### Meta Responses To Questions on Notice

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### 1. Questions on Notice from the Hearing (Transcript)

The following are drawn from the 28 June 2024 hearing transcript <u>here</u>. Page numbers refer to transcript page numbers.

Do you have actual data that you can provide us on that? Do you want to provide us with your surveys that show that? (*Ms Thwaites, p4*)

There are several data points that provide evidence of the shift that has occurred towards user preference for short-form video and creator content. Some of these include:

- As of Q1 2024, video content continues to grow across our platform and it now represents more than 60% of time spent by users on both Facebook and Instagram. Reels remain the primary driver of that growth. Video is not the majority of what publishers post. The majority of publisher posted content contains links.
- When news content was surfaced for users in a dedicated tab on Facebook (Facebook News), the data clearly showed that users did not engage with it and engagement declined dramatically over the time it was available. The number of daily active users of Facebook News in Australia dropped over 80% in 2023. The same was the case for the US.
- We have observed no meaningful impact to user engagement following
  the restrictions on the viewing and sharing of news content in Canada.
  Just as the number of people around the world using our technologies
  continues to grow, the number of daily active users and monthly active
  users on Facebook in Canada has increased since ending news
  availability. In addition, time spent on Facebook in Canada has continued
  to grow since ending news availability.
- We have reported that there has been a decline in the amount of referral traffic to Australian news publishers from Facebook Feed over time -

- declining from approximately 5.1 billion organic referrals or clicks <u>in 2020</u> to more than 3.5 billion in the 12 months to <u>March 2022</u>, which declined again to more than 2.3 billion <u>in 2023</u> reflecting a continuing shift in user preferences.
- Additionally, we have made changes to the Facebook Feed algorithm to reflect these changing user preferences, and we have not observed any decline to user engagement. For example, in 2018, we announced changes to the Facebook algorithm so that posts on a user's Feed that lead to conversations and interactions between individual users were prioritised. These changes reflected user feedback that they wanted to see less public content like news and wanted to connect with more meaningful posts from friends and family. In February 2021, we announced that we would be reducing the political content on Facebook Feed. This has been in response to feedback from users and consistent with well-being research. In July 2022, we made further changes to content ranking by placing less emphasis on shares and comments for political content.

We continually assess and take business decisions to adapt and evolve our products to deliver the most valuable experience to consumers. To help inform these continual and ongoing changes, we survey thousands of our users daily on-platform and off-platform in a range of different ways, for different purposes, periodically and in an ad hoc way. These survey results may be used as part of research and studies, along with many other signals, to determine relevant insights which then inform business decisions. Given this is vast, complex, continual and evolving, it's not possible or feasible to identify and provide this data.

How much money do you collect from Australia in the Irish bank accounts, in **Dublin?** (Senator Hanson-Young, p5)

Meta does not, in the ordinary course of business, separately track revenue by country in its bank accounts for financial reporting purposes.

Do you calculate total ad revenue for ads viewed by people physically located in Australia? (*Dr Mulino, p15*)

No. The ads revenue is calculated based on advertising inventory purchased by managed Australian customers. Managed Australian customers refers to

advertisers who have their business address in Australia and who have been assigned support by a Meta sales representative within Facebook Australia.

How many staff work for Meta in Australia, and how are they broken up, i.e. what are the staff doing in Australia? Are most involved in the advertising business? Are any technicians or engineers employed by Facebook Australia? Or are they employed by Facebook somewhere else? What is the staffing and entity structure in Australia? (Senator Hanson-Young, p7-8)

As at 2 July 2024, we had over 130 employees located in Australia.

The vast majority of these employees are employed by Facebook Australia Pty Ltd (Facebook Australia). These employees are broadly broken down into two teams: a sales function and a cross functional team of subject matter experts. The sales function is made up of teams of client partners who broadly provide consulting and advisory services to certain managed advertising clients in Australia. The cross functional team is made up of different sub-teams, including Public Policy, Communications, Legal, Marketing Science, Partnerships, People and Recruiting and Facilities.

A small number of our employees are employed by FCL Tech Australia Pty Ltd. These employees provide engineering or other technical support for the provision of our core services.

Facebook Australia is primarily a reseller of advertising services to managed Australian customers. FCL Tech Australia Pty Ltd provides contract research and development services to Meta Platforms, Inc.

You've said that you can provide us with some information around your structures. Is that something that you can do for us?(*Ms Daniel*, p13)

With respect to Australia, Facebook Australia is a company incorporated in Australia. Facebook Australia is a wholly owned subsidiary of Meta Platforms, Inc, which is the ultimate holding company of Facebook Australia.

Facebook Australia is primarily a reseller of advertising services to managed Australian customers under a reseller arrangement with Meta Platforms Ireland Limited. For clarity, managed Australian customers refer to advertisers who have their business address in Australia and who have been assigned support by a Meta sales representative within Facebook Australia.

Have there been any scam ads featuring Mark Zuckerberg? (Senator Hanson-Young, p8)

Yes.

Could you please provide on notice how many complaints you receive, and could you please provide us with this data organised by category of complaint and how these complaints were resolved. ... I'd ask you to provide that data and also the proportion of complaints—and by category as well—that are being resolved positively, in favour of the complainant.... I'm going to ask you how many complaints you've received in relation to live streaming of violence, how many complaints have been resolved and how many times your company has intervened to stop this being spread ... I would ask you to verify your evidence. (Senator Henderson, p19-20)

Meta provides details on a quarterly basis of how many pieces of content are actioned by reference to certain content violation categories across Facebook and Instagram in our Community Standards Enforcement Report (CSER Report). The CSER Report provides data across 14 policy areas on Facebook and 12 on Instagram.

For many years now, it has not been effective to measure our responsiveness to complaints in relation to our content enforcement efforts due to the increased use of proactive detection technology. Consequently, our CSER Report provides details on both how many pieces of content have been actioned and also, how much content was actioned before a user reported it to us. For example, in Q1 2024:

 We actioned 7.9 million pieces of content on Facebook and 10.3 million pieces of content on Instagram globally for violating our policies that prohibit bullying and harassment, 85.60% and 96.1% of which (respectively) we removed proactively before it was reported to us by a user; and,

<sup>&</sup>lt;sup>1</sup> As explained on <u>Meta's Transparency Center</u>, "actioning" includes removing a piece of content from Facebook or Instagram, covering photos or videos that may be disturbing to some audiences with a warning, or disabling accounts.

 We actioned 10.6 million pieces of content on Facebook and 12.1 million pieces of content on Instagram globally for violating our policies that prohibit the sharing of violent and graphic content, 98.7% and 99.4% of which (respectively) we removed proactively before it was reported to us by a user.

With respect to uses of livestream on our services, these would be subject to our Community Standards, similar to other pieces of content. Although we do have stricter rules applied to Live with <u>our 'one strike' policy</u> in connection with a broader range of offenses.

On a de-identified basis, can you please provide the details of every complaint you've received last year and this year from Australians who've lost money on your platforms, the quantum of that loss, and what Facebook, Meta or Instagram has done in relation to each of those losses (*Senator Henderson*, p19)

We are not aware of any formal complaints that meet this description from Australian users last year and this year to the date of the hearing.

To assist the Committee to understand more about Meta's work to combat scams targeting Australians, we wanted to first provide some background to how Meta works to combat scams targeting Australians. Meta takes a multi-faceted approach to protecting users on our platforms from scams. This includes policies and systems that prohibit or disrupt this type of behaviour across our services, on and off-platform enforcement, tools and features to help people report fraud and better protect themselves, and education campaigns and partnerships with local government and non-governmental stakeholders.

Content that purposefully intends to deceive or exploit others for money violates our policies, and we remove this content when it's found. Beyond removing content, we take a range of responses when we become aware of a scam. By way of example:

• In addition to suspending and deleting accounts, Pages, and ads, and seeking to prevent bad actors from creating new accounts, we have also taken legal action against bad actors responsible for violating our Terms to create real world consequences for their actions on our platforms.

 To have the biggest and most lasting impact, we target investigations and disruption on persistent and organised threat actors using a range of signals including our own detection and incoming reports from trusted partners. Between January 2023 to January 2024, for example, we have taken action against hundreds of thousands of accounts, targeting several countries including Australia.

When a scam occurs, typically our services represent only one part of the attack chain, meaning we do not have visibility of the scam from end to end. While we do not have records available in relation to losses incurred by Australians to scams, to give an overview of the nature of scam reports we have received and actioned locally, we share below details of reports made through our partnerships with Australian regulators and law enforcement.

Since September 2017, we have provided a direct scam reporting channel to the Australian Competition and Consumer Commission's (ACCC's) Scamwatch so they can promptly share complaints from Australian consumers with respect to scams (this is in addition to our in-app reporting tools that consumers can use). We have also worked with Australian law enforcement and the Office of the eSafety Commissioner (eSafety) in relation to investigations into scam and fraudulent activities. To give the Committee a sense of some of these:

- From January 2023 to February 2024, we received a total of 433 cases and 10,294 assets from through our regulatory escalations channel by the ACCC relating to fraud and scams. All these assets were individually reviewed and those found to be violating were actioned.
  - 8,893 unique assets were received 13% of the assets were duplicates.
  - o 5,103 enforcement actions were taken on the assets.
- From 1 January 2023 to 18 January 2024, we have received 575
   Australian law enforcement data requests specifically relating to fraud
   and scams. These were predominantly made up of scams related to the
   non-delivery of items (286), and unspecified scams occurring on (78) or
   off (103) our platforms. The next largest categories were financial and

- other investment scams (29), business or government impersonation (9) and romance scams (9).<sup>2</sup>
- From 1 January 2023 to 22 January 2024, we received 663 Australian law enforcement data requests relating to sextortion. According to the reports we received, 522 of those referred to adults and 141 to minors.<sup>3</sup>

How many Australians have died as a result of receiving intimidation or threats, including threats of violence, on Meta's platforms? How many children do you think have died as a result of using Meta's products? (Senator Henderson, p19)

Our policies prohibit the use of our services to intimidate or threaten people and we enforce these policies through a mix of automation and human review. We also have a range of policies and tools that are designed to promote the safety of young people when they use our services.

As explained in our <u>Law Enforcement Guidelines</u>, we respond to requests from law enforcement officials to action content or disclose account records in accordance with our terms of service and applicable law. In addition, law enforcement officials may submit requests in circumstances where a person is at imminent risk of death or serious physical injury and disclosure of information is required without delay. Between July 2023 to December 2023, our <u>Government Requests for User Data Report</u> indicates that we made 265 emergency disclosures to Australian law enforcement. We do not have details about how many of these involved children. We also do not receive specific responses from law enforcement on these disclosures.

Provide information on the number of people in DIGI's independent complaints review committee (*Ms Daniel, p14*)

The Australian Code of Practice on Disinformation and Misinformation is overseen by a panel of independent experts comprising Dr Anne Kruger, Victoria Rubensohn AM, Christopher Zinn, and Hal Crawford. Further detail on the governance structure of the code and background to each of the

<sup>&</sup>lt;sup>2</sup> Please note that these data requests are submitted in support of law enforcement investigations and do not always relate to offenses that have occurred on our platform. All requests are manually processed and information provided, and where an account under enquiry is identified as violating, it will also be actioned appropriately.

<sup>&</sup>lt;sup>3</sup> Similarly, these data requests are submitted in support of law enforcement investigations according to our terms of service and applicable law, and do not always relate to offences that have occurred on our platform. All requests are manually processed and information provided, and where an account under enquiry is identified as violating, it will be actioned appropriately.

independent experts, is outlined at: <a href="https://digi.org.au/disinformation-code/governance/">https://digi.org.au/disinformation-code/governance/</a>.

The independent experts sit on DIGI's Complaints Sub-Committee to resolve complaints about possible breaches by signatories of their code commitments, and also work with signatories, through an Administration Sub-Committee, to oversee the various actions taken by signatories to meet their obligations under the Code.

Hal Crawford is the independent expert who has been appointed to fact check and attest signatories' annual transparency reports going forward under the code, in order to incentivise best practice and compliance.

# 2. Written Questions on Notice from Ms Zoe Daniel MP (received 28 June 2024)

### What is your response to the imposition of a "must carry" requirement for Australian news content?

It is not possible to comment on the imposition of a hypothetical "must carry" requirement without knowing the details of any such requirement. Meta would need to carefully consider the form of the must carry proposed and its position.

However, we have consistently expressed concern since we first saw the *Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code) Bill 2020* that it misunderstands the economics of our business, especially in relation to news. Specifically, as our <u>July 2020</u> <u>submission</u> outlined: "[t]he draft law fundamentally misunderstands the economic reality of the value exchange between Facebook and publishers. It is based on the misconceptions that Facebook profits from taking news content with no consent or control by publishers, that we do not pay for news or drive sufficient value for news publishers, and that government intervention is required to correct this."

Forcing companies into contracts that hold no commercial benefit is not going to address the long standing issues the news industry faces.

### What is your response to the imposition of quotas for Australian news content along the lines of content quotas imposed on broadcasters?

We understand that the local content quotas, such as those that apply to commercial television broadcasters licensed in Australia, generally apply as a condition for the use of spectrum or access to Australian audiences. There are strong points of distinction for digital platforms such as Meta. First, Meta pays for and invests significantly in the network infrastructure to deliver its services. Secondly, we provide a platform for a wide range of globally generated and personalised content which reflect user interests.

Given Feed is designed to give people access to content that they will find interesting and want to see, it seems antithetical to the purpose of Meta's services to force people to see certain types of content on our services that

they do not wish to see - especially, when that content is otherwise available to them on other channels, if they wish to avail themselves of it.

Please supply the data that underpins your claim that news traffic is only 3% on your platform.

The best current insight into what people see on Facebook is the *Widely Viewed Content Report* (WVCR). This report aims to provide more transparency and context about what people are seeing on Facebook by sharing the most-viewed domains, links, Pages and posts for a given quarter on Feed in the United States. The <u>Companion Guide</u> provides details about how this has been calculated.

As the WVCR makes clear, 96.5% of the views of Feed posts in the US during Q1 2024 did not include a link to a source outside of Facebook. For the 3.5% of views in posts that did include a link, they typically came from a Page the person followed (this includes posts which may also have had photos and videos, in addition to links). Even though our most viewed content might have a very large number of content viewers, as measured as a percentage of all of Facebook content viewers, they represent only a small fraction of total views in Feed in the US that quarter.

Whilst the WVCR is currently only calculated with respect to the US, there is no reason to believe that the findings are not also applicable in Australia. This is demonstrated by the fact that when news content has been removed or reduced both in Australia and in Canada, for example, there has been no adverse impact on user engagement or revenues.

Moreover, we have consistently shared data showing that news is a fraction of what the majority of people see on their Facebook Feed. To clarify, that data is as follows: currently less than 3% of what people around the world see in 2023 were posts with links to news articles. This is based on the proportion of views to content that contain a link to a news article on a publishers' owned or operated app or website (out of all views globally on Facebook Feed). This percentage fluctuates with the changing news cycle and can vary significantly from person to person. These figures are based on Meta internal data for the last 90 days ending 17 June 2024. But the percentage has been consistent every time we have shared this previously over the last few years.

Additionally, as of Q1 2024, video continues to grow across our platform and it now represents more than 60% of time on both Facebook and Instagram. Reels remains the primary driver of that growth. Video is not the majority of what publishers post. The majority of publisher posted content contains links.

#### Would you allow an independent researcher to assess that data?

We have provided details about how the WVCR is calculated in the <u>Companion Guide</u>. We have invested significantly in tools and technology to provide transparency and academic research over many years. However, we do not presently have the tools available for researchers to analyse the data underlying the WVCR.

In 2023, NERA Economic Consulting published <u>research</u> which assessed the evidence, including the WVCR and the figure that less than 3% of what people around the world saw in Facebook News Feed in 2023 were posts with links to news articles. Although financial support for this research was provided by Meta, the analysis and findings were conducted and written up by NERA, a highly respected economics research firm.

What measures do you have to prevent the use of your platforms to promote criminal behaviour – specifically with reference to young people in Melbourne involving car theft and home invasions and publicising those on Instagram?

Meta's <u>policies</u> prohibit people from promoting criminal or harmful activities and we will remove this content as soon as we become aware. We use a combination of technology, reports from our community, law enforcement and regulators such as the eSafety Commissioner, and review by our teams to help us act.

Between January and March this year (Q1, 2024), we took action on:

- 8.7 million pieces of violence and incitement content on Facebook,
   97.9% of which we actioned before it was reported, and
- 12.3 million pieces of such content on Instagram, 99.5% of which we actioned before it was reported.

We have a Law Enforcement Outreach team who engages with Australian law enforcement to understand trends, issues and concerns they have regarding

content on our platforms, and we have a dedicated channel for law enforcement to flag content of concern.

3. Written Questions on Notice from Ms Zoe McKenzie MP (received 3 July 2024)

How many employees do you have in Australia? How much did you pay to employees each year over the past five years? How much did you pay to Australian suppliers over the past five years? Where are your corporate offices located in Australia? How much revenue did you make each year over the past five years? How much tax did you pay in Australia in the past five years?

As at 2 July 2024, we had over 130 employees located in Australia. All required financial information is disclosed in Facebook Australia's publicly available and audited financial reports,

Facebook Australia does not actively track the amounts paid to Australian suppliers for financial reporting purposes.

We have offices located in Sydney (established in 2008) and Melbourne (established in 2012).

The revenue reported by Facebook Australia for each of the past five years (ended 31 December), in its publicly available and audited financial reports, was as follows:

FY2023: AUD 208,972,934

• FY2022: AUD 224,608,129

• FY2021: AUD 194,154,023

• FY2020: AUD 155,344,893

• FY2019: AUD 167,091,552

The income tax expense reported by Facebook Australia for each of the past five years (ended 31 December), in its publicly available and audited financial reports, was as follows:

FY2023: AUD 35,432,809

FY2022: AUD 42,842,298

• FY2021: AUD 24,165,035

• FY2020: AUD 20,190,740

• FY2019: AUD 16,770,378

How important do you think it is for children to be taught media literacy at primary school? (a) If so, at what age? (b) What should the key components

be? Do you provide any support to media literacy programs at any school level? What plans do you have to increase and/or make permanent your support for programs that educate media literacy skills to Australian school children? Do you acknowledge the role social media plays in expanding the reach of mis and disinformation? Would you consider options like ensuring that news or information on your platform not from a verified news channel is verified as such? (a) What would you suggest is the best way of doing this? (b) Are you required to do this in any jurisdiction currently? (c) If so, where?

We agree that it is important for companies such as Meta to invest in digital literacy, especially for young people. We adopt a two-fold approach to promoting greater digital literacy for young people with respect to our products and services and the digital ecosystem more broadly.

Firstly, for over a decade we have developed and updated a Safety Center that contains a Resource Library of tools and resources that we have developed in close collaboration with experts, including here in Australia. These cover a wide range of topics such as digital literacy, mental health & well-being, bullying and harassment among others. We promote awareness of these resources through on-platform awareness campaigns and offline partnerships with local partners.

Secondly, we have funded digital literacy programs in Australia for over a decade and, through these initiatives, trained tens of thousands of young people with digital skills to have a positive experience online. Some of our most recent partnerships include:

- PROJECT ROCKIT: In August 2023, we partnered with youth-driven organisation PROJECT ROCKIT to launch the 'Metaverse Youth Safety Guide,' an educational resource featuring practical tips on navigating virtual worlds safely. Additionally, in November 2023 we partnered to create 'Intimate Images Unwrapped', a series of educational videos that aimed to build greater literacy and awareness around the dynamics of sharing of intimate images. Furthermore, for over a decade, we have invested into PROJECT ROCKIT's Digital Ambassadors program, a youth-led, peer-based anti-bullying initiative, empowering more than 25,000 young Australians to tackle cyberbullying.
- ReachOut: In 2023, we partnered with youth mental health service, ReachOut, to launch <u>a creator-led campaign</u> aimed at fostering social and emotional wellbeing in the lead-up to, and following, the Voice to

- Parliament referendum. The campaign focused on supporting and empowering young First Nations people in navigating the complex social and emotional wellbeing challenges resulting from the referendum and its surrounding debate.
- Kids Helpline and ACCCE: In November 2023, we partnered with the
   Australian Federal Police-led <u>Australian Centre to Counter Child</u>
   <u>Exploitation</u>, Kids Helpline and US-based organisation NoFiltr (Thorn) to
   inform young people about sextortion. The <u>campaign</u> included
   educational resources encouraging preventative behaviours online, the
   signs to look out for, where to report and where to seek support. Kids
   Helpline received strong engagement, reporting 692,000 people
   reached on Meta platforms via this campaign.
- Butterfly Foundation: In May 2024, we launched 'Enter the Chat', an education campaign that brought together a group of Australian creators to discuss the impact that certain types of online content may have on body image, how to create content more consciously and what safety tools are available on Instagram to support body image and wellbeing. In our seven year history of working in partnership with Butterfly, Enter The Chat has been our most successful campaign delivered, amassing over 493,000 campaign video views on Instagram and reaching over 306,000 people via Meta platforms.

We also invest in media literacy education, research and analysis across Australia. For example:

- In the lead up to the 2023 Australian Aboriginal and Torres Strait Islander Voice Referendum, we launched a <u>new media literacy campaign</u> with the Australia Associated Press building on our <u>"Check The Facts" campaign</u> which ran ahead of the 2022 Federal Election in October 2021 and early 2022. The campaign ran for 6 weeks with a combined reach on Facebook and Instagram in Australia of over 10 million users, creating over 40 million impressions.
- Supporting the Western Sydney University's <u>2023 Young People and News longitudinal survey</u>, which provides findings about the news attitudes, practices and experiences of young Australians aged between 8-16 years.

With respect to your questions in relation to verifying non-news channels, we offer verification to accounts so that people can quickly see that a particular account is authentic. Separate from this, we have policies, products and

partnerships to combat disinformation and misinformation. It is not clear how an account could be verified as a non-news account. An artist or a small business or a local council may use their Facebook or Instagram account to share information or news that is accurate and useful to the local community. This is why reliance on survey data about people's perception of news is challenging when seeking to make complex public policy decisions about the sustainability of public interest journalism.

Finally, our <u>2023 Transparency Report</u> under the DIGI Code of Practice on Disinformation and Misinformation provides an overview of our latest work to combat disinformation and misinformation both globally and in Australia.

In mid-June 2024, The Squiz and Squiz Kids conducted a survey of our audiences to understand the impact social media has had on them and their children. More than 1,000 responded, the majority being parents of school-aged children and teachers. 98% of parents identified exposure to misinformation, deep fakes and biased media as their number one concern for their kids when online, and 73% of respondents believe media literacy should be taught to kids in Grades 3-6 before they have a smartphone in their hands. (a) Do you acknowledge the role social media plays in proliferating mis and disinformation? (b) Would you consider options like ensuring that news or information on your platform not from a verified news channel is highlighted as such?

We understand the concerns of teachers and parents with respect to misinformation and deepfakes, which is why we invest in policies, products and partnerships to combat these.

We are committed to stopping the spread of misinformation and use a combination of enforcement technology, human review and independent fact-checkers to identify, review and take action on this type of content. We have built the largest global fact-checking network of any platform – we partner with nearly 100 third-party fact-checking organizations around the world who review and rate viral misinformation in more than 60 languages globally. All In Australia, this includes partnerships with Australian Associated Press, Agence France Presse and RMIT FactLab.

Our strategy for misinformation comprises three main pillars: remove, reduce and inform.

#### Remove

Generally, our <u>Community Standards</u> and <u>Ad Standards</u> apply to all content, including content generated by AI, and we will take action against this type of content when it violates these policies.

- **Misinformation and harm.** We remove misinformation where it is likely to directly contribute to the risk of imminent physical harm.
  - In determining what content constitutes misinformation in this category, we partner with independent experts who possess knowledge and expertise to assess the truth of the content and whether it is likely to directly contribute to the risk of imminent harm. This includes, for instance, partnering with human rights organisations with a presence on the ground in a country to determine the truth of a rumour about civil conflict.
- Election-related misinformation that may constitute voter fraud and/or interference. Under our policies, we remove content that is likely to directly contribute to interference with the functioning of political processes. This includes misinformation about the dates, locations, times, and methods for voting or voter registration (for example: claims that you can vote using an online app), and misinformation about who can vote, qualifications for voting, whether a vote will be counted, and what information or materials must be provided in order to vote.

Voting is essential to democracy, which is why we take a firm approach on misrepresentations and misinformation that could result in voter fraud or interference.

#### Reduce and inform

Content that does not violate our Community Standards but is rated as false or altered by Meta's independent third-party fact-checking partners, we significantly reduce the number of people who see it through a number of measures. We believe that public debate and democracy are best served by allowing people to debate different ideas, even if they are controversial or wrong - but we take steps to limit the distribution of misinformation that has been found to be false by independent, expert fact checkers. When content has been rated by fact-checkers, we add warning labels to it so people can read

additional context. We also notify people before they try to share this content or if they shared it in the past.

With respect to the concern that teachers and parents have regarding deepfake – misleading Al-generated content, including deepfakes, may violate various areas of our Community Standards, and so we remove all such violating content, however they are created or edited, if they break our rules including those against frauds and scams, adult nudity and sexual activity, bullying and harassment etc.

With respect to the questions about verifying non-news channels, we offer verification to accounts so that people can quickly see that a particular account is authentic. Separate from this, we have policies, technology and enforcement to combat disinformation and misinformation. It is not clear how an account could be verified as a non-news account. An artist or a small business or a local council may use their Facebook or Instagram account to share information or news that is accurate and useful to the local community. This is why reliance on survey data about people's perception of news is challenging when seeking to make complex public policy decisions about the sustainability of public interest journalism.

What data on Australian users do you store? (a) Under which legal jurisdiction is this data stored? (b) What specific laws apply to the data where it is stored?

Meta collects Australian users' personal information as outlined in our <u>Privacy Policy</u>. This information differs depending on how a user uses our products, and some information is required for our products to work, whilst the collection of other information is optional. Here are some important types of information we collect:

- The information that you give us when you sign up for our Products and create a profile, such as your email address or phone number.
- What you do on our Products. This includes what you click on or like, your posts and photos and messages that you send. If you use end-to-end encrypted messaging, we can't read those messages unless users report them to us for review.
- Who your friends or followers are, and what they do on our Products.
- App, browser and device information. This could include information from the phone, computer or tablet that you use our Products on, like what kind it is and what version of our app you're using.

 Information from <u>partners</u> about things you do both on and off our Products. This could include other websites you visit, apps you use or online games you play.

Meta stores Australian users' personal information in its data centres, which are located across the United States and Europe. A list of these locations is available <a href="here">here</a>. We comply with Australian privacy laws in respect of Australian users' personal data, regardless of where it is stored.

We also provide a range of different ways to provide people with the ability to get answers about privacy and manage their privacy in a way that works for them through the <u>Privacy Center</u> and tools like <u>Privacy Checkup</u>.

In the recent Online Safety Codes for Class 1A and 1B material for social media platforms, privacy protections which aim to prevent grooming were limited to protect children only up to the age of 16 (instead of 18). (a) Given the widely acknowledged risks facing young people online, why was the age of 16 chosen, leaving older children unprotected? (b) What research do you have that suggests that 16 and 17 year olds don't face the same grooming risks in Australia? (c) And if there isn't any research, why would you not adopt a precautionary approach?

The <u>Social Media Services Online Safety Code for Class 1A and 1B material</u> was developed by two industry associations – Comms Alliance and DIGI, co-ordinating the input of a large number of companies across the digital ecosystem. It was registered by the Office of the eSafety Commissioner on 16 June 2023. Any questions about the Code are best directed to these organisations.

Regardless of the agreed industry position, we treat the codes as a floor and not a ceiling and, consequently, offer a range of additional protections for young people up to the age of 18. These include:

- We show <u>Safety Notices</u> to all teens under the age of 18 who may be in a conversation with a potentially suspicious adult, e.g. has been reported or blocked by other teens, on Messenger and Instagram.
- On Instagram, we also prevent such potentially suspicious adults from searching for, being recommended, and engaging with accounts and content belonging to teens under the age of 18. We also prevent these

- adults from following one another, being recommended to each other, or seeing each other's comments.
- We prevent all adults from starting conversations on Messenger and Instagram with teens under the age of 18 they are not connected to, and also prevent them from adding unconnected teens to chat groups.
- We restrict all teens under the age of 18 from accessing the "More" setting of our <u>Sensitive Content Control</u> and we default teens under the age of 16 into the most restrictive content and recommendations settings. Teens who are defaulted globally are still using this setting a year later.

Research and expert consultation play a major role in Meta's product development process, including in helping to ensure that certain designs and tools are age-appropriate. Youth are not a monolithic group—they vary in age, maturity, home situations, cultural norms, and parental support. We regularly consult with experts in fields such as child development, mental health, and digital literacy to help understand how to apply age-appropriate defaults for teens, in line with their developmental needs.

What is currently the average duration of time per age group spent on Instagram and Facebook with each visit? (a) How many visits per day does the average person make? (b) How many visits are made per average of each age group? (c) Has this changed in the last 5 years? (d) Do you have a class of 'high use' customers? (e) How much time does a high use customer spend on your platforms each day?

We do not and cannot measure whether an individual user is experiencing "high" or "problematic" use. Assessing problematic use is an individualised determination that depends on multiple factors, including how an individual spends time on our apps, what activities an individual is not engaging in while they're on our apps, and how the individual's use is impacting their everyday life and relationships. Without insights into all of those factors, it is not possible to determine whether a user is experiencing problematic use. Basing evaluations of problematic use solely on time spent is arbitrary and would miss the fuller picture.

In Australia, we work closely with a wide range of child safety, mental health and other organisations that provide support to different parts of the community to ensure that they have relevant information about our apps, policies, tools and resources to ensure that they are able to provide advice and guidance to individuals.

(1) Last year, I hosted a Screen and Gaming Addiction Symposium at the Australian Parliament (AGASA), together with AGASA. One of the AGASA members, Associate Professor Wayne Warburton, did a study in 2022 through Macquarie University, in which he concluded that "Anyone can develop a screen addiction, but my research shows kids are more at risk if they have issues with impulse control and if their basic needs, like self-esteem, being included, feeling good at things and being in control, are being met better online than ofline" and that "just like unused muscles, the brain can atrophy and this is visible in brain scans of heavy screen users." (a) What is Meta doing to address the risk of screentime addiction in its users? (b) Does Meta analyse its products through a risk assessment of screen addiction? (c) Are any principles relating to addiction avoided in product design, and is this intentional? (d) Has Meta factored any safety by design features into its apps, to directly mitigate screen addiction or support to impulse control? (e) Do any jurisdictions place constraints on availability of Meta apps? Where? And what is the nature of that constraint? (f) Have you commissioned any research on the correlation of time spent on Meta apps and children's attention span? (2) Persuasive design uses psychology and neuroscience to increase the degree of user engagement with the product and the length of time spent consuming it. Does Meta use persuasive design principles in the development of its products? What are the principles used? (3) Gamers/consumers have the right to be aware/informed about the features of the products/games they are consuming and how these may prolong their usage, like other products on the market that have identified potential harms or ill consequences. Does Meta make users aware of the potential risk of using their Products? Why/why not? (4) Do you acknowledge the addictive nature of your platform? (5) Is social media a positive experience for children? (6) Is social media a safe experience for children?

We understand that for some people, social media use may feel disruptive. However, as far as we are aware, there is no formally recognised medical or psychological condition known as social media or screen time addition (for example, it is not mentioned in the Diagnostic and Statistical Manual of Disorders). Problematic use of social media is not a clinical disorder, but rather a behaviour that can be managed with strategies to restore balance and encourage healthy social media integration.

We provide many ways for people to control their time and the content they see. For instance, we have developed parental supervision tools that allow teens to work with their parents to set daily limits on the total time that teens can spend on our apps; <a href="Take a Break">Take a Break</a> notifications, which show full-screen reminders to leave the Instagram app; <a href="Quiet Mode">Quiet Mode</a>, which turns off notifications at night or other times users activate the feature; and <a href="Nudges">Nudges</a>, which include alerts that notify teens that it might be time to look at something different if they have been scrolling on the same topic for a while.

It is in Meta's long-term commercial interests for its users to have a safe and positive experience on its platforms, and to ensure that the time users spend on its platforms is meaningful. Feelings of loss of control run contrary to that objective. We have every incentive to provide safe platforms that our users enjoy and that advertisers want to use. This is core to our company values.

It is important to us at Meta that our services are positive for everyone who uses them. That is why Meta has around 40,000 people overall working on safety and security, and why we have invested over US\$20 billion in safety and security since 2016, including US\$5 billion in the last year alone. As part of our efforts, we use research and close collaboration with our Global <u>Safety</u> <u>Advisory Council</u>, youth advisors, and additional experts and organisations to inform changes to our apps and provide resources for the people who use them. These relationships and our research efforts have been instrumental in helping develop a number of tools and features, including Take a Break, Quiet Mode, and Nudges, among others. Our support of research is ongoing. Earlier this month we launched, in partnership with the Center for Open Science, a <u>Request for Proposals</u> for research as part of a new pilot program designed to support the study of topics related to social media use and well-being.

We also recognise the importance of being responsive to the local Australian community. This is why we regularly undertake surveys of our community, work closely with experts in the development of our policies, and develop long-standing partnership for feedback and joint programmatic work to promote awareness of our policies, tools and tips for having a positive experience online. For example, in November 2023, we partnered with the Australian Federal Police-led Australian Centre to Counter Child Exploitation, Kids Helpline and US-based organisation NoFiltr (Thorn) to inform young people about sextortion. We also have a local Online Safety Advisory Group and a local Combatting Hate Advisory Group.

We recognise that young users have positive experiences when they use social media to express themselves, explore, and connect with others. We want all our

users' time on our platforms to be positive, inspiring, and intentional. We know that teens do amazing things on our services, and we are committed to helping teens have safe and positive experiences on our platforms. We believe that technology companies should build experiences that meet young people's needs while also working to keep them safe, and we are deeply committed to doing industry-leading work in safety and security.

We have policies, default settings, and tools in place designed to provide a positive, age-appropriate experience for teens on our platforms. Parental supervision tools are available globally on Facebook, Instagram, Messenger, and Horizon Worlds. Parents can use these tools, after being granted access by their teen, to, among other things, see their teens' time spent, schedule breaks for their teens, and see who their teens follow and who follows their teens. And our Family Center and education hub provide parents with expert resources on supporting their teens online. Parents of teens under 16 who use supervision tools are prompted to approve or deny their teens' requests to change their default safety and privacy settings to a less strict state—rather than just being notified of the change. For example, if a teen using supervision tries to change their account from private to public, change their Sensitive Content Control from "Less" to "Standard," or tries to change their direct message settings to hear from people they are not already following or connected to, their parent will receive a notification prompting them to approve or deny the request.

We believe social media can and should be a safe experience for all users, including young users. We want everyone who uses our services to have safe, positive, and age-appropriate experiences, and we approach all our work on child safety and teen mental health with this in mind. We build comprehensive controls into our services, we work with parents, experts, and teens to get their input, and we engage with policymakers and regulators about what else needs to be done. We have built and shared tools for removing content that violates our policies, and we look at a wide range of signals to detect policy-violating behaviour.

Would you consider a model of removing harmful content that does not put the onus on the consumer (who has just consumed the content) to report it, but instead a proactive model that places the burden on the platform?

We have been steadily increasing our investment in automation and proactive detection technology over the past decade.

As outlined in more detail in our submission and our testimony before the Committee, over the years, we have increasingly shifted our focus towards using automation and artificial intelligence to proactively protect people from harmful content. Today, for many of our high risk categories of content, like nudity, terrorism content or child exploitation, well over 90% of the content that we remove, we take down proactively.

We provide details of this in our <u>Community Standards Enforcement Report</u>, that we have been publishing for over five years.

Do you think that screen time is a concern in relation to consumption of your app? (a) What do you feel is an appropriate amount of screen time based on the age of the child user? (b) Would you consider limiting a child's ability to consume a Meta app based on screen time boundaries? (c) Do you agree with the US Surgeon General's recommendation for a warning label on social media? (d) If not, why not? (e) Do you think your algorithmic format increases a user's risk of addiction? (f) Do you think you have a duty of care in respect of the potential risk of addiction? (g) Would you consider changing the format of your apps, for example an opt in algorithm, to better support better mental health outcomes?

We understand that screen time can be a concern in relation to all media apps, including social media, video game, and streaming platforms. We do not have a view on the appropriate amount of screentime based on the age of our users because such an assessment is inherently subjective based on the amount of free time a user has, when the user is using our apps, and how our apps are being used by the user.

Rather than prescribing an amount of screentime by age, we believe that parents should be empowered to set screen time limits for their children in conversation with their children based on each family's unique circumstances. Parental supervision tools are available globally on Facebook, Instagram, Messenger, and Horizon Worlds. Parents can use these tools, after being granted access by their teen, to, among other things, see their teen's time spent and schedule breaks for teens. More broadly, parents should have the tools they need to guide and support their teens online. We believe that apps, including social media apps, should offer some form of parental supervision

tools, including the ability to set daily time limits on teens' usage, and see which accounts their teen is following or friends with.

We do not agree that there is a need for a warning label on social media. The existing body of scientific work has not shown a causal link between using social media and young people having worse mental health outcomes.

However, we agree that it is important to ask and think about any effects of social media on teens—especially on mental health and well-being. This is a critical issue, and we take it seriously. We work hard to help teens have positive experiences on our apps—it is why we have developed significant resources and tools to support them and their parents. We also work in collaboration with leading experts to better understand issues around mental health and well-being and to make features that help enable meaningful social interactions. There is a growing body of research that suggests social media can play a positive role in teens' lives and provide support to those who may be struggling or are members of marginalised groups. For example, an April 2022 Pew study reported that 80% of teens surveyed felt that social media helped them stay more connected to what was going on in their friends' lives, and 67% felt that they have people on social media who can support them through tough times. (M. Anderson et al., Connection, Creativity and Drama: Teen Life on Social Media in 2022, Pew Research Center (Nov. 16, 2022), https://www.pewresearch.org/internet/2022/11/16/connection-creativity-and -drama-teen-life-on-social-media-in-2022/.)

We believe that social media companies should take responsibility for improving the safety of their products and building safety into the design of their products. The phrase "duty of care" is vague and undefined such that we do not think agreeing to it would be helpful to users or the industry. Instead of a "duty of care," we support clearly defined standards that would apply equally to all social media platforms. Any standards would need to balance safety, privacy, expression, and other fundamental human rights. It is important that under any standard, social media companies understand what actions are expected of them. In the United States, we are supporting a framework for federal legislation that, among other things, requires app stores to get parental approval for teens under 16 to download an app, requires certain apps, including social media apps, to offer supervision tools for teens under 16 that parents can activate and control, and requires the industry to develop consistent age-appropriate content standards across the apps teens use. (A.

Davis, A Framework for Legislation to Support Parents and Protect Teens Online, Medium (Jan. 16, 2024),

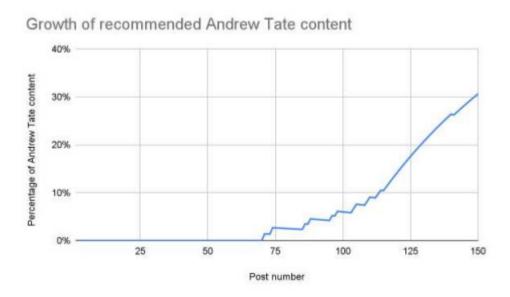
https://medium.com/@AntigoneDavis/a-framework-for-legislation-to-support-parents-and-protect-teens-online-6565148b26b1dium).

At Meta, we conduct internal research to find out how we can best improve experiences for our users, and our research has informed product changes as well as new resources. Understanding how technology impacts lives is an important part of what we do. We think more research is needed to understand the bigger picture, and we are supporting that research. For example, we supported more funding for research in these areas, like passage of the Children and Media Research Advancement Act in the United States, which provides funding to the National Institutes of Health to study the impact of technology and media on the development of children and teens. Further, on July 17, 2024, in partnership with the Center for Open Science, we opened a Request for Proposals for research as part of a pilot program to share Instagram data with external researchers, in a privacy-preserving way, so they can look at the potential impacts of social media usage on well-being. Meta and Center for Open Science Open Request for Proposals for Research on Social Media and Youth Well-being Using Instagram Data (cos.io).

As to the specific consideration of making algorithms opt in, it is important to understand the role of algorithms at Meta. We believe in giving people a way to express themselves, while working hard to keep people safe across our services. The people and advertisers who use our services expect us to do this so we can continue to provide the most useful and engaging experience for them. One way Meta helps people to build community is by building and training algorithms to recommend connections and content people might be interested in and by ranking content so that they are more likely to see the posts they care most about. This technology also helps protect our community by filtering, blocking, and reducing the spread of content that violates our policies or is otherwise problematic. Because of the role algorithms play in building and protecting community at Meta we do not think making algorithms opt in would be a positive change for our users.

(1) Do you acknowledge that currently, algorithms incentivise engagement?
(a) Do you acknowledge this leads to sensationalised content that draws consumers in, as well as 'tailored' content? (2) Earlier this year, Reset.Tech conducted a research experiment for me. They set up a new Instagram

account for a fake 17 year old boy – on a fresh phone, with a new sim, and no previous social media activity. The boy searched and liked 40 Jordan Peterson posts. Within 2 hours, he was being recommended Andrew Tate content – exclusively – on Instagram Reels. (a)Do you think that this instance of a recommender system is harmful? (b) Do you condemn the recommender systems used by other social media platforms?(c) How does your algorithm work to lead someone to, or away from, misogynistic content?



With respect to your questions related to the role of algorithms on our services, they work to rank and recommend content to people so that they find their time spent on our services to be useful and relevant.

As we outline in our submission to the Committee, over the years there has been a growing amount of content shared online and so it has been harder for people to find all of the content they cared about. This is why apps such as Facebook and Instagram use algorithms to connect people more quickly with content that they may find relevant.

We understand there is concern about the role of algorithms and AI in ranking and recommending content. This is why we prioritise providing greater transparency to help users better understand how our ranking algorithms and AI-powered products work and when they are engaging with AI-generated content, as well as provide users with more tools to control what they see in their Feed.

At Meta, we use a range of different algorithms to help us rank content. The ones that people are often most familiar with are those that we use to rank

content in their Feeds on Facebook and Instagram. Those algorithms that help with ranking play different roles. Some help us find and remove content from our platform that violates our Community Standards, or filter content that is potentially problematic or sensitive. Others help us understand what content is most meaningful to people so we can order it accordingly in their feeds.

It is important to bear in mind that the content people see in their Feeds is not solely due to algorithms: what people see is heavily influenced by their own choices and actions. Content ranking is a dynamic partnership between people and algorithms. Even though the people that use our services play a significant role in the ranking process, we recognise that they are only going to feel comfortable with these algorithmic systems if they have more visibility into how they work and then have the ability to exercise more informed control over them. That is why we have been releasing products, tools and greater transparency about the way algorithms work on our services. Our Content Distribution Guidelines<sup>4</sup> and Recommendation Guidelines,<sup>5</sup> explained in more detail below, both set a higher benchmark than our Community Standards; they apply to content that would not otherwise violate our rules on Facebook and Instagram.

We also provide <u>transparency</u> about the systems that rank content in our Transparency Center. The ranking of posts, either higher or lower in a feed, is affected by predictions about the post, features of the content and attributes of individuals and their interactions with Meta's products. As an example, if many people have interacted in a positive way with a post on Instagram or with similar content, the post will appear higher in a person's feed. Alternatively, if those interactions were negative or if a piece of content is predicted to be objectionable based on our standards, guidelines or integrity policies, the content is removed or ranked lower in the feed.

With respect to the Reset.Tech experiment, it is challenging to comment on this without seeing the details of how it was conducted. Oftentimes, an experiment will not accord with the reality of how people use our services nor how our policies, technologies and tools apply to the ordinary course of the use of our services.

https://www.facebook.com/help/1257205004624246; Instagram, 'What are recommendations on Instagram?', Help Centre, https://help.instagram.com/313829416281232

<sup>&</sup>lt;sup>4</sup> Meta, 'Types of content we demote', *Transparency Center*, 20 December 2021, https://transparency.fb.com/en-gb/features/approach-to-ranking/types-of-content-we-demote/

<sup>&</sup>lt;sup>5</sup> Facebook, 'What are recommendations on Facebook?', *Help Centre*,

Would you consider onshoring Meta operations to Australia to work more effectively with Australian legal jurisdictions? Do you think your offshore model supports the best working relationship with Australian legal jurisdictions? Are any parts of your business model onshore? Why/why not? What is stopping you from an onshore model of business?

Meta is a multinational company that provides global services, including to users in Australia. Like many multinational companies, Meta provides those global services out of key centres, including Singapore, Dublin and Menlo Park in California. This question misunderstands our global corporate structure and its impact on our compliance with our Australian legal obligations. We work closely with and are highly responsive to requests and concerns raised with us from Australian law enforcement, policy makers, regulators, educators, child safety and mental health organisations.

4. Written Questions on Notice from Ms Kate Thwaites MP (received 5 July 2024)

Meta says 'the number of people using Facebook News in Australia and the U.S. dropped by over 80% last year.' Why have you referred to an 80% drop in people using Facebook News in Australia and the US? (a) What is the Australia-only figure? (b) How do you explain such a significant drop in one year?

The number of daily active users of Facebook News in Australia dropped over 80% in 2023. The same was the case in the US. We referenced the two countries together, because we made the <u>announcement</u> to deprecate the products in these two countries at the same time.

This drop in engagement is because Facebook News was not something that users found relevant and valuable. Not everything we test is a success.

Did Meta make a decision to change its algorithms to de-prioritise news? Doesn't this artificially devalue news content on your platform?

Changes are made to our ranking systems constantly. Those changes are made in response to user feedback as to the type of content they want to see on their Feed. Some examples of this that may be relevant to news, include changes over the years to decrease the volume of public content and political content, which may also have had the side-effect of reducing the distribution of news content on our services. For example, in January 2018 we <u>announced</u> a ranking change that would prioritise content from friends and family and updates that spark meaningful conversation over public content. And in February 2021, we <u>announced</u> that we would be reducing the political content in Feed. This has been <u>in response</u> to feedback from users and consistent with well-being research. In July 2022, we made further changes to content ranking by placing less emphasis on shares and comments for political content.

Additionally, as a result of shifting user preferences, the rapid growth during the past three years on our services of Reels (short-form video), predominantly produced by individual creators, has had the natural consequence of reducing engagement with link-post content, including link posts published by news and media businesses.

None of these changes were designed to intentionally decrease the value of news to Meta. Rather, they reflect a commercial decision to de-prioritise this content as a result of user feedback.

All evidence and data indicates that the value exchange from news shared on our services benefits the publishers. This is why publishers choose to share what they do (predominantly links to their own websites which drive traffic that they monetise through advertising and/or subscriptions) and allow their customers to share the same on our services.

News is highly substitutable on our services; when there is less news on our services there is no adverse impact on user engagement or revenues. For example, we have observed no meaningful impact to user engagement following the restrictions on the viewing and sharing of news content in Canada. Just as the number of people around the world using our technologies continues to grow, the number of Daily Active Users and Monthly Active Users on Facebook in Canada has increased since ending news availability. In addition, time spent on Facebook in Canada has continued to grow since ending news availability.

## Would Meta be prepared to pay for news if there were a simpler way to administer payments to news businesses?

No. The decision not to renew the commercial deals with publishers was part of an ongoing effort to align our investments to products and services that drive user engagement because they are valued the most. All evidence and data indicates that the value exchange from news shared on our services benefits the publishers. This is why they use our platforms to share content that they can monetise through advertising and/or subscriptions by driving traffic to their own sites, and allow their customers to share on their content our services.

We have invested in partnerships and products with publishers previously and these have not been successful.

As has been examined by many inquiries and reviews since the <u>Independent</u> inquiry into the media and media regulation (2012), the challenges facing the sustainability of public interest journalism are long-standing, pre-date Meta and have not been resolved by the News Media Bargaining Code. Consequently, it is unlikely that compelling Meta to make payments for content it doesn't want is an appropriate policy response to these challenges

How many scam ads have you identified and taken down in Australia over the last 12 months? How much money does Meta make per year in Australia to scam ads? What does Meta do with revenue it earns from scam ads? Do you have KPIs or performance metrics to take down scam advertising when reported, for example within a period of time? How have you measured against these metrics?

Content that purposefully intends to deceive or exploit others for money violates our policies, and we remove this content when it's found. Beyond removing content, we take a range of responses when we become aware of a scam.

To have the biggest and most lasting impact, we target investigations and disruption on persistent and organised threat actors using a range of signals including our own detection and incoming reports from trusted partners. Between January 2023 to January 2024, for example, we have taken action against hundreds of thousands of accounts, targeting several countries including Australia.

This is a highly adversarial space and we utilise new insights that we learn from these disruptions to invest in new machine learning techniques to identify content and accounts that violate our policies. We are constantly evolving our techniques to keep pace with changing abuse archetypes online.

Our response to scams doesn't just include on-platform enforcement but also off-platform enforcement. We work with our legal teams, local authorities and civil society partners to consider and take appropriate action against bad actors.

We respond to valid legal requests by law enforcement and regulators according to our terms and services, as they try to identify and pursue individuals and organisations committing these crimes. We share information

with law enforcement and regulators in cases where it might be necessary to prevent scams or other types of illegal activity, in line with our terms of service and applicable law.

Bad actors create an adversarial environment and continuously evolve their tactics - usually operating across multiple countries, moving from one platform to another, or offline where digital platforms have no visibility. Thus, we work with international law enforcement agencies across the countries in which we operate to tackle cross-border scammers and to hold them accountable. This includes working with INTERPOL.

As part of Meta's ongoing efforts to enforce our terms and protect people against abuse, we have brought legal action against individuals and entities responsible for using our platforms to scam people. For example:

- In 2019, we <u>filed</u> suit in California against a company called ILikeAd Media International Company Ltd. and two individuals for violating our Terms and Advertising Policies.
- In 2021, we <u>filed</u> a case against four individuals residing in Vietnam, who used a technique known as "session theft" or "cookie theft" to compromise accounts of employees of advertising and marketing agencies and then ran unauthorised ads.
- In 2022, Meta and a financial services company <u>filed</u> a joint lawsuit, the
  first of its kind, against two Nigerian-based individuals who engaged in
  phishing attacks to deceive people online and gain access to their online
  financial accounts. We had taken several prior enforcement actions
  against the defendants, including disabling Facebook and Instagram
  accounts, blocking impersonating domains on its services and sending a
  cease and desist letter. This joint lawsuit represented a major step
  forward in cross-industry collaboration against online impersonation.
- In 2022, we <u>filed</u> a lawsuit against an Australian resident, Chad Taylor Cowan, for providing a fake engagement service directed at Facebook. Cowan operated a website that provided fake reviews and feedback to businesses in order to artificially increase their Customer Feedback Score.

When a scam occurs, typically our services represent only one part of the attack chain, meaning we do not have visibility of the scam from end to end. This is why we have deepened our cross-industry collaboration within the digital industry and across industries, such as the banking industry, to do more to combat scams collectively.

# 5. Written Questions on Notice from Dr Daniel Mulino MP (received 5 July 2024)

What proportion of Facebook users directly access news of any type on the platform at least once per week? What proportion of Facebook users directly access news from traditional media on the platform at least once per week? What proportion of Facebook users indirectly access news of any type on the platform at least once per week? (ie this would include receiving or providing shared links, memes, extracts from news articles) What proportion of Facebook users indirectly access news from traditional media on the platform at least once per week? (ie this would include receiving or providing shared links, memes, extracts from news articles) What proportion of Instagram users directly access news of any type on the platform at least once per week? What proportion of Instagram users directly access news from traditional media on the platform at least once per week? What proportion of Instagram users indirectly access news of any type on the platform at least once per week? (ie this would include receiving or providing shared links, memes, extracts from news articles) What proportion of Instagram users indirectly access news from traditional media on the platform at least once per week? (ie this would include receiving or providing shared links, memes, extracts from news articles) Could the above data be provided with a demographic breakdown, either by generation (as defined in the Canberra University study) or other age brackets.

Facebook is centrally based on enabling people to build connections with the people, content and communities that matter most to them. It is no surprise, therefore, that the vast majority of the content that is displayed on Facebook relates to individual and social experiences of users. Access to news is not the core reason and has minimal impact on the extent to which people use Facebook. As such, we do not monitor and report on the frequency with which users access news on the platform - let alone whether this is direct or indirect, from "traditional media" or otherwise (however that is defined), what type of news users may access or whether content is "news-related" or otherwise. We do not have and cannot reliably determine this data.

What is the total advertising revenue, in each of the past 5 financial years, from advertisements views by users physically located in Australia? What is the total advertising expenditure, in each of the past 5 financial years, paid by

Australian domiciled businesses to reach users physically located in Australia? Of the total in answer to Q2, what proportion was paid by Australian SMEs? What is the total advertising expenditure, in each of the past 5 financial years, paid by Australian domiciled businesses to each all users (ie including those located outside Australia)? Of the total in answer to Q4, what proportion was paid by Australian SMEs? What is the total advertising expenditure, in each of the past 5 financial years, paid by all firms to reach users physically located in Australia? (this is to capture foreign company ad spend on Australian users)

Meta earns advertising revenue from selling ads inventory to advertisers, not users. Therefore, Meta does not, in the ordinary course of business, separately track revenue and expenditure figures by user country for financial reporting purposes.

 Written Questions on Notice from Ms Zoe McKenzie MP (received 10 July 2024)

How many individual posts were flagged to you by Australian based fact-checkers in the last 3 months? Can you confirm that for each piece of flagged content you labelled only these, identical copies of these and near identical copies?

In our <u>2023 Transparency Report</u> that was submitted under the DIGI Code of Practice on Disinformation and Misinformation, we confirmed that between 1 January and 31 December 2022:

- We took action on over 91,000 pieces of content across Facebook & Instagram in Australia for violating our Harmful Health Misinformation policies.
- We displayed warnings on over 9 million distinct pieces of content on Facebook in Australia (including reshares) based on articles written by our third party fact checking partners.

We use our technology to detect content that is the same or almost exactly the same as that rated by fact-checkers, and add notices to that content as well. We generally do not add notices to content that makes a similar claim rated by fact-checkers, if the content is not identical. This is because small differences in how a claim is phrased might change whether it is true or false.

#### How many end-users under 18 do you have in Australia?

When we look at self-reported ages of our Australian monthly active users, less than 10% of Instagram accounts belong to teens under 18, and less than 5% of Facebook accounts belong to teens under 18.

How many 'problematic users' (i.e. users who have problematic patterns of overuse) do you have in Australia? (a) What is their age range in Australia? (b) How many are under 18? (If you do not have a definition of overuse, how many users have used your platform for over 4 hours a day on average over the last 3 months) © What is your platform's definition of overuse?

We do not and cannot measure whether an individual user is experiencing problematic use. Assessing problematic use is an individualised determination

that depends on multiple factors, including how an individual spends time on our app, what activities an individual is not engaging in while they're on our app, and how the individual's use is impacting their everyday life and relationships. Without insights into all of those factors, it is not possible to determine whether a user is experiencing problematic use. Basing evaluations of problematic use solely on time spent is arbitrary and would miss the fuller picture.

## How many adult users were reported by Australian end-users aged under 18? What was the average response time?

Meta does not, in the ordinary course of business, separately track and report on the number of adult users reported by Australian end-users under the age of 18.

That said, we have put in place <u>a range of protections</u> to prevent potentially suspicious adults from initiating interactions with teens. For example:

- We show Safety Notices to all teens under the age of 18 who may be in a conversation with a potentially suspicious adult, e.g. has been reported or blocked by other teens, on Messenger and Instagram.
- On Instagram, we also prevent such potentially suspicious adults from searching for, being recommended, and engaging with accounts and content belonging to teens under the age of 18. We also prevent these adults from following one another, being recommended to each other, or seeing each other's comments.
- We prevent all adults from starting conversations on Messenger and Instagram with teens under the age of 18 they are not connected to, and also prevent them from adding such unconnected teens to chat groups.

### How many CSAM reports made by Australian end-users? What was the average response time?

From January to March 2024, as outlined in our <u>Community Standards</u>
<u>Enforcement Report</u> we actioned 14.4 million pieces of content for violating our policies that prohibit the sharing of child exploitation content. We found and actioned 97.8% of this before anyone reported it to us.

In 2022, we reported on the median time to respond to user reports of CSAM in our response to a notice from the eSafety Commissioner in relation to the Basic Online Safety Expectations. The median time for Facebook was 1.25 hours and the median time for Instagram was 0.69 hours.

How many scam posts were reported on the platform by Australian end-users? What was the post's average engagement rate? What was your response, including average response time?

Meta takes a multi-faceted approach to protecting users on our platforms from scams. This includes policies and systems that prohibit or disrupt this type of behaviour across our services, on and off-platform enforcement, tools and features to help people report fraud and better protect themselves, and education campaigns and partnerships with local government and non-governmental stakeholders.

Content that purposefully intends to deceive or exploit others for money violates our policies, and we remove this content when it's found. Beyond removing content, we take a range of responses when we become aware of a scam.

With respect to our enforcement against scams, we find that strategic network disruptions at the actor level are highly effective. We have undertaken a number of these to remove and reduce scams targeting Australians in recent years. These are often taken based on investigative work undertaken by our specialist teams as part of our ongoing integrity work or in response to reports from trusted partners. By way of example:

- In addition to suspending and deleting accounts, Pages, and ads, and seeking to prevent bad actors from creating new accounts, we have also taken legal action against bad actors responsible for violating our Terms to create real world consequences for their actions on our platforms.
- To have the biggest and most lasting impact, we target investigations and disruption on persistent and organised threat actors using a range of signals including our own detection and incoming reports from trusted partners. Between January 2023 to January 2024, for example, we have taken action against hundreds of thousands of accounts, targeting several countries including Australia.

We do not have the data to share in response to these questions with respect to an unspecified timeframe, but trust that the details of our work to combat scams as outlined above, assists in responding to the substance of these questions.

What human resources do you have dedicated to content moderation in Australia? What is the number of content moderators located within Australia? Where are these resources based? What is the number dedicated to Australian content or addressing reports from Australian end-users? What are their qualifications and training requirements? What support is available to them to ensure they can do their job? What is their volume of work and KPIs (for example, how much content per hour are they required to review) What languages do they review posts in?

We use a mix of automation and human review to moderate content on our services. Over the years, we have increasingly shifted our focus towards using automation and artificial intelligence to proactively protect people from harmful content. Today, for many of our high risk categories of content, like nudity, terrorism content or child exploitation, well over 90% of the content that we remove, we take down proactively. We provide the details of this in our <a href="Community Standards Transparency Report">Community Standards Transparency Report</a> that we have been publishing for over five years now.

Meta's review teams consist of full-time employees who review content as part of a larger set of responsibilities, as well as content reviewers employed by our partners. They come from different backgrounds, reflect our diverse community and have an array of professional experiences – from veterans to legal specialists to enforcement experts in policy areas such as child safety, hate speech and counterterrorism.

We partner with companies that employ over 15,000 reviewers who help in doing the job of reducing harm. Our review teams are global and review content 24/7. We have over 20 sites around the world, where these teams can review content in over 50 languages.

As an essential branch of our content enforcement system, review teams must have language proficiency and cultural competency to do their job well.

Additionally, in order for our reviewers to apply our policies accurately, they must also focus on their resilience and well-being and we offer a range of

support resources to them. Content review can be challenging work. Keeping people safe online sometimes means review teams have to look at content that may be objectionable or graphic. We respect the difficulty of this work and want to make sure that reviewers have access to all the resources they need to do their job and safeguard their health.

For Australia, we have dedicated market specialists who review accounts, content and ads that are reported to us from Australia (noting that for many harm-types, market specialisation is not needed to enforce our policies). To provide effective quality assurance and to support the resilience and well-being of our reviewers, we primarily co-locate our specialist teams together in certain centres around the world, such as in Singapore and Dublin.