

Chapter 5

Overseas experience

5.1 As outlined in the previous chapters, challenges faced by media outlets producing public interest journalism are not unique to Australia, but are truly global in nature. In considering what models of policy or legislative reform might be appropriate for the Commonwealth to consider, the committee has looked at some ways that other jurisdictions have approached the task of ensuring their media sectors remain strong, sustainable, and diverse, and address the problems caused by fake news.

Europe

Efforts to counter hate speech

5.2 In May 2016, many of the large aggregators signed a European Union (EU)-sponsored code of conduct, which included a commitment to develop and establish a definition of illegal hate speech and other extremist material. Signatories included Facebook, Microsoft, Twitter and YouTube.¹

5.3 On 28 September 2017, the EU presented 'guidelines and principles for online platforms' to ensure illegal content was removed quickly. It stated that this was not solely to prevent the distribution of illegal content, but also to bolster the trustworthiness of the digital environment, noting its economic importance:

The aim is to increase the proactive prevention, detection and removal of illegal content inciting hatred, violence and terrorism online. The increasing availability and spreading of terrorist material and content that incites violence and hatred online is a serious threat to the security and safety of EU citizens. It also undermines citizens' trust and confidence in the digital environment – a key engine of innovation, growth and jobs.²

Copyright law

5.4 The EU Parliament is currently considering a Directive on Copyright in the Digital Single Market, which would create 'a new related right for publishers of press publications for the digital use of their publications'.³ This is intended to secure a

1 European Commission, 'European Commission and IT Companies Announce Code of Conduct on Illegal Online Hate Speech', *Media release*, 31 May 2016.

2 European Commission, 'Security Union: Commission steps up efforts to tackle illegal content online', *Press Release*, 28 September 2017, http://europa.eu/rapid/press-release_IP-17-3493_en.htm (accessed 9 November 2017).

3 European Parliament, *Legislative Train Schedule: Connected Digital Single Market: Modernisation of European Copyright Rules: Directive on Copyright in the Digital Single Market*, 20 December 2017, www.europarl.europa.eu/legislative-train/theme-connected-digital-single-market/file-directive-on-copyright-in-the-digital-single-market (accessed 5 January 2018).

sustainable press, and to make it easier for publishers to license their material and/or enforce intellectual property rights.⁴

5.5 Considerable controversy has arisen over the proposal, with questions raised about how it would increase revenue for press publishers and encourage more sustainable business models in the media. Critics have noted that earlier amendments to copyright laws in Germany and Spain (which informed EU-wide reform) have not bolstered the media sector against the collapse of subscription and advertising revenues in those countries.⁵

Subsidies for the press

5.6 A number of European countries also give direct subsidies to media, which were summarised in the submission made by the Media, Entertainment & Arts Alliance (MEAA). This submission noted there has been little suggestion that these measures have either politicised the media, or restricted editorial freedom:

Government newspaper subsidies, which have been in use since the 1970s, exist in Belgium, Finland, France, Netherlands, Norway and Sweden. According to the London School of Economics, the French government provides €1 billion a year in State subsidies [as discussed below].⁶

Germany

5.7 Germany has advocated for EU-level laws to combat hate speech and the prevalence of fake news, and has passed controversial national legislation to deal with these issues which came into effect on 1 January 2018.⁷ This piece of legislation, the Network Enforcement Act (NetzDG), is often termed 'the Facebook Law'.⁸ This empowers the government to penalise social media companies that do not swiftly remove 'obviously illegal' content, including hate speech, defamation, threats, incitement to violence and certain kinds of fake news. Under the law, fines could be issued to companies that fail to take down 'obviously illegal' content within 24 hours,

4 Policy Department for Citizens' Rights and Constitutional Affairs, Directorate General for Internal Policies of the Union, *Strengthening the Position of Press Publishers and Authors and Performers in the Copyright Directive*, September 2018, p. 18.

5 Policy Department for Citizens' Rights and Constitutional Affairs, Directorate General for Internal Policies of the Union, *Strengthening the Position of Press Publishers and Authors and Performers in the Copyright Directive*, September 2017, pp. 18–19, 33–34, 37.

6 MEAA, *Submission 64*, p. 5.

7 JERAA, *Submission 39*, p. 8; Sara Salinas, 'Social media companies could face huge fines from German hate speech law', *CNBC*, 2 January 2018, www.cnbc.com/2018/01/02/germanys-hate-speech-law-could-cost-internet-companies.html (accessed 11 January 2018).

8 The formal title of the legislation is the *Netzwerkdurchsetzungsgesetz*, abbreviated to NetzDG. The speech introducing the legislation to the Bundestag can be found at www.bmjv.de/SharedDocs/Reden/DE/2017/06302017_BT_NetzDG.html?nn=6704226 (accessed 11 January 2018).

ranging from € million for early infringements to €50 million for sustained breaches.⁹

5.8 The NetzDG also requires social media companies to publish regular reports on the number of complaints received, and how these complaints were handled. Again, the government can impose fines for non-compliance with these requirements.¹⁰

5.9 The development of this legislation was controversial, accruing criticisms in particular from human rights organisations and free speech advocates, who have claimed that the law risks extending censorship provisions and having a chilling effect on free speech. Moreover, commentators have noted that 'it creates an unreasonable and possibly unconstitutional requirement for social network staff members to make rapid-fire judgements about freedom of expression and the legality of public opinion'.¹¹ On the other hand, it has been supported by groups representing minorities, including the German Central Council of Jews.¹²

5.10 Facebook has criticised the NetzDG, issuing a statement that argued:

The draft law provides an incentive to delete content that is not clearly illegal when social networks face such a disproportionate threat of fines... It would have the effect of transferring responsibility for complex legal decisions from public authorities to private companies. And several legal experts have assessed the draft law as being against the German constitution and non-compliant with EU law. Facebook is committed to working in partnership with governments and civil society on solutions that will make this draft law unnecessary.¹³

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- 9 Janet Burns, 'Germany To Social Media Sites: Remove Hate Speech In 24 Hours Or Face \$57 Million Fines', *Forbes Tech Online*, 30 June 2017, www.forbes.com/sites/janetwburns/2017/06/30/germany-now-allows-up-to-57m-in-fines-if-facebook-doesnt-remove-hate-speech-fast/#7ac9f451761d (accessed 11 January 2018).
- 10 Janet Burns, 'Germany To Social Media Sites: Remove Hate Speech In 24 Hours Or Face \$57 Million Fines', *Forbes Tech Online*, 30 June 2017, www.forbes.com/sites/janetwburns/2017/06/30/germany-now-allows-up-to-57m-in-fines-if-facebook-doesnt-remove-hate-speech-fast/#7ac9f451761d (accessed 11 January 2018).
- 11 As highlighted by JERAA, *Submission 39*, p. 9. See also Janet Burns, 'Germany To Social Media Sites: Remove Hate Speech In 24 Hours Or Face \$57 Million Fines', *Forbes Tech Online*, 30 June 2017, www.forbes.com/sites/janetwburns/2017/06/30/germany-now-allows-up-to-57m-in-fines-if-facebook-doesnt-remove-hate-speech-fast/#7ac9f451761d (accessed 11 January 2018).
- 12 Guardian staff and agencies, 'Germany approves plans to fine social media firms up to €50m', *Guardian Online*, 30 June 2017, at www.theguardian.com/media/2017/jun/30/germany-approves-plans-to-fine-social-media-firms-up-to-50m (accessed 11 January 2018).
- 13 Sam Shead, 'Facebook said Germany's plan to tackle fake news would make social media companies delete legal content', *Business Insider Australia*, 30 May 2017, www.businessinsider.com/facebook-says-germany-fake-news-plans-comply-with-eu-law-2017-5#I76ZHethUh4pyXzp.99 (accessed 11 January 2018).

Austria

5.11 Austria gives extensive support to the newspaper sector through its *Press Subsidies Act 2004*, which is designed to encourage diversity and support public interest journalism. One particular challenge to local Austrian content is from the neighbouring German press sector, which is much larger.

5.12 This legislation empowers KommAustria, the national communications Authority, to distribute subsidies following recommendations made by Press Subsidies Commission, which evaluates grant applications.¹⁴ According to a summary available on KommAustria's website:

In addition to distribution subsidies for daily and weekly newspapers and special subsidies for the preservation of diversity in regional daily newspapers..., the Press Subsidies Act of 2004 also provides for a number of new measures to promote quality and secure the future of the industry...

Under the heading 'Promotion of Journalist Education,' the publishers of daily and weekly newspapers can now receive subsidies toward the costs of training new journalists.

Another new development is the subsidy for employing foreign correspondents.

For the purpose of promoting the reading of daily and weekly newspapers - especially at schools—associations which have defined the promotion of reading as their sole objective can also receive subsidies. Publishers which provide schools with daily and weekly newspapers free of charge can be reimbursed for up to 10% of their regular selling price.

Another new addition is the promotion of research projects in this field.¹⁵

5.13 According to Journalism Education and Research Association of Australia (JERAA), Austria distributed €54.7 million to media in 2015, including €7 million to daily and weekly newspapers and websites, and €47.4 million to the broadcasting sector. JERAA also noted that the Austrian government supported its national press council, which oversees journalistic ethics, with €204,000 in 2015.¹⁶

5.14 Austria also contributes to newspapers for the training of young journalists to assure the future of public interest journalism.¹⁷

14 'Press Subsidies', *KommAustralia*, www.rtr.at/en/ppf/Pressefoerderung (accessed 11 January 2018); JERAA, *Submission 39* attachment 1 (Support for Public Interest Journalism—an international summary), p. 6.

15 'Press Subsidies', *KommAustralia*, www.rtr.at/en/ppf/Pressefoerderung (accessed 11 January 2018).

16 JERAA, *Submission 39* attachment 1 (Support for Public Interest Journalism—an international summary), p. 6.

17 JERAA, *Submission 39* attachment 1 (Support for Public Interest Journalism—an international summary), pp. 6–7.

Belgium

5.15 Belgium provides indirect support to its media sector. This support includes exemptions from Value Added Tax for newspapers and magazines publishing informative content for the general public and appearing at least fifty times a year, as well as subsidies for postal delivery of Belgian newspapers and magazines.¹⁸

5.16 Belgian media is divided along linguistic lines, with the different cultural community governments of Belgium providing direct government support to their respective media industries.¹⁹ The Francophone Community subsidises French language, paper-version newspapers with at least 200 paid editions per year that meet other conditions. The Flemish Community gives annual subsidies to promote reading of the press and to improve the quality of press writing.²⁰

The United Kingdom

5.17 The United Kingdom provides limited subsidies for the press, notably an exception from paying Value Added Tax. However, it does impose a direct levy on each household to fund the British Broadcasting Corporation.²¹

5.18 In 2011, the UK prime minister announced the establishment of an inquiry to investigate the role of the press and the police following the *News International* phone hacking scandal. The inquiry examined 'the culture, practices and ethics of the press'.²² This inquiry recommended establishing an independent regulatory body for the press, without influence from industry or government, and revisions to legislation on data protection.²³ Part I of the inquiry reported in November 2012. At the time of writing, the second phase of the inquiry has not yet commenced.

5.19 In early 2017, a UK parliamentary committee commenced an inquiry looking at fake news, in part to address a perceived threat to democratic principles and institutions, including elections, as well as waning trust in the media. This inquiry lapsed when the UK's General Election was called on 8 June 2017 and was revived in

18 JERAA, *Submission 39*, Attachment 1 (Support for Public Interest Journalism—an international summary), p. 8; Tom Evens and Karin Raeymaeckers, *Belgium: Media legislation*, Media Landscapes: Expert Analyses of the State of Media, <https://medialandscapes.org/country/belgium/policies/media-legislation> (accessed 10 January 2018).

19 Tom Evens and Karin Raeymaeckers, *Belgium: Introduction*, Media Landscapes: Expert Analyses of the State of Media, <https://medialandscapes.org/country/belgium> (accessed 10 January 2018).

20 JERAA, *Submission 39* attachment 1 (Support for Public Interest Journalism—an international summary), p. 8.

21 Peter Humphreys, 'Media Freedom and Pluralism in the United Kingdom (UK)', in Andrea Czepek, Melanie Hellwig and Eva Nowak (eds.), *Press Freedom and Pluralism in Europe: Concepts and Conditions*, Intellect, Bristol, UK, 2009, pp. 198–199.

22 The Right Honourable Lord Justice Leveson, *An Inquiry into the Culture, Practices and Ethics of the Press*, November 2012, Volume I, p. 4.

23 The Right Honourable Lord Justice Leveson, *An Inquiry into the Culture, Practices and Ethics of the Press*, November 2012, Executive Summary, pp. 37–40.

the new parliament. As of January 2018 the inquiry remained open and was accepting submissions.²⁴

5.20 The UK *Digital Economy Act* received royal assent in April 2017. Key provisions of the act relevant to this inquiry include the establishment of a code of practice for online social media platforms, developed in consultation with social media providers.²⁵

Norway

5.21 Norway provides a range of assistance to news providers to encourage healthy diversity and competition. Subsidies are targeted at newspapers in a 'difficult market position', particularly those servicing local communities.²⁶ In 2015, direct support for Norway's newspaper sector totalled €33.4 million.²⁷

5.22 Expenditure for these subsidies is determined annually by parliament, with rates of distribution set by the Ministry of Culture and Church, and administered by the Norwegian Media Authority.²⁸ The largest subsidy available was the 'production subsidy', which in 2012 amounted to 287.9 million Norwegian Krone just for newspapers.²⁹ To be eligible, newspapers had to satisfy a range of criteria, namely:

- provide general news (that is, not be focused on a single issue)
- adhere to the editors' code, set by the editors and publishers' association
- grant editorial independence to its journalists
- not pay dividends to owners
- not have profits exceeding €20,000 per year, and
- not be a free newspaper or an exclusively online publication.³⁰

5.23 There are also indirect support measures for all Norwegian newspapers, particularly through a VAT exemption on sales.³¹

24 UK Parliament, 'Fake news', www.parliament.uk/business/committees/committees-a-z/commons-select/digital-culture-media-and-sport-committee/inquiries/parliament-2017/fake-news-17-19/ (accessed 11 January 2018).

25 *Digital Economy Act 2017* (UK), para 103.

26 JERAA, Submission 39 attachment 1 (Support for Public Interest Journalism—an international summary), p. 16, citing Tore Østeraas, 'Press Subsidies in Norway' (2006), p. 81.

27 JERAA, Submission 39 attachment 1 (Support for Public Interest Journalism—an international summary), p. 17.

28 JERAA, Submission 39 attachment 1 (Support for Public Interest Journalism—an international summary), p. 16.

29 Rune Ottosen and Jan Fredrik Hovden, *Norwegian Press at a Crossroad: Free Market or Press Subsidy?*, 2017, p. 11.

30 JERAA, Submission 39 attachment 1 (Support for Public Interest Journalism—an international summary), p. 16.

31 JERAA, Submission 39 attachment 1 1 (Support for Public Interest Journalism—an international summary), p. 17.

Sweden

5.24 The Swedish government provides two types of subsidies for the press: an operational subsidy and a distribution subsidy. Indirect subsidies for all printed newspapers include reduced Value Added Tax on sale price.³² The subsidies are funded by a 10 per cent levy on advertising in general, and a 3 per cent levy on newspaper advertising.³³

France

5.25 The French government provides support to the press to:

Promote circulation by, for example, supporting the distribution of daily general and political news;

Promote diversity and pluralism by providing extra support for national daily general and political information press with low advertising income, as well as for regional, provincial, local and political information press with low advertising income;

Modernise and diversify media companies to shift to online content.³⁴

5.26 According to the MEAA, the London School of Economics estimated that France provides around €1 billion a year in state subsidies for media, including:

In 2015 direct subsidies worth €77 million were provided to 326 newspapers and publications. The subsidies assisted regional and local press, helped fund modernisation and to assist with restructuring. More than 93% of the French Government's support goes to hard-copy newspapers and only 7% to exclusively on-line providers.

Indirect subsidies worth around €500m have been made available, including €200m for exemptions from local business rates, €160m for the lower VAT rates and around €250m on the special tax and social security contributions status granted to journalists. The state also pays over €100m a year to the newswire agency AFP.³⁵

32 JERAA, *Submission 39* attachment 1 (Support for Public Interest Journalism—an international summary), pp. 17–18; NORDICOM: Nordic Information Centre for Media and Communication Research, *Media VAT in the Nordic countries*, 2 December 2016, www.nordicom.gu.se/en/latest/news/media-vat-nordic-countries (accessed 11 January 2018); Ingela Wadbring and Jonas Ohlsson, *Sweden: Introduction*, Media Landscapes: Expert Analyses of the State of Media, <https://medialandscapes.org/country/sweden> (accessed 11 January 2018).

33 JERAA, *Submission 39* attachment 1 (Support for Public Interest Journalism—an international summary), p. 18.

34 JERAA, *Submission 39* attachment 1 (Support for Public Interest Journalism—an international summary), pp. 10–11.

35 MEAA, *Submission 64*, p. 5.

5.27 Forms of indirect support from the French government include a lower rate for Value Added Tax, tax relief, preferential postal rates and waiving of professional taxes for publishers.³⁶

5.28 In January 2018, President Emmanuel Macron signalled that his government would introduce legislation looking to limit the use and spread of fake news during election campaigns. These laws would include both social media and traditional media platforms, and include emergency powers to delete content or block websites.³⁷

Italy

5.29 The JERAA noted an overview of government subsidies for the press around the world which reported that since 1990, Italian government subsidies had consisted of a fixed annual amount equating to 30 per cent of operating costs, and a variable contribution based on circulation figures.³⁸

5.30 However, analysts writing for the European Journalism Centre have argued that parliamentary and government interventions in the Italian media 'have lacked a coherent approach, often influenced by the partisan considerations of the day'.³⁹

Spain

5.31 In 2014, a law requiring all Spanish news publishers to charge news aggregators for using even a small excerpt from their publications was enacted. This led to the closure of local news aggregators, a drop in user traffic because smaller news publishers relied on news aggregators to increase their audience, and Google News closing its service to the Spanish market.⁴⁰

5.32 A submission received by the committee from a group of academics noted that a study commissioned by the Spanish publishers association found that the 'Google tax' had caused considerable damage to the news industry in Spain.⁴¹ The study found that the law would have an impact of approximately €10 million a year on producer surplus in the short-term.⁴²

36 JERAA, Submission 39 attachment 1 (Support for Public Interest Journalism—an international summary), pp. 11–12.

37 Gareth Browne, 'Macron faces criticism after proposal to combat fake news', *The National*, 9 January 2018, www.thenational.ae/world/europe/macron-faces-criticism-after-proposal-to-combat-fake-news-1.693883# (accessed 10 January 2018).

38 JERAA, Submission 39 attachment 1 (Support for Public Interest Journalism—an international summary), pp. 12–14.

39 Paolo Mancini and Matteo Gerli, *Italy: Media legislation*, Media Landscapes: Expert Analyses of the State of Media, <https://medialandscapes.org/country/italy/policies/media-legislation> (accessed 10 January 2018).

40 Digital Industry Group Inc., *Submission 63*, pp. 3–4.

41 Professor Peter Fray and Professor Derek Wilding, *Submission 34*, pp. 4–5.

42 NERA Economic Consulting, *Impacto del Nuevo Artículo 32.2 de la Ley de Propiedad Intelectual Informe para la Asociación Española de Editoriales de Publicaciones Periódicas (AEEPP)*, July 2015, Executive summary (English), p. xiv.

The United States

5.33 Although the United States has not provided direct subsidies for news media to the same extent that governments in many European countries have, some federal and state tax benefits are designed to support newspapers and magazines.⁴³

5.34 According to several submitters, philanthropic funding for non-profit investigative journalism, made attractive by tax deductibility, has contributed to a recent increase in the rise of centres for this kind of journalism in the United States, many of them attached to universities.⁴⁴

5.35 Several submissions to this inquiry noted that a number of major American subscription news websites such as the *New York Times* and the *Washington Post* have recently grown their subscriber base by reinventing their business models and focusing on issues that their audiences value, particularly in areas related to investigative journalism.⁴⁵

5.36 In January 2017 the United States House of Representatives Permanent Select Committee on Intelligence commenced an investigation into Russian interference in the 2016 election, including the use of advertisements on and spread of fake news via Facebook.⁴⁶ The United States Select Committee on Intelligence also held a concurrent investigation.⁴⁷ Both inquiries are yet to report.

5.37 A bill currently before the United States Senate, the Honest Ads Act, proposes to introduce more transparency to the process of purchasing political advertisements, in response to Facebook's disclosure in September 2017 that accounts linked to Russia during the 2016 presidential election purchased USD 100,000 worth of political advertisements.⁴⁸

43 Geoffrey Cowan and David Westphal, *Public Policy and Funding the News*, USC Annenberg School for Communication and Journalism, January 2010, p. 1.

44 As discussed in an earlier chapter.

45 Dr Christopher Berg, *Submission 16*, p. 5; ABC, *Submission 58*, p. 13; Digital Industry Group Inc., *Submission 63*, p. 2. See also Mr Jason Pellegrino, Managing Director, Google Australia Pty Ltd, *Committee Hansard*, 22 August 2017, p. 19.

46 Devin Nunes and Adam Schiff, 'Joint Statement on Progress of Bipartisan HPSCI Inquiry into Russian Active Measures', *Press release*, 25 January 2017, <https://intelligence.house.gov/news/documentsingle.aspx?DocumentID=758> (accessed 11 January 2018).

47 Senator Richard Burr and Senator Mark Warner, 'Joint Statement on Committee Inquiry into Russian Intelligence Activities', *Press release*, 13 January 2017, www.intelligence.senate.gov/press/joint-statement-committee-inquiry-russian-intelligence-activities (accessed 11 January 2018).

48 Natasha Bertrand, 'Senators have a new plan to fix a major loophole that let Russia take advantage of Facebook and tech giants', *Business Insider Australia*, 20 October 2017, www.businessinsider.com.au/honest-ads-act-facebook-google-twitter-russia-2017-10?r=US&IR=T (accessed 11 January 2018).

Canada

5.38 The Parliament of Canada undertook a review into the effect of technological change on local and regional news in Canada, which published its final report in June 2017.⁴⁹ The MEAA summed up the principal recommendations of this report as follows:

Tax deductibility for digital advertising in Canadian-owned media platforms,

Five-year tax credits for print media companies to compensate for investing capital and labour in digital media,

Ensuring foreign news aggregators are subject to the same tax obligations as Canadian media,

Through expansion and an increased budget for the Canadian Periodical Fund (which provides assistance and rewards innovation and industry initiatives to Canadian publishers, magazines and non-daily newspapers to ensure the public has access to a range of Canadian publications) make daily and free newspapers eligible to participate in the fund, and offer support for online distribution of magazines and newspapers including greater support for ethnic and indigenous media,

Apply a 'diversity of voices' test to ensure there is no dominance in any media market, and

Change the definition of a registered charity to include not-for-profit media and/or foundations.⁵⁰

5.39 The Canadian government provided a response to the report in October 2017, noting that its Canada Periodical Fund (which provides support to Canadian publishers, magazines and non-daily newspapers) was 'exploring options to better meet the needs of Canadian periodicals to ensure that they can continue informing, entertaining and educating Canadians'.⁵¹ It argued that including not-for-profit media organisations as charities would not necessarily be an effective way of supporting the media.⁵²

5.40 Canada has a number of other policies in place to support local content, including some funding to the Canada Media Fund (alongside contributions from

49 House of Commons Canada, *Disruption: Change and churning in Canada's media landscape*, June 2017.

50 MEAA, *Submission 64*, p. 5; and Dr Bill Birnbauer, *Submission 1* attachment 1 (Email to the committee), p. 1.

51 Government of Canada, *Government Response to the Sixth Report of the Standing Committee on Canadian Heritage Entitled Disruption: Change and Churning in Canada's Media Landscape*, October 2017, p. 3; House of Commons Canada, *Disruption: Change and churning in Canada's media landscape*, June 2017, p. 38; MEAA, *Submission 64*, p. 22.

52 Government of Canada, *Government Response to the Sixth Report of the Standing Committee on Canadian Heritage Entitled Disruption: Change and Churning in Canada's Media Landscape*, October 2017, p. 6.

private enterprise), which aims to foster, develop and finance the production of Canadian content for audiovisual media platforms.⁵³ The Canadian government also funds the national broadcaster, the Canadian Broadcasting Corporation (CBC).⁵⁴

The Philippines

5.41 One submitter who had researched fake news in the Philippines argued that '[t]he Philippines has one of the worst fake news problems in the world'.⁵⁵ The submitter observed that in the Philippines, fake news was very profitable, with up to 500,000 site visits a month for some websites, and up to 90 per cent of traffic to fake news websites was from Facebook.⁵⁶ The Philippines Senate Committee on Public Information and Mass Media is currently holding an inquiry into fake news and impact on the democratic process.⁵⁷

Indonesia

5.42 A police investigation in Indonesia in August 2017 found that fake news directed towards political figures in Indonesia was part of an organised campaign, spread through Facebook and other online forums, by a 'fake news factory' with political motivations. The police reported that the online syndicate charged tens of millions of rupiah to publish and spread fake news and hate speech against individuals, including about the former mayor of Jakarta, Basuki Tjahaja Purnama, who is now serving a controversial prison sentence for blasphemy.⁵⁸

5.43 In October 2016, the Indonesian parliament passed revisions to the *Electronic Information and Transactions Act (2008)*. The revisions allow for a prison sentence of up to four years and a fine of up to 750 million rupiah to be imposed on individuals found to have spread hate speech or defamation via the internet, including through sharing fake news. The law has been subject to considerable controversy and criticism

53 Canada Media Fund, *About us: Mandate and vision*, www.cmf-fmc.ca/about-us (accessed 12 January 2018).

54 JERAA, Submission 39 attachment 1 (Support for Public Interest Journalism—an international summary), p. 29; Mr Adrian Jackson, *Submission 5*, p. 1; House of Commons Canada, *Disruption: Change and churning in Canada's media landscape*, June 2017, pp. 46–47.

55 Mr Harley Comrie, *Submission 72*, p. 4.

56 Mr Harley Comrie, *Submission 72*, pp. 5–6.

57 Julliane Love de Jesus, 'Senate to probe Facebook's taking down of posts violating "community standards"', *Inquirer.net*, 5 January 2018, <http://technology.inquirer.net/71044/senate-probe-facebooks-taking-posts-violating-community-standards> (accessed 12 January 2018).

58 Francis Chan, 'Indonesian police uncover "fake news factory"', *Straits Times*, 17 September 2017, www.straitstimes.com/asia/se-asia/indonesian-police-uncover-fake-news-factory (accessed 11 January 2018).

by human rights groups because of recent cases involving politicians suing private citizens for criticising them on social media.⁵⁹

5.44 Concerns that fake news spread through social media has caused a rise in religious extremism, Islamic terrorism and hate speech led the Indonesian government in January 2018 to launch a new cyber security agency to address these issues. The establishment of the agency comes in the lead-up to the 2019 national elections.⁶⁰ The current president, Joko Widodo, a Javanese Muslim, was subject to fake news circulating on social media during his 2014 campaign that he was a secret communist, Chinese or Christian, in a country known for its anti-communist and anti-Chinese rhetoric and a recent increase in anti-Christian sentiment.⁶¹

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- 59 Erin Cook, 'Social media as politics in Indonesia', *Asian Times*, 14 November 2017, www.atimes.com/article/social-media-politics-indonesia/ (accessed 12 January 2018); Constance Johnson, 'Indonesia: revised information law controversial', *Global Legal Monitor*, Library of Congress, 2 November 2016, www.loc.gov/law/foreign-news/article/indonesia-revised-information-law-controversial/ (accessed 12 January 2018).
- 60 Johanna Chisholm, 'Indonesia launches cyber agency to combat country's extremism and fake news', *Southeast Asia Globe*, 5 January 2018, <http://sea-globe.com/indonesia-cyber-security/> (accessed 11 January 2018).
- 61 Yenni Kwok, 'Where memes could kill: Indonesia's worsening problem of fake news', *Time*, 6 January 2017, <http://time.com/4620419/indonesia-fake-news-ahok-chinese-christian-islam/> (accessed 11 January 2018).