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Timely scrutiny of Google and Facebook as media job losses mount

The Media, Entertainment & Arts Alliance – the union and industry advocate for Australian media workers – welcomes today’s announcement that the competition watchdog will conduct an inquiry into social media giants like Facebook and Google, and their impact on journalism in Australia.

The inquiry’s terms of reference include a focus on “the extent to which platform service providers are exercising market power in commercial dealings with the creators of journalistic content and advertisers” and “the impact of platform service providers on the level of choice and quality of news and journalistic content to consumers.”

MEAA chief executive Paul Murphy said the inquiry by the Australian Competition and Consumer Commission was an opportunity to examine the impact digital media multinationals have had on undermining the traditional business models of major media employers.

In 2017, between 400 to 500 media jobs have been terminated or made redundant, particularly in local and regional mastheads - taking overall jobs lost to about 3000 over seven years.

In the last month alone, Fairfax announced the closure of six community newspapers in Sydney, News Corp announced a 20% cut to its Leader community newspaper group and Seven West Media advised the ASX that it will find \$105 million in operational savings over the next two years, including \$25 million in staff cuts.

Meanwhile, Google’s advertising revenue amounted to almost \$US79.4 billion in 2016, while Facebook reported advertising revenue of \$US9.16 billion in the second quarter of 2017 (about \$US36 billion for the full year), a 47% increase over the same quarter last year. Collectively, Google and Facebook are said to capture 85% of all new online ad spending.

“Facebook, Google and other internet providers Hoover up about \$7 billion in advertising dollars in 2017, while free-to-air and print advertising slowly but surely fall into a sinkhole,” Mr Murphy said.

“These internet companies don’t produce content, but their success spreads grief throughout our media sector. Belatedly, policy makers are beginning to realise that the success of these digital giants is contributing to the decline of media content makers and the jobs they sustain.”

The inquiry is the result of an agreement by the government with former Senator Nick Xenophon to shore up his support for the abolition of media diversity rules.

MEAA will closely monitor the inquiry and looks forward to the opportunity to make its own submission.

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