

Addressing imbalance between digital platforms and traditional news media becomes paramount during Covid-19 pandemic

Sources: www.accc.gov.au

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Abstract:

On 20 April 2020, in response to the sharp decline in advertising revenues for traditional media outlets brought about by the Covid-19 pandemic, the Government announced it had directed the Australian Competition and Consumer Commission (ACCC) to develop a mandatory code to govern commercial arrangements between digital platforms and the news media business.

This marks a significant shift by the Government, which advocated a “voluntary code” in its response to the ACCC’s Digital Platforms Inquiry (DPI) last year, in which the ACCC found that the dominance of digital platforms as gateways in reaching audiences online, meant platforms such as Google and Facebook had become critical and unavoidable trading partners for Australian news media businesses. This had resulted in an imbalance of bargaining power, as digital platforms are able to share Australian news content online and reap its financial benefits through advertising revenue, with the ability and incentive to favour their own related businesses and businesses with which they have an existing relationship.

Following the Government’s direction, the ACCC released a concepts paper on 19 May 2020, with a draft code expected before the end of July 2020.

Topics expected to be included in the code relate to:

- the definition of news;
- identification of digital platform services to be included;
- monetisation and sharing of revenue from the use of news;
- establishing an effective bargaining framework;
- sharing of user data;
- prioritising original news content; and
- treatment of paywalled news content and alternative news media business models

The Government’s April announcement is available [here](#). The DPI Report is available [here](#), together with the Government response, which is available [here](#). The ACCC Mandatory News Media Bargaining Code Concepts Paper is available [here](#).

Even before the COVID-19 pandemic, digital platforms, including the practice of online businesses, was identified by the ACCC as a top enforcement and compliance priority for 2020, see [ACCC Enforcement Priorities](#).