

## News Bargaining Incentive – Consultation on Revenue Distribution

### CRA submission

Commercial Radio & Audio (“**CRA**”) welcomes the opportunity to respond to the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts’ consultation on the proposed Statutory Payment Scheme to distribute any revenue raised by the News Bargaining Incentive (“**NBI**”).

CRA is the industry body representing 259 commercial radio stations across Australia, including 220 in regional and remote areas.

Each year, Australian commercial radio stations broadcast 1.1 million hours of Australian content, 42,000 hours of Australian news, and 251,000 hours of locally significant content in regional communities<sup>1</sup>.

CRA supports the Government’s stated intention to establish the Statutory Payment Scheme in Commonwealth legislation. To ensure that the scheme operates as intended, CRA submits that the legislation establishing the distribution mechanism should be introduced and enacted contemporaneously with the NBI charge legislation.

Below is CRA’s response to the consultation questions of particular interest to CRA.

#### **Q8 and Q9: Regional and remote weighting**

CRA strongly supports the inclusion of a regional and remote weighting in the payment allocation formula. Of the three proposed weightings, this is the most directly relevant to CRA members.

The NBI’s proposed offset mechanism does not require digital platforms to enter into commercial deals with all categories of news media, meaning platforms can fully offset their NBI liability by entering into deals with as few as four news business corporate groups. As has been the pattern under the existing News Media Bargaining Code, CRA therefore anticipates that the platforms are likely to concentrate any commercial agreements among larger print and digital publishers.

This means that the Statutory Payment Scheme is likely to be the primary (and in many cases the only) mechanism through which most commercial radio stations will access NBI revenue. As such, the design of the Statutory Payment Scheme, including the weighting framework, is of particular interest to CRA.

We urge the Government to have regard to the types of media that have been able to secure direct commercial deals with platforms when assessing whether the scheme is delivering equitable outcomes across the news sector.

#### ***Why the regional weighting matters for commercial radio***

Commercial radio stations are the backbone of regional news in Australia.

---

<sup>1</sup> Deloitte Access Economics, Connecting Communities: The economic and social contribution of radio and audio in Australia, 2023.

In many regional and remote areas, a local commercial radio station is an important — and sometimes the only locally-based — source of local news and emergency broadcasting. This role is not replicated by metropolitan or national media organisations, and it is precisely the kind of news reporting the Statutory Payment Scheme is designed to support.

Attracting and retaining qualified journalists in regional markets is significantly more costly and difficult than in metropolitan areas. Regional radio operators face higher per-journalist costs relative to audience size, limited local labour markets, and ongoing competition for talent with metropolitan newsrooms.

A formula based solely on FTE journalist headcount, without adjustment, structurally favours larger organisations in larger markets. A meaningful regional weighting is therefore essential to correct for this imbalance and to ensure the scheme delivers genuine support to regional news operations.

CRA submits that the illustrative 10% uplift proposed in the consultation paper is unlikely to be sufficient to reflect the genuine additional cost of sustaining news operations in regional and remote Australia. As such, we submit that the weighting should be set at a minimum (i.e. a floor) of a 10% uplift.

### ***How “regional or remote” should be defined***

CRA submits that the regional and remote weighting should be defined by reference to the ACMA’s existing classification of commercial radio broadcasting licence areas under the *Broadcasting Services Act 1992* (Cth) (“**BSA**”) and associated regulations, rather than solely by reference to the journalist’s physical location under the Australian Statistical Geography Standard (“**ASGS**”).

Under section 6 of the BSA, a “regional commercial radio broadcasting licence” is defined as a commercial radio broadcasting licence the licence area of which is not situated in the capital city of any State (or Western Sydney).

This is the established, legislated framework for distinguishing metropolitan from regional commercial radio stations, and it is the classification that the ACMA and the industry use for regulatory purposes. It provides a clear, objective and administratively straightforward boundary that is already well understood by government and industry alike.

CRA also submits that the weighting should attach to journalists employed to produce news content for a regional commercial radio broadcasting licence area, regardless of where the journalist is physically located and regardless of whether the licensee forms part of a corporate group that also holds metropolitan licences. A number of Australia’s larger commercial radio groups hold both metropolitan and regional licences, however the regional licences within those groups serve communities that are no less deserving of support merely because of the corporate structure of their operations.

If the Department prefers to retain the ASGS as the definitional framework, CRA submits that “regional or remote” should be defined to include all ASGS remoteness classifications other than Major Cities — that is, Inner Regional, Outer Regional, Remote and Very Remote Australia.

The ASGS Inner Regional classification captures many significant regional centres, including licence areas served by CRA members, that would not ordinarily be considered metropolitan

---

in the context of radio broadcasting. We submit that limiting the weighting to Outer Regional, Remote and Very Remote would exclude a substantial proportion of regional commercial radio licence areas and would not reflect the intended scope of the weighting.

### **Conclusion**

CRA believes that the proposed regional and remote weighting is an important and welcome feature of the proposed Statutory Payment Scheme.

Getting both the quantum and scope of the regional weighting right is critical to ensuring the scheme delivers meaningful support to the commercial radio stations that serve as an important news source for communities across regional Australia.

### **COMMERCIAL RADIO & AUDIO**

18 May 2026