

# Joint Select Committee on Social Media and Australian Society

## ANSWERS TO QUESTIONS ON NOTICE

### Australian Competition and Consumer Commission

Public Hearing 21 June 2024

**Agency:** Australian Competition and Consumer Commission  
**Question No:** 1 and 2  
**Topic:** **Social media services and the News Media Bargaining Code**  
**Reference:** Written  
**Senator:** Senator Hanson-Young

#### Question 1:

Senator HANSON-YOUNG: I do have some other questions about income data estimates that I know you do, but I'll put them on notice because I'd like a good list of how much money these big players are sucking out of Australia.

#### Answer:

It is often unclear how much revenue large social media companies like Meta earn that is attributable to the Australian economy. The ACCC's sixth interim report of the Digital Platform Services Inquiry Report (Social Media report), found that Meta (Facebook and Instagram) earned between AUD 4.7 billion to AUD 5.1 billion from July 2021 to June 2022 in advertising revenue from customers in Australia.<sup>1</sup> However, for the year ending 31 January 2022, Facebook Australia reported AUD 224.6 million in revenue to ASIC.<sup>2</sup>

In contrast, Meta Platforms Ireland reported EUR€58.1b (AUD 93.6 billion) in revenue for 2022 to the Irish Companies Office.<sup>3</sup> The revenues recorded in Ireland, which has a population of approximately 5 million, accounts for 54.5% of Meta's global revenue.

Given Meta's business model is primarily to monetise user attention, it would appear that at least some of Meta's revenues generated from Australian users' attention have been recorded offshore.

The Social Media Report also covered the amount of Australian revenue for other social media platforms (see Figure 2.3 below). However, with the exception of Google Australia, the ACCC does not have access to the other ASIC filings of the Australian entities of the social media platforms. As Google operates a range of services in Australia, it would not be appropriate to compare its revenue to YouTube only.

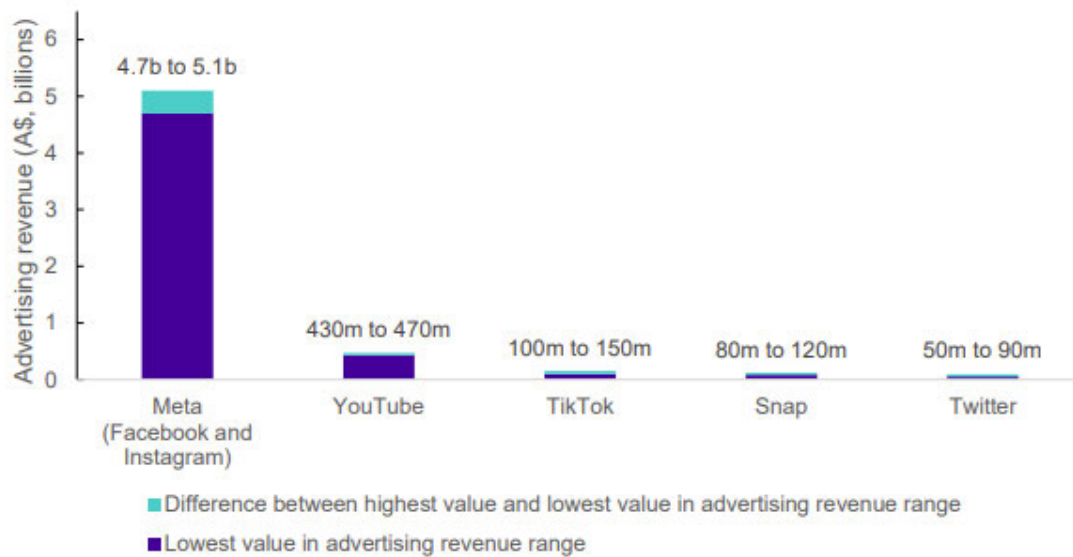
---

<sup>1</sup> ACCC, [Digital Platform Services Inquiry Sixth Interim Report](#), 28 April 2023, p 10. In relation to Meta, the ACCC notes that advertising revenue figures for Facebook and Instagram in Australia relate to the amount of advertising revenue from customers in Australia based on the location of the invoiced party (which may differ from the country in which the advertisements are shown). The ACCC understands that these figures are not recorded in the ordinary course of business by Facebook Australia and are not audited, verified or otherwise reported on. As such, the ACCC considers that these are approximate estimates of relevant advertising revenue attributable to Australia for Facebook and Instagram.

<sup>2</sup> Report filed by Facebook Australia Pty Ltd to ASIC, for the year ending 31 December 2022.

<sup>3</sup> G Deegan, ['Revenues at Irish arm of Meta increase to €58 billion'](#), RTE, 24 November 2023.

**Figure 2.3: Australian advertising revenue on selected platforms July 2021 – June 2022<sup>316</sup>**



Advertising revenues may also be impacted by issues with transparency and verification on social media platforms, which were identified by the [ACCC's Social Media Report](#). Advertisers rely on the performance claims and metrics available to them through social media platforms to assess their campaign's performance and allocate budget to these platforms. However, advertisers may not be able to verify the accuracy of specific claims made by social media platforms, and inaccuracies may lead to wasted campaign funds and lower levels of engagement for advertisers.<sup>4</sup>

Lack of transparency and verification on Facebook has resulted in litigation in overseas jurisdictions. In 2016, a group of advertisers filed a lawsuit that claimed that Facebook had been overestimating the viewing of video advertisements on its platform and had known about the problem for more than a year before disclosing this to advertisers in 2016. The lawsuit claimed that the average viewership metrics had been inflated by between 150–900%, and that Facebook failed to act when it discovered the video metric error. Facebook settled the lawsuit for US\$40 million in 2019.<sup>5</sup>

The ACCC considers that measures to address transparency and verification issues could be included in a service specific codes in a new digital competition regime.

## Question 2:

Senator HANSON-YOUNG: You haven't been asked to provide advice in relation to whether the net's wide enough? I find that extraordinary.

## Answer:

On 4 March 2024, Assistant Treasurer Stephen Jones requested the ACCC provide advice on:

- whether a significant bargaining power imbalance exists between Meta in respect of Facebook and Instagram services and Australian news businesses;

<sup>4</sup> ACCC, [Digital Platform Services Inquiry Sixth Interim Report](#), 28 April 2023, p 88.

<sup>5</sup> ACCC, [Digital Platform Services Inquiry Sixth Interim Report](#), 28 April 2023, p 90.

- the extent to which covered news content of Australian news businesses is made available on these services; and
- implications for the Australian news media sector of any proposed designation determination of Meta in respect of its Facebook and Instagram services.

The ACCC provided its advice to the Assistant Treasurer on 20 May 2024.

The ACCC notes that the news media bargaining code was an important development that successfully brought Google and Meta to the table to negotiate commercial deals for payment for content. While Meta has indicated that it will not renew commercial deals, Google is continuing to pay news businesses for content, payments that never would not have occurred without the code's introduction. In this respect, the code continues to achieve its intended purpose to facilitate commercial negotiations over payment for content. We are unable to comment further on Meta as the Assistant Treasurer is currently considering the application of the code to the platform.

The code was the first step in regulating digital platforms and only small part of the reforms recommended by the ACCC in its 2019 Digital Platforms Inquiry Final Report - it was never intended to be a silver bullet for all issues and a number of other proposals for reform are being considered or have been implemented by successive governments. That said, it does have a range of obligations that could be applied more broadly, such as providing clear explanations of the types of data collected by the platforms, providing advance notice of algorithm changes, and requiring platforms to set up point of contact in Australia. These obligations cover issues that affect all businesses, not just media companies.

These types of obligations could be covered by ACCC's recommendations for a digital competition regime. This regime would work alongside Australia's existing competition laws that would address anti-competitive conduct, unfair treatment of business users and barriers to entry and expansion by potential rivals. The Government has provided in-principle support for a digital competition regime and will consult further on this in 2024. The ACCC is working closely with Treasury on progressing these reforms, which have already been legislated in Europe, the UK, and Japan. Several other countries, including India and South Korea are also in the process of developing competition regimes to tackle the harms caused by digital platforms.

**Additional relevant material**

The ACCC would also like to draw the Committee's attention to chapters 4 and 5 of the ACCC's Report on Social Media. The relevant key findings of these chapters are:

- Scams on social media platforms continue to be of significant concern. If accepted by the Government, the recommendations made in the ACCC's Regulatory Reform Report for mandatory processes to prevent and remove scams, would, in conjunction with the future work of the National Anti-Scam Centre, better address harmful scam conduct.
- Excessive data collection and data use by social media platforms can result in consumer harm, particularly for children and vulnerable groups, whose data may be used to target them with inappropriate advertising.
- The use of dark patterns by social media platforms can make it difficult for users to express their actual preferences, or nudge users to take certain actions that may not be in their best interests.
- A lack of transparency in social media advertising, including the inability of parents to review the advertisements served to children, can result in young people being exposed to inappropriate material.
- Other consumer harms arising from the use of algorithms by social media platforms have been identified, including the potential for manipulation of users and user responses, and the creation of 'echo chambers' for users who spend time engaging with potentially harmful conduct.
- Influencers are often public figures and can face high rates of online harassment and bullying.
- Child influencers or 'kidfluencers' may be susceptible to greater online harm, including via online harassment, privacy breaches and a lack of labour protections

## Joint Select Committee on Social Media and Australian Society

### ANSWERS TO QUESTIONS ON NOTICE

#### Australian Competition and Consumer Commission

Public hearing 21 June 2024

**Agency:** Australian Competition and Consumer Commission  
**Question No:** [Click here to enter text.](#)  
**Topic:** Scams – Victims over 65  
**Reference:** Joint Select Committee on Social Media and Australian Society  
**Member:** Mr Andrew Wallace

#### Question:

**Mr WALLACE:** Given the increase of people over the age of 65 who have reported being victims of scams—that increase is 13.3 per cent, according to your figures—I might get you to take something on notice. You haven't provided any submissions, and submissions don't close until a week's time. When you do that, if you could include specifically what programs the ACCC are undertaking to address the scams for victims over the age of 65, in particular, I'd appreciate that.

#### Answer:

The ACCC recognise that Australians aged 65 and over are disproportionately targeted by scammers. This was demonstrated in the National Anti-Scam Centre (NASC) 2023 Targeting Scams Report, which showed older Australians were the only age group that did not experience a decrease in reported scam losses.

The work of the NASC is designed to reduce losses for all victims of scams, including older Australians. Initiatives include the NASC's first fusion cell, focused on investment scams, and simplified processes for reporting scams. However, the NASC has implemented a number of initiatives focused specifically on assisting older Australians. These include:

- The NASC regularly delivers scams awareness presentations to older Australians in response to requests from a wide range of support services including (but not limited to):
    - Retirement groups and clubs.
    - Financial advisors and superannuation providers.
    - Advocacy and support groups.
    - Carers networks and support groups.
    - Law enforcement groups such as Crimestoppers and Neighbourhood Watch.
  - The provision of resources to help Australians spot and avoid scams. These include:
    - the [Little Black Book of Scams](#) which sets out warning signs and how victims of a scam can get help. It is also available in an easier to read format here: [A guide to scams - Easy Read version](#).
    - advice on [how to help a loved one who is being scammed](#).
  - During the 2023 National Scam Awareness Week campaign, the NASC collaborated with the eSafety Commission to produce a guidebook and podcast on scams which is hosted on their website under information for seniors: <https://www.esafety.gov.au/seniors/online-scams>
-