**News publishers need legislation passed by June**

The Honourable Pablo Rodriguez, Minister of Canadian Heritage, honoured an important election promise by introducing legislation to level the playing field between Canada’s news publishers and digital platforms.

To put this in perspective, after peaking at more than $4.6 billion in 2008, Canadian newspaper revenues fell to below $1.5 billion in 2020. During that period, Google and Facebook saw their combined Canadian revenue grow from a little over a billion dollars to over $8 billion. Today, Google and Facebook take more than 80 per cent of online advertising revenues.

Under the legislation, companies that generate revenue from the publication of content created by Canada’s news publishers will have to share a portion of their revenues with Canadian news outlets.

There are several ways of accomplishing this objective. Some have advocated that the government should simply tax the web giants and then redistribute the monies to publishers, but that gets government involved in determining how the money is distributed, and that’s not something publishers, who deeply value independence, want.

Wisely, this legislation is modelled on what the Australians have done. Prime Minister Scott Morrison’s conservative government introduced the *News Media and Digital Platforms Mandatory Bargaining Code* in February 2021. That legislation is elegant in its simplicity. It addresses the bargaining power imbalances between digital platforms and Australian news businesses by enabling news businesses to bargain individually or collectively with digital platforms over payment for the inclusion of news on the platforms and services. If negotiation does not lead to a fair agreement, the parties move to baseball-style final offer arbitration.

The initial reaction from the U.S.-based Big Tech platforms and services was not a stellar day for good corporate citizenship or customer relations. Google’s response was, “It would give us no real choice but to stop making Google Search available in Australia.” While Meta said, “People and news organisations in Australia are now restricted from posting news links and sharing or viewing Australian and international news content on Facebook. Globally, posting and sharing news links from Australian publishers is also restricted.”

With the legislation passed, many Australian publishers, including smaller publishers, have joined together to negotiate meaningful agreements with Google and Meta. According to Robert Whitehead, digital platform initiative lead with the International News Media Association, “There’s no question that small- to mid-size publishers have been the surprise winners from the Australian media bargaining code. The big three commercial players started the momentum…but it has been the smallest players who have gained the most, relative to their size.”

Rob Sims, past chair of the Australian Competition & Consumer Commission (ACCC) said the Code had been “stunningly successful” and estimated the deals have pumped “well north of $200 million a year” into the Australian news industry. And the ACCC told us the Code has “resulted in strong hiring environments for Australian journalists.”

Last year, seeing the writing on the wall in Canada, Google and Meta reached out to number of our country’s largest news publishers. As William Turvill of the U.K.-based Press Gazette noted, “There is some evidence to suggest that the threat of this legislation is already paying off for Canadian publishers…Google, perhaps in anticipation of Ottawa’s crackdown, has already started offering more generous payments for signing up to [Google] News Showcase.”

Those agreements are clearly benefitting large publishers, and that’s good. However, the agreements are believed to be relatively short-term in nature. If Parliament does not pass legislation by the end of June, renewal of those agreements may not be on such commercially favourable terms. More troubling, in the absence of agreements, smaller community and ethnic publishers will wither on the vine as they are starved of advertising revenue. The news deserts that arise will provide fodder for disinformation and fake news, which undermine social cohesion and our democracy.

All political parties in Parliament understand the value of local news. All understand that the news business is facing an existential threat. All understand that there is a power balance between Big Tech and Canada’s news publishers. All believe that publishers should be allowed to negotiate collectively with platforms and services. We are calling on those same political parties to get the job done by getting this vital legislation passed by the House of Commons and the Senate by the end of June. Let’s show the world that Canada cares about a fiercely independent, and commercially viable news publishing sector, where local community news thrives alongside a vibrant open web.

*Jamie Irving is chair and Paul Deegan is president and chief executive officer of News Media Canada.*

*Maria Saras-Voutsinas is Executive Director of the National Ethnic Press and Media Council of Canada.*