August 2026

Australia's Final News Bargaining Tax Revisions Fail to Address Fundamental Concerns

Background and Summary

On August 20, 2026, the Australian Parliament passed a package of legislation[1] to establish its News Media Bargaining Incentive, which received royal assent on August 26. The measure imposes a charge on certain large social media and search services while allowing qualifying payments to Australian news businesses to offset that liability. A companion News Journalism Payments Act[2] distributes revenue actually collected under the charge back to the Australian news sector.

The legislation follows the government's April draft proposal[3] and subsequent revisions announced in August.[4] Although the government made several changes to the mechanics of the proposal throughout the process, it did not address its fundamental flaws. At its core, the measure remains a misguided attempt to orchestrate revenue transfers among market participants by extracting funds from foreign, primarily American, suppliers and redistributing them to designated Australian entities.

CCIA has commented[5] numerous times on earlier versions of this proposal, addressing both its policy and trade law implications. The changes reflected in the final text do nothing to eliminate the need for a robust response, including consideration of appropriate trade remedies.

Key Provisions

Scope of Covered Suppliers

The News Media Bargaining (Administration) Act retains search and social media services as the covered categories, but more precisely limits liability to service groups with more than A$250 million in relevant Australian digital advertising revenue. To qualify as a "significant"

[1] See the News Media Bargaining (Administration) Act 2026 here: https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r7525; see the News Media Bargaining Charge Act 2026 here: https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r7524
[2] See the News Journalism Payments Act 2026 here: https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r7528; see the News Journalism Payments (Consequential Amendments) Act 2026 here: https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r7530
[3] https://consult.treasury.gov.au/c2026-763377
[4] https://ministers.treasury.gov.au/ministers/daniel-mulino-2025/media-releases/nbi-legislation-finalised
[5] See CCIA's comments on the draft legislation here: https://ccianet.org/wp-content/uploads/2025/12/CCIA-Comments-to-Australias-Consultation-on-the-News-Bargaining-Incentive.pdf; see CCIA's previous analysis of Australia's news bargaining policies: https://ccianet.org/wp-content/uploads/2024/12/News-Media-Bargaining-Incentive-A-Coercive-and-Discriminatory-Digital-Tax.pdf

service, a social media service must average more than 5 million monthly active Australian users, while a search service must average more than 10 million.

The final legislation removed the draft proposal's explicit exclusion for professional networking services. Although it defines social media by reference to online interaction for "social purposes" and notes that social purposes do not include, for example, business purposes, the government has expressly stated that the removal of the exclusion is intended to bring LinkedIn within scope, subject to the legislation's applicable user and revenue thresholds.[6]

Base for Assessment of the Incentive Tax

Previously, Australia proposed including all Australian-origin revenues of a covered supplier in the revenue base subject to the measure. The introduced legislation instead limits the base to "relevant Australian digital advertising revenue"—generally, gross revenue attributable both to advertising on the covered service and to transactions or assets in Australia. This narrows the statutory revenue base from the original proposal, although the practical impact will vary by firms' business models, and may be limited for covered suppliers that derive a substantial share of their Australian revenues from advertising.

Tax Rate

The narrowing of the revenue base has been accompanied by repeated increases in the statutory charge rate. Australia changed the rate three times over the course of developing the measure: from 2.25% under the original proposal, to 2.5% in the legislation introduced on August 13, and finally to 2.75% through a last-minute government amendment on August 20—representing a more than 20% increase since the measure was initially proposed.

Offset for News Deals

Originally, Australia proposed a one-for-one offset of the assessed tax that could be obtained through qualifying deals with Australian news organizations—*i.e.*, purchasing A$10 million in eligible news services would reduce the tax by the same amount.[7] The introduced legislation instead establishes a 1.5X offset for expenditure involving other news business groups and a 2X offset for news business groups consisting only of small or medium businesses. In other words, a qualifying expenditure involving a smaller news business could reduce a covered supplier's liability by twice the value of that expenditure, subject to the legislation's applicable limits.

The final measure also expands the minimum number of Australian news businesses required to be involved in order to qualify for the offset. The original proposal contemplated four deals, the government's August 3 revisions increased that number to six, and the final legislation now requires new eligible expenditure involving at least eight different news business corporate groups for a covered entity to qualify for the offset. In addition, no single news business corporate group may account for more than one-quarter of the charge through the offset calculation.

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[6] https://ministers.treasury.gov.au/ministers/daniel-mulino-2025/transcripts/interview-james-glenday-news-breakfast-abc-0
[7] See Fact Sheet, available here: https://minister.infrastructure.gov.au/rowland/media-release/albanese-government-establish-news-bargaining-incentive

Trade Implications of the Proposed Measure

The finalized legislation does not alter the proposal's underlying policy or trade law implications. The measure remains discriminatory in design, disproportionately burdening U.S. firms for the benefit of Australian interests. Moreover, the charge applies even where a covered platform does not carry news content, demonstrating its lack of any meaningful connection to whether the platform benefits from news. In particular, the final structure continues to condition relief from the charge on qualifying expenditures tied to Australian news businesses, preserving the performance-requirement concern CCIA previously identified under Article 11.9.2(a) of the Australia-United States Free Trade Agreement.[8] That provision prohibits conditioning the receipt or continued receipt of an advantage (*e.g.*, avoiding a tax) on meeting domestic-content requirements. The measure also raises national treatment concerns under the AUSFTA by treating covered suppliers less favorably than like domestic suppliers.

Conclusion

Given its discriminatory design, burdensome nature, and poor chances of achieving the stated goal of a sustainable news ecosystem, Australian policymakers should repeal this legislation, and U.S. policymakers should prepare appropriate trade tools to respond accordingly.

[8] https://ustr.gov/sites/default/files/uploads/agreements/fta/australia/asset_upload_file148_5168.pdf#page=109