

Appendix A

1 Further detail about the tax that Facebook pays in Australia, and the submissions that we have made to the OECD's consideration of the taxation of multinational businesses¹

This information has been received confidentially.

¹ See transcript of the Committee hearing on Friday, 22 January 2021 at pages 18 to 19 "Senator PATRICK: ... a lot of your advertising revenue, or boosting revenue, basically goes directly to Ireland, even though the customers here in Australia and the services being provided in Australia. I've talked about this with the tax department... and the OECD is looking at this through its BEPS 2.0 program... Mr Merner: As you said, there has been a long process that the OECD has been leading around the taxation of businesses like course fees and international businesses. We've been very involved in that and we would be happy to provide you with further information about our views on what's the right way forward here... Facebook pays tax in Australia and we can provide information to the committee on notice about the taxes that we pay."

2 More information about the ways in which we respond to misinformation on Facebook²

We share the goal of limiting misinformation online, which is why we have taken aggressive steps to combat it. Our strategy to stop misinformation on Facebook has three parts:

We **remove** accounts and content that violate our Community Standards (which enforce the safety and security of the platform.)

For example, we've cracked down on fake accounts which are often the ones spreading misinformation. We now disable more than a million fake accounts per day at the point of creation. We also take down voter suppression or any misinformation that could cause real world violence or imminent harm.

We also reject any ad that is debunked by our fact-checkers.

We **reduce** the distribution of content that doesn't directly violate our Community Standards but are nonetheless low quality/bad experiences, so less people see it.

This includes false news: we partner with 80 fact-checking partners around the world who cover over 60 [languages](#). In Australia, we partner with Australian Associated Press and Agence France Presse. When they fact-check something as false, we reduce its distribution.

We also reduce the distribution of other spammy, sensational content like clickbait and engagement bait – which can also coincide with misinformation.

And when Pages and Groups repeatedly share this content, we reduce the distribution of all of their posts in News Feed, and remove them from the recommendations we show people. Pages may also lose their ability to monetise and advertise.

We **inform** people by giving them more context so people can decide from themselves what to read, trust and share.

When a post is rated false by fact-checkers, we show warning labels with fact-checkers' assessment and research for people who see the post, try to share it, or already have.

We also partner with local organisations around the world and in Australia to promote media literacy.

Misinformation is a highly adversarial and ever-evolving space, which is why we continue to consult with outside experts, grow our fact-checking program, and improve our internal technical capabilities.

² "See transcript of the Committee hearing on Friday, 22 January 2021 at page 19 Senator McDONALD: ...Given the issues you've had with fake news, particularly over the last couple of years, what activities are you undertaking to manage the spread of misinformation on your platform on Facebook? ...Senator McDONALD: Just quickly please because we're run out of time. Mr Machin: There's a range of additional steps that we take in relation to promoting authoritative information, but let's use the time for your next question instead."

3 How has the sharing of news content on Facebook grown over time?³

We do not regularly nor routinely track “news content” as a subset of all content shared on Facebook in the ordinary course of business. In 2018, we implemented a change to prioritise posts that spark conversations and meaningful interactions between people. This change meant less public content overall (including “news content”) is shown on Facebook.

Currently, less than 4% of what people around the world see in News Feed are posts with links to news articles. This percentage fluctuates with the changing news cycle and can vary significantly from person to person.

³ See transcript of the Committee hearing on Friday, 22 January 2021 at page “Senator McDONALD: ... I want to ask: of a content shared on Facebook, how has the sharing of news content grown over time?”

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4 List of regional news providers with which Facebook has entered into a payment agreement⁴

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This information has been received confidentially.

⁴ See transcript of the Committee hearing on Friday, 22 January 2021 at page 20 "Senator McDONALD: Could you give me some examples of regional newspapers, regional news providers, that you have already entered into a payment agreement with and are making payments to?"

5 How much money does Facebook earn in Australia?⁵

Our reported revenue figures for Facebook Australia Pty Limited for 2019 was \$161 million.

⁵ See transcript of the Committee hearing on Friday, 22 January 2021 at page 21, "Senator HANSON YOUNG: And, just to be clear, how much money does Facebook earn in Australia?"

6 How much does Instagram earn in Australia, separated out from Facebook's total national revenue?⁶

We do not publicly report figures broken down by Instagram and Facebook and are not able to prepare this information in the timeframe requested by the Committee.

⁶ See transcript of the Committee hearing on Friday, 22 January 2021 at page 21, "Senator HANSON YOUNG: And, just to be clear, how much money does Facebook earn in Australia? ... What about Instagram?"