

18 May 2026

Submission on News Bargaining Incentive:

News Media Bargaining (Administration) Bill 2026 and Revenue Distribution Model

1. Introduction

Pulse Tasmania is an independent and locally-owned digital news publisher, reaching more than 200,000 Tasmanians every day across our website, app, and social media platforms (Facebook, Instagram and TikTok).

We are a mainstream Tasmanian news publisher producing daily coverage of breaking news, politics, business, community affairs and culture across every corner of the state.

The scale of our audience engagement reflects how Tasmanians have voted with their attention.

In April 2026, Pulse Tasmania generated approximately 581,000 engagements on Meta platforms. That figure is over nine times the 63,000 engagements generated by our closest commercial competitor in Tasmania, an outlet which received funding under the previous News Media Bargaining Code while Pulse did not.

The current design of the News Bargaining Incentive (NBI) framework, both the Administration Bill and the Statutory Payment Scheme that distributes any revenue collected, risks delivering the overwhelming majority of benefit to foreign-owned and other corporate conglomerates whose Tasmanian audience reach is a fraction of ours.

This submission aligns with and endorses the position put forward by the Digital Publishers Alliance (DPA) in its submission on the Administration Bill, with particular emphasis on the issues most consequential for standalone hard-news publishers like Pulse Tasmania: the SME offset rate, the four-deal cap, and the scope of platform services captured by the regime.

2. Support for the Bill's policy intent

We broadly support the Government's objective of securing a durable contribution from large digital platforms to the sustainability and diversity of Australian journalism.

The central design improvement on the original News Media Bargaining Code, that platform liability under the Administration Bill no longer depends on whether the platform continues to carry news content, is a welcome and necessary correction.

It closes the loophole that allowed Meta to withdraw from news under the original Code and render it useless.

However, sustainability and diversity are not the same objective. The Bill as currently drafted risks securing the first while actively undermining the second.

With targeted revisions to the offset mechanism, the four-deal cap, and the scope of services covered, the Bill can deliver on both. The remainder of this submission addresses those revisions.

3. The SME offset rate at s 20(1)(b) must be increased from 170% to 200%

We strongly endorse the DPA's position at point 4.1(b) of its submission.

Section 20(1)(b) of the Administration Bill currently provides that deals with large media companies offset 150% of platform obligations, while deals with small or medium business entities offset 170%.

The Explanatory Memorandum states an intention to create an incentive for platforms to support smaller news business corporate groups which have fewer financial resources.

As the DPA correctly identifies, "a 13% increase in the offset amount compared to larger news businesses does not create a realistic incentive for platforms to do deals with small and medium business entities, and will concentrate all expenditure on the largest incumbents."

The Tasmanian context makes this concrete. Pulse Tasmania out-performs our closest commercial Tasmanian competitor on Meta platforms by approximately nine-to-one in engagement, yet that competitor (a legacy, foreign-owned print masthead) received funding under the previous Code while we did not.

Without a materially stronger offset differential for SMEs, the Administration Bill will reproduce exactly that outcome.

The largest legacy operators, made up of national and international companies, will receive funding because they are large - while the publisher the majority of Tasmanians actually consume news from will be excluded.

A 200% offset rate would create a meaningful differential - 50 percentage points above the rate for large companies, rather than 20 - that gives platforms a genuine commercial reason to enter deals with small and medium publishers, rather than simply paying the charge or concentrating all expenditure on the largest incumbents.

Proposal: Amend section 20(1)(b)(i) of the Administration Bill to replace "170%" with "200%".

4. The four-deal cap at s 20(1)(d) must be tightened

We endorse the DPA's position at point 4.1(a) of its submission.

Section 20(1)(d)(i) currently allows a platform to use up to a quarter of its total offset amount from a single deal. In practice this means a platform can satisfy its entire liability through as few as four deals - and rationally, those four deals will go to the four largest media groups in Australia.

This is the most direct mechanism by which the Bill, as drafted, will concentrate platform expenditure on the largest incumbents and exclude regional, independent and digital-native publishers from any commercial benefit.

The 200% SME offset proposed above is part of the solution, but on its own it cannot overcome a four-deal cap that allows platforms to ignore SMEs entirely. The two measures need to work together.

Proposal: Amend section 20(1)(d)(i) by substituting "15%" for "a quarter", and insert a new section 20(1)(d)(iii) requiring that totals for news business corporate groups consisting only of small or medium business entities make up at least 25% of the sum.

5. LLMs and AI chatbots must be brought within the scope of the Bill

We strongly endorse the DPA's position at point 5.4 of its submission. The explicit exclusion of LLMs from the definition of 'search service' under section 9(c) of the Administration Bill is a fundamental flaw that must be corrected before the legislation is finalised.

Section 9(c) provides that a service is only a 'search service' if it "neither solely nor primarily uses large language models". This carves OpenAI's ChatGPT and equivalent AI products out of the regime entirely, despite their function in the information ecosystem being increasingly analogous to - and in some respects a direct replacement for - traditional search.

As the DPA notes, "LLMs or AI chat bots have a recognised impact on the news industry and there is a clear policy rationale for including them. Even Rod Sims, architect of the News Code, is calling for this. Services like ChatGPT benefit from news content which it can ingest from news publisher websites, and then summarise in response to a user query, much like a traditional search service. Further, ChatGPT is now generating ad revenue."

For a digital-native hard news publisher like Pulse Tasmania, this is not a hypothetical concern. Our journalism - including our breaking news, political coverage, business and community stories - is already being ingested, summarised and redistributed through these services without compensation, and the trajectory is only in one direction.

Excluding LLMs from the scope of the Bill today would lock in a regime addressing yesterday's digital platforms while the most consequential shift in how news content is consumed and monetised happens entirely outside the regime.

There is no principled basis for the exclusion. The original NBI consultation paper of November 2025 stated that the service definitions were intended to be narrow "while remaining flexible enough to capture future market developments", and that exclusions were intended for services with "no or limited links to news media", giving the examples of dating, gaming and instant messaging. LLMs plainly do not sit within that category. They are not analogous to dating apps; they are analogous to search engines, and increasingly to news distributors.

Proposal:

- Delete section 9(c) of the Administration Bill, which excludes LLMs from the definition of 'search service'.
- Delete section 8(3)(d), which excludes professional networking services (such as LinkedIn) from the definition of 'social media service'. These platforms also benefit commercially from the display of news content and the advertising revenue it attracts.
- Amend section 7 to provide that the Rules may prescribe additional significant digital platform services liable to pay the charge, so the regime can adapt as the platform landscape evolves without requiring full legislative amendment each time.
- Add a statutory review trigger to the Bill, mirroring the review provisions at section 52ZZS of the Competition and Consumer Act 2010.

6. Statutory Payment Scheme - Revenue Distribution

If digital platforms choose to pay the charge rather than enter commercial deals, the design of the Statutory Payment Scheme will determine whether that revenue reaches publishers like Pulse Tasmania or simply flows to the largest legacy operators. Two design choices are critical.

6.1 Adopt a broader 'news staff' definition in the payment allocation formula

We endorse the DPA's position at point 7.1 of its submission. The current draft calculates allocations by reference to 'journalists'. Modern digital newsrooms, of which Pulse Tasmania is a clear example, do not always operate this way.

The production and distribution of digital journalism is the work of an integrated team - which can include social and platform editors, producers, data analysts and operational staff whose work directly informs editorial decisions and ensures journalism actually reaches the intended audiences.

A formula tied narrowly to 'journalists' rewards traditional staffing structures regardless of the journalism actually produced or the audience actually reached. For a digital-native operator like Pulse Tasmania, that is the wrong measure.

Proposal: Replace the definition of 'journalists' in the payment allocation formula with a broader 'news staff' definition that includes journalists and other staff whose work is integral to the production of news content and editorial decision-making.

6.2 Reserve 15% of NBI revenue for small and medium publishers

We endorse the DPA's proposal that 15% of total NBI revenue be reserved for distribution to small and medium publishers, as defined in the Administration Bill.

Distributing 100% of collected funds via a single headcount-weighted allocation formula will entrench existing structures and direct the great majority of revenue to the largest legacy national groups, regardless of audience reached or journalism produced. A dedicated SME reserve is the most direct mechanism to ensure NBI revenue meaningfully supports independent and digital-native journalism.

Proposal: Structure the Payment Allocation Formula into two streams: 85% distributed via the payment allocation formula (incorporating the broader 'news staff' definition), and 15% distributed via a separate fund supporting small and medium business entities, administered via additional grant rounds of the News Innovation Fund or by an independent third-party.

7. Conclusion

Pulse Tasmania endorses the DPA submission and adopts its proposed amendments where relevant. This submission adds Pulse's direct experience as an independent Tasmanian digital publisher and illustrates why those amendments are necessary in a regional market.

We urge the Government to adopt the following revisions to the News Media Bargaining Incentive framework:

- Increase the SME offset rate in section 20(1)(b)(i) from 170% to 200%
- Tighten the four-deal cap in section 20(1)(d) by substituting "15%" for "a quarter" and requiring at least 25% of eligible expenditure to apply to small and medium business entities
- Remove the exclusion of LLMs from the definition of 'search service' in section 9(c), and the exclusion of professional networking services in section 8(3)(d); and provide a mechanism in section 7 and a statutory review trigger to ensure the regime can adapt as the platform landscape evolves

- Replace 'journalists' with a broader 'news staff' definition in the Statutory Payment Scheme's allocation formula; and
- Reserve 15% of NBI revenue for distribution to small and medium publishers via a dedicated SME stream

We thank you for the opportunity to contribute and would welcome the chance to discuss any aspect of this submission further.

Josh Agnew

Managing Director, Pulse Media Group (Pulse Tasmania)

