

## Canadian Publishers Call for Canadian Government to Tackle Google/Facebook Monopoly

- **No Government Funds or Consumer Taxes Needed**
- **Address Monopolistic Dominance of Web Giants**
- **Levelling the Digital Playing Field, FTI Report Recommendation**
- **Adopt Australian Model as a Policy Fix**

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Canada's news media publishers today called on all political parties in Parliament to support the adoption of Australia's approach to combat the monopolistic practices of Google and Facebook.

In Canada, as in democracies around the world, the two American web giants control the lion's share of online advertising dollars and distribute newspaper content without compensation. The model being implemented in Australia counters these monopolistic practices and levels the digital playing field - at no cost to taxpayers and without the need for user fees or other charges.

The recommendation that Canada adopt the Australian model is contained in [Levelling the Digital Playing Field](#), a report commissioned by News Media Canada and prepared by FTI Consulting, a global advisory firm, who conducted an in-depth analysis of actions taken in democracies around the world to address the same challenge.

News Media Canada represents more than 90% of news media readership in Canada representing daily, regional, community, and ethnocultural news publications.

"A strong, diverse and independent news media is valued by Canadians and crucial to our democracy," said Jamie Irving, vice-president of Brunswick News Publishing company BNI and Chair of News Media Canada's working group. "Publishing real news costs money, and Google and Facebook – two of the biggest companies in the world – cannot continue to be allowed to free-ride on the backs of Canadian news media publishers who produce news content, without fair compensation. We have heard the global web giants' hollow commitment to journalism and to token compensation. The time to tackle the global web giants, as the federal government indicated in September, is now."

Key elements of the Australian model include:

- An effective approach that requires no new government funding, consumer taxes, or user fees.
- Publishers, with the approval of government, form a collective bargaining unit to negotiate compensation for the use of their content and intellectual property. It is only through this collective approach that the immense monopoly power of the web giants can be countered, and the digital playing field levelled.
- A code-of-conduct to ensure that the web monopolies do not use new algorithms and other proprietary technology to expand their market domination and entrench unfair competitive practices.

- Enforcement with teeth. Under the Australia model, the web giants are subject to fines in the hundreds of millions of dollars for a single infraction. Penalties of this scale are the only effective ways to rein in companies of this unprecedented size and power.
- Comparable context. Both Canada and Australia publishers are facing significant challenges from the web giants. Canada and Australia share strong regional identities, and similar parliamentary and legal systems.

In Canada, Google and Facebook control 80% of all online advertising revenues. They use their monopoly control not just to divert advertising from news media publishers, but also to divert millions in advertising revenue that they place on news media sites. Even when advertisers pay specifically to advertise on news media sites, Google and Facebook keep most of that revenue, while gathering and using data on news media site readers and advertisers for their own purposes.

“The unchecked power and market domination of Google and Facebook has impacted news media around the world and Canada faces the same challenge,” said Jamie Irving. “This is above and beyond concerns about their abuse of the privacy of citizens and their role in the spread of disinformation. Canada has a responsibility to demonstrate leadership on these important issues.”

The Government of Canada announced in its Speech from the Throne of September 23<sup>rd</sup> that, “The government will act to ensure their revenue is shared more fairly with our creators and media, and will also require them to contribute to the creation, production, and distribution of our stories, on screen, in lyrics, in music, and in writing.”

News Media Canada is calling on the government to tackle the web giants and adopt the Australian model in Canada.

The CEO members of the following companies are leading the discussions with the government of Canada including Glacier Media, Black Press, Torstar, Postmedia, Globe and Mail, La Presse, Quebecor and Brunswick News.

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**News Media Canada** is the voice of the print and digital media industry in Canada. Created in late 2016 as a product of the agreement by its members to merge the Canadian Newspaper Association (CNA) and the Canadian Community Newspaper Association (CCNA), News Media Canada represents hundreds of trusted titles in every province and territory. As an advocate in public policy, News Media Canada enables daily and community media outlets from coast to coast to speak with a unified voice when promoting their interests to governments, regulators and the general public. In this capacity News Media Canada monitors, analyzes and lobbies against legislation potentially harmful to news media and freedom of the press.