***Time to Put a Filling in Truth Decay***

It’s increasingly rare that Canada’s major political parties agree on anything, especially during the heat of a federal election campaign. Yet, all agree that we should look toward Australia to ensure the long-term commercial viability of Canada’s news publishing business. Why is a strong news publishing business important to Canadians? Simply put, journalism is vital to our democracy.

In their 2018 book *Truth Decay*, Jennifer Kavanagh and Michael D. Rich of the RAND Corporation argue that there is an “increasing disagreement about facts and analytical interpretations of fact and data; a blurring of the line between opinion and fact; an increasing relative volume, and resulting influence, of opinion and personal experience over fact; and a declining trust in formerly respected sources of factual information.”

Digging a little deeper, the authors note that, in the past, newspapers and news channels mediated information. As ‘gatekeeper’ institutions, publishers and broadcasters were and remain accountable because they can be sued for defamation, and they are subject to certain standards and regulations. Not so with the social media and internet platform companies, who go unchecked and remain unaccountable. The authors argue that “The filters and algorithms embedded in social media platforms and search engines, such as Google, contribute to Truth Decay – and particularly to increasing disagreement and the blurring of the distinction between opinion and fact – by inserting bias into the types of information a person is likely to encounter or engage with.”

We wholeheartedly agree with their conclusion that Truth Decay has damaging consequences, including, “The erosion of civil discourse; political paralysis; alienation and disengagement of individuals from political and civic institutions; and policy uncertainty.”

Which brings us to the question, what can we, as Canadians, to do about it?

One solution is investing in investigative journalism, which is a formidable public check on the powerful, including governments and corporations. Investigative journalism serves the public interest and often drives administrative, legislative, and regulatory reforms and better behaviors. Investigative journalism takes an investment in time, talent, and hard dollars. Today, with advertising dollars being syphoned off by Big Tech, dollars are scarce, and newsrooms are both stretched and stressed. Investigative journalism can only flourish in a healthy media ecosystem.

The Australians have figured this out. In 2019, the Australian Competition & Consumer proposed a mandatory code and arbitration regime to level the playing field between the country’s news publishers and Google and Facebook, which was opposed by both companies. That fierce opposition continued after the government introduced its bill. In February 2021, in a last-minute effort to stop the legislation from going through, Google announced its “News Showcase” plan in Australia. For its part, Facebook threatened to walk away with their marbles and leave Australia altogether. However, neither tactic succeeded. The government went ahead and enacted the bill. It received royal assent in March 2021.

The results have been a stunning success for local news media in Australia. To avoid binding arbitration, both platforms have negotiated contracts with the news media that provide meaningful remuneration. Although the actual terms are confidential, and some of contracts are still being negotiated, we understand that the two companies, on a combined basis, are paying in the range of 30 per cent of the cost of each full-time journalist. Clearly, the threat of baseball-style, final offer arbitration is leading to real dollars for Australia’s news publishers – both large and small – to invest in real journalists, who produce real content.

That is far better than the divide and conquer approach employed by Big Tech, which lacks transparency, allows the platforms to play titles off against each other with inadequate compensation offers compared to what binding arbitration would provide, and leaves smaller titles out in the cold.

On behalf of Canada’s news media publishers from coast-to-coast-to-coast, representing over 1000 communities and employing over two-thirds of Canada’s journalists, News Media Canada is heartened to see that all major political parties in Canada support this approach and recognize the urgency of the situation. We have produced a draft *Digital Platforms Act*, that can be introduced on *Day One* of the next Parliament. It addresses the need for an exemption from section 45 of the *Competition Act*, which currently precludes collective bargaining.

The Google and Facebook platforms have combined annual revenue in Canada of over $9 billion. Only through the threat of arbitration will meaningful remuneration be provided by those platforms to all Canadian news media. News Media Canada stands ready to assist in collective negotiation for titles – large and small.

All major Canadian political parties agree: the Australian model is a simple, fair, and proven solution that is working in that country.  It does not require taxpayer funds, new taxes, or user fees. Its use of collective negotiation, backed up baseball-style arbitration, is the best way to redress the current power imbalance between the web giants and Canada’s local news media. It will ensure that we can continue to invest in excellence in Canadian journalism — both today and over the long-term – and it will help fill the Truth Decay that is infecting our democracy.

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