

Australia competition inquiry targets Facebook, Google

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Australian regulators are to look at the impact of digital platforms like Google and Facebook on competition in media and advertising markets

Digital platforms like Facebook and Google will be at the centre of an Australian inquiry announced Monday examining their impact on

competition in media and advertising markets.

Like elsewhere in the world, traditional sources of circulation and [advertising](#) revenues have been drying up for Australian media groups, under siege from the powerful pairing.

Local providers can no longer count on print classifieds to boost income, with digital advertising not yet able to bridge the gap.

With a Morgan Stanley report last year estimating the two online giants will suck up 35-40 percent of the total advertising revenue pool of Aus\$13.9 billion in Australia, the government has tasked the competition regulator to probe the impact.

The Australian Competition and Consumer Commission inquiry will look at the effect that search engines, social media operators and other digital [content](#) aggregation platforms are having on media and advertising markets.

"The ACCC goes into this inquiry with an open mind and will study how [digital platforms](#) such as Facebook and Google operate to fully understand their influence in Australia," said ACCC chairman Rod Sims.

"We will examine whether platforms are exercising market power in commercial dealings to the detriment of consumers, media content creators and advertisers."

Sims said the probe would also look at longer-term trends and the effect of technological change on competition.

"We will also consider the impact of information asymmetry between digital [platform](#) providers and advertisers and consumers," he added.

Recent ACCC merger reviews have shown that most advertisers are spending less on print newspapers and finding alternative ways of reaching target audiences, including through digital media.

"As the media sector evolves, there are growing concerns that digital platforms are affecting traditional media's ability to fund the development of content," said Sims.

"Through our inquiry, the ACCC will look closely at the impact of digital platforms on the level of choice and quality of news and content being produced by Australian journalists."

The ACCC can use compulsory information gathering powers and is expected to question content creators, mainstream [media](#) outlets, platform providers, advertisers, journalists, consumers and small business interest groups.

A preliminary report is due by December next year and a final report in June 2019.

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