

Australia watchdog tips tough rules to curb power of Google, Facebook

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The head of Australia's competition watchdog warned Monday that tough new regulation of tech giants like Google and Facebook was needed to protect the future of independent journalism.

Rod Sims, chairman of the Australian Competition and Consumer Commission (ACCC), said the market power wielded by Google and Facebook has had a devastating impact on Australian news [media](#).

While the number of journalists employed by Australian newspapers fell 20 percent from 2014 to 2017 as print [advertising](#) revenues dwindled, Sims said, Google and Facebook between them captured nearly 70 percent of all [online advertising](#) spend.

"This shift in [advertising revenue](#) online, and to [digital platforms](#), has reduced the ability of media businesses to fund news and journalism," Sims said in remarks prepared for delivery to Sydney's International Institute of Communications.

"We cannot simply leave the production of news and journalism to market forces," added Sims, whose agency has been carrying out a lengthy probe of the impact of digital platforms on the news industry in Australia.

While the platforms capture the vast majority of advertising revenue, they do not create any original news, Sims said.

"Rather they select, curate, evaluate, rank and arrange news stories produced by third parties," he said, noting that this market power increased the "risk of filter bubbles and unreliable news on digital platforms".

"Holding such critical positions in both the media and advertising markets results in special responsibilities," he said.

The ACCC launched its inquiry into the power of digital platforms a year ago, and is accepting final submissions from industry players until the end of this week, before issuing its final report in June.

But Sims signalled on Monday that the final recommendations would include calls for broad new regulations on the digital behemoths and the opaque algorithms they use in disseminating news and advertising.

"Virtually no media regulation applies to digital platforms and this contributes to regulatory disparity between media sectors that would appear to provide the digital platforms with an unfair advantage," he said.

A media regulator, he said, should have the power to compel platforms to reveal how news is ranked in search results, including whether advertiser-funded content is ranked higher than paid content, or if original news content is outranked by copycat stories and so-called clickbait.

The ACCC could also recommend that platforms provide a "quality" badge alongside content produced by recognised news media as a counter to disinformation.

Finally, Sims suggested a series of proposals to support local and independent journalism, including tax offsets for people who subscribe to news media which meet a set of quality standards.

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