

Facebook to block news content in Australia, defying regulators

17 February 2021, by Rob Lever



Facebook said it would reject Australia's regulatory move to force it to share revenue with media outlets, and restrict news content sharing instead

Facebook said Wednesday it would block news content sharing in Australia, refusing to bend to a regulatory push that would force the social giant to share revenue with media outlets.

The dramatic move by Facebook comes with Australia poised to adopt legislation that would force digital platforms to pay for news content.

Facebook's move contrasted with Google, which in recent days has brokered deals with media groups, including one announced earlier in the day with Rupert Murdoch's News Corp., in response to the regulatory push.

"The proposed law fundamentally misunderstands the relationship between our platform and publishers who use it to share news content," said Facebook's manager for Australia and New Zealand, William Easton.

"It has left us facing a stark choice: attempt to comply with a law that ignores the realities of this

relationship, or stop allowing news content on our services in Australia. With a heavy heart, we are choosing the latter."

Earlier this week, Australian officials said the two US tech giants were close to deals with major Australian media to pay for news to resolve a standoff being closely watched around the world.

The companies had threatened to partially withdraw services from the country if the rules become law, sparking a war of words with Canberra.

A Facebook statement said that as a result of the new policy, people in Australia "cannot view or share Australian or international news content on Facebook or content from Australian and international news pages."

It also means that people elsewhere in the world cannot view or share Australian news content on Facebook.



Facebook and Google took opposite approaches in response to an Australian regulatory effort forcing tech giants to share revenue with media organizations

'Value exchange'

Easton said Facebook has argued to Australian officials that "the value exchange between Facebook and publishers runs in favor of the publishers," and generates hundreds of millions of dollars of revenue for the media organizations in the country.

"We've long worked toward rules that would encourage innovation and collaboration between digital platforms and news organisations," Easton said.

"Unfortunately this legislation does not do that. Instead it seeks to penalize Facebook for content it didn't take or ask for."

Australia's competition watchdog has maintained that for every \$100 spent on online advertising, Google captures \$53, Facebook takes \$28 and the rest is shared among others, depriving media outlets of needed revenue to support journalism.

The situation is mirrored in other parts of the world where tech platforms are facing increasing pressure to share revenue with news media.

Facebook's news partnerships head Campbell Brown said in a tweet that the company acted reluctantly to block news content for Australian users.

"Our goal was to find resolution that strengthened collaboration with publishers, but the legislation fails to recognize fundamental relationship between us & news organizations," she tweeted.

Google earlier Wednesday took the opposite tack, announcing it had struck a deal that would allow for "significant payments" to Rupert Murdoch's News Corp. for content.

A joint statement called the deal a "historic multiyear partnership" that would see news from the media giant included in the Google News Showcase. The deal covers content from the News Corp-owned Wall Street Journal, Barron's, MarketWatch and the New York Post in the United States; British-based The Times and The Sunday

Times, and The Sun as well as a number of Australian media outlets including The Australian.

News Corp was the last major private media yet to make a deal and was instrumental in pushing the conservative Australian government to tackle the tech giants.

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