

Centre for Media Transition



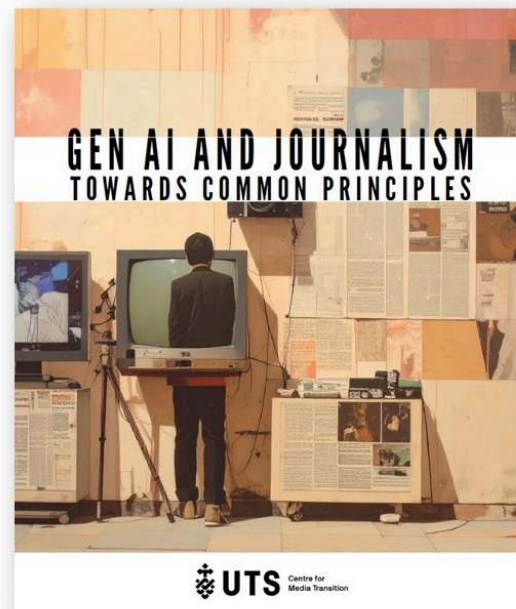
Hi there

The AI paradox



Since generative AI hit the headlines in 2022, few industries have felt the impact of the hype and hysteria that accompanied the technology more than news. At CMT we documented the early reactions of Australian newsrooms in our 2023 report, [Gen AI and Journalism](#), finding deep trepidation about the risks of AI mixed with cautious optimism about the potential

opportunities. Last week, we released our [second report](#). Eighteen months down the road, there's more nuance and hard-headed realism about the potential impact of generative AI. The report distils insights from interviews with 19 news editors and product managers from 14 newsrooms, as well as a day-long workshop that brought newsroom leaders together with tech companies and industry researchers. We devote this week's newsletter to some of the key issues highlighted in the report.



First, Monica looks at how the news industry is dealing with the need to take a collaborative approach as it recognises the common needs, and in some ways, a common enemy, brought by AI disruption. For our participants, the most pressing concern about AI is not so much the risk it presents to journalistic integrity or the potential to replace journalists, though these are also front of mind. Rather, it is concern over the loss of editorial control and potential drop in traffic to news websites as AI companies increasingly assume control over news distribution. This problem has been brought into stark relief by the Productivity Commission's report, released last week, which has called for feedback on a proposed text and data-mining (TDM) exception to copyright. News organisations and creative industries are incensed.

Providing context on this issue, Tamara looks at relevant developments in copyright around the globe, focusing on the raft of cases currently before the courts that could seriously impact AI companies if judgements go against them. Finally, with AI adoption notably slower in Australia than elsewhere, I look at whether Australian newsrooms are falling behind the game. While they are certainly cognisant of the potential for AI to improve workflow efficiencies and save costs, many newsrooms have found that, given the limitations of AI tools and the need for robust oversight, the benefits still don't outweigh the costs.

Putting these together, our research reveals the paradox that newsrooms are confronting: AI is both a means of eking a bit more productivity out of perpetually declining revenue, and a growing threat to that same revenue.



Michael Davis
CMT Research Fellow

Swimming in data soup



In 2023, when we produced a landmark [report](#) surveying Australian editors and journalists for the first time about generative AI, the pressure genAI could place on the integrity of news output was the dominant theme. In 2024–2025, we returned to those editors, and extended our interviews to other editors, journalists, and product developers. The overriding concern remains maintaining the integrity of news output, with caution in experimentation and implementation seen as a lever to protect it. As well, our participants expressed

increased scepticism about getting the tech sector to help them navigate the technology's known challenges – including bias and verification – so that greater AI integration might happen and still meet the boundaries of editorial practice.

Bargaining with the tech industry has been a challenge for the news industry for some time. It railed for many years against digital platforms using their product – journalism – to attract consumers and make money. And it was – and still is – vocal about the flight of advertising revenue from media to platforms. This week, with the Productivity Commission's interim [report](#), *Harnessing Data and Digital Technology*, seeking feedback on whether big tech should be handed a data mining exception for AI training to the Australian Copyright Act, another fight looms; News Corp, whilst not alone, is particularly [concerned](#). In 2021, the government lent news media a helping hand with the News Media Bargaining [Code](#). The sector basked in the financial benefit that flowed from two digital platforms, Meta and Google, until Meta [decided](#) last year it would make no more deals to pay the news industry for its journalism. By 2024, when we conducted our interviews for this research, it was clear the NMBC was faltering and technological disruption was widening and deepening, thanks to genAI, which is [slowing](#) click-through rates to news websites and causing some news organisations to fear they are losing control over the integrity of news output once it enters AI domains.

The bargaining position against big tech should be stronger now than it was in the lead up to the NMBC because AI relies on gatekept news and information to power its LLMs, although the proposal for a text and data mining exception might weaken this bargaining power. Yet we found that news media had little confidence in their ability to collaborate as an industry to counter the threats posed by generative AI. As Craig McCosker, the ABC's Group Product Manager told us: "Now is the potential time for publishers to be less passive and stand up for a fair deal with AI companies. But doing that as an industry seems hard. It requires publishers to come together and bargain as a united block, but the industry is diverse, with lots of different interests."

Editors were also sceptical that AI companies would assume a greater degree of accountability for the flaws in their products that have the capacity to produce distortions in news output, as noted by ABC Standards editor Matt Brown: “I think their licence to operate should be rooted in those sorts of principles that inform what we’re all on about: transparency, accountability. [But] we’re not worth enough to them. ... I really think if we want these sorts of values and principles, even codes of practice, built in, it may require regulation. I do think you should be able to say to an LLM vendor, how’s it made? What’s it from? What have you done with all the data soup that you poured into it?”

As one large technology company told us, his company wants to be known for its willingness to collaborate with information providers, and it wants to discuss the challenges with media companies. He said AI had created an explosion in data points which would slow down or complicate the development of principles that can be applied across the board, but particularly in journalism, where AI principles would need to intersect with editorial principles.

The interim solution would be for media organisations to move away from consumer-level tools to enterprise level, which are more reliable and would give them complete control over who accesses the system and its outputs. As this participant noted, not all AI is the same.

At least two major news organisations have begun walking this road, even developing their own custom LLMs: NewsCorp has [created](#) NewsGPT and the ABC has created an internal search tool. Both efforts may yet incentivise tech manufacturers to speed up discussions with news media to help resolve some of the known challenges.

Still, the general feeling in the news sector was that the horse had bolted, despite the minimal move of blocking AI scrapers which many have used, and more critically, given the debate opened by the Productivity Commission on copyright exceptions for AI.



Monica Attard
CMT Co-Director

Lawsuits could spell trouble for AI

The rise of AI has been both awe-inspiring and unsettling to experience, mostly because it’s unfolded so seamlessly, so quickly, into our everyday lives.

Since our [2023 report](#) on genAI and journalism, advances in AI technology have brought



us closer than ever to mimicking human-like interactions with computers. Complex reasoning models and agentic AI capable of autonomous decision-making are becoming more prominent. Multimodal systems that simultaneously process text, images, audio, video, and code within a single prompt, along with intelligent assistants and chatbots, are par for the course. AI tools are now embedded in search engines, productivity software, and consumer devices, making AI almost as easy to access as the internet itself.

In short, AI is everywhere, with no signs of disappearing.

What may slow AI's seemingly inexorable expansion is the rising wave of copyright infringement lawsuits, many of them brought by news organisations. These include The New York Times' case against OpenAI and Microsoft, as well as actions by Dow Jones & Company and numerous others in the US, Canada, India, and Europe. Large-scale AI models, such as LLMs like GPT, Claude, and Gemini, rely on vast and highly varied datasets to produce diverse, contextually relevant outputs across topics and user needs. High-quality material, such as professionally produced news content, makes it valuable for training and for enhancing user experience.

At issue are closely linked questions about how AI companies acquire and use their training data. Central to this is whether copyright exceptions – fair use in the US and fair dealing in Australia – permit AI developers to use copyrighted works for training without permission, and whether producing substantial reproductions of those works constitutes infringement. Neither Australian nor US copyright law directly addresses AI, leaving these issues to be judicially tested. For the news industry, the stakes are high: beyond concerns over attribution and compensation, there is the risk of market harm, where uncredited replication of journalism diverts audiences and revenue away from publishers and towards AI platforms.

This month, major Japanese newspaper Yomiuri Shimbun became [the latest news organisation to sue](#), filing a case against Perplexity for allegedly scraping thousands of its articles, which were later reproduced in response to user queries. Under Japanese copyright law, third parties may use copyrighted works for training purposes provided the use is not for enjoyment or does not enable others to enjoy the works, a condition that would generally exclude wholesale reproduction.

As Monica has mentioned, Australia's Productivity Commission is floating the idea of introducing a similar text and data mining exception to our own *Copyright Act*, much to the chagrin of local [authors](#) and [creators](#) whose works have already been scooped up,

without permission or payment, in AI training data.

While most cases are still before the courts, two California judgments from June 2025 indicate that any determination will ultimately depend on the facts. In [Anthropic and Meta AI](#), both brought by book authors, the courts found in favour of the developers' argument that the training process constituted fair use because it was transformative (i.e., it added something new to the original works). In *Meta*, the court's finding turned on the authors' failure to present evidence that Meta's use of their works caused market harm. In *Anthropic*, the decision was narrowly applied only to those books which the developer had legally obtained – not to the some seven million works it had pirated, an issue the court will hear later. Significantly, in that issue, the court has decided that the three authors suing [Anthropic could represent all writers nationwide](#) whose works had been pirated by the developer.

However, AI industry groups and some author advocates are [backing Anthropic's bid to overturn that decision](#), in what's being called the largest class action ever certified. Anthropic argues that it could financially devastate not just itself – with damages reaching into the billions if required to account for all claimants – but the broader AI sector. They argue that the court rushed its decision, preventing rigorous analysis of class membership and ownership rights, overlooking potential orphan works with no identifiable owner, split rights and defunct publishers. The sheer size of the case could very well be overwhelmed with administrative complexity, force a rushed settlement, and prevent proper examination of the legal issues – which this field sorely needs.

With policy changes around copyright law and AI currently under review in Australia, these judgments will nevertheless be pivotal in shaping the future of AI given that most of the major developers are US-based. They will help set legal boundaries on how copyrighted works may be used in training and in determining the extent of liability. Without access to updated, quality training data, AI machines will suffer.

To avoid this – and further litigation – AI developers [are entering licensing deals](#) with large news publishers in Europe, North America and some in Australia. While this raises questions around how AI developers plan on using copyrighted works outside these regions and companies, it is a step in the right direction to properly acknowledging the importance of journalistic works.



Tamara Markus
CMT Researcher

Behind the game?



In our [2023 report](#), most newsrooms we spoke to expressed a mixture of enthusiasm over the potential for genAI to augment and automate some of the more mundane and time-consuming newsroom tasks and trepidation over the disruption it would create both inside and outside the newsroom. There had been some early experimentation, but newsrooms were proceeding cautiously, with news integrity and audience trust top of mind.

Eighteen months on, there's been some moderation of concern, but in comparison with overseas newsrooms, implementation in Australia is still constrained. This finding reflects global survey data, which show relatively low uptake amongst Australian journalists. A recent [Thomson Reuters survey](#) on newsroom uptake in developing economies found that eight in ten were using AI in their work, with 49% using it daily. By contrast, Medianet's 2025 [Australian Media Landscape Report](#) found that 63% of Australian journalists had not used genAI in their work during the previous year.

This is not to say that experimentation is not occurring. It is, but it has not yet translated into widespread application in newsroom workflows. Our interviews provided some insight into why this might be the case.

One of the main constraints is a perceived lack of utility or value in AI, particularly with consumer-level products. The need to ensure the integrity of the news requires robust journalistic and editorial processes, including human oversight over all uses of AI. The burden that this places on newsroom resources limits the viability of many AI applications that may prove productive in other parts of the media industry. Indeed, there is broader experimentation occurring outside the newsroom in many of our participant organisations, for example in factual content and entertainment. The upshot is that newsrooms have focused in the first instance on low-risk applications of AI, such as back-end tasks like summarisation and transcription. While Australian newsrooms see the potential for using AI in some audience-facing areas, particularly in personalised delivery and reformatting, experimentation has demonstrated that for many uses, the technology is just not good enough.

Larger, well-resourced organisations have been able to put cash into the development of custom tools that are more reliable in newsroom applications. But even for them, resources are constrained, and investment in AI means the cash must be taken from other parts of the business. As the ABC standards editor Matt Brown told us, "We don't have \$100 million spare ... to run around just trying all this stuff out. It takes heaps of time to do it properly and to have some faith in the integrity of the process." For smaller organisations, particularly in regional markets, resource limitations hit even harder. There's

clearly opportunity for efficiency gains in automating back-end processes, but there is a need for off-the-shelf products that are designed with newsroom needs in mind.

Across the board, there is little desire to use AI to produce news content. While newsrooms are looking at ways to automate time-consuming or low-value tasks, none of them see AI as capable of performing the tasks of a journalist: hitting the phones or the street, talking to people, finding the story amongst the noise. Senior audience editor at Nine, Sophia Phan, said, “I feel like, in terms of it generating content, and especially content that we would use, we're so far away from that, just because we are the experts in that field.” There will certainly be disruption, and management will be looking at ways to cut costs, but all our participants recognised that their long-term business proposition is hitched to their ability to connect with their audiences, who expect news to be authentic and accurate.

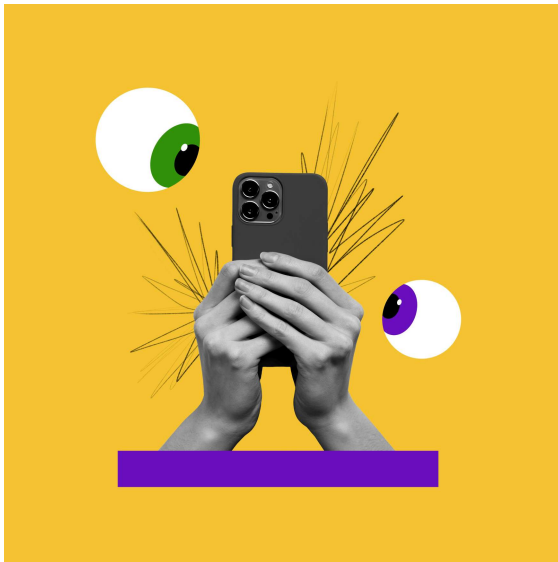
Yet, looking at some of the AI applications being pursued overseas, particularly in content personalisation and repurposing, you could be forgiven for wondering whether Australian newsrooms are perhaps being too cautious. Chatbots like the Washington Post’s, which provide responses generated from their news archive, are likely a way off for Australian organisations. But there are other opportunities which have been slow to catch on here. Two examples are text summaries of online news articles and audio versions produced with synthetic voice. The latter have started to appear on some Australian news websites, but they have been used in prominent European and US publications for some time. These uses increase accessibility and reach, with the potential to expand audiences to languages other than English. While commercial radio in Australia is using synthetic voice for service information like weather updates, there is also potential to expand this to audio updates during breaking news events, where recording each segment in person may not provide the rapid coverage that’s needed.

No doubt many of these applications will filter down into the Australian market over time, and, given the risks to news integrity – both internal and external – presented by genAI, there is good reason to proceed cautiously. The need to preserve news quality is paramount, not only for newsrooms, but for the integrity of the information ecosystem and the democratic processes that rely on it.



Michael Davis
CMT Research Fellow

Punters politics on platforming news



We know that people are increasingly getting their news from social media content creators. The recent Digital News Report from the University of Canberra found that Instagram is the most widely used platform for news and more than one third of 18 to 24-year-olds are using TikTok for news. And for people aged 25–34, the go-to platform for news is YouTube. But does content on these platforms qualify as news, and can content creators produce journalism?

To help us explore this issue from a content creator's perspective, our PhD student, Chris Hall, speaks with Konrad Benjamin – also known as Punter's Politics – on Double Take. Punter's Politics has 113 thousand followers on TikTok, over 167 thousand subscribers on YouTube, and a hefty 444 thousand followers on Instagram. Konrad shows us where content creation and journalism cross over and points out how this knowledge can be used to produce something newsworthy.

Listen to the episode on [Spotify](#) or [Apple](#) podcasts.



Alexia Giacomazzi

CMT Events and Communications Officer

We hope you have enjoyed reading this edition of the *Centre for Media Transition newsletter - The AI paradox - Issue 14/2025* **ISSN 2981-989X**

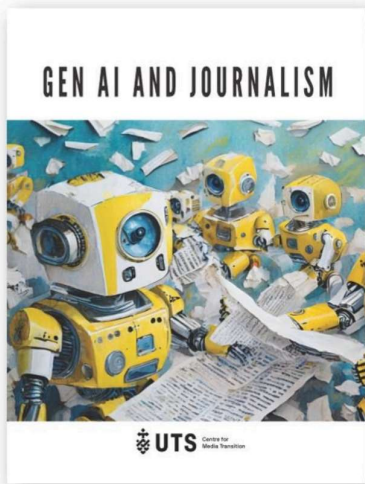
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We pay respect to the Elders both past and present, acknowledging them as the traditional custodians of knowledge for this land.



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