

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into Social Media and Australian Society

Department: Department of the Treasury
Topic: Tax advice to Minister's Office
Reference: Spoken p. 4 (25 June 2024)
Senator: Sarah Hanson-Young

Question:

Senator HANSON-YOUNG: Has the department been asked to model any alternatives, given what you've said about the international reaction and where we're at?

Mr McDonald: 'Modelling' might not be the word I'd use. I think 'considering and working through alternative approaches' would be a fair summary.

Senator HANSON-YOUNG: Does that include looking at the tax space of these companies?

Mr McDonald: Yes.

Senator HANSON-YOUNG: When was that advice sought by the minister?

Mr McDonald: I would have to check. Sorry, I don't have those exact dates on my—

Senator HANSON-YOUNG: Okay. If you could check the date, that would be helpful.

Answer:

On 19 February 2024, Treasury was asked for advice on a range of options, including tax options, in relation to the *News Media and Digital Platforms Mandatory Bargaining Code*.

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Inquiry into Social Media and Australian Society

Department: Department of the Treasury
Topic: Economic benefits
Reference: Spoken p.8 (25 June 2024)
Senator: Zoe Daniel

Question:

Ms DANIEL: I have a very quick and related question, and it also could be taken on notice. A lot of our focus is on the cost of the platforms socially and to the mainstream media. I'm just wondering if there are numbers on the economic benefit of the platforms. The chair referred to small businesses and such who rely on them. It would be good to have a number or a set of numbers that reflect the economic benefit.

Mr McDonald: I'll have to take that on notice. Is that talking specifically about the bargaining code or more broadly about social media?

Ms DANIEL: It's more broadly about social media.

Mr McDonald: Yes, I would need to take that on notice.

Answer:

At a high level, social media can have a range of positive and negative economic and other impacts.

The positive impacts include allowing millions of Australians to connect, access news, and run small businesses, often at nil monetary cost. In relation to public interest journalism specifically, social media can be an important channel for Australian news outlets to distribute their news content and reach a broad audience. This helps to inform Australians of current issues and events of public significance at a national, regional and local level, and to engage Australians in public debate and democratic decision-making.

The negative impacts of social media include providing a mechanism for the proliferation of harmful or illegal content, including scams, misinformation and disinformation. In relation to public interest journalism specifically, the potential for unilateral decisions by digital platforms can undermine Australians' access to quality public interest journalism.

The Australian Competition and Consumer Commission is undertaking an ongoing inquiry into Digital Platform Services, and its reports have considered the impacts of social media and digital platforms more broadly.

Beyond this, Treasury is not currently in a position to quantify the net economic benefits of social media. The preparation of a more detailed response to this question would be a complex exercise that would cause an unreasonable diversion of the Treasury's resources.