

Mogul vs Mogul: Australia's tech law pits Murdoch against Zuckerberg

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Australia's push to regulate tech giants has become a power struggle between two of the world's most powerful men: Rupert Murdoch and Facebook's Mark Zuckerberg

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between two of the world's most powerful men, with Rupert Murdoch and Mark Zuckerberg locked in a generational battle for media dominance.

Efforts in Australia to make Google and Facebook pay for [news](#) has garnered worldwide attention, creating what some call a defining moment for the web and for journalism, and even a litmus test for democracy.

But beyond the high-sounding rhetoric lies a more base struggle, with the barons of traditional media fighting back against their digital heirs.

Sydney tech billionaire Mike Cannon-Brookes went as far as calling the Australian push to force payments for content a "shakedown".

The landmark legislation may carry the seal of government, but media and political insiders see the fingerprints of Rupert Murdoch's News Corp all over it.

"This has been a passionate cause for our company for well over a decade," said News Corp chief executive Robert Thomson, hailing his boss' "fervent, unstinting support" for the cause.

"For many years, we were accused of tilting at tech windmills, but what was a solitary campaign, a quixotic quest, has become a movement, and both journalism and society will be enhanced."

For decades, the Melbourne-born billionaire behind Fox News, The Sun and Sky News Australia has bestraddled politics in the United States, Britain and Down Under.



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Today, he controls roughly two-thirds of daily newspaper circulation in Australia's major cities, with complete monopolies in Brisbane, Adelaide, Hobart and Darwin.

That has prompted critics to paint the 89-year-old in almost cartoonish terms—as an all-powerful political puppetmaster.

While he still wields [political power](#), the rise of Facebook and Google has seriously challenged Murdoch's preeminence—gouging ad revenues that kept many of his publications in the black.

'Frightened of Murdoch'

At the turn of the millennium, newspapers had 96 percent of Australia's classified revenues. Now, that is down to around 12 percent.

For every \$100 spent by Australian advertisers today, \$49 goes to Google and \$24 to Facebook, according to the country's competition watchdog, which proposed the law in direct response to this duopoly.

"Let's not kid around, this was very deliberately designed to put money in the pockets of a very few specific companies—News Corp and others," Lucie Krahulcova of advocacy group Digital Rights Watch told AFP.

An initial draft of the law even cut out public broadcaster ABC—which Murdoch's outlets and Australia's conservative government have long attacked—from receiving Google and Facebook payments.



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Former prime minister Kevin Rudd, an outspoken Murdoch critic, told lawmakers in Canberra on Friday that the proposed laws solved the digital dominance problem "by enhancing the power of the existing monopoly -- that's Murdoch".

"Everyone is frightened of Murdoch," he maintained.

Everyone, it seems, except Facebook CEO Mark Zuckerberg, who made a worldwide splash last week by refusing demands to pay Murdoch's News Corp and other Australian media.

Rather than follow Google and reach agreements to pay for content, Zuckerberg went nuclear, removing news from Australia on the platform and sparking a global backlash.

Enormous political power

The two men were born more than three decades apart and come from staggeringly different eras, but both wield enormous political power.

Where Murdoch could hobble governments or torpedo campaigns with a rapier front-page splash, Zuckerberg's platform can change the tenor of a US election campaign.

Like Murdoch, Zuckerberg has come under fierce scrutiny for his influence over society.



The Australian legislation is being watched in many parts of the world as calls grow to regulate tech giants

It is also not the first time they have tussled.

Murdoch's bid for social media dominance failed spectacularly when MySpace was left in the dust of Zuckerberg's rapidly growing Facebook.

According to reports by tech magazine and website Wired, the pair had a testy exchange in Sun Valley, Idaho in 2016, with Zuckerberg allegedly warned to offer publishers a better deal or expect New Corp to lobby regulators around the world.

Those lobbying efforts are now bearing fruit in Australia, with Google agreeing to pay the company for news in a three-year deal.

The amounts were not disclosed, but similar Google deals with other Australian media groups were said to be worth around US\$23 million a year.

Supporters have cheered that as a victory for journalism—a struggling industry long in decline—although questions remain about whether the money will be ploughed back into reporting.

With legislation in the works in Canada, Europe and perhaps even the United States, Murdoch's "quixotic quest" against the [tech giants](#) is unlikely to stop in Australia.

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