

Appendix 1: Support for public interest journalism – An international summary

(This appendix is an updated version that draws on Annexure K, from the Report of the Independent Inquiry Into Media and Media Regulation, 2012. It has been updated by A/Professor Johan Lidberg, Vice President Research, JERAA)

Introduction

Many governments in many countries have for many years provided subsidies and other support to the news media and to journalism. This appendix describes the range and variety of support as well as other proposals that have been made to sustainably fund public interest journalism. It is important to note that there is a significant body of academic literature showing that in liberal democracies government funding and support for journalism and the news media does not compromise the integrity of public interest journalism, especially when measures are put in place to protect editorial independence¹.

Australia

In 1825 legislation setting up a postal office in New South Wales enabled newspapers to be delivered at a heavily discounted rate. The colonial authorities recognized the contribution the press could make to an emerging society by promoting greater literacy and disseminating news and information². Further legislation enacted in 1835 was aimed at overcoming newspapers being delivered late, irregularly or ‘well fingered by those who had read them en route’: it enabled newspapers to be posted for free³. The subsidy ‘greatly aided’ newspaper production, according to one historian. In 1828 35,000 newspapers had been distributed in land from Sydney; two decades later the figure was 1.3 million⁴.

Early on, the revenue foregone by the Post Office in NSW was a modest 430 pounds annually— but by 1890 it came to 40,000 pounds annually, which aggrieved the Post Office:

*It appears to us manifestly unjust that, without enjoying rateable advantages, any one portion of the community should contribute by taxation for the amusement, luxury or instruction of any other portion.*⁵

¹For further discussion of journalism subsidies see, Daniel C Hallin and Paolo Mancini, *Comparing Media Systems: Three Models of Media and Politics* (Cambridge University Press, 2004) 162; Victor Pickard ‘Can Government Support the Press? Historicising and Internationalizing a Policy Approach to the Journalism Crisis’ (2011) 14(2) *The Communication Review* 73, 80-81; Schweizer, C., Puppis, M., Künzler, M., Studer, S. (2014) Media Policy Brief 11: Public Funding of Private Media, *LSE Media Policy Project*. Retrieved from URL: <http://blogs.lse.ac.uk/mediapolicyproject/policy-briefs/>; Benson, R., Powers, M., Neff, T., (2017), “Public Media Autonomy and Accountability: Best and Worst Practices in 12 Leading Democracies”, *International Journal of Communication*, 11, pp. 1-22.

²JulianneSchultz, *RevivingtheFourthEstate. Democracy,AccountabilityandtheMedia*(CambridgeUniversityPress, 1998) 36.

³AllanBrown, *CommercialMediainAustralia: economics, ownership, technologyandregulation*, (UniversityofQueensland Press, 1986)54-54.

⁴RBWalker, *TheNewspaperPressinNewSouthWales1803-1920*, (SydneyUniversityPress, 1976)55.

⁵HenryMayer, *ThePress InAustralia* (LansdownePress, 1964)18.

By 1962 the bulk rate concession for newspapers, periodicals and books was worth 2.5 million pounds annually according to the Postmaster-General's Department⁶. Two decades later, the estimated revenue foregone for subsidising newspapers only was \$4.2 million annually⁷.

Subsidised delivery of newspapers extended to the railways in 1874 when by ministerial arrangement the Post Office in NSW paid the Railways Commissioners so that newspapers could be delivered direct to the railways and freighted free of charge throughout the colony in New South Wales⁸. In 1881 the Southern Railway was extended to Albury which meant newspapers from Melbourne could reach places such as Junee, in NSW, before those arriving from Sydney if special early morning trains could be scheduled and freight provided free of charge to the newspaper companies. This spurred interstate rivalries as well as arguments about free trade and protection. Estimates of the revenue foregone ranged between 40 000 and 100 000 pounds annually, leading to the abolition of free carriage in 1901⁹. It was replaced by discounted rates: in 1902 owners of Sydney metropolitan daily newspapers paid a third of the standard price for their deliveries by rail¹⁰.

Development of the telegraph cable in the mid-nineteenth century rapidly improved speed of communications, first within Australia and then overseas. The cables were funded by governments and, to an extent, by private entrepreneurs. As with post and rail, the newspapers benefited from large discounts on the rates they paid for cable transmissions. Early charges of 10 shillings a word gradually dropped to one shilling a word by 1902. Where in 1872 the newspapers had been able to afford to receive 50 words a day, by 1908 the average newspaper could receive 700 words by telegraph¹¹.

The Commonwealth Press Union, formerly the Empire Press Union, is a peak body representing newspaper executives. It lobbied Imperial governments successfully for a flat

⁶ Ibid 70 n5.

⁷ Allan Brown, *Commercial Media in Australia: economics, ownership, technology and regulation*, (University of Queensland Press, 1986) 36; See also K Wiltshire and C Stokes, *Government Regulation and the Printed Media*, (Committee for Economic Development of Australia, Monograph no M50, 1977).

⁸ R B Walker, *The Newspaper Press in New South Wales 1803-1920*, (Sydney University Press, 1976) 197.

⁹ Henry Mayer, *The Press In Australia* (Lansdowne Press, 1964) 19-20.

¹⁰ R B Walker, *The Newspaper Press in New South Wales 1803-1920*, (Sydney University Press, 1976) 197.

¹¹ Ibid 203.

penny-a-word rate for cable telegrams to newspapers in the early decades of the twentieth century. The rate remained unchanged for many years, and represented a 95 percent discount. By the early 1960s, the revenue foregone by the British Post Office on international cables was about 750 000 pounds annually¹².

The biggest single cost of production for newspapers is newsprint. In Australia, the newsprint industry was established with substantial government assistance in the form of forest concessions in Victoria and Tasmania, capital investments in South Australia and Tasmania and, in Queensland, a subsidy to build a weir to supply water to a mill¹³.

Beginning in 1976 the federal government introduced a subsidy on the cost of transporting newsprint from Tasmania to the mainland. Under the freight equalisation scheme, the cost to newspaper companies of shipping newsprint from Australian Newsprint Mills in Tasmania or transporting it by land over comparable distances was equalised. According to the Department of Transport the value of the payments for newsprint shipments was \$2.9 million in 1976–77 and had risen to \$4.3 million by 1982–83¹⁴. This assistance continues under the Tasmanian Freight Equalisation Scheme.

Today, the federal government's most extensive commitment to the news media is to public broadcasting. It used to devote close to \$1,125 billion annually to the two main public broadcasters in Australia. The Australian Broadcasting Corporation's funding from the federal government for the most recent financial year, 2015–16, was \$838 million. It earned a further \$105 million in that period from commercial activities mainly through its ABC Shops¹⁵.

For the same financial year the Special Broadcasting Service (SBS) received \$287 million from government and earned \$98 million in revenue, primarily from advertising on its network¹⁶. It should be noted that government funding to the ABC and SBS was drastically cut in 2014, with the ABC getting \$254 million less between 2015–2019 and SBS receiving \$25 million less from the government during the same period.¹⁷

On occasion, federal governments have outlaid additional funds specifically aimed at bolstering public interest journalism. In the 2013 budget the Gillard Labor government provided \$60 million to the ABC which set up a National Reporting Team, new regional bureaux, state-based digital teams and the Fact Check unit.

¹² Henry Mayer, *The Press in Australia* (Lansdowne Press, 1964) 56.

¹³ Ibid 63.

¹⁴ Allan Brown, *Commercial Media in Australia: economics, ownership, technology and regulation*, (University of Queensland Press,

1986) 33.

¹⁵ Australian Broadcasting Corporation *Annual Report 2015/16* (2016) 164 <http://about.abc.net.au/wp-content/uploads/2016/11/ABCAnnualReport2016.pdf>

¹⁶ Special Broadcasting Service *SBS 2015/16 Annual Report*, 76.

http://media.sbs.com.au/aboutus/SBS_Annual_Report_2016.pdf.

¹⁷ <http://www.abc.net.au/news/2014-11-19/abc-funding-cuts-announced-by-malcolm-turnbull/5902774>

Austria

Austria has an extensive range of subsidies for its newspapers, focused on supporting the industry, preserving diversity and promoting quality. The Austrian Communications Authority (KommAustria) distributes federal press subsidies in consultation with the Press Subsidy Commission. The following groups are eligible to apply for government funds:

- Publishers of daily and weekly newspapers
- Institutions for journalist education
- Research projects focused on the press sector
- Press clubs
- A self-regulation body for matters related to the press

It should also be noted that apart from press subsidies, KommAustria also administers multi million Euro support funds for the broadcasting and online journalism sectors.

In 2015 Austria distributed, in total, 54.7 million euros in support of public interest journalism. Of these 7 million euros were allocated to daily and weekly newspapers/websites and 47.4 million euros were spent on supporting the broadcasting sector in a country with a population of 8.5 million people. It is worth noting that the Austrian government supported the Austrian Press Council (the journalism ethics watch dog) with 204,000 Euros in 2015¹⁸.

The policy justification for this extensive support is that Austria's press industry is vulnerable to neighbouring Germany's larger newspaper companies, to ensure diversity and to support public interest journalism¹⁹.

In Austria there are general subsidies for daily and weekly newspapers and special subsidies for regional newspapers. The value of the general subsidies is the same for all eligible daily papers, but is cut if a publisher has multiple eligible papers. For weekly papers the amount is calculated according to the number of subscription sales and issues per year²⁰. In 2006 Austria distributed 4.5 million euros in these subsidies, 54 per cent of which went to daily newspapers²¹.

The special subsidies are for the preservation of diversity in regional newspapers. To be eligible for this subsidy a paper must not be a market leader, sell fewer than 100,000 copies per issue and devote less than 50 per cent of their annual volume of pages to advertising. Each eligible paper receives the same base amount (500,000 euros) with the remaining money from the budget distributed according to sales and number of issues²². A total of 6.6 million euros in special subsidies was distributed in 2006²³.

Austria also funds 'measures to promote quality and secure the future of the press'. There are subsidies to

¹⁸ Rundfunk und Telekom Regulierung Report 2015, <https://www.rtr.at/en/foe/Foerderungen>

daily and weekly newspapers for training new young full-time journalists (up to 33 per cent of the cost, capped at 20 000 euros per year) and employing foreign correspondents (up to 50 per cent of the cost, capped at 40 000 euros).

¹⁹ Peter Humphreys, *Mass Media and Media Policy in Western Europe*, (Manchester University Press, 1996) 91.

²⁰ Isabel Fernandez Alonso et al (eds) 'Press Subsidies in Europe' (Proceedings of the 'Symposium Press Subsidies in Europe: Development, Pluralism and Transparency, Barcelona 2006, Institut de la Comunicació, 2006) 90.

¹²¹ Ibid 92.

²² Ibid 92.

²³ Ibid 92.

There is reimbursement of costs of providing newspapers free of charge to schools²⁴, and funding of up to 50 percent of research projects contributing to the development of the press.

Examples of funded projects have been on self-regulation, copyright and electronic archives, regional media market research and changes in journalistic working conditions²⁵.

As noted above, most of these subsidies are available only to daily and weekly newspapers. To be eligible, a newspaper must:

- provide political, economic and cultural information;
- predominantly consist of articles by the paper's own editorial staff;
- not be primarily an advertising vehicle or press organ of an interest group;
- not be local in its interest, with circulation to a single province;
- have been in production for more than six months;
- be sold at a market price.

Belgium

Belgium has a long history of support for the media to ensure 'the greatest possible diversity within the daily press'²⁶ and encourage the reading of the press among students in primary, secondary and specialised schooling.

²⁴ Ibid 91.

²⁵ Ibid.

²⁶ Ibid 92.

²⁷ Rodney Benson and Matthew Powers, *Public Media and Political Independence: Lessons for the Future of Journalism from Around the World* (Free Press, 2011) 20

Indirect support for the newspaper sector in Belgium takes many forms and is organised by the federal government. Since 1963, Belgian law has recognised the status of a professional journalist, which attributes certain advantages to the recipient—including a press card, a pass granting access to restricted areas and discounts for public transportation and air travel with Brussels Airlines. Newspapers and magazines are transported at a favourable rate. In 1990 the value of this assistance was estimated at around 54.5 million euros annually. All newspapers and magazines with informative content for the general public that appear at least 50 times a year are exempt from the Value Added Tax (VAT)²⁷. Indirect support for Belgian media is substantial and significantly more than direct support. The precise total amount is hard to calculate as indirect funding is not always transparent and clear. However, Belgian researchers estimates the total for 2013 (the latest figure) to be at least 353 million euros²⁸. If you add this sum to the direct funding listed below, you arrive at substantial government generated funding for media in Belgium. Again, the rules for accessing funding applies to public interest journalism.

Under a law passed in 1988, direct government support is provided by the cultural community governments of Belgium. The Flemish Community government provides an annual public subsidy of 1.4 million euros to improve the quality of press writing (900 000 euros) and promote reading of the press (500 000 euros)²⁹.

The Francophone Community provides direct subsidies (6.4 million euros in 2006) to newspapers published in French ‘on paper with the help of a rotary press, with at least 200 paid editions per year, containing at least 16 pages of information, analysis and comment on political, economic, social, sporting, scientific and cultural matters, at national, international, community or regional level’ and complying with sectoral collective agreements. These subsidies are directed at:

- the employment of fulltime professional journalists
- titles or groups with low advertising revenue
- the creation of new titles
- encouraging the reading of the press
- adaptation of new technologies³⁰

²⁸ Karen Raeymaeckers, Els De Bens, Steve Paulussen, Annelore Deprez and Yannis Tenret ‘Media landscape: Belgium’ 8 November 2010 *European Journalism Centre* <www.ejc.net/media_landscape/article/belgium/>.

²⁹ <http://www.newmedia-law.com/news/what-state-subsidies-are-there-for-belgian-media-/>

³⁰ *Decree of 31 March 2004 (France), Relative to aid assigned to the daily Francophone press and to development of daily Francophone press initiatives for schools* quoted in Ibid 61-62.

Finland

Since the early 1970s, all newspapers in Finland are exempt from the VAT and enjoy reduced rates of delivery. This support is currently valued at around \$US400 million per year.

Traditionally, Finland used subsidies to keep politically-oriented newspapers afloat to ensure diversity. This system ended in 2008³¹.

As of 2009 Finland provides³².

- \$US700000 in direct subsidies to minority language (Swedish, Sami and Romani) publications
- \$US1.4 million in direct subsidies to 150 cultural and opinion journals.

A lively debate is currently underway in Finland if a version of the targeted minority support, listed above, should be available to mainstream media that practice public interest journalism. This public discourse is often centered on the amount of government funding for the public broadcaster, YLE.

The annual budget for YLE in 2016 was 477.5 million euro. The broadcaster had 3,077 employees in 2016. The money is raised via a special tax³³.

France

France has the oldest and probably the most complicated system of press support in Western Europe³⁴. Direct intervention in the press industry dates back to 1944 when the then Tripartite government, believing that a laissez-faire approach between the wars had led to domination of the press by capitalist financiers, provided aid to 'foster pluralism among newspaper titles'³⁵

According to the Directorate for Media Development, a dependent body of the Ministry of Culture and Communication, the main aims of France's press support system are threefold³⁶.

³¹ Rodney Benson and Matthew Powers, *Public Media and Political Independence: Lessons for the Future of Journalism from Around the World* (Free Press, 2011) 29.

³² Ibid 30.

³³ YLEISRADIO OY, Annual Report, 2016, <https://yle.fi/aihe/about-yle/annual-report>

³⁴ Peter Humphreys, *Mass Media and Media Policy in Western Europe*, (Manchester University Press, 1996) 104.

³⁵ Isabel Fernandez Alonso et al (eds) 'Press Subsidies in Europe' (Proceedings of the 'Symposium Press Subsidies in Europe: Development, Pluralism and Transparency, Barcelona 2006, Institut de la Comunicació, 2006) 65–66.

- Promoting circulation (21.7 million euros in 2005) by:
 - Reduced national rail service costs
 - support for decentralised printing
 - support for distribution and promotion overseas
 - support for home delivery by means other than post
 - support for regional and local weekly publications
 - support for the national distribution of daily general and political information press.
- Promoting diversity/pluralism (8 million euros in 2005) by:
 - additional support for national daily general and political information press with low advertising income
 - additional support for regional, provincial, local, general and political information press with low advertising income.
- Modernising and diversifying media companies to incorporate a multimedia dimension (47.7 million euros in 2005) by:
 - support for the development of online services in newspapers
 - support for the modernisation of production and distribution of national daily general and political information publications.

A further category of subsidies is for specific projects that are determined by a committee with 50 per cent representation from government and 50 per cent from media companies. A second committee consisting of representatives of the Audit Office, Ministry of Culture and Communication, and the Ministry of Economics ensures that funding is used for its assigned purposes.

There is also indirect support in the form of³⁷

- preferential postal rates
- a lower rate for the VAT

³⁶ Ibid 66–67.

- tax relief
- waiving of professional taxes for publishers
- promotion of newspaper reading, including support for the development of online interactive blog-style content allowing students to express their views on current issues with the agreement that the best contributions will be published in print.

In 2008, the crisis in the news media's business model prompted the French government, after lengthy consultation, to announce additional measures addressing the crisis that were to cost 600 million euros over three years. This includes:

- a ninefold increase in funding for home delivery of newspapers (now 70 million euros)
- free weekly newspaper subscriptions for 18–24 year olds
- extensive grants (20 million euros) for newspapers to develop their websites and to support online-only news outlets³⁸
- according to the latest available figures from the French government for the 2014 financial year, indirect and direct support to French media from the state totaled just over 1 billion euro³⁹

Italy

Subsidies were introduced in 1975 by a government concerned that the nation's press had come to be largely owned by major external corporations. The government aimed to promote pluralism in the industry. By calculating subsidies according to circulation, however, the biggest press owners were the main beneficiaries of the state's subsidy scheme, even though newspapers affiliated with political parties also benefited. In the 1980s Italy shifted to a system aimed more at newspaper cooperatives, cultural publications and party papers, but, according to one scholar, 'fairly indiscriminate indirect aid continued to flow to the Italian press industry at large'⁴⁰

From 1990 a new scheme was introduced. To be eligible for subsidies, a newspaper must⁴¹

- be primarily informational and published as a periodical

³⁷ Rodney Benson and Matthew Powers, *Public Media and Political Independence: Lessons for the Future of Journalism from Around*

the World (Free Press, 2011) 34.

³⁸ Peter Humphreys, *Mass Media and Media Policy in Western Europe*, (Manchester University Press, 1996) 104-105.

³⁹ Schweizer, C, et al, Public funding of private media, London School of Economics,
<http://www.lse.ac.uk/media@lse/documents/MPP/LSE-MPP-Policy-Brief-11-Public-Funding-Private-Media.pdf>

⁴⁰ *Law No. 250 of 7 (1990) art 3(3) (Italy)*

- have been established for at least three years, or have published an eligible publication for at least five years
- not generate advertising revenue exceeding 40 per cent of total operating costs.

Subsidies consist of:

- a fixed annual amount equal to 30 per cent of operating costs (capped per company)
- a variable contribution based on circulation figures.

The budget for these subsidies is set by the Minister of the Treasury.

The Netherlands

Between 1972 and 2005, press support in the Netherlands was heavily focused on providing assistance to struggling organisations to make them profitable. Decisions about assistance are made by the Press Fund, a board appointed by royal decree on the recommendation of the Minister for Culture. The board is provided with a budget approved by the Minister for Culture and drawn from a four per cent tax on advertising on both public service and commercial television⁴²

Assistance is provided in the form of temporary loans, credit facilities or subsidies for reorganisation or restructuring purposes to make the publication profitable in the near future.

To be eligible a newspaper must⁴³:

- shape readers' political opinions by providing news, commentaries and background information about a range of aspects of contemporary society
- be compiled by 'an independent editing team on the basis of a statute expressing their editorial identity of that press product'⁴⁴

⁴¹ *Law No. 250 of 7 (1990) art 3(8) (Italy)*

⁴² Lou Lichtenberg, 'State Aid to the Press in International Perspective: the Dutch Case' in Isabel Fernandez Alonso et al (eds) 'Press Subsidies in Europe' (Proceedings of the 'Symposium Press Subsidies in Europe: Development, Pluralism and Transparency, Barcelona 2006, Institut de la Comunicació, 2006) 107, 109.

⁴³ *Ibid* 110.

⁴⁴ *Ibid*.

- be available for sale, not a free newspaper
- have its continued existence threatened, and be unable to obtain support elsewhere.

In the period 1972–2005 the Press Fund distributed a total of 55 million euros in grants and 19 million euros in loans⁴⁵.

Between 1981 and 1990, the Netherlands also had a ‘Temporary Compensation Measure for Dailies’ which acted to ensure diversity in the marketplace. When this measure was discontinued in 1990 the most unsustainable newspapers rapidly disappeared. In 1990 the three major news organisations had a 45 per cent share of total circulation. This figure is now 90 per cent⁴⁶.

In 2007 the Press Fund changed to a more active policy of supporting research and innovation.

In 2009 the Ministry of Culture approved an increase in the Press Fund’s budget to 8 million euros with provision to fund ‘experiments in cross platform and multimedia journalism as well as research into the quality of journalism’.

The Netherlands government also allocated new funds to support the hiring of up to 60 new young journalists in the sector⁴⁷.

Norway

Norway provides assistance to ensure diversity and competition in the industry. Norway’s population of 5.3 million is distributed over 431 local communities, almost half of which have their own newspaper⁴⁸.

⁴⁵ Rodney Benson and Matthew Powers, *Public Media and Political Independence: Lessons for the Future of Journalism from Around the World* (Free Press, 2011) 45.

⁴⁶ Lou Lichtenberg, ‘State Aid to the Press in International Perspective: the Dutch Case’ in Isabel Fernandez Alonso et al (eds) ‘Press Subsidies in Europe’ (Proceedings of the ‘Symposium Press Subsidies in Europe: Development, Pluralism and Transparency, Barcelona 2006, Institut de la Comunicació, 2006) 107, 111-112.

⁴⁷ Rodney Benson and Matthew Powers, *Public Media and Political Independence: Lessons for the Future of Journalism from Around the World* (Free Press, 2011) 45.

⁴⁸ Bjørn Tore Østeraas, ‘Press Subsidies in Norway’, in Isabel Fernandez Alonso et al (eds) ‘Press Subsidies in Europe’ (Proceedings of the ‘Symposium Press Subsidies in Europe: Development, Pluralism and Transparency, Barcelona 2006, Institut de la Comunicació, 2006) 80, 80.

Subsidies are directed specifically towards newspapers in a ‘difficult market position’,⁴⁹

In 2006, direct subsidies were provided to 157 of Norway’s 220 ‘paid-for’ newspapers, totalling 36 million euros. This amounted to less than two percent of the total revenue of the press.

The budget for the subsidy is determined annually by parliament. Rates for determining the grant received by each newspaper are set by the Ministry of Culture and Church. The Norwegian Media Authority administers the subsidies⁵⁰

The largest and most important of the press subsidies is the ‘production subsidy’ which in 2006 was 32.5 million euros provided to 139 qualifying newspapers. To be eligible for this subsidy a newspaper must⁵¹:

- provide general news (that is, not be focused on a single issue)
- adhere to the editors’ code, set by the editors and publishers’ association
- grant editorial independence to its journalists⁵²
- not pay dividends to owners
- not have profits exceeding 220 000 euros per year
- Not be a free newspaper or an exclusively online publication.

More than three in four of the production subsidies go to non-competitive newspapers. These are newspapers that are⁵³:

- the number two (or worse) newspaper in their market
- unable to sustain themselves without the subsidy
- have a circulation between 2000 and 80 000 copies

⁴⁹ Ibid 81.

⁵⁰ Ibid 82.

⁵¹ Ibid 82–83.

⁵² Peter Humphreys, *Mass Media and Media Policy in Western Europe*, (Manchester University Press, 1996) 107.

⁵³ Bjørn Tore Østeraas, ‘Press Subsidies in Norway’, in Isabel Fernandez Alonso et al (eds) ‘Press Subsidies in Europe’ (Proceedings of the ‘Symposium Press Subsidies in Europe: Development, Pluralism and Transparency, Barcelona 2006, Institut de la Comunicació, 2006) 80, 83.

- be published three or more times per week.

The remaining production subsidies are divided among local newspapers with circulations of less than 6000.

There are additional subsidies for⁵⁴:

- Sami and other minority language newspapers
- compensation for rising mail postage rates
- certain publications—‘pet publications of members of parliament’
- support for distribution of newspapers in the remote province of Finnmark
- media research.

All Norwegian newspapers are also eligible for an exemption on the VAT on their sales. The value of this indirect subsidy was 160 million euros in 2005. In 2015 143 Norwegian media companies shared the direct media support from the government totaling 33.4 million euros⁵⁵.

Sweden

The system of press subsidies has existed since the beginning of the 1970s. They were introduced to ‘safeguard diversity in the daily newspaper market’⁵⁶

Subsidies are delivered by the Press Subsidies Council. This council consists of a 10-member board, seven of whom are appointed by political parties in the Swedish Parliament. It is chaired by a senior legal official such as a Justice of the Supreme Court⁵⁷

The value of Sweden’s subsidies is around 62.3 million euros per year⁵⁸ and is divided into two types, an operational subsidy and a distribution subsidy. Seventy-four of the 168 daily newspapers in Sweden receive an operational subsidy. The size of the subsidy is based on how often and where the newspaper is published. A newspaper must be published at least

⁵⁴ Ibid 84–85.

⁵⁵ Ministry of Culture (Sweden), *Press Support*, <www.sweden.gov.se/sb/d/14476>.

⁵⁶ Åsa-Britt Karlsson, ‘Press subsidies in Sweden,’ in Isabel Fernandez Alonso et al (eds) ‘Press Subsidies in Europe’ (Proceedings of the ‘Symposium Press Subsidies in Europe: Development, Pluralism and Transparency, Barcelona 2006, Institut de la Comunicació, 2006) 99, 99.

⁵⁷ Ibid 99.

⁵⁸ Ibid.

once a week, and support ranges from 226 000 euros annually for these papers up to

1.7 million euros for papers published three to seven times a week and 5.1 million for newspapers in metropolitan areas⁵⁹. These subsidies represent about three per cent of total Swedish press revenues, and for some newspapers are a much higher percentage⁶⁰. It is interesting to note that in 2015, the greatest recipient of the government subsidy was the conservative leaning daily newspaper Svenska Dagbladet who received 5.2 million euros⁶¹.

The distribution subsidies assist in the daily distribution of 900 million copies of 141 different newspapers. An additional feature of this subsidy is that it co-ordinates newspaper distribution around the nation, avoids inefficient parallel distribution by multiple companies and ensures the distribution of smaller papers⁶².

These subsidies are funded through a 10 per cent levy on all advertising, except for newspaper advertising, which attracts a three per cent levy. This tax covers the cost of the subsidy system and has generated a surplus for the state⁶³.

To be eligible for subsidies, a newspaper must⁶⁴:

- contain general news content or contribute to general political opinion-building
- generate more than half their news content themselves
- not be limited to special areas such as sport or religion
- be published in their own name
- be published at least once per week and sell at least 2000 copies to subscribers
- not be a free paper.

⁵⁹ Hjalmarsson, O, 'Så fördelar Sverige, Norge och Danmark pengarna', Alltinget, <http://www.altinget.se/artikel/grafik-saa-fordelar-sverige-norge-och-danmark-mediastodet>, 2016

⁶⁰ Rodney Benson and Matthew Powers, *Public Media and Political Independence: Lessons for the Future of Journalism from Around the World* (Free Press, 2011) 52.

⁶¹ Hjalmarsson, O, 'Så fördelar Sverige, Norge och Danmark pengarna', Alltinget, <http://www.altinget.se/artikel/grafik-saa-fordelar-sverige-norge-och-danmark-mediastodet>, 2016

⁶² Åsa-Britt Karlsson, 'Press subsidies in Sweden,' in Isabel Fernandez Alonso et al (eds) 'Press Subsidies in Europe' (Proceedings of the 'Symposium Press Subsidies in Europe: Development, Pluralism and Transparency, Barcelona 2006, Institut de la Comunicacio, 2006) 99, 100.

⁶³ Rodney Benson and Matthew Powers, *Public Media and Political Independence: Lessons for the Future of Journalism from Around the World* (Free Press, 2011) 53.

⁶⁴ Åsa-Britt Karlsson, 'Press subsidies in Sweden,' in Isabel Fernandez Alonso et al (eds) 'Press Subsidies in Europe' (Proceedings of the 'Symposium Press Subsidies in Europe: Development, Pluralism and Transparency, Barcelona 2006, Institut de la Comunicacio, 2006) 99, 101.

In 2007 the online-only publication *Politiken.se* became the first online publication to be deemed eligible. It received a reduced amount of the operational subsidy (55 per cent of the weekly newspaper rate)⁶⁵.

Sweden's direct subsidies are important reasons for the internationally-strong position of the Swedish press. Swedish newspaper readership rates have traditionally been among the highest in the world⁶⁶.

The United States

58. In 1792, the year after the United States Congress enacted the First Amendment to the Constitution, it passed the Post Office Act that, as well as establishing an organised postal system, authorised a subsidy for newspapers sent through the mail, as most were in the eighteenth century. Newspaper proprietors could also send each other copies of their newspapers for free, creating the first collaborative news reporting network.

While the First Amendment forbade the federal government from abridging freedom of the press, the founders' commitment to broad circulation of public information produced policies that made a free press possible⁶⁷.

59. In 1863, under pressure from the magazine industry, the United States government created 'second-class mail' for regular publications that disseminated 'information of a public character, or be devoted to literature, the sciences, arts, or some special industry' and two decades later Congress reduced second-class postal rates by two-thirds, which led to the growth of the low-price mass-circulation magazine and, indirectly, to a magazine industry for which the United States is known worldwide⁶⁸. Between 1895 and 1900, the number of

⁶⁵ Rodney Benson and Matthew Powers, *Public Media and Political Independence: Lessons for the Future of Journalism from Around the World* (Free Press, 2011) 53.

⁶⁶ Ibid 52.

⁶⁷ Leonard Downie and Michael Schudson, 'The Reconstruction of American Journalism' 20 October 2009 *Columbia Journalism Review* <www.cjr.org/reconstruction/the_reconstruction_of_american.php>.

⁶⁸ Steven Waldman and the Working Group on Information Needs of Communities, *The Information Needs of Communities*, (Federal Communications Commission, 2011) 338.

magazines with a 100 000-plus circulation quadrupled; by 1905 the number had nearly doubled again. This indirect form of tax payer aid covered around 75 per cent of total delivery costs for newspapers and magazines; it has been particularly helpful for opinion and political magazines, which have always had difficulty attracting advertisers.

The United States was also quick to decide on the merit of using the press to publish public notices. The Acts of the First Session of Congress stipulated that ‘all bills, orders, resolutions and congressional votes be published in at least three publicly available newspapers’. These notices have continued since; encompassing the range of government activities—from zoning changes and school district budgets to bankruptcy notices and seized-property auctions. For newspapers this has meant a steady income stream, amounting to between 5 and 10 per cent of total revenue in 2000 according to the National Newspaper Association in the United States⁶⁹.

Postal subsidies have declined in relative importance as other media—radio, television and online—have developed. By 1967 postal subsidies were worth around US\$400 million annually to the print media. The postal system was foregoing so much revenue that eventually Congress was prompted to pass another Act, in 1970, to help put the post office on a sustainable financial footing. Since then, postal subsidies for newspapers and magazine have declined dramatically but were still worth US\$270 million in 2007⁷⁰.

The emergence of the internet has also affected the requirement that public notices be published in newspapers. Around 40 states in America have introduced legislation to move their public notices to the web but so far most have not succeeded, partly because access to the internet is still not universal in some rural communities and among low-income groups⁷¹.

⁶⁹ Matthew Weber, *Insult to injury: The disappearance of public notices in US newspapers*, (University of Southern California Annenberg Center on Communication Leadership & Policy, 2010) 2.

⁷⁰ Rahul Nilikantan, *Postal subsidies*, (University of Southern California Annenberg Center on Communication Leadership & Policy, 2010).

⁷¹ Geoffrey Cowan and David Westphal, ‘The Washington-Madison Solution’ in Robert W McChesney and Victor Pickard, *Will the Last Reporter Please Turn Out the Lights: The collapse of journalism and what can be done to fix it* (The New Press, 2011) 135.

Government support of broadcasting

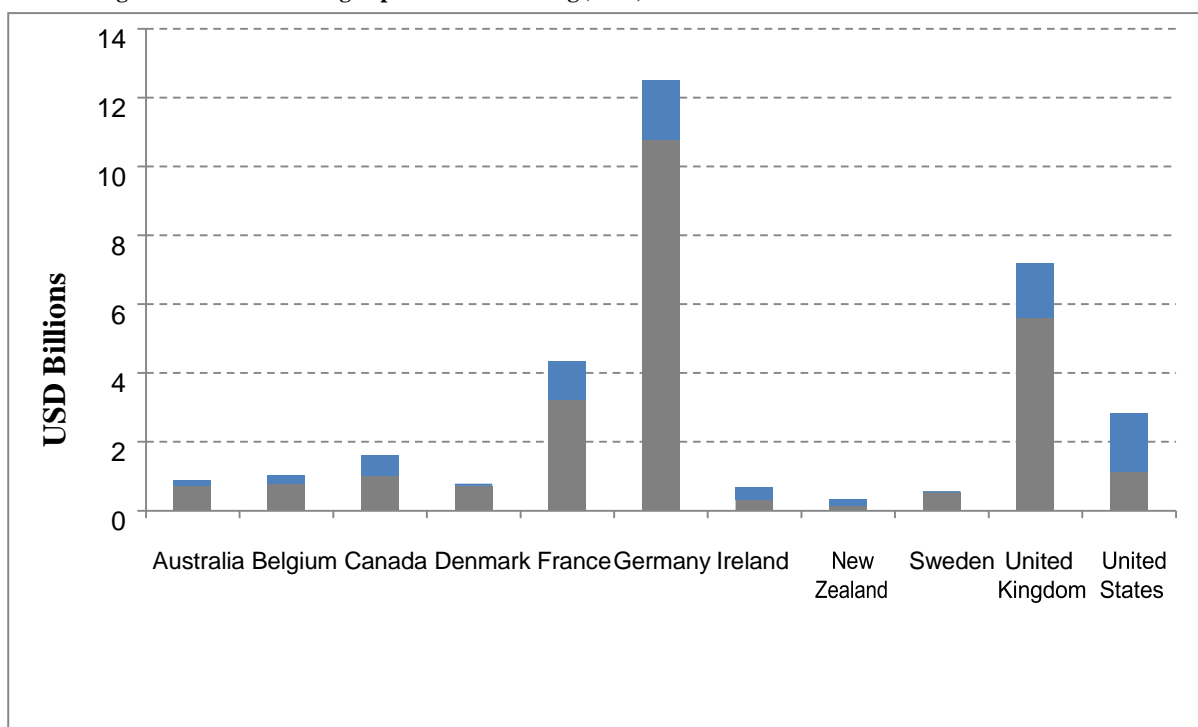
Government support for broadcast media is reasonably wide spread, partly because spectrum has been considered a scarce resource that should be allocated to best serve the public interest and partly because governments soon became aware of the influence of broadcast media. It should be noted that not all public broadcasters are funded to a level that enable them to produce public interest journalism consistently and to a high quality. There are also some government funded broadcasters that lack a sufficient charter of editorial independence from government to be considered producers of independent public interest journalism. These broadcasters are not included in this summary. Further, as made evident by the research presented in the figures below, Australia is lagging behind other major public broadcaster nations in the world, funding the ABC and SBS below the world public broadcasting average per capita.

Funding public broadcasters

Government support for broadcast media is more widespread than for the newspapers⁷².

The following table compares public funding and private funding in the broadcasting sector in a selection of countries. The grey part of the bars is government funding, the blue is private funding/income,

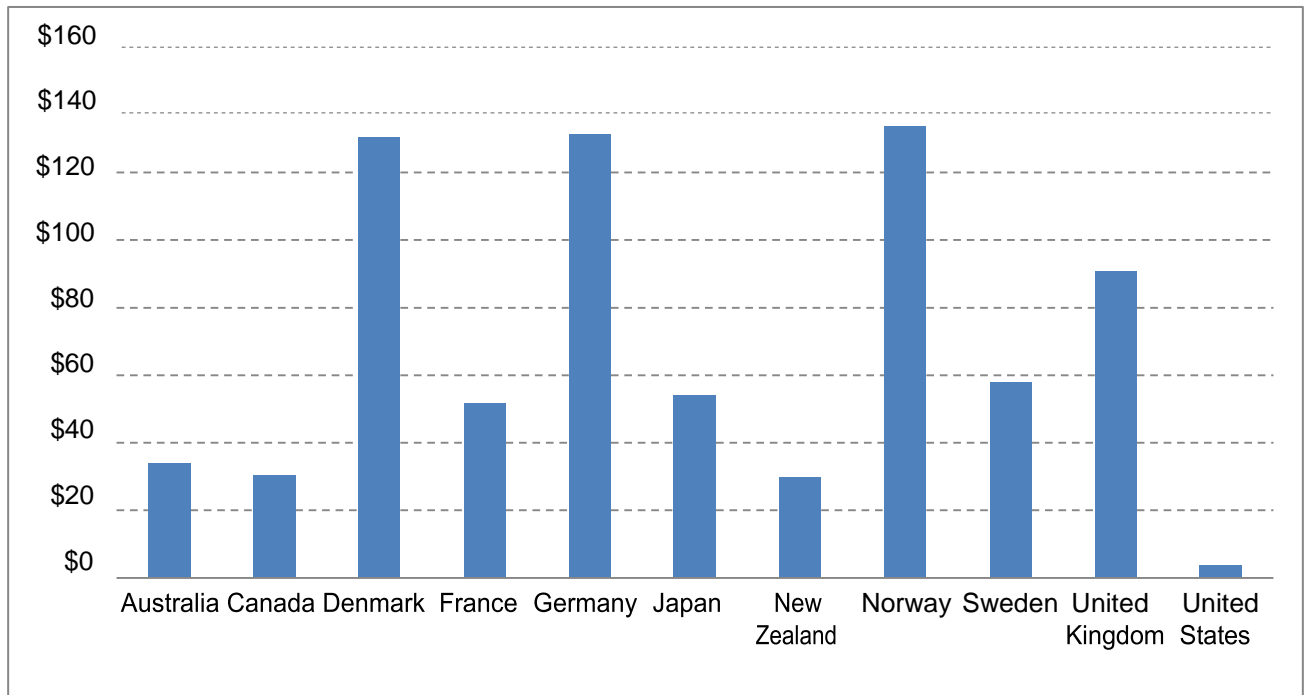
Figure 1: Annual funding of public broadcasting (2008)



Source: Rodney Benson and Matthew Powers, *Public Media and Political Independence: Lessons for the Future of Journalism from Around the World* (Free Press, 2011) 61.

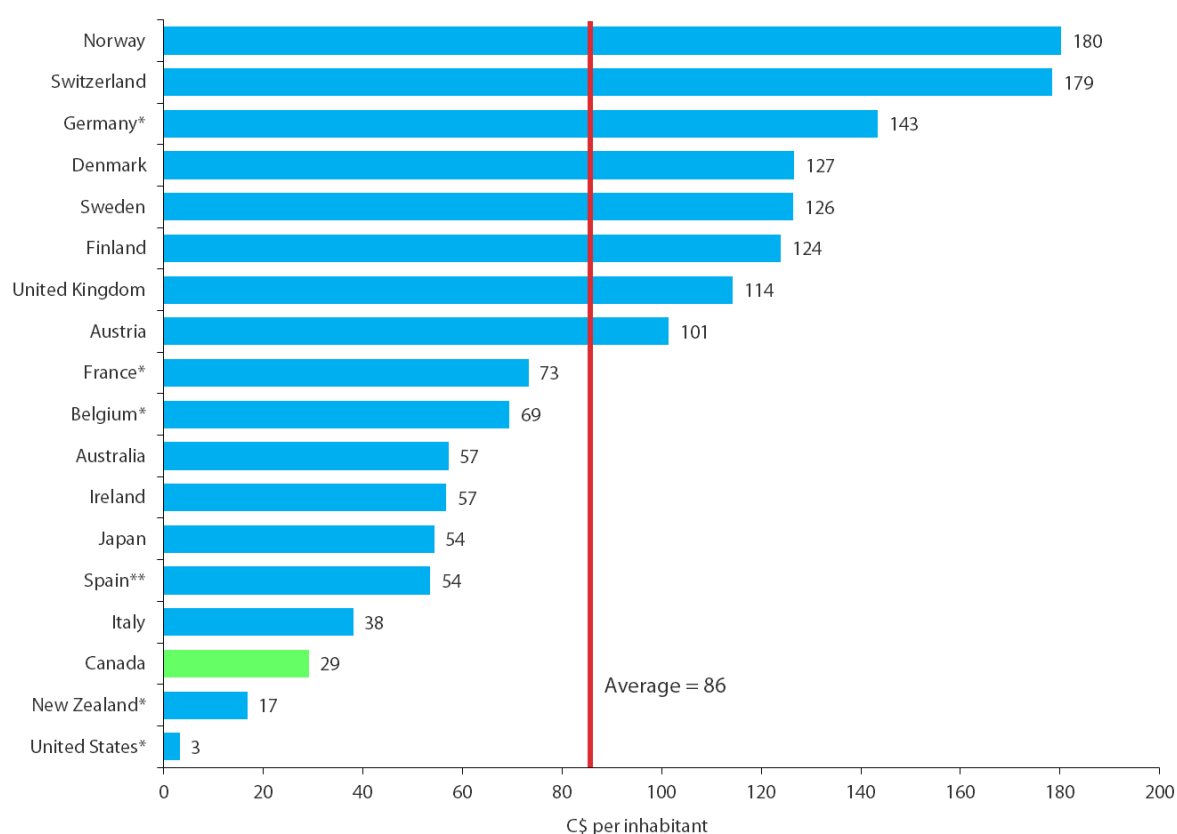
⁷² See further discussion in Toby Mendel, *Public Service Broadcasting: A Comparative Legal Survey* (UNESCO, 2nd revised edition, 2011) 95.

Figure 2: Per-capita funding of public broadcasters (\$US 2008)



Source: Rodney Benson and Matthew Powers, *Public Media and Political Independence: Lessons for the Future of Journalism from Around the World* (Freepress, 2011) 61.

Figure 3 Per capita public funding for public broadcasters, 2014[†]



Source: Nordicity analysis of annual reports of public broadcasters⁷³

[†]Excludes any commercial revenue earned by public broadcasters.

*Includes certain data for 2013 fiscal year due to unavailability of data for 2014.

** Statistics for Spain are for 2013 fiscal year and include autonomous region public broadcasters.

It should be noted that the Australian Broadcasting Corporation experienced a significant drop in funding from 2015 onward. This will put Australia even further below the international per capita average of funding for public broadcasting. Please also note that figure three uses Canadian dollars, figure two uses US dollars. One

⁷³ Nordicity, 'Analysis of overnment support for public broadcasting', <http://www.cbc.radio-canada.ca/files/cbrcr/documents/latest-studies/nordicity-public-broadcaster-comparison-2016.pdf>, 2016.

\$US equals \$CAN 1.35. The Nordicity report offers the following conclusions regarding long term funding trends for public broadcasters from a comparative perspective.

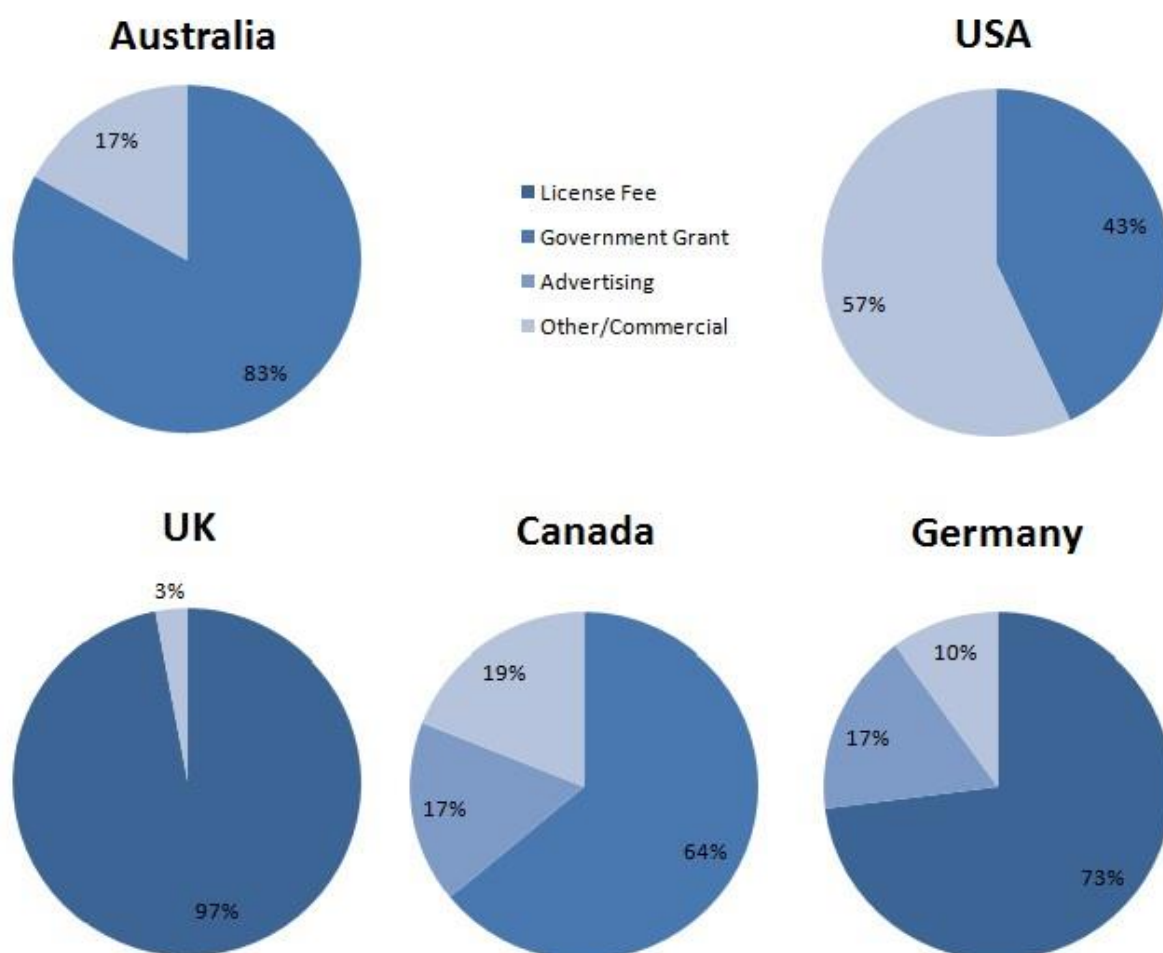
As in previous editions of this study, only New Zealand and the US posted lower levels of public funding. Canada's level of public funding was 64% less than the \$86 average across the 18 comparison countries. This average, however, belies the fact that there was a wide variation in the per capita levels of public funding across Western countries...in summary... we note that levels of public funding are clearly higher in northern European countries, and lower on the southern and western edges of Europe as well as outside of Europe⁷⁴.

⁷⁴ ibid, p. 9

Funding models

Public broadcasters generally receive their funding from a mix of public and commercial sources. Typically, public funding comes from license fees, other specific taxes or direct funding grants from consolidated revenue.

Figure 4 :Sources of funding for public broadcasters(2008)



Source: Rodney Benson and Matthew Powers, Public Media and Political Independence: Lessons for the Future of Journalism from Around the World (FreePress, 2011)

License fees are compulsory levies on television and radio users. They are extensively used internationally, particularly in Europe. There are differences between countries in the collection and distribution of license fees.

In the United Kingdom, the licence fee is set by government⁷⁵, collected by the British Broadcasting Corporation (BBC)⁷⁶, placed into consolidated revenue, and an almost equal amount provided back to the broadcaster⁷⁷. According to the BBC's 2010–11 annual report, around three percent of the value of the licence fee is expended in collecting it⁷⁸. Since 2006 the licence fee has been classified as a tax, and there have been arguments that this re-classification affects both the expectations of the auditing and control over the fee and the status of the BBC as a public body.

In France, the licence fee is bundled with the French residence tax and is incorporated into the general tax collection system. Combining the collection within the general system is an efficiency measure reducing the duplication of costs. This is also achieved by Poland's approach of having the fee collected by the Post Office⁷⁹.

⁷⁵ British Broadcasting Corporation 'The license fee' *Inside the BBC*, 2011
<www.bbc.co.uk/aboutthebbc/insidethebbc/whoweare/licencefee>.

⁷⁶ *Communications Act 2003* (UK) s 365(2).

⁷⁷ Department for Culture, Media and Sport (UK), Broadcasting, *An Agreement Between Her Majesty's Secretary of State for Culture, Media and Sport and the British Broadcasting Corporation* (2006) s 75.

⁷⁸ British Broadcasting Corporation *BBC Annual Report and Accounts 2010/11* (2011).

⁷⁹ Toby Mendel, *Public Service Broadcasting: A Comparative Legal Survey* (UNESCO, 2nd revised edition, 2011) 58.

France has also experimented with taxes on television advertising and the telecommunications sector to fund their national broadcaster. This additional funding has been required as a result of the phasing out of advertising on the public broadcaster since 2000. This taxation has been of limited success. In 2011 the European Commission took France (and Spain) to court over their taxes on the telecommunications sector⁸⁰

Another tax, on internet advertising, known colloquially as the ‘Google tax’ was proposed in 2010 but following substantial opposition the legislation was dropped in 2011⁸¹.

In Thailand, the national broadcaster Thai PBS receives its annual funding from taxation on tobacco and liquor. A portion of this income, collected by the Excise and Customs department, is provided direct to the broadcaster, without becoming part of consolidated

⁸⁰ AFP ‘France, Spain for court over telecom tax’ *France 24*, 14 March 2011 <www.france24.com/en/20110314-france-spain-head-court-over-telecom-tax-european-commission>.

⁸¹ Eric Pfanner ‘France Drops Plans for “Google Tax”’ *The New York Times* 23 June 2011 <www.nytimes.com/2011/06/24/technology/24iht-google24.html?_r=2>.

revenue. The amount is capped at two million baht (approximately \$A61 million), but can be adjusted by the Minister of Finance every three years⁸².

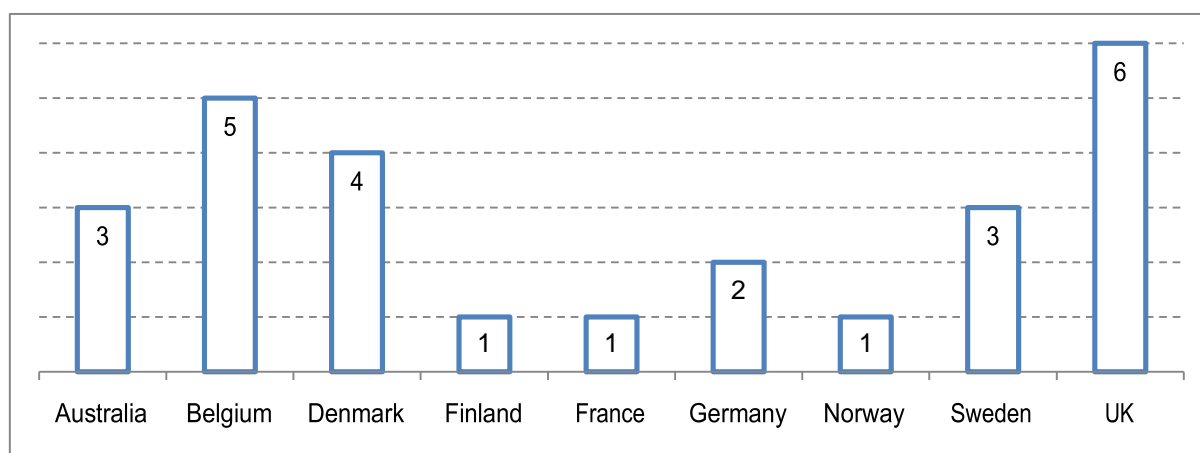
Alternatively, national broadcasters can be funded with direct grants from government. This approach is used in Australia and Canada.

A common feature of national broadcasting funding models is multi-year funding agreements. As articulated in the Council of Europe *Guidelines on the guarantee of public service broadcasting*:

*Payment of the contribution or licence fees should be made in a way which guarantees the continuity of the activities of the public service broadcasting organisation and which allows it to engage in long-term planning*⁸³.

Benson and Powers express the benefits slightly differently, claiming that funding for multi-year periods lessens ‘the capacity for government to directly link funding to either approval or disapproval of programming.’⁸⁴

Figure 5: Length of funding cycles in years for public broadcasters



Source: Toby Mendel, *Public Service Broadcasting: A Comparative Legal Survey* (UNESCO, 2nd revised edition, 2011)

⁸² Toby Mendel, *Public Service Broadcasting: A Comparative Legal Survey* (UNESCO, 2nd revised edition, 2011) 72.

⁸³ Recommendation No. R (96) 10 Guidelines on the guarantee of public service broadcasting (Council of Europe) 1996.

⁸⁴ Rodney Benson and Matthew Powers, *Public Media and Political Independence: Lessons for the Future of Journalism from Around the World* (Free Press, 2011) 12.

Other support models

There are a number of other potential models suggested for the support of the media. In many cases these models focus on supporting or encouraging the start-up of the small, independent, and citizen-driven news sources that are emerging online. Given the size of the disruption to the traditional commercial media business model caused by digitization and on line publishing, it is highly likely that the future sustainable way of funding public interest journalism will be a combination of funding sources where governments will be one actor.

Encouraging private investment and philanthropic contributions in non-profit press organisations

Examples of philanthropically-funded non-profit press are beginning to emerge, especially in the United States, which has a well-developed philanthropic sector. In 2007 *ProPublica.org* was founded with a gift of \$US30 million from billionaire philanthropists Herb and Marion Sandler⁸⁴.

In Australia *The Global Mail (TGM)* is an example. The online publication, funded for a guaranteed five years by philanthropist Graeme Wood, began in February 2012.

*The Global Mail is a philanthropically funded, not-for-profit news and features website. Our mission is to deliver original, fearless, independent journalism*⁸⁵.

Unfortunately, *The Global Mail* folded in early 2014. It does seem that the TGM may have inspired other new journalistic ventures in Australia such as *The Saturday Paper (SP)* and *The New Daily (ND)*. The SP is funded and backed by the philanthropist and publisher Morry Schwartz and the ND draws much of its funding from the Australian Industry Super Funds network.

Other media organisations funded by trusts include *The St Petersburg Times*, *The Christian Science Monitor*, *Harper's*, and *The Guardian*.

A role for government in non-profit journalism is in making investment and philanthropic contributions to these organisations more attractive. Several methods for doing this that have been suggested.

One is to make donations towards non-profit or low-profit journalism organisations tax– deductible or exempt. This provision exists in the United States and is seen by the Federal Communications Commission as effective. In its July 2011 report, the FCC noted:

*The fact that donations to non-profit media are tax-deductible serves as an incentive for citizens to lend financial support to organizations whose missions they value.*⁸⁶

⁸⁴ Paul E Steiger, 'Going online with watchdog journalism', *Nieman Reports*, Spring 2008
<www.nieman.harvard.edu/reportsitem.aspx?id=100064>.

⁸⁵ The Global Mail, *Our Mission* <www.theglobalmail.org/about>; Paddy Manning 'What if public-interest journalism had a white knight: a media start-up is born, packed with pedigree' *The Sydney Morning Herald* 31 December 2011
<www.smh.com.au/national/what-if-publicinterest-journalism-had-a-white-knight-a-media-startup-is-born-packed-with-pedigree-20111230-1pffl.html>.

⁸⁶ Steven Waldman and the Working Group on Information Needs of Communities, *The Information Needs of Communities*, (Federal Communications Commission, 2011) 328.

This is facilitated in the United States by legislation. Numerous states have implemented instruments enabling ‘Low profit limited liability corporations’ (L3Cs). This is a business form enabling tax-protected investment in companies producing a social good, but also generating small profits.

An example is the Vermont L3C legislation which defines an L3C corporation as one which satisfies the following criteria⁸⁷:

- ‘significantly furthers the accomplishment of one or more charitable or educational purposes’
- ‘no significant purpose of the company is the production of income or the appreciation of property’
- ‘no purpose of the company is to accomplish one or more political or legislative purposes’
- the name of the company ‘shall contain the abbreviation L3C or l3c’.

An alternative model which may be more conducive to Australia’s existing regulatory regime may be to grant a charitable or tax exempt status to a category of non-profit media organisation. The consequences of such recognition would likely be exemption from FBT and GST, plus tax deductible status.

Expanded role for existing public institutions

Len Downie, a former executive editor of *The Washington Post*, and Professor Michael Schudson, in their 2009 survey *The Reconstruction of American Journalism*, proposed an expanded role of existing public institutions as a potential means for funding the creation of quality journalism⁸⁸. Their proposal included expanding the scope of national broadcasters to create a broader range of journalism, such as greater capacity for local news.

⁸⁷ *Corporations, Partnerships and Associations* 11.21 Vt Stat Ann § 3001(27) (2008).

⁸⁸ Leonard Downie and Michael Schudson, *The Reconstruction of American Journalism* 20 October 2009 *Columbia Journalism Review* <www.cjr.org/reconstruction/the_reconstruction_of_american.php>.

Alternatively or additionally, universities could be funded to be sources of local and accountability journalism. They could be funded to provide faculty positions for individual journalists and so could become laboratories for experiments in innovative ways of gathering and publishing public interest journalism.

Direct funding programs

News vouchers

Internet news vouchers are a mechanism for providing public funding for private media while minimising the potential for improper government influence. Funding for organisations is tied to popular vote by readers. People who read a news article that helped their political understanding can click a box and vote for the article⁸⁹. Their votes would be sent to a National Endowment for Journalism that then rewards or recompenses organisations according to the number of votes they receive. Bruce Ackerman, a professor at Yale University, is the main proponent of this scheme which is a variation on the so-called ‘Artistic Freedom Vouchers’ and the ‘Citizenship News Vouchers’ put forward by an economist, Dean Baker, in 2003⁹⁰.

It is widely-acknowledged that such a scheme could be abused but, writes Ackerman, endowment funds would give news organisations a powerful incentive to commission investigative journalism aimed at broad public concerns and political commentary that sets news in a context.

Research and development (R&D) fund for journalistic innovation

Proposed by Pickard, Stearns and Aaron in their report *Saving the News: Toward a National Journalism Strategy*, an R&D fund would be aimed at encouraging new methods and business models for journalism. This could be achieved through creating a research

⁸⁹ Robert W McChesney and Victor Pickard, *Will the Last Reporter Please Turn Out the Lights: The collapse of journalism and what can be done to fix it* (The New Press, 2011) 299-305

⁹⁰ Dean Baker, *The Artistic Freedom Voucher: An Internet Age Alternative to Copyrights*, (Center For Economic and Policy Research, 2003) <www.immagic.com/eLibrary/ARCHIVES/GENERAL/CEPR_US/C031105B.pdf>.

institution, or funding cooperative partnerships between the newspaper industry and existing research institutions⁹¹.

The model suggested by Victor Pickard et al is a ‘taxpayer-supported venture capital firm’⁹¹ that invests an annual budget in new business models. A precedent for the fund is the Telecommunications Development Fund created by the United States Telecommunications Act of 1996 which focused investment ‘in small businesses that produce important public goods in the communications sector that were ignored by for-profit venture capital’.

Federal Writers Project

Also suggested by Pickard *et al.*, the Federal Writers Project is a reviving of a 1930s United States program that employed journalists who had lost their jobs in the great depression. The project would directly employ a large number of journalists and writers to produce significant works, especially in those areas under-reported or overlooked by commercial and public media⁹².

National Endowment for Journalism

Modelled on endowment schemes more commonly seen in cultural/arts policy, this would be a government-appointed but otherwise independent institution administering grants to support public interest journalism. The endowment could be tailored to support specific goals such as increasing online journalism or increasing the number of stories of relevance to minority communities or other under-served regions. The endowment would be funded primarily from the federal budget, with some money from donations⁹³.

Options proposed in submissions

Submissions to the 2012 Independent Inquiry Into the Media and Media Regulation proposed a number of options for public funding of the media in Australia.

⁹¹ Victor Pickard, Josh Stearns and Craig Aaron, *Saving the News: Towards a national journalism strategy* (Free Press, 2009) 26.

⁹² Ibid 44.

⁹³ Ibid 25–26.

An often-cited list of recommendations came from Bill Birnbauer, at the time of the inquiry a senior lecturer in journalism at Monash University. His recommendations to ‘increase media diversity in Australia and enhance the opportunities for non-profit online startups’⁹⁴ were:

- (a) to provide tax deductibility for donations made to non-profit investigative and quality journalism organisations⁹⁵
- (b) direct public funding of organisations that produce investigative journalism through an independent funding mechanism such as the Australia Council⁹⁶
- (c) create a non-profit organisation to compile, edit and publish university-based journalism students on a national website⁹⁷.

These recommendations were cited and supported in submissions by:

- (d) Senator Bob Brown⁹⁸
- (e) The Public Interest Journalism Foundation⁹⁹
- (f) Professor Wendy Bacon¹⁰⁰
- (g) Dr Margaret Simons¹⁰¹

Dr Birnbauer has also made a submission to the current inquiry on the future of public interest journalism which draws on his recent PhD research.

Dr Margaret Simons additionally recommended the establishment of innovation clusters for news media, perhaps centred around universities¹⁰².

The Media, Entertainment and Arts Alliance also had a suite of recommendations in their submission to the inquiry¹⁰³.

- (h) additional support for the national broadcasters (ABC and SBS)
- (i) tax breaks for non-profit ventures

⁹⁴ Bill Birnbauer, Submission to the Independent Media Inquiry, 2011, 2.

⁹⁵ Bill Birnbauer, Submission to the Independent Media Inquiry, 2011, 2.

⁹⁶ Bill Birnbauer, Submission to the Independent Media Inquiry, 2011, 2.

⁹⁷ Bill Birnbauer, Submission to the Independent Media Inquiry, 2011, 2.

⁹⁸ Senator Bob Brown, Submission to the Independent Media Inquiry, 2011, 3.

⁹⁹ Public Interest Journalism Foundation, Submission to the Independent Media Inquiry, 2011, 3.

¹⁰⁰ Wendy Bacon, Submission to the Independent Media Inquiry, 2011, 15.

¹⁰¹Dr Margaret Simons, Submission to the Independent Media Inquiry, 2011, 8. ¹⁰²Dr Margaret Simons, Submission to the Independent Media Inquiry, 2011, 8.

¹⁰³Media, Entertainment & Arts Alliance, Submission to the Independent Media Inquiry, 2011, 13–16.

- (c) reducing or abolishing GST on newspapers and magazines and advertising in news publications
- (d) encouraging consumption and production of journalism in schools
- (e) copyright reform to protect news content
- (f) a new levy on internet service providers
- (g) tax breaks for 'low-profit' ventures
- (h) tax deductions for increased expenditure on news
- (i) government advertising and public notices.

The submission from Peter Browne¹⁰⁴ aimed at finding funding proposals from overseas that could work well or be adapted to Australian circumstances. This included the following:

- (a) Realigning existing postal subsidies to increase the discount for news and current affairs publications and reduce the discount for special interest or advertising-heavy magazines.
- (b) Tax credits for newspapers for each journalist employed and Citizenship News Vouchers would need to be targeted more widely than simply to non-profit news sources.
- (c) If the range of legal structures available to media organisations was expanded this would improve their chances of surviving. A version of the L3C company structure would allow both commercial and philanthropic organisations to invest in media companies. Citing proposals from a 2010 senate inquiry, he said if the definition of a charity was expanded the news media could be included.

The submission from *The Global Mail* had a number of proposals specifically to support online, not-for-profit journalism by¹⁰⁵:

- (d) tax-deductible status for philanthropic and public donations
- (e) relieving such organisations from state-based payroll taxes

¹⁰⁴ Peter Brown, Submission to the Independent Media Inquiry, 2011, 9-13.

¹⁰⁵ *The Global Mail* (Digital Global Mail), Submission to the Independent Media Inquiry, 2011, 8-9.

- (c) a government fund for innovative journalism projects and the information technology that supports them
- (d) compensation for the expenditure of establishing partnerships with international non- profit news organisations
- (e) funding support for the translation of reportage into other languages
- (f) assistance for establishing international reporting bureaux
- (g) government providing more data and information online.

The submission from Peter Mair provided a clear model for funding. This consisted of \$1 billion in annual funding, split 75 per cent for mass media and 25 per cent for ‘specialist ‘current affairs’ magazine and internet publishers’¹⁰⁶ These funds would be distributed by a revamped press council and would be measured against ‘guidelines protecting commercial objectivity and commercial balance in material presented to the community’¹⁰⁷. Mr Mair also called for public assistance to ‘establish and promote micro-pricing options’¹⁰⁸ for news organisations.

The submission from the Griffith Centre for Cultural Research provided an examination of community broadcasting and press subsidy models in Australia and Europe and concluded with a recommendation for ‘the establishment of a statutory body, funded by the Australian Government, which distributes seeding grants, production subsidies and operational subsidies to smaller and independently-owned publications, news websites and other media outlets which contribute to information diversity and public debate on current issues’¹⁰⁹.

¹⁰⁶ Peter Mair, Submission to the Independent Media Inquiry, 2011, 4.

¹¹⁰⁷ Peter Mair, Submission to the Independent Media Inquiry, 2011, 4.

¹⁰⁸ Peter Mair, Submission to the Independent Media Inquiry, 2011, 5.

¹⁰⁹ Dr Susan Forde, Professor Michael Meadows, Dr Kerrie Foxwell-Norton, Submission to the Independent Media Inquiry, 2011, 1.