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Submission on the draft Online Safety (User Empowerment Tools) Determination 2026

November 2026

The Australian Retail Council (ARC) welcomes the opportunity to provide feedback on the draft *Online Safety (User Empowerment Tools) Determination 2026* (draft Determination). This submission should be read alongside the ARC submission to the Senate inquiry into the *Online Safety Amendment (Digital Duty of Care) Bill 2026*. We ask the Department to have regard to both submissions.

Executive Summary

ARC supports the objective of increasing user choice. However, the draft Determination risks reducing the visibility of legitimate retail content on social media and online platforms, particularly for small businesses, and leaves several key concepts undefined. ARC's key recommendations are:

1. Carefully consider the impacts of the draft Determination on the ability of retailers, particularly small retailers, to reach customers through legitimate commercial channels, including through social media platforms.
2. Provide guidance on what constitutes *advertising material*, including how sponsored, influencer, boosted and promotional content will be treated in *following-only* feeds.
3. Clarify the scope of the requirements, including which services are covered and how *following* operates.

Impacts on retailers

Recommendation systems on social media platforms play an important role in helping consumers discover businesses beyond the accounts they actively follow. Many retailers, particularly small and medium-sized businesses, rely heavily on social media platforms to reach new and wider audiences and build and grow their business.

ARC notes that, if the Determination is made, social media and age-restricted social media platforms will be required to provide user empowerment tools that allow users to control the content displayed in their feeds. While supporting consumer choice, if these tools are widely adopted, ARC is concerned that legitimate commercial content such as retailers' organic posts, promotions and brand pages could be filtered out or deprioritised. This may reduce retailers' visibility on social media platforms and weaken their ability to communicate with existing and prospective customers through channels in which they have invested and upon which they rely.

A significant shift towards following-only feeds could therefore reduce the discoverability of new brands and emerging retailers, make customer acquisition more difficult and increase reliance on paid advertising. These impacts would be felt most acutely by small businesses, which typically lack the marketing budgets needed to offset reduced organic reach.

Treatment of advertising

Many retailers rely heavily on both organic and paid content discovery through social media platforms to connect consumers with products, services and promotional offers. While ARC notes that ^6(6) of the draft Determination

allows *advertising material* within *following-only* feeds on social media platforms, *advertising material* is not defined.

The draft determination should include a definition of *advertising material*, including how sponsored, influencer, boosted posts, retailer promotional material and marketplace advertising formats are to be treated.

Scope, services covered and the operation of *following*

ARC recommends further clarity regarding the scope and operation of any future user empowerment requirements, in particular:

- the categories of online services that may be required to implement user empowerment tools;
- whether requirements will be limited to services presenting demonstrated online safety risks; and
- whether concepts such as *"following"* extend beyond user accounts to include groups, pages, subscriptions, hashtags and similar forms of user engagement.

Without this clarity, retailers will struggle to plan marketing investment and digital engagement strategies. Appropriate size-based or risk-based thresholds, or longer implementation periods, should also be considered so that obligations remain proportionate to the size, reach and risk profile of each service.

Please contact policy@retail.org.au if you have any questions about this submission.

About ARC

ARC represents the Australian retail sector. Valued at $444 billion, retail is the nation's largest private sector employer, supporting more than 1.4 million jobs, including more young Australians aged 15 to 24 years than any other industry. ARC's membership is diverse. From family-owned small and independent businesses, comprising 95 per cent of our membership, to large national and international retailers supporting communities across metropolitan and regional Australia. With more than 155,000 retail outlets nationwide and a growing online presence, the retail sector is embedded throughout the economy, playing a critical role in the supply chain of Australian businesses. ARC advocates for policies and reform that drive growth, resilience, and long-term prosperity for Australian retail and the millions who rely on it. At a time of rapid change, from technological disruption and international competition to shifting consumer behaviour and sustainability expectations, effective policy settings are critical for retailers, workers, consumers, and communities.