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Experts at loggerheads over govt subsidisation of newspapers

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By Alexandra Roach

<http://www.adnews.com.au/journalists/alexandra-roach>

Labor MP Dr Andrew Leigh has begun a concerted push promoting government subsidisation of newspapers in order to sustain costs of journalism, but the idea has not been met with universal support.

With both of the nation's major newspaper publishers, Fairfax Media and News Limited, undergoing major corporate restructures and thousands of journalists losing their jobs in order to cut costs, the issue of how to fund journalism is a hot-button issue.

Leigh will be speaking today on the topic of the future of the media at the University of Canberra.

"A significant problem [for publishers] is sustaining the economics of quality journalism," said Leigh. "Financial pressures ... will make it more difficult to sustain innovations such as investigative journalism, a readers' editor, or high-quality pattern journalism that puts a story into its proper context."

Leigh argued that any cost to the public purse would need to pass strenuous public interest tests, but a "better-informed public" would be worth the cost.

Academics have agreed that steps need to be taken to ensure the future of quality journalism in Australia.

"The cost of journalism until now has been supported by the ad-supported business model newspaper publishers have always used, but that business model is no longer working," UNSW associate professor of journalism Dr David McKnight told *AdNews*. "Both of Australia's main newspaper groups are in crisis or are about to be and if the newspaper companies go under, it would be good to still have diverse sources of news."

"It is possible to design forms of public support for public interest journalism and investigative journalism is a good thing. Our society has always benefited from good journalism. Public subsidies for journalism are not unheard of in Australia: look at the ABC. There is an independent board to make sure Australians see independent journalism."

But not everyone agrees, with media analyst Steve Allen arguing it is "dangerous" to have the ruling



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government's hands overseeing funding.

"I think it's an appalling idea to have government subsidies," Allen said. "The independence of news outlets is vital and the danger is going down the same path as China and North Korea because. You have to look at it through prism of the worst government behaviour possible because he who signs the cheques, has more of a say."

"The uproar about Gina Rinehart wanting a Fairfax board seat would pale into insignificance if the government gave money to newspapers. You won't get that thorough analysis of news if the government is handing out the dollars.

"If you bite the hand that feeds you, you won't last long."

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One of the biggest areas of concern in this debate - and rarely discussed - is community and local newspapers. It is here that journalists can make a real contribution to local knowledge and debate, but it is rarely funded by the likes of Woolworths and Coles (despite their claims to be community minded!). And the ABC doesn't cover off the work of local government, either. Co-existing with government agencies in this area of publishing is the real front line of journalism.

[Peter Lynch](#)

<http://www.bigsplashmedia.com.au> from Australia on 02-Aug-12 6:43AM

A Typical Labor MP shooting off his mouth before thinking. The ABC is the public supported News service and will always be the bench mark of true investigative journalism.

Rick from ACT on 01-Aug-12 4:12PM

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