Meta

The Real Story of What Happened With News on Facebook in Australia

February 24, 2021
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Last week, in a move that will have felt abrupt and dramatic to many, Facebook announced it was stopping the sharing of news on its service in Australia. This has now been resolved following discussions with the Australian Government — we look forward to agreeing to new deals with publishers and enabling Australians to share news links once again.

Many people are rightly asking: what on Earth was all that about?

At the heart of it, in Facebook's view, is a fundamental misunderstanding of the relationship between Facebook and news publishers. It's the publishers themselves who choose to share their stories on social media, or make them available to be shared by others, because they get value from doing so. That's why they have buttons on their sites encouraging readers to share them. And if you click a link that's shared on Facebook, you are directed off the platform to the publisher's website. In this way, last year Facebook generated approximately 5.1 billion free referrals to Australian publishers worth an estimated AU$407 million to the news industry.

The assertions — repeated widely in recent days — that Facebook steals or takes original journalism for its own benefit always were and remain false. We neither take nor ask for the content for which we were being asked to pay a potentially exorbitant price. In fact, news links are a small part of the experience most users have on Facebook. Fewer than one post in every 25 in your News Feed will contain a link to a news story, and many users say they would like to see even less news and political content.

As Tim Berners-Lee, the inventor of the world wide web, warned, the Australian law could make the internet as we know it "unworkable," arguing that it "risks breaching a fundamental principle of the web by requiring payment for linking between certain content online."

Of course, the internet has been disruptive for the news industry. Anyone with a connection can start a website or write a blog post; not everyone can start a newspaper. When ads started moving from print to digital, the economics of news changed, and the industry was forced to adapt. Some have made this transition to the online world successfully, while others have struggled to adapt. It is understandable that some media conglomerates see Facebook as a potential source of money to make up for their losses, but does that mean they should be able to demand a blank check?

That's what the Australian law, as it was proposed, would have done. Facebook would have been forced to pay potentially unlimited amounts of money to multi-national media conglomerates under an arbitration system that deliberately misdescribes the relationship between publishers and Facebook — without even so much as a guarantee that it is used to pay for journalism, let alone support smaller publishers.

It's like forcing car makers to fund radio stations because people might listen to them in the car — and letting the stations set the price. It is ironic that some of the biggest publishers that have long advocated for free markets and voluntary commercial undertakings now appear to be in favor of state sponsored price setting. The events in Australia show the danger of camouflaging a bid for cash subsidies behind distortions about how the internet works.

In order to comply, Facebook had two options: provide open ended subsidies to multi-national media conglomerates or remove news from our platform in Australia. Thankfully, after further discussion, the Australian government has agreed to changes that mean fair negotiations are encouraged without the looming threat of heavy-handed and unpredictable arbitration.

We understand the decision to stop the sharing of news in Australia appeared to come out of nowhere. Far from being out of the blue, Facebook indicated that it might be forced into this position six months ago. We've been in discussions with the Australian government for three years trying to explain why this proposed law, unamended, was unworkable.

It wasn't a decision taken lightly. But when it came, we had to take action quickly because it was legally necessary to do so before the new law came into force, and so we erred on the side of over-enforcement. In doing so, some content was blocked inadvertently. Much of this was, thankfully, reversed quickly.

There is an alternative approach. Facebook is more than willing to partner with news publishers. We absolutely recognize quality journalism is at the heart of how open societies function — informing and empowering citizens and holding the powerful to account. That's why we've invested $600 million since 2018 to support the news industry, and plan at least $1 billion more over the next three years. Last month, Facebook announced deals with The Guardian, Telegraph Media Group, Financial Times, Daily Mail Group, Sky News and many more, including local, regional and lifestyle publishers, to pay for content in its Facebook News product in the UK — a new tab where you can find headlines and stories next to news personalized to your interests. Similar deals have been reached with publishers in the US, and Facebook is in active negotiations with others in Germany and France.

There are legitimate concerns to be addressed about the size and power of tech companies, just as there are serious issues about the disruption the internet has caused to the news industry. These need to be solved in a way that holds tech companies accountable and keeps journalism sustainable. But a new settlement needs to be based on the facts of how value is derived from news online, not an upside-down portrayal of how news and information flows on the internet.

The internet needs new rules that work for everyone, not just for big media corporations. By updating internet regulation, we can preserve what's best about it

— the freedom of people to express themselves and entrepreneurs to build new things. New rules only work if they benefit more people, not protect the interests of a few.

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