**Submission to the Inquiry into the Influence of International Digital Platforms**
**March 2023**

## Executive Summary

Digital technologies have brought considerable benefits to the world. As just a simple example, when the COVID-19 pandemic forced Australia into lockdown, Australian libraries were able to continue to serve their communities, providing access to bestselling ebooks and audiobooks, academic journals and eresources, and Australian history. Platforms such as Trove, which acts as a portal to collections across the country, from national institutions to small public libraries, have used digital technologies to preserve and enrich our cultural heritage, harnessing the contributions of volunteers and supporters across the country.

Digital platforms with a monopoly or significant market share, however, are restricting libraries' ability to purchase and use eresources. This directly affects the ability of libraries to do their job, as well as the livelihoods of Australian creators, and the privacy and amenity of library patrons. In addition, the increasingly complex information landscape and influence of misinformation increases library workloads in supporting literacy and learning, especially in the realm of media literacy. With the increase in consumer-facing AI, significant action from the government is needed to support libraries and other institutions as they work to improve information and media literacy in the population.

To address these challenges, ALIA and NSLA recommend:
- Increased measures to protect libraries, artists and consumers when dealing with monopolistic or monopsonic corporations.
- Action to ensure that libraries can continue to collect the national historical record.
- Increased transparency from digital platforms.
- The development of a National Strategy for Media Literacy and further support for libraries providing media literacy support to the community.

Responses to select consultation questions and more detailed recommendations are contained in the discussion below.

**About ALIA**
The Australian Library and Information Association is both the peak body and professional association for the Australian library and information sector. Representing public, school, TAFE, university, health, law, government and other special libraries and information services we are committed to enabling access to information, knowledge and culture, and supporting literacy, information literacy and learning.

**About NSLA**

National and State Libraries Australasia (NSLA) is the representative body for the national, state and territory libraries of Australia and New Zealand. We share ideas and expertise, delivering projects that generate value at a national level and can best be accomplished by collaboration. Our priorities are in shared digital systems, strengthening community identity, and building cultural and intellectual capital.

## Market Concentration

Libraries are essential services, providing access to information, knowledge and culture, supporting literacy and learning and preserving the human record. From Perth to Parramatta, from Wagga Wagga to Weipa, they support local communities, universities, schools, TAFEs, government departments and other specialised services. Whether it is providing research support, digital skills workshops for seniors, or preserving local memory, libraries work towards more literate, informed and connected Australian communities.

Collections are at the core of a library. Libraries are significant purchasers of legal content, both print and eresources. The move to digital content has led to challenges for libraries, including the lack of control over licensed materials, concerns over data collection and use by vendors and monopoly suppliers that refuse to allow libraries to purchase materials at any price.

An example of monopoly suppliers refusing to allow library purchase is Amazon's approach to ebooks and libraries. As far back as 2019 the American Library Association (ALA) was testifying to the US Congress about the impact that Amazon's refusal to allow libraries to purchase or license their ebooks was having.[1] As authors are bound to exclusive publishing deals, when a platform such as Amazon refuses to license to libraries those books are not available to the wider public through the library service, cutting off equitable access to these resources. Unlike physical books, there are no alternative sellers for libraries if a monopolistic platform will not negotiate. The library cannot buy from another supplier, or purchase second hand materials. The community simply has no access.

This is the case even if authors themselves support libraries buying their books.[2] With the recent extension to lending rights to cover ebooks and audiobooks, when a platform decides not to allow libraries to license ebooks, they are also deciding to cut Australian authors out of additional lending right payments.

At the same time, there is significant evidence that monopolistic and monopsonist platforms such as Amazon drive down author incomes. In their recent book *Chokepoint Capitalism* Canadian author Cory Doctorow and Australian Professor Rebecca Giblin expose a series of examples of these practices and their impact on authors. One vivid example is that of

---

[1] American Library Association (2019) *Before the U.S. House of Representatives Committee on the Judiciary, Competition in Digital Matters*. https://www.ala.org/news/sites/ala.org.news/files/content/mediapresscenter/CompetitionDigitalMarkets.pdf

[2] Nick Statt (2021) *Amazon withholds its ebooks from libraries because it prefers you pay it instead*, The Verge. https://www.theverge.com/2021/3/10/22323434/amazon-publishing-library-lending-access-refuse-overdrive-libby

*Audible*, Amazon's audiobook arm. Doctorow and Giblin explore the practice of Amazon encouraging readers to "return" audiobooks for full returns, even if those audiobooks had been listened to from beginning to end, and for up to a year after purchase. When an audiobook was "returned" the author had to pay back the money from the original sale. In essence Amazon was giving customers a library-like experience, however unlike a library which pays for content, this model was being financed from authors' meagre incomes.[3]

Doctorow and Giblin note that this practice was revealed in October 2020, when a glitch meant that 3 weeks of return data was released to authors, allowing them to see the amounts that were being recouped. Until this mistake, authors and their agents were in the dark about this practice and how their payments were calculated.[4] Doctorow and Giblin agree that increased transparency, including disallowing provisions that stop authors sharing their financial statements with others, and prohibiting non-disclosure agreements when underpayments have been rectified, would improve matters. The ability to request joint or independent audits with publicly available information would also help address the information disparity and subsequent use of market power to the detriment of sole traders.

Overseas based platforms are sometimes unwilling to comply with local laws. Libraries have reported issues with legal deposit requirements, a legal requirement for publishers to deposit a copy of materials published in the jurisdiction to the relevant collecting institution. The refusal by some platforms to accept they are a publisher has meant that the responsibility is increasingly falling to authors themselves, with no support from the publisher. Libraries report concerned authors contacting them, worried that in meeting their legal obligations to deposit their works they would be breaching their terms and conditions with the platform/publisher. Some authors have not deposited their works. This in turn means that libraries are no longer able to collect the full range of Australian documentary heritage.

Similarly challenges arise in securing contemporary collections from digital platforms. Nowadays much of the public discourse happens though social media – from Twitter to TikTok. There are substantial challenges to libraries in collecting materials from social media, including collecting significant historical events such as elections or natural disasters. Twitter's recent decision to discontinue free research access to its API is just the tip of the iceberg for the challenges of digital collection and preservation, but is indicative of the way that Australia's cultural memory is increasingly dependant on the whims of international platforms.

A significant concern is the ability of large platforms to unilaterally change terms, conditions and even business structures. As with many community organisations and small businesses, libraries rely on social media to reach communities. When platforms make changes to settings or algorithms this has significant impacts, sometimes cutting reach and engagement from previously vibrant community spaces. This can immediately reduce the value of online communities that have been the product of significant investment. Alternatively unilateral changes to terms and conditions can reduce privacy or require additional information from library users in order to interact with library accounts or used library services. Twitter's recent

[3] Cory Doctorow & Rebecca Giblin (2022) *Chokepoint Capitalism: How Big Tech and Big Content Captured Creative Labor Markets and How We'll Win Them Back*. Scribe Publications.

[4] Colleen Cross (2021) *How Audiobook Authors and Narrators are Paid by Audible-ACX. We think*. Alliance of Independent Authors. https://selfpublishingadvice.org/how-audiobook-authors-are-paid-by-audible-acx/

decision to stop free use of two factor SMS authentication, placing users at greater risk of being hacked, is an example of how quickly base service levels can change and leave libraries or library users exposed.[5]

There is no recourse against changes, libraries are not able to opt in or out, and cannot simply leave the platforms as these are the places where their communities are, or the only options for delivering services. The power imbalance and monopolistic position of digital platforms means that protections over and above freedom of contract are required, and minimum levels of service and protection should be required in service provision.

### *Response to consultation questions*

**Question 1:** What impact does the market power of big tech companies have on the economy, society and small businesses?

As above, vertically integrated platforms are capable of wielding significant power over both purchasers and sellers. In the example of Amazon's Audible it is clear how this can lead to reduced consumer welfare as access is restricted through public institutions and reduced income for authors and creatives.

**Question 2:** What regulatory measures could be put in place to address the adverse impact of big tech companies? What other non-regulatory interventions could governments take to reduce the market power of big tech companies?

ALIA and NSLA make the following three recommendations, and additional relevant recommendations under "Algorithmic Transparency" below:

**Recommendation:** That steps are taken to ensure that digital platforms holding a monopoly market position cannot use this to discriminate against specific purchaser groups, such as libraries.

**Recommendation:** That increased transparency for purchasers and sellers is mandated for digital platforms with either monopoly or monopsony positions.

**Recommendation:** That the government work with libraries and other cultural institution to ensure digital platforms are actively contributing to the national record, including through legal deposit and assisting collection of contemporary sources.

**Recommendation:** That certain base services standards are required from platforms with monopoly or significant market share, in recognition of the dependence of users and lack of viable options to leave the platforms entirely.

## The Cloud

Libraries and information services make considerable use of cloud services, and with the significant increase in born digital and digitised collections, cloud storage needs are

---

[5] Kathy Nickels (2023) *Facebook and Instagram to trial paid verification in Australia as Twitter charges for two-factor SMS authentication*. https://www.admscentre.org.au/facebook-and-instagram-to-trial-paid-verification-in-australia-as-twitter-charges-for-two-factor-sms-authentication/

anticipated to grow steadily over the coming years. Libraries lending licensed eresources also make use of cloud infrastructure through vendors.

Issues of privacy, security and regulatory compliance are important for libraries. While libraries do due diligence in matching offers from cloud providers to specifications, they are not able to actively monitor compliance. Some level of national oversight may be beneficial in areas where it is difficult or impossible for consumers to check compliance.

Libraries are also increasingly required to report against environmental benchmarks. Cloud computing can be a significant source of carbon emissions; however there is no requirement for estimations of carbon usage to be made. Additional transparency as to the environmental impact of the use of cloud services would be helpful.

*Consultation questions*

**Question 3:** Would government regulation increase confidence in cloud services and provide greater clarity on accountability and have an impact on the benefits this technology?

ALIA and NSLA note that further regulatory or compliance oversight may be useful, as well as increased transparency as to environmental impact.

**Question 5:** What can be done to promote competition in the cloud space rather than attempt some form of protection in this market?

While ALIA and NSLA do not have an answer as to the best way to promote competition, as large users of cloud services, ongoing competition in the market that supports different business models, offerings, service levels and prices is important for long-term sustainability of library services.

## Big Tech Misinformation and Algorithmic Transparency

The ease with which people can now access news and social networks has also seen a proliferation of mis-, dis- and mal-information presented to Australians. This is particularly problematic when this material reaches those who have not been taught media and information literacy skills necessary to navigate the changed information ecosystem. From Twitter bots to chain Facebook posts, the volume of misinformation can be overwhelming.

The rise of generative AI brings another challenge. Generative AI will introduce significant efficiencies and advances. It also is almost inevitably going to increase the amount of "bullshit" found online.[6] As multiple commentators have noted over the years, the primary differential between bullshit and a lie is that someone who lies knows the truth and choses to conceal it, whereas bullshit is characterised by a disinterest in whether something is true or not. Generative AI by its nature is not directed towards finding "truth" or "accuracy". And there is a significant risk that as the internet is populated by AI-generated content that this

---

[6] Robert Sparrow, Julian Koplin & Gene Flenady (2023) *Generative AI is dangerous — but not for the reasons you might think*, ABC Religion & Ethics. https://www.abc.net.au/religion/why-generative-ai-like-chatgpt-is-bullshit/102010238

will become a self-referencing spiral as early mistakes are fed back into training data and reinforced.

Libraries play a critical role in media and information literacy, giving people the tools they need to be able to navigate the information systems in their lives and to locate, assess and use media. Both ALIA and NSLA are founding members of the Australian Media Literacy Alliance, which works towards building a media literate society.

A recent study of library staff undertaken by the University of Canberra for ALIA found that some of the most common activities that library patrons asked for help with included finding information online, general internet use, and using digital devices. Around three quarters of respondents stated that schools (secondary and senior) and public libraries are responsible for providing media literacy education.[7]

The need for media literacy is stark. The Adult Media Literacy in Australia: Attitudes, Experiences and Needs (2021) report states that, alarmingly, 61% of Australians don't feel confident they can take steps to identify misinformation and just over three quarters of adult Australians are unfamiliar with the term 'media literacy'. Only 22% of Australians felt they had received media literacy education at school, and adults aged more than 55 years, from regional areas, with low incomes, with a disability or with low levels of literacy were more likely to have low media literacy skills.[8]

As we see with the arrival of generative AI, media literacy is a lifelong skill; it has to be continually updated and refreshed, it can't be taught once at school and then forgotten. Challenges around bias and ethics, as well as transparency, will continue to grow.[9] As champions of lifelong learning, and the hub of community and organisational learning, libraries need support to ensure that library staff are up to date with the latest information, resources to support and teach, and adequate resourcing to support shifting community needs.

Increased transparency around data and processes used by platforms is another important intervention to improve people's understanding of the digital information ecosystem. Algorithmic transparency may be particularly important when applied to vertically integrated platforms. Platforms that act as producer, seller and distributor have an inbuilt incentive to promote their own products. For libraries concerned with creation of accurate, quality and local content, this is concerning. A very simple example is the way that platforms may promote international bestsellers or "homebrand" author content which is either cheaper to produce or in which they get a larger profit margin, over Australian creators. Lack of algorithmic transparency means that it is not possible to see the extent to which Australian authors being disadvantaged, and consumers are often unaware that the results that they see are the result of priorities and decisions made to maximise profits.

---

[7] Currently unpublished but can be provided to the committee in advance of publication.

[8] Tanya Notley, Simon Chambers, Sora Park & Michael Dezuanni (2021) *Adult Media Literacy in Australia: Attitudes, Experiences and Needs*, Western Sydney University, Queensland University of Technology and University of Canberra. https://westernsydney.edu.au/__data/assets/pdf_file/0007/1824640/Australian_adult_media_literacy_report_2021.pdf

[9] Fiona Bradley (2023) *AI and the future of information literacy and information ethics.* https://www.fionabradley.com/posts/ai-future-information-literacy-information-ethics/

*Consultation Question*

*Algorithmic Transparency*

**Question 1:** Akin to the Federal Trade Commission in the US, should an oversight body be established in Australia to undertake similar regulatory activities?

ALIA and NSLA support increased transparency requirements for platforms, in favour of both consumers and researchers, and suggest that the Committee consider ways that data sharing for research can be increased in a way that still protects individual privacy. The recent submission from the ARC Centre of Excellence for Automated Decision-Making and Society is illustrative on these points.[10] ALIA and NSLA do not have a preference for whether the new or existing body is tasked with this.

**Recommendation:** That measures to increase transparency to consumers and researchers are implemented.

*Consultation Questions*

*Big Tech Misinformation*

**Question 1:** Is the current regulatory framework governing disinformation and misinformation meeting community expectations and industry? Does is appropriately balance concerns about misinformation with freedom of expression?

ALIA and NSLA support appropriate regulation in this area, noting the challenges with protecting freedom of expression and reduction in misinformation. ALIA and NSLA consider greater transparency, including to researchers, would be beneficial in understanding and addressing misinformation, especially as the business models adapt to new technologies such as generative AI.

No matter how successful the above measures are, they must be complemented by robust media and information literacy amongst the Australian population. Support for lifelong media literacy learning should be a priority for the Australian Government.

**Recommendation:** That the Australian Government work with the Australian Media Literacy Alliance to develop and implement a National Media Literacy Strategy.

**Recommendation:** That the Australian Government work with ALIA and NSLA to provide targeted support for library staff and educators dealing with the impact of new technologies on media and information literacy, alongside resources to support community media literacy.

**List of recommendations**

1. That steps are taken to ensure that digital platforms holding a monopoly market position cannot use this to discriminate against specific purchaser groups, such as libraries.

---

[10] ARC Centre of Excellence (2022) *Submission on Automated Decision-Making and Society*. https://www.accc.gov.au/system/files/ARC%20Centre%20of%20Excellence%20on%20Automated%20Decision-Making%20and%20Society.pdf

2. That increased transparency for purchasers and sellers is mandated for digital platforms with either monopoly or monopsony positions.

3. That the government work with libraries and other cultural institution to ensure digital platforms are actively contributing to the national record, including through legal deposit and assisting collection of contemporary sources.

4. That certain base services standards are required from platforms with monopoly or significant market share, in recognition of the dependence of users and lack of viable options to leave the platforms entirely.

5. That measures to increase transparency to consumers and researchers are implemented.

6. That the Australian Government work with the Australian Media Literacy Alliance to develop and implement a National Media Literacy Strategy.

7. That the Australian Government work with ALIA and NSLA to provide targeted support for library staff and educators dealing with the impact of new technologies on media and information literacy, alongside resources to support community media literacy.