



SOCIAL MEDIA AND AUSTRALIAN SOCIETY

SUBMISSION OF THE MEDIA, ENTERTAINMENT AND ARTS ALLIANCE
(MEAA)

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Joint Select Committee on Social Media and Australian Society

MEAA submission

The Media, Entertainment and Arts Alliance (MEAA) welcomes the opportunity to make a submission to the Joint Select Committee on social media and Australian society.

MEAA is the largest and most established union and industry advocate for workers in the creative and cultural industries, with a history going back more than 110 years.

We represent a total of 16,000 members, including 5,000 journalists and media workers.

This submission contains the testimonies of MEAA members that have been anonymised to protect their privacy.

Key Findings

This submission responds to the terms of reference set out by the Committee. In particular, we provide comment on Meta's decision to abandon deals under the News Media Bargaining Code and the important role of Australian journalism, news and public interest media in countering mis and disinformation on digital platforms.

Social media companies are threatening the sustainability of news media in Australia and distorting public discourse by failing to control misinformation and disinformation on their platforms. It is clear the current regime does not support a sustainable news industry.

Meta has stated its intention to withdraw from the News Media Bargaining Code. This threatens the viability of the Code, which has become a crucial source of income for news organisations. While Meta maintains that it no longer benefits from the carriage of news content on its platforms, we know that this is not the case. Meta continues to act as major source of news for Australians and has started using news content to train its AI models.

Journalists rely on social media platforms to source and distribute news. This has fundamentally impacted the nature of journalism and changed resourcing demands. News organisations now need to post on a variety of platforms, all requiring different formatting and processes.

Sudden changes to the algorithms of social media platforms can have devastating consequences on the reach that news organisations can achieve on these websites. These algorithms are unpredictable and inconsistent, creating uncertainty and instability – further destabilising the media industry.

Recommendations

Recommendation 1: the News Media Bargaining Code be amended to specify that the money must be spent on public interest journalism.

Recommendation 2: the News Media Bargaining Code revenue test be halved to \$75,000.

Recommendation 3: that the SBS, The Conversation, and other outlets are included in future deals made under the News Media Bargaining Code.

Recommendation 4: expand the News Media Bargaining Code to include Instagram, YouTube, TikTok, X, WhatsApp and other platforms as they emerge.

Recommendation 5: that Government consider mechanisms to compensate rights-holders for the use of news content to train AI, including through the News Media Bargaining Code.

Recommendation 6: that Meta be designated under the News Media Bargaining Code.

Recommendation 7: that social media platforms be held responsible and sanctioned for the proliferation of mis/disinformation on its platforms.

Recommendation 8: that government acts to ensure social media platforms continue to carry news content.

Recommendation 9: that social media platforms are required to be more transparent about changes to their algorithms, including giving notice of changes, what the changes mean, and why they are making these changes.

Recommendation 10: social media platforms should be required to provide transparency, context, and warning labels on content – including information on where and when content was made or posted.

Introduction

The internet and the rise of social media digital platforms have fundamentally upended the way the news media interacts with the community. It has opened up greater choice for users to seek different sources of information. It has also given consumers power over what news is covered and how. News organisations are now closer than ever to their readers, viewers and listeners who can interact with journalists and media workers directly. Increasingly news consumers are setting the agenda.

This “democratisation” of the media was initially hailed as a boon for news producers and consumers. But consolidation of platforms, search engines, e-commerce sites, and other online services has given those companies that are still standing incredible

power. There are now a small number of giant multi-national companies controlling how people access information and interact with each other online.

The digital giants, especially the social media companies Meta and X, have an outsized role in influencing debate and public discourse, controlling what information is shared, and by whom, as well as when it is shared, where it is shared, and how it is shared.

Social Media Causes News Media Disruption

Traditional news outlets are paying a heavy price in this social media age.

In the pre-digital era, print media outlets reached their audiences via direct distribution through the sale of newspapers and magazines. They gained a reliable and sustainable income through advertising revenue. Television and radio news media were also able to fund their journalism through advertising.

Digital firms – including streaming and on-demand content – have directed a significant portion of that advertising revenue away from traditional news and media outlets.

The Australian media ecosystem now has between 4000 and 5000 fewer editorial roles (i.e. journalists and other editorial contributors) than it did in 2010. The thousands of redundancies at news organisations of all scales, private and public, have not just stunned and damaged the media workforce; they have left the Australian media greatly weakened.

According to a 2018 report commissioned by the ACCC and written by the Centre for Media Transition at UTS, “between 2011 and 2015, Australian newspaper and magazine publishers lost \$1.5 billion and \$349 million respectively in print advertising revenue, while gaining only \$54 million and \$44 million in digital”.¹ The report also found that by 2016, Google and Facebook had received three quarters of the total Australian online advertising spend.²

In MEAA’s view, the digital giants are getting a free ride on the coattails of the content produced by news outlets; they provide such content cost-and-consequence-free to their own users.

Decreased revenues and declining audiences – and the resulting cuts to journalist positions – have severely affected the news media’s abilities to fully scrutinise and report upon matters of considerable public interest. This can be seen in diminished news reporting in crucial areas – from local council decisions to major state and federal government projects and corporate business dealings.

News Media Bargaining code

The News Media Bargaining Code (NMBC) was developed to address the bargaining imbalance between the digital platforms and Australian news media providers. It acknowledged that the digital companies were not paying for the news content they carried or linked to and were contributing to the declining revenues of news media organisations.

Since its commencement in 2021, the NMBC has brought with it a much-needed injection of funds into Australia's media sector. Google has entered into 19 deals with news organisations, and Facebook into 11 such arrangements – the combined value of which is estimated to exceed \$200 million.³ These deals cover enterprises employing an estimated 90% of Australia's professional journalists.⁴

Throughout this time, MEAA has remained critical of several key aspects of the Code. First, MEAA's major concern with the Code remains its failure to specify that funds generated through bargaining arrangements must be directed to production of journalistic content. This means that there remains no meaningful way to be sure that funding allocated under the Code benefits public interest journalism.

In MEAA's parliamentary submission in 2021, MEAA argued that the News Media Bargaining Code needed to be transparent, and that the money needed to be spent in newsrooms not boardrooms – that it had should not be handed out as executive bonuses or shareholder returns. This remains our position.

Recommendation 1: the News Media Bargaining Code be amended to specify that the money must be spent on public interest journalism.

Furthermore, MEAA remains concerned that the \$150,000 per annum revenue test for eligible media organisations is too high and prevents new and very small news businesses from participating in and being remunerated under the Code. This threshold also threatens to cut out regional news providers, who have struggled the most to monetise their news content – despite playing a crucial role in keeping local communities informed. To address this issue, MEAA propose a halving of the current threshold amount to \$75,000.

Recommendation 2: the News Media Bargaining Code revenue test be halved to \$75,000.

MEAA is also concerned by several cases where the Code has failed to produce an agreement between media organisations and digital platforms, but where those platforms were not designated. In particular, Meta has refused to make deals with the SBS, The Conversation, and a number of small outlets.⁵ The lack of designation in such cases suggests that there is no genuine recourse for news organisations where digital platforms either refuse to remunerate them for use of their content. This practice

therefore threatens to undermine the authority of the Code. MEAA maintains that, in such cases, platforms should either adhere to the terms of the Code or face designation.

Recommendation 3: that the SBS, The Conversation, and other outlets are included in future deals made under the News Media Bargaining Code.

It is also clear that the News Media Bargaining Code should be expanded to include several media platforms that are currently exempt – including Instagram (owned by Meta), YouTube (owned by Google), TikTok, X (formerly Twitter), and WhatsApp (owned by Meta). Research shows that these platforms are garnering increasingly large audiences for news content – especially as the appetite for short form video content grows – and presents a strong case that they are beneficiaries of news carriage and therefore should be included under the Code. Given the fast-changing nature of digital technology, we believe there should be provision for emerging platforms to be included in the Code as they grow.

Recommendation 4: expand the News Media Bargaining Code to include Instagram, YouTube, TikTok, X, WhatsApp and other platforms as they emerge.

Notwithstanding these issues, MEAA acknowledges the positive impact of the funds on public interest journalism. Deals made under the Code have led to an increased level of investment in journalism and regional news, including additional journalist positions. The ABC, for example, used the funding to create 57 new regional jobs, and The Guardian hired 40 more news journalists.⁶ There is also evidence that the deals led to increased investment in audio journalism, newsroom infrastructure, and the expansion of digital production.⁷

However, the decline of the industry has not been arrested by the current implementation of the Code, leaving the media sector in a perilous situation.

Meta’s abandonment of the News Media Bargaining Code

Meta’s decision to abandon future deals under the NMBC threatens a crucial source of revenue for Australian news media. Several major mastheads have already warned that the retraction of funding agreements will have serious consequences for newsrooms, and that many journalists’ jobs will be under threat. For example, Nine recently announced that they plan to cut 200 jobs, partly in response to the end of its content-sharing agreement with Meta.⁸ News Corp has also announced a major restructure in response to the end of its commercial deal with Meta.⁹

Meta contends that it no longer needs to enter agreements under the News Media Bargaining Code because it does not benefit from the carriage of news media content. Instead, the platform contends that its audiences see news content as “highly

substitutable” and that carrying news content has no bearing on “whether people continue to use [its] services”.¹⁰ Where Meta does show news content on Facebook, the platform insists that it makes up a negligible portion of total content in newsfeeds – at around “3%”.¹¹

However, several aspects of this reasoning appear to be flawed. For one, Meta’s platforms continue to act as a major source of news content – with recent research suggesting that 32% of Australians continue to use Facebook for news.¹² In addition, research indicates that Facebook remains a top carrier of news content, with ACMA finding that 70% of news content on social media comes from Facebook.¹³

It is clear that Meta is increasingly using news content to train its AI models and therefore stands to financially benefit through this arrangement. News content is a particularly valuable source of training data for generative AI models. This is because it presents a vast resource of well-written, reliable, fact-checked, and up-to-date information. In other words, journalistic output is a high-quality source of data, and is therefore considered very valuable to the AI training process. This issue is especially prescient due to Meta’s recent announcement that, from June 26, it would change its user agreement to mean that all content shared on the platform could be used for the purposes of training its AI model.

The use of news content to train AI will have a significant financial impact on news providers. For example, ‘generative search’ directly presents news content to users, which discourages them from clicking through to the original news site, eroding digital advertising and subscription revenues.¹⁴

It is also notable that most of the use of news content to train AI – including by Meta – has been done in the absence of licencing agreements. So, in effect, Meta and other AI companies have used copyrighted work without acknowledgement, authorisation, or payment to copyright holders. In many respects, MEAA sees this as tantamount to creative and intellectual theft – and maintains that any future, present, or past use of journalists’ work must be subject to compensation and consent. It is important to note that this should not just be extended to rights holders but to journalists themselves.

The use of news content for the purposes of training AI is analogous to the cost-free carriage of news content on social media platforms.¹⁵ In both cases, the use of news content presents clear financial benefits for tech companies and imposes clear costs on news organisations. MEAA contends, therefore, that government should consider mechanisms to compensate rights-holders for the use of news content to train AI, including through the News Media Bargaining Code.

Recommendation 5: that Government consider mechanisms to compensate rights-holders for the use of news content to train AI, including through the News Media Bargaining Code.

More broadly, the continued carriage of news content on Meta's platforms, in tandem with its use of news content as AI-training data, shows that Meta continues to financially benefit from the work of news organisations. Its attempt to withdraw from the News Media Bargaining Code is based on a disregard of these facts. If Meta continues to persist with such claims, it is clear that they should be designated under the Code.

Recommendation 6: that Meta be designated under the News Media Bargaining Code.

Meta's move away from News

MEAA remains concerned by Meta's general move away from news content. In particular, it is clear that the move away from news has seen a direct and obvious increase in viral clickbait, including misinformation and disinformation, on the platform. One researcher, for example, found that when news was removed from the platform, it was replaced by "viral content producers" who produced "misleading or false" information.¹⁶

If Meta continues to refuse to bargain under the Code, there is a chance that the platform could refuse to carry any news at all. If news content is expunged from digital platforms, then it is likely that audiences will have less exposure to public interest journalism – an impact likely to be most felt by our country's youngest, who are overwhelmingly dependent on social media for access to information.¹⁷

It also raises concerns about the viability of news media, in particular, small, local, and regional news organisations. If those news platforms are cut off from Facebook, MEAA is concerned that such areas will become news deserts – in other words, that there will be no reporting of news in that local area.

For small media organisations in particular, social media platforms have become an inexpensive and easy option to publish material. This is especially valuable for underserved communities. In turn, these media organisations have become dependent on platforms for distribution.

MEAA members at several regional outlets have reported that Facebook is currently their major way of getting people to click through to their website and content. Often those readers hit a paywall, which can then translate to paid subscriptions for those news outlets. Reporters at those outlets say Facebook is one of the primary drivers for digital subscriptions and for reaching new customers.

For most newspapers in regional Australia, it's those digital subscribers that ensure the survival of the outlets. Reporters at those publications have told MEAA that they worry those subscription numbers might drop as a result of not being able to share links on

Facebook, as they experienced during the 2021 Facebook ban. They say if subscriptions dropped, they'd be very concerned for their jobs.

One example is The Pacific News, an outlet that supplies news to over 70,000 followers in the Pacific – predominantly via Facebook. Founder and Co-editor of the service Sue Ahearn explained the outlet as “providing an accurate and verified news service about the Pacific that is not available elsewhere”. Additionally, she highlighted the crucial role that the masthead plays in countering mis/disinformation. In this sense, Ahearn argues that it remains “imperative that people in the Pacific have access to balanced news sources like TPN”, particularly “in times of disasters”.

Any change to Meta's operations in Australia will have a big impact on the viability of these news organisations. Given the experience in Canada, we must consider the possibility that Meta may stop news in Australia in response to designation under the Code.

MEAA is concerned that Meta's refusal to carry news content would set a dangerous precedent for other social media platforms and add fuel to the fire of misinformation and disinformation.¹⁸ In this sense, Meta's move to replace news media is contrary to their social responsibility and social licence and presents a clear threat to civil society when the void is filled by misinformation and disinformation.

Recommendation 7: that social media platforms be held responsible and sanctioned for the proliferation of mis/disinformation on its platforms.

Recommendation 8: that government acts to ensure social media platforms continue to carry news content.

Disruption by Changing Algorithms

The social media giants have conducted a kind of ‘bait and switch’ in their dealings with news organisations and news content on their sites. They drew away audiences and advertisers, ensuring that media organisations had to be on their platforms, only to pull the rug out from under them. At the drop of a hat – or more accurately the change of an algorithm – things changed.

The social media platforms aggregate and curate what news products users are shown. They have sole control over what people see. Myspace, Vine, Facebook Live are just some of the platforms and features that have come and gone. The current practices and policies of the social media companies, particularly when it comes to changing algorithms, create uncertainty and instability for news organisations.

Changes to the algorithm are often sudden and unexpected and can have a huge impact on viewership. One journalist said that “the algorithms change all of the time. There was no rhyme or reason”. The journalist further noted the social media

companies made these decisions behind closed doors, and it was never clear why the changes were made. Such opaque systems leave organisations trying to ‘best-guess’ how to achieve prominence.¹⁹

The reliance on social media and digital platforms for reaching audiences has significantly altered the workflows and decision-making processes inside newsrooms. There’s always been an imperative in the news media to be first, fast and accurate. However, there is now constant pressure for news organisations to be first to post about a story. Being first drives traffic and clicks and leads to potential subscriptions and revenue.

The impact on journalists’ job stability was also clear. While organisations do make “specialist hires” for specific platforms it is risky for journalists given the constantly changing landscape. Those positions are often short-term in an industry already rife with insecure work.

It is clear the current regime does not support a sustainable news industry. It is therefore vital that the platforms are transparent and accountable – explaining what they are doing and why. In particular, digital platforms should have to provide advance notice of planned changes to algorithms governing content curation, and greater disclosure as to why such changes are being made. This would bring about a greater level of certainty and stability to the working lives of journalists.

Recommendation 9: that social media platforms are required to be more transparent about changes to their algorithms, including giving notice of changes, what the changes mean, and why they are making these changes.

Social Media and Ethical and Editorial Challenges

The social media age poses considerable ethical and editorial challenges for journalists. News organisations are under pressure to post on a variety of platforms to reach the maximum number of consumers. One journalist noted that Facebook, Instagram, TikTok, X/Twitter all have subtle differences in formatting, the language needed, and there are different steps and processes to add photos, video, audio, and other media. As a result, creating ‘content’ to suit different platforms takes a lot of staffing and resourcing – more than what is needed for regular news websites. This adds to the workloads of already overworked journalists.

Sudden changes to the algorithms of social media platforms can have devastating consequences on the reach that news organisations can achieve on these websites. One reporter noted that “after watching the disintegration of audiences on Facebook” it was hard to know what resources to dedicate to social media content “when it’s uncertain who will see it”. In an industry that is already struggling from severe drop in journalist numbers, using resources and staff effectively and efficiently is crucial.

Checks and balances can suffer in this fast-paced, high-pressure environment. As one journalist told us, newsrooms now often take a “just get it out there” approach. This comes with obvious dangers that can lead to ethical breaches and legal issues. We have seen some very obvious and egregious examples of this when not enough care is taken in verifying information. The recent issues over media outlets identifying the wrong person as the Westfield Bondi stabber is a case in point.

MEAA journalist members have noted the use of Google Trends in newsrooms, which editors would consult in determining news priorities and coverage. “It skews the editorial judgement”, one journalist said. Members have also noted stories were no longer being led by journalism, rather they were being chosen by what these online trends were telling them, “We get requests for particular stories because that’s what people are searching for”.

Another journalist noted that there were no clear guidelines from the social media platforms on what’s acceptable content and what’s not. Further they noted a lack of consistency in applying rules where platforms respond instantly to some concerns but not on others. There were also issues about certain types of content – LGBTQ or mental health material for example, or particular hashtags – that were filtered out in some markets. “We need to understand what is happening in your (social media companies) backend that is influencing who can and can’t see this content?”, the journalist said.

Recommendation 10: Social media platforms be required to provide transparency, context, and warning labels on content – including information on where and when content was made or posted.

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