

**News Bargaining Incentive  
Consultation on Revenue Distribution**

**Schwartz Media submission**

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May 2026**

**About Schwartz Media**

Schwartz Media is an independent media company, which publishes *The Monthly*, *The Saturday Paper* and *Australian Foreign Affairs*. It focuses on quality, long-form journalism, with a particular focus on news and politics.

Schwartz Media was among the first companies to sign deals with Google and Meta when the News Media Bargaining Code was introduced. It signed its first deal with Google in 2020 and with Meta in 2021. Meta did not renew its deal, which expired in 2024. Google entered into a second multi-year agreement in 2024, which is ongoing.

Those deals have been integral to company revenue and have supported several million dollars' worth of journalism. Under the current arrangements, Google has been a valuable and supportive partner and is deeply invested in and engaged with the sustainability of the independent journalism produced by Schwartz Media.

The purpose of this submission is to raise a substantive issue with the design of the Revenue Distribution mechanism in the News Bargaining Incentive. This is the most significant issue with the current design, and so this submission will focus solely on questions five and six of the consultation paper.

**Q5: Is FTE journalists a good approximation for investment in news and journalism, and an appropriate basis for determining payments to the sector?**

There is a major problem with the use of FTE journalists to calculate distributions from the incentive. The formula for determining payments will leave at least half of the journalists in Australia unsupported.

Limiting payments to FTE journalists will not support freelancers and will severely disadvantage smaller, quality publishers such as Schwartz Media.

The MEAA estimates only 39 per cent of Australian journalists are in permanent employment. Its most recent figures, from 2022, state 50 per cent of journalists working in this country are freelancers. Given the scale of redundancies in newsrooms since then, it is likely the proportion has increased.

Schwartz Media invests significantly in freelance journalism, spending several million dollars a year to commission freelance journalists. None of this would be supported by the proposed model.

It is noted in the paper that “Funding could be determined by reference to labour costs or production costs.” The paper correctly notes that this “would more closely align funding allocations with actual business expenses”.

The paper notes that this could see more money go to businesses with larger budgets, risk consolidation, be more costly to distribute and encourage publishers to game the system. None of these outcomes are likely.

Calculating funding on the basis of spending would in fact assist smaller media companies, which are more likely to engage freelancers. It encourages publishers to pay a fair rate for this work. It also encourages investment in experienced, skilled reporters.

If the incentive continues with its distribution model, it would see the overwhelming bulk of funds go to major publishers that have already consolidated the market. It would reward headcount rather than investment and would make independent journalism more difficult.

The calculation of actual spending on journalism – across both staff positions and freelance work – could easily be made through a disclosure of annual accounts. It is less likely to be gamed than the FTE model, where slippages of classification would be possible.

The current model favours large publishers with more staff and lots of junior employees, but it badly disadvantages smaller publishers where some of the most vital journalism in the country is produced. It ignores half the workforce.

**Q6: Are the identified editorial roles clear and fit-for-purpose? Are there other roles that should be included?**

Further clarity would be necessary around what is deemed “producing” core news content.

Schwartz Media would argue this should include all editors and sub-editors working on news content, who are vital to generating stories and maintaining high editorial standards.

It should also include editorial assistants, editorial producers, video producers and audience team members, who fulfil editorial roles and are vital to the production and distribution of news content.

It is assumed from the drafting that these key roles would be captured, but explicit clarification would be helpful.

**Conclusion**

The fairest way to distribute funds raised by the News Bargaining Incentive is through a model that considers actual spending on journalism, both for freelancers and staff positions. This acknowledges the important work of freelancers and encourages investment in quality. The payment allocation would be just as simple: the overall revenue raised divided by the amount spent by each eligible publisher as a proportion of the whole. It would allow the incentive to properly support smaller publishers and ensure diversity and proper investment across the industry. The

payments should cover all staff involved in the production of news, including journalists, editors, subeditors, editorial producers, etc.