

Hi there

2026 off to a flying start



Hello all – and a belated Happy New Year. CMT hopes the year has begun gently for you all and that you'll be as interested and eager to read our fortnightly newsletter in 2026 as you have been in years gone by.

This newsletter, as we debate moves to introduce new hate speech laws as allegations of censorship, particularly around the Gaza/Israel war, continue to swirl on social media, Michael Davis is taking a look at a European Commission decision to fine X for violating the Digital

Services Act in December, 2025. The decision has been largely analysed as the enforcement of 'sweeping laws targeting misinformation' and censorship. But as Michael writes, that's not what the fine was imposed for.

Derek Wilding gives us a glimpse into CMT's latest [report](#) – Funding the Way Forward for Australian News – which is looking at what happens if the federal government manages to pass its proposed News Bargaining Incentive [scheme](#) which would give digital platforms a tax benefit for financial contributions to the news industry but impose a tax liability on those who don't meet minimum investment levels. Given [comments](#) this past week by Prime Minister Albanese that platforms must pay their way when they use news produced at enormous cost by news outlets, it's a good time to be asking how would the money generated by a tax actually be distributed.

And Sacha Molitorisz previews the second Jill McKeough lecture from UTS Law Professor, David Lindsay which will examine the policy impasse on copyright law and policy, resulting from the advent of generative AI; how we can balance Generative AI and human creativity?

Finally – we’re bringing you a keynote address delivered by ABC Chair Kim Williams at a forum we held at the end of 2025, on generative AI and public interest journalism. This followed the publication of CMT’s second [report](#) surveying how generative AI has progressed in usage in newsrooms from a cautious ‘test and learn’ approach to one where newsrooms are more adventurous, and more active in building editorial guardrails around how the technology is used.

Kim shared his views on why we should stop treating tech moguls with kid gloves when it comes to technologies like generative AI which have tremendous capacity to disrupt knowledge producing industries, amongst them journalism. At the same CMT forum, former Australian Competition and Consumer Commission chair Rod Sims, who designed the now flailing News Media Bargaining Code, noted that the impending News Bargaining Incentive scheme should proceed with or without AI companies included. Recently he said: “It is important for policymakers to keep top of mind that platforms don’t produce anything. They take from those who do and use it to benefit their systems. Google cannot exist without media content; you can’t have a search that doesn’t rely on media content. The same applies to AI. OpenAI is using people’s content, essentially without payment, to benefit its own service. That’s just not sustainable for media businesses. These generative AI companies should be captured by news bargaining codes.”

The Washington based National Foreign Trade [Council](#) in its submission to Treasury on the News Bargaining Incentive scheme, says its members which include Google and Meta think that the proposal to make them pay for news content could breach Australia’s free trade deal with the United States. For the moment, with complex political issues – like US tariffs - in the air, it's fair to say Meta’s Australian revenue looks safe: \$1.46 billion last year. Google, which has renewed some contracts under the News Media Bargaining Code that Meta walked away from, is also looking not-too-shabby: \$1.98 billion in revenue. In the spirit of beginning 2026 gently, we won’t tell you what Meta and Google paid in tax. But you can see that [here](#).



Monica Attard
CMT Co-director

The shark tank



This week saw a renewed call for the Australian government to move ahead with the proposed news bargaining incentive, with Nine CEO Matt Stanton noting the significant challenge media companies face from global tech giants and AI in his half-year presentation to shareholders. [The proposal](#) would close a loophole in the existing bargaining code by [imposing a levy](#) on large platforms that can be offset by forging deals with news companies. Media companies, and others, including former ACCC chair Rod Sims and us at the CMT,

have called for the government to consider including generative AI within the scope of the incentive.

The proposal, appeared to stall when the Trump administration threatened to impose tariffs on Australian imports soon after taking office as part of a broad campaign to protect US commercial interests. Trump has repeatedly called out efforts to regulate US technology companies, suggesting that regulation—particularly through enforcement measures like fines—acts as [a tax](#) on those companies and as, in effect, a transfer of funds from the US to foreign governments or ‘their favoured domestic entities’.

Of course, large companies can be expected to lobby governments to protect their commercial interests, as media companies do here—and, of course, [in the US](#). The difference in the US is that tech companies are worth a whole lot more, and have much more lobbying power, than media companies, despite the agenda-setting power of the latter.

The second prong of Trump’s attacks on tech regulation rides—often disingenuously—on the free-speech hobby horse. When the European Commission [announced in December](#) that it would fine X Corp 120 million Euros for breaching the Digital Services Act (DSA), the Trump administration immediately framed it as an attack on individual liberties. According to [secretary of state Marco Rubio](#), the fine was an attack not only ‘on all American tech platforms’, but on the ‘American people’. X head Elon Musk [called for](#) the abolition of the EU.

One might assume from this rhetoric that the fine was issued for X’s [refusal to address](#), and indeed [active encouragement of](#), misinformation and hate speech. In fact, the fine did not relate to user content at all, but was imposed for deceptive conduct and transparency violations. These included changes to the platform’s ‘blue tick’, which allowed users to

purchase account verification and as a result, an appearance of authenticity; failure to provide adequate transparency over ads served on the platform, including who paid for them; and failure to facilitate data access for researchers. X has [appealed the penalty](#).

Some US media companies lazily echoed this narrative, with NBC calling the DSA a sweeping law that ‘requires internet companies to aggressively combat hate speech and misinformation’. But the DSA is largely focused on transparency and accountability measures, with content-based regulation occurring instead mostly through [voluntary codes of conduct](#) that are tied somewhat loosely to the obligation under the DSA to undertake risk assessments and manage identified risks.

It’s unclear how some media companies will reconcile their [own commercial interests](#)—which clearly favour tech regulation—with their ideological positioning on free speech. The [conflation of accountability with censorship](#) is familiar from Australia’s owned failed bid to regulate misinformation. Unfortunately, like Sydney’s beaches after rain, the muddied waters that result provide perfect cover for the predacious.



Michael Davis
CMT Research Fellow

Another step for news funding mechanisms



Last week we published the fully-designed copy of our new report, *Funding the Way Forward for Australian News: A Review of Local and International News Funding Distributions Mechanisms* by Julie Eisenberg and Tamara Marcus. It’s a companion piece to Julie’s earlier report for CMT, *Finding a Way Forward for Australian News: An Examination of Local and International Regulatory Interventions*. Both are available from the [CMT website](#).

The research for both reports was prompted by the impending failure of the News Media Bargaining Code, following its first-round success in securing substantial funding from Google and Meta. In 2024, Meta made it clear that it did not intend to enter another round of deals, and if the government tried to force its hand, it would remove news content altogether from its Australian service. In

response, the government has proposed the [News Bargaining Incentive \(NBI\)](#) as an extension of the News Media Bargaining Code. The NBI would give platforms a tax benefit for financial contributions to the news industry while imposing a tax liability on those who do not meet minimum investment levels.

For our second report, we step back – for the time being – from the sticky issue of how regulation actually gets the funds from digital platforms to Australian news businesses. Instead, the report focusses on the way the money generated through a tax (or some comparable mechanism) is handled and distributed. This is important because an effective and legitimate distribution mechanism will be required for any scheme that pools industry funds. And it has just as much relevance for government funding as for industry funding.

Funding the Way Forward therefore looks at the ‘back-end’ of direct news funding interventions: structures for making funding decisions, transparency measures, and what recipients have to do to confirm funds were spent as intended. It also examines how different schemes ensure that news content is free of influence from the funder. Julie and Tamara look at various international approaches for news funding as well as Australian government schemes to support news and the arrangements in adjacent sectors such as creative arts, the screen industry and academic research – all of which enable funding decisions to be made at arm’s length from government.

Fortuitously, the research has come at just the right moment. The research by Julie and Tamara helped us shape a [submission](#) to Treasury’s [consultation paper on the NBI](#). In particular, we encouraged the government to allow platforms to make contributions via intermediary bodies that are independent of both platform companies and government. We drew on the example of the Canadian Journalism Collective, set up by Google to provide funding of CAN\$100 million per year for five years. This approach fits with the NBI design because this form of ‘other expenditure’ could be taken into account and given the same favourable treatment as deals made directly between platforms and news businesses. Given the potential for this approach to provide assistance beyond the largest Australian news businesses, we’ve encouraged Treasury to resist imposing a cap on the extent to which these payments can be counted as part of a platform’s compliance obligations.

Other aspects of our recommendations to government can be found in our submission. Meanwhile, the research report has already sparked interest, with Julie presenting at a panel for the International Institute of Communications’ Media and Digital Communications Forum in Sydney on 11 February, and my participation in a workshop on News Futures organised by the University of Canberra last week. Stand by for a new podcast sometime soon!

Derek Wilding



Patches of greatness



Measuring the significance of an academic's contribution is not easy. Sure, there are all the tried and tested yardsticks, such as number of citations, number of publications, and number of grey cardigans with leather elbow patches.

But if I may be so bold, maybe there's a better yardstick. That yardstick is the number of fresh ideas that really strike a chord. Take the phrase 'digital eternity', coined by UTS law and tech Professor David Lindsay in a [2012 book chapter](#) that

discussed Europe's then nascent right to be forgotten. It's a phrase that says so much, so concisely, about the inherent, intractable challenge of protecting privacy in a digital age. It describes the way our online interactions seem ephemeral but are in fact enduring in a way that can threaten our ability to live freely.

The phrase continues to resonate. In 2016, West Australian academic/barrister [Michael Douglas wrote](#), 'Once a moment goes online, it can have lasting significance. Copying and sharing is increasingly easy, and the internet has an almost unlimited capacity to search and remember. David Lindsay describes this as the problem of "digital eternity".' And [in 2020 I was heavily influenced](#) by the phrase too.

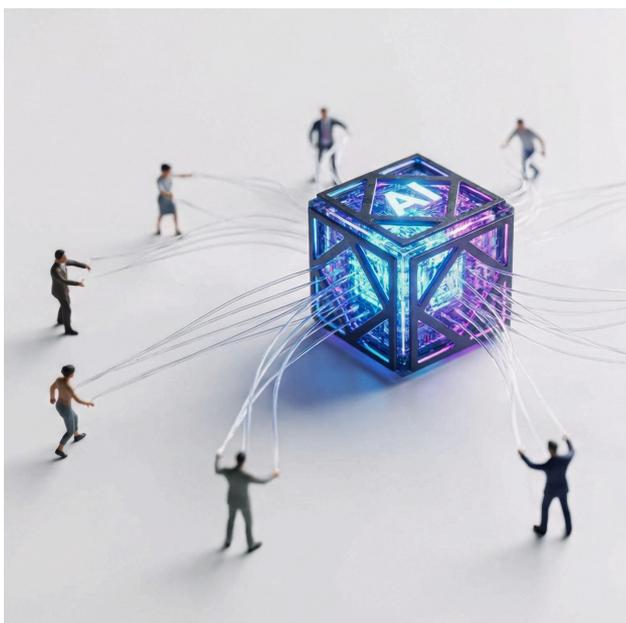
Digital eternity is just one of Lindsay's rich intellectual contributions, which are being recognised at UTS next week with a symposium and a public lecture titled, 'Can copyright survive genAI?' In the second annual Jill McKeough lecture, Lindsay will discuss the fundamental challenges GenAI poses for policy makers, as some (including tech bros) argue that copyright inhibits innovation while others (including artists) argue that their very ability to create is under threat. As well as identifying the key policy issues that need to be resolved, Lindsay will analyse the main proposals for a solution, including transparency obligations, potential licensing solutions and 'opt-outs' or 'opt-ins' for training data.

Obviously, if there's time for a Q&A, I'm going to ask Lindsay how many grey cardigans he owns with leather elbow patches.



Sacha Molitorisz
Senior Lecturer, UTS Law

AI and public broadcasting



We keep hearing that AI is going to transform everything from our work to our institutions and democracies - and nowhere more dramatically than in the industries built on knowledge: academia, journalism and publishing, amongst others.

Five years ago, that might have sounded like tech evangelism. Now, the race is well and truly on to build the biggest, fastest, most powerful large language models. And here at the CMT, we've watched

newsrooms move from fear and hesitation to testing, experimenting and embedding AI into their workflows.

What would a society look like if our information flows were fully mediated by AI? And is that future already emerging? If journalism's business model is being weakened by the very technologies that feed on its work, what happens next? What will AI systems rely on for credible, verified information and how will journalism adapt?

In this month's episode of Double Take, we bring you a keynote address from ABC Chair Kim Williams who opened our industry event last year on AI and Journalism. Here's his take on the matter:

Spotify

Apple



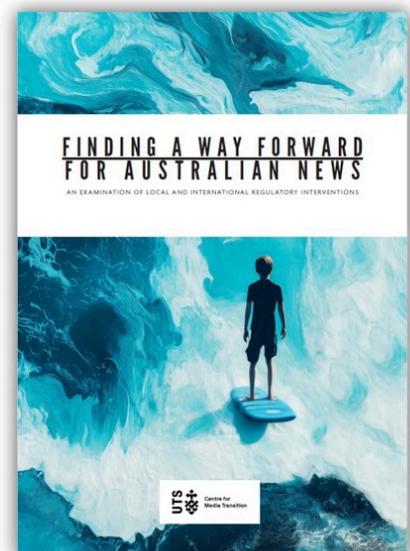
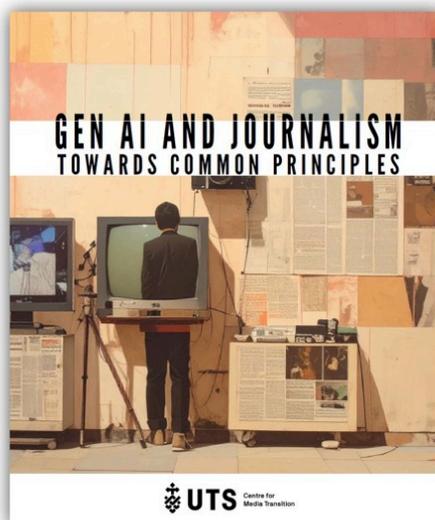
Alexia Giacomazzi

We hope you have enjoyed reading this edition of the *Centre for Media Transition newsletter* - News funding, X fines and Kim Williams on AI - Issue 1/2026
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The Centre for Media Transition and UTS acknowledge the Gadigal and Guring-gai people of the Eora Nation upon whose ancestral lands our university now stands. We pay respect to the Elders both past and present, acknowledging them as the traditional custodians of knowledge for this land.



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