

FACEBOOK TO END AUSTRALIA NEWS BLACKOUT

Relevant for: International Relations | Topic: Effect of policies and politics of developed & developing countries on India's interests

New pact:The deal will see Google and Facebook plunge tens of millions of dollars into the struggling local news sector

Facebook said on Tuesday it would lift a contentious ban on Australian news and pay local media companies for content, after a last-gasp deal on pending landmark legislation.

Australia's Treasurer Josh Frydenberg announced a face-saving compromise that will see Google and Facebook plunge tens of millions of dollars into the struggling local news sector.

In return the U.S. digital firms will, for now, avoid being subjected to mandatory payments that could cost them vastly more and create what they see as an alarming global precedent.

Just hours after the compromise was unveiled, Facebook announced its first proposed deal with an Australian media company, Seven West, and was said to be pursuing commercial deals with other local news organisations. The company is expected to use the content to launch a dedicated news product in Australia later this year.

“As a result of these changes, we can now work to further our investment in public interest journalism, and restore news on Facebook for Australians in the coming days,” said Will Easton, managing director of Facebook Australia.

The social media firm sparked global outrage last week by blacking out news for its Australian users in protest against the proposed legislation, and inadvertently blocking a series of non-news Facebook pages linked to everything from cancer charities to emergency response services. Prime Minister Scott Morrison angrily accused Facebook of making a decision to “unfriend” Australia.

Google has already brokered deals worth millions of dollars with local media companies, including the two largest: Rupert Murdoch's News Corp and Nine Entertainment.

'Reasonable compromise'

Commentators described the eleventh-hour amendments — which came as parliament looks set to pass the law this week — as “a reasonable compromise”.

“Everybody can walk away saying, well we got what we wanted,” University of New South Wales Business Professor Rob Nicholls said.

Both companies now have an additional two months to reach further agreements that would stave off binding arbitration.

The tech firms had fiercely opposed the legislation from the get-go, fearing it would threaten their business models.

In particular, the companies objected to rules that made negotiations with media companies mandatory and gave an independent Australian arbiter the right to impose a monetary settlement.

That process will now be avoided if companies are deemed to have made a “significant contribution” to the Australian news industry through unspecified “commercial agreements”.

“We now face the strange possibility that the news media mandatory code could be passed by Parliament and it applies to precisely no one,” said Marcus Strom, head of the Media Entertainment and Arts Alliance, a union.

“It will just sit in the Treasurer’s (drawer) as a threat to misbehaving digital companies.”

Subscribe to The Hindu digital to get unlimited access to Today's paper

Already have an account ? [Sign in](#)

Start your 14 days free trial. [Sign Up](#)

Find mobile-friendly version of articles from the day's newspaper in one easy-to-read list.

Enjoy reading as many articles as you wish without any limitations.

A select list of articles that match your interests and tastes.

Move smoothly between articles as our pages load instantly.

A one-stop-shop for seeing the latest updates, and managing your preferences.

We brief you on the latest and most important developments, three times a day.

*Our Digital Subscription plans do not currently include the e-paper, crossword and print.

You can support quality journalism by turning off ad blocker or purchase a subscription for unlimited access to The Hindu.

[Sign up for a 30 day free trial.](#)

END

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

