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# Privacy act changes and the impact on advertising

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21.03.2024

**THE END OF  
THIRD-PARTY  
COOKIES  
IS NIGH**



**TOM  
FISH  
BURNE**

© marketoonist.com



**CONSENT**  
**IS**  
**KING**



# What we'll cover today

- What can we expect when 3rd party cookies go away?
- How this will all impact media?
- Why should we care about the Australian Privacy Act reforms?
- Data Types and Clean Rooms.
- What should you do?



**What can we expect when  
3rd party cookies go away?**

**—**

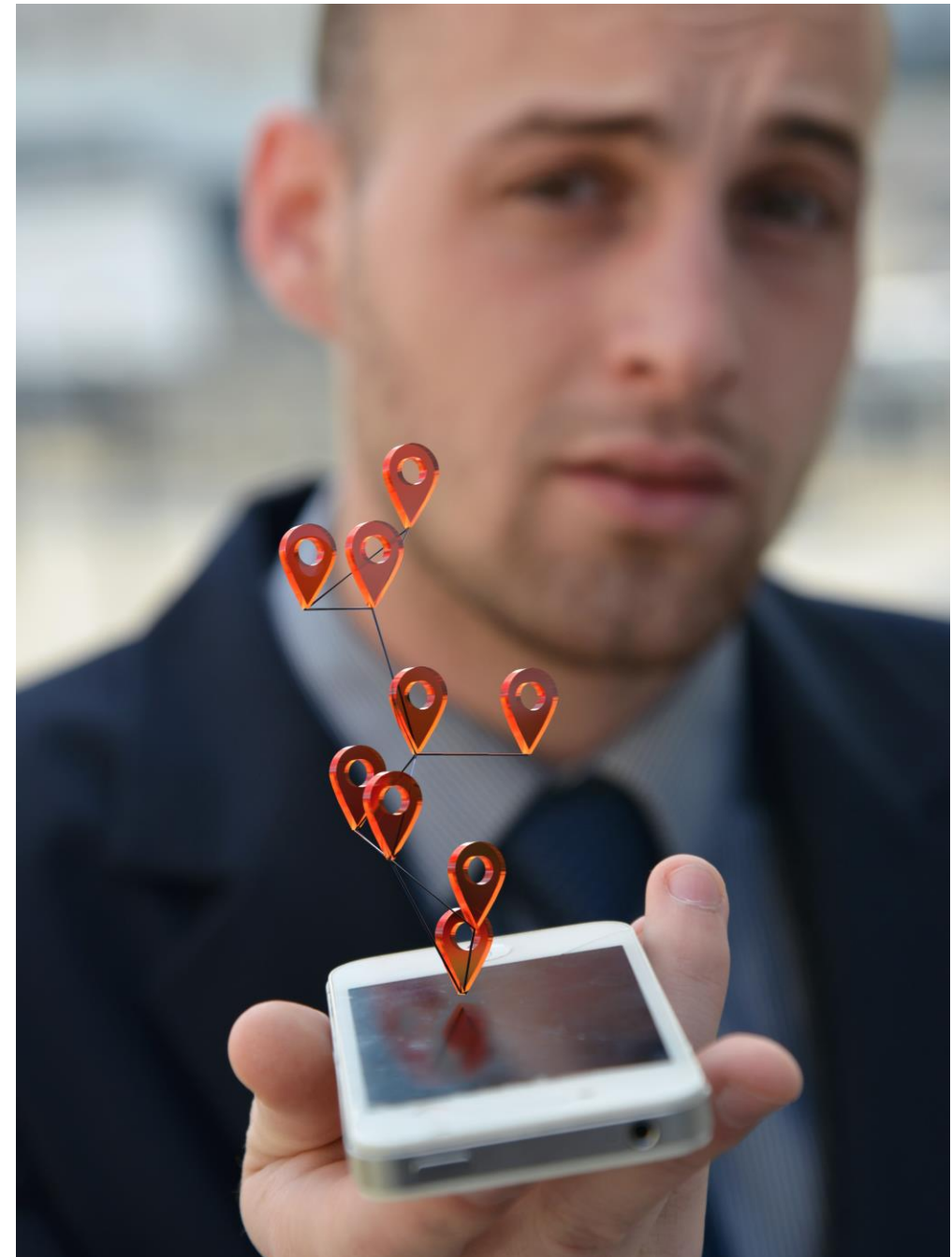


# Pre 2020

## How & Why Do We Track Users?

Users have always used the internet to access content and have done so in a largely “free” way.

The value exchange lies in allowing these sites to track them and serve advertising as a way of “paying for the content”.

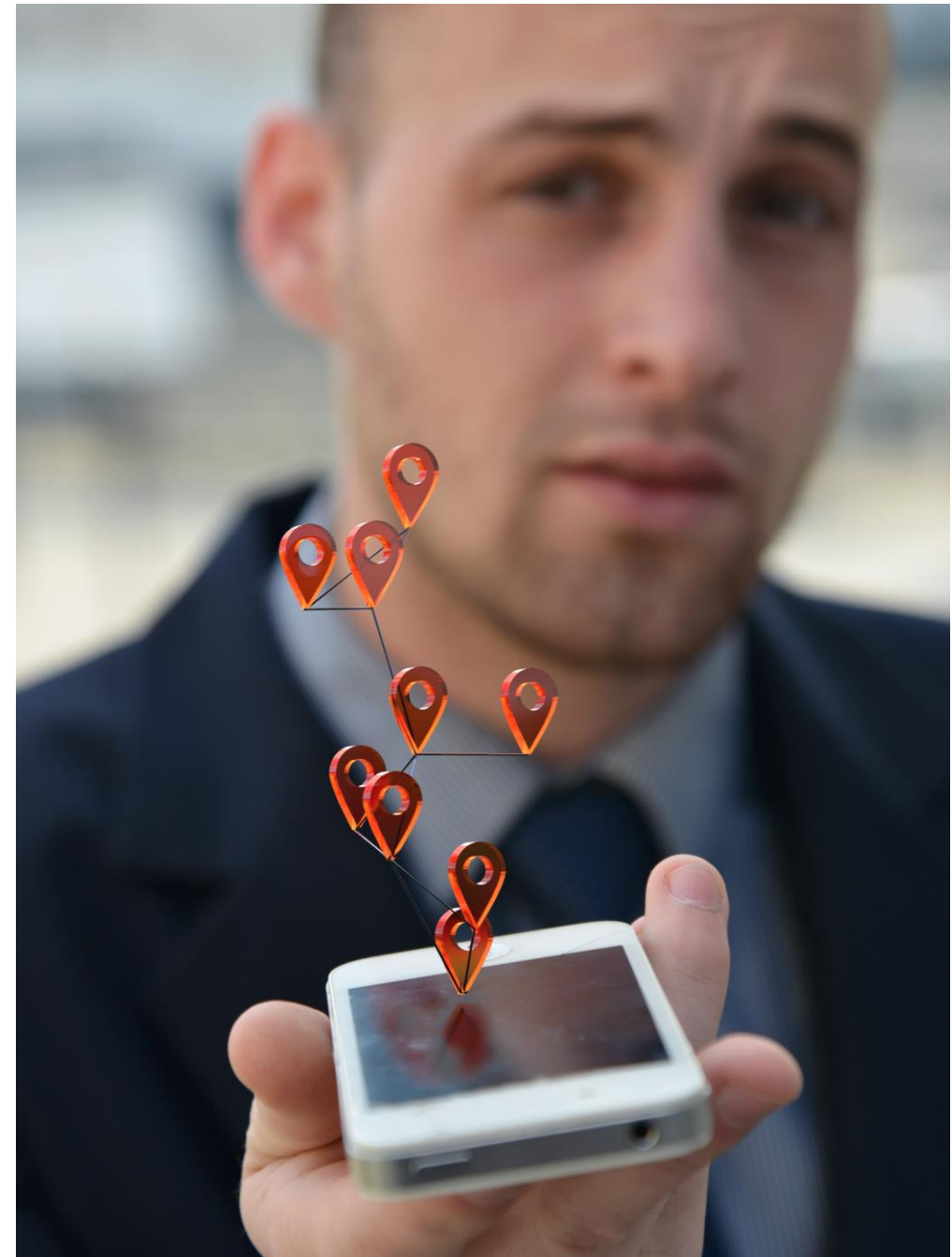




# Pre 2020

## This data is then used in 3 main ways:

1. To target these users according to their online browsing behaviour
2. To segment users into different types of audiences according to their demographic and intent attributes
3. To measure and attribute performance across different digital channels and understand where users are more likely to convert





# How we currently track users

**Cookies** are small pieces of text files that are dropped on the user's device to help provide a better user experience.

## **1st Party**

Used by the publisher/advertiser website the user is visiting to retain user preferences, and store information on the site such as abandoned shopping carts.

## **3rd Party**

Used by third-party ad platforms and publishers to collect and provide tracking data.

## **Device IDs**

Such as Apple's Advertising Identifier (IDFA) and Google Advertising ID (GAID) track users on their mobile devices through the apps that are being installed on a user's phone. The anonymized data is then used by the app developers to enhance the user experience or aggregated to third party data providers.





# Walled gardens: putting privacy first

In lieu of increasing data privacy laws across the world starting with GDPR in Europe and the subsequent CCPA in California (where Silicon Valley giants like Google and Apple are based) - steps were taken to put user's privacy first in different ways.



# Apple

With the rollout of iOS14 - Apple is now putting privacy control into the hands of the user, allowing them to choose to 'opt in or out' of advertising and tracking.

This impacted platforms such as Facebook which relies on identifiers (IDFAs) for their Audience Network placements, and Google App Install campaigns



**Allow "App" to  
track your activity across  
other companies' apps and  
websites?**

Your data will be used to measure  
advertising efficiency.

Ask App Not to Track

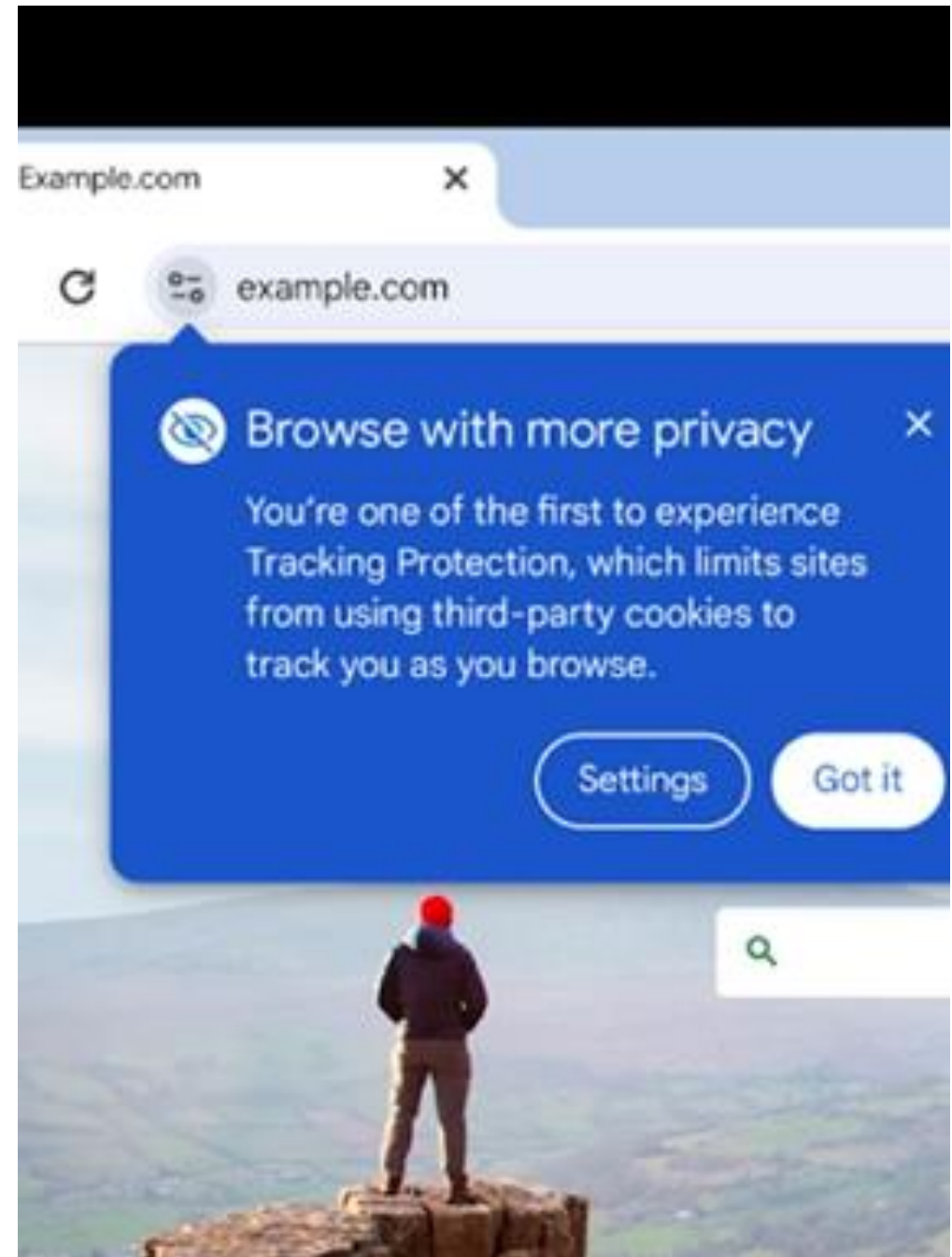
Allow



# Google

Google announced that it would block all 3rd party cookies from its Chrome Browser by 2024 - following in the footsteps of Safari and Firefox.

Today, Chrome holds 52% of the user's market share in Australia, but it's the only one so far that hasn't implemented the rigorous measures that Safari and Firefox have.





# How will this impact media? —



# What is the potential impact on these changes?

## Performance focused advertisers

- Most affected by changes. Retargeting users who have landed on page / abandoned cart will be increasingly difficult and scale will be reduced.
- Attribution on post-view will be affected. It will be more difficult to attribute performance based on probabilistic algorithms.
- Cross-Channel Frequency Management might be affected as there is no common identifier across open web.



# What is the potential impact on these changes?

## Branding focused advertisers

- Least affected by changes as media metrics such as CTR / VTR are still trackable.
- Retargeting strategies based on site visitors will be changed to retargeting users who have interacted/ engaged with ads.
- Likely to see reduced scale across audience segments.
- Frequency Management might be affected as well.



WHY DO YOU GET THAT LOOK  
WHENEVER WE TALK ABOUT  
AUSTRALIAN PRIVACY ACT COMPLIANCE?



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# AUSTRALIAN PRIVACY ACT

A BRIEF HISTORY



Since its introduction in 1988, the Australian Privacy Act has undergone several changes, including

- The introduction of the Australian Privacy Principles (APPs) in 2000-2001
- In 2017, the Privacy Amendment (Notifiable Data Breaches) Act was passed, expanding the reporting requirements for data breaches.



[Australian Privacy Principles](#)

## AUSTRALIAN PRIVACY ACT

A brief history

Image: News Corp



Yes

Makes you wonder what to do.

Feeling violated in every way possible right now

Almost blocked us from refinancing our home mortgage

### LATITUDE FINANCIAL

The attacker appears to have used the employee login credentials to steal personal information that was held by two other service providers.

STATEMENT TO THE ASX



AUSTRALIA



medibank

BE REWARDED WITH FLYBUIFS. PLUS, GET A FREE FITBIT FLEX.

### Messaging

Thank you for your Patience

medicare



### IDENTITY DOCUMENT

ABC NEWS

... your documents as Driving licence & ... with you

AUSTRALIA



### Latitude Cyber Response

#### What's happened?

Latitude Financial is responding to a cyber attack that resulted in the theft of customer information. The information includes names, addresses and New Zealand...

#### What we are doing

We are conducting individual reviews to determine if this is related to the...

# OPTUS



## OPTUS

# 9.8 MILLION CUSTOMERS COMPROMISED





- Companies in breach of the Australian Privacy Act now face maximum penalties that are **the greater of**:
  - \$50 million AUD;
  - Three (3) times the value of the benefit derived by the company from the breach; or
  - 30% of the company's adjusted turnover (if the value of the benefit cannot be derived)
- The OAIC can require a person or company to provide information, or documents and answer questions and has the power to issue infringement notices on those that fail to comply.
- So long as foreign entities carry on business within Australia, they will be within the ambit of the Privacy Act – there will be no longer be a threshold for foreign entities to hold or collect personal information within Australia before the Australian Privacy Act applies to their activities.

## AUSTRALIAN PRIVACY ACT

### Privacy Legislation Amendment (Enforcement and Other Measures) Act 2022

Image: News Corp



# PRIVACY ACT REVIEW



**Mark Dreyfus**

@MarkDreyfusKCMP · [Follow](#)



The former government left Australia's privacy laws out of date and not fit-for-purpose in our digital age. I've now received the review of the Privacy Act by my Department, which I will carefully consider as I prepare to overhaul the Act next year.

1:15 PM · Dec 20, 2022



1.3K



Reply



Copy link

[Read 116 replies](#)

# PRIVACY REVIEW

Report 2022



Image: Bupa



digital balance

Digital Balance – Commercial in confidence

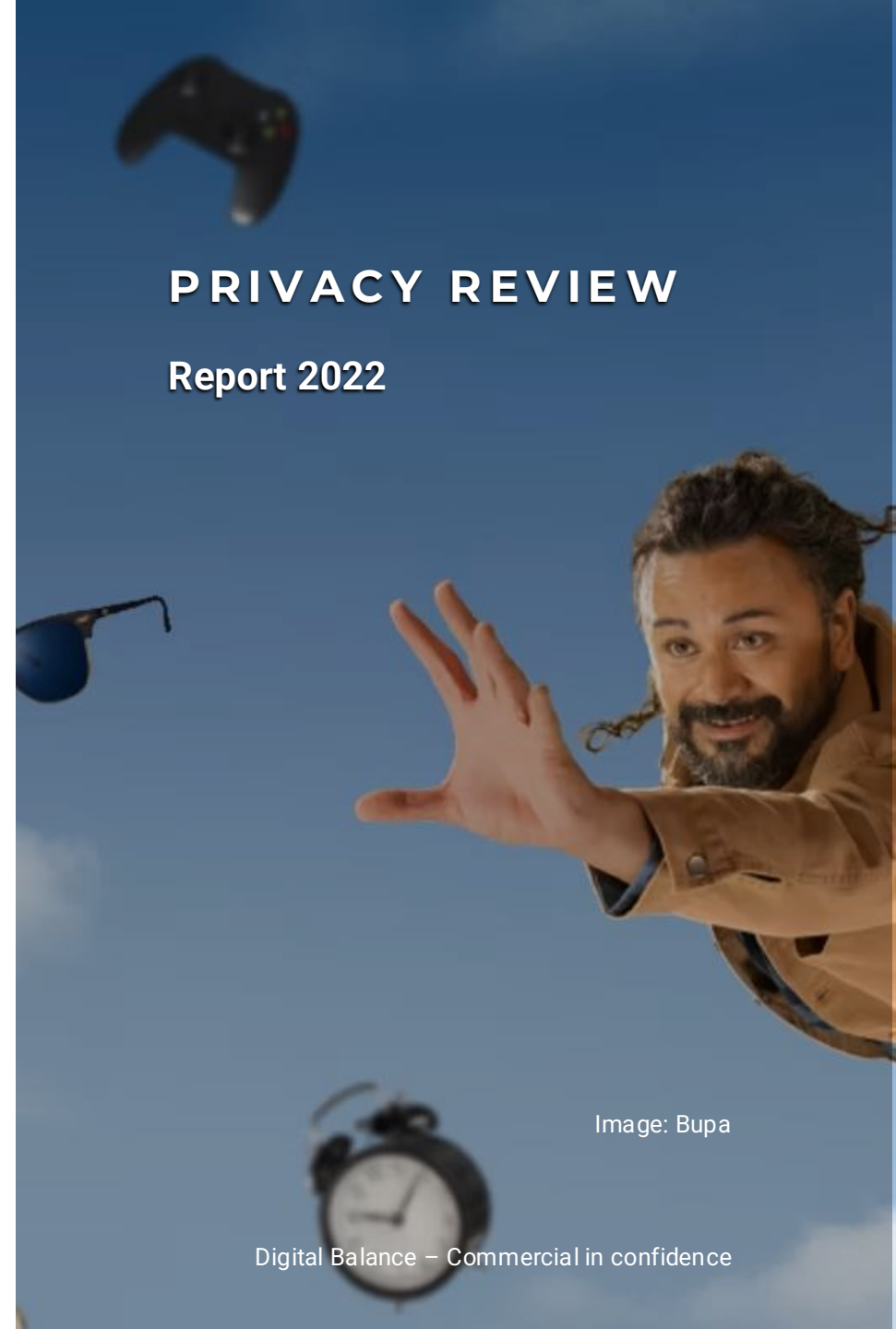




[Download the report](#)



[Read DB's assessment](#)



# PRIVACY REVIEW

Report 2022

Image: Bupa



[Download the response](#)



# PRIVACY REVIEW

## Government Response

Image: Bupa

# CHANGES TO THE DEFINITION OF PERSONAL INFORMATION

Proposals 4.1 – 4.4

- A more expansive definition of “personal information”
- Includes PII about an unknown individual
- Includes technical and inferred data
  - IP addresses
  - Device identifiers (device fingerprinting) including Apple’s Advertising Identifier (IDFA) and Google Advertising ID (GAID)
  - Persistent cookies
- An expanded definition of “collection”
- Closer to GDPR definition of PII



Change the definition of 'de-identified'

Treating it in such a way such that no individual is identified or reasonably identifiable in the current context.



[Spectrum of identifiability](#)

# OBLIGATIONS CONCERNING DE- IDENTIFIED INFORMATION

Proposal 4.5



Image: Bupa

## Consent must be

- Voluntary
- Informed
- Current
- Specific
- Unambiguous

## AN UPDATED DEFINITION OF CONSENT

### Proposal 11

Image: Bupa



# THE NEED TO ACT FAIRLY AND REASONABLY

## Proposal 12

It will be mandatory to act fairly and reasonably while collecting, using, and sharing personal information.

Consent from tick boxes and privacy policies will not excuse inappropriate data handling.



# RIGHT OF ERASURE

Proposal 18.3



# STRICTER RULES AROUND TARGETED ADVERTISING

Proposal 20

- Individuals should have the right to opt out of receiving targeted advertising and content.
- Any permitted targeting should be fair and reasonable.
- Transparency requirements about the use of algorithms and profiling to recommend content to individuals.

# INTRODUCTION OF THE CONCEPT OF PROCESSORS AND CONTROLLERS

Proposal 22.2

Introduce the concepts of “APP entity controllers”  
and “APP entity processors”

- Your company is the data controller
- Google (as an example) is the data processor for analytics

The introduction of a list of prescribed countries with substantially similar privacy laws to allow for the disclosure of personal information without the need for contractual clauses or other measures.

Similar to GDPR's "adequacy decisions"

## OVERSEAS DATA FLOWS

Proposal 23

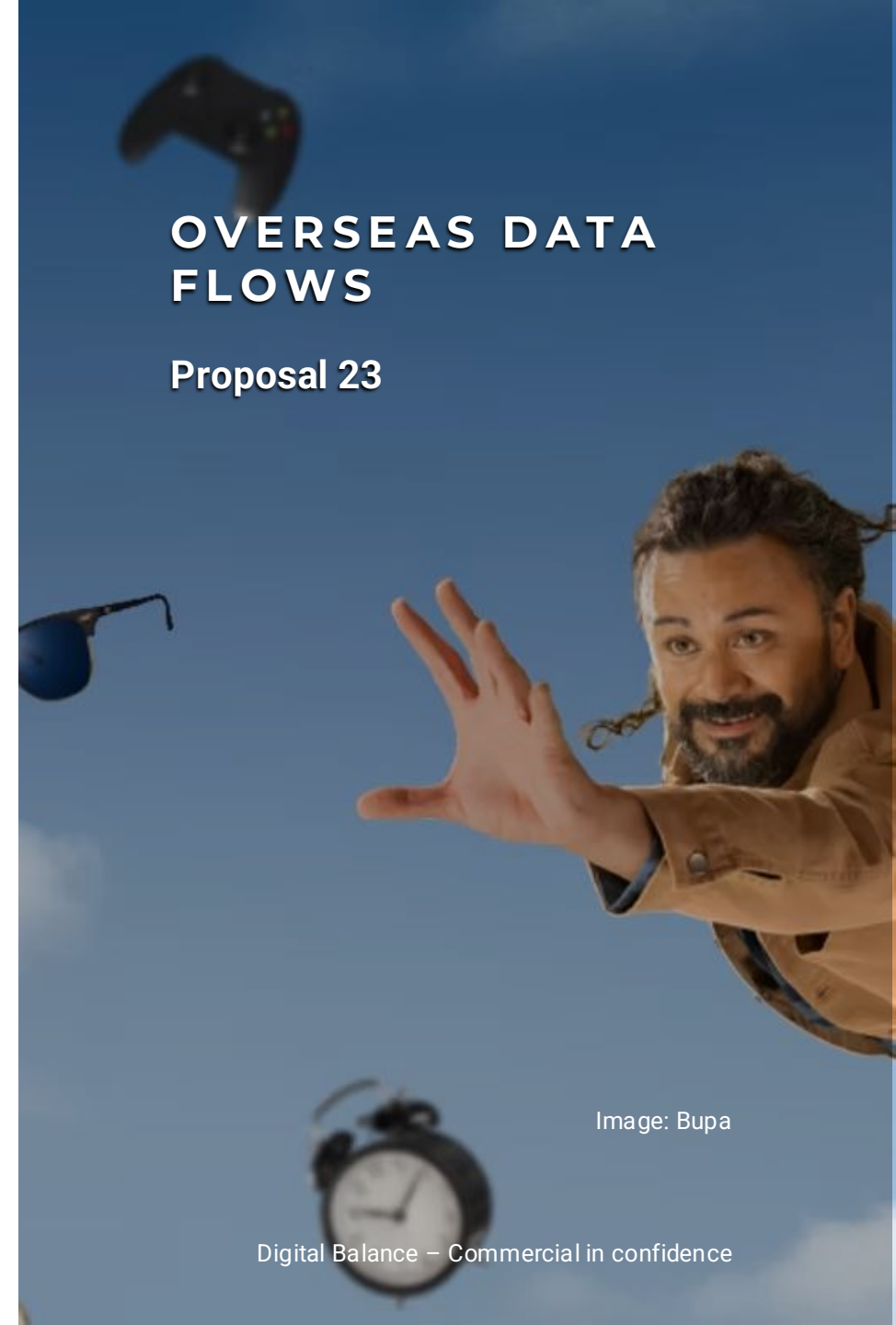


Image: Bupa



# DO YOU HAVE A DATA & EXPERIENCE STRATEGY?



## DATA & INSIGHTS

Build audience data

## TECHNOLOGY

Future-proof marketing efforts

## EXPERIENCE

Build relationships with potential customers

YOUR FPDS  
SHOULD COVER



Image: Australia Post

# DATA AND EXPERIENCE STRATEGY BUILDING BLOCKS

Data acquisition and value exchange

Build customer  
profiles

Deliver contextually  
relevant experiences

Overcome targeting  
issues and drive  
efficiency

Develop deeper  
insights

Build tech capability (in phases)

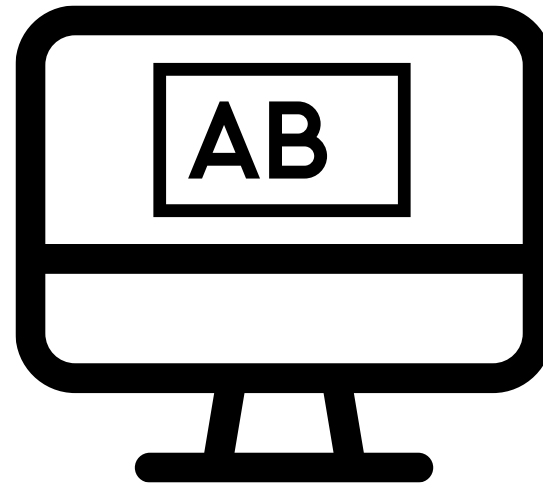
Data governance and privacy/consent compliance



# DATA TYPES & CLEAN ROOMS

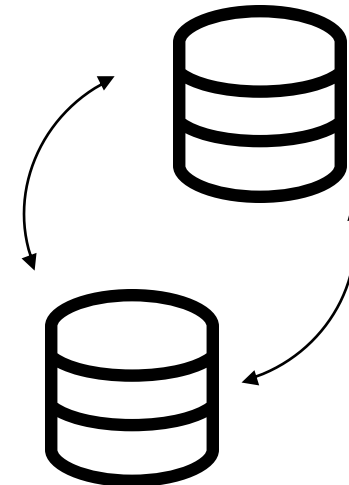
# 1<sup>ST</sup> 2<sup>ND</sup> 3<sup>RD</sup> ... ZERO?

## 1<sup>ST</sup>-PARTY



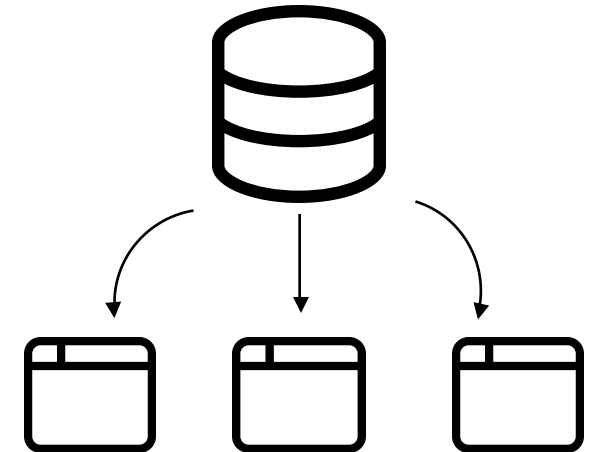
Collected directly from users & customers from contact, sign-up & registration forms.

## 2<sup>ND</sup>-PARTY



Collected as 1<sup>st</sup>-party data by one company & shared with another.

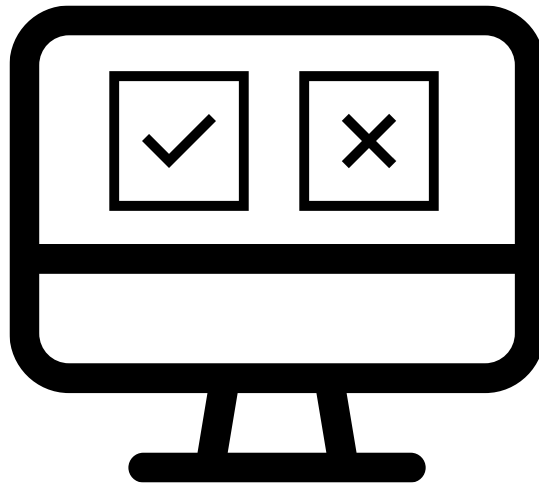
## 3<sup>RD</sup> PARTY



Collected by data brokers or DMPs from multiple companies.

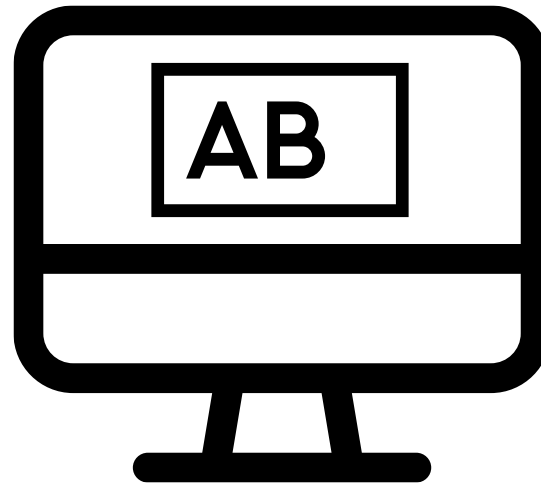
# 1<sup>ST</sup> 2<sup>ND</sup> 3<sup>RD</sup> ... ZERO?

## 0-PARTY



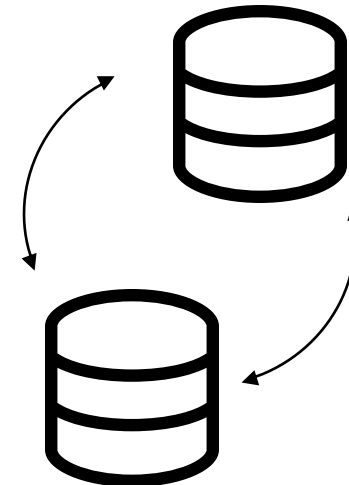
Collected directly from users & customers via surveys, polls, etc.

## 1<sup>ST</sup>-PARTY



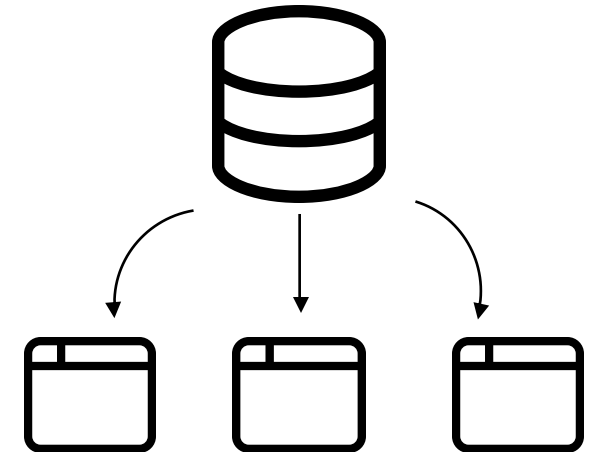
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## 3<sup>RD</sup> PARTY



Collected by data brokers or DMPs from multiple companies.



# WHAT IS A DATA CLEAN ROOM?



# DATA CLEAN ROOM USE







# FINAL THOUGHTS

ON PRIVACY



- Legislation is expected to be introduced in 2024.
- Further consultation will be undertaken.
- Significant impact on an organisation's privacy compliance burden.
- This will likely bring with it direct and indirect costs.
- Keep consent current
- Look to technology to help manage right of erasure, data flows and data processing
- Continue to monitor the progress of the Privacy Act Review.
- Begin factoring the likely changes into forward planning.

## FINAL THOUGHTS

### And actions

Image: Water Corp WA

Take our 5-minute Privacy Maturity Assessment to help assess your privacy preparedness.



[Privacy Maturity Assessment](#)

## FINAL THOUGHTS

And actions

Image: Water Corp WA



# Wrapping up





# Australian privacy reform 2024

## Data Security

The reforms strengthen existing security and data destruction obligations, including technical and organisational measures.

## Automated decision making

Privacy policies are required to outline the types of personal information used in substantially automated decisions. Additionally, Australians can opt out of targeted advertising.

## Enforcement & the right to be forgotten

The reforms introduced tiers of civil penalty provisions for privacy interferences and administrative breaches. They also allow Australians to “de-index” certain information about them from search engines or systems.



# Impacts on advertisers and their data practices in Australia

**Consent Requirements**

**Opt-out Rights**

**Data Minimisation**

**Higher Penalties**

**Global Standards**



# ***So what can you do?***

**—**



# Consider and Collect

Consider what a first-party data strategy looks like for your business. Think about the value exchange you are offering users in return for sharing their data.

Collect and manage user data responsibly by providing clear privacy policies and ensuring that you offer users transparency, choice, and control.





# Get Creative

Look closely at the creative that is going into specific placements.

Is this upper funnel?

Is the consumer being retargeted?

Is this a contextual targeting?



# Measure

Proper tracking and measurement can help ensure that you're seeing a representative view of performance across channels, letting you generate insights and adjust your strategy accordingly.

Be flexible with how you measure results and use the insights to understand what matters to your users.



# Automate

Consider a relationship with a data clean room

Modelling and automation help to maximize your own data by augmenting what user data is available and capitalizing on other available signals.

Manage and align your data & ad platforms, so that you can use machine learning to analyse the data for insights / predict outcomes.



# Key takeaways

Consider and Collect

Get Creative

Measure

Automate





# Q&A



# **Thank You**

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