

Australians for Sale

Targeted Advertising, Data Brokering,
and Consumer Manipulation

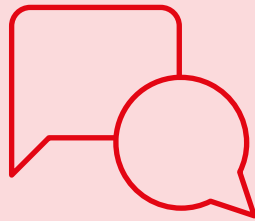
Dr Susie Alegre with contributions from Wolfie Christl (Cracked Labs)
December 2023

Contents

Foreword	3
Targeted advertising and manipulation	6
Data that is collected and sold about Australians	10
Geofencing	15
Public opinion about targeted advertising	21
How this affects people	24
<i>Gambling</i>	25
<i>Alcohol use</i>	30
<i>Financial stress</i>	34
<i>Children and young people</i>	39
Conclusion	46
Appendix	48

Notes on the Illustrations

Armelle Skatulski is an artist, researcher, and freelance visual strategist and illustrator who completed an AHRC funded PhD at the Royal College of Art. She was awarded a 2023 DYCP grant by Arts Council England for her project *Virtual Anatomy*. In 2022 she was a Visiting Scholar at the UWA Tech & Policy Lab (University of Western Australia) where she was commissioned to visualise and map data extraction practices in professional sport in the Australian context for a report published by the Australian Academy of Sciences (April 2022). Armelle has previously researched the datafication of work for the UK-based think-tank, Autonomy, where she produced a schematic map of data flows from the *worker/user*, the connected workplace, and the networked social factory, to infrastructures of data extraction, analytics, and rent (Data Archeogram, 2021). In 2024, she will be an artist in residence at IOU Theatre (UK) to develop a project exploring the mechanics and politics of gaze data collection in Virtual Reality.



Foreword

Foreword

The issues raised in this report are pernicious, significant and affect all Australians. The rapid digitisation of day-to-day-life has brought with it new threats to privacy and personal security that render existing protections effectively defunct. Privacy protections, consumer protections and cyber protections have lagged behind digitisation, allowing an unregulated predatory data market to thrive. As this report lays bare, this market harms all Australians at some stage of our lives, and often when we are at our most vulnerable.

The scale of this data market, and the novel digital world it arises from, presents a once-in-a-generation challenge for governments worldwide. In Australia, the issue does not fit neatly into a distinct portfolio nor legislative agenda, cutting across privacy, consumer protection, human rights and online safety. While this may seem daunting, the breadth of this colossal impact is exactly why it is time to coordinate legislation to protect Australians from the threats posed by the digital world.

We need a solution that at least matches or better yet, even exceeds the scale of this extractive and predatory data market. Piecemeal or industry specific approaches are doomed to fail. Regulating the flow of 'sensitive' personal data regarding vulnerability X and Y, will always leave vulnerability Z exposed, and new techniques and data proxies to expose them are emerging daily. The risks created are simply too large and complex to enumerate by industry. Likewise, regulating the presentation of advertising regarding product X or Y fails to address these underlying risks. The use of personal data to create and exploit vulnerabilities in consumers is a harm in itself; it violates consumers' rights to autonomy and free choice.

Tackling the issue from a consumer education perspective mischaracterises the power imbalances at play. There is no way for consumers to 'choose wisely' or 'click the right privacy settings' to protect themselves when advertisers and scammers are tracking which devices enter airports, hospitals or playgrounds. The predatory data market is rotten at its core, and the onus cannot and should not be on Australians to protect themselves one-by-one by disconnecting from the digital world. Consumers should not be expected to become technical experts simply to engage online.

We need comprehensive reform. Now is an exciting time to be thinking about these possibilities, with the *Privacy Act* under review, a review of the *Online Safety Act* announced, Treasury considering a prohibition on unfair business practices and the ACCC actively inquiring into data brokers and regulatory reform models for digital markets. All of the ingredients are here for a bold and agenda-setting regulatory response.

And we have emerging global models of good regulation that the Albanese Government could draw from. The EU's *Digital Services Act*, combined with their *General Data Protection Regulation* and *Digital Markets Act* provide strong examples of how Australians could be protected into the future.

A brave, bold and strong response to this issue is necessary, and long overdue. We must close the gap between consumer expectation and reality when it comes to the use of consumer data. We need to hold businesses accountable to use consumer data with care and respect.

A wide range of measures could be implemented to curb this practice, including but not limited to:

- For the Office of the Australian Information Commissioner to enforce Privacy Principle 3.6 with regard to this practice.
- Ensuring the definition of personal information in the *Privacy Act* includes data related to an individual.
- Including the practice of 'using data to exploit consumer vulnerabilities and impair consumer choice' in the blacklist for an unfair trading prohibition under consideration by Treasury.
- Adopting a fair and reasonable test for data practices under the *Privacy Act*, and make it clear that it is not fair nor reasonable for online services to collect data about users to inform targeted advertising, including the use of third-party trackers and SDKs.
- Requiring opt-in consent to targeted advertising and inclusion in data brokerage services and secondary data markets. In the interim, clear and easy ways to opt-out could be considered.
- Prohibiting the disclosure of or trading in personal information where consumers have not offered expressed, informed consent.
- Introducing a best-interests or duty of care obligation that is placed on all entities involved in the collection, sharing and use of consumer data.





Targeted advertising and manipulation

Targeted advertising and manipulation

Advertising is designed to persuade or influence us, whether it is to buy a product or to vote for a political party. Billboards or TV commercials target large groups according to the places they live and work or the shows they watch on TV. However, online advertising is different because it targets us based on an intimate understanding of who we are, how we think and what we are feeling. That understanding comes from inferences drawn from all the personal data that we leave about ourselves in the digital world, often without even realising it. It is the personalised nature of targeting based on individual profiles that flag emotional and contextual vulnerabilities that makes this form of advertising so manipulative.

Personal data in the 21st century is not just a list of details about you – your name, address, date of birth or phone number – it is a vast trove of information drawn from the websites you visit, the places you go, the apps you have on your phone, the time you spend on your screens, your bank accounts and shopping habits. That data trove is valuable because it not only indicates who you are or where you live but also allows those with access to it to make inferences in real time about what kind of person you are and what your vulnerabilities may be. Online advertising works by auctioning access to your eyeballs so that businesses can sell you things at the moment you are most likely to buy whatever it is they are trying to sell. In the international marketplace for personal data, the information that identifies key vulnerabilities is valuable precisely because when we are vulnerable, we are more open to suggestions.

Vulnerability is not a fixed characteristic. All consumers will be vulnerable at different points in their lives. As the Australian Competition and Consumer Commission (ACCC) guidance on vulnerable consumers points out, things such as illness, bereavement or financial stress can increase vulnerability, and some personal, social and cultural characteristics, such as language, literacy and remote location, can increase the likelihood of vulnerability. The real-time information that can be traced through our data allows companies to identify and exploit us when we are at our lowest ebb. The ACCC *Digital Platforms Inquiry*, as summarised by the Consumer Policy Research Centre, found that:

‘Data collection and handling practices can lead to particularly significant detriment for vulnerable consumers, for example, by placing vulnerable consumers at risk of being targeted with inappropriate products or scams, being discriminated against or excluded from markets.’


Furthermore, they suggested that an ‘unfair trading practices prohibition would help to ensure all consumers can participate in digital markets with confidence that their vulnerabilities will not be exploited.’^[1]


Manipulation of consumers is not just a personal problem; it is fundamentally unfair and is also a human rights issue. It is something that we should all be concerned about. The use of our data to profile us and draw inferences about our inner lives not only interferes with our right to private life protected under international law but also potentially interferes with our absolute right to freedom of thought. Influence and persuasion may be a perfectly normal part of human interaction, but manipulation is unlawful. The manipulation of individuals through online targeted advertising can have serious consequences for families, communities and states. These are business practices that need to be stamped out using the full range of legislative tools available. When it comes to online advertising, our data is personal, but it is also political, and the scale of the industry that is built on the mapping and manipulation of Australian minds is astonishing.

This report documents the nature of some of the more troubling consumer manipulation practices currently occurring in Australia. It explores how targeted advertising affects people who gamble, consume alcohol, are experiencing financial stress, and how it affects children and young people. Each case study describes potential consumer harm and rights violations and goes on to include evidence from the ‘Xandr File’ about the nature of data that is routinely traded for targeted advertising about each of these groups.

This discussion is timely. As documented in the appendix, the Government is in the process of reforming the Privacy Act. Some of the proposed reforms could offer Australians greater protection against manipulation through targeted advertising by providing them with the unqualified right to opt-out. However, the Government’s response in September simply ‘noted’ this proposal, leaving it without a path to implementation.

The Government has stated that ‘further consideration will be given to how to give individuals more choice and control in relation to the use of their information for targeted advertising, including layered opt-outs and industry codes’^[2] rather than offering an unqualified right to opt-out. We hope the discussions in this paper – centring around potential harm to consumers and rights violations that routinely occur through the targeted advertising business model – inform these considerations and ultimately lead to stronger protection for Australians.

^[1] Consumer Policy Research Centre 2020 *Unfair Trading Practices In Digital Markets – Evidence And Regulatory Gaps* <https://cprc.org.au/wp-content/uploads/2021/11/Unfair-Trading-Practices-in-Digital-Markets.pdf> 

^[2] Australian Government 2023 *Government Response to the Privacy Act Review Report 2023*, 12. <https://www.ag.gov.au/sites/default/files/2023-09/government-response-privacy-act-review-report.PDF> 


Manipulative practices

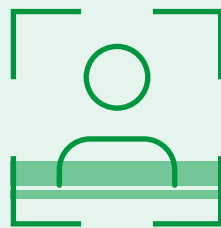
Susser, Roesslet and Nissenbaum argue that there are three defining characteristics of manipulative practices:

1. The exploitation of an individual's vulnerabilities.
2. The use of covertness as a tactic.
3. Divergence of interests between the surveillance company and the target consumer.^[3]

As this report outlines, all Australian consumers are vulnerable at some stage in their lives and some for all of their lives. Targeted advertising does not 'stop' for the vulnerable; it explicitly gathers data about them and enables advertisers to exploit these vulnerabilities. It is a covert practice, and consumers are largely unaware that the practice is happening or the extent to which it happens. Furthermore, while targeted advertising can be used to reach people with public interest messaging, it is most often deployed to encourage and influence spending in ways that are not aligned with consumers' best interests.



^[3] Daniel Susser, Beate Roessler, & Helen Nissenbaum 2019 Technology, autonomy, and manipulation *Internet Policy Review* doi.org/10.14763/2019.2.1410 



**Data that is
collected and
sold about
Australians**

Data that is collected and sold about Australians

Data brokers have long been trading lists of names and postal addresses of consumers with certain characteristics, for example, lists of people who subscribed to a certain magazine, booked a certain hotel or bought certain products in certain stores.^[4] In the digital age, data brokers often do not use names and postal addresses, but digital IDs, which are unique codes that refer to persons. Consumers will never see these digital IDs, but data brokers always know which devices, browsers and persons these IDs refer to. Data brokers create 'segments' or 'audience segments', which are lists of digital IDs that refer to persons with certain characteristics. For example, a segment could contain a list of digital IDs that refer to persons that are profiled as 'low income', 'heavy gamblers', or 'teenagers'. Because data brokers always know which persons these lists refer to, we refer to 'segments' simply as lists of people with certain characteristics. Advertisers can use these segments for ad targeting,^[5] but many other actors can also access this data for more nefarious means.^[6]

This report documents some of the 650,000 characteristics that people, including Australians, can be targeted with that were made public in the Xandr File. The Xandr File is a data set made public in 2021 by Microsoft^[7] that lists the 'audience segments' (or characteristics) that data brokers hold about Australians, including low-income individuals, heavy gamblers and teenagers. These characteristics are largely gathered from online behaviour, although some are gathered from 'geolocation' tracking of where your mobile phone goes and are tied to digital identifiers that data brokers use to identify individuals. Xandr contains segments provided by multiple data brokers (e.g. Lotame, Eyeota), which sometimes resell data from other data brokers (e.g. Mobilewalla, Roy Morgan). It represents just a glimpse of all the data that is secretly generated and held about Australians, and we include it here to highlight both the prevalence and perniciousness of the problem.

^[4] Wolife Christl 2017 *Corporate Surveillance In Everyday Life*
https://crackedlabs.org/dl/CrackedLabs_Christl_CorporateSurveillance.pdf ↗

^[5] Wolife Christl 2017 *Corporate Surveillance In Everyday Life*
https://crackedlabs.org/dl/CrackedLabs_Christl_CorporateSurveillance.pdf ↗

^[6] See for example, Irish Council of Civil Liberties 2023 *American's Hidden Security Crisis*
<https://www.iccl.ie/digital-data/americas-hidden-security-crisis/> ↗

^[7] Microsoft acquired Xandr towards the end of 2021/beginning of 2022. Previously, Xandr was owned by AT&T.

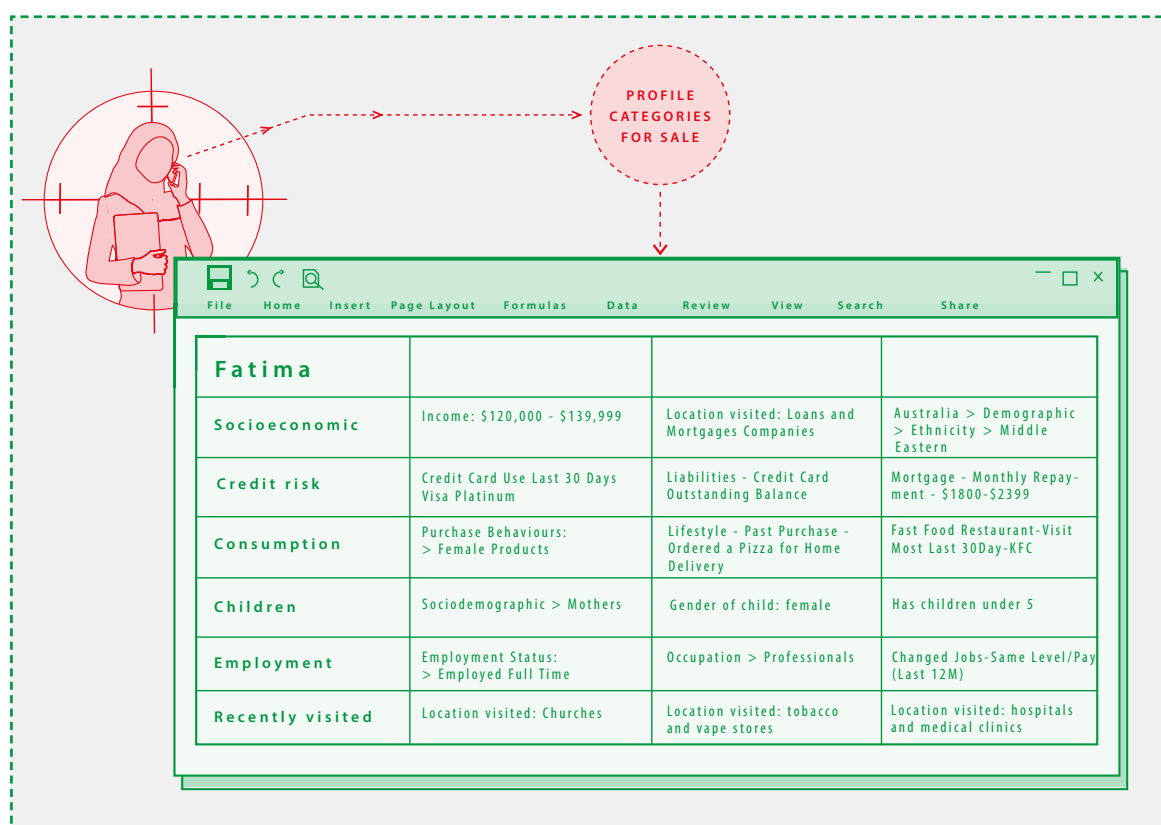


Figure 1: An example of the segments available to purchase on Australians. All segments listed are real examples from the Xandr File.

The Xandr File is only one file, so these should be considered the minimum estimate of data profiling rather than an exhaustive list. The data held by multiple data brokers can be combined to create dizzying levels of detail; Xandr alone documents 8,300 segments about Australians available on the data market. Segments can be joined across different data brokers, by cross referencing identifiable ID markers. One company may know that a person visited a certain website, searched for a certain thing or installed a certain app on the phone. Another data broker knows where this person lives and which places they visited. Yet another company knows that they purchased certain products in the supermarket. All these behaviours may affect how this person is profiled and categorised by the next data broker. There are almost no characteristics or inferences that are not made about the Australian public.

Figures 1 and 2 represent the types of data available about Australians in the Xandr file, using real segments for sale in the Xandr File to construct hypothetical profiles - 'Fatima' and 'Elijah'. Data brokers know Fatima's ethnicity (or an interpretation of it), the age and gender of her young child, the outstanding balance on her credit card, her income, and recent locations visited (which involve anything from inferring consumption habits to the inferred existence of health problems). For Elijah, very worryingly, data brokers know he is serving in the Australian military. Data brokers also have access to segments carrying high security risks, such as frequency of visiting airports, and details for visits to government offices.

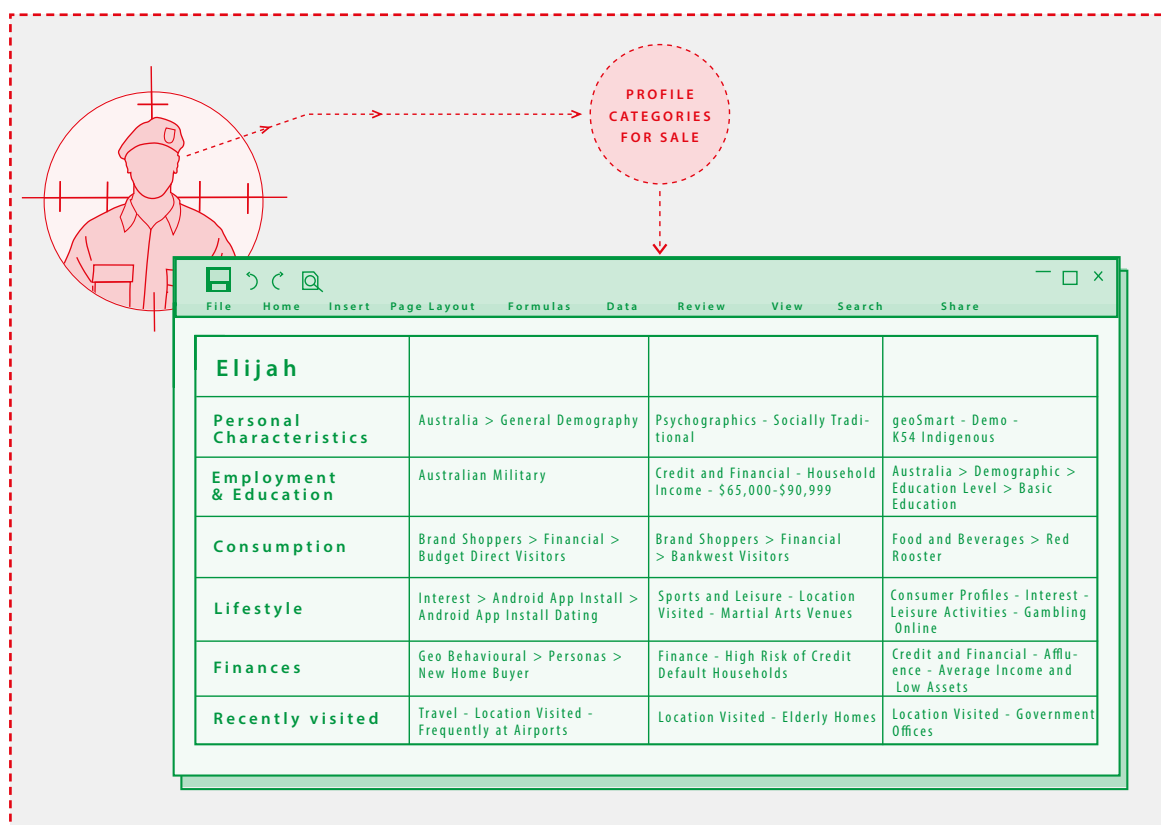


Figure 2: An example of the segments available to purchase on Australians. All segments listed are real examples from the Xandr File.

How do data brokers profile and categorise individuals?

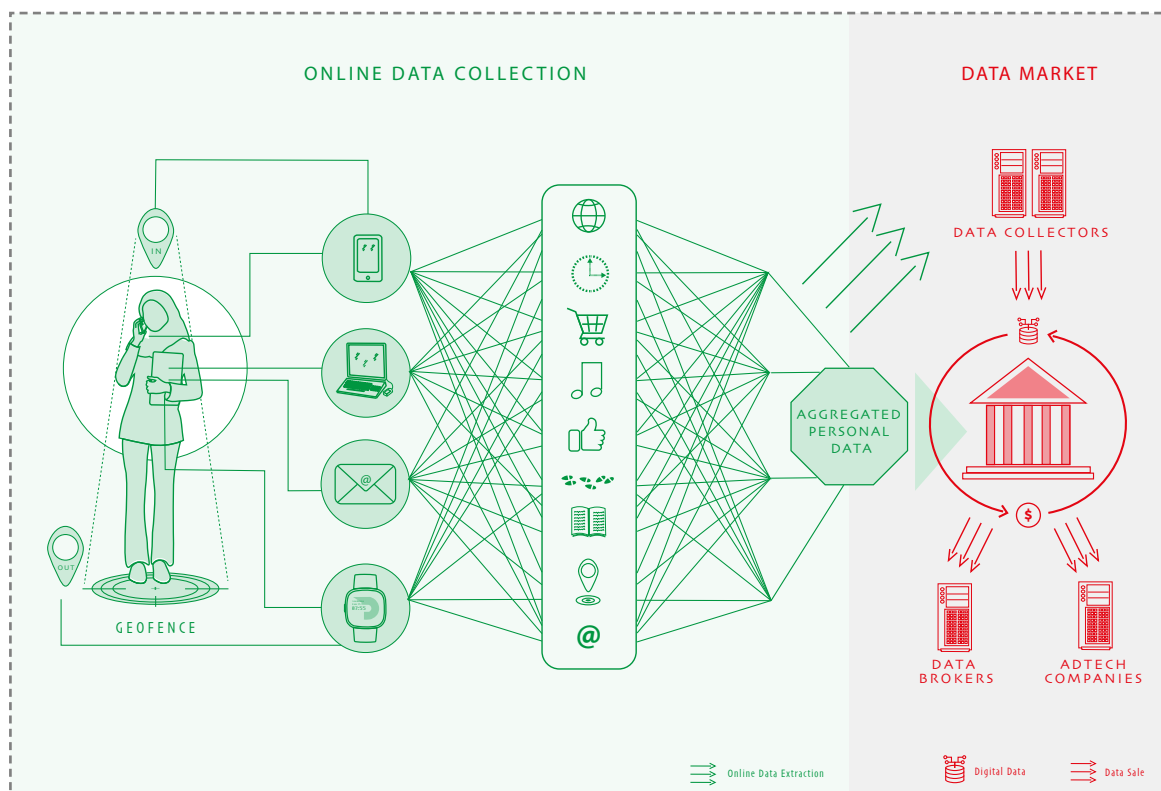


Figure 3: A representation of how different types of data is collected from multiple sources, aggregated, and transacted to build richly detailed profiles on Australians.

What profile characteristics about Australians are traded and sold?

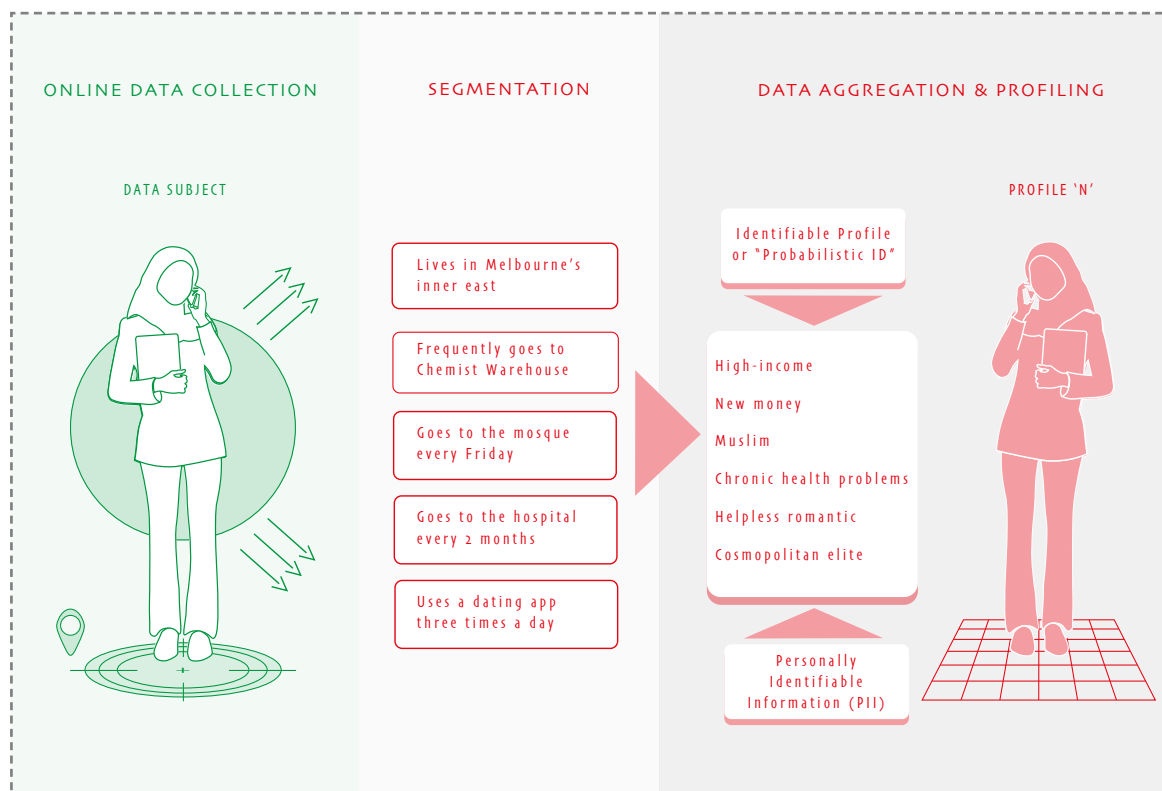


Figure 4: A representation of how adtech companies and data brokers collect or combine data to create identifiable profiles including key demographics and habits. These categories can be and often are wrong, but they are still made.

What does the data in the Xandr File look like?

The Xandr File contains lists of data segments that contain digital IDs referring to persons with certain characteristics. As data brokers always know who these IDs refer to, we simply call them 'lists of people' throughout this report.

<i>Explanation, and how we have presented them throughout this report</i>	<i>Original segment name</i>
People who frequently visit casinos	Mobilewalla → Australia → Interests & Activities → Casino Frequenters [Lotame]
People who have gambled in the last 7 days	Eyeota → AU Roy Morgan → Gambling → Gambled in the Last 7 Days
People who have gambled in the last 4 weeks	Eyeota → AU Roy Morgan → Gambling → Gambled in the Last 4 Weeks



Geofencing

Geofencing

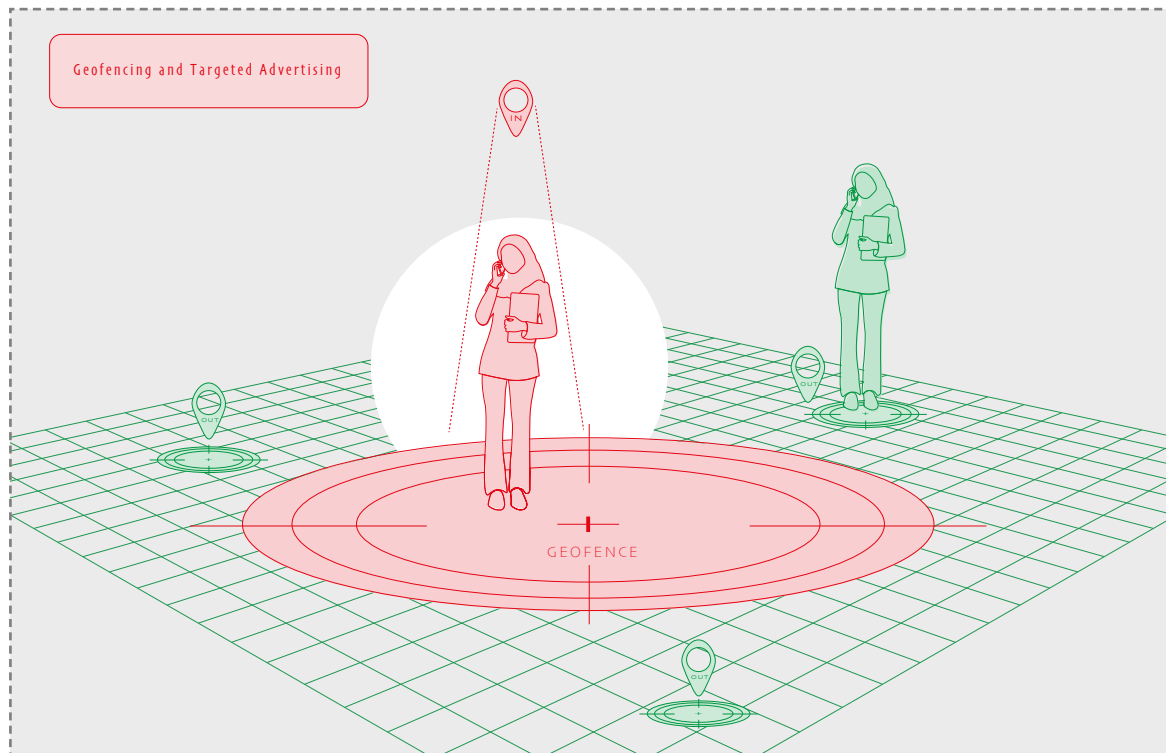


Figure 5: A visual representation of geofencing.

Some of the data segments highlighted in the Xandr File profile Australians based on where they have been, such as individuals who have passed through an Australian airport or visited a hospital or casino.

Companies that create ‘geofenced data’ mark boundaries around areas of interest using GPS coordinates or other data that identifies their location. When someone enters one of these areas and with an app installed on their phone or other device that is sharing geolocation or other data, these companies add people to their segment list of, for example, ‘people who have visited airports’. In this way, data brokers can sell access to information about which people have been where.

Geofencing may have some legitimate uses. For example, when you enter an airport your airline or border control may be able to send you a phone notification. However, when this information is shared with third parties, it can enable nefarious uses. For example, it may allow scammers to target people who have recently been through the airport with scams about incorrect visas or travel fees.^[8]

^[8] Immigration scams are a popular and enduring genre, see e.g. Scamwatch 2013, *Beware of Immigration Scams* <https://www.scamwatch.gov.au/news-alerts/beware-of-immigration-scams>. ^[8] The availability of geofencing data over the last few years enabled scammers to target, say, passengers recently arrived at Australian airports with international phone numbers.

	<i>Original segment name</i>
People who have visited healthcare settings	Branded Data → Lifesight → Place Category Visitors → Australia → Healthcare (BlueKai)
People who have visited dental clinics	Branded Data → Lifesight → Place Category Visitors → Australia → Healthcare → Dental Clinic Visitors (BlueKai)
People who have bought health goods	Branded Data → Lifesight → Place Category Visitors → Australia → Healthcare → Health Goods Shoppers (BlueKai)
People who have visited government and community centres	Branded Data → Lifesight → Place Category Visitors → Australia → Government And Community (BlueKai)
People who have visited nightlife spots	Branded Data → Lifesight → Place Category Visitors → Australia → Entertainment → Nightlife Spots Visitors (BlueKai)
People who have visited car repair centres	Branded Data → Lifesight → Place Category Visitors → Australia → Automotive → Car Repair Visitors (BlueKai)
People who have visited motorcycle repair centres	Branded Data → Lifesight → Place Category Visitors → Australia → Automotive → Motorcycle Repair Visitors (BlueKai)
People who have visited museums	Branded Data → Lifesight → Place Category Visitors → Australia → Government And Community → Museum Visitors (BlueKai)
People who have visited gyms	Branded Data → Lifesight → Place Category Visitors → Australia → Sports And Leisure → Gym Visitors (BlueKai)
People who have visited massage and spa centres	Branded Data → Lifesight → Place Category Visitors → Australia → Businesses and Services → Massage & Spa Visitors (BlueKai)
People who have visited apartments	Branded Data → Lifesight → Place Category Visitors → Australia → Buildings and Structures → Apartments Visitors (BlueKai)
People who have visited a pizza restaurant	Branded Data → Lifesight → Place Category Visitors → Australia → Food And Beverages → Pizza Restaurant Customers (BlueKai)

	<i>Original segment name</i>
People who have visited a French cuisine restaurant	Branded Data → Lifesight → Place Category Visitors → Australia → Food And Beverages → French Cuisine Customers (BlueKai)
People who have visited a sushi restaurant	Branded Data → Lifesight → Place Category Visitors → Australia → Food And Beverages → Sushi Lovers (BlueKai)
People who have visited National Bank of Australia	Branded Data → Lifesight → Brand Shoppers → Financial → National Australia Bank Visitors (BlueKai)
People who have visited Australia Post	Branded Data → Lifesight → Brand Shoppers → Businesses and Services → Australia Post Visitors (BlueKai)
People who have visited Westpac	Branded Data → Lifesight → Brand Shoppers → Financial → Westpac Visitors (BlueKai)
People who have visited HCF Insurance	Branded Data → Lifesight → Brand Shoppers → Financial → HCF Insurance Visitors (BlueKai)
People who have visited HBF Health Insurance	Branded Data → Lifesight → Brand Shoppers → Financial → HBF Health Insurance Visitors (BlueKai)
People who have visited Commonwealth Bank	Branded Data → Lifesight → Brand Shoppers → Financial → Commonwealth Bank Visitors (BlueKai)
People who have visited Citibank	Branded Data → Lifesight → Brand Shoppers → Financial → Citibank Visitors (BlueKai)
People who have visited Suncorp	Branded Data → Lifesight → Brand Shoppers → Financial → Suncorp Visitors (BlueKai)
People who have visited Macquarie Bank	Branded Data → Lifesight → Brand Shoppers → Financial → Macquarie Bank Visitors (BlueKai)
People who have visited Allianz	Branded Data → Lifesight → Brand Shoppers → Financial → Allianz Visitors (BlueKai)
People who have visited Adelaide Bank	Branded Data → Lifesight → Brand Shoppers → Financial → Adelaide Bank Visitors (BlueKai)
People who have visited Bankwest	Branded Data → Lifesight → Brand Shoppers → Financial → Bankwest Visitors (BlueKai)

	<i>Original segment name</i>
People who have visited AMP Bank	Branded Data → Lifesight → Brand Shoppers → Financial → AMP Bank Visitors (BlueKai)
People who have visited Qudos Bank	Branded Data → Lifesight → Brand Shoppers → Financial → Qudos Bank Visitors (BlueKai)
People who have visited BankVic	Branded Data → Lifesight → Brand Shoppers → Financial → BankVic Visitors (BlueKai)
People who have visited Budget Direct	Branded Data → Lifesight → Brand Shoppers → Financial → Budget Direct Visitors (BlueKai)
People who have visited Priceline Pharmacy	Branded Data → Lifesight → Brand Shoppers → Healthcare → Priceline Pharmacy Visitors (BlueKai)
People who have visited Guardian Pharmacy	Branded Data → Lifesight → Brand Shoppers → Healthcare → Guardian Pharmacy Visitors (BlueKai)
People who have visited Chemist Warehouse	Branded Data → Lifesight → Brand Shoppers → Healthcare → Chemist Warehouse Visitors (BlueKai)
People who have visited Telstra	Branded Data → Lifesight → Brand Shoppers → Businesses and Services → Telstra Visitors (BlueKai)
People who have visited 'Aussie'	Branded Data → Lifesight → Brand Shoppers → Businesses and Services → Aussie Visitors (BlueKai)
People who have visited Optus	Branded Data → Lifesight → Brand Shoppers → Businesses and Services → Optus Visitors (BlueKai)
People who have visited Vodafone	Branded Data → Lifesight → Brand Shoppers → Businesses and Services → Vodafone Visitors (BlueKai)
People who have visited Utopia Records	Branded Data → Lifesight → Brand Shoppers → Retail → Utopia Records Visitors (BlueKai)
People who are assessed to be new parents based on the places they have visited	Branded Data → Lifesight → Geo Behavioural → Personas → New Parents (BlueKai)

	<i>Original segment name</i>
People who are assessed to be parents based on the places they have visited	Branded Data → Lifesight → Geo Behavioural → Personas → Parents (BlueKai)
People who are assessed to be parents of school children based on the places they have visited	Branded Data → Lifesight → Geo Behavioural → Personas → Parents of School Children (BlueKai)
People who are assessed to be working parents based on the places they have visited	Branded Data → Lifesight → Geo Behavioural → Personas → Working Parents (BlueKai)
People who are assessed to be young parents based on the places they have visited	Branded Data → Lifesight → Geo Behavioural → Personas → Young Parents (BlueKai)
People who are assessed to be college students based on the places they have visited	Branded Data → Lifesight → Geo Behavioural → Personas → College Students (BlueKai)



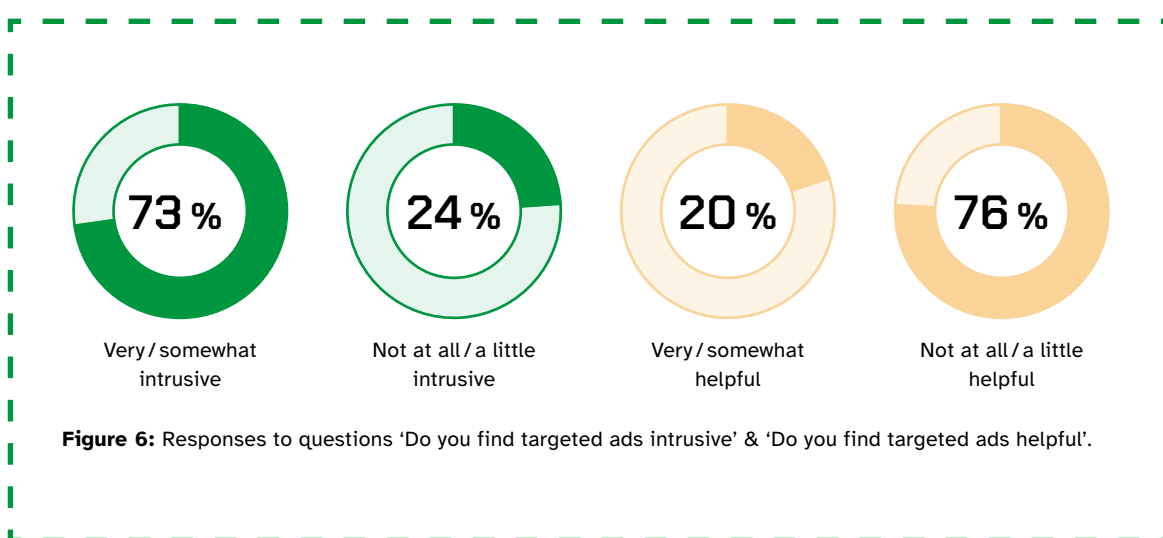


Public opinion about targeted advertising

Public opinion about targeted advertising

In July 2023, 1,098 Australians were polled to explore their relationship with targeted advertising and perspectives on the right to opt-out.^[9]

Targeted advertising was described as intrusive and unhelpful. Despite often being characterised by adtech platforms as a practice that enhances consumer choice, almost three-quarters of Australians described the practice as very or somewhat intrusive, almost the same as the proportion who found targeted advertising not at all or only a little helpful.

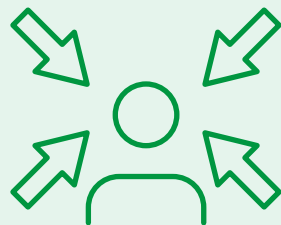


The feeling of invasiveness from targeted ads appeared also to be pervasive. Seventy-three per cent of respondents strongly agreed or agreed with the statement that they often receive targeted ads for things they found themselves 'just thinking about'.

There was overwhelming support for choice around receiving targeted advertising. Ninety-three per cent of respondents agree with the proposal to give consumers the choice to opt-out of targeted advertising. The vast majority of people said they would take advantage of this choice if it was available to them. Eight in ten said they would opt-out of one or more digital platforms if the choice was available. This is supported by recent research from the Consumer Policy Research Centre, which found that less than 10 per cent of Australians are comfortable with the current approach of targeted advertising.^[10]

^[9] Reset.Tech Australia 2023 *Intrusive and Unhelpful: Targeted Advertising in Australia* <https://au.reset.tech/news/report-intrusive-and-unhelpful-targeted-advertising-in-australia/>

^[10] Consumer Policy Research Centre 2023 *Not a Fair Trade* <https://cprc.org.au/not-a-fair-trade/>



**How this
affects people**

How this affects people

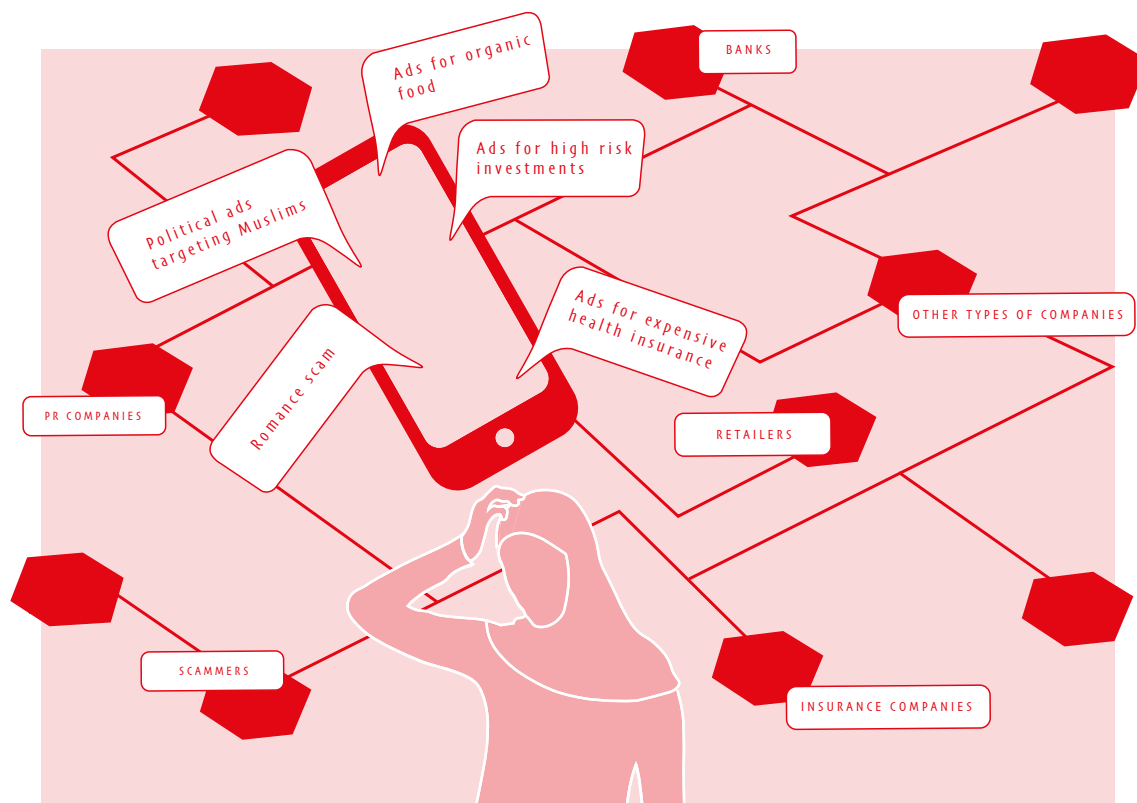


Figure 7: An illustration of the distortions created in Australians' online worlds as a result of broking and advertising practices.

We are all vulnerable at one time or another in our lives, but data brokers and online advertisers know that certain characteristics make people more susceptible to suggestion and exploitation in the online world. Some industries benefit from particular vulnerabilities and seek them out, while others just go along for the ride, presuming that some groups will be easier to target with their products. The case studies below highlight problem areas that inevitably arise from the practice. Legislative and regulatory action needs to curb the trade of data to prevent these sorts of vulnerabilities being exploited.

Gambling

Gambling is legal in Australia, but it is a huge and growing societal and personal problem. The Australian Institute of Health and Welfare estimates that Australians lose about \$25 billion on legal forms of gambling each year – the highest figure per capita in the world.^[11] Online gambling

is the fastest-growing sector in Australia, with annual losses estimated at \$7 billion.^[12] Professor Samantha Thomas, a public health sociologist at Deakin University, described the gambling industry as ‘one of the most agile, hi-tech, health-harming industries that we have probably ever seen’. In October 2023, a *Guardian Australia* investigation revealed the extent to which gambling is increasingly affecting children and young people, with children as young as eight finding the design of online gambling ads appealing and children struggling with both their own gambling problem and the consequences of other family members’ gambling.

Earlier this year, a private member’s bill set out draft legislation for banning gambling advertising on TV, radio and media, but the Alliance for Gambling Reform pointed out that it didn’t go far enough, with advertising on social media being a huge part of the problem. In June 2023, the House of Representatives Standing Committee on Social Policy and Legal Affairs issued its report ‘You win some, you lose more’, which contained 31 recommendations for tackling the problem of gambling and gambling advertising in Australia. A key recommendation was a ban on all advertising for online gambling across all media to be phased in over the next three years.^[13]

Legislators know there is a problem and that they urgently need to tackle it; however, while they discuss it, online advertisers and data brokers are rushing to extract as much as they can from Australian gamblers and those susceptible to gambling. Gambling is big business, and online advertising allows gambling businesses to profit from information about millions of individuals who have gambled or may be vulnerable to gambling, reminding them through their online activity to draw them back in.

The Xandr File shows how Australian consumers are profiled in over 40 categories related to gambling, including a segment for ‘TAB gamblers’ and people who had gambled in the past 7 days, vastly increasing their risk of being targeted and ultimately harmed by gambling adverts in their online environment.^[14] These are profiles of gamblers, but data brokers also create segments of people who have never gambled but could be vulnerable to advertising. For example, *Guardian Australia* reported that TikTok is expanding its trial of gambling advertising in Australia this year, particularly targeting groups, such as young women, who were less exposed to traditional sports gambling advertising to develop new pools of Australians to be exploited.^[15]

^[11] Melissa Davey & Natasha May 2023 ‘A massive public health problem’: Australian children as young as 10 are hooked on gambling, *The Guardian* www.theguardian.com/australia-news/2023/oct/03/a-massive-public-health-problem-australian-children-as-young-as-10-are-hooked-on-gambling ↗

^[12] Alliance For Gambling Reform 2023 *Bill to ban gambling ads on broadcasting platforms applauded - But ban must also be extended to ban social media platforms* www.agr.org.au/agr-media-releases/bill-to-ban-gambling-ads-on-broadcasting-platforms-applauded---but-ban-must-also-be-extended-to-ban-social-media-platforms ↗

^[13] Paul Karp 2023 Ads for online gambling should be banned in Australia within three years, inquiry recommends *The Guardian*, www.theguardian.com/australia-news/2023/jun/28/ads-for-online-gambling-should-be-banned-in-australia-within-three-years-inquiry-recommends ↗

^[14] CP Ariel Bogle 2023 Heavy TAB gamblers’ among groups targeted by online advertising database *The Guardian*, www.theguardian.com/australia-news/2023/aug/15/tab-gamblers-betting-australia-targeted-microsoft-xandr-advertising-database ↗

Urgent action is required to tackle the issue of online gambling advertising, but the problem extends beyond just gambling ads. The wider online advertising and data brokering system that underpins it is a significant part of the challenge.

Data segments about Australians who gamble

The Xandr file noted multiple ways gamblers are routinely identified by data brokers, and their data is packaged up and sold in ways that enable them to be targeted by advertising.

These include the following:

	<i>Original segment name</i>
People who are 'casino frequenters'	Mobilewalla → Australia → Interests & Activities → Casino Frequenters
People who have gambled in the last 7 days	Eyeota → AU Roy Morgan → Gambling → Gambled in the Last 7 Days
People who have gambled in the last 4 weeks	Eyeota → AU Roy Morgan → Gambling → Gambled in the Last 4 Weeks
People who have gambled in the last 3 months	Eyeota → AU Roy Morgan → Gambling → Gambled in the Last 3 Months
People who have gambled in the last 12 months	Eyeota → AU Roy Morgan → Gambling → Gambled in the Last 12 Months
People that who gambled online	Eyeota → AU Roy Morgan → Gambling → Intent → Online Gambler

^[15] Henry Belot 2023 TikTok Australia expands trial of gambling advertising despite widespread criticism *The Guardian*, www.theguardian.com/australia-news/2023/may/20/tiktok-australia-expands-trial-of-gambling-advertising-despite-widespread-criticism [↗](#)

	<i>Original segment name</i>
People who have expressed interest in gambling on horse racing	Eyeota → AU Roy Morgan → Lifestyle → Horse Racing Gambler
People who have expressed interest in gambling at casinos	Eyeota → AU RDA Research → Consumer Profiles → Interest → Leisure Activities → Gambling → Casino
People who have expressed interest in gambling at pubs and clubs	Eyeota → AU RDA Research → Consumer Profiles → Interest → Leisure Activities → Gambling at Pub / Club
People who have expressed interest in gambling online	Eyeota → AU RDA Research → Consumer Profiles → Interest → Leisure Activities → Gambling Online
People who are casino customers	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Offline Gaming → Casino
People who are lotteries customers	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Offline Gaming → Lotteries Customers
People who gamble via offline games	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Offline Gaming → Offline Gaming
People who gamble at pubs and clubs	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Offline Gaming → Pub / Club Customers
People who are TAB customers	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Offline Gaming → Tab Customers
People who gamble on AFL	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Online Gaming → AFL
People who gamble on the cricket	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Online Gaming → Cricket
People who gamble on golf	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Online Gaming → Golf
People who gamble on horse racing	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Online Gaming → NRL
People who gamble on the Olympics	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Online Gaming → Olympics
People who gamble via online games	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Online Gaming → Online Gaming

	<i>Original segment name</i>
People who gamble on rugby union	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Online Gaming → Rugby Union
People who gamble on UFC matches	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Online Gaming → UFC
People who gamble on tennis	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Online Gaming → Tennis
People who gamble on basketball	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Online Gaming → Basketball
People who are offline spring racing punters	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Spring Racing → Punters → Offline
People who are online spring carnival punters	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Spring Racing → Spring Carnival Punters → Online
People who are offline spring carnival punters	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Spring Racing → Major Events Punters → Offline
People who are online major event punters	Eyeota → MiQ → AU Experian → Digital Audiences → Gambling → Spring Racing → Major Events Punters → Online




Alcohol use


Alcohol is an addictive product that can cause significant harm to individuals and communities. Online adverts promoting alcohol use are designed to sell alcohol to people in their own homes. Around 80 percent of alcohol sales in Australia are for takeaway consumption at home. Alcohol use in the home can be problematic and lead to serious societal and personal harm, including family violence, suicide, child neglect and physical and mental health issues.^[16]

Alcohol advertising in Australia skyrocketed during the pandemic, exploiting the stress and isolation that people felt when trapped in their homes as a captive audience. Research from the Foundation for Alcohol Research and Education (FARE) showed that during a single hour in April 2020, a personal Facebook and Instagram account was bombarded with 107 alcohol adverts – an alcohol ad every 35 seconds. If you weren't wanting a drink before you went online, alcohol advertisers certainly hoped they could help you build up a thirst. The marketing messaging exploited key risk factors for high-risk drinking – getting easy access to alcohol without leaving your home (58 percent), saving money (55 percent), buying more (35 percent), drinking alcohol during the COVID-19 pandemic (24 percent), using alcohol to cope, 'survive' or feel better (16 percent) and choosing 'healthier' alcohol products (14 percent).^[17] Post-pandemic, online alcohol advertising is still big business. Research by FARE published in March 2023 included a snapshot of the previous year and found 39,820 distinct alcohol advertisements captured from 351 prominent producers, retailers and venues on Meta platforms in Australia – an average of 765 distinct alcohol advertisements disseminated per week. The reason there are so many distinct adverts is that they are designed to appeal to different people based on their individual profiles and vulnerabilities.^[18]

Advertising strategies are generally designed to increase sales, including opening up new markets. The Alcohol and Drug Foundation has found that post-pandemic online alcohol advertising in Australia has focused on home delivery services and encouraging drinking Monday to Thursday after work rather than on the weekend, when people traditionally drink more. Two-thirds had buttons linking directly to online stores where consumers could 'Shop now' or 'Get offer'. As FARE has pointed out, '[this] creates a situation where the advertisement becomes the shop front, reducing the space between advertising exposure and purchasing decisions. This is highly problematic for alcohol because it is an addictive substance'.

^[16] Foundation for Alcohol Research and Education & Cancer Council Western Australia 2020 *An alcohol ad every 35 seconds* <https://fare.org.au/wp-content/uploads/2020-05-08-CCWA-FARE-An-alcohol-ad-every-35-seconds-A-snapshot-final.pdf> 

^[17] *Ibid.*

^[18] Foundation for Alcohol Research and Education 2023 *Alcohol advertising on social media platforms – A 1-year snapshot* <https://fare.org.au/alcohol-advertising-on-social-media-platforms/> 

Profiling people based on their alcohol use can be valuable for identifying people whose high-risk alcohol use may make them more susceptible to buying large quantities of alcohol and signing up for other risky products. For example, ‘buy now, pay later’ services Afterpay and ZipPay offer credit for online alcohol purchases which is particularly problematic when it comes to an addictive product like alcohol.^[19]

Data segments about Australians who consume alcohol

The Xandr File noted multiple ways drinkers are routinely identified by data brokers, and their data is packaged up and sold in ways that enable them to be targeted by wadvertising.

These include the following:

	<i>Original segment name</i>
People who say that they are ‘Drinking more often at licensed premises these days’	Eyeota - AU RDA Research → Consumer Profiles → Demo → Attitudes on Alcohol → Drinking more often at licensed premises these days
People who have ‘high purchasing power’ for alcoholic beverages	Eyeota → AU GfK → Purchasing Power → Alcoholic Beverages → High
People identified as having intent to purchase beer	Eyeota → AU RDA Research → Household Demand → Intent → Beverage → Beer
People identified as having intent to purchase spirits	Eyeota → AU RDA Research → Household Demand → Intent → Beverage → Spirits

^[19] Alcohol and Drug Foundation 2022 *Online alcohol delivery: who are they really targeting?* [Online alcohol delivery: who are they really targeting?](https://www.adf.org.au/online-alcohol-delivery-who-are-they-really-targeting?) - Alcohol and Drug Foundation (adf.org.au) [↗](#)

	<i>Original segment name</i>
People identified as having intent to purchase alcoholic beverages	Eyeota → AU RDA Research → Household Demand → Intent → Beverage → Alcoholic Beverages
People identified as having intent to purchase wine	Eyeota → AU RDA Research → Household Demand → Intent → Beverage → Wine
People who have 'luxury purchasing power' for alcoholic beverages	Eyeota → AU GfK → Purchasing Power → Alcoholic Beverages → Luxury
People who have 'discount purchasing power' for alcoholic beverages	Eyeota → AU GfK → Purchasing Power → Alcoholic Beverages → Discount
People who purchase Australian alcoholic beverages	International APAC → Australia Alcoholic Beverages
People who have expressed that 'drinking beer from my local state is very important'	Eyeota → AU RDA Research → Consumer Profiles → Demo → Attitudes on Alcohol → Drinking beer from my local state is very important

Data segments about Australian smokers

There were also many data segments made available about people's tobacco use.

These include the following:

	<i>Original segment name</i>
People who have visited tobacco and vape stores	Eyeota → APAC Lifesight → Retail → Location Visited → Tobacco and Vape Stores
People intending to visit a tobacconist	Eyeota → AU RDA Research → Consumer Profiles → Intent → Retail → Tobacconist
People intending to purchase cigarettes and tobacco	Eyeota → AU RDA Research → Household Demand → Intent → Retail → Cigarettes & Tobacco
People who have purchased discount tobacco products	Eyeota → AU GfK → Purchasing Power → Tobacco Products → Discount
People who have purchased luxury tobacco products	Eyeota → AU GfK → Purchasing Power → Tobacco Products → Luxury
People who have purchased tobacco and accessories offline	Offline Product Purchasers → Tobacco & Accessories
People intending to visit a tobacconist	AU Nielsen → CMV → Shopping → Stores Intending to Visit → Tobacconist



Financial stress

Low income and financial stress are factors likely to increase consumer vulnerability, but online advertising sees these situations as opportunities for exploitation. Online payday lenders prey on people who are at their lowest ebb by appearing to offer opportunity when all they actually provide is debt. This is an issue that affects many Australians, with an estimated 3.3 million adult Australians – almost 18 percent of the population – suffering from financial exclusion and 2.4 million experiencing severe financial vulnerability.^[20]

A 2019 Senate report^[21] on credit and hardship highlighted the predatory conduct of online payday lenders that exacerbates the scale and harm of ‘fringe lending’. As Senator Jenny McAllister put it, ‘[the] constant stream of ads, carefully targeted at young consumers, leverages the psychological principle of “mere exposure” – where simply becoming familiar with a brand or product can make it seem more attractive. In the vision presented in the marketing, [payday] lending is no longer for the desperate. It’s in fact a perfectly normal part of aspirational living’.^[22] Online adverts for high-cost, exploitative payday lending use profiling to target vulnerable consumers, with payday loans often being used for basic household expenses, such as food, medical supplies, children’s needs and utility bills, or to pay off other debts. The online nature of adverts linking to online applications creates a friction-free way of getting access to high-risk debt, with many lenders using online tricks to bury financial warnings in their web pages so that consumers often miss them.^[23] Many exploitative lenders pose online as understanding friends or offer financial advice through blogs that lull vulnerable people into taking out risky financial products.^[24]

When people start an application, they will find themselves bombarded with email and text reminders to complete it before they change their mind, and starting an application will flag an individual as vulnerable for further profiling.^[25] Not only will that make them more likely to be targeted with risky products but this flag of financial vulnerability in their data may go into data pools that will result in them being excluded from mainstream financial products, due to opaque algorithms that make adverse inferences about their credit-worthiness. Targeted advertising of risky financial products can make a person more vulnerable even if they don’t take out the product itself.

^[20] Centre for Financial Inclusion 2018 *Financial Inclusion in Australia: From Foundations to Actions* <https://www.centerforfinancialinclusion.org/financial-inclusion-in-australia-from-foundations-to-actions> ↗

^[21] Senate Economics References Committee, Parliament of Australia 2019 Credit and Hardship: Report of the Senate Inquiry into Credit and Financial Products Targeted at Australians at Risk of Financial Hardship https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Creditfinancialservices/~media/Committees/economics_ctte/Creditfinancialservices/report.pdf ↗

^[22] Jenny McAllister 2019 The Digital Age is a Pay-day Lenders’ Feast *Sydney Morning Herald* <https://www.smh.com.au/national/the-digital-age-is-a-pay-day-lenders-feast-20190222-p50zmq.html> ↗

^[23] Vivien Chen 2020 Online Payday Lenders: Trusted Friends Or Debt Traps?, UNSW Law Journal Volume 43(2) pp. 674–706, <https://www.unswlawjournal.unsw.edu.au/wp-content/uploads/2020/06/10-VIVIEN-CHEN.pdf> ↗

^[24] *Ibid.*

^[25] *Ibid.*

Data segments about Australians experiencing financial stress

The Xandr File noted multiple ways individuals experiencing financial stress are routinely identified by data brokers, and their data is packaged up and sold in ways that enable them to be targeted by advertising.

These include the following (and data about income more generally):

	<i>Original segment name</i>
People who are heavy credit card users	Eyeota → AU Roy Morgan → Finance → Heavy Credit Card Users
People who have high credit demand	Eyeota → MiQ → AU Experian → Credit and Financial → Credit Demand → High
People who have very high credit demand	Eyeota → MiQ → AU Experian → Credit and Financial → Credit Demand → Very High
People who have been assessed as high credit risks	Eyeota → MiQ → AU Experian → Financial Intent → Credit Cards → High Risk
People who have been assessed as high credit risks	Eyeota → MiQ → AU Experian → Credit and Financial → Credit Risk Insight → High
People with a Christmas gift budget of \$50-\$99	Eyeota → MiQ → AU Experian → Digital Audiences → Retail → Christmas → Gift Budget → \$50-\$99
People experiencing financial distress	Eyeota → AU RDA Research → Household Economics → Intent → Financial Indicators → Financial Distress
People in a 'low income' category	Mobilewalla → Australia → General Demography → Low Income

	<i>Original segment name</i>
People in the category 'T15 Slender Meanz- People Living In Underprivileged Circumstances'	Eyeota → AU RDA Research → geoTribes → Demo → T15 Slender Meanz (People Living In Underprivileged Circumstances)
People in the 'T12 Struggleville- Struggling Young & Middle Aged Families' category	Eyeota → AU RDA Research → geoTribes → Demo → T12 Struggleville (Struggling Young & Middle Aged Families)
People in the 'T14 Survivors- Retirees Living On Minimal Incomes' category	Eyeota → AU RDA Research → geoTribes → Demo → T14 Survivors (Retirees Living On Minimal Incomes)
People in the 'K Disadvantaged' category	Eyeota → AU RDA Research → geoSmart → Demo → Group → K Disadvantaged
People receiving income from government pensions and allowances	Eyeota → AU RDA Research → Household Economics → Intent → Income → Income From Government Pensions / Allowances
People with annual income below USD25K	AlikeAudience: Australia → Demographic → Annual Income Level → Annual Income Below USD25K
People in the '709 Coupon Clippers' category	Eyeota → AU Roy Morgan → Helix Personas (2014) → 700 Battlers → 709 Coupon Clippers
People in the 'low income and assets' category	Eyeota → MiQ → AU Experian → Credit and Financial → Affluence → Low Income and Assets
People with household income under \$45,000	Eyeota → AU Defind → Household Income → Under \$45,000
People with personal income between \$0 to \$25,999	Eyeota → AU Roy Morgan → Demo → Personal Income → \$0 to \$25,999
People with personal income between \$26,000 to \$51,999	Eyeota → AU Roy Morgan → Demo → Personal Income → \$26,000 to \$51,999

	<i>Original segment name</i>
People with household income between \$0 to \$51,999	Eyeota → AU Roy Morgan → Demo → Household Income → \$0 to \$51,999
People with household income between \$52,000 to \$155,999	Eyeota → AU Roy Morgan → Demo → Household Income → \$52,000 to \$155,999
People with personal income between \$52,000 to \$103,999	Eyeota → AU Roy Morgan → Demo → Personal Income → \$52,000 to \$103,999
People with a household income between \$45,000-\$64,999	Eyeota → AU Defind → Household Income → \$45,000-\$64,999
People in the 'average income and assets' category	Eyeota → MiQ → AU Experian - Credit and Financial - Affluence - Average Income and Assets
People in the 'average income and low assets' category	Eyeota - MiQ - AU Experian → Credit and Financial → Affluence → Average Income and Low Assets
People with household income under \$20,800	Eyeota - MiQ - AU Experian - Credit and Financial - Household Income - Less Than \$20,800
People with household income between \$20,800-\$41,599	Eyeota → MiQ → AU Experian → Credit and Financial → Household Income → \$20,800-\$41,599
People with household income between \$41,600-\$64,999	Eyeota → MiQ → AU Experian → Credit and Financial → Household Income → \$41,600-\$64,999
People that pay \$100-\$149 in rent weekly	Eyeota → MiQ → AU Experian → Credit and Financial → Weekly Rent → \$100-\$149
People that pay \$150-\$199 in rent weekly	Eyeota → MiQ → AU Experian → Credit and Financial → Weekly Rent → \$150-\$199
People that pay \$200-\$224 in rent weekly	Eyeota → MiQ → AU Experian → Credit and Financial → Weekly Rent → \$200-\$224
People with a preference for budget travel	Eyeota → MiQ → AU Experian → Digital Audiences → Travel → Traveller Segment → Budget

	<i>Original segment name</i>
People with a preference for specials and bargains	Eyeota → MiQ → AU Experian → Digital Audiences → Retail → Savvy Shoppers → Specials and Bargains
People with high credit value	AU Experian → Financial Intent → Credit Cards → High Credit Value
People who have a preference for low rate credit cards	Eyeota → MiQ → AU Experian → Digital Audiences → Financial Services → Credit Cards → Low Rate
People who have average credit demand	Eyeota → MiQ → AU Experian → Credit and Financial → Credit Demand → Average
People who have low credit demand	Eyeota → MiQ → AU Experian → Credit and Financial → Credit Demand → Low
People who have very low credit demand	Eyeota → MiQ → AU Experian → Credit and Financial → Credit Demand → Very Low
People who are assessed to be of average credit risk	Eyeota → MiQ → AU Experian → Credit and Financial → Credit Risk Insight → Average
People who are assessed to be of low credit risk	Eyeota → MiQ → AU Experian → Credit and Financial → Credit Risk Insight → Low
People who are assessed to be of very low credit risk	Eyeota → MiQ → AU Experian → Credit and Financial → Credit Risk Insight → Very Low
People whose home loan remaining balance is less than \$150,000	Eyeota → AU RDA Research → Consumer Profiles → Intent → Loans → Home Loan Remaining Balance → Less than \$150,000
People whose home loan remaining balance is more than \$150,000	Eyeota → AU RDA Research → Consumer Profiles → Intent → Loans → Home Loan Remaining Balance → More than \$150,000
People who have a credit card outstanding balance	Eyeota → AU RDA Research → Household Economics → Intent → Liabilities → Credit Card Outstanding Balance
People who have main residence outstanding loan balance	Eyeota → AU RDA Research → Household Economics → Intent → Liabilities → Main Residence Outstanding Loan Balance

	<i>Original segment name</i>
People who have an outstanding loan balance on vehicle purchases	Eyeota → AU RDA Research → Household Economics → Intent → Liabilities → Vehicle Purchases Outstanding Loan Balance
People by value of bank accounts/financial institution accounts	Eyeota → AU RDA Research → Household Economics → Intent → Assets → Value of Bank Accounts/Financial Institutions Accounts
People by value of non-residential property	Eyeota → AU RDA Research → Household Economics → Intent → Assets → Value Of Non-Residential Property
People by value of shares	Eyeota → AU RDA Research → Household Economics → Intent → Assets → Value Of Shares
People by value of superannuation accounts	Eyeota → AU RDA Research → Household Economics → Intent → Assets → Value Of Superannuation Accounts
People by the net wealth of their household	Eyeota → AU RDA Research → Household Economics → Intent → Assets → Net Wealth Of Household
People by their debt service ratio/the percentage of disposable income applied in servicing debt	Eyeota → AU RDA Research → Household Economics → Intent → Financial Indicators → Debt Service Ratio (% of Disposable Income applied in Servicing Debt)
People receiving income from superannuation/annuity	Eyeota → AU RDA Research → Household Economics → Intent → Income → Income From Superannuation / Annuity
People receiving income from wages	Eyeota → AU RDA Research → Household Economics → Intent → Income → Income From Wages
People receiving income from interest from a bank/financial institution	Eyeota → AU RDA Research → Household Economics → Intent → Income → Income from Interest from Bank / Financial Institution Account

Children and young people

Children and young people are particularly susceptible to online advertising as they explore and try to understand the world around them. Teenagers are particularly social, and psychologists have found that teenagers can be conditioned to be more accepting of risky behaviour through positive social media responses or ‘likes’ on social media, making it more likely that they will engage in similar behaviour.^[26] Advertisers know this and actively use profiling of children and young people in online advertising campaigns.

Reset.Tech Australia’s research revealed that Facebook uses data it collects about underage users to create profiles of young people with harmful or risky interests, such as 13–17-year-olds interested in smoking, gambling, alcohol or extreme weight loss. This sort of profiling is part of Facebook’s day-to-day business model. It is also incredibly cheap; it costs advertisers around \$3.03 to reach 1,000 young people profiled as interested in alcohol, \$38.46 for those interested in extreme weight loss or \$127.88 for those profiled as interested in smoking.^[27] Facebook announced it had stopped this practice earlier this year;^[28] however they have said this before. Previously, Facebook claimed to stop the practice in 2021 in front of the US Senate, but research showed that nothing changed then.^[29]

A 2020 report estimated that 72 million data points will have been collected by companies on each Australian child by the age of 13. This can be sold to marketers who can effectively target each child. As VicHealth CEO Dr Sandro Demaiio explained:

‘If kids get hooked on harmful products from a young age, they become consumers for life. Yet sneaky tactics like apps, advergames, influencer posts on social media and strategies to encourage content sharing among friends, all appeal to kids and are repeatedly used by harmful industries. We also know there’s nothing stopping companies buying kids’ data from digital platforms and using it to target them with marketing, essentially making our kids the product...

^[26] Lauren E Sherman et al 2016 The Power of the Like in Adolescence: Effects of Peer Influence on Neural and Behavioral Responses to Social Media 27(7) *Psychological Science* 1027 (cited in Vivien Chen 2020 *Online Payday Lenders: Trusted Friends Or Debt Traps?*) <https://www.unswlawjournal.unsw.edu.au/wp-content/uploads/2020/06/10-VIVIEN-CHEN.pdf> ↗)

^[27] Reset.Tech Australia 2021 *Profiling Children for Advertising: Facebook’s Monetisation of Young People’s Personal Data* <https://au.reset.tech/news/profiling-children-for-advertising-facebooks-monetisation-of-young-peoples-personal-data/> ↗

^[28] Mia Sato 2023 Meta is further limiting how advertisers can target teens on Facebook and Instagram The Verge <https://www.theverge.com/2023/1/10/23548202/facebook-ads-instagram-meta-targeting-teens-gender-age-location> ↗

^[29] Reset.Tech Australia 2021 Facebook still misusing young people’s data <https://au.reset.tech/news/facebook-caught-red-handed-harvesting-teens-data/> ↗

The consequences of this could be lifelong, determining the habits kids form and putting them at risk of developing heart disease, stroke and cancer later in life'.^[30]

Profiling and targeting children and young people can turn them into vulnerable consumers for life and lead to exclusion and discrimination in access to education, jobs and finance. Reset.Tech Australia's research shows a majority of children do care about their privacy online.^[31] Of a survey of 400 16- and 17-year-olds who use Facebook or Instagram, 77.8 percent of respondents said they were concerned about the volume of data that is collected about them online, and over 80 percent were extremely concerned about profiles based on characteristics that included an interest in extreme weight loss or gambling. Only 2.2 percent of the Australian young people we asked said they found targeted advertising useful by connecting them to products they were interested in. Targeted online advertising is not something Australian children and young people want themselves – whether they are affected directly or indirectly by profiling of vulnerable family members.

Data segments about Australian children, young people and their households

The Xandr File noted multiple ways children and young people are routinely identified by data brokers, and their data is packaged up and sold in ways that enable them to be targeted by advertising.

These include the following:

	Original segment name
People aged 0-17	Eyeota → AU Roy Morgan → Demo → Age - 0-17 years

^[30] Foundation for Alcohol Research and Education 2020 Aussie kids' personal data unprotected, as harmful digital marketing increases: landmark report reveals <https://fare.org.au/aussie-kids-personal-data-unprotected-as-harmful-digital-marketing-increases-landmark-report-reveals/> ↗

^[31] Reset.Tech Australia 2023 *Young People And Online Privacy: Realising Young People's Rights In The Digital Environment* <https://au.reset.tech/uploads/For-Print-Final-report.pdf> ↗

	<i>Original segment name</i>
People who have visited primary and secondary schools	Eyeota → APAC Lifesight → Education → Location Visited → Primary and Secondary Schools
People who have visited playgrounds	Eyeota → APAC Lifesight → Sports and Leisure → Location Visited → Playgrounds
People who have visited baby and toddler retail stores	Eyeota → APAC Lifesight → Retail → Location Visited → Baby and Toddler Stores
People in households with young children	Eyeota → AU Experian → Demo → Household → Children at Address → Young
People who purchase retail goods for babies and toddlers	Eyeota → AU Experian → Retail → Type → Personal Care → Babies and Toddlers
People currently attending high school	Eyeota - MiQ → AU Experian → Digital Audiences → Education → Current Course → High School
People currently attending TAFE	Eyeota - MiQ → AU Experian → Digital Audiences → Education → Current Course → Tafe
People currently attending tertiary school	Eyeota → MiQ → AU Experian → Digital Audiences → Education → Current Course → Tertiary
People currently paying high school fees	Eyeota → MiQ → AU Experian → Digital Audiences → Education → Fees → High School
People interested in student loans	Eyeota → MiQ → AU Experian → Digital Audiences → Education → Interests → Student Loans
People who watch children's television programmes	Eyeota → AU RDA Research → Consumer Profiles → Interest → TV Genre → Children's Programmes
People who watch children and family movies	Oracle Country-Specific Audiences → Australia (AU) → Media and Entertainment → Movies → Genres → Children and Family (BlueKai)
People who play family video games	Oracle Country-Specific Audiences → Australia (AU) → Media and Entertainment → Video Games and Gamers → Games → Family (BlueKai)
People who play family video games on mobile apps	Oracle Country-Specific Audiences → Australia (AU) → Media and Entertainment → Video Games and Gamers → Platforms → Mobile App (BlueKai)

	<i>Original segment name</i>
People who play family video games on Nintendo	Oracle Country-Specific Audiences → Australia (AU) → Media and Entertainment → Video Games and Gamers → Platforms → Nintendo (BlueKai)
People who play family video games on Microsoft	Oracle Country-Specific Audiences → Australia (AU) → Media and Entertainment → Video Games and Gamers → Platforms → Microsoft (BlueKai)
People who play action video games	Oracle Country-Specific Audiences → Australia (AU) → Media and Entertainment → Video Games and Gamers → Games → Action, Role-Playing and FPS → Action (BlueKai)
People who play puzzle games	Oracle Country-Specific Audiences → Australia (AU) → Media and Entertainment → Video Games and Gamers → Games → Puzzle and Strategy → Puzzles (BlueKai)
People who play shooting video games	Oracle Country-Specific Audiences → Australia (AU) → Media and Entertainment → Video Games and Gamers → Games → Action, Role-Playing and FPS → Shooter (BlueKai)
People who own a Nintendo DS and 3DS	Oracle Country-Specific Audiences → Australia → Media & Entertainment → Video Games → Platforms → Nintendo → DS & 3DS (BlueKai)
People in households with children	Oracle Country-Specific Audiences → Australia (AU) → Demographic → Household Composition → Children in Household (BlueKai)
People who have visited daycares and pre-schools	Eyeota → APAC Lifesight → Government and Community → Day Cares and Preschools
People who have visited universities	Eyeota - APAC Lifesight → Education → Location Visited → Colleges and Universities
People who have visited vocational schools	Eyeota → APAC Lifesight → Education → Location Visited → Vocational Schools
People who have expressed interest in going to toy stores	Eyeota → AU RDA Research → Consumer Profiles → Intent → Retail → Toy Stores

	<i>Original segment name</i>
People who have bought children's products	Oracle DLX (Datalogix) → DLX Retail → Brands → Children's products (BlueKai)
People who have bought Fisher-Price children's products	Oracle DLX (Datalogix) → DLX Retail → Brands → Children's products → Fisher-Price (BlueKai)
People who have bought Sesame Street children's products	Oracle DLX (Datalogix) → DLX Retail → Brands → Children's products → Sesame Street (BlueKai)
People who have bought Walt Disney children's products	Oracle DLX (Datalogix) → DLX Retail → Brands → Children's products > Walt Disney (BlueKai)
People who have bought Warner Bros. children's products	Oracle DLX (Datalogix) → DLX Retail → Brands → Children's products → Warner Bros. (BlueKai)
People who buy children's products	Oracle DLX (Datalogix) → DLX Retail → Categories → Children's Products Buyers (BlueKai)
People who buy baby products	Oracle DLX (Datalogix) → DLX Retail → Categories → Children's Products Buyers → Baby Products (BlueKai)
People who buy children's apparel	Oracle DLX (Datalogix) → DLX Retail → Categories → Children's Products Buyers → Children's Apparel (BlueKai)
People who buy children's toys	Oracle DLX (Datalogix) → DLX Retail → Categories → Children's Products Buyers → Toys (BlueKai)
People with children age 0-2 in their households	Epsilon → Demographics → Children in Household → 0-2 Years Old
People with children age 3-5 in their households	Epsilon → Demographics → Children in Household → 3-5 Years Old
People with children age 6-10 in their households	Epsilon → Demographics → Children in Household → 6-10 Years Old

	<i>Original segment name</i>
People with children age 11-15 in their households	Epsilon → Demographics → Children in Household → 11-15 Years Old
People with children age 16-17 in their households	Epsilon → Demographics → Children in Household → 16-17 Years Old
People in households with a female child age 0-18	Branded Data → Scanbuy → Demographics & Lifestyle → Household → Household Composition → Kids → Presence of Child 0-18 → Presence of Child 0-18: Female (BlueKai)
People in households with a female child age 0-3	Branded Data → Scanbuy → Demographics & Lifestyle → Household → Household Composition → Kids → Presence of Child 0-3 → Presence of Child 0-3: Female (BlueKai)
People in households with a female child age 4-6	Branded Data → Scanbuy → Demographics & Lifestyle → Household → Household Composition → Kids → Presence of Child 4-6 → Presence of Child 4-6: Female (BlueKai)
People in households with a female child age 7-9	Branded Data → Scanbuy → Demographics & Lifestyle → Household → Household Composition → Kids → Presence of Child 7-9 → Presence of Child 7-9: Female (BlueKai)
People in households with a female child age 16-18	Branded Data → Scanbuy → Demographics & Lifestyle → Household → Household Composition → Kids → Presence of Child 16-18 → Presence of Child 16-18: Female (BlueKai)
People in households with a male child age 0-18	Branded Data → Scanbuy → Demographics & Lifestyle → Household → Household Composition → Kids → Presence of Child 0-18 → Presence of Child 0-18: Male (BlueKai)
People in households with a male child age 0-3	Branded Data → Scanbuy → Demographics & Lifestyle → Household → Household Composition → Kids → Presence of Child 0-3 → Presence of Child 0-3: Male (BlueKai)
People in households with a male child age 4-6	Branded Data → Scanbuy → Demographics & Lifestyle → Household → Household Composition → Kids → Presence of Child 4-6 → Presence of Child 4-6: Male (BlueKai)

	Original segment name
People in households with a male child age 7-9	Branded Data → Scanbuy → Demographics & Life-style → Household → Household Composition → Kids → Presence of Child 7-9 → Presence of Child 7-9: Male (BlueKai)

Jurisdictions where consumers have the right to opt-out of targeting

In Europe, companies can target consumers with ads and trade their personal data only based on the consumers' informed consent under the General Data Protection Regulation (GDPR). Consumers can refuse to offer consent (i.e. opt-in) or retract their consent (i.e. opt-out), at any time.^[32] There is ongoing litigation about the interpretation and implementation of this, but the key point is the GDPR provides opt-out and opt-in rights for consumers.^[33]

Likewise, the Digital Services Act (DSA) reinforces this, noting that digital services “need to obtain consent of the data subject prior to the processing of personal data for targeted advertising” and that consumers also retain the right to object.^[34]

In the US, 20 percent of all consumers have the right to opt-out. Various states (both red and blue), including California, Colorado, Texas and Montana, have passed laws offering people opportunities to opt-out.^[35]



^[32] The legal basis for processing data for targeted advertising and in data brokerage under the GDPR is consent, which means that consumers must have the right to opt-out. See for example Michael Veale, & Frederik Zuiderveen Borgesius 2022 Adtech and Real-Time Bidding under European Data Protection Law *German Law Journal*, 23(2), 226-256. doi:10.1017/glj.2022.18.

^[33] See for example, Ryan Browne 2023 *Meta fined over \$400 million by top EU regulator for forcing users to accept targeted ads*, CNBC <https://www.cnbc.com/2023/01/04/meta-fined-more-than-400-million-in-ireland-over-eu-privacy-breaches.html>.

^[34] Recital 68, EU 2022 Digital Services Act <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32022R2065>

^[35] Via the *California Consumer Privacy Act*, the *Colorado Privacy Act*, the *Texas Data Privacy and Security Act*, and the *Montana Consumer Data Privacy Act*



Conclusion

Conclusion

- Targeted advertising inherently creates issues with manipulation where consumers are vulnerable. As this report documents, vulnerability affects all consumers at some point in their lives, whether due to their age, living situation, or demographic.

Manipulation is a problem in its own right. Manipulation violates consumer rights, unfairly

- affecting their autonomy. It impairs consumers' freedom to choose and ensures that consumers lack the information needed to make appropriate decisions. As Susser, Roessler and Nissenbaum put it, manipulation inherently 'disrupts our capacity for self-authorship – it presumes to decide for us how and why we ought to live'.^[36] This manipulation can lead to economic harm. Johann Laux et al. argue that online behavioural advertising could lead to consumers either paying higher prices for products or missing out on products and offers that may have been in their financial interest.^[37] Manipulation often has a particularly large impact on vulnerable communities, which in itself creates discrimination.^[38]


Manipulation also violates consumers' human rights. It interferes with our rights to a private life protected under international law, but also potentially interferes with our absolute


- right to freedom of thought. Influence and persuasion may be a perfectly normal part of human interaction, but manipulation violates human rights.


Despite this, targeted advertising is prolific in Australia and drives an online data brokering industry that targets some of the most vulnerable consumers. Evidence from the Xandr File

- documents how comprehensively children, those experiencing financial distress, heavy drinkers and gamblers are routinely identified and singled out by data brokers for advertising purposes.

Australians deserve stronger protection against these manipulations and rights violations than they currently experience.

^[36] Daniel Susser, Beate Roessler, & Helen Nissenbaum 2019 Technology, autonomy, and manipulation *Internet Policy Review* doi.org/10.14763/2019.2.1410 

^[37] Johann Laux Sandra Wachter, Brent Mittelstadt 2021 Neutralizing online behavioural advertising: Algorithmic targeting with market power as an unfair commercial practice *Common Market Law Review* doi.org/10.54648/cola2021048 

^[38] For example, the FTC notes how existing disparities that disproportionately affect communities of colour, from lower levels of savings, lower levels of employment and lower internet connectivity leave some communities more vulnerable than others. Talking specifically about scams, they note that 'scams and other harmful practices perpetrated on communities of color can have an outsized impact on people who are already suffering some of the worst effects of a global (COVID) crisis'. FTC 2021 *Serving Communities of Color: A Staff Report on the Federal Trade Commission's Efforts to Address Fraud and Consumer Issues Affecting Communities of Color* https://www.ftc.gov/system/files/documents/reports/serving-communities-color-staff-report-federal-trade-commissions-efforts-address-fraud-consumer/ftc-communities-color-report_oct_2021-508-v2.pdf 



Appendix

A timeline of Government proposals regarding targeted advertising^[39]

1. July 2019: ACCC issues call for a review of the Privacy Act

The Digital Platforms Inquiry report (2019), led by the Australian Competition and Consumer Commission (ACCC), recommended a review of the Privacy Act. The report took the groundbreaking step of analytically combining issues of market power and competitive behaviour with consumer protection and privacy. The ACCC identified three digitally-centric business practices of particular concern to Australians: location tracking, targeted advertising and disclosure of user data to third parties.

The collection of user data is central to the business model of most advertiser-funded platforms. User data enables digital platforms to offer highly targeted or personalised advertising opportunities to advertisers. The breadth and scale of the user data collected by Google and Facebook is relevant to both the assessment of their market power and consumer concerns. Do the advantages conferred by access to multiple data points create a barrier to entry to both new and future markets? Does access to user data give digital platforms a competitive advantage in entering new markets in competition with their customers? Do consumers make informed choices in relation to how their user data is collected and used by digital platforms? Can the collected data be used in ways that harm society?^[40]

The ACCC recommended a review of the Privacy Act, with an expectation that this would address the issues that targeted advertising was creating for consumers.

^[39] Written by Reset.Tech Australia

^[40] Australian Competition and Consumer Commission 2019 *Digital Platforms Inquiry: Final Report* <https://www.accc.gov.au/about-us/publications/digital-platforms-inquiry-final-report> ↗

2. October 2020: Attorney General's Department begins review of the Privacy Act

The review kicked off with an Issues Paper in October 2020^[41] followed by a Discussion Paper the year after, in October 2021.^[42]

3. February 2023: Attorney General's Department releases its initial proposals, suggesting a possible right to opt-out of targeted advertising


After a stalled period under the Morrison Government, the Albanese Government provided a Review Report, including the specific proposals, for consultation in February this year.

The Review Report^[43] was notable for a maximalist definition of user 'targeting', defining it as 'the collection, use or disclosure of information which relates to an individual including personal information, deidentified information, and unidentified information (internet history/tracking etc.) for tailoring services, content, information, advertisements or offers provided to or withheld from an individual (either on their own, or as a member of some group or class)'.

Importantly, adults would be availed with an unqualified right to opt-out of targeted advertising. Proposal 20.3 put forward that the revised act should 'provide individuals with an unqualified right to opt-out of receiving targeted advertising'.

4. February to September 2023: Industry responds by critiquing the right to opt-out

Soon after submissions closed on the Review Report, industry resistance shifted gear. All along the digital advertising supply chain, including adtech providers, adtech adop-

^[41] Attorney General's Department 2020 *Review of the Privacy Act 1988 (Cth) – Issues paper*
<https://www.ag.gov.au/rights-and-protections/publications/review-privacy-act-1988-cth-issues-paper/> 

^[42] Attorney General's Department 2021 *Privacy Act Review – Discussion paper*
<https://consultations.ag.gov.au/rights-and-protections/privacy-act-review-discussion-paper/> 

^[43] Attorney General's Department 2023 *Privacy Act Review Report*
https://www.ag.gov.au/sites/default/files/2023-02/privacy-act-review-report_0.pdf 

ters and media companies forming audacious new revenue streams, a range of messages flowed into Canberra via private industry workshops and media briefings. Meta, one of the tech organisations most experienced at crafty lobbying tactics, came out with a careful set of messages during a key policy executive's international trip to Canberra.

Meta's central claim, echoed by others, was that their business model could not support users to both opt-out of targeting and continue to use their services free of monetary charge. Meta also claimed the opt-out proposal 'would go further than any other proposal globally'. While seemingly reasonable at face value, the claim looks extraordinary in the international context. Unqualified rights to opt-out are available to all users in the European market^[44] and 20 percent of Americans (specifically California, Colorado, Texas and Montana, which together cover 20 percent of the US population)^[45] without requirements to pay to access Facebook. The pressure from industry was intense.

5. September 2023: Government responds and does not commit to providing the right to opt-out of advertising

The Government released its response to the *Privacy Act* review in September.^[46] Each proposal met with one of the following responses:

- Agreed. Where a proposal was agreed, the Government had committed to move forward to implement the proposal into draft legislation, which would then be subject to targeted consultation.
- Agreed in principle. Where a proposal was broadly supported, but the Government did not want to commit to it, it was agreed in principle. The Government outlined that these proposals would face further consultation regarding 'whether and how they could be implemented so as to proportionately balance privacy safeguards with potential other conse-

^[44]In the EU, users have the right to opt-out via the GDPR. The European Data Protection Board ruled that people did not consent to having their data used for targeted advertising when they clicked 'agree', as the message was often concealed and bundled together with websites' terms of service. This caused digital platforms to change the legal basis for processing data for advertising to 'legitimate interests', which requires giving users choice. See for example, Ryan Browne 2023 'Meta fined over \$400 million by top EU regulator for forcing users to accept targeted ads' CNBC <https://www.cnn.com/2023/01/04/meta-fined-more-than-400-million-in-ireland-over-eu-privacy-breaches.html>. ↗

^[45]In the US, users in California, Colorado, Texas or Montana have the right to opt-out via the *California Consumer Privacy Act*, the *Colorado Privacy Act*, the *Texas Data Privacy and Security Act*, and the *Montana Consumer Data Privacy Act*.

^[46]Attorney General's Department 2023 *Government Response to the Privacy Act Review Report* <https://www.ag.gov.au/rights-and-protections/publications/government-response-privacy-act-review-report> ↗

quences and additional regulatory burden'. This suggests that it's not just a matter of how to implement; there is also a question of whether to implement.

Noted. This appears to fall short of outright rejection,^[47] but very much leaves proposals — in limbo without a clear path to implementation.

The proposal to offer individuals an unqualified right to opt-out of targeted advertising was noted. Specifically, the report outlined that 'the Government acknowledges the importance of individuals having more choice and control and notes that the proposal to provide individuals with an unqualified right to opt-out of receiving targeted advertising (proposal 20.3) is directed at this objective. Further consideration will be given to how to give individuals more choice and control in relation to the use of their information for targeted advertising, including layered opt-outs and industry codes which could specify how to give individuals more control over how their information is used in online advertising. Consideration will also be given to providing clarity on what is meant by "targeted advertising" as distinct from "targeted content"'.

^[47] Gilbert + Tobin 2023 *Federal Government offers modest response to Privacy Act Review* <https://www.lexology.com/library/detail.aspx?g=06297e8e-a76c-4265-bf98-37c0233e7f69&> 