

Google and FB risk big fines under draft Australian news law

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Google and Facebook would risk multimillion-dollar fines if they failed to comply with proposed legislation introduced into the Australian Parliament on Wednesday that would make the tech giants pay for

journalism they display.

Australian Treasurer Josh Frydenberg introduced the so-called News Media and Digital Platforms Mandatory Bargaining Code and revealed details of his plan for Australia to become the first country to force the [digital platforms](#) to compensate [news media](#) for journalistic content.

"We are not seeking to protect traditional media companies from the rigor of competition or technological disruption, which we know benefits consumers," Frydenberg told Parliament. "Rather, we are seeking to create a level playing field where market power is not misused and there is appropriate compensation for the production of original news content."

Details of the draft legislation will be scrutinized by a Senate committee before lawmakers vote on it next year.

Breaches of the code, such as failure to negotiate in [good faith](#), would be punishable by a fine of 10 million Australian dollars (\$7.4 million) or the equivalent of 10% of annual turnover in Australia.

If a platform and a news business cannot agree on a price for news after three months of negotiations, a three-member arbitration panel would be appointed to make a binding decision for payment over at least two years.

The panel would usually then accept in full either the platform or the news business's final offer.

In "very limited circumstances" when neither option is in the "public interest," the panel "may amend the more reasonable of the two offers," [government documents](#) say.

The bill does not specify how payment would be made. The [platform](#) and the media business could agree on a lump sum or regular payments based on the amount of news content used.

Facebook and Google have said they would read details of the draft legislation before commenting.

Facebook has previously warned it might block Australian news content rather than pay for it.

Google has previously said the proposed laws would result in "dramatically worse Google Search and YouTube," put free services at risk and could lead to users' data "being handed over to big news businesses."

The government is concerned that Google was taking 53% of online advertising dollars while Facebook took a 28% share without paying for the [news](#) that the platforms share with their users.

Michael Miller, executive chairman of News Corp Australia, one of the nation's largest media organizations, welcomed the legislation on Tuesday as a significant step toward fairness.

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