



# Media Platform Bill: Australia

## Why in News

**Australia** has **reached out to India** among several countries, including Canada, France and the UK, in a move to **stitch a global coalition against tech giants Google and Facebook** amid a faceoff over compensation for sharing news content from media companies on their platforms.

- Australia's proposed law, **News Media and Digital Platforms Mandatory Bargaining Code Bill 2020**, mandates a bargaining code that aims to force Google and Facebook to compensate media companies for using their content.
- The Bill is expected to **set a precedent in regulating social media** across geographies.

## Key Points

### ▪ Background:

- The **Australian Competition and Consumer Commission (ACCC)**, in its **2019 report**, Digital Platforms Inquiry, noted that there was **a fundamental imbalance in the power between news media and internet platforms**.
- Specifically **mentioning Google and Facebook**, the report said these platforms had **"substantial bargaining power** in relation to many news media businesses."
- It highlighted that **media regulation hardly applied to platforms**, though they have been increasingly playing much the same role as the media. The last two decades have also seen the **tremendous rise of the platforms and sharp decline of the traditional news media**.
- The **Australian government**, reportedly sensing **how important it was to have a strong and independent media environment in a democracy**, asked the ACCC to come up with a draft code, which it did in July 2020.
- After some changes, the **Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code) Bill** was introduced in December 2020.

### ▪ Australia's Media Platform Bill:

- **Payment to News Outlets:** Big tech and social media giants like Facebook and Google will have to pay local news outlets for using their content.
  - **Big Tech firms will have to negotiate** how much they pay local publishers and broadcasters for content that appears on their platforms.
- **Provision of Arbitration and Fine:** An arbiter is mandated to adjudicate if no agreement is reached and there are also **provisions of heavy fines** if agreements are not done.

### ▪ The Issue Involved:

- The **media industry is already benefiting from traffic routed to them by the digital platforms**, and that the proposed rules would **expose the Internet companies to "unmanageable levels of financial and operational risk"**.
- Journalism is a public good and a pillar of democracy. **Digital platforms piggyback on its content without sharing the associated costs**. The **subsequent diversion of advertising revenue** has undermined traditional media, particularly regional newspapers.

- **Paying for news feed in itself appears to be less of an issue** for the tech giants, given that **Google agreed to pay news publications in France.**
  - Google **signed a deal with a group of French publishers** to make **digital copyright payments** for online news content.
- **The fight in Australia** is in fact, **centred on how much control these companies would be able to retain on their payout process** - operational aspects such as deciding the quantum of payments for news feed sources, and having to reveal changes in their algorithms.
  - **France has specifically linked payments to copyright**, without putting a forcing device into the agreements.
  - **Australia's code**, on the other hand, is almost entirely **focused on the bargaining power of news outlets vis-à-vis the tech majors**, and has some coercive features as well.
- **The Case of India:**
  - Policymakers have **so far focused on the dominance of intermediaries such as Google and Facebook**, which are positioned in a way that service providers cannot reach customers except through these platforms.
  - A substantial **discussion on the impact of intermediary platforms on the health of news media outlets is yet to begin** in any meaningful way.
  - According to a FICCI-EY report for 2020, there are **300 million users of online news sites**, portals and aggregators in the country.
    - It makes up approximately 46% of Internet users and 77% of smartphone users in India at the end of 2019.
    - With 282 million unique visitors, **India is the second largest online news consuming nation after China.**
  - In India, **digital advertising spends in 2019 grew 24%** year-on-year to Rs. 27,900 crore, according to EY estimates, and are expected to grow to Rs. 51,340 crore by 2022.
  - In India, the **news aggregators are not mandated to make payments to publishers.**
    - News aggregator is an online platform or a software device that collects news stories and other information as that information is published and organizes the information in a specific manner.

## Way Forward

- **India presents a unique media market** which reflects the country's diversity. For example, media platforms span multiple languages. Therefore, while the Australian development is of special importance to India, it need not provide an ideal template for the way forward.
- **Digital platforms** have brought about **huge social gains** by democratising access. However, their **growing size and revenue models have also had adverse effects**, such as spread of fake news. It is this fallout that **governments should try to mitigate, to safeguard democracy.**

**Source: IE**