Australia to force tech titans to pay for news

AFP- Australia will force Meta and Google to pay for news shared on their platforms under a new scheme unveiled Thursday, threatening to tax them if they refuse to strike deals with local media.
Traditional media companies the world over are in a battle for survival as precious advertising dollars are hoovered up online.

Australia wants big tech companies to compensate local publishers for sharing articles that drive traffic on their platforms.

“The rapid growth of digital platforms in recent years has disrupted Australia’s media landscape, and it is threatening the viability of public interest journalism,” Communications Minister Michelle Rowland told reporters.

“It is important that digital platforms play their part. They need to support access to quality journalism that informs and strengthens our democracy.”

Social media platforms with Australian revenue of more than US$160 million a year will be taxed a still-to-be-decided figure earmarked to pay for news.

But they can offset the tax – or avoid paying it entirely – if they voluntarily enter into commercial agreements with Australian media companies.

The Australian government indicated the parent companies of Google, Facebook and TikTok would be covered by the tax, which will come into effect next year.

Officials said Elon Musk’s X would likely escape because its domestic revenue was too small.

Hundreds of Australian journalists have lost their jobs in recent years as newspapers are shuttered and media companies downsize.

In 2021, Google and Meta struck a string of deals with Australian newsrooms worth a combined US$160 million.

But Meta has indicated it will not renew its deals when they expire in March, arguing that news makes up a tiny portion of its traffic.

The tax will be designed to stop the tech giants from simply stripping news from their platforms, something Meta and Google have done overseas in the past.

A Meta spokesperson on Thursday said Australia was “charging one industry to subsidise another”.

– Latest salvo –

The spokesperson said the “proposal fails to account for the realities of how our platforms work”.

Australia’s University of Canberra has found that more than half the country uses social media as a source of news.

Supporters of such laws argue that tech titans attract users with news stories and devour online advertising dollars that would otherwise go to struggling newsrooms.

Google and Facebook owner Meta have pushed back against efforts in other jurisdictions to compensate news outlets.

Google started removing links to some California websites earlier this year after the state indicated it would make them pay for traffic driven by news.

Facebook and Instagram have blocked news content in Canada to avoid paying media companies.

It is the latest salvo in Australia’s efforts to reign in the

tech giants.

Australia last month voted for new laws that will ban under-16s from social media.

It has also mooted slapping fines on companies that fail to stamp out offensive content and the spread of disinformation.

AFP