

How Global Tech Companies Impact Australia's Media Landscape: Government Efforts and Global Solutions

28 October 2024



DAVID KENNEDY

david.kennedy@ventureinsights.com.au

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Abstract: Global tech giants like Google, Meta, Amazon, X (formerly Twitter), TikTok, and AI platforms like OpenAI have dramatically reshaped Australia’s media landscape. These companies control a vast share of digital advertising revenue and act as primary gatekeepers of news distribution through their algorithms, raising concerns about their growing influence on local journalism. This explainer dives into how these global platforms dominate the Australian media space, the impact on local media companies, and the government’s regulatory responses, including the News Media Bargaining Code. Additionally, it explores international efforts to curb big tech’s influence on media markets. Stay informed with insights on how these global trends are affecting the future of Australia’s media and journalism landscape.

Do Global Tech Companies Have Too Much Control Over Australia's Media?

Introduction

Global tech companies like Google, Meta (Facebook), Apple, Amazon, X (formerly Twitter), TikTok, and AI platforms like OpenAI have become dominant forces in Australia's media landscape. These platforms have transformed how Australians access and interact with news and media content. Still, their growing influence raises concerns about the balance of power between global tech giants and local media companies. The shift from traditional media, such as newspapers and television, to digital platforms controlled by these tech companies has significantly altered the flow of advertising revenue and news distribution.

In Australia, most digital advertising revenue is captured by these global platforms, pushing local media to the margins and forcing them to rely on the platforms that challenge their financial viability. Additionally, these tech companies act as the primary gatekeepers of news, using algorithms that prioritise content, often sensational or viral, over more in-depth journalism. In response, the Australian government has introduced regulatory measures like the News Media Bargaining Code, aiming to restore some balance by requiring tech platforms to negotiate payments with local news outlets. However, as the global tech landscape evolves, further efforts are required to address these issues and protect local media from being overshadowed.

The Digital Advertising Landscape

In Australia, global tech giants like Google and Meta control most of the digital advertising market, making it hard for local media companies to compete. These companies capture over 80% of digital ad spend in the country, leaving traditional media outlets—such as newspapers, TV, and radio—with a much smaller share. This shift has transformed how businesses advertise and Australians consume news, pushing local media to the margins.

The dominance of global platforms has deeply affected traditional media, which used to rely on advertising as a major source of revenue. As more advertisers move to digital platforms, local media outlets, especially smaller and regional publications, struggle financially. Many have been forced to cut back on staff or shut down entirely, reducing local news coverage in communities nationwide.

Google and Meta's share of the Australian digital advertising market is enormous. In 2022, Google earned over \$7.1 billion from ads, while the ACCC estimated that Meta generated over \$5.0 billion the same year. These platforms offer advanced tools for targeting and personalising ads, making them more attractive to advertisers than local outlets, which don't have the same technological capabilities or reach.

This growing imbalance has raised concerns about the sustainability of Australian journalism. While the government's News Media Bargaining Code aims to address this by ensuring tech giants pay for local news content, the overall power of these companies in digital advertising still presents a major challenge for the local media industry.

News Distribution and Public Discourse

Global tech companies, like Google, Meta, and X (Twitter) and TikTok have become the main gatekeepers of news in Australia, significantly shaping what people read and watch. Many Australians now access news through search engines and social media platforms rather than directly from news websites or traditional media outlets. This gives these tech platforms enormous power over which stories are seen, as their algorithms decide what content is prioritised.

The algorithms these platforms often use favour content that generates more engagement—such as sensational headlines or viral posts—over more in-depth or public-interest journalism. This can lead to a distortion of public discourse, as the most popular or provocative content is pushed to the forefront, sometimes at the expense of quality reporting. This reliance on algorithms also means that local media outlets have little control over how their content is presented or who sees it.

Local Australian media companies rely heavily on these platforms to reach their audiences, further entrenching the tech giant's influence. While Google and Meta provide significant traffic to news websites, they also capture much advertising revenue that would have otherwise supported journalism. This creates a challenging dynamic where local media must rely on the very platforms that are also their biggest competitors for revenue.

The power of global tech platforms in shaping public discourse has prompted concerns about the decline of media diversity in Australia. While regulatory initiatives like the News Media Bargaining Code have attempted to address this issue by making tech platforms pay for news, the central role these companies play in how news is distributed remains a critical challenge for the future of local journalism.

Regulatory Measures and Government Initiatives

In response to the growing influence of global tech companies, the Australian government has introduced several regulatory measures aimed at rebalancing the media landscape. The most notable is the News Media Bargaining Code in 2021. This law requires platforms like Google and Meta to negotiate payments with Australian media companies to distribute news content. It was a world-first initiative to address the power imbalance between global tech giants and local media outlets.

While the News Media Bargaining Code has led to some successful deals between tech platforms and larger media companies, there are concerns that it doesn't do enough to support smaller, independent publishers. Many smaller outlets struggle to negotiate favourable terms with these tech giants, raising questions about whether the Code has truly levelled the playing field. Meta, particularly, is resisting any further deals. There have been calls for more robust measures to ensure that all Australian media companies benefit from the Code's provisions, regardless of size.

Beyond the Bargaining Code, other government initiatives have sought to address the dominance of global platforms in more indirect ways. The Australian Competition and Consumer Commission (ACCC) has investigated digital platforms, focusing on how their business practices affect competition in advertising and media industries. These inquiries have recommended further regulations to promote transparency in algorithms and ensure a more competitive environment for local media.

Despite these efforts, many argue that more than Australian regulations are needed to counteract tech companies' global power fully. These platforms operate on a scale far beyond national borders, and their massive financial resources make it difficult for local measures to have a lasting impact. As such, Australia's media landscape's future will likely depend on national initiatives and international cooperation to ensure fair competition and a sustainable media industry.

Impact on Local Media and Public Interest Journalism

The dominance of global tech companies in Australia's media landscape has put immense financial pressure on local media, particularly smaller outlets and those focused on public interest journalism. Many local news organisations have been forced to downsize or close, especially in regional areas, creating gaps in news coverage. This shift has severely impacted public interest journalism, which requires more resources for in-depth reporting on crucial issues such as government accountability and community affairs. The reduction in funding has led to a decline in investigative journalism, limiting the diversity of information and viewpoints available to Australians.

While government initiatives like the Public Interest News Gathering (PING) Fund have provided some financial relief, these measures have not been enough to offset the broader challenges posed by global tech dominance. Local media outlets are exploring new revenue models, such as subscriptions and donations, to survive. However, local media may only struggle with stronger regulatory support and more substantial investment in public interest journalism. As global tech platforms maintain their control over digital advertising and news distribution, the future of Australia's media landscape remains to be determined, with local outlets facing an uphill battle to compete.

Global efforts to level the playing field

Governments worldwide have been taking steps to address the dominance of global tech companies and their impact on local media industries. In the European Union, the Digital Markets Act was introduced to curb the power of "gatekeeper" platforms like Google and Meta by promoting fair competition and preventing these giants from unfairly prioritising their services. Similarly, Germany's Digital Antitrust Law allows regulators to intervene when tech companies abuse their dominance. At the same time, France's Copyright Law for Press Publishers mandates that platforms pay publishers for using their news snippets, ensuring that local media are compensated.

Canada's Online News Act mirrors Australia's approach in North America, requiring tech platforms to negotiate payments with Canadian news organisations for the content they share. Meanwhile, the United States' Journalism Competition and Preservation Act (proposed) seeks to allow news publishers to collectively bargain with tech companies, giving local media more leverage to secure fair compensation. The Online Safety Bill in the UK focuses on regulating harmful content, which indirectly affects how tech platforms manage news and public discourse.

Other countries have also introduced measures to balance tech influence. Spain's Digital Tax ensures that large tech firms contribute to the local economy. India's IT Rules and Digital Media Ethics Code demands compliance with local content laws, giving the government more control over news distribution. In Brazil, the proposed Fake News Bill would hold platforms accountable for spreading misinformation, especially during critical

periods like elections, aiming to protect the integrity of local news and public discourse. These examples demonstrate global efforts to protect local media and limit the unchecked influence of global tech platforms.

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David Kennedy, Managing Director
david.kennedy@ventureinsights.com.au

Venture Insights
Level 3, 461 Bourke Street, Melbourne, VIC 3000