

To:
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From:
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[address]

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Submission Re News media bargaining code

Thank you for the opportunity to provide my view on the proposed news media bargaining code. My personal views are expressed below.

Some aspects of this bargaining code are completely unacceptable and dangerous for providers of digital platform services in Australia, for the following reasons:

1. Having to share details about the ranking algorithm with a select subset of competitors (the news media organisations) 28 days in advance is not only **grossly unfair** against everybody else, it also **makes it impossible to quickly react to abuse** on the platform (such as websites gaming the ranking algorithm to spam search results). Such a requirement would worsen the services for everybody except the few privileged news media organisations, which is unacceptable from the perspectives of the service providers, as well as from the users' perspective. This must be strongly rejected.
2. Having to tell news media businesses how they can gain access to the user data is unacceptable. Platforms like Google have a commitment to protect their users' data and privacy policies describing what they can do with users' data and what they can't do. If the user data has to be passed to news organisations, **control over the user data is lost**. Users' trust is of utmost importance to platform providers such as Google. Once trust is lost, users will choose other service providers. Eroding this trust by giving away control over users' data is directly damaging to digital platform providers. This is entirely unacceptable.
3. It is mind blowing that news media organisations demand compensation for receiving free traffic (billions of clicks) from Google, estimated to be worth hundreds of millions of dollars. Every other industry would gladly accept the free traffic and not make additional demands.
As an example, an online shoe store who gets traffic from Google, i.e. people searching for shoes and finding the online shoe store through Google, would not complain about the referral traffic and demand compensation for these users, but

instead try to turn them into paying customers.

It is even more mind blowing that this new code intends to force providers of digital media services to provide a free service at a significant cost (for servers, network, personnel, etc) and in addition to these costs even having to pay the beneficiaries of that free service.

It should be acknowledged that the news media organisations are in a difficult environment and that it has become harder for them to generate revenue with the advent of more free news publishers online. However, this is not an excuse to pick the next biggest company and extort money from it. Google is already investing in helping the news industry thrive in the digital age, e.g. with its Digital News Initiative.

The proposed new media bargaining code is so out of balance and out of place that it would further damage the reputation of Australia's digital economy in the global marketplace.

To summarise:

The proposed news media bargaining code is grossly unfair, damages providers of digital platform services, and is mind blowing out of place. It would also further damage the reputation of Australia's digital economy.

The news media bargaining code cannot be enacted in its currently proposed form.

Regards

Dr Felix Rauch Valenti

Disclaimer:

This submission was prepared by myself in my personal capacity. The opinions expressed in this submission are my own and do not reflect the view of my employer, Google Australia Pty Ltd.