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News Bargaining Incentive: Revenue Distribution – Statutory Payment Scheme

Executive Summary

Southern Cross Media Group Limited (**SCMG**) welcomes the opportunity provided by the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts to comment on the Revenue Distribution Consultation paper (**Paper**) for a statutory payment scheme.

SCMG supports the aims of the Government’s News Bargaining Incentive (**NBI**) and the statutory payment scheme, however changes are necessary to support the sustainability and diversity of Australia’s news media industry. We have considered the issues and options raised in the Paper and responded to the questions below.

Answers to questions raised in the Paper

Q1: Do you have any concerns with the proposed registration and application process?

No. Southern Cross Media Group supports the proposed registration and application process.

Q2: Would your organisation meet the criteria as set out under the ACMA register? If not, please explain which component of the eligibility criteria may cause an issue.

Yes. Southern Cross Media Group meets the criteria.

Q3: Is the proposed eligibility criteria fit-for-purpose in ensuring that the scheme supports continued investment in public interest news; diversity of media voices; and quality journalism?

Yes.

Q4: Do any of the proposed eligibility criteria present significant costs or administrative burden for your organisation?

No.

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

No. An FTE journalist is one of several approximations for investment in news and journalism and should not be considered as the only basis for determining payments to the sector.

All roles that enable news media content to be created, published and distributed should be included, such as journalists, editors, printers, drivers, photojournalists, videographers and camera operators and graphic designers in addition to product & technology teams

(together, **News Creators and Distributors**) that innovate, create and develop Apps/technologies and formats to disseminate news content on a larger, more modern scale.

Further, the scope and scale of operation also needs to be considered in determining payments to the sector. Footprint and locations across a diverse area are more costly to run but constitute critical infrastructure to enable delivery of news to regional parts of Australia. An uplift (25%) would be necessary in the regions, with the broader categorisation of eligible roles per above.

Lastly, a reasonable, equitable outcome needs to be considered to ensure distributions are not ultimately funnelled to a small number of organisations.

The best approximation for investment in news and journalism could be modelled on the well-established Producer Offset, where qualifying expenditure incurred in the production of Australian films and television dramas and documentaries includes the costs associated with cast, crew, legal services, post-production houses, non-depreciable goods purchased, cost of hiring items etc.,. This model acknowledges that creating a film includes work undertaken by actors but that it is not possible to create a film just with actors. Equally, the creation and distribution of high-quality news needs journalists, working with and alongside the News Creators and Distributors.

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

Yes, however there are other roles that should be included. For example, many of our narrators, anchors and presenters are also extremely experienced journalists who should not be excluded even if they primarily present core news produced by another journalist?

Q7: Do the proposed evidentiary requirements present any specific difficulties, or a sizeable burden, for your business? Are there any risks arising from these evidentiary requirements?

No.

Q8: Are the proposed weighting categories an appropriate and effective means of accounting for the economies of scale and resourcing differences across the sector; and meeting the objectives of the Statutory Payment Scheme?

We support different weighting for journalists and other employees involved in newsgathering (creation, production and distribution) in regional and remote areas located in regional and remote areas. In regional areas offices are normally small and operate with only a couple of journalists. As such, the weighting needs to be greater given the greater expense per person to operate those offices and should include all News Creators and Distributors.

Q9: What weighting values would best achieve these aims?

We support an uplift of around 25% for regional and remote publications, regional and remote television news services and regional and remote radio news output, which may also be serving and representing marginalised communities. This figure takes into account the cost per person being higher and the difficulty of recruiting and holding people in the regions.

Q10: Is the proposed retention obligation an appropriate measure to ensure that funding provided to the sector delivers against a clear and valid public purpose?

SCMG does not support the proposed model, where recipients of payments are required to maintain, at a minimum, the number of eligible FTE journalists that was used to determine the payment or that organisations be required to maintain the number of FTE journalists during the reporting period. Allocations of funds should not be based on future operations but by reference to the financial year immediately prior. Otherwise, the model will be overly prescriptive, complex and cannot account for changes to business arrangements that may:

- (a) be beyond the control of the organisation (e.g. due to, for example, M & A activity);
- (b) include challenges with recruitment of vacant roles, which can be especially challenging in regional and remote areas; and/or
- (c) require a restructure or reorganising of business units in the ordinary course, having regard to, inter alia, revenue attributable to a particular market or the overall economic conditions.

Q11: Are there any risks or other issues we should take into consideration with regard to the retention obligation, including time periods and tolerance thresholds?

See above. SCMH supports eligibility being determined based on the financial year immediately prior which would remove the risks associated with forward looking tests.

Q12: What penalties should apply for organisations that are later found to have mis-reported their eligibility or employment practices?

We do not support any penalties being imposed. If the funds are distributed based on historical data then this will eliminate the need for a penalty regime because it can be verified.

Q13: Do you have any concerns about the general approach to regular reporting and an event-based notification framework?

Yes. As noted above, SCMG prefers a model where allocation is based on the previous financial year data.

We also note that:

- there is no definition of or clarity around the meaning of “regular reporting”;
- no indication of the timeframes for notification of any changes (eligibility or structural); and
- there is a reference to public accountability and the scheme being subject to the *Public Governance, Performance and Accountability Act 2013* (Cth), about which we would like further clarification.

In SCMG’s view, reporting should be no more regular than annually, otherwise it will impose an unreasonable administrative burden on news media businesses.

Q14: What lead-in time would you require for information required under regular reporting and event-based notices? Do you have any concerns about the feasibility of collecting this information, the timing or sequencing of obligations, or disclosure of commercially sensitive information?

Reporting submission requirements should be at least 3 months after the completion of each eligible year of the scheme.



As an ASX-listed company, SCMG opposes the disclosure of commercially sensitive information.

Q15: Do you have any concerns or views about penalties under the scheme, including the thresholds and penalties for serious non-compliance?

See answers above, SCMG does not support the imposition of penalties.

About Southern Cross Media Group

Southern Cross Media merged with Seven West Media in January 2026 to create one of Australia's most prominent media companies, with a market leading presence across audio, television, publishing and digital. It owns Southern Cross Austereo and Seven Network, as well as the newspapers The West Australian and The Sunday Times and the daily digital newspaper, The Nightly.