



Australia's social media age ban: a digital turning point for society and markets

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Key takeaways:

- **A global first — and a warning shot for platforms:** at the end of 2025, Australia became the first country to ban under-16s from social media, with penalties of up to AUD49.5 million for platforms that fail to comply.
- **Where Australia leads, the world follows:** the regulatory wave is spreading fast, with countries such as Malaysia, Singapore, Japan, France and the UK following suit, and a potential 83 million children across Asia Pacific (APAC) and Europe impacted.
- **A policy shift re-shaping portfolios:** for equity investors, a societal policy change of this magnitude presents some near- to medium-term risks, as well as strategic opportunities across multiple sectors. How companies respond to these new societal and legislative shifts will be key.

The Australian Government’s social media ban for children under the age of 16 (under-16s) came into force on 10th December 2025, restricting access to major platforms and requiring companies to adopt age-based controls. Platforms that fail to comply face penalties of up to AUD49.5 million.

These restrictions mark a significant response to mounting evidence that social media is contributing to rising levels of anxiety, depression and other mental health challenges among young people. Australia’s National Mental Health Commission has found that “half of all adult mental health challenges emerge before the age of 14¹.”

While Australia’s restrictions represent a global first, other nations are likely to follow suit with similar measures. As regulatory responses take shape, they will likely carry important implications not just for society but also for markets and investors across APAC and beyond.

The catalyst for change

A growing body of research around the world has examined the youth mental health crisis and its links to smartphones and social media (Exhibit 1). Jonathan Haidt, a New York University Stern professor and author of *The Anxious Generation*, has been particularly instrumental in this movement – indeed, his work was a catalyst for nationwide legislation in Australia after the wife of South Australia Premier Peter Malinauskas read Haidt’s book, and urged her husband to act.

¹ Australian Government, [National Mental Health Commission](#), September 2023.

Haidt’s research identified several concerning trends among global youth, including sharp upticks in self-reported anxiety, hospitalisations for self-harm, and suicide rates over the past 15 years². Examining causality, Haidt observed that childhood had moved from “play-based” to “phone-based,” exposing minors to a broadly unregulated world of online harassment and harmful content³.

After studying Haidt’s work, Premier Malinauskas drove the campaign for a social media ban for young people. With over three-quarters of Australians backing the ban, the government passed the legislation in November 2024⁴. Such broad-based support reflects the scale of ongoing concern around the links between youth mental health and early social media exposure.

Societal benefits

An important theme behind Australia’s pioneering legislation is that it places the burden of compliance firmly with the platform and not the user. Measures intended to restrict platform usage among Australia’s under-16s include requiring platforms to deactivate and remove existing accounts, introduce ID-based age verification, and prevent workarounds through the use of virtual private networks (VPNs).

A key intention of the legislation is to reduce the negative impact of social media’s features intended to maximise user engagement, such as “infinite scroll” and “autoplay.”

By doing so, policymakers are hoping that young people will be empowered to build their community and identity offline, reclaiming a more traditional, play-based childhood.

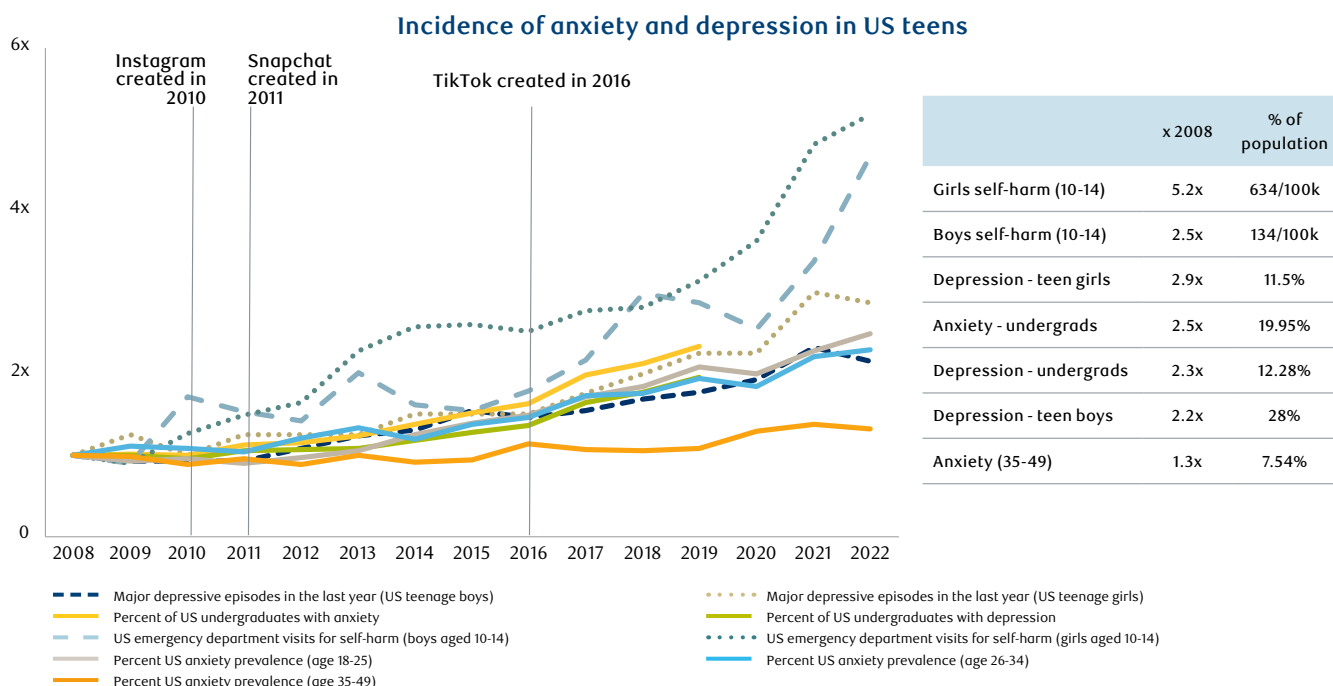
If the ban works as intended, the societal benefits could be substantial: improved health as a result of increased physical activity, stronger communities built on face-to-face interaction, and longer-term productivity gains due to improved sleep, mental resilience, and reduced burnout.

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The story so far

In the few days following the law coming into force, 4.7 million accounts were reportedly closed across in-scope platforms⁵. Given that children aged 8-15 account for approximately 5%, or 2.6 million, of Australia’s population, this suggests many young users held multiple accounts across different platforms. Tempering that success, however, other data point to more mixed results, while media reports have also highlighted gaps in age-verification enforcement protocols.

Exhibit 1: Examining links between mental health trends and the creation of major social media platforms



Source: company data, UBS Evidence Lab, National Survey on Drug Use and Health, American College Health Association, CDC, as at 2026.

² [The Anxious Generation](#), Jonathan Haidt.

³ Ibid.

⁴ YouGov, [Support for under-16 social media ban soars to 77% among Australians](#), November 2024.

⁵ Australian government: social media age restrictions (Esafety.gov.au). Reported 16 January 2026. eSafety reports that age-restricted platforms removed access to 4.7 million under-16 accounts across Australia by mid-December 2025.

Despite these initial stumbling blocks, there are signs of behavioural shifts: social media usage has declined since the ban, while gaming composites have seen user growth (Exhibit 2). While seasonality remains a consideration at this early stage of monitoring, the trend so far points to a displacement rather than a reduction in young people’s screen time.

Stumbling blocks

Although the catalyst for a youth social media ban might be broadly similar across countries, regulation is likely to vary. In particular, we see regulatory fragmentation regarding age thresholds, where, for example, Australia’s ban affects under-16s, but proposals in France and some other European countries appear to be aimed at children under the age of 15 (under-15s). This creates complexity for global platforms, requiring them to navigate a potentially contradictory regulatory landscape. In some cases, those companies that operate globally may find it more efficient to adopt the most restrictive standard worldwide, affecting users even in regions without bans.

Australia’s early experience also highlights a more fundamental challenge: the societal experience of social media is not universally negative. While platforms can expose young people to harmful content, those same platforms can also provide crucial resources and support networks for vulnerable populations. Indeed, a recent research report shows that 73% of young people across Australia accessing mental health support did so through social media⁶.

Furthermore, organisations including the Australian Human Rights Commission argue that social media restrictions could curb a “right to freedom and cause isolation, limiting access to information and support”, particularly crucial for vulnerable or remote communities⁷.

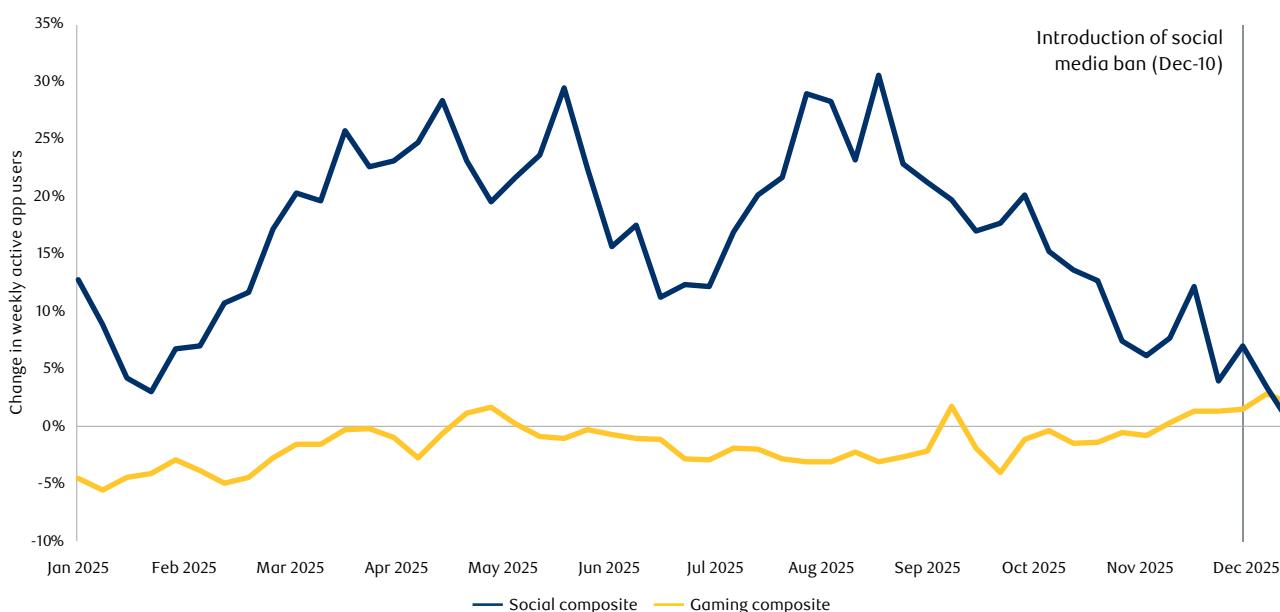
The impacts of this ban, then, could be widespread, with social media playing a role in education, job searches, and social mobility. Mindful of the “law of unintended consequences”, such well-intended restrictions in Australia and elsewhere could contribute to a significant digital divide between population groups with and without such access.

Regulatory change spreads

While the longer-term behavioural and regulatory outcomes for this legislation remain uncertain, other nations, within APAC and beyond, are already taking steps to follow Australia’s lead.

Within the APAC region, Malaysia has approved an under-16s social media ban, Indonesia is looking to follow suit, Japan has introduced tighter content controls and usage limits, and Singapore has rolled out app store content regulation requiring app stores to establish a user’s age and adjust content accordingly. Further afield, in Europe, France has passed a social media-ban bill for under-15s while already banning mobile phone use in schools for children aged 11-15, and the UK has also considered similar measures, including a recently announced ban on smartphones across schools in England.

Exhibit 2: Change in weekly active app users in Australia – social media versus gaming composites
Weekly active users, year-on-year % growth, device: iPhone and Android



Source: UBS Evidence Lab, Sensor Tower. NB: Composites made from simple average: Social (Facebook, Instagram, Snapchat, TikTok, Twitch, X and YouTube); Gaming (Oculus, PlayStation, Roblox, Steam, Xbox, as at December 2025).

⁶ Bernstein Research, Societe Generale Group, US Internet: Big Tech’s Big Tobacco Moment? Not quite, March 2026
⁷ Ibid

Approaches may differ, but the direction of travel looks clear, with governments in aggregate moving toward stricter regulation of young people’s access to social media platforms. As a measure of the potential scale of this change, if we were to see a rollout of social media bans across APAC and European markets, an estimated 83 million children aged 10 to 14 – around 12% of the global cohort – could be affected⁸.

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Implications for investors

For equity investors, a societal policy shift of this magnitude presents some near- to medium-term risks, as well as a number of strategic opportunities across multiple sectors. In particular, convergence in regulatory frameworks across countries and regions could accelerate the financial impact on affected companies.

Compliance costs could rise as platforms are required to invest in age verification, trust and safety, and content moderation infrastructure. For advertising, the impacts are likely to be more nuanced – ranging from changes in user acquisition and channel strategy among younger demographics, to a shift in social media engagement over the medium term.

However, while there are risks, there are opportunities as well. As young people shift from social media to other media channels, this could favour more traditional, often local media outlets, such as television and radio. Elsewhere, gaming platforms, currently exempt from age-based restrictions, could see an uplift if youth migrate from social media to gaming (as the trend in Exhibit 2 so far indicates). Furthermore, social media legislation highlights opportunities for global, scalable, and privacy-preserving digital identity and verification software.

Summary

Australia’s social media ban represents an important turning point for society and markets alike. By positioning the youth mental health crisis as a central risk to society, fast-moving legislation is signalling a growing willingness by governments across countries and regions to intervene more directly.

How companies respond to these new societal and legislative shifts will be key. It is clear that for companies, the risk of digital harm is evolving from a reputational risk to a financially material one – as a result, strong corporate governance will be increasingly important as they seek to navigate this change.

For investors, an active approach is essential to monitoring these developments and identifying those businesses that can successfully adapt to a new legislative and business environment. Companies with strong transparency, particularly in areas such as AI use, as well as robust board oversight and well-aligned incentives, are likely to be better positioned.

⁸ Ibid

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