

Commentary 1

Title of article: Australia begins enforcing world-first teen social media ban

Source of article: Reuters

<https://www.reuters.com/legal/litigation/australia-social-media-ban-takes-effect-world-first-2025-12-09/>

Date of article: December 11, 2025

Date commentary was written: December 12, 2025

Word count of written commentary: 786

Unit of the syllabus to which the article relates: Microeconomics

Key concept being used: Economic Well-being

Australia begins enforcing world-first teen social media ban

By Byron Kaye and Renju Jose

December 11, 2025 2:34 AM GMT+8 Updated 7 hours ago

SYDNEY, Dec 10 (Reuters) - Australia on Wednesday became the first country to ban social media for children under 16, blocking access in a move welcomed by many parents and child advocates but criticised by major technology companies and free-speech advocates.

Starting at midnight (1300 GMT on Tuesday), 10 of the largest platforms including TikTok, Alphabet's YouTube and Meta's Instagram and Facebook were ordered to block children or face fines of up to A\$49.5 million (\$33 million) under the new law, which is being closely watched by regulators worldwide.

Prime Minister Anthony Albanese called it "a proud day" for families and cast the law as proof that policymakers can curb online harms that have outpaced traditional safeguards.

"This will make an enormous difference. It is one of the biggest social and cultural changes that our nation has faced," Albanese told a news conference on Wednesday.

"It's a profound reform which will continue to reverberate around the world."

READ A BOOK INSTEAD, PM TELLS YOUNGSTERS

In a video message, Albanese urged children to "start a new sport, new instrument, or read that book that has been sitting there for some time on your shelf," ahead of Australia's summer school break starting later this month.

Some of those below the cut-off age of 16 were anxious about adjusting to life without social media, but others were less concerned.

"I'm not really that emotional about it," said 14-year-old Claire Ni. "I'm kind of just, like, neutral."

Luna Dizon, 15, said she still had access to her TikTok, Instagram and Snapchat accounts, but **worried about "culture shock" once the ban took full effect.**

"I think eventually, without (social media), we'll learn how to adapt to it," she added.

TEENAGER SIGNS OFF WITH 'SEE YOU WHEN I'M 16'

While the government has said the ban would not be perfect in its operation, about 200,000 accounts were deactivated by Wednesday on TikTok alone, with "hundreds of thousands" more to be blocked in the next few days.

Many of the **estimated 1 million children affected by the legislation** also posted goodbye messages on social media.

"No more social media ... **no more contact with the rest of the world**," one teen wrote on TikTok.

"#seeyouwhenim16," said another.

Others said they would learn how to get around the ban.



[1/2] Annie Wang, 14, poses after an interview discussing Australia's social media ban for users under 16, which is scheduled to take effect on December 10, in Sydney, Australia, November 22, 2025. REUTERS/Hollie Adams [Purchase Licensing Rights](#)

< >

"It's just kind of pointless, we're just going to create new ways to get on these platforms, so what's the point," said 14-year-old Claire Ni.

BAN HAS GLOBAL IMPLICATIONS

The rollout caps a year of debate over whether any country could practically stop children from using platforms embedded in daily life, and begins a live test for governments frustrated that social media firms have been slow to implement harm-reduction measures.

"I'm happy that they want to protect kids, and I'm happy that we have a chance to see how they do it and see if we can learn from them," said European Union lawmaker Christel Schaldemose, who wants to see greater protection for the bloc's children.

Albanese's centre-left government proposed the landmark law citing research showing harms to mental health from the overuse of social media among young teens, including misinformation, bullying and harmful depictions of body image.

Several countries from Denmark to New Zealand to Malaysia have signalled they may study or emulate Australia's model.

At a school in the German city of Bonn, students spoke favourably of a ban.

"Social media is highly addictive and doesn't really have any real advantages. I mean, there are advantages, such as being able to spread your opinion, but I think the disadvantages, especially the addiction, are much worse," said 15-year-old pupil Arian Klaar.

Julie Inman Grant, the U.S.-born eSafety Commissioner who is overseeing the ban, told Reuters on Wednesday a groundswell of American parents wanted similar measures.

"I hear from the parents and the activists and everyday people in America, 'we wish we had an eSafety commissioner like you in America, we wish we had a government that was going to put tween and teen safety before technology profits,'" she said in an interview at her office in Sydney.

'NOT OUR CHOICE': X SAYS WILL COMPLY

Elon Musk's X became the last of the 10 major platforms to take measures to cut off access to underage teens after publicly acknowledging on Wednesday that it would comply.

"It's not our choice - it's what the Australian law requires," X said on its website.

Australia has said the initial list of covered platforms would change as new products emerge and young users migrate.

Companies have told Canberra they will deploy a mix of age inference - estimating a user's age from their behaviour - and age estimation based on a selfie, alongside checks that could include uploaded identification documents.

For social media businesses, the implementation marks a new era of structural stagnation as user numbers flatline and time spent on platforms shrinks, studies show.

Platforms say they earn little from advertising to under-16s, but warn the ban disrupts a pipeline of future users. Just before the ban took effect, 86% of Australians aged eight to 15 used social media, the government said.

(\$1 = 1.5097 Australian dollars)

Reporting by Byron Kaye and Renju Jose; Additional reporting by James Redmayne and Cordelia Hsu; Writing by Alasdair Pal, Alexandra Hudson and Christine Chen; Editing by Andrew Heavens, Mark Potter, Lincoln Feast and Deepa Babington

Commentary

Starting from December 10, the Australian Government has imposed a social media ban for children under 16. The government aims to curb the negative impact social media has brought to society. Stakeholders have different opinions about this policy and whether it is beneficial or harmful to society. This article evaluates the positive and negative effects of this social media ban by considering the **economic well-being** of different stakeholders in Australia.

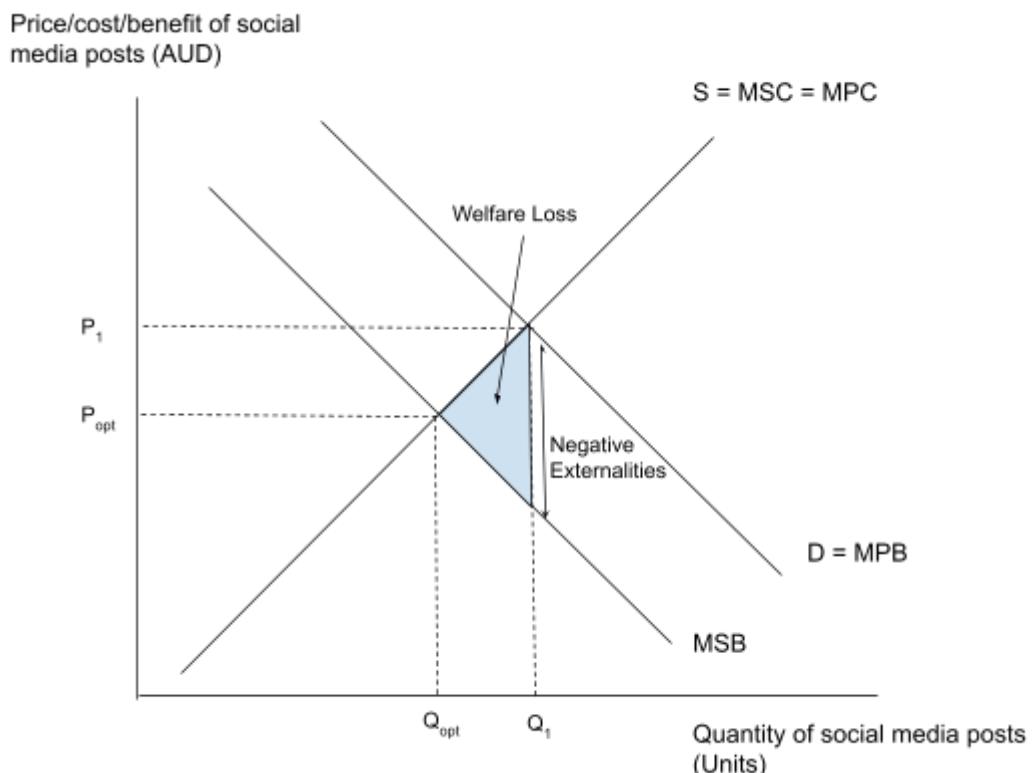


Figure 1: Negative Externalities of overuse of social media in Australia

As seen in Figure 1, the socially optimal level of social media usage in Australia should be where MSC intersects MSB, at the optimal quantity Q_{opt} . However, social media users only consider the private benefits (MPB) of reading social media posts and do not recognize the negative effects of social media on their mental health. For instance, misinformation, bullying, and harmful body image portrayals displayed in the media can negatively impact their **economic well-being**. Meanwhile, they overlook the negative externalities of social media overexposure, including reduced labor productivity due to increased anxiety and depression, as well as the government's financial burden in addressing mental health issues. As a result, there is an overexposure of $(Q_1 - Q_{opt})$. At Q_1 , the market is in allocative inefficiency as $MSC > MSB$. The welfare loss is depicted by the shaded blue area, indicating that the market fails to maximize society's **economic well-being** in Australia.

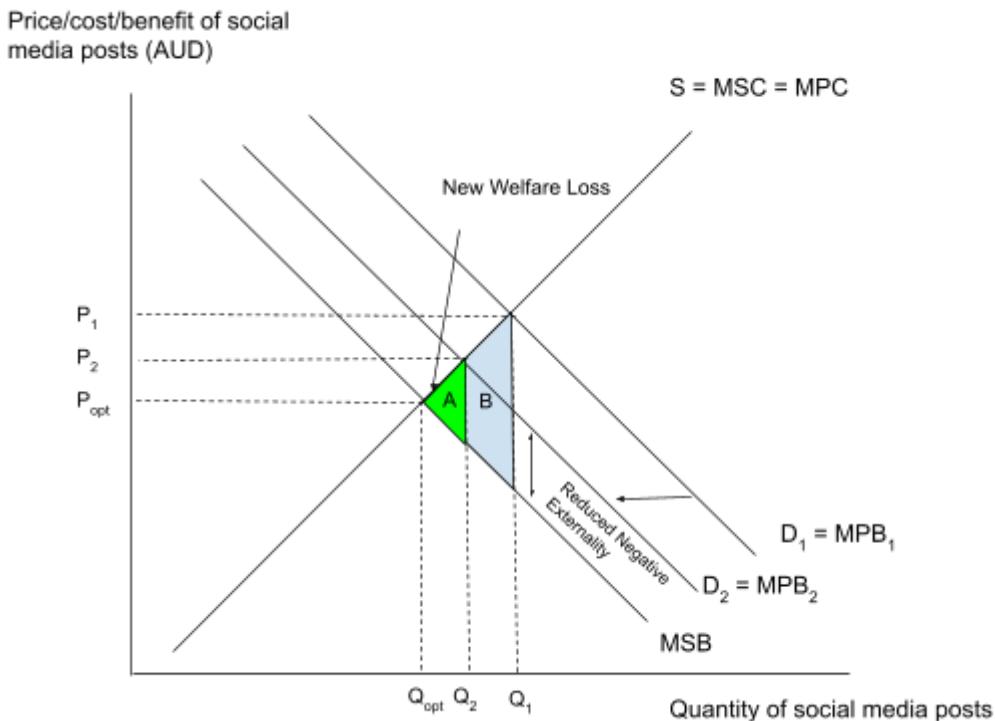


Figure 2: Impacts of the Ban on Social Media Use Among Teenagers in Australia

To address declining social **well-being** linked to concerns about social media, the Australian government has enacted a ban on social media use for all children under 16. The ban restricts access for teenagers, resulting in fewer Australians engaging with social media posts. This restriction decreases overall demand from D_1 to D_2 . If the ban is successful, the use of social media will decrease from Q_1 to the optimal level Q_{opt} where MSC intersects with MSB . This regulation will improve the **economic well-being** of one million children in Australia, as they will no longer be exposed to the harmful effects of social media posts. This would largely improve their mental health status and, in turn, improve their **economic well-being**.

Additionally, the government aims to decrease instances of anxiety, depression, and related disorders, thereby improving individuals' **economic well-being** and reducing the public resources required for treatment and support. This, in turn, lowers the financial burden on the public health system and improves **overall economic well-being** in society. Overall, the original welfare loss of shaded area $A+B$ is internalised, and the social media market achieves allocative efficiency in Australia.

However, this regulation may not completely address the negative externalities associated with social media overuse. This is because people of all ages, not only those under 16, can access social media. Therefore, they are also exposed to the negative effects of viewing social media posts. As a result, only a part of the external costs is internalised. The demand curve may instead shift inwards from D₁ to D₂, forming a new equilibrium at P₂ and Q₂, both closer to but still above the socially optimal level of P_{opt} and Q_{opt}. Hence, only a portion of the welfare loss (Area B) will be internalised, and the **economic well-being** of Australians will still decrease because of the remaining welfare loss A.

Additionally, some stakeholders may think this regulation is excessive and causes more negative effects than positive. A teenager wrote on TikTok, "No more social media ... no more contact with the rest of the world," expressing the concern that a lack of social media posts exposure could lead teens to become disconnected from the world, which could actually harm their mental health status and lead to worse **economic well-being**. Furthermore, the social media platforms are directly affected by this regulation. Although platforms have expressed that they earn little from advertising to under-16s, they are concerned that this regulation may impact their "future pipeline of users," directly harming their ability to earn revenue in the future. Therefore, this regulation may negatively impact the **economic well-being** of youth and significantly harm social media platforms, without fully internalizing the negative externalities.

In conclusion, Australia has used a regulation to ban social media posts from being provided to teens under 16, which will reduce the risks of misinformation, bullying, and harmful body images being spread to the youth. This regulation can therefore improve the **economic well-being** of the youth by improving their mental health status and reducing society's burden on mental health healthcare. However, this regulation cannot fully internalise the negative externalities because it only targets the youth and not all users of social media posts. The Australian government should consider using other regulations, such as education schemes. As the information in social media posts varies widely, education schemes can teach social media users how to use social media while avoiding its negative effects.