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**News Media Canada: Government Fails Local News**

**TORONTO, June 9, 2021** – News Media Canada, representing hundreds of print and digital titles in every province and territory, issued a historic open letter to the Prime Minister of Canada calling on the Trudeau government to act now on their commitment to support local journalists.

In an unprecedented effort, publishers called the Trudeau government to task. “For months, you and your Minister of Canadian Heritage, Steven Guilbeault, have promised action to rein in the predatory monopoly practices of Google and Facebook against Canadian news media. But so far, all we’ve gotten is talk. And with every passing week, that talk grows hollower and hollower.”

Heritage Minister Steven Guilbeault repeated the government’s commitment to introduce legislation in the spring of 2021 on various media outlets, including CBC radio, The National Post, The Globe and Mail, and CTV.

News Media Canada Chair Jamie Irving said, “Reporting real news costs real money. There are only two ways to cover those costs: advertising and subscriptions. But Google and Facebook use their control of the Internet and their highly sophisticated algorithms to divert 80% of all online advertising revenue in Canada. And they distribute the work of hardworking journalists across the country without compensation.”

Other countries, such as Australia, have tackled this challenge and reined in the web giants. In March of 2021, the Australian Parliament adopted the *Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code)* with support from all parties. The legislation requires Facebook and Google to negotiate collectively with that country’s media. Facebook and Google have negotiated compensation agreements with media companies to pay for content with publishers serving local and national audiences. According to Rod Sims, the Chairman of the Australian Competition & Consumer Commission, “It’s a huge success,” Sims said in an interview with The Financial Times. “The bargaining and arbitration model (in the Australian legislation) is actually a very light regulation in the sense that we want equal bargaining power,” he said. Dozens of small publishers have also signed or negotiated terms following the passage of a February law aimed at getting Big Tech to pay for news.

“Until all news media in Canada can negotiate collectively with Google and Facebook, the two multinationals will continue to use their market dominance to drive terms that are in their interests. Government inaction has created a vacuum and puts some publishers at a negotiating disadvantage without the backstop of legislation,” concluded Jamie Irving.

News Media Canada is calling on Parliament and the federal government to exercise their responsibilities to stand up to these two web giants and to restore fairness to the Canadian media marketplace.

**About News Media Canada**

News Media Canada is the voice of the print and digital news media industry in Canada and represents hundreds of trusted titles in every province and territory. News Media Canada is an advocate in public policy for daily and community media outlets and contributes to the ongoing evolution of the news media industry by raising awareness and promoting the benefits of news media across all platforms. For more information, visit our website at [www.newsmediacanada.ca](http://www.newsmediacanada.ca) or follow us on [Facebook](https://www.facebook.com/newsmediacanada/), [Twitter](https://twitter.com/NewsMediaCanada), [Instagram](https://www.instagram.com/newsmediacanada/) and [YouTube](https://www.youtube.com/channel/UCtaZw_hUrzWo617mOTLhegw).

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