

Australia considers more regulation of Google and Facebook

July 26 2019, by Rod McGuirk



Australian Treasurer Josh Frydenberg speaks to the media during a press conference in Sydney, Friday, July 26, 2019. The Australian government released report that recommends more regulation on the market power of multinational digital platforms including Google and Facebook that would ensure fair deals for other media businesses and more control for individuals over how their data is used. (Bianca De Marchi/AAP Image via AP)

The Australian government released a report Friday recommending tighter oversight over multinational digital platforms including Google and Facebook, to ensure fairness for other media businesses and give people more control over how their data is used.

The Australian Competition and Consumer Commission, the nation's fair trade watchdog, spent 18 months investigating the impact of digital search engines, social media platforms, and digital content aggregators on competition in the media and advertising services markets.

For every \$100 spent by advertisers online in Australia—excluding classified ads—\$47 goes to Google, \$24 to Facebook and \$29 to other players, it said.

Treasurer Josh Frydenberg agreed that regulations need to be strengthened. The government will respond by the year's end after three months of consultations on the 600-page report's 23 recommendations.

"Make no mistake, these companies are among the most powerful and valuable in the world and they need to be held to account and their activities need to be more transparent," Frydenberg told reporters.

Google said the company would discuss the recommendations with the government.

"The final report examines important topics in relation to Australia's changing media and advertising industry and we have engaged closely with the ACCC throughout the process," a Google statement said.

Facebook did not immediately respond to a request for comment.

The ACCC found an "imbalance of bargaining power" in media businesses' dealings with Google and Facebook.

"Whether it be print, radio or television, content generated by journalists and owned by media companies is being displayed on social media and search engines, often without a negotiated agreement covering how data and content is monetized and shared," Frydenberg said.

The ACCC recommended codes of conduct be developed and ratified by regulators to ensure businesses have access to the platforms on "a fair, consistent and transparent basis."

The ACCC also recommends a code of conduct for digital platforms so consumers can know and control what data is collected and how it is used. An ombudsman would be appointed to resolve complaints.

The ACCC would also establish its own specialized digital markets branch to deal with the platforms.

"At the heart of this important ACCC report is a focus on delivering better consumer and commercial outcomes," Frydenberg said. "And ensuring a viable media landscape, because news and journalism is a public good."

Australia's moves follow the U.S. Federal Trade Commission's decision this week to fine Facebook a record \$5 billion for privacy violations.

The report found that more than 98% of online searches on mobile devices in Australia are with Google. Among Australia's population of 25 million, Facebook has 17 million users who use it on average 30 minutes a day.

Facebook had largely been trusted to regulate itself and keep its 2.4 billion users' interests at heart. That was before Russian meddling in the 2016 U.S. presidential election, fake news and the scandal over improper use of personal data of as many as 87 million users by data mining firm

Cambridge Analytica, which was affiliated with President Donald Trump's 2016 presidential campaign.

Regulators in Australia, Europe and the U.S. took notice. Facebook now faces the prospect of not only billions of dollars in additional fines, but also new restrictions around the world.

Laws enacted in Australia in April could lead to the imprisonment of social media executives if their platforms stream real violence such as the New Zealand mosque shootings.

The government introduced the bills after the March 15 attacks in Christchurch, where an Australian white supremacist apparently used a helmet-mounted camera to broadcast live on Facebook as he shot worshippers in the two mosques, killing 51 people.

New Australian laws also require Facebook, Google and other global technology companies to help police by unscrambling encrypted messages sent by criminals.

Those laws have led some tech companies to consider abandoning Australia because of its relatively small market and the increased costs of complying with local regulations.

The Australian Industry Group, a leading business advocate, on Friday urged the government to consider the costs as well as benefits of proposed changes.

"We are particularly mindful of the risks of unintended consequences for businesses and the community as seen with the recent anti-encryption legislation," group chief executive Innes Willox said.

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