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Australian Competition and Consumer Commission
By email: adtechinquiry@accc.gov.au

SUBMISSION TO THE DIGITAL ADVERTISING SERVICES INQUIRY INTERIM REPORT

The Foundation for Alcohol Research and Education (FARE) thanks the Australian Competition and Consumer Commission (ACCC) for the opportunity to provide input to the Digital Advertising Services Inquiry. FARE is a not-for-profit organisation working towards an Australia free from alcohol harms. Together with values-aligned organisations, health professionals, researchers and communities across the country, we develop evidence-informed policy, enable people-powered advocacy and deliver health promotion programs.

A primary focus of the Inquiry regards improving competition in the digital advertising industry. However, as highlighted in the Interim Report, there is a tension between improving competition and protecting consumer data and privacy. FARE makes this short submission to the Inquiry to raise our concern about the potential for advertisers to access and link more data on individual consumers under the recommended proposals.

It is well established that companies selling harmful products, such as alcohol, gambling and unhealthy foods, are using personalised advertising strategies to target people through digital media.¹ For example, recent research shows social media platforms tag children as being 'interested' in harmful products such as alcohol products and gambling.² This raises serious ethical questions regarding the monetisation and use of children and young people's data – effectively selling the use of children's data to marketing agencies.

In the case of alcohol, this is of concern for the health of all Australians as alcohol use is causally linked to over 200 disease and injury conditions³ and nearly 6,000 lives are lost and more than 144,000 people hospitalised from use of alcohol products each year.⁴ It is of particular concern for children and young people under 18, as there is strong evidence of alcohol use negatively impacting brain development⁵ and early use of alcohol leading to riskier use later.⁶ This is a key rationale for why the new guidelines from the National Health and Medical Research Council (NHMRC) state that people under 18 should not drink any alcohol.

Children and young people in Australia use digital media daily. Despite digital platforms having age requirements, we know many children under the age of 13 regularly use platforms such as Facebook, Snapchat and Instagram.⁷ Evidence clearly shows that young people's exposure to alcohol product marketing increases their alcohol consumption and increases their likelihood to start drinking earlier.⁸ Similarly, research has shown that digital marketing increases positive attitudes and intended and current use of harmful products such as alcohol, tobacco and unhealthy foods.⁹

Targeted alcohol marketing is not only a concern for children and young people's health, but also for people trying to reduce their alcohol use or who have an Alcohol Use Disorder. People dealing with

alcohol dependency can have difficulty avoiding digital alcohol marketing,¹⁰ and recent industry marketing during COVID-19 has framed alcohol as a way to cope with stress and isolation.¹¹

The widespread collection and use of data via digital platforms has enabled alcohol companies to deliver highly personalised digital marketing campaigns that target specific demographics and behavioural profiles, including frequency of consumption. For example, if people are using alcohol products in large quantities, alcohol companies target more marketing material to these people, encouraging them to continue a high level of alcohol use.¹² Companies continue to build profiles of the purchasing behaviour of individuals as each purchase is made, which is then used to further target marketing material to them. Alcohol companies know that these sophisticated marketing databases, enabled by the collection and use of people's data, result in higher use of alcohol products than traditional forms of marketing.¹³ Research shows that increased use of alcohol leads to increased risk of harm in both the short and long term.¹⁴

Many of the proposals put forward in the Interim Report address the competition element of the digital advertising service issues raised through the Inquiry. This seems to enhance the ability of advertisers to access and link more data on individual consumers. FARE is concerned that this will enable companies selling harmful products like alcohol to conduct even more harmful targeted advertising. The Interim Report notes the importance for careful scrutiny of the proposed measures to ensure that they are implemented in a way that sufficiently safeguards the privacy of consumers. However, limited detail is provided in this regard. In the final report, FARE would like to see the potential harms, including specifically to children and other groups most at risk of harms, addressed in greater detail.

FARE recommends that the final report should:

- Expressly assess how each proposal will affect children and other groups most at risk from harmful products
- Recommend that children's data must be protected, specifically that no children's data can be collected, used or disclosed for the purposes of any form of marketing
- Recommend that children be expressly excluded from the operation of all proposed reforms that enable expanded access to or portability of data
- Recommend that individuals are meaningfully able to self-exclude their data being collected, used or disclosed for the purposes of any form of marketing.

Thank you again for the opportunity to contribute to the Digital Advertising Services Inquiry. We hope you will consider the recommendations outlined in our submission. If you would like any further information, please contact [REDACTED], Senior Policy Advisor at the Foundation for Alcohol Research and Education at [REDACTED] or 02 6122 8600.

Yours sincerely



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