Examining the viability of nonprofit investigative journalism in Australia

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ABSTRACT

The nonprofit investigative journalism model has arguably been most prevalent and successful in the United States. But how applicable is the US model in other countries? There is currently no model or framework with which to assess the long-term viability of nonprofit investigative journalism in Australia. This thesis has developed such a model so that future attempts at establishing such an organization in Australia might prove more fruitful and or that the appropriate changes are made at a government policy level to ensure future sustainability. To establish whether nonprofit investigative centers are viable in Australia this thesis has, through research and interviews, identified five contributing factors to the long-term sustainability of nonprofit investigative journalism. It has examined these factors as they relate to Australia and the US, and compared and contrasted the results. By analyzing three successful nonprofit investigative centers in the US, and the only similar but much smaller model in Australia, which recently closed, this thesis has found that the future of philanthropically funded journalism in Australia is grim, largely as a result of a lack of economic incentives, which further reduces the already underdeveloped philanthropic culture. In contemplating the implications of this body of work there are some obvious changes that could be implemented within Australia to improve the current landscape for nonprofit investigative journalism. Short of these changes there are other potential models that may overcome the limitations the Australian landscape faces. While this thesis is primarily focused on Australia, the findings, especially as they pertain to the five contributing factors to sustainability, are likely applicable to other geographies.

ACKNOWLEDGEMENTS

To my friends and colleagues at *The Canberra Times*, from whom I have learned so much, I will always be grateful. I hope in some small way this thesis will benefit those who endeavor to better the profession of journalism.

I would also like to express my sincere gratitude to my advisor Christopher Wren for his patience, motivation, enthusiasm and immense knowledge. A very special thanks goes to Ron Edsforth for his expertise, continuous support of my research, and guidance over the past year and a half. I would also like to thank Jack Shepherd for his insight and advice.

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INTRODUCTION

No model or framework exists to assess the viability of nonprofit investigative journalism in Australia. This thesis aims to develop such a model so that one can establish whether nonprofit investigative centers are viable in Australia. Such centers could potentially increase the diversity of media voices in Australia – important given the country has one of the most concentrated media markets in the developed world. Further, they might be a means of ensuring Australians continue to have access to healthy amounts of journalism which safeguards democracy.

In order to establish whether nonprofit investigative centers are viable in Australia this thesis has, through research and interviews with media industry experts in Australia and America, identified five contributing factors to the long-term sustainability of nonprofit investigative journalism. The various drivers that inform the viability of nonprofit investigative journalism in Australia are: an engaged population, existing infrastructure and propensity to use Internet, philanthropic culture, economic incentives such as tax breaks, and journalism training. This thesis examines these factors as they relate to Australia and the US, and compares and contrasts the results. By analyzing three successful nonprofit investigative centers in the US – ProPublica, The Center for Public Integrity, and its offshoot the International Consortium of Investigative Journalists, and the only similar, but much smaller model in Australia, the recently closed Global Mail, this thesis has found that the future of philanthropically funded journalism in Australia is grim, largely as a result of an underdeveloped philanthropic culture and a lack of economic incentives.

This thesis has also developed this model for assessing the viability of nonprofit investigative journalism centers so that future attempts at establishing such centers in Australia might prove fruitful. Essentially, it aims to help guide policy reform that might make Australia a more fertile environment for nonprofit investigative journalism so that future centers do not suffer the same fate as The Global Mail and New Matilda.

The Global Mail was Australia's first philanthropically funded nonprofit website offering independent journalism in the public interest. It closed in February, less than two years after it launched in early 2012, after its only backer Graeme Wood pulled his funding. He pledged about AU$15 million over five years before the site's launch. Reasons for failure are raised in chapter three. Ultimately, if tax incentives for journalism existed in Australia, the outcome might have been different.

New Matilda is an independent news website in Australia that is almost entirely reader funded. Days before this thesis was submitted, New Matilda's editor and owner Marni Cordell announced her decision to close the organization. She said her decision was due to ongoing financial instability (Puvanenthiran). Cordell has since received several offers to buy the title (Puvanenthiran). If New Matilda could register as a nonprofit with donations that were tax-deductible it would likely be more financially viable.

This thesis concludes by providing an opinion on alternative models that may be viable in the current Australian environment.

Background

Two years ago, as a journalist working for The Canberra Times[1], I watched hundreds of Fairfax Media journalists walk off the job, fed up over the lack of consultation on their future. Many in the industry believed the strike, illegal under the Fair Work Act, signified the decline of one of Australia's most powerful media empires. The company faced dramatic declines in circulation, a plummeting share price and protesting staff unhappy about continued job cuts, which seriously undermined Fairfax's ability to produce quality journalism. In the months that passed I witnessed how, as academic and journalist Wendy Bacon observed, Fairfax tried to bolster profits by restructuring and cutting operations, threatening the diversity, quality and quantity of independent journalism (Bacon). Fairfax was not alone in the problems it faced. Its main competitor, Rupert Murdoch's News Limited, had announced hiring freezes and cost reduction targets similar to Fairfax's due to "the last few months of trading, trends over the last three years, and ongoing economic uncertainty and volatility" ("Leaked Memo"). Roughly 1900 jobs were cut from Fairfax Media in 2012, and an undisclosed number from News Limited, which was probably close to 1000 (Carson, "Telephone interview"). Fairfax announced another round of job cuts in 2014.

Fairfax and New Limited – Australia's two largest media groups, between them hold a 90 per cent market share in the Australian newspaper industry. Australia therefore has one of the most concentrated media markets in the developed world. As Katharine Murphy, deputy political editor of *The Guardian Australia*, says, "the old entrenched media players [such as Fairfax and News Limited] still dominate and shape the local media narrative" (Murphy). This means that the Fairfax and News Limited duopoly are

[1] *The Canberra Times*, part of Fairfax Media, is the leading media outlet in Australia's capital city.

potentially setting the narrative agenda for most of Australia's media landscape (Harding-Smith).

That said, new technology, particularly the Internet, has revolutionized access to news. The globalization of new technology is vastly expanding the reach of the media, and low barriers to entry have facilitated new ventures and voices in Australia, which in turn adds diversity to Australia's highly concentrated ownership of news media. Newspapers, on the other hand, are facing enormous challenges from the Internet. The Internet is undermining the business model that has previously kept the press operating, resulting in a reduction in newspaper circulation, a reduction in revenue from classified advertising, and decreasing newspaper staffs. Foreign and investigative bureaus are usually the first to go. The advertising expenditure is now spread across print, online and mobile platforms, though main news organizations are recovering only a small proportion of these revenues by moving to online publishing (Finkelstein 10). Failure to monetize content, in print and online, affects the ability of organizations like News Limited and Fairfax to fund news production, consequently putting them under pressure to, for example, reduce production costs. A potential answer to this problem currently being explored is to charge for access to content online, though this is difficult in the current environment where many alternative news sources are available free of charge (Finkelstein 99). Organizations which charge for content are usually able to do so because they provide news generally not available elsewhere. This is why exclusive content in newspapers is paramount.

Essentially, Australia's two main media players Fairfax and News Limited do not have a sustainable plan for the future. I worry – as do many media experts – about the

potential dangers to society that may result from a press weakened by the process of change (Finkelstein 101). An Independent Inquiry into the Media and Media Regulation by Ray Finkelstein, commissioned by the Australian government, and published in 2012, spurred debate about what needs to be done to promote new media initiatives that might heal weaknesses likely to emerge (Finkelstein 101). One of the inquiry's conclusions was that mainstream journalism in Australia has not been as hard hit as in the US in terms of the demise of newspapers. "In the United States, the crisis has been felt by the news media much more acutely, and there has been considerable pessimism about the news media being able to continue their traditional democratic roles. It's too early to reach such conclusions in Australia" (Finkelstein 10). The inquiry noted, however, "we are in the midst of changes whose future direction can only dimly be discerned" (Finkelstein 10). According to the inquiry the situation is changing rapidly, and requires careful and continuous monitoring (Finkelstein 11). Because two years have passed since the inquiry one might question whether anyone is charting trends in the industry, particularly to see whether there will be a serious decline in the production and delivery of quality journalism (Finkelstein 11). Finkelstein called for an inquiry into the health of the news industry, and suggested it make recommendations on whether there is a need for government support to sustain that role (Finkelstein 11).

Media experts have observed, and I have also witnessed, how the rise of the 24-hour news cycle and the spread of news media have substantially increased demands on journalists, consequently increasing the complexity of their job, often resulting in "more recycling, less checking, more commentary and assertion" (Finkelstein 321). As noted by the Finkelstein inquiry, much of my time in the latter half of my job at Fairfax Media –

late 2011 and 2012 – was spent on “reactive stories, describing what happened on a more superficial level, rather than digging deep into the causes and implication of a development” (Finkelstein 324). A common complaint I heard from many of my colleagues was one often referenced by experts: that journalists have “less time to investigate, to question, to take a story to the next level” (Finkelstein 324). Similar trends in the US have meant “fewer newsrooms than ever can afford to deploy reporters to work on labor-intensive stories. That means not only fewer investigative stories, but more commonly, less daily beat reporting about… topics that impact Americans’ future, their safety, their livelihood, and their everyday life” (Finkelstein 324). Several submissions to the Finkelstein inquiry “argued that a similar process is likely to be under way in Australia” (Finkelstein 324). For example, in its submission, the Media Entertainment and Arts Alliance (MEAA) “expressed concerns that recent staff cuts (at least 700 full time jobs have been lost since 2008) and changes to production processes (including the outsourcing of skilled roles) ‘will inevitably lead to a decline in the quality of newspapers’”(Finkelstein 324). It’s clear that pressing challenges include tighter resources, fewer staff, and work intensification (Finkelstein 325).

With that in mind, there are only four newspapers in Australia that make a significant investment in quality journalism - New Limited’s *The Australian*, and Fairfax’s *The Sydney Morning Herald, The Age* and the *Financial Review* (Finkelstein 325). As Crikey (an Australian independent media organization) publisher Erik Beecher rightly argues, “losing any of those four newspapers, or losing slices of their investment in journalism, would seriously diminish the absolute output of quality journalism in this country” (Finkelstein 325). It is one of the reasons why I am concerned about the

sustainability of investigative journalism. Aptly put: “The effectiveness of the watchdog function of newspapers and their capacity for independent disclosure and for scrutiny of the operations of power in society, which are central to the democratic rationales of a free press, will be diminished if newspapers are unable to allocate adequate resources to investigative and public interest journalism” (Finkelstein 323). While Fairfax Media and News Limited continue to do robust investigative reporting, such as Fairfax’s 2010 Reserve Bank-Securency bribery scandal series, it’s naïve to think this can continue indefinitely knowing that investigative journalism takes time, is risky and expensive, making it vulnerable to managers looking at the bottom line (“Charity Case”).

Still, it is difficult to determine whether the level of resources committed to investigative and public interest journalism is declining and reducing the quality of what is supplied. A recent study by former Melbourne University PhD student Andrea Carson paints the clearest picture to date of the state of investigative journalism in Australia. Her analysis of the peer judged Walkley awards “for excellence” in Australian journalism found there was more print investigative journalism at the time of publication than ever before (“Hold the Front Page”). Perceptions about declines in the quality of investigative stories were also not supported by the research (“Hold the Front Page”). Carson lists several reasons for the difference in perception and results, which chapter one will detail. But herein lies the problem: “while the research found that broadsheet investigative reporting was not in decline, the significant revamp at Fairfax triggered principally by the need for cost-cutting, occurred after the data was gathered and analyzed” (“Hold the Front Page”). As Carson says, “future researchers might come to find 2012 a tipping point for print investigative journalism because of these cost cuts and format changes”

("Hold the Front Page"). With regard to format changes, Carson found that when Australian broadsheets converted to tabloid, their award-winning investigative reporting was diminished ("Hold the Front Page"). Like Carson, I wonder: "Is this pattern likely to continue now that the Australian daily broadsheet is all but gone – *The Australian* and *Canberra Times* notwithstanding?" ("Hold the Front Page"). Ultimately, I question who will be doing in-depth reporting in 10 years time ("Charity Case").

In the US, philanthropically funded reporting has helped plug the gaps left by increasingly cash-strapped, time-poor mainstream media outlets (Knott). More specifically, there has been rapid growth in the number of nonprofit investigative journalism centers dedicated to producing investigative stories – stories that require diligent inquiry, are not reliant on handed-out information, and are concerned with substantial matters clearly in the public interest (Finkelstein 318). Journalism of this kind is typically time-consuming, risky and expensive, which is why, in current economic conditions, mainstream media is increasingly unable to produce it.

Nonprofit investigative journalism is essentially the practice of investigative journalism as a nonprofit organization. It does not seek to make a profit, for the most part generating insignificant revenues, relying instead on foundation grants and private donations to pay for operational expenses. Such organizations aim to ensure donors have no editorial influence, and some organizations give content away for free. Examples include the award-winning, multimillion-dollar operation ProPublica, founded in New York in 2007, and The Center for Public Integrity, founded in Washington, D.C. in 1989. As Australian academic and journalist Bill Birnbauer said in early 2012: "the last seven years have been traumatic for US investigative journalism and could have been fatal…

[Luckily] philanthropic foundations have put their money where their concerns are for accountability and having a robust watchdog media" ("Charity Case"). Unfortunately, "the philanthropic scene in Australia, for a variety of reasons, generally is not as concerned as its US counterpart about the vital role media plays in a democracy" ("Charity Case"). This is in part why I question how applicable the US nonprofit investigative journalism model is in Australia.

In the most comprehensive study of nonprofit investigative journalism to date – *Global Investigative Journalism: Strategies for Support* – director of the Global Investigative Journalism Network, David Kaplan, says that anyone hoping to launch a nonprofit investigative journalism center should do a careful assessment of whether conditions are right for a new nonprofit. I don't think this has been done in Australia, which is why this thesis aims to shed light on the matter. Furthermore, while my findings suggest nonprofit investigative journalism might not be viable in Australia currently, I believe that with more research, pressure can be applied to government to make some important and necessary changes. I also believe we can learn some important lessons from the failed Global Mail. One is that its sole funder, Graeme Wood, and philanthropists like him, will likely fund particular journalism projects and organizations when they can see a clear impact and return ("Wood Bets on Guardian"). It is up to us in the industry to show them it can be done. Furthermore, through my research I have identified alternative models that might work in Australia, such as the establishment of nonprofit investigative journalism centers at universities, where they can draw support from an association with teaching and research programs as well as philanthropy ("Wood Bets on Guardian").

Ultimately, developments in the past few years in Australia may signal a richer, more diverse quality media in future ("Charity Case"). Important new ventures that support this theory are highlighted in chapter one. As the "godfather" of nonprofit investigative journalism Charles Lewis says, "there's no point replicating what existing media outlets already do well" ("Watching the Watchmen"). The type of nonprofit investigative journalism center this thesis details may help fill a gap in the market.

CHAPTER ONE

Nonprofit investigative journalism, its history, where it developed and why it developed

In 1988 Charles Lewis, then a US *60 Minutes* producer, had a "scoop" in his hands. Only problem was his boss was a close friend of a player in the story. Lewis consequently struggled to put the story on the air. Lewis says it was blocked for all the wrong reasons – not journalism reasons, and he became livid about it (Knott). His frustration was compounded by the lack of resources being allocated to serious investigative journalism. And so Lewis made a bold decision. He quit his job, turned down lucrative job offers and set up a nonprofit investigative journalism organization – The Center for Public Integrity (CPI) – with two reporter friends. It was not the first of its kind, but it was unique. "Based in Washington D.C., Lewis and his colleagues set out to undertake the grueling months-long (sometimes years-long) investigations into abuses of power the commercial media was increasingly shirking" (Knott). The center started with a bang and is now a leader in nonprofit investigative journalism, with roughly 40 staff, several awards under its belt, and millions in funding from foundations, grants and individual donors. Lewis went on to establish similar organizations, such as CPI's offshoot the International Consortium of Investigative Journalists (ICIJ) – a network of 160 reporters in more than 60 countries who collaborate on in-depth investigative stories. Known as the "godfather" of nonprofit investigative journalism, Lewis has spent countless hours thinking about how philanthropically funded reporting can help plug the gaps left by increasingly cash-strapped, time-poor mainstream media outlets (Knott). For example, in an influential

2007 paper for Harvard University, Lewis argued that growing market pressures on the traditional news media are highlighting the need for an expanding nonprofit media sector that will act more directly in the public interest ("Global Investigative Journalism" 26).

The US philanthropic journalism "ecosystem", as Lewis calls it, has expanded rapidly in size and credibility (Knott). "A recent Pew Research Center study found 172 non-profit news outlets had launched in the US since 1988", some of which have gone on to win a prestigious Pulitzer Prize (Knott). While the sector is nascent in some countries and doesn't exist in many others Lewis is convinced there is a global trend towards philanthropic journalism (Knott). "Five to 10 years ago in Europe, the journalists would say that's fine for America but there isn't any money here. Now there are 10 – 15 foundations funding journalism in Europe. There are nonprofits in Britain, Italy, Nepal, Peru... People have come to see it in the way they support symphonies or libraries because they realize if they don't have information they don't have a community" (Knott).

During the past ten years there has been a rapid spread of nonprofits dedicated to supporting in-depth journalism ("Investigative Journalism Nonprofits"). According to one report authored by David Kaplan, the trend began in the 1970s and '80s, with a handful of US-based nonprofits devoted to advancing investigative journalism ("Global Investigative Journalism" 25). Kaplan reported, "joined by organizations in Scandinavia and the Philippines, the model caught on after the collapse of Communism in Eastern Europe" ("Global Investigative Journalism" 25). New centers in Armenia, Romania, and Bosnia began in the early 2000s ("Global Investigative Journalism" 25). They reportedly produced hard-hitting stories mainstream media wouldn't carry. Around the same time

similar groups formed in Brazil, the Netherlands, and South Africa ("Global Investigative Journalism" 25). Kaplan's 2012 survey, the most comprehensive study on nonprofit investigative journalism to date, identified 106 nonprofit investigative journalism centers in 47 countries, of which more than half were founded within the previous five years ("Investigative Journalism Nonprofits"). The groups range widely in staff and budget, from one-person operations in the developing world to multimillion-dollar, award-winning organizations such as ProPublica in New York.

According to Kaplan's survey, in order to be considered a nonprofit investigative journalism center, groups had to be a nonprofit or nongovernmental organization operating in the public interest ("Global Investigative Journalism" 33). "Such organizations would be recognized under US law as a nonprofit corporation" ("Global Investigative Journalism" 33). Their mission had to be the support of investigative journalism, whether through reporting, training, grant making, conferences, or as a professional association ("Global Investigative Journalism" 33). And lastly, reporting organizations had to have a substantial, ongoing commitment to in-depth project reporting or data journalism ("Global Investigative Journalism" 33).

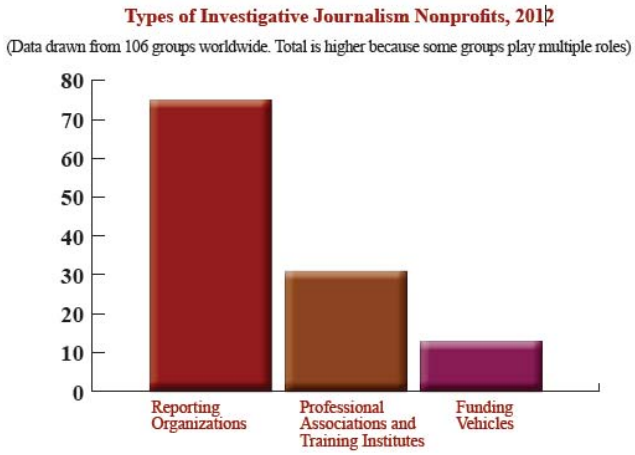

Fig. 1 (Source: "Global Investigative Journalism" 28)

The list of 106 investigative journalism nonprofits therefore includes nonprofit newsrooms, online publishers, professional associations, grant making funds, NGOs, training institutes, and academic centers, as shown above in figure one ("Investigative Journalism Nonprofits"). Roughly half are based in the US, where for profit investigative journalism has been hit hard. Due to a loss of advertising revenue, cutbacks on reporting staff, and shorter deadlines in the Internet era, investigative teams have been disbanded, time devoted to projects shortened, and veteran investigators have left the field ("Global Investigative Journalism" 26). In response to this hollowing out of serious news media, dozens of nonprofit newsrooms have been formed in the country, and are filling the gaps left by the market ("Global Investigative Journalism" 26).

In saying that, "new reporting centers or funds are being planned or seriously considered not only in the United States but in India, the Netherlands, Norway, Portugal, and Zambia" ("Investigative Journalism Nonprofits").

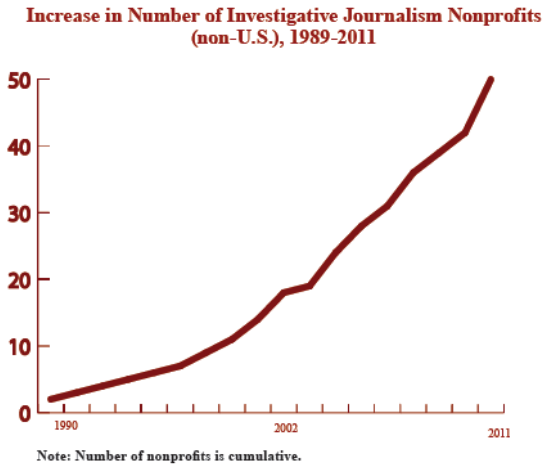

Fig. 2 (Source: "Global Investigative Journalism" 25)

And while the largest investigative journalism nonprofits outside the US have healthy annual budgets – the top ten budgets range from $900,000 (The Bureau of Investigative Journalism in the U.K) to $300,000 (Forum for African Investigative Reporters in South Africa) – the numbers within the US are much larger.

Largest Investigative Journalism Nonprofits (non-U.S.), 2011 Annual Budgets	
The Bureau of Investigative Journalism (UK)	$900,000
Arab Reporters for Investigative Journalism (Jordan)	$886,000
M&G Centre for Investigative Journalism (South Africa)	$590,000
Pascal Decroos Fund (Belgium)	$535,000
OCCRP (Bosnia)	$586,000
Center for Investigative Journalism (Bosnia)	$468,000
SCOOP (Denmark)	$454,000
Regional Press Development Institute (Ukraine)	$360,000
Centre for Investigative Journalism (UK)	$325,000
Forum for African Investigative Reporters (South Africa)	$300,000
Total	**$5,404,000**

Source: Center for International Media Assistance survey, 2012

Fig. 3 (Source: "Global Investigative Journalism" 31)

Figures show the top ten operations (budget wise) within the US range from $10,100,000 (ProPublica in New York) to $400,000 (Investigative News Network) ("Global Investigative Journalism" 31).

Largest Investigative Journalism Nonprofits (U.S.), 2011 Annual Budgets	
ProPublica	$10,100,000
Center for Investigative Reporting	$5,200,000
Center for Public Integrity	$5,100,000
Investigative Reporting Workshop, American University	$1,700,000
Investigative Reporters and Editors	$1,200,000
Investigative Reporting Program, UC Berkeley	$1,000,000
Schuster Institute, Brandeis University	$800,000
Nation Institute Investigative Fund	$600,000
Stabile Center, Columbia University	$500,000
Investigative News Network	$400,000
Total	**$26,600,000**

Source: Investigative Reporting Workshop and Center for International Media Assistance

Fig. 4 (Source: "Global Investigative Journalism" 31)

According to Kaplan's survey, "the combined budget of just the top 10 US-based investigative journalism nonprofits – nearly 27 million – was three times the total of all non-US groups" ("Global Investigative Journalism" 34). As the survey makes clear, "the US nonprofits have flourished in large measure due to favorable tax law (a tax exemption for nonprofits and a 100 percent tax deduction for contributions by donors), the nation's wealth and population, and a strong philanthropic tradition" ("Global Investigative Journalism" 34).

Kaplan's conclusion raises the question: how applicable is the US nonprofit model in other countries? Powerful economic incentives just mentioned do not exist in most countries. The nonprofits are therefore not appropriate everywhere, and not every model will work in every environment. Furthermore, some experts say, "while the growth in nonprofit newsrooms globally is an exciting development, the lack of sustainable funding means that many of these organizations will be forced to close once initial money runs out" ("Investigative Journalism Nonprofits"). In other words, uncertainty remains over the longer-term sustainability of philanthropically funded journalism ("Charity Case").

Case study: Australia

This thesis aims to fill a gap in the research by identifying contributing factors to the long-term sustainability of nonprofit investigative journalism centers, which I have defined as:

- A nonprofit or nongovernmental organization operating in the public interest
- Funded philanthropically by a range of sources such as nationally or internationally known philanthropic foundations, to ideologically aligned organizations, to individuals
- Among its primary missions is the support of original investigative journalism through reporting
- A substantial, ongoing commitment to in-depth project reporting or data journalism
- A primarily digital operation, and collaborate with mainstream media to produce stories

(Source: Mitchell et al)

Andrea Carson's mandatory requirements of investigative journalism have been used to define investigative journalism:

- The story sets the agenda (exclusive and revelatory)
- The revelatory information belongs in the public rather than private sphere
- The story investigates, rather than relying on a compilation of opposing viewpoints
- The story uses techniques of active reporting
- Investigative journalism takes time and effort, which is evident in the reportage
- The investigative story is relevant

(Source: "Hold the Front Page")

Chapter two examines these contributing factors as they relate to the US, where nonprofit investigative journalism has been most successful. Chapter three examines these contributing factors as they relate to Australia, a country with one of the most concentrated media in the developed world, and where the nonprofit investigative journalism sector is still nascent. This thesis does so in order to compare and contrast the results. Essentially, this thesis carefully assesses whether conditions in Australia are right for a new nonprofit investigative journalism center.

Why nonprofit investigative journalism?

Media experts within Australia have voiced concerns about potential risks to the future health of journalism in Australia as newspapers adjust their operations in response to the Internet challenge (Finkelstein 314). We have yet to see whether established newspapers in the country can develop viable business models that will enable them to continue playing a major role in the industry (Finkelstein 316). I question how this instability will affect the diversity of news sources or quality of news available in Australia. I also question the ability of newspapers to maintain a substantial commitment of resources to investigative and public interest journalism. This thesis does not seek to determine how the diversity of news sources or quality of news available in Australia has or will be affected. Rather, using evidence from the Finkelstein inquiry, it assumes "there is a real concern that any significant weakening of the Australian media's already limited independent reporting capacity could be damaging to the democratic functioning of our

society" (Finkelstein 318). In saying that, what this thesis does aim to do is explore the viability of nonprofit investigative journalism in Australia – a model that could increase the diversity of news sources and quality of news available.

Investigative journalism (defined above) is vital and integral to the functioning of a democratic society. However, it is time-consuming, risky and expensive, and as we have seen in the US, is therefore vulnerable to managers looking at the bottom line. One would expect that because newsrooms are contracting in Australia, and there is less money to fund journalism, investigative reporting must also be suffering ("Hold the Front Page"). Interestingly, academic and journalist Andrea Carson finds otherwise. She notes that the number of Walkley awards are as high as ever. Though as she says, we may come to find 2012 – when her research ended – a tipping point. Carson used the Walkley awards "for excellence" in Australian journalism as a sample for studying Australian investigative journalism over time. Her analysis of Walkley awards from 1956 to 2011, combined with other research, found that "there is more print investigative journalism now than ever before" ("Hold the Front Page"). With most newspapers suffering a financial and circulation decline, one would expect to see a consequent decline in the quality of their journalism. Moreover, knowing that "newspaper journalists are being pressed as never before, expected to write several stories a day across a range of digital hardcopy platform", one would think this would only worsen the "quality" of journalism supplied ("Hold the Front Page"). However, "perceptions about a decline in the quality and number of investigative stories in today's editions were not supported by the research" ("Hold the Front Page"). Carson's research found changes, but not a fall in reporting standards as the rhetoric would otherwise suggest. "Today's editors eagerly

defend a story as being “in the public interest” and label it “exclusive” or “investigative” when the research showed that often the story was neither” (“Hold the Front Page”). Carson says this suggests that “readers are being bombarded with these tags and have possibly become immune to the special nature of investigative reporting”, which in turn might help explain the perception that there is less investigative reporting now than in the past, because “audiences may not be appreciating authentic investigative journalism and are failing to discern between that and over-hyped sensationalism. This perception, in turn, dilutes the impact of investigative stories” (“Hold the Front Page”).

Carson raises another interesting point. Despite the loss of mastheads in the 1990s, the volume of print investigative journalism continued to rise (“Hold the Front Page”). “While it might seem odd that with fewer newspapers more investigative journalism was printed, the research finds that this was possible because editors were prepared to adjust their resources to protect investigative journalism from general cost cutting” (“Hold the Front Page”). Why? Carson suggests that print publishers realized their future depended to some extent on investigative or explainer journalism (“Hold the Front Page”). Carson also found that editors were able to fund investigative journalism through “greater syndication of their watchdog reporting, and by narrowing the range of subjects of their investigations”, which led to more local investigations, which cost less, and a surge in crime investigative stories, which were popular with readers (“Hold the Front Page”). Carson also notes the recent rise of “in-house and cross-media collaborations between media institutions as a means to fund and deliver investigative journalism” (“Hold the Front Page”). There are many striking examples of Australian media outlets working together to produce investigative stories in the public interest, such

as the partnership between Fairfax and the national broadcaster Australian Broadcasting Corporation's television unit, which produced stories such as 'Money Makers' – Australia's biggest bribery scandal, and more recently 'Banking Bad' – about Australians taking on Australia's biggest bank (Ferguson and Masters). Australia's online news organizations are also beginning to collaborate with academics to produce original investigative journalism, as Carson's report notes. Essentially, cross-media collaborations provide new media with institutional, moral and financial support, which can strengthen a story's impact, as Carson says. In turn, online sites provide the means for a story to "go viral" ("Hold the front page").

While Carson's research paints the clearest picture to date of the state of investigative reporting and raises some important new developments where investigative journalism is concerned, there are some problems with the research which she herself notes. Firstly, "while the research found that broadsheet investigative reporting was not in decline, the significant revamp at Fairfax triggered principally by the need for cost-cutting, occurred after the data was gathered and analyzed" ("Hold the front page").

Research shows that when Australian broadsheets converted to tabloid their award-winning investigative reporting was diminished ("Hold the front page"). I, like Carson, question whether this pattern will continue now that Fairfax's main mastheads, *The Sydney Morning Herald* and *The Age*, have converted to tabloid, leaving *The Canberra Times*, and News Limited's *The Australian* as the only Australian daily broadsheets. Furthermore, with regards to "in-house" collaborations, content sharing across mastheads means story diversity is likely to suffer when mastheads pool resources to cover stories, as Carson notes in a separate article "Fairfax Staff Cuts", published in

late 2013. In it Carson revealed “Fairfax’s decision to cut costs by merging business reporting teams across its metropolitan mastheads and shed 25 business media staff is bad news for the Australian public” (“Fairfax Staff Cuts”). The result? “Fewer voices scrutinizing corporate power when there is evidence that there are already not enough” (“Fairfax Staff Cuts”). Carson therefore found a troubling trend regarding business investigative reporting in Australia: essentially, “while the number of investigative journalism stories increased over time, business investigative reports declined” (“Fairfax Staff Cuts”). One reason behind newspapers’ move away from corporate and financial investigations, Carson says, could be that as profits have declined newspapers are cautious not to upset corporate advertisers.

At this time no one has any clear vision of exactly how investigative journalism will continue to exist and thrive. Philanthropic investment in news production has become a common tradition in the US, where a sense of crisis spurred several nonprofit journalistic enterprises, such as normal web-based news services, as well as co-operatives such as ProPublica (Finkelstein 332). Such efforts have been rare in Australia (Finkelstein 332). One important recent example The Global Mail – a non-profit web-based news venture established with philanthropic funding – closed earlier this year, suggesting organizations like it may not be viable in Australia (Finkelstein 332). However, as chapter three outlines, some important and necessary changes could be made to help similar organizations thrive in the future. And The Global Mail’s failure does not mean new start-ups are not working in Australia – they are. Experts such as Bill Birnbauer believe developments in the past few years may signal a richer, more diverse quality media in future (“Charity Case”). As he rightly argues: not that long ago we

didn't have Crikey, The Global Mail[2], The Conversation, New Matilda[3], and the Australian edition of *The Guardian* ("Charity Case"). "Furthermore, an increasing number of university journalism schools are recognizing that student assignments, with careful supervision, can be published online as well as in traditional outlets" ("Charity Case").

Crikey	An independent online news site that relies on advertising and subscription.
The Global Mail	A philanthropically funded nonprofit news and features website.
The Conversation	A nonprofit news and opinion outlet operating in the public interest.
New Matilda	An independent news website that is almost entirely reader funded.
The Guardian Australia	The Guardian's third international digital edition.

Fig. 5 Recent startups in Australia

However, "unlike the United States, there are still relatively few Australian online news sites that employ journalists to produce original journalism, which are not dependent on traditional media's resources and revenues" ("A New Daily, New Models"). Crikey, The Global Mail, The Conversation, New Matilda, and *The Guardian Australia* are among the small number of Australian digital news sites that employ journalists without a local hardcopy version to attract advertising revenue ("A New Daily, New Models"). Each offers quality journalism, and is funded slightly differently with a mix of the traditional market model and non-market model to pay its journalists ("A New Daily, New Models"). Crikey, a leading Australian online news site that produces independent journalism relies on the traditional market model of advertising and subscription ("A

[2] The Global Mail closed after publication of "Charity Case: Can Philanthropic Journalism Last?"
[3] New Matilda's editor and owner Marni Cordell announced her decision to close the organization after publication of "Charity Case: Can Philanthropic Journalism Last?"

New Daily, New Models"). In 2012, Australian philanthropist Graeme Wood pledged AU$15 million in order to start Australia's first philanthropically funded news site, The Global Mail. Based on the philanthropically funded ProPublica in New York, The Global Mail was a nonprofit news and features website offering independent journalism. And it often collaborated with mainstream media to produce original, in-depth journalism. It was the only organization in Australia that resembled the nonprofit investigative journalism centers described in this thesis. However, it closed earlier this year. The popular Conversation, launched in 2011, operates with mixed funding from academia, industry and government and public donations ("A New Daily, New Models"). "It employs professional editors and collaborates with academics to provide Australians with expert opinion, analysis and reporting" ("A New Daily, New Models"). New Matilda, a reader-funded independent news organization, which has repeatedly closed and reopened due to financial woes, was surviving through crowd sourcing donations. *The Guardian Australia*, launched early last year in Sydney, is funded in part by its British arm (which is funded by a trust), philanthropic support from Wood, and local advertising. It will soon expand to include a Melbourne based newsroom. And new entrants like The New Daily are also showing that journalism does not need to be funded through a traditional market model ("A New Daily, New Models"). The New Daily is not reliant on hardcopy advertising, masthead sales or paywalls to subsidize journalism, but rather, it is backed by three of Australia's largest superannuation funds, which have contributed AU$2 million each, and are said to have no editorial influence ("A New Daily, New Models"). This site aims to provide news and financial stories and has a deal with the Australian Broadcasting Corporation (ABC) to share content, which could increase its scope and

impact (“A New Daily, New Models”). Insiders say the organization’s next step is investigative reporting.

While all this is good news for Australian journalism, none of these new entrants focus specifically on investigative journalism. In questioning who will pay for investigative reporting in an era of declining newspaper revenues this thesis aims to discover whether nonprofit investigative journalism centers are viable in Australia as one way to increase the diversity of news sources and quality of news available. As a result my findings shed light on the future of philanthropically funded investigative journalism in Australia.

CHAPTER TWO

Despite their growing popularity, nonprofit investigative journalism centers are not always appropriate. While many grow and thrive, several are dormant or no longer in operation. Experts such as David Kaplan have put forward a variety of reasons for failure, from a lack of funding and fundraising and managerial problems to small and uncompetitive markets and poor editorial standards ("Investigative Journalism Nonprofits"). Moreover, an organization is unlikely to survive in conditions where journalism skills are lacking and the legal environment is onerous ("Investigative Journalism Nonprofits"). Sheila Coronel, co-founder of the Philippine Center for Investigative Journalism, considered by many to be a successful model having lasted nearly 25 years, puts this favorable outcome down to factors such as a reformed legal environment, a lively and competitive press, public support, high standards, strong leadership, and a small but critical endowment ("Global Investigative Journalism" 37). Experts, including Coronel, believe funding is critical to a nonprofit's success ("Global Investigative Journalism" 38). The majority of organizations today rely on grants and donations as their major source of income, however, there has been a recent push from nonprofit management experts, who say the key to sustainability is to diversify revenue and expand the pool of donors ("Global Investigative Journalism" 38). Organizations at the forefront of the nonprofit investigative journalism movement are now diversifying revenue by way of commercial media fees, training and teaching and university affiliations, membership dues, events and benefits, and online crowd-funding ("Global Investigative Journalism" 39). Diversifying revenue will become increasingly important

as the number of centers rise, which in turn forces groups to compete for the amount of funding available ("Global Investigative Journalism" 38). Compounding the funding problem is the fact that new donors are not appearing in great numbers ("Global Investigative Journalism" 38).

This chapter analyzes three thriving and highly regarded nonprofit investigative journalism centers, and identifies various characteristics that underpin their success. It then identifies the five main drivers that inform the viability of nonprofit investigative journalism, and examines them as they relate to America. Based on the drivers identified in this chapter, the viability of nonprofit investigative journalism in Australia is assessed in chapter three.

While experts have identified reasons why nonprofit investigative journalism centers succeed or fail, there is no clear outline of the most important contributing factors to the long-term sustainability of such centers. Or even an outline of conditions one should analyze in order to establish whether such an organization may or may not be viable in a certain country. To identify contributing factors to the long-term sustainability of nonprofit investigative journalism, I analyzed two thriving and highly regarded nonprofit investigative journalism centers – ProPublica in New York, and The Center for Public Integrity in Washington, D.C., and another, the International Consortium of Investigative Journalists, said to be at the forefront of cross-border investigative journalism, which some believe is the future of investigative reporting. I identified a number of characteristics, listed below, to determine what makes each organization sustainable.

ProPublica

In an article published by *The Guardian* in mid 2012, Frederic Filloux wrote about how the New York based nonprofit ProPublica had changed investigative reporting. It all began in 2006 when the Sandler Foundation approached Paul Steiger, who had spent 16 years as the *Wall Street Journal's* managing editor, with a wish to put some of its wealth towards funding investigative reporting. Soon after Steiger seized the opportunity and created ProPublica – a nonprofit newsroom "dedicated to the public interest and to deep dive reporting" (Filloux). He hired staff that could help him "lift data journalism and computer-assisted reporting to the highest level" (Filloux). And he "gave ProPublica a wide audience" (Filloux). According to Filloux, the general manager of the French ePresse consortium, the quality and breadth of the organization's reporting landed it many awards, including two Pulitzer Prizes. It was the first online news organization to receive a Pulitzer.

When approached by the Sandler Foundation, Steiger reportedly made four recommendations. The first was to rely on a permanent staff because investigative journalism requires having people comfortable enough to stay on a story as long as needed (Filloux). The second was to collaborate with mainstream media, who would get exclusive rights to a big story in exchange for good visibility (Filloux). The third was that in order to guarantee the widest reach, content needed to be distributed free of charge online (Filloux). And his last recommendation was that funders must have no editorial influence whatsoever (Filloux).

Since it launched in 2008, ProPublica has expanded much farther than anticipated. Summing it up in an article for The Atlantic mid 2012, Peter Osnos wrote: “The investigative news nonprofit was a bold experiment in traditional reporting in the time of digital upheaval. Five years later, it’s still a viable organization” (Osnos).

ProPublica’s mission, clearly stated on its website, is to “expose abuses of power and betrayals of the public trust by government, business, and other institutions, using the moral force of investigative journalism to spur reform through the sustained spotlighting of wrongdoing” (“About us”). It does so because it believes investigative journalism is at risk, with many newsrooms increasingly seeing it as a luxury that can be put aside in tough economic times (“About us”). And also because it believes very few organizations are engaged in original reporting that safeguards democracy.

Size: revenue and expenses, funding sources and staff

According to Filloux, ProPublica’s first two years of operation were solely funded by the Sandler family for about US$10m a year. In 2012 their contribution dropped to US$4 million, with US$6 million coming from other sources (Filloux). Last year the breakdown was US$3 million and US$7 million (Filloux).

Since then, the organization’s income has expanded. According to another article published by *The Guardian*, ProPublica now receives about US$12 a year from 3000 donors (Pilkington). Diversifying funding has been key, especially considering there is more competition for it. “The organization has worked hard to ween itself off dependency on its launch donors, West Coast billionaires Herbert and Marion Sandler, reducing their

contribution from 80-90% of income to less than a third today" (Pilkington). But a small number of wealthy individuals and foundations still provide the majority of revenue. Management wants to see that funding base diversify and widen (Pilkington). Improving the impact of its work will only make that easier. And while ProPublica accepts advertising, and is exploring possible new revenue streams such as e-books, it says philanthropy will continue to be its principal source of income for the foreseeable future ("About us").

Though ProPublica ensures donations do not influence editorial processes, its president Richard Tofel told *The Guardian* in January there have been one or two donors who did not like the thrust of ProPublica's coverage (Pilkington). He said the organization's response was: "Gee, that's a shame," and they left (Pilkington). He likened it to the clashes traditional news organizations occasionally have with advertisers.

ProPublica is exempt from taxes under Section 501(c)(3) of the US tax code, which means it is exempt from income taxes, and contributions to ProPublica are tax-deductible. Last year the organization's expenses included news salaries, payments and benefits, non-news salaries and benefits, personnel support, outreach, professional fees, occupancy and office, capital costs, and taxes, which totaled more than US$10 million. ProPublica reportedly spends more than 85 cents out of every dollar on news – "almost the exact opposite of traditional print news organizations, even very good ones, that devote about 15 cents of each dollar spent to news" ("About us").

ProPublica had barely assembled a staff in its early days. Looking back on the organization's early days, editor-in-chief Stephen Engelberg recalled in an interview last year: "it's easy to forget what a kind of leap in the dark it was to leave a struggling, but

established, news organization for a startup like ProPublica" (Ellis). He said those joining the organization in its first few months did something that was courageous and visionary (Ellis).

Though it was suggested ProPublica hire a network of freelancers around the country to staff the publication, the organization did not think it suited investigative reporting (Ellis). Engelberg said: "You needed people that would take risks and have something of a safety net under them in the form of a staff job. And we wanted to recruit some of the best in the country. In order to do that we had to persuade them that this would work" (Ellis). ProPublica's staff has grown to about 40 journalists. And in January Tofel said the plan over the next two years was to add a further five staff, including more reporters and a design editor (Ellis). The organization also has a board of directors, a journalism advisory board, and business advisory council, which ProPublica says are crucial from a fundraising and business strategy perspective.

Geographical reach

Since its launch in 2008, ProPublica web site page views have increased over time, and spiked to an all-time high of almost 3.5 million page views in January 2012. Page views at ProPublica.org average 1,331,000 per month. Web site unique visitors have also increased over time, and spiked to a high of more than 1.35 unique visitors in January 2012. Unique visitors to ProPublica.org average 561,000 per month. These figures don't include page views from reprints via other organizations, which include a 575,000 average per month. ProPublica also has more than 64,000 daily email subscribers. Its

number of twitter followers has increased rapidly since 2011 and includes more than 250,000 followers. So too has the number of Facebook fans; ProPublica has more than 62,000 of them – the number has been rising steadily since 2009. The organization also has a healthy number of people downloading its various applications and podcasts from various devices.

Cross-media collaborations with organizations such as the *New York Times*, *The Guardian*, and NPR, have extended the reach of ProPublica's work not only nationally, but also internationally. ProPublica has also developed news applications, which are searchable databases that reveal important stories at a national level, but that also allow readers access to their own personal stories, and that can be used as well by news organizations around the country to easily ferret out local stories ("ProPublica Annual Report" 4). ProPublica's news applications therefore not only extend the geographical reach of the news it offers but also enables more people and groups to get involved in the news-making process, which increases a story's impact.

For example, "Prescriber Checkup", which charts Medicare Part D prescriptions, recorded more than one million page views by year's end ("ProPublica Annual Report" 5). ProPublica's most popular news application "Dollars for Docs" has received more than 6.6 million page views, and spawned local stories by more than 175 news organizations throughout America ("ProPublica Annual Report" 5). Another, which "restored to the public Internet on a searchable basis thousands of images censored by Chinese authorities from Weibo, China's equivalent of Twitter", provided an example of ProPublica's global reach, relevance and impact ("ProPublica Annual Report" 5). Essentially, these online news applications allow ProPublica to produce content that goes

directly from editor down to journalist to consumer, and spread across to other newsrooms via syndication with other publications.

Syndication partners

Partnerships are central to ProPublica's mission. Working with other news organizations on joint reporting, editing, and publishing helps the organization expand their content reach. Stephen Engelberg said the collaboration model was built upon the notion the original story would be exclusive, but then would be available on the web to all (Ellis). Though he was originally skeptical that major news organizations would be willing to take work from outsiders due to pride and ego, he thinks organizations now realize that they need all the help they can get (Ellis). "If you can get it from a nonprofit, if we are creating database that no one regional newspaper can possibly create on its own, and it has applicability for all 50 states, why wouldn't you help yourself?" (Ellis). Cross-media collaborations have turned out to be a major part of how ProPublica has impact.

Since ProPublica's launch in 2008 it has had more than 100 publishing partners, including the *New York Times, Washington Post*, NPR, and *The Guardian*. Last year they collaborated with 26 different organizations to publish various stories.

Type of content produced

Richard Tofel told *The Guardian* earlier this year that the organization's mission was very clear from the outset: "change or reform… ending abuses of power, advancing the

public interest" (Pilkington). A prime example of this was last year's partnership with *The Guardian* and *New York Times*, which covered the Edward Snowden documents on the National Security Agency. A ProPublica reporter was the lead reporter on a story about a significant Snowden revelation, which produced the most significant reform in the US by the end of last year. The story led to a great deal of activity, and resulted in substantial change.

ProPublica also took on several other stories about powerful institutions that abused power or failed to live up to the public trust. They included stories about the billions of taxpayer dollars wasted in the Medicare Part D prescription drug program, failures of oversight and inadequate, profit-driven quality of care in the nation's assisted living facilities, exploitation of temporary workers by leading manufacturers and retailers, and safety issues with Tylenol ("ProPublica Annual Report" 4). According to ProPublica, "these stories had disparate subjects, but a common methodology: deep reporting, the result of months and sometimes years of work, expressed through vivid writing, and presented with an eye toward spurring reform" ("ProPublica Annual Report" 4).

Engelberg told the Neiman Journalism Lab in June last year that though initially unsure how ProPublica would be received, it was able to establish a reputation for fair and hard-hitting reporting early on (Ellis). Engelberg said the other big surprise the organization did not foresee was the power and journalistic value of data applications (Ellis). ProPublica has used new technologies to create massive data applications like "Dollars for Docs" – a publically searchable database revealing payments that drug companies make to physicians. According to Engelberg, such applications turned out to

be a way to leverage the organization's work (Ellis). He said: "One of the things that's happened is you have a lot of local, regional, and sometimes national publications using our data to do their own stories" (Ellis).

One difficulty the organization has faced has been balancing the needs of the web and the needs of investigative reporting. Engelberg said: "There's a real tension between the needs of the web for dynamic and constantly changing output and the needs of investigative reporting, which is to dive very deeply into things in a kind of obsessive and immersive way. We have tried to balance these two things" (Ellis). Ultimately, ProPublica has found that on a site like theirs, stories, no matter what length, need to add value.

Quality – awards and impact

The Guardian's chief reporter Ed Pilkington says that since ProPublica's launch there have been obvious indicators of success. It has won two Pulitzers, its staff has grown, its income has expanded, and it has a solid audience base on which to build (Pilkington). But ProPublica's president Richard Tofel says these statistics "are too fuzzy" to show whether the organization has achieved its mission (Pilkington). In a white paper he wrote last year, Tofel said the impact of a nonprofit's work is often the stated test of its value (Tofel 10). Since its launch, ProPublica's mission has been to publish investigative journalism that has impact. If ProPublica is indeed having an impact, there should be clear evidence that ProPublica is playing a part in real world change. This, however, is difficult to measure. According to Tofel, ProPublica makes use of multiple internal and

external reports in charting possible impact, the most significant of which is an internal document called the Tracking Report, which is updated daily (Tofel 14). Of the 20 to 40 major stories ProPublica produces each year, only about six to 10 will have major impact (Garber).

According to outsiders, “the organization has succeeded by every measurement” (Osnos). Sheila Coronel, director of the Stabile Center for Investigative Journalism at the Columbia Graduate School of Journalism, said ProPublica had an impressive track record of trailblazing investigative journalism (“The Nonprofit News Model is Fragile”). Filloux said the organization had put itself at the forefront of the public interest, high quality, digitally boosted, modern journalism, and also created a sustainable way to support it (Filloux).

Key takeaways

Analysis of ProPublica begins to reveal the key underlying determinants of success. They appear to be:

- Expand income, reduce dependence on launch donors, diversify funding base, gain tax-exempt status, and explore new revenue streams even though philanthropy will continue to be the principal source of income
- Hire good staff willing to take risks, and provide them with a stable income
- Cross-media collaborations extend the reach of work done

- Create high quality, digitally boosted modern journalism that has an impact and adds value

The Center for Public Integrity

The Center for Public Integrity (CPI), founded in 1989 by Charles Lewis, and based in Washington DC, "is one of America's oldest and largest nonpartisan, nonprofit investigative news organizations" ("About The Center for Public Integrity"). It is a 501(c)(3) tax-exempt organization. It is therefore exempt from income taxes, and contributions to the Center are tax-deductible. Its mission is "to serve democracy by revealing abuses of power, corruption and betrayal of public trust by powerful public and private institutions, using the tools of investigative journalism" ("About The Center for Public Integrity"). Moreover, it provides factual information "to inspire a better-informed citizenry to demand a higher level of accountability from its government, elected leaders, and corporations" ("Our Organization"). With fewer resources available for investigative reporting, the Center believes its role will only become more important.

A 2010 evaluation of the Center's operation found that "although CPI experienced a period of relative instability several years ago after the departure of its legendary founder [Charles Lewis], the organization has remained a strong presence in the investigative journalism field" (Coffman, Miller, Acquah 3).

Size: revenue and expenses, funding sources and staff

According to Lewis, the Center raised and spent about US$200,000 in its first full year of operation (1990) (Lewis 10). From late 1989 to 2004 total revenue and expenses were about US$30 million, more than 90 percent of that from foundations such as MacArthur, Knight and Ford (Lewis 10). By 2004 revenues were US$6.49 million, and expenses were US$4.54 million (Lewis 10). In 2012 the Center's revenue included grants and contributions, investments, consulting fees and royalties, and other revenue not defined, which totaled US$9,114,429. While the Center is generating some earned revenue, more than US$8,855,000 of its revenue in 2012 came from grants and contributions. That same year the Center's expenses included program services, fundraising and development, and management and general expenses, which totaled US$7,633,950. Program services made up the majority of the Center's expenses, and cost more than US$6,565,000.

Today the Center has several major institutional funders, which include the Adessium Foundation, Ford Foundation, and Knight Foundation. It has dozens of other institutional supporters, and receives donations from hundreds of individuals, who say they support the Center for reasons such as wanting abuses of power exposed and fostering a culture of well-informed participants in a democracy ("CPI Annual Report 2012" 13).

The Center says it does not accept contributions from government, and maintains a "strict firewall" between funding and editorial content. This means that while it takes funding to support editorial priorities such as the environment or international reporting, funders never determine the Center's editorial direction ("Our Funders").

The organization's staff has grown to roughly 40 people. Some have come from organizations such as Reuters and Associated Press. It also hires several interns each

year. All staff are bound by the Code of Ethics of the Society of Professional Journalists. In *The Growing Importance of Nonprofit Journalism* Lewis said: "quality journalism can only come from quality researchers, reporters, writers and editors who should be paid as well as possible, and have sufficient time and the best, up-to-date technology needed to do quality journalism" (10).

The Center also has a board of directors, and an advisory council with members from various sectors of the public such as education and government.

Geographical reach

The Center had 1.05 million unique visitors to its website in 2009, according to an evaluation report on the Center (Coffman, Miller, Acquah 18). Website traffic is driven mainly by referrals from other sites such as Google; referral traffic from publication partners is not significant (Coffman, Miller, Acquah 18). As of 2010 traffic from social media was small and driven mostly from Facebook, though traffic from Twitter is reportedly improving (Coffman, Miller, Acquah 19). The Center has almost 35,000 Facebook fans, and more than 35,000 Twitter followers. It aims to use social media and new technology to attract new audiences and deliver content in different ways.

While the Center has a growing list of publishing partners, editors of media outlets have said other nonprofit journalism organizations more aggressively pitch stories to them (Coffman, Miller, Acquah 15). Developing media partnerships will be key in expanding its work's reach. To date the Center's work has been published in countries such as Canada, the UK, countries in Europe, and Australia. Its reporting has also reached

people in all corners of the US. For example, an investigation into donors and super PACs that influenced the 2012 presidential race was cited by nearly every major US media outlet, and drew hundreds of thousands of page views to the Center and its media partner's websites ("CPI Annual Report 2012" 4). It also attracted thousands of reader comments. Other reporting, which illustrated how national security decision making is corrupted by the flow of political money in Washington, D.C., was boosted by co-publication with well-known national news outlets including NBC News, Huffington Post, and *Mother Jones* ("CPI Annual Report 2012" 4). It attracted thousands of Facebook likes, hundreds of tweets, and almost a million readers.

To build 'buzz' and encourage dialogue with people, experts and groups, one project was launched online and through social media months before findings were published ("CPI Annual Report 2012" 7). Figures show the same investigation – the State Integrity Investigation, a data-driven analysis of transparency and accountability in all 50 states – reached millions of people, and attracted hundreds of thousands of unique visitors. It also enabled dozens local media in states from New York to California to produce stories ("CPI Annual Report 2012" 7). The Center essentially provided tools for individuals to take the information further - to public officials who could act on the findings. About 1300 people did so ("CPI Annual Report 2012" 7).

That said, an evaluation of the Center found that the organization's targeting and distribution efforts were not aggressive or strategic enough (Coffman, Miller, Acquah 15). "Traditional New York and D.C. media still largely influence policy and politics, and CPI needs to figure out how to better occupy this space" (Coffman, Miller, Acquah

15). Further, it raised concerns about whether the Center's website could draw a critical mass of traffic to influence policy in Washington D.C. (Coffman, Miller, Acquah 15).

Syndication partners

The CPI collaborates with news organizations like the *New York Times, Washington Post,* and *Financial Times* to produce stories that run in those publications. According to the Neiman Journalism Lab, the center has been doing such collaborations for years, though they have increased in recent years. One recent investigation "The Gift Economy", regarding national security decision-making, was enhanced by strategic co-publication with national news outlets such as NBC News and the Huffington Post ("CPI Annual Report 2012" 4). Another, the "State Integrity Investigation" – a data-driven analysis of transparency and accountability in all 50 states – was a collaboration among the CPI, Global Integrity and Public Radio International, in cooperation with the Investigative News Network ("CPI Annual Report 2012" 4).

Type of content produced

In 2007 Charles Lewis said the Center's purpose had generally been to investigate "macro, systemic issues of great public relevance, using a quasi-journalistic, quasi political science approach, sweeping studies about government and public policy distortions of democracy which also name names" (Lewis 9). He likened the editorial approach to peeling an onion – "extensively consulting secondary then primary written

sources and then interviewing several or as many as hundreds of people" (Lewis 11). Lewis said projects usually take at least a few months from idea to publication and often longer. One project has taken as long as four years.

In the Center's early days reports were distributed at news conferences, and reported on by other publications. The first online reports began to appear in 1999. The first commercially published book was released a few years earlier. According to Lewis, "the Center's investigative reports are probably best known for exposing political influence and its impact on public policy decision making in Washington, D.C., and in the 50 state capitals" (Lewis 13). Recent examples of such work include "Consider the Source", which examined money in politics during the 2012 presidential election ("CPI Annual Report 2012" 2). "The Gift Economy" revealed how money has tainted and in some cases corrupted decision-making on national security and defense budgeting issues ("CPI Annual Report 2012" 2). And "State Integrity Investigation" identified corruption risk in all 50 state governments ("CPI Annual Report 2012" 2).

That said, the Center's investigations also cover many other areas. Examples of recent longer projects include a year-long investigation on campus sexual assault. This involved collecting data from 160 universities and lodging several Freedom of Information Act requests, which is increasingly being done at the Center. As a result it produced a number of reports, which were picked up by news outlets across the US and reportedly had an audience of about 40 million (McGann). The Center's executive director Bill Buzenberg said it looked for a specific partner on each platform (McGann).

Another investigation started during the 2008 financial crisis when the Center felt no one was revealing who had caused the subprime problems. They consequently started

another long project “Who is Behind the Financial Meltdown” which took six months, and to this day generates traffic (McGann).

Regarding issues relating to the environment, its partnership with the *New York Times* in 2010 revealed Coast Guard logs suggesting authorities knew about the severity of the BP oil spill much sooner than announced. The logs were widely used by newspapers across the US (McGann).

Quality – awards and impact

The Center has won numerous awards for its investigative reports, including a Pulitzer Prize this year. The reports that won the Pulitzer were said to be a “distinguished example of investigative reporting using any available journalistic tool” (The Pulitzer Prizes). It has also won awards for work covering sciences, business, education and the environment.

According to Buzenburg, impact is a large part of the organization’s strategic plan. “We want to catalyze impact. That means we want hearings to follow. We want laws to change. We want actions to happen. We are not an advocacy organization… we are an investigative journalism organization” (McGann). Writer Kevin Phillips once noted that no other organization had shined “so many probing flashlights into so many Washington dirty-laundry baskets” (“Quotes and Testimonials”). Alex Jones, director of the Joan Shorenstein Center on the Press, Politics and Public Policy at Harvard University said, “the Center has been properly celebrated for its careful, rigorous work,

and to my mind it has now ascended to the status of national treasure" ("Quotes and Testimonials").

While the Columbia Journalism Review says the organization is famous for digging up dirt on influence peddling and corruption, it believes its transition to the digital era has been bumpy (Blake). And a report on the Center's operations from one of its top donors, the Knight Foundation, found that many industry leaders felt it may be lagging behind its competitors (Blake). It was urged to "diversify its funding sources, up its digital game, and extend its reach by finding more attention-grabbing stories" (Blake).

Key takeaways

Analysis of the Center for Public Integrity further reveals the key underlying determinants of success. They appear to be:

- Remain nonpartisan, funders should never determine the organization's editorial direction
- Investigate issues of great public relevance, hire skilled investigative journalists from well-known organizations
- Increase philanthropic support, expand donor base, develop earned revenue, and gain tax-exempt status
- Use new technology to attract new audiences and deliver content in different ways, and grow list of publishing partners to expand work's reach

The International Consortium of Investigative Journalists

The International Consortium of Investigative Journalists, founded by Charles Lewis in 1997, and based in Washington, D.C., is a global network of 185 investigative journalists in more than 65 countries who collaborate on in-depth investigative stories. As its website reiterates, it was launched as a project of the Center for Public Integrity to extend the Center's style of watchdog journalism, focusing on cross-border issues such as cross-border crime, corruption, and the accountability of power ("About ICIJ"). "Backed by the Center and its computer-assisted reporting specialists, public records experts, fact-checkers and lawyers, ICIJ reporters and editors provide real-time resources and state-of-the-art tools and techniques to journalists around the world" ("About ICIJ"). A report evaluating the CPI's operation said the ICIJ "is an important part of CPI and is critical to the achievement of the organization's global mission" (Coffman, Miller, Acquah 4). Further, that "ICIJ is achieving important results around the world" (Coffman, Miller, Acquah 4).

ICIJ's director Gerard Ryle says the need for such an organization has never been greater. As he says, globalization and development have placed extraordinary pressure on human societies, posing unprecedented threats. However, due to the decline of investigative journalism in many mainstream media outlets, Ryle says "we are losing our eyes and ears around the world precisely when we need them most" ("About ICIJ"). The ICIJ is a much smaller operation both in size and revenue compared to its parent organization and other major nonprofit investigative centers in the US. In saying that,

ICIJ is a unique operation at the forefront of what some say is the future of investigative journalism - cross-border and cross-media collaborations.

Size: revenue and expenses, funding sources and staff

Information regarding ICIJ's operation is included in the CPI's annual report, however, precise details regarding revenue and expenses are scarce. An interview with ICIJ's director Gerard Ryle provided a clearer picture of the operation (Ryle, "Telephone interview"). The organization's budget, according to Ryle, is about a million a year. It has three major funders - the Adessium Foundation, Open Society Foundations, and the Ford Foundation, although others are listed on its website. While it welcomes individual donations to support its work, they make up only a very small portion of revenue. The biggest donation by an individual was made mid last year by Australian philanthropist Graeme Wood, who also backs *The Guardian's* new digital edition in Australia, and was the sole funder of Australian nonprofit journalism outfit, The Global Mail. The money from Wood's three-year US$1.5 million grant to ICIJ was earmarked for several new initiatives. Ryle said that Wood recognizes a need to "preserve and protect investigative reporting globally during a period of turmoil" ("$1.5m Grant Empowers ICIJ"). The grant was made to bolster the ICIJ's cross-border investigative reporting capacity. As a result of the grant, The Global Mail was set to become to first institutional member of the ICIJ, but the Australian operation has since closed. The ICIJ's initiative to align with other media outlets so they can become contributing partners with ICIJ as institutional members will provide the organization with an alternative source of revenue. ICIJ plans

to add about ten institutional memberships over a two-year period. It is not yet understood how much earned revenue this will create.

Ryle has only a handful of paid staff based in Washington. He says the ICIJ would not be able to survive without its members, who lend their names and time to the organization. ICIJ projects are usually staffed by teams ranging from three to as many as over 100 reporters spread around the world. “These journalists work with counterparts in other countries and with our Washington, D.C. staff to report, edit, and produce groundbreaking multimedia reports that adhere to the highest standards of fairness and accuracy” (“About ICIJ”). ICIJ has an advisory committee made up of some of the most well known investigative journalists.

Backing from parent organization

A percentage of what the ICIJ raises goes to its parent organization, the CPI, for overhead. The CPI provides the ICIJ with an office, phones, computers, fact-checkers and lawyers, which give ICIJ “a certain blanket of security” (Ryle, “Telephone interview”). According to CPI, its program services expenses included more than US$1.6 million to ICIJ (“CPI Annual Report 2012” 4).

Geographical reach

ICIJ’s investigations focus on issues that cross borders, which means projects often include teams spread across the world. When findings are ready for release, ICIJ works

with leading news organizations worldwide, which means their work often reaches audiences in various parts of the world. As a result, according to its website, ICIJ's stories have appeared in a dozen languages. One project, "Skin and Bone", was an 11-country investigative series by ICIJ journalists. They collaborated with reporters in Ukraine, South Korea and other nations. "The initial stories made front-page news around the world, from the Huffington Post, to Australia's *Sydney Morning Herald*, to Japan's Asahit Shimbun" ("CPI Annual Report 2012" 10).

Another, 'Secrecy for Sale', which has put the organization in the headlines this past year, saw the organization draw from a trove of 2.5 million secret files and lead what could be the largest cross border journalism collaboration in history ("CPI Annual Report 2012" 11). ICIJ worked with more than 85 investigative journalists from more than 45 countries to unveil the hidden world of fraud, tax dodging and political corruption ("CPI Annual Report 2012" 11). "The investigation opens the secrets of more than 120,000 offshore companies and trusts and nearly 130,000 individuals and agents, exposing hidden dealings of politicians, con artists and the mega-rich in more than 170 countries" ("CPI Annual Report 2012" 11). Furthermore, "the files identify the individuals behind the covert companies and private trusts based in the British Virgin Islands, the Cook Islands, Singapore and other offshore havens. They include American doctors and dentists and middle-class Greek villagers as well as Russian corporate executives, Eastern European and Indonesian billionaires, Wall Street fraudsters, international arms dealers and families and associates of long-time dictators" ("CPI Annual Report 2012" 11). The series drew roughly 9000 media citations worldwide in just the first month after publication ("CPI Annual Report 2012" 11).

Another major cross-border investigation on global tobacco has been featured in publications all over the world. And a two-year project "Looting the Seas", in which ICIJ investigated the Bluefin trade, saw ICIJ collaborate with BBC World News, *The Sunday Times* (United Kingdom), and news outlets in Belgium, Germany and Italy.

Syndication partners

As mentioned previously, to release its findings, ICIJ works with leading news organizations worldwide such as BBC World Service and BBC World TV, the *International Herald Tribune*, the *South China Morning Post* (Hong Kong), *The Guardian* (UK), the Huffington Post (USA), and *The Age* (Australia), according to its website. ICIJ has also worked with media partners in countries such as France, Spain, the Netherlands, Brazil, Belgium, Russia, Germany, and Mexico.

Type of content produced

According to Charles Lewis, ICIJ members have collaborated to produce international reports exposing illegal cigarette smuggling by the major manufacturers, the on-the-ground human rights impact of U.S. military aid in Latin America, the growing, global role of private military companies, the privatization of water, the politics of oil, and more (Lewis 15). In 2007 Lewis said the potential of investigative journalism across borders had not been fully realized. However, he believed the ICIJ in its first decade had provided

a glimpse of what is possible technologically and journalistically with more resources (Lewis 16).

About six years later, when commenting on the ICIJ "Offshore Leaks" investigation, Coronel said "truly global investigative reporting has emerged" ("Offshore Exposé"). Coronel is one of many who say the series is one of the biggest single leaks of documents in the history of investigative reporting. "What makes the ICIJ's expose such a blockbuster… is that it names names, in effect puncturing huge holes in the armor of secrecy that makes offshore havens so attractive" ("Offshore Exposé"). What excites her about the offshore series is that it is "firming up a template for ambitious investigations on a global scale, taking full advantage not only of technology but also of a growing global network of muckrakers. It's comforting to know that in the age of globalized financial flows, truly global investigative reporting has emerged" ("Offshore Exposé").

ICIJ also provides news on the latest reporting tools and techniques, awards, fellowships, and journalists under fire via its website and blog, as well as Facebook, Twitter, Google+ and its YouTube channel ("About ICIJ").

Quality – awards and impact

Lewis says that although never robustly funded, ICIJ was the first network of some of the "world's preeminent investigative reporters working with each other to produce original international enterprise journalism" (Lewis 15). The network has grown from 100 people in 50 countries in 2007 to more than 175 people in more than 65 countries in 2014. Lewis believes the international impact and multimedia journalistic possibilities of the ICIJ in

the Internet age were never more poignant than in 2002 when it was revealed that Ukrainian President Leonid Kuchma approved the sale of a weapons system to Iraq (Lewis 16).

An article published in the *Columbia Journalism Review* in 2012 revealed internal disputes within the CPI and ICIJ, which resulted in ICIJ's former director David Kaplan stepping down from the role (Blake). That said, since ICIJ's "Offshore Leaks" investigation, the organization has become increasingly recognized by the industry. Last year the *Columbia Journalism Review* said ICIJ had "pushed into new journalism territory" (Starkman). Further, that its "Offshore Leaks" investigation was "worth watching as a kind of ad-hoc model for the great stories, the longform, labor-intensive projects that, once again, prove indispensable" (Starkman). When highlighting the benefits of multiple news organizations working together, a Neiman Foundation report said the latest and biggest example of the trend was the ICIJ's "Offshore Leaks" investigation (Froomkin).

In sum, ICIJ's collaborative approach is bringing together investigative journalists from around the world, and extending the reach of investigative content.

Key takeaways

Analysis of the International Consortium of Investigative Journalists further reveals the key underlying determinants of success. They appear to be:

- Develop funding base and alternative revenue streams as an organization needs deep pockets to support its work
- Gain tax-exempt status
- Collaboration across borders reduces costs, is more impactful, and extends the reach of work globally
- Take full advantage of technology
- Develop a network of preeminent investigative reporters

Contributing factors to the long-term sustainability of nonprofit investigative journalism

What drives these organizations' work is not profit, but impact. They produce journalism that propels people to action because they believe it is essential in sustaining a healthy democracy. These organizations share various characteristics in order to remain viable: they are nonprofit and nonpartisan, high-impact, versatile and trusted, accountable, and credible. They are also at the forefront of journalistic innovation. But what are the main contributing factors to their long-term sustainability? That is, what are the core underlying factors that make one center viable over the long-term versus another center that is not. In order to answer this question I first examined the research available. I then did a thorough review of the main players throughout the world, three of which are detailed above, and lastly, I interviewed various media industry experts. As a result, while there are many varying, more nuanced reasons why an organization is ultimately successful, I have concluded that the most important contributing factors to long-term

sustainability of nonprofit investigative journalism centers are: an engaged population, existing infrastructure and propensity to use Internet, philanthropic culture, economic incentives, and journalism training.

Below is a more detailed analysis of these factors as they pertain to the nonprofit investigative journalism sector in the US.

Engaged population

In order for ProPublica, The Center for Public Integrity, and the International Consortium of Investigative Journalists to be viable, they must first have an engaged population willing to read and engage in their work. As they are located in major city centers – New York and Washington D.C. – one could infer that they have an audience who wants to know what's going on in the world. Moreover, one could also infer that there is a history of reading and engaging with the media, particularly investigative journalism, in the two cities because they are home to two of the biggest media organizations in the country - *The Washington Post* and *New York Times*. When examining *New York Times* readership, there is certainly evidence that suggests an engaged population. The online version of the newspaper alone generates about 31 million unique visitors a month, according to its website. Similarly, the online version of *The Washington Post* generates 18.8 million unique visitors a month, according to its website. However, nationally regarded publications such as the *New York Times* and *Washington Post* draw from a far broader audience from across the country. Examining statistics regarding national engagement

with the media further suggests that there is a highly engaged news media audience in the United States.

According to a 2013 Nielsen National Cross-Media Engagement Study almost 80 per cent of Americans consume content from local and national newspapers in print or online (Nielsen 2). When measuring the engagement of the American population, the study went beyond simply looking how often and when the population utilizes a certain form of media such as newspapers, radio or television. The report analyzed audience engagement using 11 different metrics of engagement, which included trust and ethics, how connected it makes people feel, the value or inspiration it adds to life, and the effectiveness of advertising. Overall, the report shows that engagement – as defined by their metrics – is highest on average in newspapers, indicating again that the US has an engaged population beyond simple consumption statistics.

Newspapers scored highest overall using the aforementioned engagement metrics. Specifically, when questioned as to the trustworthiness of media formats, 56 per cent of survey respondents believed that newspapers both print and online were trustworthy. National newspapers in particular were regarded as the most trustworthy, followed by local print newspapers and national newspaper websites, as well as local radio news. Similarly, national print newspapers were ranked the highest across all media forms when people were asked which media forms operated “in an ethical manner and have the public’s best interest in mind”. Once again local radio and local newspapers followed in this category. National newspapers ranked highest when people were asked which media “inspire[s] me”. In this category twitter and blogs came second, followed by online versions of national newspapers, local television, and local talk radio. When asked what

media “make[s] my life better”, national newspapers again ranked number one. Second to national newspapers were local music radio, then talk radio, and then blogs. Local newspapers ranked fifth.

As evidenced by the survey data, Americans are not only consistent consumers of newspaper media but have the highest levels of engagement with newspapers versus all other media forms. It is therefore safe to conclude that nonprofit investigative centers in the US are likely benefiting from a preexisting engaged culture willing to read and engage in their work.

Existing infrastructure and propensity to use Internet

In order for a nonprofit investigative journalism center to be viable, there must exist sufficient infrastructure across the area which it serves and in which its target audience lives. Consider for example the implications of attempting to establish a nonprofit investigative center in a country or region with no history of print journalism production and dissemination and or with no access to Internet connectivity. Simply put, this would be impossible, because the gathering of information would not only be challenging but the dissemination of content would be impossible. However, in less extreme circumstances the degree to which the population has access to the Internet, and the appropriate hardware (e.g. computers, mobile phones, tablets), and the degree to which there is a history of print media, are both key determinants as to the viability of a nonprofit investigative center.

In the US there is clearly a history of print media and well-developed infrastructure and supply chains related to printing and transporting newspapers. The US also has a very well developed digital infrastructure, both in terms of Internet connectivity and availability of associated hardware. Almost 98 per cent of American homes now have access to some form of high-speed broadband, according to the *New York Times* ("Most of U.S. Is Wired"). However while access is very high, there are some other factors that drive Internet usage. For example, about 20 per cent of American adults don't use the Internet at home, work and school, or by mobile device ("Most of U.S. Is Wired"). Experts put this down to the inability to afford Internet service, lack of interest or a lack of computer literacy ("Most of U.S. Is Wired"). A Commerce Department report "Exploring the Digital Nation", released last summer and based on 2011 data, showed that Internet use overall is much higher among those with at least some college experience and household income of more than $50,000 ("Most of U.S. Is Wired"). With regard to age, only slightly more than half of Americans 65 and older use the Internet, compared with more than three-quarters of those under 65 ("Most of U.S. Is Wired"). And Internet use is lowest in the South, particularly Mississippi, Alabama and Arkansas, figures show ("Most of U.S. Is Wired"). It is thus important to note that while the existence of the appropriate infrastructure is essential for providing access, the population's propensity (or ability) to use the Internet is also an important consideration.

As of January this year, 90 per cent of American adults had a cell phone, 58 per cent had a smartphone, and 42 per cent owned a tablet according to the Pew Research Center ("Device Ownership Over Time"). As of May last year, 63 per cent of American adult cell phone owners accessed the Internet on their device ("Device Ownership Over

Time"). According to findings in "Exploring the Nation", tablets were not a primary means of going online for most Internet users in 2011. Internet user statistics are much higher among teens - 95 per cent access the Internet, and three in four teens access the Internet on cell phones, tablets, and other mobile devices ("Internet User Demographics").

Despite this evidence of very widespread use, some experts say US Internet access today is costly and slow compared to access in other parts of the world ("U.S. Struggles to Keep Pace") Studies rank the US anywhere from 14th to 31st in average connection speed. With regard to cost, research shows that in 2010 the average monthly broadband bill was $40 – up more than five dollars in two years (Smith).

Nevertheless, given the US's relatively well developed Internet infrastructure and high Internet engagement nonprofit investigative journalism is viable in the country as it relates to this factor.

Philanthropic culture

The culture of philanthropy and the extent to which it exists currently and historically is an important determinant of a nonprofit investigative journalism center's viability. Particularly at the early stages of establishing a nonprofit center, philanthropic funding is vital. While some more established organizations such as ProPublica have begun diversifying funding sources, even generating some revenue, philanthropy appears to remain vital to a nonprofit investigative center's financial health. The degree to which a new nonprofit investigative center can solicit funding is in part determined by how much

value the local population places on such a center's role, but is also largely determined by the philanthropic culture which underlies its constituency. The US, for example, has a long history of funding arts and culture through philanthropy. Moreover, the nation as a whole is philanthropically inclined.

According to a report on global giving and the culture of philanthropy, the wealthy in the US are the most generous with their philanthropic spending (Barlays Wealth 3). Two in five high net worth individuals in the US consider charity as one of their top spending priorities (Barclays Wealth 3). This compares with only 20 per cent of Australians who say it is one of their top three spending priorities (Barclays Wealth 3). The underlying drivers of philanthropy among high net worth individuals in the US include less reliance on the state for support and a sense of empowered individualism – Americans tend to be much more optimistic about the creativity and innovation of individuals to solve problems and make change than they are about the ability of large institutions, including government (Barclays Wealth 3).

According to another study on charitable giving in the US, Americans gave about $298 billion in 2011, of which 73 per cent came from individuals and the other 27 per cent from foundations, bequests and corporations (Brooks 5). Average household giving in the US from 2009 to 2011 was $2460 (Brooks 6). With regard to demographics, older Americans give more, as do the well educated, the report found.

Experts say philanthropic foundations flourished after the Civil War, when new wealth was being accumulated and there were new problems to fix. One of the early proponents of modern philanthropy was Andrew Carnegie. According to Carnegie, individuals "won" wealth as a result of "survival of the fittest" through the forces of

competition (East Bay Community Foundation). “With that wealth, he believed, came the obligations of being an agent of civilization. And so philanthropy became a tool for improving civilization” (East Bay Community Foundation). Later, John Rockefeller hired staff to manage his philanthropic enterprises, and the Rockefeller Foundation was formed. Its purpose was to improve the wellbeing of people throughout the world.

Along with Carnegie and Rockefeller in the early 20th century, public and business leaders began business like management of wealth for the good of society. “These new foundations were not necessarily designed to help people directly. Instead, they were to be the scientific instruments of reform and problem solving, and would address the root causes of poverty, hunger and disease” (East Bay Community Foundation). Today the likes of Warren Buffett and Bill and Melinda Gates are urging America’s richest people to donate large portions of their net worth to charity, and to announce their giving plans publicly as a way of shaming people into action.

Philanthropic support for journalism has been growing in the US since 2008. It has been estimated that American foundations have donated at least $250 million to nonprofit journalism ventures since 2005 (The Economist). Chief among them are the Knight Foundation, the Sandler Family Supporting Foundation, and the Ford Foundation. A 2012 survey of 93 nonprofit news organizations in the US found that about three-quarters received foundation funding, which, in most cases accounted for more than half of that outlet’s total revenue (Holcomb and Mitchell). With that said, foundations are also giving to for-profit media outlets. For example, the Ford Foundation made a US$1 million grant to *The Los Angeles Times* in 2012, which enabled the Times to expand its coverage of key beats (Holcomb and Mitchell). And Google donated US$5 million to

encourage digital journalism innovation, US$2 million of which went to the Knight Foundation (Holcomb and Mitchell). Wealthy individuals are also investing personal wealth into the launch of digital nonprofits. In total, roughly US$150 million is generated through philanthropy for journalism annually, according to the Pew Research Center (Holcomb and Mitchell).

Essentially, the US nonprofit sector benefits from a strong tradition of philanthropy, institutionalized giving from well-established not-for-profit foundations, and a large population of increasingly wealthy potential donors from which to solicit support.

Economic incentives

Given the reliance of nonprofit investigative journalism centers on philanthropy, the appropriate financial incentives in the form of tax deductions for donations as well as tax exemptions for the organizations are vital. In the US, where philanthropic funding of nonprofit investigative journalism is most prominent, both the aforementioned incentives are present. In other countries such as Australia, however, such incentives are not in place or are not in place to the same degree. Australia's law appears to create a disincentive for donors as well as a more challenging operating environment for nonprofit investigative journalism centers as they are subject to higher taxation. Let us examine the financial incentives within the US as they pertain to ProPublica, the Center for Public Integrity and the International Consortium of Investigative Journalists, given that all three of these

organizations have attracted significant philanthropic funding and are each classified as nonprofits by the US tax code.

All three organizations are nonprofit organizations exempt from taxes under Section 501(c)(3). More specifically, they are exempt from income taxes and contributions to these organizations are tax-deductible. According to the Pew Research Center, “News organizations typically qualify for 501(c)(3) status by demonstrating to the IRS that they meet an education need in society – an application process that sometimes takes years to receive approval” (Mitchell et al). The IRS has consequently been criticized for being inconsistent in its reviews of applicants, taking too long to approve applications, and for not recognizing the educational value in journalism (Mitchell et al). To get around these issues, many news organizations obtain the benefits of nonprofit status by getting sponsorship through another 501(c)(3) organization (Mitchell et al). Only a small percentage of nonprofit news organizations have independent 501(c)(3) status. According to the Pew Research Center, of the 172 digital nonprofit news organizations they have identified, only 29 per cent have acquired independent 501(c)(3) status (Mitchell et al). The rest are sponsored or published by a variety of institutions such as universities, think tanks or other news organizations, the Center says (Mitchell et al).

Tax-exempt status clearly makes philanthropic contributions to these organizations more attractive. Similar economic incentives, however, do not exist in most countries. For example, in order to increase media diversity in Australia and enhance the opportunities for nonprofit online startups, media experts have recommended tax deductibility for donations made to nonprofit investigative and quality journalism

organizations, and tax breaks for non-profit ventures (Finkelstein 463). The Australian government has yet to act on these recommendations.

Journalism training

In order for organizations like ProPublica, the Center for Public Integrity, and the International Consortium of Investigative Journalists to be viable, there must exist a sufficient number of skilled journalists able to produce original and innovative content. A nonprofit's survival, for instance, may be dependent on whether or not there is a healthy pool of investigative journalism talent on which it can consistently draw. This talent pool is likely to form in a country that has a history of investing in journalism, either through education at universities, or by traditional media outlets training their own staff. Experts have long recognized that training is a critical factor in developing the often-complex skills needed for investigative work ("Global Investigative Journalism" 17). As one says, "if you want to create a true cadre of reporters who can do this kind of journalism [investigative], it takes a sustained investment over not weeks but years" ("Global Investigative Journalism" 17). The US has clearly made this kind of investment in journalism training in the past. Furthermore, because ProPublica, CPI, and the ICIJ, enjoy a high standing within the industry, they are able to pick the "cream of the crop". In other words, their staff is considered by many to be the best in the business.

That said, news organizations in many countries are investing little in training. According to David Kaplan, "even in North American and Western Europe, with developed advertising markets, strong independent media, and traditions of muckraking,

much of the mid-career and advanced training is provided by nonprofit professional associations and centers" ("Global Investigative Journalism" 18). The largest survey of newsroom training to date, funded by the Knight Foundation, found that US journalists cite a lack of training as their number one source of job dissatisfaction ("Newsroom Training"). Furthermore, news executives admit they should provide more training for their employees, but say time and insufficient funds are the main reasons they do not do so ("Newsroom Training"). Of the nearly 2000 journalists and news executives from various news media surveyed (newspapers, television, radio and news web sites), almost 65 per cent of news executives said they spent an average of US$500 or less per year per staff member, and 10 per cent said they spent nothing ("Newsroom Training"). With regard to time, news executives said they could allow a typical news staff member to be away from the job for training no more than four or five days per year ("Newsroom Training"). While the survey found midcareer journalism training appears to be growing, it is a fragile area. For instance, most survey respondents were pessimistic about the ability of traditional news organizations to adapt to technological change. The survey also found that the news industry lags behind others in providing staff with professional training. Ultimately, the report makes clear that investment in training does pay off. Its authors cite examples in a separate study to show how training can impact news organizations. And so while the organizations previously analyzed have been able to draw from a large talent pool to date, if a lack of training persists across the larger for profit media sector there may be an adverse impact on nonprofit journalism centers' ability to acquire talented, well-trained journalists.

In a keynote address at a national conference for journalism educators, Eric Newton, senior advisor to the President at Knight Foundation, said that the digital age has changed who a journalist is, what a story is, which media should be used for which news, and how journalists engage with communities, formally known as the audience. Radical change, he went on to say, requires radical reform. For journalism education to be relevant in the future, Newton said universities must expand their role as community content providers, innovate, teach open, collaborative methods, and connect to the whole university.

Nonetheless, many in the industry question the relevance of journalism degrees, and believe on the job training far outweighs what can be learned in the classroom. A recent survey by The Poynter Institute on the state of journalism education found that 97 per cent of journalism educators believe that a journalism degree is very important when it comes to understanding the value of journalism. The survey found only 57 per cent of professionals in the field shared the same opinion. These statistics remained similar when educators and professionals weighed the importance of a degree in developing news gathering skills. The survey also suggests that almost 40 per cent of academics believe journalism education is not keeping up with industry changes, and almost 50 per cent of practitioners are of the same opinion. This research suggests is that as universities and other educational institutions cut back on the number of journalism degrees offered and the quality of the education related to journalism, on the job training will become increasingly important.

While one can safely conclude that ProPublica, CPI, and ICIJ are benefiting from the extensive journalism education system and professional training provided by the

media sector in the US, other countries may not enjoy the same benefits. Moreover, given the cutbacks in on-the-job training and prevailing negative sentiment regarding formal journalism education, it may fall to nonprofits to increasingly bear the burden of training their own journalists.

Viability of nonprofit investigative journalism in Australia

Using the American nonprofit investigative journalism landscape as a comparative standard, this thesis next critically examines the Australian environment to assess the future viability of nonprofit investigative journalism in the country. Discussing the extent to which an engaged population, existing infrastructure and propensity to use Internet, philanthropic culture, economic incentives, and journalism training are present in Australia, conclusions are drawn about the viability of the nonprofit model. Australia's closest example to nonprofit investigative journalism, The Global Mail, shut its doors during my course of research. Days before this thesis was submitted, it was announced that a similar startup that attempted to generate revenue from its readers – New Matilda – would close. Their closure is evidence that not all factors critical to the viability of nonprofit investigative journalism are currently in place in Australia. A closer look at the details of Australian journalism confirms this suggestion.

CHAPTER THREE

This chapter applies the various drivers that inform the viability of nonprofit investigative journalism (outlined in the previous chapter) to Australia in order to answer the thesis question: 'what is the viability of nonprofit investigative journalism in Australia?' I have also used the failed Global Mail, Australia's first philanthropically funded journalism outlet, as a case study to support my findings.

Findings so far show that there are five main drivers that underpin the viability of nonprofit investigative journalism centers. They are: an engaged population, existing infrastructure and propensity to use Internet, philanthropic culture, economic incentives, and journalism training. An examination of these drivers as they relate to the US (in the previous chapter) confirms their positive impact on the viability of nonprofit investigative journalism centers.

Unlike America, there is very little scholarly research on nonprofit investigative journalism in Australia. Thus, to examine the viability of nonprofit investigative journalism I identified and interviewed various industry and academic experts in Australia and America, who include, but are not limited to: Monica Attard (Australian journalist and a founder of The Global Mail), Bill Birnbauer (Australian journalist and academic researching the sustainability and funding of non-profit investigative centers), Andrea Carson (Australian journalist and academic researching the state of investigative journalism in Australia), Shiela Coronel (co-founder of The Philippine Center for Investigative Journalism and Director of the Stabile Center for Investigative Journalism at Columbia University Graduate School of Journalism), Peter Fray (deputy editor (news)

of *The Australian* and founder of Politifact Australia, which closed last year), Matthew Ricketson (Australian journalist and academic who co-produced the Finkelstein inquiry), Gerard Ryle (Australian investigative journalist and director of the ICIJ), Margaret Simons (Australian journalist, and director of the Center for Advanced Journalism at the University of Melbourne), and Melissa Sweet (Australian journalist and president of the Public Interest Journalism Foundation). I have also drawn information from the public talks and presentations of other experts. They include the likes of Steve Coll (Dean of Columbia University Graduate School of Journalism), Katharine Viner (editor-in-chief *The Guardian Australia*), and Andrew Jaspan (British-Australian journalist and editor of The Conversation). I also sought interviews from Wendy Bacon (Australian investigative journalist and academic) and Graeme Wood (funder of The Global Mail and angel investor in *The Guardian Australia*) as well as others from The Global Mail, but was unable to connect with them.

Examining the Australian environment

Engaged population

According to Australian journalist and academic Margaret Simons, one effect of the ability of just about anyone to publish their own material in the Internet age is that the mainstream news media, particularly newspapers, are in decline (*What's Next in Journalism* 2). She argues that this is not because of any reduced appetite for the core

product (*What's Next in Journalism* 2). Making this case in the introduction to her new book *What's Next in Journalism* she writes:

> Contrary to what is often stated, there is no evidence at all that people in Australia have lost their hunger for news and information. There are more readers of newspaper content – whether it is delivered online or in hard copy – than ever before. Our main commercial television channels have spawned multichannels in the last few years, and many more news bulletins through the day. All these news services draw healthy audiences, and the viewer figures tell us many people watch multiple news programs in a single day. Add to that the constant swapping of news and views on Facebook and Twitter, through text messages and blogs, and we can see that news remains at the center of our lives. The historian Mitchell Stephens has said that news is a basic human need. Every human society ever studied has had the means to disseminate news, so we can be fairly confident that we will continue to do so, particularly because the tools are better and more efficient than any human beings have had previously. (2)

In sum, according to Simons, the mainstream media's decline is about business models, not appetite for news. She does not see any evidence that the proportion of people in Australia who do want to know what is going on in the world is any lower than is was before (Simons, "Telephone interview"). What is changing, she says, is that audiences are fragmenting in Australia. For example, as Simons sees it, there is an audience of young people now who never have and never will read a print product, instead getting their news from all sorts of places such as Twitter and Facebook to Reddit (Simons, "Telephone interview"). This means that new audiences are going to be engaged in different ways.

The majority of experts interviewed share similar opinions. Australian journalist and academic Matthew Ricketson, for instance, also referred to Mitchell Stephens' book *A History News* when contemplating Australians' hunger for news and information, saying Stephens did not find a society in history which did not have an interest in news (Ricketson, "Telephone interview"). Ricketson too noted audience fragmentation in

Australia. Consequently he believes it's going to become increasingly important to tell stories in new, interesting and engaging ways.

Australian journalist and academic Andrea Carson also does not believe there is evidence that Australians have lost their hunger for news and information. She agrees that the print media in Australia is in decline and says while hardcopy is constantly losing circulation, there are more readers online (Carson, "Telephone interview"). Further evidence of a population willing to read and engage in the media is that new media entrants in Australia are finding audiences. Carson cites the *Guardian Australia* as the most successful example. The latest Nielson Online Ratings shows new digital players are climbing up the rankings, with the *Guardian Australia* in particular showing significant growth (The Newspaper Works). News.com.au retained its place atop the rankings, attracting about 3.7 million unique visits in March 2014, according to The Newspaper Works. The *Sydney Morning Herald's* online edition came in second and ninemsn news websites third, both with about 3.6 million unique views (The Newspaper Works). The *Guardian Australia* posted their highest number of page views in a month during March, with just under 1.7 million views, placing it ninth in the Nielson Ratings. Katherine Viner, editor-in-chief of the *Guardian Australia*, launched almost one year ago, said the company had smashed its readership targets (The Newspaper Works). During the AN Smith lecture in Melbourne at the end of last year Viner spoke of the rise of the reader and journalism in the age of the open web:

> Digital is not about putting up your story on the web. It's about a fundamental redrawing of journalists' relationship with our audience, how we think about our readers, our perception of our role in society, our status. We are no longer the all-seeing all-knowing journalists delivering words from on high for readers to take in, passive perhaps an occasional letter to the editor. Digital has wrecked those hierarchies almost overnight, creating a more leveled world, where responses can

> be instant, where some readers will almost certainly know more about a particular subject than the journalist, where the reader might be better placed to uncover a story. That's why Jay Rosen calls readers "the People Formerly Known as the Audience"; Dan Gillmor calls them "the former audience". In the era of the newspaper, there were few writers and many readers. Now, it can be hard to tell the difference. The People Formerly Known as the Audience don't just sit there, and if you don't listen to them, work with them, work for them, give them what they want and need, they have plenty of other places to go. The open web makes it possible to interact with this audience like never before, and collaborate with them to discover, distribute and discuss stories in an array of new ways. (Viner)

Viner's philosophy was cited frequently among those interviewed as the best way forward with regards to engaging readers, watchers, and listeners. In her speech, Viner also spoke about what journalists need to do more than ever – break stories and find new information. She noted that many publishers have responded to the web by commodifying news and producing so-called "churnalism" – rewriting wires, press releases and each other's work (Viner). Citing an essay on post-industrial journalism and a famous statement, she said, "Hard news is what distinguishes journalism from just another commercial activity… News is something someone somewhere doesn't want printed. Everything else is advertising" (qtd. in Viner). She goes on to say that while no subject should be off-limits if you can find a way to make it significant, thoughtful and interesting; so far it is the serious stuff that readers in Australia seem to want most (Viner).

In an interview with ABC Radio Tim Dunlop, author of *The New Front Page*, says the working assumption in the media is that only a very small percentage of people in Australia – around 10 to 15 per cent – are actually interested in the more detailed policy driven type of journalism, the so-called "serious" journalism, and consequently presume they only have to produce that type of journalism for that percentage of people

(Dunlop). He says the presumption is wrong and doesn't understand why media outlets are not working to increase the audience for serious news by presenting it in a way that is more appealing to a broader audience.

With regards to investigative reporting, Carson says it's always been a small offering of what newspapers or media outlets provide – it is not commonplace. Newspapers and niche programs such as ABC's *Four Corners*, she believes, have been the mainstay of investigative journalism in Australia. And they have been successful in providing quality content. This no doubt highlights the fact that investigative journalism is not only being read but also is having an impact in Australia. With that said, Birnbauer believes a lot of the impact of investigative journalism occurs not so much at the community level but at a political and corporate level (Birnbauer, "Telephone interview"). "There are theories that when an investigative report goes out, the community becomes enraged and political action follows. That's fantastic and appealing but it hardly ever happens. In my experience it's the decision makers where the impact is biggest" (Birnbauer, "Telephone interview").

When asked whether people want more investigative journalism, and if more were to be produced whether people would read it, Carson replied: "Forget about the readability of it, whether they actually want to read it, [the question is] is power being held to account? The mere fact that those in power know that they could be held to account with a front page headline is sometimes deterrent enough to stop them behaving the way that the Eddie Obeid's[4] of the world did, which is blatant disregard for the public

[4] Eddie Obeid is a former Australian politician who has featured in an unprecedented seven corruption inquires

and outright corruption. For me that's a more interesting question than weather it attracts huge readership" (Carson, "Telephone interview").

This evidence suggests that the Australian audience is engaged with old and new media forms such as online newspaper websites and new media entrants; that the audience in Australia values investigative content; and that such content drives meaningful change at a community level and more importantly at a state and national level. Australia thus has a sufficiently engaged population to support the viability of a nonprofit investigative journalism center.

Existing infrastructure and propensity to use Internet

Of Australia's more than 23 million people about 12,397,000 of them were Internet subscribers at the end of December 2013 - an increase of 2 per cent in a year, according to the Australian Bureau of Statistics (ABS) ("8153.0 - Internet Activity"). As of the same time, 98 per cent of Internet connections were broadband. Dial-up connections continued to decline. According to another report by the Australian Communications and Media Authority (ACMA), as of June last year, 80 per cent of people aged 18 and over had home internet connection and 42 per cent used the Internet via a mobile phone. The majority of Australians going online use three or more devices to access the Internet – most commonly a smartphone, portable computer and desktop computer (ACMA). That same report found that 10.81 million Australians went online more than once a day, and that most people access the Internet from home, then work.

Those aged 15 to 17 use the Internet most, and those aged 65 or over use it the least, according to the ABS ("8146.0 - Household Use"). Higher income groups have a greater proportion of Internet users than those with lower incomes. Furthermore, the higher the level of education the more likely a person is to be an Internet user in Australia.

While it lags behind other countries, Australian Internet is speeding up. The number of Australians accessing download speeds of 24 megabits-per-second (Mbps) passed 2 million for the first time in the three months to December 2013, according to the ABS ("8153.0 - Internet Activity"). That is an increase of almost 30 per cent on the number of people accessing the fastest category of Internet service since the same period in 2012 (Wood). The trend to better download speeds reflects the wider availability of fast Internet technology, according to the ABS ("8153.0 - Internet Activity"). Most Australians – roughly 9 million – access Internet with speeds between 1.5 and 24 Mbps (Wood). Of these, about 5.6 million have speeds of more than 8 Mbps (Wood).

Economists warn Australia is falling behind its international competitors on Internet access and affordability. They say more investment in communications infrastructure is needed (Australian Broadcasting Corporation). Australia ranked 18th for its competitiveness in information and communications technologies in the World Economic Forum's Global Information Technology Report (Australian Broadcasting Corporation). It ranked ninth in 2004. Australian Industry Group chief economist Julie Toth told one media outlet that Australia needed to invest in communications infrastructure to raise its standing (Australian Broadcasting Corporation). Toth also said Australia ranked 49th on affordability. Nonetheless, the majority of those interviewed

didn't believe Australia had an infrastructure problem, though some were concerned that Australia was falling behind other developed nations with regards to speed, and said access in regional areas was too costly.

Given Australia's well functioning Internet infrastructure it is likely that nonprofit investigative journalism is viable in the country. It has sufficient infrastructure.

Philanthropic culture

Philanthropy in Australia emerged from an English tradition and for the most part is still governed by English concepts of charity law (Meachen 5). Comparisons to the American tradition of philanthropy should take into account various factors such as the dates of Western settlement in both countries, the different tax systems and philanthropic structures available, attitudes towards tax and government, and differences in social welfare systems (Meachen 5).

With that said, the majority of foundations in Australia were established within the last century, and it is estimated that there are about 5000 trusts and foundations in the country (Meachen 5). The development of geographically based community foundations, and the expansion of corporate philanthropy in Australia are other factors in the development of its philanthropic culture (Meachen 5). Rapid wealth creation and a conducive taxation environment have also led to an expansion of philanthropy and more widespread public recognition of it (Meachen 5). According to one report, giving in Australia has grown steadily every year since figures were first collected in 1988 (Meachen 5).

While country comparisons are difficult, because other countries measure donations in different ways, research shows that Australians give slightly less than the UK and Canada, and significantly less that the US (Philanthropy Australia). According to an Australian Government Department of Family and Community Services report on philanthropy in Australia, the average level of giving as a proportion of GDP in the US is more than twice that in Australia ("Giving Australia" ix). Taking in to account the size difference of the US economy versus Australia's, the absolute flow of philanthropic dollars is therefore significantly larger in the US.

That same report on philanthropy in Australia estimates that about AU$5.7 billion was donated by 87 per cent of adult Australians in the year to January 2005 ("Giving Australia" vii). The average donation was $424 per year. It also shows businesses gave AU$2.21 billion in the 2003-04 financial year ("Giving Australia" vii). Community and welfare service organizations receive about one in eight of all dollars donated by adult Australians, and health nonprofits receive about one in six of all dollars donated by individuals ("Giving Australia" viii). Religious institutions are significant beneficiaries of donations by individuals, receiving more than one in three of total dollars ("Giving Australia" viii). International aid and development organizations receive about one in eight of all dollars donated by individuals, and education nonprofits receive about one in twenty of all dollars donated by individuals and business ("Giving Australia" viii). Arts and cultural organizations receive only a small proportion of individual donations, according to a report on giving in Australia.

As the Finkelstein inquiry made clear, philanthropic investment in news production is a much more common practice in the US. It has a well-developed

philanthropic sector, as chapter two shows. As mentioned previously, the sense of journalism in crisis in the US spurred several nonprofit journalistic enterprises, from web-bases news services to co-operatives such as ProPublica (Finkelstein 332). Such efforts have been rare in Australia. One important recent example is The Global Mail, a nonprofit web-based news venture established with philanthropic funding. The online publication was funded by philanthropist Graeme Wood, who in 2012 pledged to give at least AU$15 million over five years. It closed in February 2014 after Wood said he would no longer fund the site. Bill Birnbauer was one of many interviewed who said Wood's multi-million support for The Global Mail was unprecedented in Australia ("Charity Case").

Statistics above show that there is a healthy philanthropic culture in Australia. Yet Australians are still less philanthropically inclined than their US counterparts. Further, there are fewer philanthropic dollars available to fund nonprofit investigative journalism centers relative to the US. It is difficult to conclude that nonprofit investigative journalism is therefore not viable solely on the basis on philanthropic culture. However, the relative weakness of Australia's philanthropic culture does certainly pose an additional challenge for those parties looking to establish such an organization in Australia.

Economic incentives

In the US, private investment and philanthropic contributions to nonprofit journalism organizations are made more attractive through tax breaks. As outlined in chapter two,

501(c)(3) status grants donors a tax deduction on donations and also ensures that the 501(c)(3) organization is exempt from income and property tax.

These tax breaks are integral to a nonprofit investigative journalism center's viability. For example, according to Birnbauer, the foremost expert on this subject in Australia, one immediate question confronting US nonprofit news centers and websites is whether the Internal Revenue Service (IRS) will continue to grant tax deductibility to nonprofits ("Charity Case"). "The IRS has delayed approving nonprofit status to several applicants and the head of the Investigative News Network, Kevin Davis, warns that, 'If it turns out that the IRS effectively shut down creating new nonprofits, we're going to see massive consolidation'" ("Charity Case"). He concluded, "The fact that there are now about 75 investigative nonprofit reporting centers in the US is due to the fact that donations to them are tax deductible" (Brook).

Tax incentives like those in the US still do not exist in Australia for journalism, despite lobbying efforts by journalists, academics and news organizations. The majority of experts interviewed agreed that without tax incentives, there would be little or no philanthropic funding of journalism in Australia in the foreseeable future. Many agreed it was the most important factor in determining a nonprofit investigative journalism center's viability. For example, Birnbauer said that unless there was guaranteed tax deductibility, nonprofit investigative journalism would not happen outside the university setting in Australia. Birnbauer cited New Matilda, an independent news website in Australia that is almost entirely reader-funded, and which has announced its closure, as case in point. He said, "If New Matilda, for example, which is always going broke despite doing some good work, could register as a nonprofit with donations that were tax-

deductible I think they'd be much more financially viable" (Birnbauer, "Telephone interview"). The Conversation, a nonprofit news and opinion website that uses content sourced from the academic and research community, is an example of a thriving new model. It receives a tax exemption because of its educational base (Attard, "Telephone interview").

Some observers argue that philanthropically funded journalism is not sustainable in Australia because there is not a strong tradition of philanthropy in the country (like in the US). Others such as Birnbauer believe there are people in Australia who care enough about the importance of a robust and diverse media for democracy to donate to credible, independent and nonprofit news organizations if such contributions were made tax-deductible (Public Interest Journalism Foundation). Birnbauer also believed it encouraging that the Finkelstein inquiry recommended that tax deductibility in future might be introduced to encourage philanthropists to donate to news ventures ("Charity Case").

The Finkelstein inquiry listed several ways in which government could make investment and philanthropic contributions to non-profit journalism outlets more attractive. One was "to make donations towards non-profit or low-profit journalism organizations tax-deductible or exempt", which has proved effective in the US (Finkelstein 460). Another, which the inquiry noted might be more effective in Australia, was "to grant a charitable or tax exempt status to a category of non-profit media organization" (Finkelstein 461).

In his submission to the inquiry, Birnbauer wrote that one of his recommendations to 'increase media diversity in Australia and enhance the opportunities for nonprofit

online startups' was to "provide tax deductibility for donations made to nonprofit investigative and quality journalism organizations" (Finkelstein 464). This recommendation was cited and supported in submissions by Margaret Simons, as well as journalist and academic Wendy Bacon, The Public Interest Journalism Foundation, and others, according to the inquiry. Last year, Simons wrote:

> In my own submission to Finkelstein, I supported calls by others for not-for-profit public-interest journalism initiatives to be granted tax-deductible status for donations and gifts. In the USA, philanthropically funded sites such as ProPublica have helped keep investigative journalism alive, as newspapers have closed and newsrooms shrunk. Such action here might help philanthropically funded entrepreneurs, such as the alternative site New Matilda, which has crowd-sourced funding from its audience. ("Some Ideas for Supporting")

In 2012, Bacon wrote:

> Academics, including myself, submitted an idea for tax deductibility on donations for nonprofit investigative journalism. Such journalism could be published in partnership with major companies as well as to support smaller independent media. Some people warn that such schemes could be politically influenced by decision makers. But if schemes have worked elsewhere, they should be considered here. (Bacon)

The Public Interest Journalism Foundation has publically called on the Federal Government to introduce tax deductibility for philanthropic and other donations to nonprofit media that produce quality journalism in the public interest. Despite a strong advocacy campaign, president of the foundation Melissa Sweet says the proposal has essentially gone nowhere (Sweet, "Telephone interview"). In my interview with her, Sweet also raised potential dangers associated with establishing tax breaks for journalism, which she said would need to be ironed out if the incentives were to be implemented. "The danger is we've got all sorts of vested interests setting up their own publishing arms, like the AFL and Commonwealth Bank, who are putting out media releases. [We're

going to have to figure out] how to support innovation and sustainability in public interest journalism without just giving a free kick to those that have already got plenty of media muscle" (Sweet, "Telephone interview").

According to Birnbauer, there has been no expert analysis or work done on tax incentives for journalism in Australia. He believes the Public Interest Journalism Foundation, of which he is part, will approach the government to see whether it will commission a detailed inquiry into whether nonprofit investigative centers would qualify for registration as a nonprofit with tax deductibility (Birnbauer, "Telephone interview").

In submissions to the Finkelstein inquiry, mainstream media organizations such as Fairfax and News Corporation rejected government intervention such as tax breaks for journalism (315). When asked if tax incentives would weaken mainstream media operations, Simons said depending on how the policy is constructed, it would not necessarily preclude mainstream media from benefiting as well (Simons, "Telephone interview").

During my interview with her, Monica Attard, a founder of The Global Mail, said she put in a submission to the Finkelstein inquiry, highlighting tax breaks as one of the critical needs of journalism in Australia. While she still believes this to be the case, she does not see it happening soon in Australia. "It's a small country with a small population and relatively small economy, and there is in the Internet age so much available out there that any government would sit back and say do we really need this… and I think if they did the cost benefit analysis you'd look at The Global Mail's audience, [and ask yourself why you would] provide Graeme Wood, a multi, multi millionaire, with a tax deduction on the cost of an organization that services at best 120,000 people a month" (Attard,

"Telephone interview). Attard believes there should be tax incentives with qualifications. Nonprofit journalism organizations seeking tax incentives, she says, should prove readership and genuine nonpartisanship.

Carson believes philanthropy for journalism will always be a very small part of the pie in Australia without tax incentives. She also does not believe that under a conservative government, Australia will get tax breaks for journalism. "I can't see tax breaks happening, and I don't think there'll be a very large pool of philanthropy for journalism in Australia. But I do think one of the ways round that is collaboration - international collaboration as well as cross-media collaboration and collaboration with non-media institutions" (Carson, "Telephone interview").

On the basis of this analysis and considering Australia's current political climate, it seems clear that sufficient economic incentives are not in place to ensure a viable non-profit investigative journalism sector in Australia.

Journalism training

To examine the state of journalism training in Australia I relied heavily on interviews with industry experts, many of who now teach at journalism schools throughout Australia after long and distinguished careers in mainstream media outlets. The focus in this section is on the state of journalism training within mainstream media outlets and training within the university setting. I question how budget cuts and job losses within mainstream media have affected journalism training, moreover, whether traditional media groups are investing in journalism training anymore. I also ask whether universities are

capable of filling the gaps. Ultimately, for a nonprofit investigative journalism center to be viable, Australia must have skilled journalists willing and able to produce the type of content needed for a successful non-profit investigative journalism center. Furthermore, the current generation of journalists must be getting the training needed to become future leaders in investigative journalism. Sustainability depends in large part on whether, in generations to come, there will be a healthy pool of investigative journalism talent.

Matthew Rickeston, journalism professor at the University of Canberra, believes the talent drained by layoffs at organizations such as Fairfax and News Corporation, which occurred in 2012 and continues to occur, is potentially damaging because of the massive loss of journalistic wisdom. “You lose it in a great big clump and it’s not being replaced,” he said during our interview. “And it’s not to say these young people working in these organizations are not smart and are not doing good work, but you really benefit from people who’ve been around for 20, 30 or 40 years – the contacts, the knowledge, the shortcuts that can show you.” Sweet, however, believes the people to look to are not necessarily the older, senior journalists because in some ways they’ve been the slowest to adapt to new possibilities in journalism brought by the Internet.

Without hard evidence, Ricketson believed it hard to discern whether or not journalists within newsrooms are getting the training needed to be future leaders in the industry. He believes it looks like training programs in mainstream outlets are being curtailed because of cutbacks. Margaret Simons, director of the Center for Advancing Journalism at Melbourne University, says newsrooms are doing less training than they used to and that the informal mentorship that she got in the newsroom when she was a young journalist does not happen anywhere near to the same extent today. She says that

as newsrooms shrink, university courses are going to become increasingly important, not only for passing on the skills and professional norms, but also for doing investigative journalism.

Some journalism schools in Australia now function as media outlets, publishing research and intervening in public debate. For example, The Citizen, an online publication by The Center for Advancing Journalism at Melbourne University, showcases the work of students in the Master of Journalism program, as well as research by the Center. The Australian Center for Independent Journalism, part of the University of Technology Sydney (UTS), produces web magazine Reportage, which features independent journalism by professional journalists, UTS staff, and journalism students from several universities. And students, under senior lecturer Bill Birnbauer at Monash University, have produced investigative stories that have been picked up by the mainstream media.

Further to these developments, Birnbauer is working with Ricketson and Andrew Dodd (senior journalism lecturer at Swinburne University of Technology) to develop a national scheme of student investigative reporters working with industry to create investigative stories. Knowing investigative journalism requires more specialist skills and not everyone in the industry and academia has those skills, they aim to create a curriculum for professors to teach investigative journalism. Under the scheme, students around Australia would do similarly themed investigations, and an editor would then pull together the better stories, which would be published on a university website and offered to mainstream media.

Australian journalism schools are clearly creating links between journalists and experts. These links will only become more important over time. There are probably more journalism schools than ever before in Australia's history, which means there are a lot of young people being trained in journalism. According to a survey by Crikey, the number of students enrolled in journalism courses has increased greatly from 2007 to 2012 (Loussikian). But the difficulty in Australia is getting hands on experience working in the profession. Job cuts in the mainstream media have created a bigger pool of potential employees, possibly making it more difficult for graduates to get jobs. Furthermore, News Limited and Fairfax, which used to employ large numbers of students, now take on very few. As Carson says: "I don't think the problem's with the training within the institutions, I think the problem is consolidating those skills and moving from early career to mid and developed career status and that can't happen within journalism schools, that needs to happen within the profession. But the profession is not employing a huge number of journalists in large cohorts. There are certainly journalists being hired in small enterprises but some of that great learning came from larger institutions where you had mentoring going on, where you had less experienced journalists learning from those that were very accomplished in their skill sets and that is where the vulnerability is in training at the moment" (Carson, "Telephone interview").

Another issue, according to Birnbauer is the lack of senior career development in Australia. He believes Australia's journalism-training culture is nowhere near the level of sophistication that it is in the US. For example, he believes there is more of a senior career development culture of ongoing education in journalism such as that which occurs at journalism conferences in the US.

So while the lack of formal training within larger journalism institutions may pose some threat to the quality of journalism, there is no evidence a lack of journalism training will prohibit the establishment of a viable nonprofit investigative journalism center in Australia.

Key Takeaways

Based on this analysis nonprofit investigative journalism is unlikely to be viable in Australia anytime soon primarily because of Australia's underdeveloped philanthropic culture, which is compounded by the lack of tax incentives. This is an important finding as it informs individuals or groups who may currently, or in future, be contemplating the establishment of a nonprofit investigative journalism center in Australia. Moreover, it identifies the changes that must take place before the Australian environment can be considered fertile for such an organization. The case study that follows provides a real world example of how these drivers might impact the establishment of nonprofit investigative journalism in Australia.

Case Study: The Global Mail

As this thesis has detailed, America's news ecosystem has many nonprofit news outlets. However, most countries have few or nothing like them. The Global Mail, which unexpectedly closed in February, was Australia's first philanthropically funded journalism outlet. And it shared many similar characteristics to the type of nonprofit

investigative journalism center defined in chapter one. Its sudden closure therefore says a great deal about the viability of nonprofit investigative journalism in Australia.

About The Global Mail

The Global Mail was a Sydney-based independent journalism start-up funded by Internet entrepreneur and philanthropist Graeme Wood. It closed in February, less than two years after it launched in early 2012, after Wood advised management and more than 20 staff that he was unable to continue funding the digital-journalism outlet. He pledged about AU$15 million over five years before the site's launch, and had expected nothing immediately in return apart from independent quality journalism, which he believed was under threat in Australia (Wake).

The organization described itself as a "philanthropically funded, nonprofit news and features website" (Meade). It was a free site that carried no advertising. Its mission was "to deliver original, fearless, independent journalism" and strove to "inform, provoke, expose and entertain" (Meade). In an effort to realign its focus to include more data journalism and in-depth investigations, The Global Mail became the first institutional member of the ICIJ in July last year. Wood said the institutional membership would accelerate The Global Mail's move into major investigative journalism projects ("Australian Businessman Makes"). But as *The Guardian Australia* reported after the organization's closure: "the site failed to gain the traction it needed to gain a strong foothold in the Australian media market, despite being well resourced with experienced journalists and editors" (Meade).

What can we learn from The Global Mail?

The Global Mail got off to a rocky start. The site crashed on the first day and people did not like the sideways scrolling design of the website. Summing it up in an article for Crikey, Margaret Simons wrote that it "seemed oddly ill-prepared for its launch, despite months of planning" ("Wood Bets on Guardian"). About three months later, its founding editor Monica Attard stepped down from the role after reported disagreements with staff over the site's direction and style (Meade). Soon after The Global Mail axed its correspondent roles in New York, the Middle East and Latin America and cut staff in Australia (Jackson). Later, new staff members were hired. It has been reported that the organization was debilitated by internal disputes from the outset ("Wood Bets on Guardian").

Within a year of its launch The Global Mail switched focus, redesigning its website and realigning its focus to include more data journalism and in-depth investigations (McAthy). A common complaint about its core product had been that it replicated what others already did well. At the time of closure, The Global Mail's work had won awards, it had about 120,000 unique visitors a month, its subscriber base was more than 18,600, and it had a social media following all without paid marketing or advertising (The Global Mail).

It was reported that Wood's decision to stop funding The Global mail was due to that fact that he had suffered a personal financial loss of millions (Wake). Wood's funding essentially came from his own pocket. His decision may have been different had

the same tax incentives that exist in the US existed in Australia. That said The Global Mail did not have a huge audience. The organization's readership last year peaked in May with more than 315,000 visits and 258,000 unique visitors (Wake). And employees obviously did not think about what might happen if Wood's funding were to suddenly end. As Simons said, "there was no plan to move from philanthropic donor to a self-supporting or even semi-self supporting model" ("Wood Bets on Guardian"). These factors could have contributed to its downfall. Furthermore, some people interviewed said Wood thinks there is a model for this sort of thing that might actually make money someday, and is just happy to experiment to see what might work. This could also have played a part in Wood's decision.

The majority of people I interviewed (before and after The Global Mail's closure) said they would have run the organization very differently. Gerard Ryle, who I interviewed before the organization closed, said the real test with The Global Mail was "does the Australian public value it" (Ryle, "Telephone interview"). While he thought there was a market for it, he believed The Global Mail was doing things wrong (Ryle, "Telephone interview"). Ryle also said that if philanthropy for journalism was ever going to take off in Australia the government first had to change the law and make it tax deductible. This issue was raised by all those interviewed.

Bill Birnbauer, who I interviewed before The Global Mail's closure, thought the organization should have changed the way it operated. Rather than producing a lot of worthy feature material, they should have instead spent six months investigating an issue, then producing a comprehensive report and holding a press conference, where it would be distributed to the media for publication on their websites (Birnbauer, "Telephone

interview"). Birnbauer did not believe The Global Mail's work was investigative. Simply put, it was mainstream and did not reveal anything. "With that amount of money I personally think it's a scandal that they're not doing deeper investigations. What a fantastic opportunity being squandered" (Birnbauer, "Telephone interview"). Another issue he raised was that the organization did not seem to be trying to develop other revenue streams. It was entirely dependent on Wood.

Sweet, whom I interviewed after the announcement was made, said The Global Mail never seemed to be that engaged with their community. She would have engaged the community from the outset – through connecting with the audience, listening to them, and collaborating with them – a process similar to the one described by editor-in-chief of *The Guardian Australia* Katherine Viner earlier in this chapter.

The Global Mail's founding editor Monica Attard, who initially approached Wood with the idea, said: "Why I started The Global Mail was that I believed that what I was seeing was an increasingly partisan non-ABC media - so you had Fairfax on the left and *The Australian* on the right, that I felt that the burden of investigative journalism was falling on the ABC and wouldn't it be great to come up with another model where you could do investigative journalism as well as day to day journalism" (Attard, "Telephone interview"). While she believes The Global Mail did some good work she says it was lost because the organization didn't have an audience. "They offered their audience broccoli for dinner every night and you can't do that" (Attard, "Telephone interview"). In other words, "you offer them stuff that they are actually interested in as well as stuff that's good for them – you offer them a bit more than broccoli the whole time" (Attard, "Telephone interview"). What does Attard think we can learn from Australia's first

philanthropically funded journalism outlet? “What we learn is that you can have genuine inventiveness and innovation with money. That it costs money to be genuinely innovative. I think we learn that the emphasis ought to always be on finding ways to stand on your own two feet without the support of a big bank account behind you. And that to earn a big audience you have to offer them a really solid mix of genuinely nonpartisan long and short form investigative and non-investigative journalism” (Attard, “Telephone interview”). Further, she said that without tax incentives, there would be little or no philanthropic funding of journalism in Australia in the foreseeable future. Essentially, due to The Global Mail’s failure and the lack of tax incentives for journalism in Australia, Attard does not believe nonprofit investigative journalism will be an important future player in the media industry in Australia.

Margaret Simons, who I spoke with after The Global Mail closed, believed that though the organization did some fine work, one of the big disappointments was that it did not do much investigative work. Essentially, they did not do anything very different from what you could get elsewhere. She said an organization needed a very clear vision of what its primary purpose was. She suspects that one of the reasons The Global Mail’s funding stopped was because it was not actually doing what it had claimed it would do (Simons, “Telephone interview”). In sum, she believed it to be an opportunity largely lost.

Andrea Carson did not believe those interested in supporting the media would be deterred by Graeme Wood’s decision to stop funding The Global Mail. “He had 40 per cent of his shares written down on the stock market so he had external reasons for having to rethink his own funding” (Carson, “Telephone interview”). According to Carson, The

Global Mail produced quality journalism, which was winning awards early on. She also said it was doing some powerful investigations under an investigative reporter hired out of the US, however, the reporter left after only a short time because of redundancy. It proved detrimental. This supports Carson's theory that startup models producing niche content have the highest chance of success.

The Global Mail's biggest downfall, however, according to Carson, was that it relied on just one benefactor. "That's a fragile model to have all your eggs in one basket. Funding for media needs to be from multiple income sources so that if one falls over, the whole platform isn't immediately vulnerable" (Carson, "Telephone interview"). Furthermore, she said, "The Global Mail had the money up until the end, it never had the audience though. It didn't put its efforts into building audience because it was sort of smug – it didn't need advertising, it had the money, it had the good journalism, but it was all kind of in a vacuum because unless you're building audience and have mechanisms to develop that audience then all the rest falls flat" (Carson, "Telephone interview").

There are four key lessons that can be learned from the recent closure of The Global Mail. Firstly, that tax breaks for journalism are clearly an incentive and if ever implemented in Australia with qualifications (described earlier in this chapter) they could encourage philanthropic support for niche journalism not done by the mainstream. Secondly, a philanthropically funded organization needs to develop multiple revenue streams. Relying on one donor is not sustainable. Thirdly, a quality nonpartisan product that offers something different is the key to success. For nonprofit investigative journalism outlets, investigative journalism has to be deep, reveal something new, and have an impact in the public sphere. And lastly, the public must value the work being

done. Developing a healthy following requires engaging the community from the outset - connecting with them, listening to them, and collaborating with them.

Viability of nonprofit investigative journalism in Australia

After carefully assessing whether conditions in Australia are right for a new nonprofit investigative journalism center, I have concluded that nonprofit investigative journalism is unlikely to be viable in Australia anytime soon because of Australia's underdeveloped philanthropic culture, which is compounded by the lack of tax incentives. While one can make the case that it may be possible to establish no more than one center, the failure of The Global Mail suggests that this effort would be futile. If nonprofit investigative journalism centers are ever going to be viable in Australia the government first has to change the law to make donations towards nonprofit investigative journalism centers tax deductible or exempt. Granting a charitable or tax-exempt status to a category of non-profit media organization would increase the likelihood of long-term sustainability. If ever implemented this thesis could serve as a guide for those starting such centers, as it highlights other key elements in achieving long-term sustainability and success.

CONCLUSIONS

The nonprofit investigative journalism model (defined in Chapter One) is spreading all over the world. Reasons for increased interest in nonprofit investigative reporting vary from country to country. In the US, the collapse of the news business model, particularly newspapers, and the 2008 financial crisis, has pushed the growth of nonprofit journalism. Investigative reporting in the US has primarily been done by newspapers, which is different from other parts of the world such as Europe, where it has largely been done by public broadcasting. Since the public broadcasting model is not as strong in the US, despite NPR and PBS, the decline in investigative reporting by newspapers has been particularly significant. As a result, there has been a great deal of philanthropic interest in funding investigative reporting. Furthermore, in the US the large number of investigative journalists who lost their jobs have looked to the nonprofit model as a way to continue doing high quality, high resource investigations.

The collapse of the news business model, particularly in newspapers, has not been as damaging in Australia as it has been in the US. Carson's analysis of the Walkley awards "for excellence" in Australian journalism found that "there is more print investigative journalism now [2011] than ever before" ("Hold the Front Page"). However, as stated in chapter one, future researchers might come to find 2012 a tipping point for print investigative journalism because of cost cuts and format changes within mainstream newspapers. As a result, award-winning investigative reporting may well diminish. While such a decline could impact the state of investigative reporting in Australia, because it has been done in part by newspapers, it has also been done in part by

public broadcaster, the ABC, which is owned by the Australian government and is 100 per cent taxpayer funded. The strength of the ABC means that if the state of investigative journalism in Australia worsens in future because of collapsing business models in newspapers, it might not be as dramatic as it has been in the US. One might therefore argue that there may be no need for a nonprofit investigative journalism center. But that would mean the burden of investigative journalism will fall on the ABC, a problematic outcome. Furthermore, expected cuts to the ABC's funding, announced by the current government, could prove detrimental to its investigative reporting. In that case, a nonprofit investigative journalism center would be necessary in ensuring Australians continue to have access to the kind and volume of serious journalism which safeguards democracy.

The aim of this thesis has not been to determine whether nonprofit investigative centers are needed, but rather whether they are viable in Australia. In order to establish whether nonprofit investigative centers are viable in Australia, I have, through research and interviews, identified five contributing factors to the long-term sustainability of nonprofit investigative journalism. The five drivers that inform the viability of nonprofit investigative journalism in Australia are: an engaged population, existing infrastructure and propensity to use Internet, philanthropic culture, economic incentives such as tax breaks, and journalism training. This thesis has examined these factors as they relate to Australia and the US, and compared and contrasted the results. By analyzing three successful nonprofit investigative centers in the US – ProPublica, The Center for Public Integrity, and its offshoot The International Consortium of Investigative Journalists, and the only similar, but much smaller model in Australia, the recently closed Global Mail,

this thesis has found that the future of philanthropically funded journalism in Australia is grim, largely as a result of a lack of economic incentives and an underdeveloped philanthropic culture. And while these findings suggest nonprofit investigative journalism might not be viable in Australia currently, they also show that more pressure could be applied to government to make some important and necessary changes by way of implementing qualified tax breaks for nonprofit journalism.

This thesis has also outlined some important lessons learned from the failed Global Mail, which may serve those hoping to launch a successful and sustainable nonprofit in future in Australia. They include, but are not limited to, developing multiple revenue streams, producing quality nonpartisan content that is different from the mainstream, and developing an audience through connecting with people, listening to them, and collaborating with them. As this thesis shows, philanthropists interested in supporting journalism will likely fund particular organizations if they can see clear impact, providing checks on the powerful and voices for the powerless; and a public that values these things. It is up to the industry to show them this is possible.

It should also be noted that viability and success are not one and the same thing. This thesis has examined the factors required for basic viability, whereas I recognize that there are several additional factors that may be required for an organization's ultimate success. These could include forming a community of journalists willing to put the time and effort into work that may or may not be funded or be sustainable in the long run, and a media environment where there is openness to this type of work. For example, there needs to exist a supportive journalistic community in which other organizations would publish the work being done by nonprofits since many nonprofits depend on the media to

support their work. A large part of investigative journalism's success also depends on whether there is an appetite for accountability reporting and an audience for supporting that type of work. And if there is an audience, success will also depend on how well a nonprofit knows their community and what works for them. Management, willingness to experiment and enough imagination to be able to support long-term nonprofit investigative journalism is also a crucial factor in success.

An Alternative Model

The type of nonprofit investigative journalism center, defined in chapter one, and based on models such as ProPublica, The Center for Public Integrity, and the ICIJ, which were analyzed in chapter two, is not currently viable in Australia. However, this thesis has identified an alternative model that might work in Australia. A nonprofit investigative journalism center at a university could, as Margaret Simons says, "draw support from an association with teaching and research programs as well as philanthropy" ("Wood Bets on Guardian"). Essentially, such a center would receive the necessary tax incentives because of the educational mission of its base, thus overcoming the major hurdle to viability. Furthermore, it would be able to draw from the university's already well-established philanthropic support.

The only comparable model to this currently in Australia is the nonprofit news and opinion outlet The Conversation, which launched in March 2011. Like the nonprofit investigative journalism center defined in chapter one, The Conversation is a nonprofit organization operating in the public interest. Moreover, it is owned by The Conversation

Media Trust, and funded by a mix of government, business, university and research sector contributions. Like nonprofit investigative journalism centers in the US, this funding support is incentivized through its tax-deductibility status as a "tax-deductible gift recipient". The Conversation is a digital operation that is free to read, share or republish, which means it is open to working with other media. It also has an Editorial Charter and all contributors must abide by its Community Standards policy.

While The Conversation model shares many similar characteristics to the type of nonprofit investigative journalism center defined in this thesis, an important difference is that it does not produce original investigative journalism. It instead features news and opinion from the academic and research community that aims to "allow for better understanding of current affairs and complex issues" (The Conversation). Many of those interviewed highlighted The Conversation as a thriving new model. Essentially, it provides something very different from the mainstream. That said, if The Conversation were to set up an investigative unit, it could sustain nonprofit investigative journalism because it has a solid foundation backing it, funding, experienced journalists, and a wealth of information coming from the academic sector.

Future Research

According to Andrea Carson, one of the problems with any sort of analysis of journalism in Australia is that it often relies on rhetoric and what people suspect is happening rather than the empirical evidence of what is actually happening. Carson's research is now examining the state of investigative reporting in Australia since 2012, when major cost

cuts and format changes within mainstream media occurred. She believes a more important question with regards to monitoring the state of investigative journalism in Australia is not whether job losses within mainstream media have affected the quality and quantity of investigative journalism, but rather whether Fairfax Media moving to tabloid form has affected its copy. Carson hopes to replicate the methodology used in her previous study of Australian print investigative journalism. Furthermore, I suggested that she pay special attention to the relative level of investigative content (especially as it relates to Australian population or GDP growth) and focus less on the absolute volume of investigative content. Whereas it may be easy to conclude that the absolute level of investigative content production is higher than ever, when measured on a per capita or per unit of GDP basis we may well find that content is falling on a relative basis.

A separate issue raised by the majority of people interviewed for this thesis is that Australian journalism is becoming increasingly partisan. For example, during Carson's study of print investigative journalism in Australia from 1956 to 2011, she could see a clear difference in style between news reports in the early years and news reports in the latter years. Those in the earlier years followed the inverted pyramid model of how information should be prioritized and structured – the who, what, where, why, when and how of a story, a few quotes and a bit of background information. Importantly, there was no coloring language. According to Carson, "Now within the first paragraph the journalist is not only reporting the information but telling the reader how to interpret that information" (Carson, "Telephone interview). Today, an astute reader will still recognize bias or political views in the reporting, but in the past the line between news and editorial was very clearly delineated. Opinion or commentary was tagged across the story, whereas

now reporting has crossed over that line. And this change is not just at Murdoch's *The Australian*. It's happening at all the publications. Further research needs to be done on this trend.

In Conclusion

There is currently no model or framework with which to assess the long-term viability of nonprofit investigative journalism in Australia. This thesis has aimed to develop such a model so that future attempts at establishing such an organization in Australia might prove more fruitful. Appropriate changes need to be made in government policy to ensure future sustainability. There are some obvious changes that could be implemented within Australia to improve the current prospects for nonprofit investigative journalism. The first of these changes should occur in the tax code.

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