

Meta warns Australia's plan to limit targeted ads could push free platforms towards subscription fees

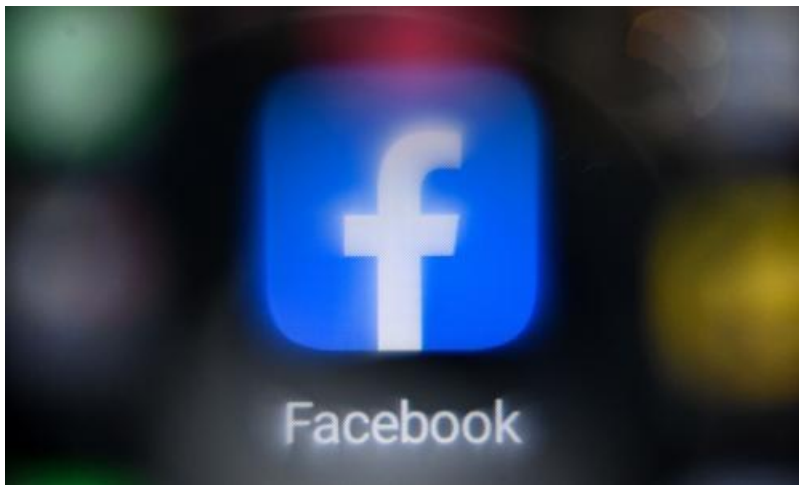
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Facebook's parent company has warned Australia is taking an "overly broad" approach to privacy law reforms, claiming that proposed limits on targeted ads will harm free digital platforms and could push them towards subscription models. Meta's privacy policy director, Melinda Claybaugh, said concerns about "targeting" users were a response to "a perceived, unspecified harm" that could hamper the personalisation of digital platforms, even when beneficial to consumers, including children. In February the Attorney-General's Department released a review calling for Australians to gain greater control of their personal information. Users would have the ability to opt out of targeted ads, erase their data and sue for serious breaches of privacy under the proposed reforms. Meta supports or does not oppose 106 of the review's 116 recommendations, including the right to sue for privacy breaches, a proposal that has angered media organisations which warn that unless they are exempted it will harm freedom of the press. But Meta is concerned that the review "proposes defining all online personalisation as 'targeting' and bringing it within scope of the Privacy Act", its submission to the department said. Even "showing a consumer content that they have asked to see such as following an Instagram account" could now be regulated by the act, it claimed. Sign up for Guardian Australia's free morning and afternoon email newsletters for your daily news roundup Claybaugh told Guardian Australia while the "full implications" were still unclear "it's safe to say that there could be changes to how people's personalised experiences appear as in app, in Facebook and Instagram" and other online services including news sites and streaming platforms. "Any changes ... to personalisation of content and ads need to be thought through carefully because personalisation really is the engine that drives free services online," she said. Meta's submission argued that without targeted ads online platforms would be pushed towards "less-desirable choices, like relying on generic, less effective, and more costly advertising, or moving to other business models such as subscriptions". Claybaugh said the proposal to be able to opt out of all targeted advertising "would go further than any other proposal globally", while Meta's platforms already allow users to "opt out of ads based on data that's collected off of Facebook and Instagram about them". The review also recommended that targeting should be required to be "fair and reasonable in the circumstances" and not "based on sensitive information". "We don't allow advertisers to target people based on sensitive information," Claybaugh said. She called for the department to better define the concept of sensitive information. "Because what might be sensitive about one person is not, maybe, sensitive about another person." The review proposed to "prohibit targeting to a child, with an exception for targeting that is in the child's best interests" – a recommendation that is not limited to targeted advertising. But Claybaugh said this recommendation could harm "all personalisation", warning that serving "age

appropriate content to people under 18 involves some level of targeting". She noted that Meta had "dramatically reduced" the data it uses to target under-18s, using only age and location. Claybaugh said many of the proposals were "consistent" with global best practice, including "everything around data subject rights – rights to access and delete and correct your information". In January the Digital Industry Group Inc – an industry association whose members include Google, Apple, Meta, Twitter and TikTok – told Guardian Australia that the group was in favour of aligning Australia's law with Europe's general data protection regulation, "which has a lot of strong elements, including consumer rights around data erasure". On Wednesday Digi's managing director, Sunita Bose, said it shares concerns that the "targeting proposals will have a major economic ripple effect on digital advertising as a medium for all small and large businesses, government agencies and not-for-profit organisations, as well as the viability of ad-supported free digital services". The attorney general, Mark Dreyfus, has promised to consult on the reforms but the department's proposals are not government policy. Nor has Dreyfus specified a timeframe for its response. The government has already passed an urgent privacy bill increasing penalties for companies that fail to protect customer data in the wake of major data breaches at telco Optus and health insurer Medibank.