

## **The Future of News Media: AI, Revenue Models, and Democracy**

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**Session Organized by Maya Plentz, THE UN BRIEF**

**Written Remarks  
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**Question: What role must governments now play in sustaining the plurality of media?**

**Answer:**

### **Introduction slide**

This is my fourth decade working for and with the world's largest media and tech companies across five continents.

I've edited newspapers for News Corp, built search features for Microsoft, founded a global AI video platform, and currently advise more than 1,000 leaders via my newsletter Future Media.

I bring an uncommon breadth of knowledge to today's discussion about the collision of Big Tech and Big Media that impacts on billions of citizens worldwide.

Over those years, I've witnessed the digital economy sour from a golden opportunity for access to information, into a digital monopoly that threatens democracy itself.

I've also watched governments and regulators look the other way, then tie themselves up in knots, and now, finally, start to take action. Today, I share my thoughts on that.

### **Slide showing how tech increases pricing, controls access, and impedes innovation.**

Governments' era of inaction has allowed the web to become utterly controlled by Google, Meta, and other Big Tech players.

Nine in 10 people now enter the web via Google search or Meta's platforms.

They control 80 per cent of all the world's digital advertising, and

Command more than a third of all time spent online in the UK.

Big Tech banks \$4 billion a day. They claim they enable discovery and free speech, but their actions deliberately increase pricing, control access, and impede innovation.

Prior to the platforms' rise, the information industrial complex was competitive, and winners and losers were picked by consumers based on the quality and price of their offering.

Newsstands were vibrant, and the plurality of options led to competition that served consumers and advertisers alike.

For 30 years though, governments have stood idly and allowed access to information, opportunity, and competition, to be monopolised by US companies.

Everyone laughed that "Government just doesn't get it" but that poor excuse rings hollow now that democracy and freedom of information is in jeopardy.

Government is now the last and only change agent that can be effective.

That means that it is on you. Now is the time, and AI is the trigger.

### **Slide.**

In Australia where I live, Meta reported \$1.4 billion in ad revenue last year, but paid just \$42 million in tax. That's a tax rate of three per cent. I paid 40.

Worse, the Australian Competition and Consumer Commission believes Meta's actual earnings are as much as \$5.1 billion, but the earnings "are not audited, verified or otherwise reported on".

Google and Meta together earn more than every publisher, broadcaster and radio network in Australia, every three days.

This growth is mainly due to an unfair advantage they have been given by global governments that upended the playing field.

Section 230 of the Communications Decency Act of 1996 was passed 28 years ago in the US.

It was intended to accelerate growth of the web by removing legal responsibility for what was published, because they were considered platforms rather than publishers.

It provided safe harbour for content they shared, in ways that traditional media companies could not.

They were deemed not responsible for defamation, not liable for contempt, and given free rein to grow unchecked into the dominance they have today.

The outcome was to liken a platform to the paper a newspaper was published on. The paper could hardly be responsible for the story being wrong, could it?

But what it did was corrupt the economics of the information industrial complex and fracture the foundations of truth.

It's now outmoded and directly threatens democracy and freedom of speech.

**Slide.**

This is the reality.

Journalists and the creators of premium content - like me - in newsrooms face the risk of fines and jail, so they focus on publishing information that can be verified.

That is more expensive to do, and simultaneously limits the scale for advertising.

Platforms, however, can build algorithms and freely publish absolutely anything, fair or foul, disgusting or illegal, at scale, with impunity, and scale cheaply to billions.

Those with the role of doing the right thing for society earn cents on the dollar and are hog-tied and doomed to failure.

The gap they leave is filled with AI bots and the mob with a keyboard.

How do we expect this to end when a third of UK internet users' time online is spent on Google and Facebook, and they command 80 per cent of search and display ads?

Google's recent decision to launch AI search that provides less links to curated content, only accelerates the danger, as 91 per cent of searches are through Google.

**Slide on Big Tech relative to national GDP.**

Government attempts to redress the imbalance have begun but need to accelerate.

I had a front row seat to the News Media Bargaining Code in Australia. It sought to require platforms to pay publishers for content they used and monetised.

But days before it was to be enforced, publishers on the edge of going out of business broke ranks and took secret payouts from Meta and Google to stay alive.

They made a bad decision because they saw no option other than existential threat, and when the deals came up for renewal, Meta reneged. That's monopoly power.

In Canada, a similar effort crumbled when Meta steadfastly refused to pay and began denying its consumers access to news headlines. Google threatened to follow suit.

Meta was willing to censor public access to news and information during deadly bushfires. This must signal alarm to governments globally.

California is trying a new approach to tax the platforms' advertising revenue and recirculate the money into media to hire more journalists.

This may work, but Big Government is needed to halt Big Tech which is now worth \$13 trillion, and the combined GDP of Japan, Germany, and India, combined.

Or in Europe, larger than Germany, France, Italy, Spain, Holland and Switzerland combined.

United States: \$28.7 trillion

China: \$18.5 trillion

Germany: \$4.6 trillion

Japan: \$4.1 trillion

India: \$3.9 trillion

United Kingdom: \$3.4 trillion

France: \$3.1 trillion

Brazil: \$2.3 trillion

Italy: \$2.3 trillion

Canada: \$2.2 trillion

Russia: \$2 trillion

Mexico: \$2 trillion

Australia: \$1.8 trillion

South Korea: \$1.7 trillion

Spain: \$1.6 trillion

Indonesia: \$1.4 trillion

Holland: \$1.1 trillion

Turkey: \$1.1 trillion

Saudi Arabia: \$1.1 trillion

Switzerland: \$938 trillion

Nation states, international authorities, the UN, you all need to act decisively, and quickly as an entire tier of media will not survive Google's AI search changes.

### **Slide showing tech is still growing**

The web promise promised to be open and deliver content to the masses to level the playing field of opportunity for everyone with access worldwide.

Solve world hunger. Cure diseases. Educate those with less opportunity. The vision has been lost amid the corruption of access for the gain of a few corporations.

The failure of efforts in Australia and Canada proves beyond doubt that these corporations have more power than major national governments.

A lawyer in Europe told me his nation's efforts to sue are hampered because the tech company refuses to provide a lawyer, and just a mailbox that goes unanswered.

And tech companies are getting stronger all the time. Google, Meta, Apple, Amazon and Microsoft reported \$412 billion in revenue in the past quarter. That's \$4 billion a day.

Meta's grew 27 per cent. Google 15 per cent. Microsoft 17 per cent, and Amazon 13 per cent.

How much time will you give them before they become too big for even you to rein in?

The world is in an information renaissance.

The need for and benefit from reliable information has never been greater, but the economics have been inverted, so the benefits flow up from the masses to the few.

The plurality of voices the world wants, and needs, cannot be sustained, and the division of opportunity and wealth is self-perpetuating by the day.

You can ask whether the media matters in 2024, but I argue that it does. It does because it's best qualified to manage the conversation of the world.

The dialogue of nations, of humanity, has been managed by a myriad of media organisations for more than a century.

And the rules of law that govern media over defamation and contempt are fine, so long as they apply to all.

You as governments have benefited from our work, but mark my words, it will end unless you act to save the arbiters of content and protect the open web.

The answer isn't to pass new laws, or to police AI. Not yet.

Don't be distracted by issues we can fix later, because what today you have the risk there will be nothing worth saving.

Protect premium content now, and AI can learn. Lose it and a wild west web will emerge. It's already happening.

### **Slide on Google's new AI search**

Google's decision to launch its AI search this past fortnight is the greatest and most reckless step towards this wild west future that the world has ever taken.

Using premium content from publishers to answer queries, written by its AI which is still prone to basic errors, is dangerous and must be halted.

What will your courts do when a live case is derailed by a false answer delivered by an AI run by a US firm that won't provide a name and only a mailbox?

How many cases will be rendered unfair before you realise you can't sue or prosecute an AI? How many elections will be interfered with?

Google's new AI search provides few if any links back to the originating content publisher, meaning they get less revenue for their work.

Most Australian media companies already lose money on every story they publish online.

The consequence will be a multi-trillion-dollar web dominated by the tech few.

And a new, premium and paid-for web populated by premium media, which only the wealthy can afford.

It's the end of the web we know, and it's ending now.

If that's what we want, then so be it. But if we want to maintain the plurality of content available to all, then you must act now.

**Slide on three actions.**

You don't need new laws. You need to act on the ones you have.

Join the US in taking antitrust actions. Break them into smaller pieces so they can be brought into line with the law and the basic rules of society.

Tax their ad earnings and not their profits, and tax them in the countries where they earn to redistribute the benefits to those who created them.

Ignore the US law of Section 230 and prosecute platforms for libel and contempt as aggressively as would you do publishers. That will soon reset the agenda on truth and level the playing field.

If you fail to act now, curation of the world's conversation will end, and be replaced by an unpoliced, unmoderated mob armed with a pen, and you'll have no legal recourse.

That's a level of chaos I don't think you will see the other side of either.