

Questions on Notice for TikTok Australia - hearing 11 July 2023
Answers received 19 July 2023

QONs 4-6

Unanswered as at 19 July 2023

QON2

Senator Paterson: Where do the majority of employees reside?

Ms Woods-Joyce: Again, I'm not a hundred per cent sure about the majority of ByteDance employees, but TikTok itself operates outside of mainland China, and we have tens of thousands of staff around the world.

The answer to the honourable Senator's question is as follows:

There are over 150,000 employees based out of nearly 120 cities working for companies within the ByteDance corporate group. The majority of ByteDance employees are based in China.

QON3

Senator Paterson: Is it [i.e. Douyin] a ByteDance subsidiary?

Ms Woods-Joyce: The corporate structure is on the ByteDance website. I'm very happy to skip back through and confirm how that ownership might flow down from ByteDance, which is, of course, the parent company.

The answer to the honourable Senator's question is as follows:

The chart available on the company's website illustrates the corporate structure of ByteDance.

Douyin Group (HK), the entity that ultimately controls Douyin, a short video platform for the Chinese domestic market, is a subsidiary of ByteDance Ltd.

QON7

Senator Paterson: TikTok commissioned a report from an academic, Professor Nigel Phair, in relation to your application. How much was Professor Phair paid for that report?

Ms Woods-Joyce: We did commission Professor Phair, an independent expert of some renown in Australia with respect to cybersecurity. That agreement with Professor Phair is understandably commercial in confidence and I am not able to disclose the amount we've transacted.

Senator Paterson: Commercial in confidence is not a valid reason for refusing to answer a question to a Senate committee. You are obliged to answer the question unless you have a valid reason why it can't be answered. Commercial in confidence is not an accepted grounds for the Senate.

Ms Woods-Joyce: I don't have the precise detail in front of me. I'm happy to go back on notice and provide that information wherever I'm able to.

The answer to the honourable Senator's question is as follows:

TikTok Australia engaged Professor Phair to produce an independent report due to his long-standing credentials and reputation in the cyber industry.

As outlined in his public bios, "Nigel Phair is a Professor of Cyber Security at Monash University. He is an influential analyst on the intersection of technology, crime and society. Nigel has published four acclaimed books on the international impact of cybercrime, is a regular media commentator and provides executive and board advice on strategy, risk & governance of technology. In a 21-year career

with the Australian Federal Police, he achieved the rank of Detective Superintendent and was a Team Leader of investigations at the Australian High Tech Crime Centre for over four years."

We have provided the details of Professor Phair's financial remuneration as a confidential annexure. Under the terms of the agreement, both TikTok Australia and Professor Phair are obligated to keep the terms confidential, unless both parties agree to the disclosure. We have sought and received Professor Phair's permission to provide this information to the Committee on a confidential basis. As the financial remuneration is sensitive and personal to Professor Phair, we respectfully request the Committee to keep such information confidential.

QON8

Senator Paterson: Did you provide Mr Phair with terms of reference for this independent report?

Ms Woods-Joyce: We had engagements with Professor Phair to talk about the scope of works that might be part of the arrangement with him, but Professor Phair is indeed an eminent expert. He's independent. The commissioning of reports like this is quite common. And, indeed, Professor Phair has strongly stood by the findings of his report.

Senator Paterson: Was the scope, then, of the report documented in writing?

Ms Woods-Joyce: I believe so. I'd be happy to check the details of the contractual arrangement with Professor Phair. As I mentioned, with respect to payment, I'd be happy to see what we can provide on notice to the committee.

Senator Paterson: I'd be grateful.

Ms Woods-Joyce: But it absolutely was an independent report, and Professor Phair stands by his findings.

Senator Paterson: Yes, I'd be grateful if you could provide on notice the scope of works or, if necessary, the contract. I'll accept it if you need to redact personally identifying information. We don't need Mr Phair's address or anything private like that. But the scope of the works is of interest to the committee, and I'd ask that you provide that on notice.

The answer to the honourable Senator's question is as follows:

As is common practice for such engagements, we had a commercial contract in place with Professor Phair through his consultancy business.

Below is the scope of work between Professor Phair's consultancy company and TikTok Australia Pty Ltd:

"Summary of Services to be provided under this SOW:

The Services involve providing TikTok's legal privacy team with an assessment of TikTok's (specifically the APP available in the Australian marketplace) collection of data, related practices, and comparative industry landscape.

The assessment will assist the TikTok legal privacy team to advise on its current compliance with applicable privacy laws and in relation to its future compliance approach.

Detailed description/breakdown of the Services:

- a. Attending preparatory and progress meetings on an as requested basis.
- b. Preparing a written report and any project schedule, and amending the report to account for any additional scope of work provided by TikTok from time to time.
- c. Presenting key findings to TikTok."