institute report found that in 20 Western markets, an average of only 18 per cent of people had paid for any online news in the past year. The proportion was slightly higher in Australia (22 per cent) and the United States (20 per cent) but lower in the United Kingdom (10 per cent). The highest level of paid online news was in Norway (42 per cent) and Sweden (31 per cent).

The JM&D report found New Zealanders were closer to the Nordic countries, with 27 per cent saying they had paid for a digital subscription or digital/print bundle in the past year. However, 49 per cent stated that they had not paid for any news services.

This high interest in local news but low interest in paying for it is a paradox that places significant challenges in the path of traditional commercial media models.

4 Myllylahti, M. and Treadwell, G. *Trust in News in Aotearoa New Zealand 2025*. <https://www.jmadresearch.com/trust-in-news-in-new-zealand>

5 Newman, N. et al. *Reuters Institute Digital News Report 2025*. <https://www.digitalnewsreport.org>

International assessments

The growth of news deserts has been recognised by many citizens who are conscious of the lack of local news through closures or drastically reduced resources that first manifest in the loss of council and court reporting. There is informal community disquiet, but it is largely in academic and public interest groups that track growth of news deserts. It is done with varying degrees of regularity and resource. It is possible, nonetheless, to assess the scale and effect of this growth. It is likely that the issue is worldwide (China and Brazil, for example, have news deserts), but this paper confines its assessment to selected western democratic nations. These nations have felt the widespread effects of news deserts and serve as a warning of what is already facing some communities in Aotearoa New Zealand.

We caution against viewing the growth of social media as an adequate substitute for the loss of local public interest journalism. Urbano Reviglio of the Centre for Media Pluralism and Media Freedom at the European University Institute in Florence has raised concerns that social media could have a palliative effect on news desertification, giving a false sense of thriving local news media and making less tangible the risks of a fragmented local news diet. As a consequence, they could lessen the perceived need for protecting local and community media. He concluded: “Local news consumption on social media is not – and cannot be – a replacement for traditional local and community media, and yet it has a substantial impact that needs to be better understood.”⁶

United States of America

According to the State of Local News Project run by the Medill School at Northwestern University, by October 2024 there were 206 counties across the United States without any news source (up from 204 in 2023), and 1561 counties with only one source. As a result, almost 55 million people in the United States have limited or no access to local news (see appendix).

In the year reviewed by that report, 130 newspapers closed and almost 2000 newsroom jobs were lost. A similar number of newspapers closed the previous year. The number of titles shut down over the past two decades now exceeds 3200 – over a third of the total number of newspapers. Papers have also reduced their print coverage, changed publication frequency (in 2023–24, 180 dailies shifted to fewer than three days a week), or ended print publication entirely (more than 30 newspapers switched to digital-only). Newspaper circulation in the United States has declined by 65 per cent over the past two decades.

The Medill School maintains a database of 7945 local news media outlets in the United States. Newspapers make up the majority with 5595 outlets, followed by 742 network digital sites, 719 ethnic media outlets, 662 standalone digital sites, and 225 public broadcasters that carry local news.

The State of Local News Project found that “the 2,350 non-print news outlets in our database have been unable to overcome the deficit caused by the staggering losses in print news”. It found a high churn rate among standalone digital, and its statistics suggest sustainability problems. The number of startups typically outpaces the number of losses each year (in 2023–24 there was a net increase of 105 standalone outlets), so many of the sites were relatively young. Close to a third had existed for less than five years, and fewer than half were older than 10 years.

6 Reviglio, U. *The ambivalent and ambiguous role of social media in news desertification*. Centre for Media Pluralism and Media Freedom EUI 1 September 2023. <https://cmpf.eui.eu/the-ambivalent-and-ambiguous-role-of-social-media-in-news-desertification/>

Digital replacement of traditional media shows a highly uneven spread. Of the 662 stand-alone digital sites in the Medill database, 87 per cent were located in metro areas and 96 per cent in counties with a median household income of \$US50,000 (\$NZ89,000) or more. The same dynamic held true for ethnic media outlets, only 5 per cent of which were in rural counties. Public broadcasting had greater reach in rural areas, with some counties served only by this medium. However, out of more than 1100 public broadcasters in the United States, fewer than 20 per cent produce original local journalism. Three-quarters of the news deserts are in areas characterised as “predominantly rural”.

The Medill School in 2023 developed a news desert watch list.⁷ The model is based on a series of predictors that anticipate the likelihood of a news desert within five years: the current number of newspapers, population size and density, average age and income, and ethnic makeup of the population. It initially deemed 228 counties at risk. A year later, ten of those counties had become news deserts. The watchlist has increased to 279 counties across 32 states.

The modellers noted several interventions that lower the risk. These include changes to media business models (including moves to nonprofit), philanthropic support, collaboration between media, and rural broadband infrastructure policy.

The report found that local outlets controlled by larger groups carried significant amounts of recirculated non-local news. It examined the home pages of 500 news sites owned by the five largest chains. It found that, on average, more than a third of the stories appearing on those pages originated from a non-local source, such as an adjacent metropolitan newspaper, a national aggregator or a wire service. It also found that group-owned newspapers had widely diverging staff counts, with some having no full-time reporters on staff. On average, the 500 papers had just four identifiable staff members.

The review also found what is called re-masting – identical content carried in publications with different mastheads. This practice was not limited to large chains. The Medill School therefore removed several titles owned by smaller operators from its database because they were deemed to be ‘ghost papers’. These are publications that nominally continue to exist, but which have lost most or all local news reporting.

Group owners have been at the forefront of title consolidation and content sharing. The Gannett group, for example, merged nine of its Massachusetts weekly community newspapers into four and closed a further 19 in 2022. The surviving newspapers shifted their focus from local to shared regional content.

In addition to tracking outlets, the Medill study has tracked employment in the news industry. It found that from 2022 through 2023, more than 7,000 newspaper jobs vanished. Total newspaper employment has decreased by more than 70 per cent over the past 15 years.

7 Malthouse et al, *Forecasting Future News Deserts*, 2023. Downloaded from <https://arxiv.org/pdf/2311.04708>

Canada

Canada and Aotearoa New Zealand share numerous media similarities, and their journalism is based on common traditions and values.

Between 2008 and December 2024, 526 local news outlets closed in 347 communities across Canada. Of those, 400 closures or 76 per cent were community newspapers, and 111 were local community newspapers that closed after they were merged with other newspapers to become regional publications with little or no local news.⁸ Over the same period, 402 new local news initiatives were launched, but a third have since failed. The number of start-ups has slowed since the Covid pandemic.

The full extent of the industry's contraction in 2023–24 has yet to be fully assessed. Professor April Lindgren (founder of the Local News Research Project, which maintains a crowdsourced local news map) told a February 2024 hearing of the Canadian Parliament's Standing Committee on Canadian Heritage that there was no clear picture of whether there were complete news deserts in Canada. Professor Lindgren raised an important issue in this context:

[An] issue that I think needs to be talked about in the context of what role government has in supporting local news is to ask if government actually has the information it needs to make informed decisions about the policies it's adopting. For instance, we don't really know where there are true news deserts where no local news is available in Canada, despite all of the conversations about that. How is good policy going to be developed out of that if we don't actually know where the needs are the greatest? How can that situation be rectified? I think that's a headache for news organizations. We also don't know what news organizations exist at the community level across the country. Pick a place on the map. We have no idea what's going on there in terms of the providers of local news."

By the end of 2024, the Standing Committee on Canadian Heritage had acknowledged the existence of news deserts and recommended that the state-owned broadcaster CBC/Radio-Canada play a crucial role in remedying the deficit: "That CBC/Radio-Canada enhance its services to 'news deserts', that is, communities whose residents have limited access to local and regional news about community issues and institutions, if any access at all. The Corporation should hire individuals to report in and on those communities rather than rely on journalists working from major cities." However, in December 2023, CBC announced the cutting of 800 jobs and, in a dissenting opinion in the committee's report, Canada's main opposition Conservative Party recommended defunding the state broadcaster.⁹ In 2024 private broadcasting acting had its worst year on record, losing 14.5 of private broadcasting outlets.

Even if definitive data on Canada's news deserts has yet to be gathered, it is clear that the state of news media in the dominion is rapidly deteriorating. A report by the Canadian Centre for Policy Alternatives in March 2025 created a new dataset which found 2.5 million Canadians have almost no local news.¹⁰

8 Local News Resource Project 2024.

9 Canada Committee Report No. 16 – CHPC (44–1) – House of Commons of Canada.

10 Macdonald, D & Macdonald, S. *News deprivation: Canadian Communities starving for local news*. Canadian Centre for Policy Alternatives. Ottawa March 2025. <https://www.policyalternatives.ca/news-research/news-deprivation/>

Europe

A 2024 study by the European University Institute, co-funded by the European Union, examined the potential for news deserts to emerge across the EU's 27 member states.¹¹ It found that the situation for news services in rural areas has become "increasingly problematic". In Romania, for example, there are now no media outlets in any of its rural areas. In five other countries, rural coverage is at "high risk". Although other European member states were deemed to be low risk, the study noted that in some countries local media was owned by municipalities (which raises questions over their ability to hold their owners accountable) while others were part of conglomerates whose local coverage was questionable (see appendix).

European metropolitan media coverage follows patterns similar to those in New Zealand, where reporting on suburban affairs is limited and it is rare to find staff based in the outskirts of cities. A common trend throughout Europe is newsrooms retrenching to main cities, with journalists reaching the most remote areas of the country only occasionally or conducting desk journalism.

In common with other jurisdictions, many European countries report reductions in newsroom numbers, closure of local newsrooms, and deteriorating wages for local journalists.

Eastern Europe is at highest risk of deteriorating media markets and reach, with digital disruption affecting all member states. Local and community media operate in very adverse market conditions and are confronted with many challenges related to their economic sustainability.

The most problematic situation is decreasing revenue for local media, which is coupled with audiences' lack of willingness to pay for news. Bulgaria, Czech Republic, Germany, Latvia, Poland and Slovakia report a very high risk when it comes to decreasing revenues for local media outlets. The concentration of ownership, the lack of funding to promote innovation, and lack of sufficient financial support for community media also pose a high risk, albeit to a lesser extent than shrinking revenue streams. Twelve member states also have varying degrees of high risk of political control/influence over local news coverage.

A separate study of media plurality by the European University Institute's Robert Schuman Centre in 2024 also assessed media viability.¹² Its report indicated local, regional and community media were at either medium or high risk in 23 of the EU member states. Unsurprisingly, it found newspapers and local media "especially vulnerable".

It also highlighted the difficulties in making uniform assessments due to definitional and data-gathering differences. While it acknowledged the existence of news deserts in the EU, it noted the nuances in play when making such assessment. It provided a telling example: "Even though there are, strictly speaking, no media deserts in mainland Finland, as all the municipalities are covered by at least one news media outlet, there are 309 municipalities in which there is no resident journalist, or only one."

Spain, which has experienced rural depopulation and exodus to large cities, has an alarming number of news deserts. A 2023 study found that 6,304 municipalities (77 per cent) could be considered news deserts. They were inhabited by 11.6 million people or almost a quarter of the country's population. Another 523 municipalities were at risk of becoming news deserts.¹³

11 Verza et al, *Uncovering news deserts in Europe: Risks and opportunities for local and community media in the EU*. European University Institute Centre for Media Pluralism and Media Freedom: Research project report 2024. https://cmpf.eui.eu/wp-content/uploads/2024/02/CMPF_Uncovering-news-deserts-in-Europe_LM4D-final-report.pdf

12 Bleyer-Simon et al, *Monitoring media plurality in the digital era*. Robert Schuman Centre, European University Institute. Research Project Report 2024. <https://cmpf.eui.eu/media-pluralism-monitor/>

13 Negreira-Rey et al, 'No People, No News: News Deserts and Areas at Risk in Spain'. *Media and Communication* 11:3 2023 pp. 293-303.

United Kingdom

Seven per cent of the United Kingdom's population live in news deserts, according to the latest report by the Public Interest News Foundation.¹⁴ In 2024 it defined 38 local authority districts as lacking a dedicated local news outlet (see appendix).

Twenty-eight of these were described as “absolute news deserts” which received virtually no dedicated news outlets. These included Lewisham and Gateshead, which have populations of 300,000 and 200,000 respectively.

A further ten districts – with a combined population of 1.4 million – are described as “relative news deserts” where a single outlet serves up to five different districts. An additional 20 districts are designated “drylands” because they are poorly served by local media.

The report noted 18 closures and four launches in the previous 12 months. A more telling statistic, however, is provided in research by the Press Gazette, which has recorded the closure of at least 293 local newspapers since 2005. Its research also shows that the United Kingdom's three leading local newspaper publishers, Newsquest, Reach and National World (which publish the vast majority of titles), employed around 3,000 journalists in 2024 compared with 9,000 in 2007.¹⁵ This month (September) Reach cut its editorial head count by 186.

There are approximately 1,196 local news outlets in the United Kingdom, an average of one outlet per 56,000 people. The greatest proportion of local news outlets operates in print and online (47 per cent), followed by community radio (23 per cent), online only (23 per cent), then print only (3 per cent). Local TV and BBC Local Radio account for 2 per cent of all outlets, respectively.

A separate report by the Foundation indexes independent media in the United Kingdom.¹⁶ These are defined as smaller enterprises with turnover of less than £2 million (\$NZ4.4 million), of which there are an estimated 300–400.

The threshold turnover, however, suggests a greater level of financial activity than the reality. The average revenue of an independent publisher in 2024 was £62,000 (\$NZ136,000), which was 30 per cent lower than the previous year. Only 21 per cent had revenue in excess of £175,000 (\$NZ385,000) and 15 per cent had no revenue at all.

Independent publishers who focus on one local area have the greatest stability. Their annual revenue has consistently been between £63,000 (\$NZ138,600) and £67,000 (\$NZ147,400) over the past three years. These are, in the main, very small enterprises. The average number of full-time employees is two. That average dropped by a third in only 12 months.

Online engagement with independent publications has been falling for the past three years. The average website reach of an independent publisher in 2024 was 344,000 unique users, down 56 per cent from the previous year.

More than a third of outlets produce some content via print, and although there are concerns over falling circulation and rising costs, some online publishers in 2024 launched print products to overcome the challenges of low digital advertising and ‘digital overwhelm’.

14 *UK Local News Report*, Public Interest News Foundation, April 2024. <https://www.publicinterestnews.org.uk/local-news-map-report-2024>

15 Ponsford, D. ‘Colossal decline of UK regional media since 2007 revealed’. *Press Gazette* 15 February 2024. <https://pressgazette.co.uk/publishers/regional-newspapers/colossal-decline-of-uk-regional-media-since-2007-revealed/>

16 *Index of Independent News Publishing in the UK*, Public Interest News Foundation, May 2024. <https://www.publicinterestnews.org.uk/research/pinf-index/2024>

A 2024 paper that examined seven areas of the United Kingdom found diminished effectiveness of resource-poor local news outlets and widespread use of alternative digital sources of information.¹⁷

Our study found widespread use of social media and message boards, supplemented by local information sites provided by institutions such as local authorities, libraries, schools, and businesses, and increasingly less reliance on journalist-curated services. While useful in providing some local information and facilitating access to local authorities, these sources were much less useful as a provider of verified news, and are often vectors for un-substantiated rumours. They do not fill the gap left by local news media as a political institution, but they do have distinct and novel functions which require further research.... the evidence gathered from these seven UK localities indicates that members of the public and local newsmakers do not believe local media is sufficiently performing its role as a political institution.

For the public, it is failing in four key respects. It is not providing regular, eye-witness reporting of local politics. It is not felt to be representing the voice of the local community to those in authority. It is not acting as 'community glue', nor is it providing the main forum for public debate (which had shifted to other online locations). For the stakeholders, there are three further ways in which local news media is not working as a functioning political institution. The absence of local journalists from political meetings means there is no opportunity to negotiate newsworthiness or integrate newsmaking to policymaking. Local news media are no longer conferring authority, since there is little direct observation or evaluation of political sources. Nor are local news outlets sufficiently scrutinising or challenging those in authority.

Crucially, the paper concluded that policy initiatives to deal with declining or absent local news coverage had tended to take a fragmentary and superficial approach, "and therefore fail to address various negative consequences of the decline of local news as political institution".

The United Kingdom media regulator Ofcom addressed the issue of 'drylands' and 'news deserts' in a July 2024 review of local media and released a series of findings.¹⁸ These included:

- The local media sector is facing challenges resulting from changing audience behaviour and funding pressures. Despite audiences moving online, the decline in print and TV advertising revenues has not been offset by digital advertising revenues, a proportion of which is captured by online intermediaries.
- Consequently, some local providers have gone out of business, while others have been acquired by a few big media groups which now control a large proportion of the sector. Consolidation has led to the closure of some local media outlets, while others have sought to cover a wider geographic area and/or reduce resources, including cutting jobs. These changes have the potential to dilute the local relevance of content, and risk reducing news plurality and the quality of content.
- New small or community providers, who are keen to fill gaps in the market, often struggle to thrive. They are frequently reliant on part-time, voluntary and freelance staff, often depending on a single passionate person at the centre.

In March 2025 the Local News Commission issued a report on regenerating local news production, which found that "the UK is facing a series of interlinked crises. Each would pose a major challenge on its own, but collectively, they create an existential risk to local communities and society as a whole."¹⁹

17 Barclay et al, 'Local news as political institution and the repercussions of 'news deserts': A qualitative study of seven UK local areas. *Journalism* 31 August 2024. <https://journals.sagepub.com/doi/full/10.1177/14648849241272255>

18 Ofcom, *Review of local media in the UK*. July 2024. <https://www.ofcom.org.uk/siteassets/resources/documents/tv-radio-and-on-demand/reviews-and-investigations/local-media/review-of-local-media-in-the-uk-initial-findings.pdf?v=371109>

19 Public Interest News Foundation. *Regenerating Local News in the UK: The Report of the Local News Commission*. March 2025. https://www.publicinterestnews.org.uk/_files/ugd/cde0e9_2c1dcda04b144203bc7f3c00b60a4ffd.pdf

Australia

In September 2024, the Australian News Data Project identified 27 local government territories as news deserts with no local publisher news outlets (see appendix). Five of them also lack any local radio coverage. Ten are in South Australia, eight in Queensland, seven in Northern Territory, and one in New South Wales. Tasmania previously recorded two news deserts, but a digital news service has begun operating in both locations.²⁰

In its 2021 report, the Project stated that the closure of local newspapers had left members of the public who previously relied on print media for their news “feeling mistrust and unattached to their communities”.

Over the past decade, according to the Media, Entertainment and Arts Alliance, more than 200 regional newsrooms across the continent have closed. It also estimated that across all media there are now fewer than 1500 journalists in rural and regional news outlets across Australia.²¹

Like New Zealand, Australia has highly concentrated media ownership. Hence, a change in the fortunes of one group may have widespread effects. For example, in 2020 News Corp announced that more than 125 local and regional newspapers would either close or move to digital-only publication (37 ceased publication altogether). The country's largest regional publisher, ACM, also closed newspapers a year after it bought 160 regional and community newspapers from Fairfax in 2019. By 2024 the stable had reduced to 16 daily and 55 non-daily titles, with the possibility of a further eight closures announced late in the year. In 2025 ACM announced plans to move all its regionals to once-weekly publication. Although independent news publishers emerged to fill some of the gaps, the News Data Project found that many had since failed.

The News Data Project tracked expansion (largely online) as well as contraction of news outlets. Over the past five years there has been a nett loss of 185 outlets. The project wound up at the end of 2024 and the task of news media mapping transferred to a government agency, the Australian Communications and Media Authority. Its 2025 report drew on the previous mapping data but also set out a new framework that will be used for more comprehensive data gathering.²²

Widespread closures have been a matter of concern to the Australian Federal Government. It launched an inquiry into regional newspapers that reported in 2022, finding that the loss of newspapers has left people without access to news. For some, the lack of available news in print forced them online. However, those without access to technology or computer literacy were left with no news source. The inquiry conducted an online survey which indicated that approximately one quarter of respondents did not receive, or were unable to access, news that was important to their community.²³

Broadcasting remains a vital component of Australia's media system to meet the challenge of vast distances. Although there are more than 450 broadcasting services across the country, its community radio stations are heavily dependent on syndicated services for news, so there is little local content to bulletins. Community members contribute news and information, but local stations struggle to maintain professional newsrooms.

20 Public Interest News Initiative, Australian News Data Report Quarterly Results Q3 2024 p. 13.

21 MEAA submission to Australian Federal Parliament Inquiry into Australia's Regional Newspapers.

22 Australian Communications and Media Authority *News Media in Australia* March 2025. https://www.acma.gov.au/sites/default/files/2025-07/News%20media%20in%20Australia_2025%20report.pdf

23 Parliament of the Commonwealth of Australia, 'The Future of regional newspapers in a digital world'. March 2022. <https://apo.org.au/sites/default/files/resource-files/2022-03/apo-nid317051.pdf>

Aotearoa New Zealand

Aotearoa New Zealand – unlike the United States, United Kingdom and Australia – has no definitive news mapping project. The absence of such empirical evidence is an impediment. However, one thing is clear: there has been a denuding of the sort of local news coverage that contributes to residents' ability to interact in civil society at its basic level and to reach informed judgements on decisions affecting local government and civic institutions.

The parlous state of this local news coverage is not new – the Local Democracy Reporting and Open Justice schemes were reactions to acknowledged shortcomings – but the pace of contraction is accelerating, well-illustrated by a number of recent developments in local and national news provision.

The overall resourcing of journalism in New Zealand has declined alarmingly in the past year. Warner Bros Discovery closed down its Newshub television news operation with the loss of 294 jobs. While a number were reemployed – for example to staff the replacement news bulletin produced by Stuff to be broadcast nightly on TV3 – there was a nett loss to the industry.

TVNZ, for its part, cut 134 fulltime equivalent roles in 2024 and a further 60 this year. Two flagship current affairs programmes, together with midday and late-night news bulletins, were cut by the public broadcaster. Whakaata Māori cut 27 jobs and discontinued Te Ao Māori News every weekday on TV.

The Sunday newspaper market was reduced from three to two titles in 2024 after Stuff ceased publication of the *Sunday News*.

Online startups were not immune from the 2024 contractions. The Queenstown-based Crux closed its website, cut its staff and became a one-man subscription Substack blog.²⁴ The decade-old *The Spinoff* was forced to cut staff and make a plea for financial support from its audience.

The number of journalists in New Zealand has been correspondingly depleted. Although the last official figures are from 2018 (down by half to 2061 in a decade), a newsroom survey in March 2024 put the number at about 1400.²⁵ This is fewer than the number of journalists employed by *The New York Times*.²⁶

Since 2018, the two largest newspaper publishers, Stuff and NZME, have announced the closure of 40 titles (predominantly local but including one national Sunday newspaper) and made significant cuts to their regional newsrooms. Included in those closures are 15 Stuff community newspapers that ceased publication by July 2025. This was preceded by the announced closure of the *Taupo Times*. Included in the 15 newspapers are six community titles that cover much of Auckland and titles covering the Hutt Valley and Porirua. While the extent of local news coverage in those newspapers has declined as costs have risen (replaced by shared content), they have nonetheless provided outlets for community-level news, information, and advertising that will not be carried by daily newspapers or broadcast bulletins. Importantly, the journalists who covered many of those communities will no longer be in place after titles are closed.

The absence of a methodologically sound news mapping process in this country makes it difficult to pinpoint where our news deserts and coverage-deprived areas exist. It is likely that parts of the Far North constitute a news desert. Wellington's northern suburbs and much of Auckland

24 In May 2025 Crux sought public support for a second reporter based in Cromwell or Wanaka.

25 Holden, M. 'How many journalism jobs are left in Aotearoa?' *The Spinoff* 10 April 2024. <https://thespinoff.co.nz/media/18-03-2024/how-many-journalism-jobs-are-left-in-aotearoa>

26 The New York Times Company 2023 annual report listed 2700 people involved in its journalism operation, approximately 1700 of whom are journalists. *The New York Times* website continues to state it employs that number of journalists.

will be deprived of local coverage. Regional areas such as Taupo and South Taranaki will have (at a minimum) reduced coverage, and Central Hawkes Bay has no local news outlet, following closure of the *CHB Mail*. Central Hawkes Bay District Council mayor Alex Walker described the newspaper as “glue in our community” and told residents she was “devastated” by its loss.

Westport, too, was in danger of losing its sole news outlet, Westport News, following a decision by the Buller District Council to pull advertising from the newspaper. There was strong adverse public reaction to the decision, and council advertising continued to appear in the Westport News as of May 2025. Its co-owner, Lee Scanlon (in correspondence with the author) sums up the issues facing such publishers:

“Regardless of retaining council’s advertising, times are very tough. We face the same issues as all print media. Social media has gutted print. Advertising is down, our loyal readers are slowly dying off and our costs are increasing. The loss of a New Zealand newsprint manufacturer means all our paper now comes from Tasmania at more than double the previous cost. Like everyone, we’re continually looking at our options to ensure this paper keeps going.”

The Westport News case points to the fragility of the regional and community news market in New Zealand. Both NZME and Stuff have outlined to Kōi Tū the difficult financial position of some publications in their stables. They face rises in fixed costs and declining advertising markets. Neither group is in a position to absorb continually rising costs, as demonstrated by the 2024 closure of nine community titles by NZME (a further five passed to new owners) and Stuff’s closures.

The New Zealand Community Newspapers Association represents about 80 publications, most produced by independent small-scale enterprises or individuals. Its president, David McKenzie, warns “there will be blackspots” with no local news coverage. He enumerates a range of causes, not least an unhelpful position taken by NZ Post, which has steeply increased its charges over a short period of time and cut back rural deliveries on which the publishers depend.

A regional/community publisher (in correspondence with the author) offered this perspective on New Zealand’s postal service:

“NZ Post is only interested in becoming a courier company and therefore has entirely lost interest in line hauling papers, much less placing them in letterboxes. This will prove to be devastating mostly to rural communities. Say what you like, internet connectivity on farms is still far from ideal. The service is close to broken now, and in return the price for an increasingly inconsistent/poor service cost continues to rise. We were literally presented with a 300 per cent increase on some runs to deliver to farm gates earlier this year. This will kill off subscriptions in no time flat.”

NZ Post’s price increases are creating, if not news deserts, then rings of arid space on the peripheries of remaining community newspaper circulation areas. As delivery prices rise – along with printing costs that have been increasing at an annual rate of more than 10 per cent for the past five years – publishers are reducing their circulation reach in order to save costs. This inevitably means some rural readers no longer receive the publication. One publisher told Kōi Tū that, in time, circulation would be limited to his paper’s in-house town delivery.

Community newspapers have been deeply problematic for the large groups. Before their closure, Stuff’s Auckland community newspapers shared large amounts of content as revenue decline reduced resources for local reportage. An audit of the 12 December 2024 16-page issues of Auckland’s *Central Leader* and *Western Leader* found only two news stories in each newspaper that were not shared with its stablemate, including their respective front page lead stories. In the United States these would be in danger of qualifying as ‘ghost’ or ‘zombie’ newspapers.

Wholesale content sharing is common in all Stuff and NZME newspapers – metropolitan, regional and community – and their respective websites consolidate content into omnibus platforms. Content sharing has the effect of ‘delocalising’ coverage, with news gathering prioritised to follow stories that have wider interest than a single community.

Both groups have resorted to reducing headcounts in regional newsrooms or cutting the frequency of publication (seven of the 23 ‘daily newspapers’ that are members of the News Publishers Association now publish fewer than six days a week, two publish only twice weekly, and in August Stuff’s *Marlborough Express* became an email newsletter with content on the *Press* website).

Newspapers based in smaller regional centres are at considerable risk and it is likely there will be further regional title closures in the near future. While the owner group may retain a reporter in a shuttered regional location to service its major mastheads, there will be a significant loss of coverage and access for local residents.

Numerous local districts are served by small printed and online newsletters with frequencies that vary from weekly to monthly. Many are owner-operator enterprises (1–2 people) and have loyal audiences. However, like their larger counterparts, they are under pressure from rising production and distribution costs and declining advertising revenue. There are exceptions, such as Times Media in East Auckland which produces 72-page editions.

However, a rural monthly newsletter publisher says there is a constant battle between maintaining advertising revenue and containing costs. His enterprise stayed afloat largely because it was integrated with his other business interests to save overheads. Distribution remained a constant issue due to poor performance by his distributor, but the community he served remained strongly in favour of a print publication. Many in his distribution area experienced poor broadband and degraded Internet services.

The December 2024 announcement by Local Government Minister Simeon Brown that local councils would no longer be required to publish their notices in local newspapers may prove devastating for community titles and will be problematic for the regional press. It was a decision made in the interests of “efficiency and cost saving”, but it may have civic consequences that far outweigh its perceived – but unquantified – benefits. The actions taken by other countries to counteract ‘desertification’ include mandatory placement of local and state authority advertising in local newspapers. That is the antithesis of what is being proposed in New Zealand.

Smaller community-level operations appear more resilient than those of the larger owners, which have group overheads overlaid on local costs and which are tied to group arrangements. A publisher of five community titles had the following reflections (in correspondence with the author):

“Local media are threatened by two major overarching factors; a top-down corporate failure (by group owners) to produce small, quality local newspapers, leading to a willingness to shut them rather than retain them, and a lack of support from a notable potential keystone advertiser – central government.

Multinationals, who invested in but who do not understand media, bought packages with flagship papers – usually [with] paid subscription models. These have lost market share as global and national level news is available free and instantly online...

These large companies have cut local papers which would otherwise be viable to prop up failing mastheads with a paid model, while trying to opinion-ize and tabloid-ize legacy papers to sink to social media’s levels of prurience and scandal.

Small local papers do not fit well into the corporate model, as they cannot be effectively run centralised or cost-cut by using cookie-cutter stories. You need writers on the ground and a presence in the community you serve. To an extent, the local newspaper writer is like the local butcher or baker or auto mechanic; a community figure. This cannot be replicated by AI or outsourced to a foreign call centre."

Small enterprises, many of which are owner-operator, also struggle with succession. The ability to pass on a community newspaper to willing offspring or a willing buyer cannot be guaranteed. The future of some titles is in jeopardy when their current owners inevitably retire.

However, the future is not invariably negative. Northland-based Integrity Community Media (in voluntary administration) was sold in September to a Mangawhai-based former advertising executive, who has pledged to maintain publication. The group publishes five titles and employs 18 staff.

The overview presented thus far concentrates on the medium of print and online start-ups. Other forms of media are also present in the community, but do they represent viable alternatives for local news?

Traditional broadcasting has not provided a workable solution to the decline – and, in some cases, demise – of local journalism. In December 2023, Allied Press closed the country's last remaining regional television service – Dunedin-based Channel 39. Although the *Otago Daily Times* continues to carry video content on its website, the channel's nightly regional news bulletin is no longer produced.

Most areas of New Zealand remain covered by radio broadcasts. However, none of the commercial radio networks carry breakout regional news bulletins. Community Access and Iwi Radio serve local audiences by interviewing newsworthy subjects, but few radio stations have the ability to maintain newsrooms that cover local news and produce regular local news bulletins.²⁷ The Iwi Radio Network carries bulletins produced by the Waatea News and Current Affairs service, which also provides bilingual news and current affairs products to the iwi network and four Community Access stations. This, however, has a national focus and does not break out regional content.

Social media – notably Facebook – are used by local authorities to disseminate material produced by their communications staff. News media replicate content on these platforms, and Stuff also carries its Neighbourly local bulletin board pages on Facebook. There has also been ad hoc growth of community-level Facebook pages.

To a degree, Facebook allows ordinary people to find and share information from councils, local agencies and retailers that would otherwise have been in the local newspaper. However, the information is both unmediated and unchallenged by the professional scrutiny that should be applied by journalists.

Importantly, it rarely seeks out that which those in power do not wish to see disclosed (perhaps out of self-interest). Nor are the 'conversations' generated by users necessarily constructive or even accurate.

Nelson City Council turned off Facebook comments, its communications manager James Murray stating that the comments section of Facebook was "not a healthy way to debate issues the community was facing". Following an incident in which staff were ridiculed, he said: "anyone working with social media over the past 15 years would tell you that what started out as a place where people could hold a decent debate about public life has ended up being something quite

²⁷ Some, such as Lake FM in Taupo, produce news bulletins for their breakfast programmes.

different. Despite the efforts of some community members who do their best to keep things civil, comments sections for local and central government and media are full of misplaced rage, unfair criticism of staff and misinformation.”²⁸

Often community Facebook pages are captured by a small number of people who are not representative of the community as a whole and who are prone to using abuse and distributing misinformation. Scarce local authority staff resources are required to moderate social media streams, to counter falsehoods, and to counsel staff subject to online abuse.

The opacity of social media data, particularly in relation to algorithmic behaviours, makes it difficult to reach a definitive view on its role as a substitute for local news in New Zealand, but international research suggests claims of its effectiveness should be viewed with significant caution.

This paper’s focus is primarily territorial. However, it would be remiss not to briefly address the needs of ethnic and special interest groups.

The contraction of news services announced by Whakaata Māori in December 2024 saw the end of its flagship daily news bulletin, Te Ao Māori News, which was a television fixture for 20 years, and the loss of 27 jobs. A shift to digital distribution will see the continuation of news content online but the disenfranchising of those Māori who, for reasons of age or economic circumstance, cannot access it. This creates its own news desert.

Non-indigenous ethnic media present an uneven patchwork in which access may be limited, not only geographically but by lack of services in native languages. The Pacific Media Innovation Fund (a contestable fund to support the creation of new Pacific-language media content) recognises one of these deficiencies. In December 2024, the Ministry for Ethnic Communities produced a report that canvassed data related to the “visibility and value of New Zealand’s diversity”. The report considered “engagement and voice” of ethnic communities but did not address the availability of first language news media. The number of ethnic news deserts remains unknown.

Demographics are not the sole determinant of news deserts. There are significant cultural gaps in coverage. The March 2024 ‘hiatus’ of the *Pantograph Punch* online arts journal after 14 years of publication is one example.

It is clear, therefore, that ‘desertification’ takes numerous forms. In addressing the issue, it is important to consider alternatives that sit outside the traditional concept of a local newspaper that serves a suburb, small town or rural community.

Effects

In its 2023 discussion paper *Addressing the challenges to social cohesion*,²⁹ Kōi Tū considered aspects of trust. It found that institutional and social trust are interdependent – how a government behaves affects social trust, and where social trust breaks down, institutional trust is generally lost. It stated:

Social trust relies on people – irrespective of their identity and values – feeling fully part of society. That means their views can be articulated, their interests and values respected, and that decision-making seems to be ‘fair’ in relation to the diversity of views present. Social trust thus depends on

28 Gee, S. ‘Nelson City Council turns off Facebook comments amid surge in misinformation, abuse’. RNZ 25 April 2024. <https://www.rnz.co.nz/news/national/515157/nelson-city-council-turns-off-facebook-comments-amid-surge-in-misinformation-abuse>

29 Gluckman P. et al, *Addressing the challenges to social cohesion*. Kōi Tū: The Centre for Informed Futures. June 2023. <https://informedfutures.org/challenges-to-social-cohesion>

implicit understandings of how diverse groups interact and how they make collective decisions. Civil discourse and dialogue based on a contest of values and ideas is critical. A conscious effort is needed to incorporate all identities and views, promoting confidence that discourse will not be manipulated, and that no perspectives are discounted or disadvantaged. This can create challenges. There must be a limit to the degree to which majority interests dominate over minority views, but also a balance such that strong or pervasive minority views do not threaten cohesion. Indeed, there is always a risk that highly motivated minorities or elites in a largely apathetic society can dominate the discourse on certain issues.

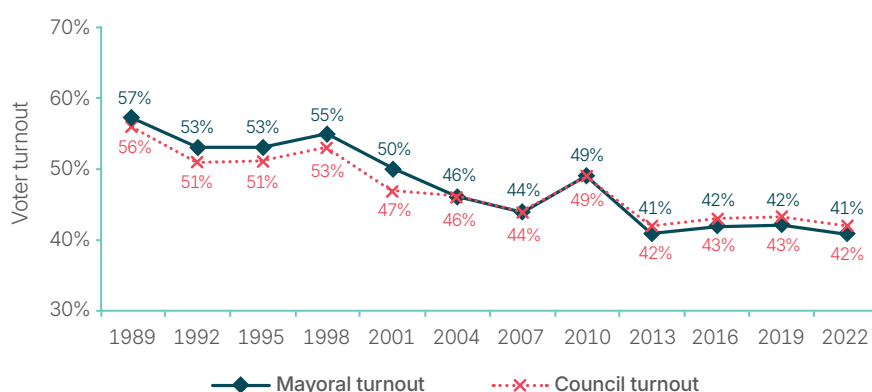
These imperatives exist at a local level as much as they do for the nation as a whole.

Communities thrive through networks of mutual support and trust, and a sense of belonging and identity which foster participation in civic life. These self-reinforcing elements are supported by the availability of trustworthy local information through journalism as a source of local facts, not rumours. Community news outlets connect people in ways that larger news outlets cannot, because they are rooted in local relevance. They bring hyper-local stories that would otherwise go unreported, and disseminate information on community achievements, social and cultural issues, and events that bring people together and cultivate a sense of shared purpose and cohesion. They also make an invaluable contribution to the commercial life of a community.

Members of cohesive communities are more likely to participate in decision-making to shape their shared future. The ability to access information on council activities and developments affecting people's daily lives helps them make decisions about the issues impacting them and respond to events in ways that reflect the values of the community, including how to advocate for local needs on a broader scale. Reporting on local government spending and policies fosters transparency and encourages ethical behaviour from leaders, thereby increasing institutional trust.

The 2023 Kōi Tū paper's subsequent description of this country's "shallow democracy" largely addressed national politics but noted that local authorities have a credibility problem, with low voting turnouts and identity politics dominating. Yet they exert significant control and influence on individual lives. New Zealand has an extraordinarily large number (67) of local or territorial authorities for a population of a little over five million. In spite of this influence over people's lives, voter turnout in local body elections has been below 50 per cent since 2001.

Trend in local authority voter turnout (1989 to 2022)



Source: Department of Internal Affairs

There is no data available that might reveal any correlation between the level and quality of local news production and turnout in individual local government areas (LGA), nor its impact on

social capital and social cohesion. However, international research points to significant effects and a decline in engagement with the political process that does correlate with local newspaper closures. Voter turnout, contacting elected representatives, and knowledge of important issues are all perceived to be negatively affected when local newspapers shut down.

An Australian case study which examined the impact of a local newspaper's closure on political participation and engagement in the town of Lightning Ridge found that while social media was considered to have partly filled a news void, there was an increasingly fragmented and less vibrant local public sphere that had led to growing complacency among individuals about political affairs. Residents highlighted a dearth of reliable, credible information and lamented the loss of the town's sole newspaper *The Ridge News*, and its role in community advocacy and fostering people's engagement with political institutions, especially local government.³⁰

Similarly, a study of seven local areas in the United Kingdom that have become news deserts found evidence of "a democratic disconnect and a sense of isolation from the local community". Disenchantment and powerlessness were partly attributed to an absence of local news and information. Some participants felt a lack of voice and of fair representation:

Our overwhelming impression from all the communities in this study was that local news and information was now filtered primarily through online platforms, predominantly Facebook, which acted both as carriers of news and information and as a filter for access to local institutions... How local news and information was filtered through platforms depended on the nature of the platform. Twitter (now 'X'), for example, was the second most widely reported platform, and its facility for direct communication between strangers was used by some as a means of communicating with those in authority (and to some extent holding them to account)... Perhaps the most significant consequence of this greater dependence on online platforms is the virtual disappearance of those traditional editorial and gatekeeping functions played by local journalists and publishers. Our respondents displayed an acute awareness of both the negative and positive consequence of this profound shift in local filters. On the negative side, there were multiple references to the dangers of misinformation that often feature in debates about the threat to democracy at national and global levels. On the positive side, our study revealed some evidence of citizen journalist initiatives, moderated by local people through social media platforms.³¹

Despite the democratisation potential of local online community groups, the study found that social media sites were generally considered to be deficient as a source of local news and information. This was due in part to the difficulty of verifying claims and in part because online posts were felt to be dominated by personal complaints that made sporadic useful local news stories easy to miss or difficult to find. Overall, there was a very clear sense that the democratic and information functions of traditional publishers were sorely missed. In the eyes of local communities, their role as political institutions had not been replaced either by those newspapers' own websites or by other online and electronic sources. Instead, a slightly anarchic online local information-sharing ecology seemed to be developing which, to some extent, perhaps reflected the polarisation and misinformation reported in communication systems at national and global levels.

European studies have highlighted what are described as the "intricate dynamics" underlying desertification and the impact of a range of variables. For example, online disinformation in news

30 Magasic, M. & Hess, K. 'Mining a news desert: The impact of a local newspaper's closure on political participation and engagement in the rural Australian town of Lightning Ridge', *Australian Journalism Review* 43:1 2021. https://intellectdiscover.com/content/journals/10.1386/ajr_00059_7

31 Barclay, S. et al, 'Local news as political institution and the repercussions of 'news deserts': A qualitative study of seven UK local areas'. *Journalism* 0(0) 2024. <https://journals.sagepub.com/doi/full/10.1177/14648849241272255>

deserts in central and eastern Europe is associated with past relationships with Russia, but its increasing presence also has been partly linked to the absence of local news outlets. A 2024 paper concluded: “Our exploration of local media within the European context underscores its critical democratic role, facilitated by its proximity to communities and the trust it garners through its local reporting. The crisis in the EU’s local media sector not only threatens its economic viability but also jeopardizes its capacity for independent reporting, social inclusivity, and journalists’ safety. Against this backdrop, the emergence of news deserts represents a pressing concern, exacerbated by the COVID-19 pandemic’s impact on local journalism.”³²

From another perspective, a study in Denmark showed that local news media coverage had a positive effect on voter turnout, but only if the news media provided politically relevant information to the voters and, because the news was local, only at local elections.³³

A study by Canada’s Local News Research project found that voters’ access to information varied significantly according to where they lived and the local news resources in that area. In one community, 70 per cent of respondents said local media provided none or not much of the news they needed to cast an informed vote in 2015.³⁴ The democratic implications are obvious.

Various United States studies reveal adverse community impacts linked to news deserts:

- The National Bureau of Economic Research revealed declining participation in local elections.³⁵
- Chicago University’s *Journal of Politics* reported reductions in political knowledge.³⁶
- The Brookings Institution found a rise in local government borrowing costs.³⁷

One United States study revealed another disturbing implication from the existence of news deserts: corruption. There were two key findings. First, the closure of a major newspaper is associated with a significant rise in corruption in areas where that paper had operated. Second, it observed no evidence that any of the contemporary approaches to news distribution through ‘democratisation’ (social media and citizen journalism) have been able to temper or reverse this effect.³⁸

The study hypothesised that the absence of the media – as a watchdog for the public interest – might encourage people to engage in corrupt practices. It further hypothesised that (as the press play a role in vetting elected officials) corrupt persons – who otherwise may not have run – might no longer be filtered out in the election process. This could mean incumbent officials may be replaced with less scrupulous ones, and that actors may feel emboldened to risk corrupt behaviour.

It compared closures of newspapers and the number of federal corruption charges laid in the corresponding jurisdictions. Newspaper closure was associated with increases in the per-capita number of corruption cases filed (seven per cent), charges brought (seven per cent) and defendants indicted (six per cent). The researchers observed no attenuating effect from the introduction of alternate content provision models such as community-based newsletters. This

32 Kermer, J. et al. ‘News desertification’ in Europe: Highlighting correlations for future research. *Journalism and Media* 5 2024. <https://www.mdpi.com/2673-5172/5/2/47>

33 Baekgaard, M. et al. ‘Local News Media and Voter Turnout, *Local Government Studies*, 40:4 2014. <https://www.tandfonline.com/doi/abs/10.1080/03003930.2013.834253>

34 Lindgren, A. et al. Local news poverty in Canadian communities. Evidence presented to Canadian House of Commons Heritage Committee 6 October 2016. <https://localnewsresearchproject.ca/2016/11/01/local-news-poverty-in-canadian-communities/>

35 <https://www.nber.org/papers/w29743>

36 <https://www.journals.uchicago.edu/doi/10.1086/694105>

37 <https://www.brookings.edu/articles/how-closures-of-local-newspaper-increase-local-government-borrowing-costs/>

38 Matherly, T. & Greenwood B.N., ‘No news is bad news: The Internet, corruption, and the decline of the Fourth Estate’ *MIS Quarterly* 48:2 June 2024. <https://misq.umn.edu/no-news-is-bad-news-the-internet-corruption-and-the-decline-of-the-fourth-estate.html>

undermines hopes that citizen journalism will counteract the declining ranks of professional journalists by increasing the diversity of sources. This was consistent with other research on the limited effectiveness of citizen journalists.

The findings corroborate a study published a year earlier that tested the hypothesis that public officials are less corrupt when they face more scrutiny from a growing number of newspapers. It explicitly considered the number of newspapers as a factor that influences the marginal public official's decision about whether to engage in corruption. It used an econometric model that recognised a range of variables including state-specific laws, checks, the political culture of a state, the relative size of the public sector, internet penetration, media capture and media bias. The paper presented evidence that newspaper journalists and newspaper readers helped to alleviate the agency problem that underlies public corruption in the United States and elsewhere. More newspapers (i.e. more journalists) acted to deter corruption at the margin, and other things being equal, higher readership correlated with exposing corrupt acts and helped to convict the errant officials in larger numbers.³⁹

A study of government transparency in the United States found that the decline in both local media and resource-intensive investigative reporting diminishes public oversight of state and local governments. In the public records context, reduced media use of transparency laws creates a downward spiral, making it easier for the government both to ignore the requirements of the law and to enact changes to the law that further reduce its force.⁴⁰

A further study has documented a rise in municipal costs in news deserts due to reduced scrutiny of public finances.⁴¹

United States research also strongly indicates that news deserts must not be perceived as a rural issue: there are significant information gaps – and related effects – in major cities. A study in San Francisco by the California Common Cause revealed widespread community concern over the loss of local news.⁴² Among its findings:

- Voters found it difficult to access timely, independently produced information about candidates' records and policy positions. Much of the information they received came from campaigns "or other moneyed interests", and news coverage of elections often failed to dig into political narratives or provide historical context.
- Media attention was unequally distributed across the city's neighbourhoods. People in lower income neighbourhoods said insufficient attention was paid to their communities.

Collectively, the growth of news deserts, combined with the shrinking of news media resources, has implications for civil society and constitutional democracy that are ignored at our collective peril.

The dangers lie not only in the loss of democratic oversight and community engagement but in what may fill vacuums.

One concern, notably in the US, is the rise of pink-slime journalism, a practice in which suborned news outlets, or fake partisan operations masquerading as genuine, publish poor-quality news reports that appear to be local news. Often they promote unacknowledged partisan viewpoints or

39 Swaleheen, M. & Borgia, D. Fewer newspapers mean good news for corrupt public officials: results from a US panel data study. *Journal of Financial Crime* 30:6 2023. <https://ideas.repec.org/a/eme/jfcpps/jfc-10-2022-0251.html>

40 Koningisor, C. 'Transparency Deserts'. *Northwestern University Law Review* 114:6 2020. <https://scholarlycommons.law.northwestern.edu/nulr/vol114/iss6/2>

41 Gao et al 'Financing dies in darkness? The impact of newspaper closures on public finance' *Journal of Financial Economics* 135:2 2020. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3175555

42 California Common Cause, *Local voices on local news: Community perspectives and policy recommendations for strengthening San Francisco's journalism ecosystem*. February 2024.

disinformation. As of June 2024, NewsGuard had identified 1,265 “pink slime” outlets across the United States, surpassing the 1,213 daily newspapers left operating in the country.⁴³ NewsGuard analysts identified a network of 167 news sites operating as part of a sophisticated pro-Russia disinformation network. The sites, 64 of which were posing as local news outlets, spread false narratives serving Russian interests ahead of the United States elections. The network is the first apparent crossover of its kind between so-called “pink slime” sites, artificial intelligence and Russian disinformation. The 64 “pink slime” sites adopt innocuous names like *The Boston Times* and *The Miami Chronicle*.

Artificial intelligence is also being used to populate what appear to be local news outlets with content sourced from elsewhere but apparently written by local journalists. The Hoodline network of local news sites in the United States was found in 2024 to contain stories largely created by AI but attributed to journalists under false bylines. Another example, which emerged in February 2025, further illustrated the danger of accepting ‘local news’ at face value. Good Daily purports to be a provider of local news in 47 states and 355 towns and cities across the United States. Its mastheads include Good Day Rock Springs and Today in Virginia Beach. In fact, it is run by a single person, its content is generated by artificial intelligence using large language models that scrape local sites, and it is published under false bylines.⁴⁴ It solicits local advertising. There are concerns that loose definitions of ‘local news outlet’ could see such an operation qualify for public benefits.

Government interventions

There have been various forms of intervention to address news deserts, either to prevent them from developing, or to counter the effects of an existing desert. These interventions comprise efforts by central, state and local government, by communities, and by individuals. They have met with varying degrees of success and sometimes outright failure.

In spite of the risks, innovative forms of media with novel structures and funding mechanisms have emerged, along with new approaches to journalism. Inventiveness, however, does not always sit comfortably within existing boundaries, and there are consistent messages that the fight against desertification needs to be a creative joint effort.

This paper focuses on specific interventions to overcome deficiencies in, or an absence of, organised local news coverage. Such interventions come from three potential sources: government at national, regional or local level; existing media outlets and start-ups; or the public (including philanthropy).

Government-funded non-commercial media – the likes of Radio New Zealand, the BBC in the United Kingdom and Australia’s ABC – are vital parts of media infrastructure, but their role in overcoming local news deserts is limited by (a) government mandates that focus on national and regional policies rather than local and (b) financial constraints. However, such constraints do not remove national or federal governments from a role in preserving local news services.

Comprehensive international studies in 2021⁴⁵ and 2023⁴⁶ together with a 2023 EU survey⁴⁷ show public media funding varies greatly from one country to another.

43 NewsGuard provide data, analysis and journalism that helps to identify reliable information online. It was founded by media entrepreneur and award-winning journalist Steven Brill and former Wall Street Journal publisher Gordon Crovitz.

44 Deck, A. ‘Inside a network of AI-generated newsletters targeting ‘small town America’.’ *Nieman Lab* 25 January 2025. <https://www.niemanlab.org/2025/01/inside-a-network-of-ai-generated-newsletters-targeting-small-town-america/>

45 Neff, T. & Pickard, V. ‘Funding Democracy: Media and democratic health in 33 countries’, *The International Journal of Press/Politics* 29:3 2021 pp.601-627.

46 Neff, T. and Pickard, V. ‘Building better local media systems: A comprehensive policy discourse analysis of initiatives to renew journalism around the world’, *Journalism Studies* 24:15 2023,

47 Henningsen, A. and Krčál, A. ‘Public Financing of News Media in the EU’. European Commission, October 2023.

The concept of public financial support for private sector news media is well-established and wide-ranging.⁴⁸ In an assessment of failure of the media sector, the Global Forum for Media Development (GFMD) made a series of pertinent observations. It found:

- Growing international recognition that journalism and media represent a powerful and strategic sector that contributes to democracy, economy and community – and that, as a public good, it should be subsidised by those that benefit from it, including in part by public funding.
- Increasing clarity that past paradigms of media support and media markets are not sufficient to counteract or fix widespread market failure, and that broader-based interventions are needed.
- Stronger demands across the Global South for more resources and more decision-making powers to be put directly in Global South hands, alongside mounting pressure on Global North actors to go through meaningful processes of decolonisation.
- The need to create stable, long-term funding structures that can unlock funding (and other kinds of financing) at scale from governments, official development assistance, philanthropies, investors and tech companies, while clearly demonstrating that these funding sources have no influence over how funds are spent or decisions are made.⁴⁹

The GFMD's international study found not only a justification for assisting the media sector but significant opportunities emanating from national funds for journalism. It concluded:

"The journalism sector is no longer fully in control of its own destiny and trajectory. Caught between polarised hostile politics, broken economics, media capture, platform dominance, and a brutally competitive media and entertainment environment, journalism sectors worldwide are struggling to survive while preserving their key public interest function. The weakening of the media is in some places a by-product of other forces and in others part of a deliberate strategy by governments or allied interests. This increases information inequality and undermines confidence in democracy and the economy. But there are a number of countries where funders, including governments, bilaterals, foundations and Big Tech could – with the right strategies, support, partnerships and safeguards – undertake interventions to bolster and strengthen the independence of the journalism ecosystem. As part of this, with the right levels of financial support, independence from political, industrial or other interests, a commitment to the public interest above all, and an outlook that is genuinely strategic and structural, national funds for journalism could be part of a breakthrough solution for countries or regions worldwide looking to develop sustainable homegrown independent media."

Its analysis of 52 funds found six principal approaches to their establishment and administration:

- Government-initiated, with management and decision-making devolved to an independent body.
- Public-private partnerships, including some initiatives with funding from transnational digital platforms.
- Temporary hosting, under which a transitional structure is established pending transformation.

48 For an overview of European support schemes see Noster, A. 'Ending the subsidies Ice Age: Conceptualizing an Integrative Framework for the Analysis of Innovation Policies Supporting Journalism' *Journal of Information Policy* 14 May 2024. <https://scholarlypublishingcollective.org/psup/information-policy/article/doi/10.5325/jinfopoli.14.2024.0003/387392/Ending-the-Subsidies-Ice-AgeConceptualizing-an>

49 GFMD National Journalism Funds Policy Paper October 2023. Retrieved from <https://gfmd.info/briefings/national-journalism-funds-policy-paper/>

- Foundations, which administer funds either raised by themselves or administered on behalf of other providers.
- Trusts and endowment administrators, responsible for overseeing endowment funds and the use of proceeds.
- Federations, that bring together a patchwork of organisations to coordinate multiple parallel funds.

Only interventions that directly address news deserts and local news depletion (and which may have significant potential in this country) are canvassed here.

Australia

In December 2024, the Australian Government published a policy framework on which assistance to media should be based. It identified a range of imperatives that may be helpful in the formulation of government policy.⁵⁰ It informs the Albanese Government's policies, but some Australian interventions predate the present administration.

The Morrison government in 2022 announced a support programme for local and community media that is administered by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.⁵¹

The 2022 initiatives included:

- The Regional and Local Newspaper Publishers (RLNP) program to help 206 regional, suburban, First Nation, and multicultural print publishers absorb newsprint price increases.
- The Journalist Fund program to support regional news businesses to hire new cadet journalists to produce locally relevant news content in regional areas.
- The Community Broadcasting Program to provide financial support for community radio stations.

The Albanese government's December 2024 policy framework announcement also included a \$A180 million allocation of funding to support local news and community radio. The programme includes:

- Establishment of a new expert advisory panel to provide advice on the design and targeting of mechanisms to support sustainability and capacity building, including attracting philanthropy.
- \$A33 million over three years to support the Australian Associated Press newswire service – recognising its important role in supporting media diversity and providing high quality news.
- \$A116.7 million over four years from 2024–25 to support and build the sustainability and capacity of news organisations to deliver public interest journalism and local news to Australian communities.
- \$A3.8 million over three years from 2025–26 for the development of Australia's first National Media Literacy Strategy to better equip Australians to critically engage with news and media.
- A minimum commitment of \$A3 million per year for two years from 2025–26 for regional newspaper advertising across the total Commonwealth media advertising spend.

50 Australian Government, News Media Assistance Program: Government's role in news and journalism. December 2024. <https://www.infrastructure.gov.au/sites/default/files/documents/news-media-assistance-program-governments-role-in-news-and-journalism-december2024.pdf>

51 <https://minister.infrastructure.gov.au/rowland/media-release/albanese-government-delivers-election-commitment-regional-and-local-newspapers>

- \$A15 million through the Community Broadcasting Program (CBP) to support the community broadcasting sector, including \$A3 million to support community television.
- \$A12 million through the Indigenous Broadcasting and Media Program (IBMP) to support the First Nations broadcasting and media sector

The Albanese government announced its intention to legislate to incentivise transnational digital platforms to engage on Australia's version of a news bargaining bill. This is in response to increasing negativity on the part of those platforms to entering into negotiation with news providers. However, in April 2025 – as the Trump Administration was imposing swingeing trade tariffs – the United States' annual Foreign Trade Barriers report labelled the incentive proposal an issue. Irrespective of the outcome of that legislation, regional, local and community news providers that sit outside major group ownership have little prospect of individually negotiating any meaningful financial contributions from the platforms.

The issue of tax deductibility for public interest journalism has been the subject of (unresolved) debate in Australia for a number of years. Wage bill deductions and philanthropic donation deductibility are central to this debate. The Government's Philanthropy Inquiry, which reported in May 2024, highlighted definitional issues and concluded there was no strong case for defining public interest journalism as a charitable purpose.⁵² It found there were other vehicles (such as educational purposes) that could provide an avenue for philanthropic giving. Other jurisdictions also use this backdoor approach, but it seems to skirt rather than respond to the issue. Nor is it a facility available to all providers of local or community public interest journalism.

Australia's Local and Independent News Association (LINA) continues to push for recognition of public interest journalism as a public good in the Charities Act, with an aligned deductible gift recipient (DGR) category for public interest news publishers, along with other taxation recognition.⁵³

In its response to the Australian Government's MAP framework, LINA asked the government to note that tax-based incentives offer government a relatively low-cost mechanism for supporting public interest journalism. Public interest journalism offsets this by contributing to social cohesion, emergency preparedness and resilience, increased community health outcomes, and a stronger democracy. Importantly, it said the potential impact on tax revenue for government was likely to be minimal.⁵⁴

The association further noted that the current tax arrangements in Australia favour large for-profit media companies (tax deductibility of advertising) or nonprofit projects affiliated with universities (tax-deductible donations, bequests etc). Smaller outlets wanting to operate as nonprofits are forced to rely on a narrower range of income streams, such as non-deductible donations and advertising. The narrower the revenue base, the greater the risk of failure, especially when serving small regional communities.

LINA also lobbies for a greater proportion of government advertising to be directed to local news sources. The 2024 Reuters Digital Report stated that the Australian federal, state and local governments currently spend only one per cent of their advertising budgets on regional news.

Nonetheless, in June 2024 the Western Australia government announced it was spending \$A2 million over two years on continuous advertising space in 29 regional and outer-

52 Australian Government Productivity Commission, Future foundations for giving: inquiry report. May 2024. <https://www.pc.gov.au/inquiries/completed/philanthropy/report>

53 <https://lina.org.au/about/policy-positions/>

54 LINA response to News MAP consultation paper, February 2024. <https://lina.org.au/wp-content/uploads/2024/02/News-MAP-response-LINA-Feb-2024.pdf>

metropolitan newspapers “to keep them afloat”. However, this example contains an object lesson. The choice of titles in which to advertise was made by a media buyer and led to claims that newspapers in greater need had not received assistance. The initiative would have benefitted from a more robust policy framework.

United Kingdom

The United Kingdom government has had a number of initiatives to support the news media, including a £2 million Future News Fund, a pilot scheme designed to invest in new technological prototypes, start-ups and innovative business models to explore new ways of sustaining the industry. It also extended a 2017 business rates relief on local newspaper office space until March 2025. The scheme involved a £1,500 per year reduction in business rates on eligible properties. It was administered by local authorities, which were reimbursed by central government.⁵⁵ In 2022, the Welsh Government set up a £100,000 public interest journalism fund, and the Westminster Government provides funding for a BBC-operated scheme; both are similar to New Zealand’s Local Democracy Reporting Scheme (LDRS) managed by Radio New Zealand. The BBC’s LDRS currently has 165 journalists who between them cover all 317 local authorities in the United Kingdom, with some covering multiple authorities. A Community Radio Fund will distribute more than £900,000 to licensed local radio stations in 2025–26.

Prior to last year there had been at least four enquiries into local news in the United Kingdom: The independent Cairncross Review (2019), the Department for Culture, Media & Sport (DCMS) Committee inquiry into the sustainability of local journalism (2023), the Public Interest Journalism Working Group in Scotland (2022), and the Wales Public Interest Journalism Working Group (2023). To date, there has been limited uptake of any of their recommendations.

Two further inquiries reported late last year.

The House of Lords published a report on the future of news, which addressed all levels of media including local news, and which acknowledged the existence of ‘news deserts’ in the United Kingdom.⁵⁶ It noted that the government’s role in supporting that future was “complex”, and this was reflected in its recommendations (below).

“It must avoid a policy of managed decline, but this is easier said than done. The Government cannot compel people to engage with the news, and well-meaning financial support risks doing more harm than good by undermining media independence. Much of the work needs to be led by industry itself to ensure audience needs and expectations are well served. The Government’s task is to establish the conditions that enable the sector to stand on its own feet and survive a protracted period of technological turbulence. Doing so will involve decisions which will not please everybody: the Government will need to confront tech firms and disappoint some parts of the media sector alike.”

The House’s Communications and Digital Committee stated that, while doom-laden prophecies of imminent sector-wide collapse were overblown, its inquiry “left us with no illusions about the stakes: The period of having informed citizens with a shared understanding of facts is not inevitable and may not endure”. It continued:

“This is not a hypothetical worry: the contours of this scenario are already apparent. If current trends continue, the gap between those consuming professional journalism and those who do not will widen

⁵⁵ Further extension of rates relief has yet to materialise. The UK Government has stated that it was “considering all possible options”, such as financial support through new or existing tax reliefs, “whilst being mindful of the current fiscal climate”.

⁵⁶ House of Lords Communications and Digital Committee, *The future of news* HL Paper 39 November 2024. <https://lordslibrary.parliament.uk/the-future-of-news-report-by-the-house-of-lords-communications-and-digital-committee/>

at pace. There is a realistic possibility of the UK's news environment fracturing irreparably along social, regional and economic lines within the next 5–10 years. The implications for our society and democracy would be grim."

Against that background and within its industry-wide assessments, the committee made a number of recommendations that assist local news. They include:

- Reviewing the impacts of business rates relief on local newspaper offices with a view to extending the scheme until 2029.
- Considering tax breaks for hiring local journalists.
- Reviewing local authority public notice advertising to allow online news outlets and limited-frequency print titles to qualify for inclusion.
- Seeking partnership funding to support schemes to attract and train local news journalists, including apprenticeships.
- Giving the BBC a Charter objective of engaging with local news providers as strategic partners, expanding the Local Democracy Reporting Scheme, and increasing the proportion of journalists assigned to small outlets.
- Partnering with local news organisations in a service to improve access to authoritative information using a public interest news generative AI tool.

Communications regulator Ofcom also published its final report on local news in the United Kingdom in November 2024. Although its primary concerns were broadcast and digital media, its findings encompassed local news delivery generally.⁵⁷

It found that the levers and interventions that many local news providers currently relied on were often limited in duration and scope. They could also lack wider co-ordination. Stakeholders told Ofcom that the support available could be vulnerable to change and often lacked long-term funding and certainty. At times, the primary purpose of support was not support for local media. Furthermore, in some instances, help was available only to some sections of the sector. For example, the local newspaper business rates relief mentioned above only applies to print newspapers (magazines and online newspapers that are not printed are ineligible).

Further, it found the evidence of philanthropic support was limited in the United Kingdom, and often not guaranteed in the long term. In that country, the advancement of journalism is not listed in the Charities Act as a charitable purpose in and of itself. This means that news organisations would need to be able to show that the journalism they fund or carry out is a means to achieving other purposes that are charitable. Some news organisations that were set up solely for charitable purposes have qualified for registration through this side door. There is scope for greater clarity and applicability, although Ofcom noted that charities in the United Kingdom already struggle to attract donors.

Ofcom found a number of interventions worthy of further – or greater – consideration.

It cited the short-lived Future News Pilot Fund, stating that the creation of a long-term, appropriately financed innovation fund to support the provision of local public interest news for the benefit of citizens and consumers could complement the sector's own efforts to sustain itself and help to compensate for the limited support currently available. It recognised that funding was challenging but believed, nonetheless, that a special fund was worthy of consideration.

⁵⁷ Ofcom, *Review of local media in the UK Part 2: Final Report*. 29 November 2024. <https://www.ofcom.org.uk/siteassets/resources/documents/tv-radio-and-on-demand/bbc/bbc-annual-report/2024/review-of-local-media-in-the-uk-part-2-report.pdf?v=386116>

It considered rule changes regarding where local authorities must place public notices, Although the rules were a matter for central government, their potential change had caused longstanding and ongoing concerns for those receiving public notice revenue. Ofcom recognised that the current rules may not have kept up with how people consume local news and information, or the way many publishers now seek to reach audiences. It acknowledged that changes to those rules may put at risk the increasingly fragile local print newspaper sector and their audiences who are less digitally engaged.

In practice, the money spent by local authorities on publishing public notices has become an increasingly important revenue stream for some local print publishers, as other forms of income (such as print advertising) have declined. As a result, it is widely considered that the money spent on public notices has become a form of subsidy for some local print titles.

Britain's Public Interest News Foundation, which in 2023 had stated that independent publishers had "nothing left to cut", stated that in 2024 they had suffered a 30 per cent revenue decline: "This can't go on. The United Kingdom can't continue to rely on the efforts of professional journalists who are effectively subsidising the information needs of our society."⁵⁸ In March 2025, the foundation called for a Stimulation Fund of at least £15m a year over ten years, underwritten by the United Kingdom Government from the Dormant Assets Scheme, to encourage and support local news initiatives. It also sought tax incentives for donors, advertisers and subscribers to support local news.⁵⁹ As noted earlier, its 2025 industry survey showed the average revenue of an independent news publisher in the last financial year was £62,877 (\$NZ141,000).⁶⁰ The average gross salary in the U.K. at the time was £37,430.

Europe

Parts of Europe have long-standing traditions of state assistance for news media. A widespread approach known as the 'Nordic Model' is found in Norway, Sweden, Iceland, Finland, and in certain elements of public media systems in the United Kingdom, Denmark and Germany. An examination of the model found that these public media systems are envisioned and structured as social institutions with important roles in helping publics engage with democratic processes. Fundamentally, the model is based on: (1) strong editorial independence from the state and other interests; (2) accountability to society rather than to the state or the market.

The model has been studied extensively by the Nordicom Centre at the University of Gothenberg, Sweden. A book on the future of the model was published in 2024 (accessible via URL in footnote).⁶¹ The subsidies take various forms and include operational subsidies, distribution subsidies, support for postal distribution in sparsely populated areas, and innovation funds. Changes brought about by digital innovations have led to reviews of traditional subsidies and that process is ongoing.

The EU has its own schemes aimed directly at the problem of news deserts. An EU-funded Local Media for Democracy programme to tackle news deserts saw almost €1.2M distributed between 42 local media organisations in 17 EU Member States from February 2023 to July 2024.

Awards were made to help recipients innovate, develop new business strategies and reach new

58 Public Interest News Foundation *Index of independent news publishing in the UK 2024*. May 2024. <https://www.publicinterestnews.org.uk/research/pinf-index/2024>

59 Public Interest News Foundation *Regenerating Local News in the UK* March 2025. https://www.publicinterestnews.org.uk/_files/ugd/cde0e9_2c1dcca04b144203bc7f3c00b60a4ffd.pdf

60 https://www.publicinterestnews.org.uk/_files/ugd/cde0e9_dea9347daea84ce8b57e441fae54c5ae.pdf

61 Jakobsson et al, *The Future of the Nordic Media Model: A digital media welfare state? Nordicom 2024*. Retrievable from <https://norden.diva-portal.org/smash/get/diva2:1846333/FULLTEXT01.pdf>

audiences. A review of the programme found that 20 new local and hyper-local web services were created, while six legacy local publishers were able to modernise their existing websites. Recipients also diversified their businesses by launching apps, email newsletters, podcasts and video content.⁶² In May 2025, a follow-up €2 million fund, Pluralistic Media for Democracy, made first round grants totalling €600,000 to 19 outlets set up in news deserts and areas with limited media diversity in 12 EU countries.⁶³

More broadly, there is a multiplicity of interventions in EU states. A review of public financing commissioned by the European Commission was published in 2024.⁶⁴ It found that debates about the options for news media subsidies have revived in many countries in recent years, fuelled by the sector's decreasing revenues and questions of existing schemes' efficiency and relevance. That included some countries with no tradition of public subsidies for private media. Proposals were related to modernising existing schemes and, to a smaller extent, to new measures where no direct support was in place. The proposals include measures aimed at overcoming or preventing the spread of news deserts.

The review of member states' financing mechanisms and funding allocations showcases substantive differences in approach. The study also reveals several challenges, weaknesses, and gaps in current practices, which could be considered going forward. These relate to:

- Lack of evidence on the effectiveness and efficiency of financing practices.
- Funding practices which, to a significant extent, are designed implicitly or explicitly to support legacy media, particularly print media, in a context of changing media consumption patterns.
- Persisting economic difficulties for regional and local news media, at times creating news deserts and decreasing pluralism at local level.
- The challenge of allocating funding fairly (e.g., considerations to support specific types of media or provide technology-neutral support for those who employ journalists).
- Lack of transparency regarding the way state advertising is distributed.

The study's final observation was that the question of public aid to news media could not be considered just in terms of ensuring accessibility and quality production, but it also needed to consider avenues to enhance consumption. It was crucial, the study found, to consider issues of impact, trust, news avoidance and media literacy.

Ireland is an EU member state, and in 2024 it responded to the findings of the Future of Media Commission⁶⁵ established in 2020 by setting up local democracy reporting and court reporting schemes like those in New Zealand and the United Kingdom. In February 2025, Coimisiún na Meán, Ireland's media commission, committed €5.7 million to the schemes, including creating 100 new or enhanced journalism roles. Four other schemes recommended by the commission – support for digital transformation, a news reporting scheme, a media access and training scheme, and a community media scheme – will be implemented “in due course”. The Irish government had already accepted the commission's recommendation that print and digital newspapers be zero-rated for VAT.

62 <https://digital-strategy.ec.europa.eu/en/news/eu-funded-project-publishes-first-ever-eu-wide-study-news-deserts>

63 <https://www.journalismfund.eu/news/local-journalism-empowered19-newsrooms-get-significant-financial-support>

64 European Commission. *Public financing of news media in the EU*. 2024.

65 *Report of Future of the Media Commission 2022*. Retrieved from <https://www.gov.ie/en/publication/ccae8-report-of-the-future-of-media-commission/>

Canada

Canada has been concerned about the erosion of local journalism since at least 2017 when a federal committee report examined the issue. That led to the government announcement in 2018 of \$C595 million over five years to support media.

In a 2019 initiative, the Canadian Government established a local journalism fund to facilitate schemes similar to New Zealand's LDR. Its 2024 budget extended the scheme to 2027, bringing the total spend to \$C128.8 million. In 2022–23, news organisations were able to hire or maintain more than 400 jobs for journalists, who covered issues and stories in nearly 1,500 underserved communities across the country. Of this group, 60 journalists provided coverage in indigenous communities, 84 in ethnocultural communities, 161 in official language minority communities and 11 in LGBTQ+ communities.

The raft of 2019 initiatives also introduced new tax credits, including the Canadian journalism labour tax credit, which refunds 25 per cent of the costs of hiring journalists at eligible news organisations,⁶⁶ and the digital news subscription tax credit which allows taxpayers to claim the cost of digital news services provided by news organisations designated as qualified Canadian journalism organisations (QCJO).⁶⁷

The initiatives also included the establishment of Registered Journalism Organisations (RJOs) whose donors would be eligible for tax deductions. To be eligible, an organisation must not only qualify as a QCJO but also meet a range of other criteria. The most significant is that no part of its income can be payable to, or otherwise available for the personal benefit of a proprietor, member, shareholder, director, trustee, settlor or like individual. In other words, it must be a nonprofit. It must also be constituted and operated for purposes exclusively related to journalism and must be primarily engaged in the production of original news content. Further, any business activities it carries on must be related to those purposes. Generally, in any one taxation year, it cannot accept gifts from any one source that represents more than 20 per cent of its total revenues (including donations). To date there are only 13 RJOs listed in Canada.

A comparative study of tax credit support for journalism in Canada and the United States (also see following section) found the broad eligibility for QCJO status led to criticism that large media groups were receiving benefits that were inappropriate. The Postmedia group, which owns newspapers across Canada, was a focus of the study because it reported receiving \$C8.3 million from the credit over one year. The group did, however, run an operating loss despite revenue of \$C448 million. For others, however, the existence of the tax credit was transformative. Village Media (which runs a network of hyperlocal newsrooms), *The Tyee* (a nonprofit newsroom based in Vancouver), and *The Narwhal* (a site devoted to environmental news) each reported generating 5–10 per cent of their revenue from the labour tax credit. All three publications said the credit has increased their ability to hire.⁶⁸

Provincial governments support a number of media initiatives. Ontario, for example, has mandated that its four largest agencies must direct 25 per cent of their advertising to QCJOs – an estimated \$C25 million per annum.

66 In June 2024 the Canadian Parliament passed a law which increased the cap on labour expenditures per eligible newsroom employee from \$55,000 to \$85,000 and increased, for four years, the Canadian journalism labour tax credit rate from 25 per cent to 35 per cent.

67 Criteria are set out in Subsection 248(1) of the Canadian Income Tax Act. Many Canadian news organisations qualify.

68 Lapowsky, I. & White, J., *Rescuing local news through tax credits: A review of policy in the U.S. and Canada*. Center on Technology Policy, University of North Carolina at Chapel Hill 2024.

United States

In the United States, current federal or state intervention principally takes the form of tax credits. Generally, they are in the form of tax credits for individuals who subscribe to a publication, refundable tax credits for publishers who hire journalists, or tax credits for local businesses that advertise with local media. However, there is growing recognition in some quarters of the need to do more.

In spite of the deeply divided political system in the United States, two bipartisan Bills to assist local news media have been introduced to the House of Representatives and Senate. The Community News and Small Business Support Act sought to provide tax incentives that supported local media, and it included tax credits for small businesses advertising in local media and payroll tax credits for employment of local journalists. It was referred in 2023 to the House Committee on Ways and Means, where it died. However, two Republican and Democrat representatives reintroduced it to the current Congress in February 2025.⁶⁹

The Local Journalism Sustainability Act also provides a tax credits rather than direct grants. One provision is a tax credit of up to \$250 for citizens to either subscribe to a local newspaper or donate to a local nonprofit news organisation. Another is a five-year tax credit for local news organisations for each local reporter on their payrolls. The third is a five-year tax credit that gives small businesses an incentive to advertise with local newspapers, radio and television stations. It was referred to the Committee on Finance but has not been voted on by the House.

It remains to be seen whether legislative progress is made under the Trump Administration.

State legislatures have already enacted a range of measures aimed at supporting local media and limiting the spread of news deserts. Since 2017, legislators in 13 states have introduced 36 bills designed specifically to provide support for local news media using appropriations for fellowships and grants, tax incentives, mandated advertising expenditures, establishing a task force or commission, and charging fees to digital platforms for news media content.

The Illinois state legislature passed two Acts in May 2024, aimed at assisting local news media through tax changes and other measures.⁷⁰ They provided \$US25 million in tax credits over five years for newsrooms to hire and retain journalists. This provision was similar to that passed a month earlier in New York, which provides \$30 million over three years. The Illinois legislation also dedicated 50 per cent of state advertising to local news outlets. It also required any newspaper in Illinois that intended to sell itself to an out-of-state company to notify the public and its own employees 120 days before a sale occurs. The goal of this measure was to give in-state businesses and nonprofits the chance to bid on the outlet and increase the likelihood that ownership stays in the state.

In Washington State, a bipartisan bill was introduced to the legislature in January 2025 that would increase an existing business tax surcharge on large software companies, to be used for media workforce training and education. The increase would raise \$20 million a year for a state-administered journalism grant programme. Grants could be in the range of \$10,000 to \$15,000 per journalist and could assist the 100 remaining local newspapers in the state as well as local news broadcasters and digital news outlets.⁷¹

69 Text available at: <https://www.congress.gov/bill/119th-congress/house-bill/1753>

70 Illinois Strengthening Community Media. Bill available at: <https://www.ilga.gov/legislation/BillStatus.asp?DocNum=3592&GAID=17&DocTypeID=SB&LegID=153334&SessionID=112&GA=103>

71 <https://app.leg.wa.gov/billssummary/?BillNumber=5400&Year=2025&Initiative=false>

The State of California has enacted legislation that directs more government advertising towards ethnic and community news organisations.⁷² It contained an important definition that is worthy of repetition elsewhere: A community media organisation is “a nonprofit organisation, small business, or microbusiness... in which at least one-half of the content is originally produced community news and cultural content of specific interest to a community, city, neighbourhood, or region in the state through broadcast, print, or digital means, including television, radio, or online outlets on a daily, weekly, or other regular interval, and that has continuously produced that content for at least one year.”

The Rebuild Local News Coalition, which represents more than 3,000 locally owned and nonprofit community-based newsrooms, has developed a model Bill which it encourages legislators to apply.⁷³

The profound changes to the media landscape have also resulted in structural changes to forms of ownership. The United States Government Accountability Office, in a report to the Federal Communications Commission, noted growing interest in cooperative, community and other types of mission-driven ownership.⁷⁴ They include:

- Cooperative ownership. A cooperative is an organisation that is democratically owned and operated by its members, who can be its employees, a group of individuals, or the community at large. In a cooperative, the individuals who own it each have one vote in the decision-making process. There are various kinds of news media cooperatives. For example, in an employee-worker ownership cooperative (such as *The US News and World Report* and *The Mendocino Voice*), employees are the shareholders but are not necessarily community members, and thus they do not formally participate in the decision-making process.
- Community-based organisation. A community-based organisation is an organisation that is a public or private nonprofit organisation of demonstrated effectiveness. The organisation is representative of a community or significant segments of a community and provides educational or related services to individuals in the community.
- Public benefit corporations are required to include in their corporate charter one or more public benefits as their statement of purpose. According to some literature and some workshop participants, public benefit corporations attract investors who want their investments to align with their mission and values but also want returns on their investments.
- Low-profit limited liability corporations (L³Cs) are a potential legal entity for newspapers. These corporations often bring together foundations, trusts, endowments and nonprofits to pursue social and charitable objectives while operating according to a for-profit revenue model.⁷⁵

In order to definitively encompass local news/journalism as the principal purpose of such ownership structures, there may need to be changes to legislation. However, United States legislators have been slow to act, and entities have resorted to describing their purpose as ‘educational’ but, as stated earlier in regard to charitable status, this is a side-door entry that should not be necessary if local news/journalism are defined as public goods. There are concerns that thresholds would need to apply so that for-profit commercial entities (including

72 <https://legiscan.com/CA/text/AB1511/id/3019866>

73 <https://www.rebuildlocalnews.org/wip-government-advertising-local-news/>

74 GAO-22-105405 Local Journalism

75 The L³C model is discussed extensively in *Trust Ownership and the Future of News* (Palgrave 2014) written by this paper's principal author, Gavin Ellis. In that book it is recommended as a potential alternative ownership structure as it was developed for enterprises that have a social mission as their primary goal.

listed companies and private equity owners) do not qualify for the benefits. There has been criticism that lack of boundaries has led to credits/payments that were outside the spirit of relevant scheme.

The above interventions are separate from and in addition to any measures involving direct contributions to news media organisations by platforms that directly or indirectly make use of those organisations' news content. Some jurisdictions have enacted or are considering legislation to facilitate agreements between parties or require contributions to dedicated funds. Some platforms are already engaged with local media in schemes such as the Google News Initiative. Many local news operations, however, fall below a threshold where meaningful contributions are made.

States have also experienced push-back from the platforms. An intended piece of legislation in California was withdrawn. The state government had introduced the California Journalism Preservation Act, which would have required social media platforms such as Google and Meta to pay a monthly "journalism usage fee" (determined by three judges) for work that appeared on their services. The bill passed the Assembly in July 2023, but Google warned Californian officials it may cut news altogether in its home state. The proposed legislation was withdrawn after Google reached an agreement containing multi-year initiatives to provide ongoing financial support to newsrooms across California. In May 2025, Google announced it would cut its contribution from \$US15 million to \$US10 million after California Governor Gavin Newsom announced the state would cut its own first-year commitment from \$US30 million to \$US10 million as it faced a \$US12 billion budget deficit. Alphabet (Google's parent company) posted net income of \$US34.4 billion in the first quarter of 2025.

Beyond central and state government interventions, local authorities have also developed schemes to assist in the maintenance of local journalism – beyond the mandatory publication of public notices. For example, New York City and Chicago have dedicated half of their annual advertising spend to community media.⁷⁶ As part of the Chicago initiative, an independent media directory was established to ensure that all community outlets were identified. In both cities the initiatives were formalised in local statutes.

New Zealand

The two existing examples of direct New Zealand Government assistance at local levels are the Local Democracy Reporting (LDR) Scheme and the Open Justice Scheme. Both schemes received a boost in the 2025 Budget, which committed \$6.4 million over four years. Offsetting this was a seven per cent baseline funding cut to Radio New Zealand, which administers the Local Democracy Reporting scheme. A reduction of \$18 million over four years may impact RNZ's newsroom resources and the breadth of its reporter coverage. The Budget announcement was followed by RNZ calling for voluntary staff redundancies, without quantifying the scale of the cuts.⁷⁷

New Zealand public attitudes to funding of private sector news media are somewhat at odds with other countries, thanks in no small part to a highly successful disinformation campaign that alleged New Zealand media had been bribed by the Public Interest Journalism Fund (PIJF), which closed to applications in 2023. Such attitudes persist. This is partly due to limited and ineffectual media sector response to the allegation, and partly to ambivalence on the part of some politicians and direct support for the disinformation campaign by others.

⁷⁶ <https://chicagoreader.com/reader/press-releases/chicago-departments-fifty-percent-advertising-spend-to-community-media/>

⁷⁷ <https://www.rnz.co.nz/news/business/564386/rnz-calls-for-voluntary-redundancies-after-budget-funding-cut>

In November 2024, in response to NZME's announced closure of community newspapers, Local Government New Zealand (LGNZ) called for LDR to be extended to all communities. Its call has been partially met by an increase in LDR funding. Its Electoral Reform Working Group prepared an issues paper which, in addition to addressing electoral changes, considered how well the public understands local government, candidates and policies. It noted that local news coverage is vital to these aspects of local government but said it had seen "a decline in the presence and size of local media, and less funding for 'public good' journalism". The paper stated:

The traditional model of journalism is caving under pressure. Print advertising has shifted online and away from mainstream media businesses, gutting revenue. This has driven decline in local media, which presents a threat to local democracy. While central government funding is no panacea, investment in the Local Democracy Reporting scheme has ensured those communities receive local government news.

It recommended moving LDR funding to a three-year cycle "to attract and retain capable staff and unlock private co-investment."⁷⁸

Non - governmental interventions

Philanthropy

Philanthropy may be able to play a significant role in averting the creation of news deserts or weaknesses in mainstream reporting as the position of for-profit media outlets weakens.

However, to succeed in New Zealand as a source of funds and social support for at-risk journalism, philanthropy needs a more favourable taxation and regulatory environment. For their part, philanthropic individuals and organisations must understand the unique nature of the journalistic endeavours they support in the interests of democracy and social cohesion.

A clear understanding between potential philanthropic supporters and the journalists or organisations seeking support is critical: donors need to accept editorial independence and a lack of control over the final product, while recipients need to ensure they deliver journalism or impact that donors can measurably see meets social, cultural and democratic objectives.

Most philanthropic funding of journalism in New Zealand has tended to focus on individual journalists, either by supporting specific reporting projects or by backing training or travel for journalists with grants not tied to specific areas of interest. Examples include the Peter M Acland Foundation (PMAF) and Brian Gaynor Initiatives.^{79,80} The former tends to support individuals with travel or training related to skills or specific reporting, while the latter is dedicated to improving the quality of business journalism.

The growth of private wealth and an associated commitment to social cohesion has created a network of philanthropic advisory groups and collectives to direct either individual contributions or pooled contributions on behalf of a range of mostly families or organisations. These include Philanthropy New Zealand and the Centre for Strategic Philanthropy.^{81,82}

Journalism, however, has not generally been a focus for philanthropists or their advisers. This is partly driven by the fact it is not usually eligible for tax breaks, but there may also be an

78 https://d1pepq1a2249p5.cloudfront.net/media/documents/LGNZ_ERWG_draft_position_paper.pdf

79 <https://peter-m-acland-foundation.org/>

80 <https://milfordfoundation.co.nz/brian-gaynor-initiatives/>

81 <https://www.philanthropy.org.nz/>

82 <https://www.cspnz.org.nz/>

understandable reluctance on the part of wealthy donors to associate themselves with politically or socially controversial topics. Nevertheless, online platforms *The Platform* and *The Centrist* were supported by major donors.

Local journalism may be particularly appropriate or attractive for philanthropic support, especially where a community good aligns with the objectives of a donor. In a sense, many traditional family owners of local newspapers have had similar objectives to the modern philanthropic groups and a commitment to their communities.

The United States has the largest and best developed coalescence of nonprofit news organisations supported by large and small philanthropic organisations and individuals. The keys are the vast pools of philanthropic funds, an historic belief in philanthropic giving as opposed to government support, and a tax code that supports both the donor and the nonprofit news organisation (usually under the guise of education rather than journalism).

Foundations such as the Rockefeller,⁸³ MacArthur,⁸⁴ and Ford⁸⁵ – some with their origins in gilded age fortunes – support journalism, along with newer groups such as the Hewlett⁸⁶ and Craig Newmark Philanthropies.⁸⁷ Recipients include *ProPublica*⁸⁸ and the *Texas Tribune*⁸⁹ – each of which have local programmes. Following cuts by the Trump Administration, both National Public Radio (NPR) and the Public Broadcasting Services (PBS) experienced major surges in philanthropic contributions.⁹⁰

A 2023 review of journalism and philanthropy concluded: “Journalism has evolved as a charitable sector in the last 15 years as more donors become aware of the crisis in local news and the critical gaps in robust reporting on specific beats that newspapers once provided.”⁹¹

Canada,⁹² Australia,⁹³ and other Commonwealth countries as well as the United Kingdom⁹⁴ are working to allow the development of a philanthropically funded journalism sector. There are also cases where philanthropy can work alongside for-profit media organisations. *The Guardian*, for example, has an associated foundation which allows it to receive philanthropic support. Again, this emphasises the importance of aligning tax codes, transparency and ethical clarity with the funding of quality local and socially relevant journalism.

The Charitable Journalism Project in the United Kingdom has produced a *Charitable Journalism Handbook* for local newsroom considering registering as UK charities. The handbook outlines the process for applying to the Charities Commission and includes material developed by specialists in charity law.⁹⁵

83 <https://www.rockefellerfoundation.org/>

84 <https://www.macfound.org/>

85 <https://www.fordfoundation.org/>

86 <https://hewlett.org/>

87 <https://craignewmarkphilanthropies.org/>

88 <https://www.propublica.org/>

89 <https://www.texastribune.org/>

90 <https://www.nytimes.com/2025/07/24/business/media/npr-pbs-funding-cuts-donations.html>

91 NORC (University of Chicago), Media Impact Funders, The Lenfest Institute for Journalism *Journalism and Philanthropy: Growth, Diversity and Potential Conflicts of Interest* 2023 <https://mediaimpactfunders.org/reports/journalism-and-philanthropy-growth-diversity-and-potential-conflicts-of-interest/>

92 <https://inspiritfoundation.org/insights/funding-journalism-a-guide-for-canadian-philanthropy/>

93 <https://piji.com.au/>

94 <https://committees.parliament.uk/committee/378/digital-culture-media-and-sport-committee/>

95 <http://cjpproject.org/cjp-handbook>

Alternative support

Publicly funded bodies such as tertiary institutions are playing an increasing role in supporting local news outputs and initiatives. There are many highly innovative projects emerging from tertiary institutions around the world. The following examples are by no means an exhaustive assessment of the possibilities but provide some indication of the roles that may be played.

Cardiff University in Wales established a Centre for Community Journalism (C4CJ) in 2014 and four years later launched the Independent Community News Network (ICNN) to advocate on behalf of the United Kingdom's community publishers – it now represents about 118 titles. C4CJ provides free legal advice to ICNN members and has trained community journalists from numerous countries. C4CJ is also active in seeking funding support for community news providers.

ICNN members are linked through a delivery platform launched in 2023. Ping! is a public interest news gateway that uses digital marketing techniques to provide revenue streams for small community publishers.⁹⁶ It was designed and built by ICNN in partnership with a Bristol-based web developer. The community hub concept merits more scrutiny.

Arizona State University hosts a Media Enterprise Network which, in addition to operating Arizona PBS's four broadcast plus digital channels, hosts a growing network of nonprofit newsrooms under the Newswell initiative. It also hosts ICT News, which serves indigenous communities and is owned by IndiJ Public Media, a tax-exempt public charity under United States federal law.

Under the Newswell system, local news sites or newspapers are donated to the programme, and Newswell provides financial, IT, HR and legal services, along with audience, membership and advertising expertise. Local sites receive help with editing, strategy and analysis. All backend operational services are centralised. It has three prototype sites: *Stocktonia* (in San Joaquin County California) and the *Times of San Diego* were existing news sites that donated themselves to the scheme in 2024. In January 2025, the name and digital archive of the 156-year-old *Santa Barbara News-Press* were donated to prevent it becoming a zombie site. Newswell in January received a \$US5 million grant from the philanthropic Knight Foundation.

University of Vermont runs the Center for Community News. It is a student-resourced partnership between the University and community newspapers across the state. CNS matches student reporters with professional editors to provide reporting to trusted sources of local news. CNS has been both a newsroom and a laboratory for experimentation in creative ways to address the challenges facing local news.

In partnership with the Vermont centre, the State University of New York (SUNY) in October 2024 launched the SUNY Institute for Local News to address news deserts and struggling local news outlets by providing college student-produced content. It will also fund internships for students at their hometown news outlets.

Some United States university centres for community news are long-established and their research is noteworthy. The Agora Journalism Center at the University of Oregon's School of Journalism and Communication has been a forum on the future of local news for a decade. It has developed a curriculum specifically focussed on community-centred journalism, has mapped local news coverage in the state, and in 2023 released a manifesto for the implementation of community-centred journalism.⁹⁷

⁹⁶ <https://pingnews.uk>

⁹⁷ Radcliffe, D. *Redefining News: A manifesto for community-centered journalism*. Agora Journalism Center, University of Oregon 2023. <https://agorajournalism.center/wp-content/uploads/2023/09/Redefining-News-v1.03.pdf>

The erosion – and disappearance – of traditional news media organisations has seen the growth of cooperative networks that draw together and support local news initiatives that take the place of the old. Many are nonprofits and this, in turn, has led to the growth of associations to support them. An example is the Institute for Nonprofit News in the United States, which supports more than 475 independent news organisations.⁹⁸ It is registered as a nonprofit corporation, so donations to it are tax-deductible. The Independent Community News Network (ICNN) similarly represents 118 local news organisations in the United Kingdom in its partnership with Cardiff University.

In New Zealand, the *Newsroom* online news site lists among its supporting ‘partners’ Victoria University of Wellington, Auckland University, and Otago University.

Local implications

New Zealand lacks the news mapping projects that have alerted countries such as Australia, the United Kingdom, the European Union and the United States to the rise of news deserts. We are certain to have them, but they have yet to be designated. There is no doubt we are already staggering toward zombie newspapers – shared content under a masthead pretext of local news. Recent community newspaper closures have produced voids that may not be filled. In the unlikely event that we do not already have news deserts, at the very least we stand ankle-deep in encroaching sand.

Without significant changes, New Zealand will follow other jurisdictions into recognised news deserts. We will face the consequences experienced elsewhere: negative impacts on participation in local democracy, reduced scrutiny, increased misinformation, fracturing of sources of basic information, and the loss of a regular repository for local business advertising. Lessons learned elsewhere from the creation of news deserts are directly applicable. So, too, are the interventions that other countries are applying.

Those interventions have been a result of recognition that market forces alone cannot overcome the loss of local news outlets. Time and again, when communities elsewhere have been asked whether they wish to retain a local news outlet, they have responded enthusiastically in the affirmative. Yet those outlets have died in increasing numbers.

Media groups faced with threats to their business models have reacted uniformly: they have instituted cuts and reduced their fields of operation. We have seen those tactics widely employed in New Zealand. Often it is the ‘fine ends’ of operations that have taken the heaviest hits. Smaller local news outlets close, followed by larger operations as commercial pressures persist. Locally owned enterprises are no less vulnerable than the outlets owned by larger groups. They, too, are subject to rising costs and falling revenue.

Two misperceptions need to be dispelled.

The first is that news deserts are a function of remoteness and only small rural communities are at risk. Overseas experience has proven that news deserts exist – and have the same detrimental effects – in urban as well as rural communities. Nor are small out-of-the-way settlements the only rural victims. Significant regional centres are impacted.

The second misperception is that news deserts are no more than a natural transition from old media to new – the local newspaper being replaced by a digital incarnation that serves the same purpose. There are no guarantees that anything will rise from the ashes of a newspaper

98 Inn.org

closure. The overwhelming experience has been that professional news coverage has been lost and attempts to establish local digital alternatives (where they have been attempted) have been difficult and, in many cases, short-lived.

Adverse impacts, such as the diminished social cohesion and civic engagement observed in long-established news deserts, attest to the role of journalism as a public good. Its absence has detrimental effects that a democratic society ignores at its peril.

No media organisation in New Zealand is safe, nor is any community immune, from the news desert phenomenon. It is evident from overseas experience that local news entities are unlikely to overcome their increasing vulnerabilities unaided.

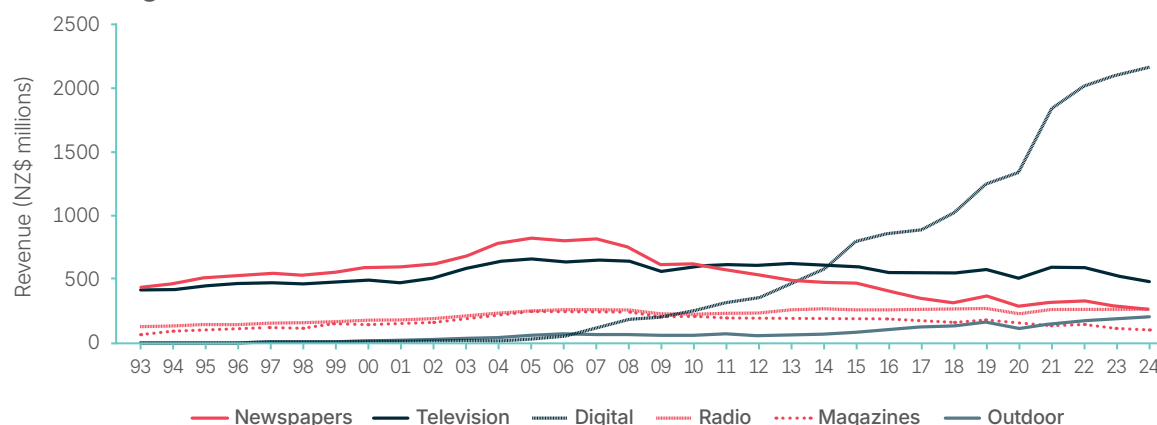
Solutions lie not with a single sector but with all of them. Media operations (large and small) must seek ways to create and maintain newsgathering and information dissemination at local levels; communities must create alternative platforms for local news; publicly funded media entities must provide support; and government (central and local) must ensure that structures and support are available in order that local news outlets – in a variety of forms – are available to their communities.

The measures employed in other jurisdictions provide appropriate options for New Zealand. Some, however, currently require ‘side-door’ entry – such as claiming educational purposes to gain charitable status – because civics-driven journalism has insufficient recognition as a public good in its own right. This lack of recognition may be partly responsible for a general failure to attach due importance to the issues confronting the sector and to adopt piecemeal approaches or fail to act.

News deserts are a metaphorical parallel to the canary in a coal mine. They are early warnings of the consequences of relying on traditional forms of ownership and revenue sources in the face of a digital future whose potential has been captured by transnational platforms against which the domestic media sector cannot compete. Just as the degradation of the ‘fine ends’ of ecosystems may be the beginnings of wider collapse, the emergence of news deserts points ultimately to more widespread deterioration in the new media sector.

Longitudinal assessments of financial performance suggest the business model on which private sector media have relied is no longer fit for purpose. A single graph illustrates the dilemma it faces.⁹⁹ Measures to prevent or revive news deserts will not succeed unless they are undertaken in parallel with wider initiatives to ensure the sustainability of mainstream journalism.

Advertising revenue 1993–2024*



* Traditional media totals include digital revenue. Digital revenue is digital-only media, eg. platforms. Magazines did not report a revenue total for 2020 due to disruptive effects of the Covid-19 pandemic.

99 An earlier version of this graph appeared in the 2024 Kōi Tū position paper *If Not Journalists, Then Who?* <https://informedfutures.org/if-not-journalists-then-who/>

In 2007, transnational platforms – the likes of Google and Facebook – attracted a relatively modest \$135 million. Last year their share of the New Zealand advertising spent was \$2.171 billion. By comparison, the newspaper share has dropped from \$826 million to \$274 million while television had dropped from \$654 million to \$490 million. The last time New Zealand media collectively recorded a total as low as what they earned last year (\$1.1 billion) was thirty years ago. While subscriptions have augmented revenue, they have not fully replaced lost advertising income.

News deserts will be the ‘fine ends’ that emerge from news media’s failure to find sustainable financial futures. Without change, those deserts will grow in size and impact.

Remedies

The civic purposes of journalism do not change, irrespective of the passage of time or the scale of the entity providing it. It is worth quoting a passage from the third edition of Kovach & Rosenstiel's *The Elements of Journalism* (2014), because it attests to this immutable character and to why journalism should be seen as a public good:

The reason the core elements of journalism endure is simple: They never came from journalists in the first place. They flowed from the public's need for news that was credible and useful. The elements of journalism are the ingredients that allow people to know the facts and context of events, to understand how they should react to that information, and to work on compromises and solutions that make their communities better. Journalists didn't create these needs – they simply developed a series of concepts and methods for meeting them.

For journalism to be seen as a public good, the public must accept the basis on which that status is granted. The principles of public interest journalism must be the subject of community discussion – using as its starting point the ten elements of journalism identified by Kovach and Rosenstiel and the codified principles of the New Zealand Media Council and Broadcasting Standards Authority – and of urgent policy formation.

These are the values that Kovach & Rosenstiel articulated and which are widely accepted within the fields of journalism and scholarship:

- Journalism’s first obligation is to the truth
- Its first loyalty is to citizens
- Its essence is a principle of verification
- Its practitioners must maintain an independence from those they cover
- It must serve as a monitor on power
- It must provide a forum for public criticism and compromise
- It must strive to make the significant interesting and relevant
- It must present the news in a way that is comprehensive and proportional
- Its practitioners have an obligation to exercise their personal conscience
- Citizens have rights and responsibilities when it comes to the news as well – even more so as they become producers and editors themselves.

We warn against being too prescriptive in setting out expectations relating to content. There are lessons to be learned from the requirements attached to the Public Interest Journalism Fund that

led to successful disinformation campaigns that effectively killed it. Very similar funds in other jurisdictions – with less prescriptive provisions – had far higher levels of public approval.

In any public discussion and comprehensive policymaking, definitions are all-important. In addition to a clearly understood and accepted definition of the principles that constitute public interest journalism as a public good, there must be clear understanding about to whom and how any support should apply. How, for example, do we define ‘local news outlets’? Are there turnover limits if journalism is to directly qualify for charitable status?¹⁰⁰ What are the requirements to qualify for taxation-based benefits?

Care must be taken to avoid narrowing eligibility to the point where few meet the criteria.¹⁰¹

Conversely, qualification must not be so wide that profitable enterprises receive a windfall.¹⁰²

However, such organisations must not be removed entirely from the equation. Few group-owned community (and many regional) newspapers operate at acceptable profit levels – if they are profitable at all. Indeed, they are at risk of closure. In order to ensure the continuation of local newsgathering and dissemination in their circulation areas, these group-owned publications may also need some form of carefully ring-fenced support. Alternatively, they may represent opportunities for incentivised moves to local or community ownership.

As stated above, some initiatives – particularly those involving public funding – must be carefully ring-fenced. Care must also be taken – particularly at a time when artificial intelligence can produce unforeseen outcomes – to ensure that only bona fide local news outlets qualify for support. The Good Daily example cited earlier is instructive.

Definitional parameters should be established before support measures for the local media sector are developed. In other words, there needs to be a clear understanding of what is being sustained and why.

No single initiative will solve the problem of news deserts. Local news in New Zealand is provided by a variety of entities from mainstream national media groups, through regional companies, couple-run small businesses, to community and iwi groups. Each has its own needs. And some stand as examples that others might follow.

Nor do policies aimed at avoiding local news deserts necessarily meet the legitimate needs for support for sustainable journalism at metropolitan and national levels. Those imperatives are not the province of this paper, but it is highly likely that many initiatives aimed at a local level could be scalable to embrace the needs of those larger audiences as circumstances demand. Scalability is not the primary determinant in policy formation for overcoming the news desert phenomenon, but it should be a consideration.

The provision of sustainable public interest local news will not be possible without significant, co-ordinated government intervention. A policy platform to deal effectively with the looming prospect of news deserts should, on the basis of initiatives and experience in other countries, contain the following elements:

100 In 2023 the ACT Party called for a review the status of enterprises owned by registered charities.

101 Canada's restrictive regime is an example. In the whole of the dominion, only 11 news outlets have been granted the status. <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/registering-charitable-qualified-donee-status/applying-other-qualified-donee-status/applying-registered-journalism-organization.html>

102 Bell Canada received \$C40 million in support from the Canadian Government, yet in February 2024 cut 4,800 roles, sold off 45 local radio stations, and ended 24 local newscasts. The group's EDITDA in the 12 months to September 2024 was \$C7.577 billion.

Scoping

- As noted above, New Zealand does not have a clear picture of the vulnerabilities and gaps in its news landscape. In order to understand the scope of the problem, there should be a mapping project, similar to that already undertaken in many of the countries, to provide an accurate picture of news media coverage that identifies our news deserts. Such a project will need funding, which is why it was beyond the scope of this paper.

Structural

- Ownership is currently seated largely in for-profit structures registered under the Companies Act. Challenges to the business model suggest the need for alternative – and more purpose-oriented – legal structures such as the low-profit limited liability company or L3C model employed in the United States.
- Sole trader or couple-run local news operations often run into issues when the owners are no longer able to run them but have no buyers in sight. The ability to form such existing operations (in place for longer than a year) into trusts would facilitate their transfer to community groups. Lease arrangements with special credits recognising the public interest role of the local news operation may attract potential successors unable to buy outright.
- Cooperative and charitable status should be directly available to promote the development of community-based local news outlets.
- Alternative structures specifically for the production and dissemination of public interest journalism would open the way for specific tax-based support (see below).

Operational (cost structures)

- News publications face a raft of cost increases that, without relief, threaten their viability. These include:
 - Newsprint costs, which rose sharply when publishers became dependent on imported supplies. Although mill prices have somewhat stabilised, exchange rate fluctuations have seen landed costs continue to rise. Local paper manufacturing charged a delivered price for newsprint. Publishers must now also pay freight from the port.
 - Distribution, particularly by NZ Post, has been rising by up to 30 per cent a year, with pleas for relief falling on deaf ears. The result has been a contraction in the circulation of newspapers and newsletters, to the detriment of the rural population in particular. Other contractors (with one dominant operator) have similarly raised prices, and the ability of publishers to employ their own delivery staff is constrained by labour cost and availability.
 - Labour cost increases, which have led to reduced staffing. This impacts not only publishers but broadcasters. Community radio has been unable to carry the costs of maintaining news staff and local news bulletins.
 - Day-to-day costs such as transport and communications are also rising.
- Local news operators would benefit from the forms of tax relief now available to their counterparts in other countries. United States states have introduced a raft of measures, including a tax credit for subscriptions to local newspapers, a payroll tax credit for the employment of reporters, mandated advertising by state and local authorities in local media, and a tax credit for small businesses that advertise in local news media. The relevant bills

have been tracked by the University of North Carolina's Hussmann School of Journalism and Media.¹⁰³ It should be noted that subscription tax credits do not benefit all community news outlets, many of which distribute free copies and depend solely on advertising for their revenue.

Operational (advertising)

- Advertising revenue is under threat from a number of factors:
 - Some local news operators expect to be adversely impacted by the government's decision to remove the requirement for the publication of public notices in newspapers.
 - The arbitrary withdrawal of other local authority advertising threatens the survival of local outlets that depend on it.
 - The weakened state of print media has led to advertisers demanding rates that barely cover costs.
 - Local news outlets that also maintain a digital presence are hostage to advertising regimes operated by the platforms on which they rely for traffic. The return on this advertising is minimal.
- Local news operators would benefit from provisions adopted elsewhere that mandate advertising by state and local authorities in local media and give a tax credit to small businesses that advertise in local news media.

Technological

- Interest in local news remains very high in New Zealand.¹⁰⁴ However, over time the provision of local news in printed form will disappear. A survey by the Pew Research Center in May 2024 found the number of Americans who preferred to receive local news in a newspaper had dropped from 13 per cent to nine per cent since 2018. Almost half now receive that news from a digital source. It is important, therefore, that policies reflect this trend while not neglecting the traditional medium (still a preferred choice for many who see their local newspaper/newsletter as an institution). The digital option comes, however, with a strong caveat: there is clear evidence that when a local newspaper closes, it may be replaced by nothing but desert.
- Many jurisdictions provide direct grants or tax credit support for innovation in local news. While there is value in such measures, the reality of the New Zealand situation is such that few local or community operations (as opposed to those owned by large groups) have the capacity for research and innovation. Yet they would undoubtedly benefit from such development. Policy might be directed to collective innovation.
- Community hubs provide an obvious future pathway for local news (so long as it can be put on a sustainable for-profit or nonprofit basis). The architecture of such hubs varies,¹⁰⁵ but a country the size of New Zealand offers an opportunity for a single platform to host local news hubs. The significant costs of establishing a digital presence would be reduced by sharing a common platform and templated design. Existing digital sites could be incorporated. We believe the concept should be investigated.

103 Mahone, J. *Variety of state legislative supports for local news media act as a series of experiments*. Center for Innovation and Sustainability in Local Media. Hussman School of Journalism and Media 2024. <https://www.cislms.org/research/government-support-for-local-news/statewide-local-news-bills/>

104 AUT Research Centre for Journalism, Media & Democracy (JM&D), *Trust in News in Aotearoa New Zealand* 2025. https://www.jmadresearch.com/_files/ugd/a95e86_be69ce3448e64af4969c09df872454e9.pdf

105 See, for example, Rundel et al, 'Exploring rural digital hubs and their possible contribution to communities in Europe'. *The Journal of Rural and Community Development* 15:3 2020. <https://journals.brandou.ca/jrcd/article/view/1793>

- The role that artificial intelligence can play in newsgathering and production should form part of a broad initiative to sustain local news outputs. Research and development is advancing here and elsewhere. For example, Peter Fowler, the Havelock North-based co-founder of VoxPop, is developing an experimental AI real-time news service to be piloted in both the United States and New Zealand. The proposal is to trial a local news service in Hawke's Bay and in Fairfax County in Virginia (focused on the town of Reston). The Hawke's Bay service is intended to focus on Central Hawke's Bay due to the loss of its local newspaper but no date has yet been set for its introduction. The AI newsroom proposal has been set out in a detailed proposal. We believe this project should be closely monitored as a potential means of combatting news deserts. It would be unwise, however, to view AI as a complete answer to dwindling human resources. Generative AI, for the present at least, remains iterative and does not replace the role of the journalist in seeking out hidden matters about which the public has a right to know, and in holding power to account. Neither politicians nor the public should be seduced by a belief that AI offers a complete (and cheap) alternative to principled (human) journalism.

Financial

- Many governments provide funds for journalism.¹⁰⁶ The Nordic states have for many years had a tradition of direct media subsidies, although the impact of digital services raises questions about the future.¹⁰⁷ There are strong precedents for supporting local news.
- New Zealand's Local Democracy Reporting Fund, and to a lesser extent the Open Justice scheme, already provide useful content for some local news outlets, but the greatest benefit goes to mainstream media groups. Similarly, the defunct Public Interest Journalism Fund saw some money trickle down to local operations, but the majority of that fund went to larger enterprises.¹⁰⁸ Importantly, these schemes require the ongoing existence of news outlets. They do not, and cannot, operate where there is none, i.e., in a news desert.
- Government should consider a new fund to directly support local news operations. The Australian Government's current approach should be consulted in framing such a fund. However, any fund established to support local news must have the ability to support those who arguably need it most – the local operations that are the fine ends of the ecosystem.
- Philanthropy is an underdeveloped source of funding for local news, not least because of the ambiguity of its charitable status. A change to that status to recognise public interest journalism as a charitable purpose (within parameters similar to those being considered by Canada, Australia and the United Kingdom) would provide a useful adjunct to state funding.
- Few community newspapers have subscription models, but some local newspapers (the *Ashburton Guardian*, for example) not only have a cover price on their print edition but operate a paywall on their website. Tax deductibility for subscriptions would benefit larger publishers in our cities more than it would those in our provincial towns, but it should nonetheless be considered. There is an argument that such a measure could be justified in the general interests of democracy.

106 A global overview is provided in the 2023 GFMD IMPACT policy paper: National Funds for Journalism <https://gfmd.info/briefings/national-journalism-funds-policy-paper/>

107 Jakobsson et al, *The Future of the Nordic Model: A digital media welfare state?* Nordicom 2024. <https://www.nordicom.gu.se/en/publications/future-nordic-media-model>

108 Myllylahti, M., & Meese, J. 'Public money well spent? Unintended consequences and challenges arising from Trans-Tasman public journalism funds', *Journal of Media Business Studies*, 2024. <https://www.tandfonline.com/doi/full/10.1080/16522354.2024.2404300>

Civic

The public's lack of trust in institutions is a matter for serious concern. Neither media nor government garner a level of trust we consider necessary in a healthy participatory democracy. While neither institution can simply demand trust, both can attest to the importance of the role they play. There is room for initiatives by both government and media to better educate the public on their respective roles. This applies at a local as well as national level. A public good approach to remedial actions also provides incentives for improvement by news media that have fallen short of expectations regarding public interest journalism.

Conclusion

There are parallels between news deserts and climate change. Although New Zealand sits near the bottom of the globe, we are not immune to the effect of either disruptive force. Detrimental gaps in the provision of local news have been documented around the world. The gaps continue to grow, and for every attempt to fill a void, another will appear.

Governments around the world are beginning to realise that the impacts of these news deserts are far-reaching. The civic and social consequences are such that many have already acted to either stem the tide of closures or facilitate alternative provision of local journalism. Others have measured the situation and are considering their responses.

The range and scale of responses to the provision of community journalism varies enormously, but each endeavour is a valued part of the community it serves. The social good they provide lies in the content and dialogue they generate. The dissemination of accurate information about the aspirations, attitudes and actions of citizens and those who act on their behalf lies at the heart of a fully functioning democratic society. Without it, as this paper has demonstrated, society can become increasingly arid.

The international literature review that is the core of this paper leaves us in no doubt that significant action will be required on the part of New Zealand's central and local government, media (at all levels), and local communities to prevent a repetition of what we have found around the world.

All the factors that have contributed to the growth of news deserts in other countries exist here. So does the potential for the same consequences. The fact that New Zealand's vulnerable media and deprived locations have not been mapped does not mean there is no problem.

There are currently no measures in place that prevent the growth of news deserts in this country. Our best estimate is that – without intervention – the first significant manifestation will make itself felt during this year's local government elections. We believe that by the time local candidates begin campaigning for the 2026 General Election, the phrase 'news deserts' will be in common use.

Appendix: News desert maps

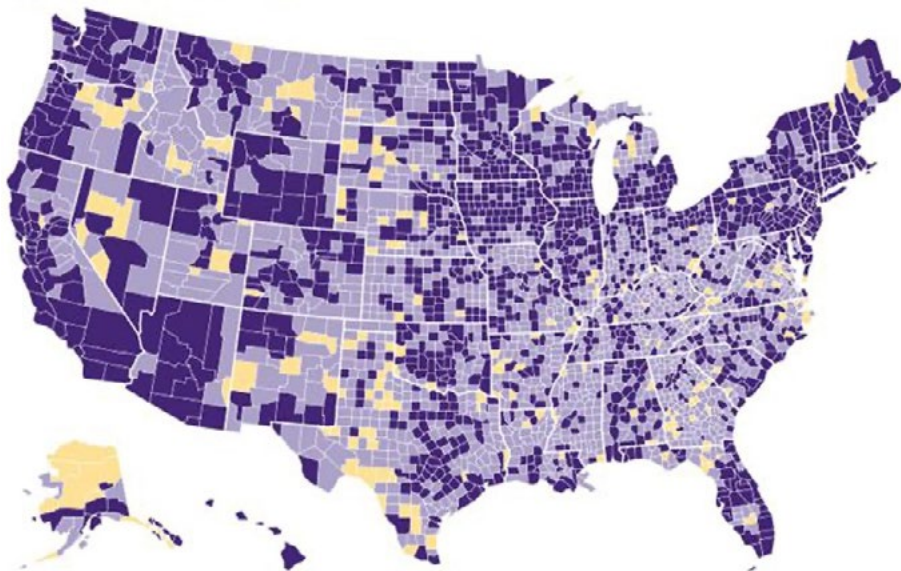
United States

How many news outlets are near you?

There are 208 counties in the United States with no news outlets.

There are 1,563 counties with only one.

■ No outlets ■ One outlet ■ Two or more outlets

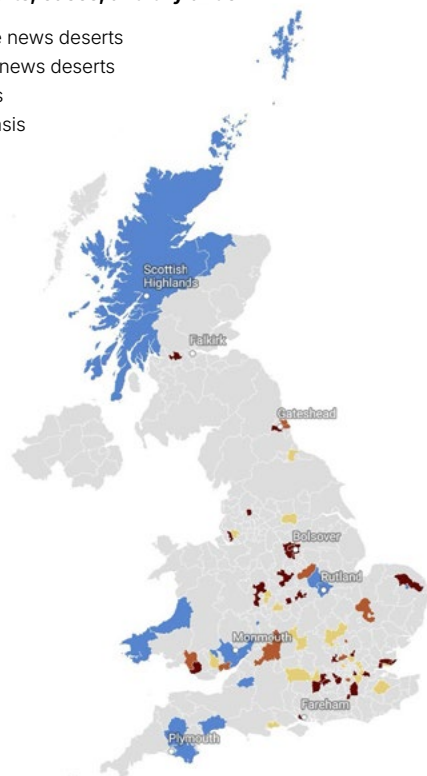


Map: Medill Local News Initiative. Source: Local News Initiative.

United Kingdom

News deserts, oases, and drylands

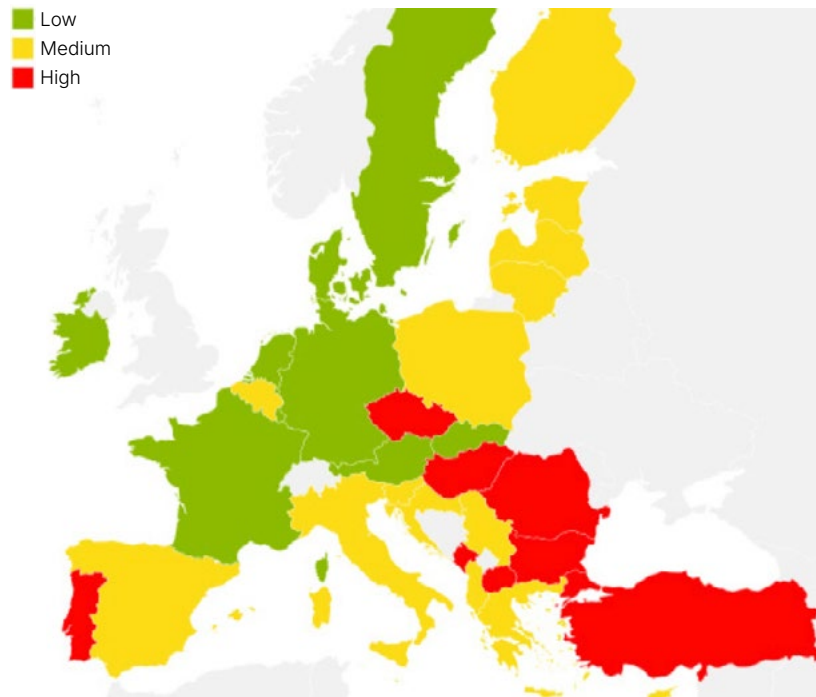
■ Absolute news deserts
■ Relative news deserts
■ Drylands
■ News oasis



Map: Simona Bisani. Source: PINF Local News Database. Map data: Crown copyright and database right 2023.

European Union

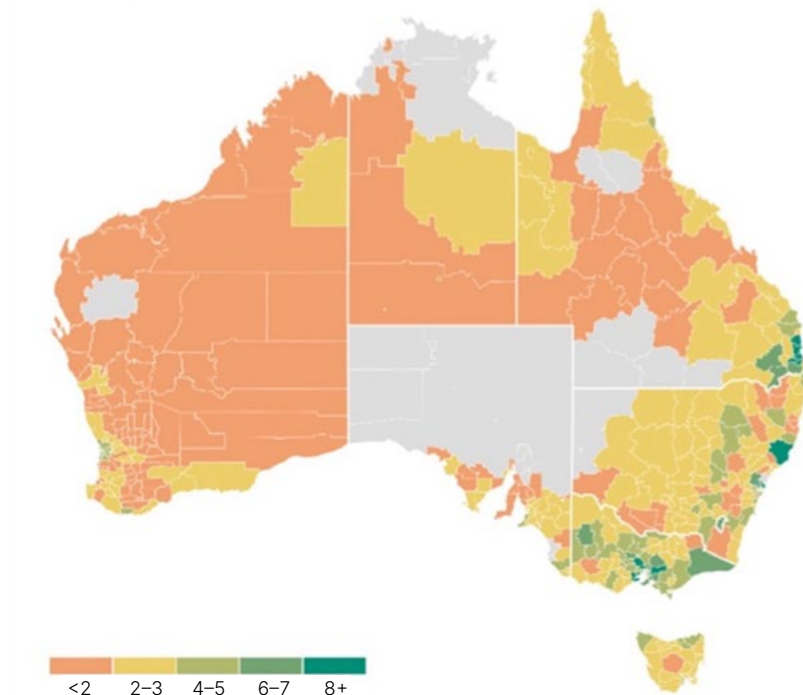
News deserts: level of risk



Source: EUI Centre for Media Pluralism and Media Freedom, 2024.

Australia

Count of local new producers, excluding radio and television, by local government area.



Source: Source: Australian News Data Report. September 2024.



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