Australian Government

Dashboard Impact Analysis (IA) – News Bargaining Incentive

The Treasury

The proposed policy approach and policy problem

Proposed approach

The Government proposes to implement the News Bargaining Incentive (NBI) to incentivise in-scope digital platforms (expected to be 3-4 initially) to enter into, or renew, commercial deals with Australian news businesses. The NBI will apply for income years starting on or after 1 January 2025.

The objective of the NBI is to maintain commercial deals between digital platforms and news businesses in the order of $200–250 million per annum, supporting the sustainability of public interest journalism. The policy does not aim to produce revenue.

Under the proposed approach, an in-scope platform will incur a liability calculated by applying a rate to a charge base. That liability can be reduced or eliminated through offsets that the platform generates by incurring eligible expenditure under commercial deals with a news business. The charge base for an in-scope platform is based on a portion of its consolidated revenue attributable to Australia from significant social media and search services.

The policy requires in-scope digital platforms to enter into commercial deals with at least six Australian news businesses if they are to fully acquit their NBI liability. Deals with small and medium news businesses are incentivised through boosted offset rates. These settings will support diversity in the Australian news media market which would not occur in the absence of Government intervention. As a result of stakeholder feedback, the framework will include a statutory review.

Policy problem

The policy addresses a persistent bargaining power imbalance between large digital platforms and Australian news businesses. News businesses have traditionally been funded by advertising revenue generated by print and broadcast media. This business model has been affected by digital platforms capturing a significant share of audiences and therefore advertising revenue. Large digital platforms have also become distribution channels for news businesses and, in many cases, unavoidable trading partners in reaching audiences online. This has affected the sustainability and viability of Australian news businesses and their ability to produce public interest journalism.

While the News Media Bargaining Code (the Code) has supported commercial deals, it can be rendered ineffective where platforms choose not to renew commercial agreements or withdraw news content from their services, as there would be no basis for bargaining or arbitration.

Under the current policy settings, withdrawal from commercial deals could result in a funding gap for Australian news businesses of up to $200–250 million per annum, creating risks to the viability

and diversity of the news sector. Recent developments, including decisions by major digital platforms not to renew or enter into new commercial agreements, have highlighted these limitations and the risk that existing levels of funding may not be maintained. Government intervention is required to ensure the continuation of commercial arrangements and to address the underlying bargaining power imbalance.

Treasury undertook two rounds of public consultation on the News Bargaining Incentive, including a consultation paper released in November 2025 and exposure draft legislation released in April 2026. Feedback received through these consultations informed a number of refinements to the final policy design, including an increase to the charge base, expanding the scope thresholds, and requiring a greater diversity of deals. These changes are intended to better align the policy with its objectives, support a diversity of commercial arrangements, and provide greater certainty for news businesses and digital platforms.

Summary of impacts and methodology

Option	Benefits	Other costs	Net impact	Regulatory burden
Proposed: News Bargaining Incentive	Incentivises commercial deals of $200–250 million per annum; supports sustainability of public interest journalism	Compliance and administrative costs for in-scope digital platforms. Costs are likely passed through to small business and consumers.	$200–250 million per annum (assuming deals are made)	$560,000 per annum for in-scope digital platforms.
Alternative: Status quo	No additional compliance costs	Ongoing funding gap and declining sustainability of news sector	Nil	Nil

Methodology

The impact assessment draws on both quantitative and qualitative analysis. Quantitative estimates of the current commercial arrangements are based on Treasury's assessment of the aggregate value of deals currently in place between digital platforms and Australian news businesses under the Code. This assessment draws on information obtained through stakeholder engagement and public reporting, with existing deals estimated to be in the order of $200–250 million per annum. Due to tax secrecy and commercial in confidence deals, reliable figures are not available to verify individual platforms digital advertising revenue. The estimated net impact reflects that the NBI has been designed to maintain commercial arrangements, and thereby avoid a potential funding gap, of a comparable magnitude.

Qualitative analysis considers impacts on market functioning, the sustainability of the news sector, competition dynamics, and broader social outcomes. Qualitative analysis was informed by stakeholder submissions and meetings, Treasury's review of the Code, and the broader developments in the digital platform market and the news sector.

Regulatory burden estimates were prepared in accordance with the Australian Government Regulatory Burden Measurement Framework. Estimates reflect the expected compliance activities of in-scope digital platforms, including reporting obligations, system changes and advisory costs, and are estimated at approximately $560,000 per annum. The assessment of these regulatory costs is informed, in part, by submissions made to the consultation process that closed in December 2025.

For example, feedback was received from digital platforms that system costs were expected to be significant. As more detailed information was not provided, reasonable assumptions have been made as to what constitutes 'significant' system changes and in relation to the cost of specialist legal and compliance advice.

The NBI adopts the existing definitions in the Code, including for Australian news businesses. These are businesses that produce and publish news content online, whether as a newspaper, magazine, website, television program, or radio program.

Economic and social impacts

Status quo	Proposed option
Assessment of existing economic impacts on: • **People –** Individuals are likely to experience reduced access to diverse, high-quality journalism over time, as funding shortfalls affect news production. • **Businesses -** News businesses face declining revenues and reduced viability. Digital platforms may cease or reduce commercial arrangements supporting news. • **Others -** There is a risk of reduced media diversity and the potential emergence of "news deserts", particularly in regional and rural areas. **Stakeholder views:** News organisations have consistently raised concerns about their sustainability under the status quo. Digital platforms, by contrast, have opposed additional intervention and prefer market mechanisms to determine outcomes.	**Economic and social impacts on:** • **People –** The NBI supports continued access to high-quality journalism, which contributes to informed public debate and supports democratic institutions. • **Businesses –** News businesses benefit from more stable and predictable funding streams, enabling continued investment in journalism, employment and operations. In-scope digital platforms face a clear financial incentive to enter into commercial arrangements, as expenditure on eligible deals reduces their liability. Small businesses may face higher costs for online advertising as in-scope digital platforms are likely to pass on the cost of doing deals or paying the NBI charge. • **Others –** The policy supports the provision of public interest journalism as a public good, with benefits that extend beyond individual consumers. **Stakeholder views:** Stakeholders expressed differing views on the key design elements, such as the rate, scope, and the treatment of eligible expenditure. In particular, stakeholders held varied views on the types of expenditure and commercial arrangements that should be recognised under the NBI. Digital platforms, industry bodies and some news organisations supported broader recognition of commercial arrangements and eligible expenditure, while many news organisations preferred an approach focused on direct financial support for journalism. This feedback informed refinements to the treatment of eligible expenditure, including changes intended to provide greater certainty for participants while preserving flexibility in commercial arrangements, as well as other key policy settings. Digital platforms oppose the measure, characterising it as a digital services tax that may impact their ability to invest and innovate in Australia.

Regulatory burden

Status quo	Proposed option
Assessment of any existing compliance and/or delay costs facing: • There are no additional regulatory or compliance costs under the status quo. **Stakeholder views:** Digital platforms and news businesses have not raised concerns regarding the regulatory burden under the status quo.	**Change in the regulatory burden for:** • **People –** No direct regulatory burden. • **Businesses –** Compliance and administrative costs for in-scope digital platforms, including annual reporting obligations, systems changes and data collection, and legal and compliance advice. News businesses will have a minor compliance burden from the requirement that they be registered with ACMA to be eligible for NBI deals once legislation enters into force. This registration is also required to receive funding under the Department of Communications, and many news businesses have already undertaken the registration process. • **Others –** No direct regulatory burden **Stakeholder views:** In-scope digital platforms expect the News Bargaining Incentive to impose additional compliance and administrative costs, particularly in relation to reporting requirements and system changes required to calculate revenue, assess whether thresholds are met, and determine liability and eligible expenditure. News businesses have generally not raised concerns regarding regulatory burden of registration, with many already registered.

Other considerations and implementation

The primary alternative option considered was maintaining the status quo, which was not preferred as it would result in continued erosion of the news sector and an ongoing funding gap. Non-regulatory options were considered not viable, as market forces alone have not addressed the bargaining imbalance and voluntary arrangements have proven insufficient to sustain commercial deals.

What success looks like

Success for the News Bargaining Incentive would be demonstrated by the continuation or renewal of commercial deals between in-scope digital platforms and Australian news businesses in the order of approximately $200–250 million per annum.

Success would also be reflected in an increase in the number and diversity of commercial deals, including greater participation by smaller and regional news businesses, as well as improved sustainability and viability of the Australian news sector.

Where in-scope digital platform groups choose not to enter into commercial deals and instead pay the liability, success would be assessed with reference to:

- the level of revenue collected and then distributed through an appropriate mechanism;
- whether the amount distributed corresponds with the desired order of magnitude of deals; and
- whether the sustainability and viability of the Australian news sector has improved.

Note that the distribution mechanism is a separate policy, outside the scope of the NBI, that has its own measures of success.

Implementation approach

The News Bargaining Incentive will be implemented through legislation, with in-scope digital platforms required to report relevant information, including their revenue and eligible expenditure, to the Australian Taxation Office as part of annual filing processes.

The Consequential Amendments Bill requires in-scope platforms to provide a *news media bargaining incentive charge* (NMI) return, and states when NMI is due and payable. This Bill also clarifies the joint and several liability of members of the service group. The Commissioner is given the power of general administration of the NMI. This is given effect to by providing that the Commissioner has general administration of the Administration Bill and the NMI Bill. (Note that the terminology used is slightly different to the NBI for legal purposes but refers to the same policy).

Planned evaluation

The effectiveness of the News Bargaining Incentive will be evaluated based on the value of eligible expenditure reported by in-scope digital platforms and the extent to which commercial deals are maintained or renewed.

Where in-scope digital platforms choose to pay a liability rather than enter into commercial deals, evaluation will also take into account the level of revenue collected and whether it aligns with the order of magnitude of recent deals.

A statutory review will provide a formal mechanism to assess the operation of the NBI and consider any changes in the policy context, including developments in digital markets.

Statement of Sufficiency

I confirm that this Dashboard Impact Analysis (IA) prepared for **News Bargaining Incentive** meets the requirements set out in the *Australian Government Impact Analysis Framework*.

I confirm that the level of analysis is proportionate to the policy issue being considered.

I note the Dashboard IA provides analysis of the impacts of the proposal using the 7 IA questions and:

- a high-level summary of costs and benefits and an estimate in the change in the regulatory burden, of the policy options under consideration
- high-level analysis of the policy option against the government's key strategic priorities
- a summary of relevant distributional effects and evidence of key stakeholder feedback incorporated into the policy design, and
- other details required to understand and assess the proposal.

Endorsed by
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