

Attn: Committee Chair
Joint Select Committee on Social Media and Australian Society
PO Box 6100
Parliament House
Canberra ACT 2600

Phone: +61 2 6277 5708
socialmedia.joint@aph.gov.au

3 July 2024

Dear Committee Chair,

MEDIA.COM SUBMISSION TO JOINT SELECT COMMITTEE ON SOCIAL MEDIA AND AUSTRALIAN SOCIETY

Media.com is grateful for the opportunity to provide input to the Joint Select Committee's Inquiry into the influence and impacts of social media on Australian Society.

About Media.com

Media.com was founded by an Australian businessman and entrepreneur who was faced with the corrosive impact of misinformation. This ruined a nationally significant tourism project for Australia which was on track to create 10,000 jobs, harmed the Australian economy, impacted the lives of thousands of Australians, and has clogged up Australia's judicial system with more than 25 legal proceedings since 2020.

Misinformation and the damage it caused was the catalyst for creating Media.com.

Media.com's mission is to restore public trust in information. This is a society-critical initiative that Media.com and other big tech companies should be prioritising ahead of user engagement.

How did society end up here?

Revenues, profitability and ultimately the share prices of social networks are directly correlated to user engagement. This is not a new concept; it is a business model that draws on origins from the 1800's when advertisements appeared in free print publications for the first time.

However, the digital age has brought a transition from a select few, accredited publishers to now more than three billion people who can publish by simply picking up their mobile phones.

As a result of this newfound empowerment, two problems have emerged:

1. Traditional media (and their advertising revenues) have been supplanted by social networks where users can self-publish; and
2. The social networks have done little to create an environment which promotes accountability for what is publish/posted.

Media.com believes society today is in a dangerous place when it comes to information consumption. Traditional media platforms are powered by click-bait headlines, an always-on news cycle, and lower-quality, poorly researched stories to retain advertising clients and minimise costs.

Similarly, social networks are competing for eyeballs to support their growing cost-bases and continue to expand on publishing tools and formats to a broad age bracket regardless of the potential harm this may cause to younger audiences.

Society is left with a situation where truth has become subjective and distorted in a media landscape fueled by untrusted, unknown sources. This is a breeding ground for bad information and real-world harm.

Example

In the past 12 months one of Australia's leading financial publications published a story stating Media.com's founder had been banned as a company director for 20-years. Another US publication has stated the founder is on the Forbes 'Top 50 Entrepreneurs to Watch' list. Both are false, but the reader would be none the wiser.

These articles don't just live on publication websites. They get shared, re-shared, liked, and commented on, spreading like wildfire.

Imagine how many times this takes place all over the world – millions per day. And on subject matter ranging from vaccines to climate crisis to the Israel-Hamas conflict.

Misinformation is not just a threat, it is eroding the fabric of society and basic infrastructure of fact. One could argue that it poses a more immediate threat to human life than climate change. Future generations depend on the strategies and technologies implemented now to ensure this problem does not continue to escalate.

Information accountability

One of the key reasons society has fallen into a misinformation 'hole' is because of the lag in accountability in the transition from traditional media to social media. Traditional publications are identifiable, highly regulated by long-held journalism standards, and are therefore accountable.

The majority of social media users who make up the majority of those publishing online today have no journalistic training, adhere to no guidelines and are not always readily identifiable. This enables social media to become a breeding ground for bad information.

With freedom of speech should come responsibility and accountability for what is published. Social media in its current form does little to encourage this. Its business models are not conducive to it.

How to introduce accountability

Media.com is the world's first online network which makes profile verification mandatory.

To be accepted on Media.com, individuals and businesses must go through the same checks that banks and other financial institutions undertake on their clients to ensure 'they are who they say they are'.

This technology is called 'KYC' (know-your customer) or 'KYB' (know-your-business). It has existed for more 70 years and Media.com believes it to be a critical part of the solution to restoring public trust in information.

A simple, efficient process

Identity verification can be undertaken online in less than two minutes. It is cost effective, fast and highly accurate.

This verification process is common-practice and most people will have undergone at some point in their adult lives. You do it when you open a bank account and in more recent years cryptocurrency accounts, accounts with professional services firms and more.

Identity verification is becoming mainstream, and it is the first step solution to curbing the harm caused by misinformation.

Regulatory implications

The Australian Government, along with governments around the world, is challenged by the harm caused by misinformation on big tech platforms however the solution so far has been to pass legislation aimed at imposing penalties on platforms rather than on users.

This is respectfully an imperfect solution because information is a form of currency and the platforms are merely a conduit for that currency to flow, just like a bank.

Banks know who their customers are and so they can direct law enforcement authorities to specific people or companies who hold accounts with them, because they know who they are.

Social networks on the other hand, do not know with 99.9% accuracy who their users are. In fact, they do not know most of their users because they have never taken steps to identify them.

The consequence of this is that (a) government regulators are forced to direct penalties to the platforms, and (b) the users (who are the perpetrators) get away with the unlawful act(s) and might at best end up with their account being blocked.

The liability for wrongdoing should rest with the party who engages in the act. Without knowing who they are, the liability cannot be directed to them. This is why the present legislation imperfectly directs liability at the networks and not the users.

In the banking world, the banks escape liability because they can direct the authorities to the party contravening. It should be no different with social networks, but this requires the legislation to change.

Media.com firmly believes the future of legislation for social networks involves the introduction of mandatory profile verification.

What this would mean

Fake profiles are renowned sources of bad information. At best they are unhelpful, at worst they can cause life-changing decisions to be made in error. Everyone is susceptible to it and the greater the influence the person reading it has on others, the greater the risk they could act on bad information and cause mass-destruction.

If fake profiles did not exist and users could be identified by the name (and not just a doctored profile photo, which may not even be theirs anyway), this causes the user to think twice about

what they post. It introduces an immediate level of accountability unattainable with unverified profiles.

Put differently, the 'town square' concept regularly talked about by a big tech platform owner is in fact a town square where most people have paper bags over their heads concealing their true identity. That is not a town square, at least on this planet it isn't.

Anonymity

The town square concept as defined by social media companies indeed has its place. It is there for people who prefer to remain anonymous. Anonymity can have its benefits in certain confined instances and should not be ruled out.

Anonymity however lacks accountability, credibility and transparency. This is the problem faced by society today in consuming content from social networks in their current form. They are riddled with profiles, the identity of which no one knows with any degree of reliability. Not even the platforms know for certain.

Harmful, illegal content, scams and more

The solution posed by Media.com to introduce mandatory profile verification goes a long way toward addressing many of the topics of interest in this Inquiry, but none more critical than the danger of harmful or illegal content including scams, age-restricted content, child sexual abuse and violent extremist material.

Introducing profile verification to social media platforms delivers three key benefits in this regard. Platforms can:

1. confirm the age of their users and therefore control what content they can access;
2. significantly reduce the risk of harmful content being spread because accountability and liability rests with the user;
3. give users the ability to know who they are interacting with.

Point (3) is particularly helpful for law enforcement and the general reduction of social media-related crime. Scams are being perpetrated because users do not know who they are dealing with. Children are being abused by attackers who are deceiving them as to their identity. Violent extremists are spreading material without being fear of being caught or fear of consequences.

These are all problems raging out of control when they could be stopped with the introduction of legislation forcing mandatory profile verification.

Media.com is doing its part

The Media.com network is being rolled out in 2H 2024. We have waitlisted users from over 130 countries who will be invited to be verified prior to being able to post content on Media.com.

Users are provided with a suite of tools to post text, video and audio content, respond to misinformation, publish media releases, statements, insights, read news, watch videos, listen to podcasts and stream movies.

Media.com is excited to play a pivotal role in the future of media.

If we can be of assistance with the Inquiry please let us know.

Media.com

Sincerely,

James Mawhinney
Founder & CEO

Garren Hamilton
VP of Trust & Safety

Christy Grace Provines
Global Head of Brand