

Facebook response to the ACCC's Advertising Services Inquiry Interim Report

12 MARCH 2021

Executive summary

Facebook welcomes the opportunity to provide further feedback and evidence to assist the ACCC in relation to its preliminary assessment and proposals for consultation with respect to its digital advertising services inquiry (the *Inquiry*).

Advertising in Australia has undergone significant change in the past 20 years, and continues to evolve rapidly. Programmatic advertising has changed the way advertising works and has opened up opportunities for advertisers to engage in better and new ways of ad targeting that were not previously possible. This has benefited both consumers and businesses.

Consumers are far more likely to see ads that are of interest to them and, conversely, see fewer ads that are less likely to be of interest. Businesses can also be more targeted and efficient in their ad spend. They can reach customers locally and internationally at a lower cost than was previously possible, can communicate one-to-one with consumers, and, importantly, have access to a wide range of tools so they can measure ad performance in real time and switch between advertising channels (whether online or offline) to achieve the highest return on investment. Advertisers are therefore able to pass on the benefits of lower costs, increased efficiencies and greater accessibility to consumers in a way which has not previously been possible.

One example of how targeted advertising has benefited a local business is Cheese Therapy. Cheese Therapy is a small, family business run by Sam and Helen and based on the Sunshine Coast in Queensland. They curate a selection of cheeses and handmade products from Australian and international cheesemakers - and deliver them nationally right to their customers' doors. In 2020, they became an *“overnight success”* by offering a Therapy Box of selected Australian cheeses to support producers impacted by the bushfires. Cheese Therapy uses Facebook's advertising tools and targeting techniques to reach multiple audiences. As a consequence, they have supported 15 cheese makers who employ over 200 people and have expanded to new warehouse facilities in Melbourne.

In this vein, the ACCC's interim report in this Inquiry published on 28 January 2021 (the *Interim Report*) is focused on the supply of ad tech services in Australia and in particular Google's leading position as a supplier of ad tech services. Despite Facebook playing a limited role in the supply of ad tech services through Facebook Audience Network (*FAN*), the Interim Report frequently references Facebook as part of its analysis - even though, at the same time, it correctly concludes that Facebook is not *“a significant supplier of the ad tech services that are the focus of this Inquiry”*.¹ The Interim Report then makes conclusions about Facebook's use of data and transparency for advertising which are incorrectly conflated with the analysis by the Interim Report of Google's leading position in the supply of ad tech services.

¹ Facebook plays a limited role in the supply of ad tech services through Facebook Audience Network (FAN).

In many respects, Facebook and the digital industry are already looking on a global basis into some of the areas considered for proposed regulatory interventions - namely on data portability and providing advertisers and publishers with further data, insights and measurements to ensure they can effectively commercialize and measure return on investment for reaching customers. However, some of the ACCC's proposals would have a significant impact far beyond the intended focus of this Inquiry.

Digital services, including those that generate revenue through personalized advertising (such as Facebook's), create substantial benefits for Australian businesses and consumers. Consequently, Facebook considers the ACCC should undertake detailed further consideration, analysis and stakeholder engagement is required to assist the ACCC in assessing the potential broad impact of its proposals and to ensure that those proposals do not stifle innovation, hinder competition, harm businesses and consumers, or otherwise have unintended consequences across the advertising ecosystem.

The digital ecosystem is rapidly evolving and the debate on regulating digital services is a global one that stretches beyond competition and consumer law considerations. In particular, the impact of the ACCC's proposals on users' privacy rights and expectations requires careful thought and consideration. Facebook urges the ACCC not to act unilaterally in developing regulatory proposals that cut across privacy and data protection expectations and regulations. Rather, Facebook encourages the ACCC to engage, cooperate and align with privacy, data and competition authorities both within Australia and globally.

This will also allow the ACCC to consider recent developments in both technology and industry practices related to the digital advertising industry. The digital ecosystem is rapidly evolving, and already since this Inquiry was commenced, we have seen significant developments such as the ongoing convergence of online and offline advertising and changes to the web browser and mobile operating systems. Given the advertising industry is highly competitive and dynamic, any regulatory proposals need to be carefully considered, proportionate and targeted at addressing actual harm or market failure and therefore not simply extrapolated from one part of the ads ecosystem to other parts of the ads ecosystem.

In the short time period provided by the ACCC, it is not feasible for Facebook to address and provide feedback on all these issues in full detail in this response. However, Facebook welcomes the opportunity to explore these areas in more detail with the ACCC.

Table of Contents

| | |
|--|-----------|
| Executive summary | 2 |
| The ACCC should properly analyze the broad impact of the proposals set out in the Interim Report | 5 |
| The ACCC’s Interim Report provides a starting point for further discussion on many important issues | 5 |
| The ACCC must ensure any proposals do not stifle innovation | 6 |
| Proper recognition of the highly competitive and dynamic nature of the advertising sector | 6 |
| The ad tech stack is one part of an intensely competitive advertising sector | 7 |
| Convergence between online and offline advertising | 7 |
| Convergence between search and display advertising | 9 |
| The ACCC should continue to monitor the impact of evolving web browser and mobile operating system changes | 10 |
| The ACCC should exercise caution to avoid undermining personalized advertising services | 11 |
| The ACCC should not draw conclusions on the role of data or impose data-related proposals that have implications far beyond the ad tech stack | 12 |
| The Interim Report misconstrues Facebook’s position in relation to access to data without undertaking proper inquiry or consultation | 13 |
| Mandating blanket interoperability or data separation remedies risks stifling competition and innovation | 16 |
| User-initiated data portability | 16 |
| Interoperability | 17 |
| Data separation | 18 |
| Facebook is transparent in how it deals with advertisers and publishers, and provides effective ad measurement solutions | 19 |
| Facebook is transparent in how it deals with advertisers and publishers | 20 |
| Advertisers | 20 |
| Publishers | 21 |
| Facebook is committed to providing transparency to businesses and protecting the privacy of Facebook’s users | 21 |
| Facebook supports effective ad measurement and attribution for advertisers and publishers | 22 |

1. The ACCC should properly analyze the broad impact of the proposals set out in the Interim Report

Key points

- 1.1 The ACCC’s Interim Report provides a starting point for further discussion on many important issues.** These issues require significant further discussion and consideration to develop proportionate, thoughtful proposals that balance the interests of all stakeholders and are workable in practice.
- 1.2 The ACCC must ensure any proposals do not stifle innovation.** There is a live global debate regarding the balance between data protection and competition and there are significant policy and implementation risks in this area. Given the many trade benefits from cross-border data flows, as well as the consumer benefits from accessing digital services that operate across national boundaries, it is important that proposals do not cause operational uncertainty and inhibit the growth and innovation of services in Australia due to regulatory inconsistency.

1.1. The ACCC’s Interim Report provides a starting point for further discussion on many important issues

The questions for stakeholders set out in the Interim Report raise a number of important issues, many of which are not limited only to ad tech services but are of relevance to the broader advertising ecosystem in Australia and globally. These issues require significant further consideration that is not feasible within the one-month timeframe provided for responding to the Interim Report. Detailed consultation with stakeholders is necessary on these topics to develop the ACCC’s evidence base for proportionate, thoughtful proposals that balance the interests of all stakeholders and are workable in practice.

The services provided to advertisers and other businesses evolve rapidly – indeed, there is a continuous cycle of evolution as service providers compete strongly to attract advertisers and other businesses. Balancing the clear benefits of this evolution with difficult questions such as the appropriate balance between consumer privacy expectations, advertising efficacy and greater transparency for businesses, requires broader consideration.

1.2. The ACCC must ensure any proposals do not stifle innovation

Alongside the ACCC's five-year Digital Platform Services Inquiry, this Inquiry will shape Australia's digital economy and define the principles, practices and policies that mark Australia's part in the global effort to promote effective regulation, innovation and competition in digital advertising.

Facebook therefore urges the ACCC to undertake a rigorous analysis of the impact of its proposals to avoid any conclusions and recommendations that might stifle innovation, constrain competition, harm consumers and businesses, or otherwise result in other unintended consequences, both in relation to the supply of ad tech services or across the advertising ecosystem more broadly. This aligns with the approach being taken by other governments and authorities considering similar proposals – for example, the UK Government has noted that these *“types of interventions are complex and come with significant policy and implementation risks”* and *“more work is required to understand the likely benefits, risks and possible unintended consequences”*.² Given the multi-sided nature of ad-funded platforms, certain proposals require difficult and well-considered balancing exercises between the interests of users (including their privacy rights and expectations) and businesses.

These same issues are also being considered simultaneously by a number of different regulators across the world. In making any proposals, it is therefore important that the ACCC recognizes that there is a live global debate regarding the balance between data protection and competition in which no consensus position has been reached worldwide. Facebook welcomes the opportunity for engagement to build a coherent multi-national framework that is fit for the purpose and for the future. Given that digital services, including Facebook's, tend to operate across national borders, regulatory inconsistency would lead to substantial legal and operational uncertainty and inhibit the growth and innovation of services in Australia.

2. Proper recognition of the highly competitive and dynamic nature of the advertising sector

Key points

2.1 The ad tech stack is one part of an intensely competitive advertising sector. The advertising sector has evolved significantly over the past decade. The advertising solutions offered by online and offline advertising

² See GOV.UK, *Government response to CMA digital advertising market study*, 27 November 2020, available at: <https://www.gov.uk/government/publications/government-response-to-the-cma-digital-advertising-market-study/html>.

are converging and any perceived (and historic) distinctions between “search” and “display” advertising are no longer competitively meaningful.

2.2 The ACCC should continue to monitor the impact of evolving web browser and mobile operating system changes.

2.3 Personalized advertising delivers significant benefits to businesses, consumers and the wider economy. The ACCC should therefore exercise caution when considering proposals that would undermine personalized advertising services, including data separation proposals.

2.1. The ad tech stack is one part of an intensely competitive advertising sector

As explained in the Response to the Issues Paper,³ Facebook operates in a highly competitive and dynamic advertising landscape. A number of companies are well-established in the online advertising space, including Google, Amazon and Twitter. There are also many new entrants that have expanded rapidly, including Snap whose revenue from digital advertising has been increasing significantly,⁴ and TikTok whose growth in advertising services is reflected in investors’ reported USD 50 billion valuation of TikTok.⁵ The barriers for further new entrants are not high.

Facebook competes vigorously with offline advertising channels and a range of online services that offer search and/or display advertising services, all of which seek to capture user engagement and corresponding advertiser spend. While the Inquiry focuses on online display advertising, it is also necessary to consider the impact of any proposals on other online and offline advertising channels.

Convergence between online and offline advertising

Online advertising is readily substitutable for offline channels (such as TV, radio, print and outdoor), and advertisers can and do shift spend away from online advertising quickly and easily. The ACCC has recognized and accepted this substitutability in other contexts.⁶ Developments in digital technologies and changes in consumption habits have driven a marked convergence between advertising offered on online services and through offline

³ See [Response to the Issues Paper](#), section 2.

⁴ See Snap Inc, *Snap Inc. Announces Fourth Quarter and Full Year 2020 Financial Results*, 4 February 2021, available at:

<https://investor.snap.com/news/news-details/2021/Snap-Inc.-Announces-Fourth-Quarter-and-Full-Year-2020-Financial-Results/default.aspx> which states that “Fourth quarter revenue increased 62% year-over-year to \$911 million” and “Daily Active Users increased 22% year-over-year to 265 million”.

⁵ Reuters, *Exclusive: ByteDance investors value TikTok at \$50 billion in takeover bid – sources*, 29 June 2020, available at:

<https://www.reuters.com/article/us-bytedance-tiktok-exclusive/exclusive-bytedance-investors-value-tiktok-at-50-billion-in-takeover-bid-sources-idUSKCN24U1M9>.

⁶ For example, in the ACCC’s consideration of [News Corp’s acquisition of Racing Internet Services Pty Ltd \(October 2018\)](#), [Nine Entertainment Co Holdings Ltd’s acquisition of Fairfax Media Ltd \(December 2018\)](#) and [Seven West Media Limited’s acquisition of Prime Media Group Limited \(October 2019\)](#).

channels. For example, users increasingly use multiple connected devices while watching TV and consume media on-demand, which has given rise to changes in how TV advertising is delivered to capture user engagement more effectively. There is also growing connectivity of TVs to the internet which is making TV ads more measurable and accessible to advertisers regardless of their size or budget.⁷

Offline channels are also increasingly capable of delivering more precisely targeted advertising and measuring ad performance. New technologies, such as cable set-top boxes, and the products offered by companies like Nielsen and TiVo have made targeted advertising on TV (and the provision of measurement data) increasingly possible.⁸ For example, Nine Network can target specific audiences based on age, sex and location, while the Australian Radio Network offers one-to-one personalised ads.⁹

Offline channels have also evolved to benefit from industry-wide digitization to offer advertisers attractive options such as video-on-demand services, radio and digital outdoor advertising. In particular, and as highlighted in Facebook's Response to the Issues Paper,¹⁰ advertising on video-on-demand services is on the rise. As the fastest-growing channel in 2019, advertising revenues on video-on-demand services accelerated further in Australia in 2020, with 23.4% growth to \$83 million for the six months to 30 June 2020 and total revenues for the financial year of \$170 million, up 32.7% from the previous year.¹¹ Another example of the advertising industry benefiting from industry-wide digitization is the rise in advertising across digital audio platforms, including podcast advertising. The IAB Australia reported in 2020 that 75% of media buyers placed ads on podcast platforms compared to 63% in 2018.¹²

There are many services and tools available to help advertisers reallocate their ad spend dynamically across offline and online channels and to optimize their ad campaigns,¹³ and

⁷ Catherine Tucker, Competition in the Digital Advertising Market, Global Antitrust Institute Reports on the Digital Economy, November 2020, available at:

https://gaidigitalreport.com/2020/08/25/competition-in-the-digital-advertising-market/#_ftnref14

⁸ Nielsen, a US-based TV-ratings firm, recently announced that it will be adding addressable TV measurement as part of its national audience currency. Addressable TV enables advertisers to deliver on live TV more targeted messages from cable, satellite or telco via set top boxes or from web-enhanced "smart" TVs. Nielsen will start measuring each ad individually (instead of calculating an average audience for all ads in a program as is the current practice), enabling brands to direct their TV ads to more specific audiences based on data. For further details, please see Forbes, *Nielsen to Begin Measuring Addressable Advertising*, 10 November 2020, available at: <https://www.forbes.com/sites/bradadgate/2020/11/10/nielsen-to-begin-measuring-addressable-advertising/?sh=78207877535f>.

⁹ Catherine Tucker, ACCC Digital Platforms Inquiry Submission, 27 November 2018, available at:

<https://www.accc.gov.au/system/files/Facebook%20Australia%20-%20expert%20report%20from%20Professor%20Catherine%20Tucker%20%28Nove....pdf>

¹⁰ See *Response to the Issues Paper*, section 2.

¹¹ See ThinkTV, *Total TV market records \$3.4 billion in ad revenue for FY 2019-20*, 5 August 2020, available at: [https://thinktv.com.au/news/total-tv-market-records-3-4-billion-in-ad-revenue-for-fy-2019-20/#:~:text=The%20record%2Dbreaking%20performance%20of.%25%20year%20Don%20Dyear](https://thinktv.com.au/news/total-tv-market-records-3-4-billion-in-ad-revenue-for-fy-2019-20/#:~:text=The%20record%2Dbreaking%20performance%20of.%25%20year%20Don%20Dyear;); and MediaSmiths, *BVOD Advertising: Everything you Need to Know*, 24 November 2020, available at:

<https://www.mediasmiths.com.au/bvod-advertising-everything-you-need-to-know/>.

¹² See IAB Australia, *Agencies Turn To Podcast Advertising To Help Build Brand Awareness According To IAB Audio Advertising State Of The Nation Report 2020*, 25 February 2020, available at:

<https://iabaustralia.com.au/news/agencies-turn-to-podcast-advertising-to-help-build-brand-awareness-according-to-iab-audio-advertising-state-of-the-nation-report-2020/>.

¹³ For example, Roku: OneView (see <https://advertising.roku.com/>) and Adobe Advertising Cloud (see <https://www.adobe.com/uk/advertising/adobe-advertising-cloud.html>).

these services are widely used by advertisers in practice. This is partly acknowledged by the ACCC with the Interim Report stating that the work of ad agencies “*may include the planning and management of ad campaigns across different modes of delivery, including broadcast TV or radio, print media, digital, outdoor, and cinema.*”¹⁴ This has lowered advertisers’ switching costs, enabling them to substitute higher-performing advertising channels more frequently and immediately. These tools and services allow advertisers to shift their budgets between offline and online advertising channels rapidly and easily.

Convergence between search and display advertising

There is also significant competition across different forms of online advertising. As explained in detail in the Response to the Issues Paper,¹⁵ online advertising has evolved significantly over the past decade and any perceived (and historic) distinctions between “*search*” and “*display*” advertising are no longer competitively meaningful. All services – whether focused on search or display advertising (or both) – seek to provide advertisers with access to an engaged user base, wherever they are.

Display advertising therefore competes closely with other forms of online advertising. A central lens through which advertisers approach advertising is the “*marketing funnel*”. The central insight of the marketing funnel from the advertiser’s perspective is that the advertiser can use ads to influence a consumer at each successive stage of that consumer’s path to purchasing a product or service. In the past, due to the lack of data to inform an advertiser’s decision making, the marketing funnel was used as a tool to organize advertising budgets. However, the advent of more effective measurement tools has changed this. Advertisers can now more easily compare the performance of ads from different ad channels increasing competition between ad channels across the marketing funnel.

This enhanced measurability of advertising has eliminated the importance of specific ad formats and channels when allocating advertising spend — advertisers switch to the format and channel that delivers the highest return on investment, rather than having preconceived notions about which format and channel will be most effective. Technological shifts have also made it much easier for advertisers to use digital tools that swiftly create ad campaigns spanning multiple formats, including video, which can run on multiple ad channels. This means advertisers can (and do) readily switch their spend from online display advertising to other online and offline advertising channels if that would achieve a higher return on investment.

¹⁴ See [Interim Report](#), page 35.

¹⁵ See [Response to the Issues Paper](#), section 2.

2.2. The ACCC should continue to monitor the impact of evolving web browser and mobile operating system changes

Facebook agrees that the ACCC should continue to monitor and consider the impact of the recent changes announced by web browsers (including Apple, Mozilla and Google) relating to the use of third-party cookies,¹⁶ including the expected impact on:

- the competitive position of key players in the supply of advertising - or players controlling operating systems on devices - which will be able to develop solutions around the inability to track users on the web;
- advertisers' ability to target and measure ad campaigns accurately and effectively, in particular for SMBs for which effective ad personalization is important given their smaller budgets;
- the relevance and quality of ads, which could result in a worse user experience across ad-supported websites and apps; and
- publishers' revenues and their ability to monetize effectively as a result of lower revenues from non-personalized ads.¹⁷

The Interim Report does not analyze the impact of Apple's announced changes as part of the roll-out of iOS 14 on the use of identifiers for advertising on non-Apple mobile apps. This is another key development that is expected to have adverse effects on the activities of participants in the ad tech stack, the broader advertising ecosystem and, ultimately, on users.

The iOS 14 policy changes will adversely impact the ability of advertisers to target ads effectively and is likely to result in less relevant and lower quality ads for users, with a worse user experience across ad-supported apps. The effectiveness of ads will be reduced, as advertisers will no longer be able to connect efficiently with the users who are most likely to be interested in their products and services. On top of this, Apple's new rules - which will disproportionately impact non-Apple apps - will make it much more difficult to measure whether ads are effective and to attribute purchases to particular ads. The result will be lower returns for advertisers and therefore reduced revenues for developers that monetize their apps through advertising. Faced with lower ad revenues, developers may need to start charging consumers for their apps, while other apps may disappear entirely.

SMBs that utilize ad tech services and other advertising services will be among those hit the hardest by the iOS 14 changes, given their smaller budgets and the importance of

¹⁶ See [Interim Report](#), Section 2.4 and pages 18-19, 179-181.

¹⁷ As explained at footnote 25 below, Facebook has undertaken research on the importance of personalized advertising to the publisher ecosystem (see [here](#)).

effective ad personalization to reach their target audience and compete with larger rivals at low cost.

2.3. The ACCC should exercise caution to avoid undermining personalized advertising services

Facebook welcomes the ACCC’s recognition of the substantial benefits of personalized advertising to Australian businesses and consumers.¹⁸ As the ACCC has recognized, these substantial benefits include to:

- **Advertisers:** by improving *“the ability to target ads to specific audiences, resulting in higher returns on investment for advertisers.”*¹⁹ Facebook welcomes this clear recognition from the ACCC. Facebook’s online advertising services have also lowered prices for advertisers²⁰ and enabled more efficient delivery to Australian audiences. While a lower priced and more efficient service clearly benefits all market participants, a big winner from the introduction of personalized advertising services is SMBs. SMBs have been empowered to compete more effectively with large and more established companies in Australia and around the world²¹ in a way that was not previously possible. This was recognised by the ACCC’s finding that advertisers with smaller budgets find Facebook Ads and other self-serve ad interfaces particularly useful.²²
- **Consumers:** by allowing them to *“see more ads that are aligned with their interests”* and *“increasing the efficiency of the supply of digital advertising, subsidising the supply of free online services and by reducing search costs.”*²³ Not only does online personalized advertising drive these clear consumer benefits and allow companies to innovate and offer stimulating, relevant online content at no cost for consumers, it also contributes towards lower prices for consumers. When understood as a distribution cost for firms, more effective targeting of advertising helps to lower costs (all other things being equal) which are frequently passed on to consumers.
- **Publishers:** by *“enabling the supply of a more valuable service”*²⁴ and generating higher revenues due to better targeting capabilities. Online advertising services allow publishers to increase their reach and better measure audience engagement,

¹⁸ See [Interim Report](#), pages 56 and 66.

¹⁹ See [Interim Report](#), page 66.

²⁰ See Facebook’s [Response to the Issues Paper](#), section 1.

²¹ As explained in the [Response to the Issues Paper](#), *“In Australia, more than 400,000 businesses placing advertisements on Facebook spent less than USD \$100 in 2019. In the same year, fewer than 270 Australian businesses spent more than USD \$1 million to place advertisements on Facebook. Over 1.9 million Australian SMBs have a Facebook Page, and over 84% of Australian users on Facebook are connected to at least one Australian SMB’s Facebook Page”*.

²² See [Interim Report](#), page 35.

²³ See [Interim Report](#), page 56.

²⁴ See [Interim Report](#), page 66.

with the knock-on effect of generating greater revenues from advertising than might otherwise have been the case.²⁵

The ACCC should exercise caution when formulating proposals (such as data separation mechanisms) that would undermine the ability of services to utilize personalized advertising and therefore erode these benefits.

The restrictions being introduced by Apple, Google and Mozilla (mentioned above) are already expected to have an adverse effect on the ability to serve personalized ads. Proposals that further restrict the use or effectiveness of personalized advertising will inevitably lead to a scenario where users are exposed to less relevant advertising. There is no evidence that this would be net beneficial to businesses or consumers; instead, it carries the risk of consumers experiencing disruptive, intrusive and less useful ads, which would be detrimental both to them and to advertisers.

Such an approach would also distort competition and stifle consumer choice by artificially driving the market towards certain business models, for example those based on contextual advertising or paid subscriptions. Business models that rely on ads for monetization have significantly contributed to competition and innovation in the advertising sector. Advances in the delivery of efficient and effective advertising have long been a parameter of competition between publishers and ad tech services, with a view to delivering enhanced value for as broad a range of advertisers as possible. This ultimately benefits consumers, as these benefits are frequently passed on by advertisers, and results in greater consumer choice. It is imperative that any proposals by the ACCC do not involve a step backwards in this competitive process or stifle the choices available to consumers by artificially enabling only certain business models to succeed.

3. The ACCC should not draw conclusions on the role of data or impose data-related proposals that have implications far beyond the ad tech stack

Key points

3.1 The Interim Report misconstrues Facebook’s position in relation to access to data, as its analysis is based on an assessment of the ad tech stack. It is not the case that Facebook’s access to data gives it a competitive advantage that rivals are unable to match.

²⁵ Facebook undertook research on the importance of personalized advertising to the publisher ecosystem (see [here](#)). Facebook ran a test across a small proportion of FAN traffic, comparing personalized to non-personalized ranking ads. This research showed more than a 50% drop in publisher revenue when using non-personalized advertising. These results are consistent with other research that has been published by the Interactive Advertising Bureau and Google (see [here](#)).

3.2 Mandating interoperability or imposing data separation would impose significant costs on impacted businesses to redesign their systems but without any meaningful benefit to competition and innovation, and in fact, risks stifling competition and innovation. Facebook welcomes the ACCC's clear recognition that interoperability and data separation mechanics are only suitable in *"limited circumstances"* but seeks broader clarification about in what limited circumstances this would even be warranted. The ACCC should not seek to implement such mechanics without clear evidence of market failure or harm, and a detailed assessment of the implications for competition, innovation and privacy.

3.1. The Interim Report misconstrues Facebook's position in relation to access to data without undertaking proper inquiry or consultation

The ACCC's aims in the Inquiry (as set out in the ACCC's Issues Paper) are to consider the markets for the supply of ad tech services and ad agency services – in particular, the state of competition in the markets, the relationships between suppliers and customers and the quality of such services.²⁶ In line with those defined aims, when assessing the role of data, the ACCC primarily assesses the role of data in ad tech services, focusing its assessment on *"Google's data advantage"*.

The ACCC's evidence gathering and analysis is focused on ad tech services. However, despite the narrow focus of the Inquiry, the Interim Report nevertheless discusses Facebook's position in relation to access to data and forms the overly broad preliminary conclusion that there are *"currently no close substitutes to the large datasets held by large advertising-funded digital platforms with numerous consumer-facing services"*.²⁷ The ACCC also forms the preliminary view that *"the inability of smaller rivals to access the necessary types and volumes of data to compete effectively with Google and Facebook is likely to raise barriers to entry or expansion"*.²⁸

In light of Facebook's very limited role in ad tech services (as recognized by the ACCC), it is not appropriate for the ACCC to draw conclusions on the role of data in Facebook's wider business (in ad tech or more generally) by reference to an assessment of how players in the ad tech supply chain access and use data. In fact, the ACCC's wide-ranging conclusions are simply not supported by the more narrowly focussed evidence and analysis in the Interim Report and have been reached without proper inquiry or consultation on that wider scope.

²⁶ See [Issues Paper](#), page 6.

²⁷ See [Interim Report](#), pages 56 and 69.

²⁸ See [Interim Report](#), page 69.

Moreover, as explained in detail in Facebook’s Response to the Issues Paper,²⁹ it is not the case that Facebook’s access to data gives it a competitive advantage that rivals are unable to match. In particular:

- **Data is neither rare nor unique to just a few digital platforms:** as data is non-rivalrous, users can and do share exactly the same data with numerous other services. Such services (in both the digital and non-digital space) can increasingly leverage tools for gathering data, such as cloud-based resources and technologies to analyze large datasets. Further, there are a host of third-party sources that make vast quantities of data available to purchase, including a wide range of inexpensive data management platforms or integrated services that license data (e.g. Acxiom, Oracle Data Cloud, Quantum, etc.).
- **Access to large volumes of data are not necessary for entry, growth or success in advertising:** Neither Facebook nor platforms such as Amazon, Microsoft, Google, Spotify, Netflix and Uber had access to significant amounts of data at the time of their launch. The same is also true for more recent entrants, such as Travello, TikTok, Snapchat, Pinterest and Houseparty. The rapid growth of new entrants, who have managed to grow their audience without access to significant amounts of data at the time of their launch, clearly demonstrates that data is not necessary to enter and succeed in the advertising market. The mere accumulation of data by itself also does not guarantee success – for example, Flickr was able to amass large volumes of data relating to users’ photographs, but this did not result in long-term success as it sought to provide advertising.³⁰
- **Facebook’s access to data has not prevented or inhibited new entry and growth by rivals in the advertising sector.** Indeed, the recent growth in advertising spend on TikTok and Snapchat, as well as offline players such as Roku, and Nine Entertainment, illustrate the recent successful entry of new advertising services competing on a global basis.
 - **TikTok’s growth in advertising services is reflected in investors’ reported USD 50 billion valuation of TikTok,**³¹ with its owner, ByteDance, having a reported market valuation of USD 180 billion.³² TikTok has also entered into a global advertising agency partnership with WPP in February 2021, giving

²⁹ See [Response to the Issues Paper](#), section 5.

³⁰ PetaPixel, Allen Marubayashi, *Flickr’d Out: The Rise and Fall of a Photo Sharing Service*, <https://petapixel.com/2016/03/22/flickrd-rise-demise-photo-sharing-service/> – this states that one of the reasons for Flickr’s failure was an “*an inability to monetize a huge repository of images*”.

³¹ Reuters, *Exclusive: ByteDance investors value TikTok at \$50 billion in takeover bid – sources*, 29 June 2020, available at: <https://www.reuters.com/article/us-bytedance-tiktok-exclusive/exclusive-bytedance-investors-value-tiktok-at-50-billion-in-takeover-bid-sources-idUSKCN24U1M9>.

³² Financial Times, *TikTok rival Kuaishou hits \$160bn valuation as shares surge after IPO*, 5 February 2021, available at: <https://www.ft.com/content/05686da9-60f8-4a3a-a5c5-95155bd01ffe>

WPP greater access to TikTok’s advertising products and creators.³³ The partnership has been described as a “*first-of-its-kind*”.³⁴

- **Snapchat’s** significant growth in advertising services is reflected in its Q4 2020 financial results which show a revenue increase of 62% (compared to Q4 2019) to approximately USD 911 million.³⁵
- **Roku’s** advertising revenue has increased significantly from USD 225 million in 2017 to USD 742 million in 2019, reflecting growth of 229%,³⁶ driven by the strength of its streaming services. Following the launch of Roku’s new OneView ad platform in May 2020, monetized ad impressions in Q3 2020 grew 90% year-on-year.³⁷ Roku predicted that Q4 2020 revenue growth is “*likely to be in the mid-40% range*”,³⁸ as brands increasingly embrace connected TV platforms.³⁹ Roku also recently announced its proposed acquisition of Nielsen’s Advanced Video Advertising business in March 2021, aimed at “*accelerat[ing] Roku’s launch of an end to end [dynamic ad insertion] solution with TV programmers*” and integrating Nielsen’s advertising and content measurement products into Roku’s platform.⁴⁰
- **Nine Entertainment** has leveraged its existing platforms across linear television, digital, print and radio to cross into the online advertising space, by “*evolving towards digital distribution*”.⁴¹ Nine Entertainment earned

³³ See TikTok, *TikTok joins forces with WPP in new global agency partnership*, 1 February 2021, available at: <https://newsroom.tiktok.com/en-us/tiktok-wpp-news>.

³⁴ See Businesswire, *WPP and TikTok Announce First-of-Its-Kind Global Agency Partnership*, 1 February 2021, available at: <https://www.businesswire.com/news/home/20210201005466/en/WPP-and-TikTok-Announce-First-of-Its-Kind-Global-Agency-Partnership>.

³⁵ Snap Inc. *Snap Inc. Announces Fourth Quarter and Full Year 2020 Financial Results*, 4 February 2021, available at: <https://investor.snap.com/news/news-details/2021/Snap-Inc.-Announces-Fourth-Quarter-and-Full-Year-2020-Financial-Results/default.aspx>.

³⁶ Forbes, *What’s Behind Roku’s \$470 Million Revenue Addition in 2020?*, 13 May 2020, available at: <https://www.forbes.com/sites/greatspeculations/2020/05/13/whats-behind-rokus-470-million-revenue-addition-2020/?sh=377e6eb03d20>.

³⁷ AdExchanger, *Advertising Drives Roku’s Record Q3 Revenue Growth*, 6 November 2020, available at: <https://www.adexchanger.com/digital-tv/advertising-drives-rokus-record-q3-revenue-growth/#:~:text=Share%3A,78%25%20YOY%20to%20%24319%20million>

³⁸ TheStreet, *Roku’s CFO Talks About His Firm’s Strong Hardware and Video Ad Growth*, 5 November 2020, available at: <https://www.thestreet.com/investing/rokus-cfo-talks-about-his-firms-strong-hardware-and-video-ad-growth-steve-louden>.

³⁹ AdExchanger, *Advertising Drives Roku’s Record Q3 Revenue Growth*, 6 November 2020, available at: <https://www.adexchanger.com/digital-tv/advertising-drives-rokus-record-q3-revenue-growth/#:~:text=Share%3A,78%25%20YOY%20to%20%24319%20million>

⁴⁰ Nielsen, Roku and Nielsen Announce Strategic Alliance, 3 March 2021, available at: <https://www.nielsen.com/us/en/press-releases/2021/roku-and-nielsen-announce-strategic-alliance/>

⁴¹ AdNews, *Nine lifts profit for half year but advertising market still ‘soft’*, 26 February 2020, available at: <https://www.adnews.com.au/news/nine-lifts-profit-for-half-year-but-advertising-market-still-soft>.

\$234 million in advertising revenue for the 12 month period to June 2019 (a 12% increase year-on-year)⁴² driven by a 56% growth in online advertising.⁴³

- **There are rapidly diminishing economies of scale and scope from data:** a greater amount of data does not necessarily result in a proportionate increase in insights, targeting or other capabilities and a player does not need to be larger than the largest to succeed. Data often has no incremental value, offers overlapping insights and a firm can get similar insights more efficiently from a fraction of the full dataset.⁴⁴ For example, research utilizing Amazon data has shown that, although there are returns to data size with respect to demand prediction accuracy over time for a given product, these returns are diminishing and there are only small gains to prediction accuracy across products as data size increases;⁴⁵ put another way, “*the more data [in a given dataset], the more arbitrary, meaningless and useless (for future action) correlations will be found in them*”.⁴⁶ In addition, it is often the ability to analyze critical data (rather than the quantity of data) which can most effectively identify a customer’s preference.⁴⁷

Therefore, any preliminary conclusions positing that Facebook has “*considerable data advantages*” over rivals mischaracterizes Facebook’s position in relation to access to data and the speculative competitive benefits such access brings.

3.2. Mandating blanket interoperability or data separation remedies risks stifling competition and innovation

User-initiated data portability

As emphasized by Facebook’s CEO, Facebook supports the principle of user-initiated data portability⁴⁸ to facilitate users’ ability to choose the services with which they would like to share their information. If users choose to share their data with one service,

⁴² CMO, *Nine Entertainment reports profit following merger*, 22 August 2019, available at: <https://www.cmo.com.au/article/665572/nine-entertainment-reports-profit-following-merger/>.

⁴³ CMO, *Nine Entertainment reports profit following merger*, 22 August 2019, available at: <https://www.cmo.com.au/article/665572/nine-entertainment-reports-profit-following-merger/>.

⁴⁴ The Journal of Economic Perspectives – Volume 28, Number 2, Spring 2014, pp. 3-28, Varian, H. R. (2014). *Big data: New tricks for econometrics*: <https://pubs.aeaweb.org/doi/pdf/10.1257/jep.28.2.3>.

⁴⁵ Bajari, Patrick, Chernozhukov, Victor, Hortaçsu, Ali and Suzuki, Junichi, *The impact of big data on firm performance: An empirical investigation*, NBER Working Paper No. 24332, February 2018, pages 33-37, available at: https://www.nber.org/system/files/working_papers/w24334/w24334.pdf.

⁴⁶ Calude, Cristian S., and Longo, Giuseppe, *The deluge of spurious correlations in big data*, Foundations of Science, Vol. 22, Issue 3, 2017, pages 595-612, available at: <https://www.di.ens.fr/users/longo/files/BigData-Calude-LongoAug21.pdf>; see also, Lambrecht, Anja, and Tucker, Catherine, *Can Big Data protect a firm from competition?*, Competition Policy International, 2015, which highlights the challenges of (i) the compatibility and integration of big datasets; (ii) the “*unstructured nature*” of such data; and (iii) the “*difficulty of establishing causal relationships within large pools of overlapping observational data...that can lead to spurious correlations*” (available at: <https://www.competitionpolicyinternational.com/wp-content/uploads/2017/01/CPI-Lambrecht-Tucker.pdf>).

⁴⁷ Anja Lambrecht & Catherine.E.Tucker, *Can Big Data Protect a Firm from Competition?*, 22 December 2015, available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2705530.

⁴⁸ Washington Post, *Mark Zuckerberg: The Internet Needs New Rules. Let’s Start in These Four Areas*, 30 March 2019, available at: https://www.washingtonpost.com/opinions/mark-zuckerberg-the-internet-needs-new-rules-lets-start-in-these-four-areas/2019/03/29/9e6f0504-521a-11e9-a3f7-78b7525a8d5f_story.html.

Facebook believes they should also be able to move such data to another service (subject to relevant privacy considerations).

Data portability for consumers is already being advanced by the digital industry, including Facebook. Although not recognized in the Interim Report, Facebook has already provided the ACCC with the details of its consumer-facing tools and industry collaboration to promote and implement user-initiated data portability.⁴⁹ Specifically, Facebook has developed a number of user-friendly tools which enable users to view and access the information they have chosen to share with Facebook, for example, through its “Access Your Information” and “Download Your Information” tools.⁵⁰ Facebook also plays a leading role in the Data Transfer Project (*DTP*),⁵¹ to develop open source infrastructure which enables participating providers to develop systems that facilitate data portability for users. The DTP envisages that participating service providers will build something that is flexible and allows for user-initiated “interoperable” solutions for the relevant transfer of data between them. Importantly, the DTP is being developed around principles focused on transparency, security and privacy for users.

In line with data protection regulations (e.g. GDPR) and the overall aim of providing users with greater choice and control, Facebook considers that data portability should be user-initiated and the ACCC should accordingly focus on user-initiated data portability proposals. Broad-brushed proposals mandating data portability (including for advertiser and publisher data) risk undermining the primacy of users in making those choices.

Further, the Interim Report does not provide evidence to support the notion that advertiser-initiated or publisher-initiated data portability is in fact necessary or desirable. This is particularly the case given the considerable amount of data that Facebook and other services already make available to advertisers and publishers and the need to protect users’ privacy rights and expectations. For example, Facebook already provides extensive anonymized and aggregated insights to publishers and advertisers and provides a range of metrics and tools for free to help them understand the audience, engagement and performance of their posts and advertising campaigns in a privacy-safe manner, such as CrowdTangle. Additionally, publishers are already able to collect substantial user data themselves when collected directly from referral traffic to their websites and apps.

Interoperability

Facebook welcomes the ACCC’s acknowledgement that mandating interoperability is only suitable in “*limited circumstances*”. However, given the adverse impacts of mandating interoperability and lack of clarity around the types of circumstances in which

⁴⁹ See [Facebook’s Supplemental Submission](#), section 5.

⁵⁰ Instagram also offers a “Download data” tool within the Security settings screen. This allows users to download all photos, videos and Stories posted on their Instagram in a similar way as is described for DIY below (see Instagram, *Managing Your Account*, available at: <https://help.instagram.com/181231772500920>).

⁵¹ Data Transfer Project, *About Us*, available at: <https://datatransferproject.dev/> and *Why do we need the DTP*, available at: <https://datatransferproject.dev/why-dtp>. See also the Data Transfer Project white paper, 20 July 2018, available at: <https://datatransferproject.dev/dtp-overview.pdf>.

this may be warranted, this issue requires significantly more consultation and analysis. Proposals to mandate wide-ranging interoperability measures (e.g. mandating blanket data interoperability or full content interoperability) would limit differentiation between services, stifle innovation, and reduce incentives for investment in new products and services. This would harm users, businesses and the wider Australian economy.

More fundamentally, interoperability even in more limited circumstances could have similar effects and is something that the ACCC should carefully consider as part of ensuring any proposals (which appear from the Interim Report to be focused on proposals around common transaction IDs or common user IDs) do not have such unintended effects. Historically, certain forms of interoperability may have enhanced competition and unlocked new innovation, for example, involving physical infrastructure (like rail lines or telephone services) or based on more standardized formats (like with web and browser standards). However, digital services fundamentally differ in key characteristics: users are not limited by choice and do not face high switching costs, data is not a commodity and services often compete by offering differentiated services. The prospect of mandated interoperability risks undermining the ability of digital services to launch new features and to drive updates to new core experiences, thereby harming competition and innovation. Mandating interoperability also raises free-riding problems, where other services may use technologies and innovations developed by others without sharing any of the costs.

Moreover, mandating interoperability risks undermining users' privacy rights and expectations. As noted by the ACCC, interoperability measures do not include the same element of consumer control as user-initiated data portability measures.⁵² There is therefore a risk that wide-ranging interoperability measures could undermine the primacy of users in making choices about the use of their data. Facebook has invested significantly in protecting users' data and giving users control over that data. For example, Facebook actively encourages users to engage with its privacy controls to make informed choices about how their data is used and Facebook's services are designed so that users' privacy preferences are not fixed by their initial interaction but can be modified easily. Any proposals to mandate interoperability need to carefully consider the impact on users' ability to make informed choices about the use of their data.

Even if privacy and consumer choice hurdles could be overcome, such an extraordinary intervention in allowing one business (and potentially a competitor) to access the data and services of another business should be subject to a detailed review and consultation.

Data separation

Facebook also welcomes the ACCC's clear recognition that proposals around data separation "*should apply only to a well-defined and limited set of circumstances*", and can only be appropriate where the associated "*efficiency benefits from increased access to*

⁵² See [Interim Report](#), page 80.

do not outweigh any adverse effects on competition".⁵³ In line with these statements, Facebook urges the ACCC to conduct a full detailed assessment as to whether data separation mechanisms are appropriate; and further, to limit such mechanisms to apply only as a proportionate response to remedy well-evidenced market failures in relation to the supply of ad tech services, which the ACCC has specifically analyzed in the Inquiry, and not to other parts of the advertising ecosystem.

4. Facebook is transparent in how it deals with advertisers and publishers, and provides effective ad measurement solutions

Key points

- 4.1 Facebook is transparent in how it deals with advertisers and publishers.** Facebook invests in developing tools, including with third-party measurement providers, to provide advertisers and publishers with information that enables them to make well-informed decisions about advertising on Facebook.
- 4.2 Facebook is committed to providing transparency to businesses and protecting the privacy of Facebook's users.** Facebook urges the ACCC not to act unilaterally in developing regulatory proposals that cut across privacy and data protection expectations and regulations.
- 4.3 Facebook supports effective ad measurement and attribution for advertisers and publishers.** Facebook welcomes discussion of proposals such as common transaction IDs and common user IDs that would help ensure that metrics are being applied consistently by industry players, thereby enabling advertisers to compare their return on investment more accurately across services.

⁵³ See Interim Report, page 82.

4.1. Facebook is transparent in how it deals with advertisers and publishers

Advertisers

Facebook recognizes that advertisers want to understand the performance and effectiveness of their advertising campaigns across different channels so they can assess the channels and services that provide the greatest return on investment. As such, Facebook devotes significant efforts to empower advertisers with tools and information, at no extra cost, which provide significant levels of transparency so that advertisers can make well-informed decisions on whether, and how much, to advertise on Facebook. Facebook continuously invests to innovate and improve its measurement tools, including to respond to advertisers' demand for new products and introduce new metrics. For example, Facebook has developed tools such as:

- **Facebook Attribution:**⁵⁴ this enables advertisers to compare the relative effectiveness of their ads across Facebook's services and third-party publishers.
- **Brand Lift:**⁵⁵ this enables advertisers to run "lift tests" and compare brand awareness among groups of users who have had the opportunity to see an advertiser's ads against those who have not had the opportunity to see these ads.
- **Conversion Lift:**⁵⁶ this allows advertisers to measure the effectiveness of their ads in driving conversions (e.g. sales), by comparing results from groups of users who have had the opportunity to see an advertiser's ad against groups of users who have not had the opportunity to see that advertiser's ad.

To provide even greater transparency, Facebook engages with around 40 third-party measurement companies worldwide to provide advertisers with independent metrics and comparisons, including third parties who perform regular checks on Facebook's ad viewability and other attention metrics. For example, Facebook enables advertisers to measure viewability through its independent third-party measurement partnerships with companies such as Comscore and Moat.⁵⁷ In order to ensure that this independent verification process carried out by third-party partners is of a high standard:⁵⁸

⁵⁴ See Facebook for Business, *Facebook Attribution*, available at:

<https://en-gb.facebook.com/business/measurement/attribution>.

⁵⁵ See Facebook for Business, *About Facebook brand lift tests*, available at:

<https://www.facebook.com/business/help/1693381447650068?id=546437386202686>.

⁵⁶ See Facebook for Business, *About Facebook Conversion Lift Tests*, available at:

<https://www.facebook.com/business/help/688346554927374?id=546437386202686>.

⁵⁷ For more detailed information on the measurement tools, see Facebook Blueprint, *Getting Started With Facebook and Partner Measurement Solutions*, available at:

<https://www.facebookblueprint.com/student/activity/181816-getting-started-with-facebook-and-partner-measurement-solutions>.

⁵⁸ See Facebook for Business, *How do Facebook's third-party viewability verification integrations work?*, available at:

<https://en-gb.facebook.com/business/help/313903878988514>.

- Facebook’s engineers collaborate with third-party measurement partners to implement code in its systems to collect each partner’s required data based on their approach for measuring viewability;
- each partner carries out a rigorous, independent review of this integration verifying: (i) the data shared with Facebook; and (ii) the code that generates the data. The partner also tests the accuracy of the data to ensure its integrity;
- Facebook’s code captures per-impression data and provides it to the partner based on their integration design in an anonymized way;
- the partners provide metrics to the advertiser; and
- at any time and without notifying Facebook, the partners can test the system end-to-end.

In this respect, Facebook welcomes the ACCC’s conclusions that there are no systemic issues relating to the quality of third-party measurement and verification services. Facebook continues to innovate and invest in third-party measurement partnerships to ensure that advertisers are provided with a quality service.

As such, both large and small Australian advertisers have unprecedented levels of information available to them to devise the most effective and successful advertising campaigns to meet their particular needs.

Publishers

Facebook makes a large amount of anonymized and aggregated data and insights available to publishers through their participation in FAN. For example, Facebook provides various performance, metrics and analysis tools to publishers on Monetization Manager. This is a service specifically provided to manage placements, understand performance and enable insights for inventory on FAN and includes easy to read dashboards across key metrics like impressions, revenue, and fill rate. These tools can be used to implement sophisticated strategies to understand and measure the performance of publishers’ advertising inventory through using FAN.

4.2. Facebook is committed to providing transparency to businesses and protecting the privacy of Facebook’s users

Facebook is committed to providing effective measurement tools that ensure the advertising process is transparent and easy to use, and that the performance of ad campaigns can be independently measured. This must necessarily be balanced against other user interests, in particular protecting the personal data and privacy interests of individual users and mitigating against the risk of data misuse.

As explained in Facebook’s Supplemental Submission, Facebook provides large amounts of data and insights to advertisers and publishers through its suite of tools. In order to protect users’ privacy, it does not provide information that personally identifies its users. Facebook also provides its measurement partners with the data needed to calculate and verify metrics independently in a privacy-safe manner.

While more granular information might allow advertisers and publishers to link that data with their own individual level data, data sharing practices should be consistent with users’ privacy expectations and relevant privacy laws. Privacy obligations and the expectations of users are central to the provision of Facebook’s services, as is transparency in relation to the information that Facebook shares with third parties.⁵⁹

While Facebook welcomes the introduction of proposals aimed at enhancing ad measurement and attribution, Facebook urges the ACCC not to act unilaterally in developing regulatory proposals that cut across privacy and data protection expectations and regulations. It is important that the ACCC engages, cooperates and aligns any proposals with privacy and data protection authorities both within Australia and globally.

4.3. Facebook supports effective ad measurement and attribution for advertisers and publishers

Facebook agrees with the ACCC that the ability to measure the performance and quality of ads accurately is an important feature of ad tech services for both advertisers and publishers. Absent accurate and verifiable ad measurement services advertisers cannot: (i) readily understand and improve the performance of ad campaigns; and (ii) efficiently allocate and determine their optimal advertising campaign budget and strategy. In turn, publishers benefit from advertisers accurately valuing the effectiveness of their ad inventory.

Facebook currently devotes significant efforts to empowering advertisers through use of its tools and analytics to measure and manage performance of ads in real-time. From this perspective, Facebook already places substantial importance on providing effective ad measurement and attribution when developing its advertising services for advertisers and publishers.

Facebook also agrees with the ACCC that it is important that ad tech providers are able to verify the progress of a consumer across their purchasing journey so that: (i) they can serve relevant personalized ads; and (ii) provide effective attribution and measurement services to advertisers. As noted at section 2.2 above, the ACCC should continue to monitor the recent changes announced by certain mobile and web browsers (such as Apple, Google and Mozilla) and how they will impact the ability of providers of ad tech services to take such actions.

⁵⁹ See [Facebook’s Supplemental Submission](#), pages 10-11.

As such, Facebook welcomes the introduction of proposals aimed at enhancing ad measurement and attribution, including discussions on whether common transaction IDs and common user IDs could help ensure that metrics are being applied consistently by industry players, thereby enabling advertisers to compare their return on investment more accurately across services. Given the importance of effective measurement tools to advertisers, Facebook would be pleased to engage further with the ACCC to assist it with developing policy proposals to advance cross-platform measurement tools and capabilities.

However, Facebook shares the ACCC's aspiration for any such proposals like common transaction IDs and common user IDs to be developed in a way that protects consumers' privacy. Facebook therefore supports the ACCC's gathering of input from relevant stakeholders in order to design effective proposals to promote further transparency and choice for advertisers and publishers in a way that will deliver value, protect consumers' privacy and promote (rather than hinder) competition. It is critical that these proposals also acknowledge existing transparency requirements and norms, and work in concert with existing protections under Australian privacy law (and in harmony with global privacy regimes) and are harmonized with overlapping or intersecting areas of reform to the Privacy Act 1988 which are currently underway. This approach will ensure that changes to privacy protection in Australia are holistic and companies do not find themselves being instructed to take different or opposing actions in Australia and globally due to differing legislative or regulatory requirements.