**More Publishers Need a Fair Deal**

During the 2021 federal election campaign, several political parties made commitments to introduce news remuneration legislation.

Why is such legislation needed?

First, the need for strong, independent local news has never been higher – it keeps communities connected and informed on issues that are impacting them directly. Covering city hall, provincial and territorial legislatures, our courts, and holding parliamentarians to account is vital to our democracy. We asked [Pollara](https://www.businesswire.com/news/home/20220530005054/en/Pollara-90-of-Canadians-Think-it%E2%80%99s-Important-that-Local-Media-Outlets-Survive), a leading research firm, to put a question to Canadians. 90 per cent of respondents said they believe it’s important that local media outlets survive. And for those outlets to survive, they must be commercially viable.

Second, there is a significant imbalance of power between tech giants and Canadian news outlets. To put this in perspective, the market capitalization of Google is about $2.3 trillion; Meta is over half a trillion. Together, that’s larger than the GDP of Canada, Brazil, Italy, or India. On a combined basis, these companies take of online ad revenues stands at more than 80 per cent. And the pandemic has only worsened the situation.

Third, with the prospect of Canadian legislation, Google and Meta negotiated content licensing agreements with a dozen or so news publishers, including large players like the Globe and Mail and the Toronto Star. These publishers should be getting compensated for their content. But we now have a situation of haves and have nots among Canada’s news publishers with Google and Meta picking winners and losers. And that’s not fair – especially to many smaller publishers who have been left out in the cold.

In April Pablo Rodriguez, Minister of Canadian Heritage, introduced bill [C-18, the Online News Act](https://www.parl.ca/legisinfo/en/bill/44-1/c-18). According to that same Pollara survey, 80 per cent of Canadians support parliament passing a law that would let smaller outlets negotiate collectively with the web giants. Our organizations represent hundreds of trusted news titles in every province and territory, support this legislation for three reasons.

First, it allows us publishers to come together and negotiate collectively. Currently, the Competition Act bars us from forming a collective. Given the overwhelming power imbalance, we will be in a stronger bargaining position if we stand together.

Second, it includes an enforcement mechanism. Baseball-style final offer arbitration ensures that parties put their best offer forward and the arbitrator picks one or the other. The hammer of arbitration incents both sides to reach a fair settlement on their own.

Third, similar legislation in Australia is working. According to [Rod Sims](https://jninstitute.org/news/rod-sims-explaining-the-news-media-bargaining-code/), the former chair of the Australian Competition & Consumer Commission, the amounts paid to news organizations were over $200 million. More important than how much is who reached content licensing agreements. Country Press Australia, an affiliation of 160 smaller regional newspapers, was able to reach settlements with Google and Meta. More recently, a group of 24 small Australian publishers reached a deal with Google. We believe that Google, to their credit, has signed a content licensing agreement with every eligible Australian publisher.

Bill Grueskin, Professor of Professional Practice at Columbia’s Graduate School of Journalism wrote in a [paper](https://jninstitute.org/news/millions-of-dollars-for-news-shrouded-in-mysterious-deals/) for the Judith Neilson Institute, “Monica Attard, a journalism professor in Sydney, says she can’t persuade most students to take internships these days because it’s so easy for them to land full-time jobs — and she assumes the code deserves much of the credit: ‘I swear to God, I have not seen it like this in 20 years’.”

While there are clear benefits to publishers from collective negotiation, the question is: How should members of each collective organize themselves it in a way that is inclusive, fair, and transparent to all its members?

As a matter of principle, News Media Canada and the National Ethnic Press and Media Council of Canada believe that publishers large and small should benefit equally from any settlement – based on their proportionate investment in newsroom employees. Simply put, any settlements from collective negotiation would be shared among publishers on a pro rata basis – based on their total salaries and wages paid to eligible newsroom employees – less the expenses associated with this collective negotiation.

C-18 builds on the success of Australia’s News Media Bargaining Code. While not a silver bullet, it brings the value of trustworthy, high quality Canadian journalistic content to readers through more licensing deals, which will allow more publishers to reinvest in their newsroom and in their digital business transformation.

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