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*Friday, 16 June 2017*

Committee Secretary – Select Committee on the Future of Public Interest Journalism  
Department of the Senate  
PO Box 6100, Parliament House  
CANBERRA ACT 2600  
AUSTRALIA

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Dear Committee Secretary,

Thank you for the opportunity to provide a written submission on the important issue of the future of public interest journalism.

Facebook's mission is to make the world more open and connected, and we are honoured that there are 15 million Australians each month who connect and share on our service. Whether it's the Australian Prime Minister going Live to launch the Invictus Games with Australian Defence Force athletes<sup>1</sup> or the Queensland business Cool Cabanas using our service to grow internationally,<sup>2</sup> we are humbled by the many and diverse ways that Australians use our services to connect and share about the issues that matter to them, and the many ways that Australian businesses use our services to connect with customers. We also note that many members of this Committee also make use of our platform to engage with the public.

In the past decade, we have seen a significant and consumer-driven trend towards the adoption of mobile technology, led predominantly by the uptake of smartphones. The adoption of mobile technology has been more rapid than that of other communications technologies<sup>3</sup> and led to profound changes in how people obtain information and communicate. We have also experienced this trend on our services – in Australia, 14 million of the 15 million people who connect and share on Facebook use a mobile device to do so. This trend has forced organisations to respond by developing mobile-ready content, products and services. We have also seen some leading local examples of Australian companies adopting a mobile-first approach – such as Domain, whose CEO Antony Catalano has been quoted saying: “Our strategy has allowed us to reach and convert a whole new generation who put mobile and social at the centre of their media consumption. We are not

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<sup>1</sup> See <https://www.facebook.com/malcolmturnbull/videos/10155478883201579/>

<sup>2</sup> See Andrea Beattie 'How Facebook Can Help SMEs Grow An International Audience' *Huffington Post Australia* (18 October 2016) [http://www.huffingtonpost.com.au/2016/10/17/how-facebook-can-help-smes-grow-an-international-audience\\_a\\_21478989/](http://www.huffingtonpost.com.au/2016/10/17/how-facebook-can-help-smes-grow-an-international-audience_a_21478989/)

<sup>3</sup> See Rita McGrath, 'The Pace of Technology Adoption is Speeding Up' *Harvard Business Review* (25 November 13) <https://hbr.org/2013/11/the-pace-of-technology-adoption-is-speeding-up>

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only leading the country in social media for property, but we are world leaders in mobile and social execution for property seekers.”<sup>4</sup>

As this Committee recognised by forming this Inquiry, technology has had a transformative impact on the reach and distribution of information, including news, around the world. The ease by which individuals and organisations can now share information online means that there is a much richer ecosystem of news for Australians, and it means that this news can reach a much broader group of people – at a fraction of the cost of distribution than it once did. Community leaders are able to share and promote information at the community and neighbourhood level immediately, longstanding news organisations are able to expand and reach new audiences at minimal additional cost, and enterprising new media companies have begun to emerge that leverage the distribution and scale advantages of the Internet. You have recently heard directly from some of these new entities, including BuzzFeed and Huffington Post. Facebook, as an online platform, has been part of this broader trend of the democratisation of information and news.

The Internet also gives everyone the potential to act like a publisher and/or journalist. With just a few clicks, anyone with a smartphone can capture and share breaking news or participate in newsworthy conversations. Against this backdrop, it is more important than ever for all players in the news ecosystem not only to harness this tremendous power to share information that may help inform local communities, but also to work toward promoting greater news and media literacy to help the Australian public to parse and evaluate the veracity of what they read online.

On Facebook, the types of content and information that is shared is diverse – whether it is people sending messages to their friends and family to organise the next time they meet up, share snaps from their latest holiday, or chat about their favourite sports team, people use Facebook to connect and share about the things that matter to them. For example, more than 100 million people on Facebook are members of meaningful groups, like parenting<sup>5</sup> health support groups. For example, the Affected by Addiction Support Group<sup>6</sup> is a group that provides a safe space for people who are experiencing or recovering from drug and alcohol addiction, as well as their friends and family, to offer support and share stories.

While Facebook is first and foremost a technology company that has built a platform for people to connect with each other, we take very seriously our role in the news ecosystem in helping people gather information about what is going on in the world around them. As our Chief Executive Officer Mark Zuckerberg recently outlined – at Facebook, one of the things we are working towards, is to

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<sup>4</sup> See Lindsay Bennett ‘Domain CEO lashes out at ‘copycat’ rival REA’ *AdNews* (30 november 2016) <http://www.adnews.com.au/news/domain-ceo-lashes-out-at-copycat-rival-rea>

<sup>5</sup> See Krista Summers ‘When Your Village is a Facebook Mum’s Group’ *Scary Mummy* <http://www.scarymummy.com/village-is-facebook-moms-group/>

<sup>6</sup> See <https://www.facebook.com/groups/AddictionUnscriptedSupport/>

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build an informed community that exposes us to new ideas and builds common understanding in a world where every person has a voice. Specifically, Mark noted that:

*“A strong news industry is also critical to building an informed community. Giving people a voice is not enough without having people dedicated to uncovering new information and analysing it. There is more we must do to support the news industry to make sure this vital social function is sustainable – from growing local news, to developing formats best suited to mobile devices, to improving the range of business models news organisations rely on.”<sup>7</sup>*

To this end, we work with our partners in the news industry to find ways for journalism and news to flourish on our platform – whether it is by providing advice and training on best practice on our services through our Facebook for Journalism project; developing new tools to assist publishers to monetise and distribute their content more effectively, such as through video monetisation and Instant Articles; or through initiatives to build a more informed community such as the News Integrity Initiative and First Draft Coalition, among others. Facebook is a distribution platform for publishers – a way for people anywhere to read or watch the work of journalists and media organisations, and we are working to establish stronger ties between Facebook and the news industry to ensure that we are a collaborative and transparent partner to journalists.

Before turning to some of the issues raised in the Terms of Reference, we thought it may be helpful to provide some background information about Facebook and the nature of the content that is shared on our services, particularly by Australians.

### ***Australians on Facebook***

Australians engage on Facebook primarily because they wish to connect with friends and family, and to share personal stories and information with each other in the form of messages, photos, and videos. In some instances, Facebook is used by community groups to come together around causes and issues that matter to them. For example, the Adelaide Wedding Connections Facebook Group that raised money for the wedding of a couple, one of whom was suffering brain cancer.<sup>8</sup>

Connecting with friends and family has been at the core of our platform since its inception, and continues to be the most important reason why people go to Facebook. Around the world, 1.94 billion people connect and share regularly on Facebook.

In recent years, people have also begun to connect with organisations, publications, and influencers

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<sup>7</sup> See <https://www.facebook.com/notes/mark-zuckerberg/building-global-community/10154544292806634>

<sup>8</sup> See Roxanne Wilson, 'Facebook group Adelaide Wedding Connections raises money to help brain cancer sufferer Peter Williams marry his sweetheart Emma Everett' *Adelaide Now* (2 June 2017) <http://www.adelaidenow.com.au/news/south-australia/after-a-facebook-group-adelaide-wedding-connections-raises-money-to-help-brain-cancer-sufferer-peter-williams-marry-his-sweetheart-emma-everett/news-story/3e2f3c7f3f1d56edd462573db806451f>

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on Facebook, including Members of Parliament and Senators, other public leaders, government departments, small businesses, and also media and news outlets.

Globally, over 70 million businesses are now using Facebook Pages, and more than 182 million people on Facebook are connected to the Facebook Page of a business in Australia. Specifically in Australia, we have also seen rapid growth in women-owned small business Pages on Facebook – an increase of 36 per cent between 2015 and 2016. One example of this is BirdsNest, an online retailer lead by Jane Cay, which uses Facebook to connect with customers and grow their business.<sup>9</sup>

There are also over 187 Facebook Pages managed by Australian Government agencies, with well over 12 million fans of federal government pages in total. The largest of these is Tourism Australia with more than 7 million fans who regularly enjoy images and videos showcasing the beauty of Australia and the unique flora and fauna of this country.<sup>10</sup>

In addition, many media organisations have Facebook Pages and many Australians share news-related content with their friends and family. While Facebook was not originally conceived for news content, people do use the platform to share news articles and videos with friends and family, and for news organisations that choose to make their content available online, this has significantly increased the potential audience size for news at the local, national and international levels.

Relevant to the Terms of Reference, in this submission, we wanted to provide the Committee with some information about our News Feed product; the initiatives we are undertaking to strengthen the news ecosystem and build a more informed community; the new products that we have been developing to help publishers grow their audience and monetise their content; and also our work to promote authentic communications and reduce the distribution of false news.

### ***Facebook News Feed: Delivering the Stories That Matter to Australians***

One of the ways that people use Facebook is by spending time engaging with stories and information via our News Feed product. News Feed is a personalised stream of stories, recommendations and news from the people, news sources, artists and businesses that a person chooses to follow on Facebook.

People on Facebook build their own News Feeds by connecting to the people and organisations they find most meaningful to them. Most of the stories that people find in their News Feed consist of updates, photos and videos from friends and family. A smaller amount of stories come from organisations and public figures that people choose to connect with on Facebook.

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<sup>9</sup> See Fashion Initiative 'Fashion Industry Profile: Jane Cay, Founder of BirdsNest' (6 October 2015) <https://fashioninitiative.com.au/fashion/fashion-industry-profile-jane-cay-founder-of-birdsnest/>

<sup>10</sup> See <https://www.facebook.com/SeeAustralia/>

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In our continued efforts to be transparent about how News Feed works, we publish regular updates to our News Feed FYI blog<sup>11</sup> and we have published the values we use to build News Feed. These values guide our thinking when improving News Feed,<sup>12</sup> and provide insight in to what we optimise for when ranking feed. The News Feed values are:

- Friends and family come first
- After that, your feed should inform, and your feed should entertain
- News Feed is for all ideas
- The strength of our community depends on authentic communication
- You control your experience
- Constant iteration

Our goal is to show people the stories that matter to them, so we order stories based on how interesting we believe they are to each person specifically. On average there are 1,500 potential stories for each person to see every time they visit Facebook. News Feed shows the most important stories first. This doesn't mean people see *only* the content that Facebook ranks as most relevant for them. Rather, every photo, status update, video, and shared link a person's friends shares is viewable in News Feed – people just need to scroll down to see it. However, we order the content in the way we think most relevant to each person's interests.

We know we do not always rank the stories in News Feed perfectly, and ultimately each individual person is the only one who truly knows what is meaningful to them, so we are always trying to improve and we provide tools for people to actively shape their own experience. For example, people can prioritise content from specific friends or Pages that they follow, ensuring that they always see specific content first in their News Feed<sup>13</sup>. Late last year, we also announced a new tool – News Feed Preferences<sup>14</sup> - and we are continuing to work on more powerful ways for people to control what they see in News Feed. We also survey approximately 10,000 people about News Feed every week to learn where we can improve.

### ***Promoting an Information Community: Strengthening the News Ecosystem***

To help people make more informed decisions about what they read online, we are working with many different industries, academic and not-for-profit partners to build an informed community that exposes us to new ideas and builds common understanding in a world where every person has a voice.

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<sup>11</sup> See <https://newsroom.fb.com/news/category/news-feed-fyi/>

<sup>12</sup> See <https://newsroom.fb.com/news/2016/06/building-a-better-news-feed-for-you/>

<sup>13</sup> See <https://www.facebook.com/help/1188278037864643>

<sup>14</sup> See <https://www.facebook.com/help/371675846332829>

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To achieve this, we have undertaken several recent initiatives that focus on giving training and tools for journalists, and training and tools for the public, so that we can work with all relevant stakeholders to build more informed communities. Some of these are:

- **The Facebook Journalism Project:** a project that builds on our commitment to collaborating with news organisations and helping people get better information so they can make smart choices about what they read. The project consists of a new program to establish stronger ties between Facebook and the news industry. We are collaborating with news organisations to develop products, learning from journalists about ways we can be a better partner, and working with publishers and educators on how we can equip people with the knowledge they need to be informed readers in the digital age.<sup>15</sup>
- **News Literacy to Build Informed Communities:** in June 2017, we hosted a workshop in partnership with Hong Kong University where we brought together 40 media literacy experts from around the Asia-Pacific region, including the representatives of the Walkley Foundation, Huffington Post Australia, the University of Technology Sydney and the University of Melbourne, to identify tangible ways in which we can work together to build more informed communities.<sup>16</sup> The purpose of the workshop was to identify tangible projects that can contribute to informed communities, one of which will be led by the University of Technology Sydney's School of Communications and will be focused on identifying and understanding audience trust in news in Australia with research on the topic of *'Falling in love again - what will it take for audiences to trust newsmakers again?'*<sup>17</sup>
- **The News Integrity Initiative:** this is a global consortium of which we are a founding member together with the Walkley Foundation, focused on helping people make informed judgments about the news they read and share online. This is a \$14 million fund for applied research and projects, joining more than 25 international funders and participants including tech industry leaders, academic institutions, non-profits, advertising and public relations companies, and other organisations.<sup>18</sup>
- **First Draft Coalition:** we are a member of the First Draft Partner Network, a coalition of platforms and 80+ publishers, including several in the Asia-Pacific region, that work together to provide practical and ethical guidance on how to find, verify and publish content sourced from the social web. We recently held a First Draft event in our Sydney office on "The Ethics of Facebook Live in the newsroom – learning's from First Draft research about the use of the Philando Castile video by newsrooms."<sup>19</sup>
- **"False news! Is digital news making us more or less informed" debate:** together with the Online News Association we hosted a debate in Sydney to discuss false news, how it arises, what

<sup>15</sup> See <https://media.fb.com/2017/01/11/facebook-journalism-project/>

<sup>16</sup> See <https://newsroom.fb.com/news/h/facebook-brings-together-experts-to-address-news-literacy-in-asia-pacific/>

<sup>17</sup> See <https://media.fb.com/2017/06/15/asia-pacific-news-literacy-group-identifies-first-round-of-projects-to-fund-under-facebook-journalism-project/?shareadraft=5943005d97adc>

<sup>18</sup> See <https://www.journalism.cuny.edu/2017/04/announcing-the-new-integrity-initiative/>

<sup>19</sup> See <https://firstdraftnews.com/about/>

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online platforms such as Facebook are doing to address it (outlined above) and how journalists can balance the desire to be first with the importance of being right<sup>20</sup>.

### ***Facebook News Products: Helping Grow Publishers' Audiences and Monetise Content***

Facebook remains true to its original vision: we provide a place for friends and family to connect with each other and to share what matters most to them. We are excited that, in recent years, people are also connecting with public figures and organisations on Facebook, including news publishers.

To assist newsrooms in sourcing and measuring the impact of their work, earlier this year, we made a tool called CrowdTangle freely available<sup>21</sup>. This tool helps newsrooms to help surface stories, measure their social performance, and identify influencers.

In Australia, we work with and partner with local media organisations to provide information about best practice strategies to maximise their audience and briefings about the latest tools and products. We also partnered with Fairfax last year on the initiative: "Our Leaders: Election 2016" – a moving portrait series that captured different reactions by our political leaders in the lead-up to the 2016 Federal Election at nine (9) frames per second by Walkley Award-winning Fairfax Media photographer Nic Walker. In addition to being shared on the Fairfax Instagram accounts, they were featured on the front page of The Sydney Morning Herald and The Age in the lead up to Election Day and also in large video installations in Martin Place in Sydney and Federation Square in Melbourne on the eve of the election.<sup>22</sup>

Through our Facebook for Journalism project<sup>23</sup> we are working to establish stronger ties between Facebook and the news industry. One aspect of this program is the collaborative development of news products, for example: new storytelling formats, local news and emerging business models.

We believe that people connecting with news organisations on Facebook can be a significant opportunity for news publishers of all sizes, who are able to leverage the Facebook community to reach a vast audience in new ways - and to partner with Facebook to develop and refine products that help them monetise this opportunity.

We are committed to developing sustainable monetisation models to help our publishing partners build their businesses both on and off Facebook. Monetisation isn't a one-size-fits-all proposition. Different partners use different storytelling formats and rely on different business models, so we

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<sup>20</sup> See [https://www.dropbox.com/s/gtx93xm2rkf3jnu/ONA\\_Breakfast\\_Briefing.mp4?dl=0](https://www.dropbox.com/s/gtx93xm2rkf3jnu/ONA_Breakfast_Briefing.mp4?dl=0)

<sup>21</sup> See <https://www.crowdtangle.com/free-announcement>

<sup>22</sup> See Johnny Lieu 'Stunning moving portraits show human side of Australian politicians' *Mashable* (29 June 2016) <http://mashable.com/2016/06/29/australian-politicians-moving-portraits/#AFpUHNLTGSqK>

<sup>23</sup> See <https://media.fb.com/2017/01/11/facebook-journalism-project/>



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are building a range of solutions to meet the needs of our diverse partner ecosystem. Some of the products we've rolled out so far include branded content, ad breaks in videos, and ads in Instant Articles.

Through our branded content tool, it is easy for publishers and influencers to tag a marketer when they publish branded content. For brands and businesses, the tool introduces transparency and allows them to better understand how their marketing initiatives are performing across Facebook. Additionally, marketers can leverage branded content creative for ads and actively engage in sponsorships to ensure their campaigns are useful, interesting, and entertaining to their target audiences<sup>24</sup>.

We are also working to help our partners' monetise their premium video content, both on Facebook and on their own websites and apps. Eligible publishers can now make money from in-stream video ads on their own websites and apps and we have expanded our beta test of Ad Breaks in Facebook Live, and we are testing Ad Breaks in on-demand video on Facebook<sup>25</sup>.

And we designed Instant Articles to give publishers control over their stories, brand experience and monetisation opportunities. As more people get their news on mobile devices, we want to make the experience faster and richer on Facebook. When people share news articles from websites, to date, these stories take an average of eight seconds to load, by far the slowest single content type on Facebook. Instant Articles makes the reading experience as much as ten times faster than standard mobile web articles. Along with a faster experience, Instant Articles introduces a suite of interactive features that allow publishers to bring their stories to life in new ways, and publishers can sell ads in their articles and keep the revenue, or they can choose to use Facebook's Audience Network to monetise unsold inventory. Publishers also have the ability to track data and traffic through comScore and other analytics tools.

We recently added more flexibility and control in Instant Articles for publishers to place ads more frequently when they think that it is the right move for their audience and content. This was in response to feedback we heard through our Facebook for Journalism roundtables with publishers. Publishers told us that different ads experiences, particularly the number of ads in an article, may be right for different audiences or pieces of content. To allow publishers to better customise ads experiences at the article level, we made improvements to our Automatic Ads Placement feature and introducing flexibility so that ads can be placed more frequently in articles, now up to every 250 words (previously every 350 words). Publishers can place ads manually within the article or choose between three options for automatic placement: ads every 250, 350 or 500 words<sup>26</sup>.

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<sup>24</sup> See <https://media.fb.com/2016/04/08/updates-to-our-branded-content-policy/>

<sup>25</sup> See <https://media.fb.com/2017/02/23/update-on-video-monetisation/>

<sup>26</sup> See <https://media.fb.com/2015/05/12/instantarticles/>



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And finally, many of our partners are focused on growing their subscription funnel, and we've already begun exploring ways we can support these efforts. Earlier this year our engineering team in collaboration with the engineering team of the German news organisation BILD will launch a test to explore offering free trials to engaged readers, right from within Instant Articles.

### ***Authentic Communications: Maintaining the Integrity of Online Content***

The strength of our community depends on authentic communication. We are not in the business of picking which issues the world should read about. We are in the business of connecting people and ideas – and matching people with the stories they find most meaningful.

The integrity of our service depends on being inclusive of all perspectives and view points, and using ranking to connect people with the stories and sources they find the most meaningful and engaging. That said, we undertake a wide range of measures to promote authentic communications on our services and reduce the distribution of false news. Specifically, our work to promote authentic communications includes:

- *disrupting economic incentives*, because most false news is financially motivated;
- *building new products* to curb the spread of false news and show less stories that are *misleading, sensational or spammy*; and
- *helping people make more informed decisions*.

In terms of disrupting the economic incentives, we believe one of the most effective approaches is removing the economic incentives for traffickers of misinformation. We have found that a lot of fake news is financially motivated. Spammers make money by masquerading as legitimate news publishers, and posting hoaxes that get people to visit to their sites, which are often mostly ads. Some of the steps we're taking include:

- Applying machine learning to assist our response teams in detecting fraud and enforcing our policies against inauthentic spam accounts,
- Updating our detection of fake accounts on Facebook, which makes spamming at scale much harder.<sup>27</sup>

With these changes, we expect we will reduce the spread of material generated through inauthentic activity, including spam, misinformation, or other deceptive content that is often shared by creators of fake accounts.

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<sup>27</sup> See <https://www.facebook.com/notes/facebook-security/improvements-in-protecting-the-integrity-of-activity-on-facebook/10154323366590766/>

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We are also building, testing, and iterating on new products to limit the spread of false news and help people find a more diverse range of topics, news stories, and viewpoints on Facebook. This helps connect people to more diverse information and lays the cornerstone of a more informed community. For example, we are testing several ways to make it easier to report a story you think might be false if you see one on Facebook, which you can do by clicking the upper right hand corner of a post.

We are also working to reduce click bait. People tell us they do not like stories that are misleading, sensational or spammy. That includes click bait headlines that are designed to get attention and lure visitors into clicking on a link. Last year, we made an update to News Feed<sup>28</sup> to reduce stories from sources that consistently post click bait headlines that withhold and exaggerate information. We recently made three updates<sup>29</sup> that build on this work so that people will see even fewer click bait stories in their feeds, and more of the stories they find authentic.

In addition, we are testing an extension of our Related Articles feature that we launched in 2013<sup>30</sup> to help people discover new articles they may find interesting about the same topic. Related articles appear in News Feed after people read an article. We are now beginning to test Related Articles that might appear before you read an article shared in News Feed. These additional articles, which appear for topics many people are talking about on Facebook, will appear in a unit below the link. That should provide people easier access to additional perspectives and information, including articles by third-party fact-checkers.

We would like to thank the Committee for the opportunity to provide more details on how Australians engage on Facebook, how we are working to grow the reach of publishers and help them monetise content, and also how we promote authentic communications and informed communities.

Please let us know if you have any questions.

Kind regards,

**Mia Garlick**  
Director of Policy, Australia & New Zealand

**Ainé Kerr**  
Head of Journalism Partnerships

<sup>28</sup> See <https://newsroom.fb.com/news/2016/08/news-feed-fyi-further-reducing-clickbait-in-feed/>

<sup>29</sup> See <https://newsroom.fb.com/news/2017/05/news-feed-fyi-new-updates-to-reduce-clickbait-headlines/>

<sup>30</sup> See <https://newsroom.fb.com/news/2013/12/news-feed-fyi-helping-you-find-more-news-to-talk-about/>