27 February 2023

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Senate Inquiry into the influence of international digital platforms

Dear Senate Committee,

We welcome the opportunity to provide a submission to the Senate Inquiry into the influence of international digital platforms. Our submission focuses on the need to protect consumers from harm fuelled by unhealthy marketing on digital platforms, relevant to points (c) and (d) in the Terms of Reference and the topics of algorithms and transparency, data and privacy, and children's safety outlined in the issues paper.

Digital technologies can provide the community with benefits that support health and wellbeing, including social connectivity, access to learning opportunities, and flexible working opportunities. However, digital platforms are currently operating in a way that enables harmful marketing for unhealthy products, including for alcohol. Higher standards for how unhealthy products are marketed on digital platforms are urgently needed to better protect the community.

About Alcohol Change Australia

Alcohol Change Australia (ACA) is a small group of health and community organisations working to prevent and reduce alcohol harm in Australia. Formerly the National Alliance for Action on Alcohol, ACA encourages policy change to improve the health and wellbeing of our community. While our submission focusses on digital alcohol marketing, our recommendations are applicable to the marketing of other unhealthy products that cause harm including gambling, tobacco, and unhealthy foods.

Alcohol-fuelled harms in Australia are unacceptably high

Alcohol takes a significant toll on our communities, fuelling violence, injuries, and deaths. Every day, 15 people die from alcohol-related harm in Australia.[1] In 2018, alcohol contributed to 4.5% of the total burden of disease and 15% of the overall burden of injury.[2] Alcohol use is causally linked to over 200 disease and injury conditions,[3] and causes at least seven types of cancer. Some of those most at harm from alcohol include children and young people, those living in rural and remote areas, high risk drinkers and people living with mental illness.

The use of algorithms and data for marketing purposes has the potential to cause harm

The expansion of international digital platforms has given the alcohol industry the opportunity to market products in ways that are highly targeted, time-relevant, and interactive. Over time, digital advertising has

[1] Lensvelt, E et al. Estimated alcohol-attributable deaths and hospitalisations in Australia 2004 to 2015. National Alcohol Indicators, Bulletin 16. 2018. Perth: National Drug Research Institute, Curtin University.
[2] Australian Institute of Health and Welfare. Alcohol, tobacco & other drugs in Australia, Health impacts - Australian Institute of Health and Welfare. December 2022. Available from: https://www.aihw.gov.au/reports/phe/221/alcohol-tobacco-other-drugs-australia/contents/impacts/health-impacts
[3] Rehm J et al. The relationship between different dimensions of alcohol use and the burden of disease—An update. Addiction. 2017;112(6):968-1001.

evolved from simple display advertising and social media brand accounts that consumers can 'like' or 'follow', to advertising and branded content that is only visible to the consumer being targeted.[4]

While the Inquiry Issues Paper highlights a number of concerns around algorithms and transparency, it does not address the use of algorithms for targeted marketing and the potential for harm. This is an area that requires attention. Gaps in current privacy legislation allow companies to extensively profile and track people and develop intimate insights into their lives. This enables advertisers to target people with advertising that is most likely to influence their perceptions and behaviour. This is particularly harmful when it comes to the marketing and sale of harmful and addictive products like alcohol. Algorithms developed by digital platforms allow the alcohol industry to specifically target heavy users of alcohol, as well as new consumers in a range of markets and demographics.[5]

This type of digital advertising is opaque in the sense that the public does not know how data is being used to target specific groups of people, nor is the advertising visible to anyone outside those being targeted.[4] The lack of public accountability makes it almost impossible for regulators to monitor how alcohol is being marketed, and to whom it is being marketed to.

Alcohol marketing on digital platforms is putting the community, particularly children, at risk

The online tracking, profiling, and collection of data by digital platforms is enabling harmful marketing of alcohol.[6] A clear example was during the height of the COVID-19 pandemic in early 2020, when the alcohol industry seized opportunities to increase sales by aggressively promoting rapid delivery services and drinking at home online, at a time when many Australians would have been feeling vulnerable.[7]

The collection of children and young people's data by digital platforms for marketing purposes is of serious concern. Children's safety online extends beyond harmful content and actions taken by individuals. It also includes exposure to harmful content and activities by companies, for example through their digital marketing practices, which are greatly facilitated by online platforms. Meta has been found to have flagged children as being 'interested' in harmful products, including alcohol.[8] It has also been found to use personal data collected to create profiles of young people with harmful or risky interests, including 13- to 17-year-olds interested in alcohol, smoking, and gambling. Even worse, Meta allowed advertisers to buy access to the young people profiled as having harmful interests.[9] These are just a glimpse of the harmful marketing practices that occur on digital platforms. The lack of transparency and visibility of online marketing means the true extent of harms is unknown.

Online marketing benefits digital platforms and the alcohol and advertising industries, but comes at a cost to the community. The more children and young people are exposed to alcohol advertising, the more likely they are to start using alcohol products at a younger age, and to drink more if they are already using alcohol.[10] This impact is seen with digital marketing, with young people's exposure to alcohol marketing

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[4] Carah, N, Brodmerkel, S. (2022). Regulating Platforms' Algorithmic Brand Culture: The Instructive Case of Alcohol Marketers on Social Media. In: Flew, T., Martin, F.R. (eds) Digital Platform Regulation. Palgrave Global Media Policy and Business. Palgrave Macmillan, Cham. Available from: https://link.springer.com/chapter/10.1007/978-3-030-95220-4_6

[5] Norman T et al. Regulating alcohol advertising for public health and welfare in the age of digital marketing: challenges and options. Drugs: Education, Prevention and Policy. 2022.

[6] Davidson D. Facebook targets 'insecure' young people. The Australian. 2017 May 1. Available from: https://www.theaustralian.com.au/business/media/facebook-targets-insecure-young-people-to-sell-ads/news-story/a89949ad016eee7d7a61c3c30c909fa6- .

[7] Foundation for Alcohol Research and Education and Cancer Council Western Australia: An alcohol ad every 35 seconds. A snapshot of how the alcohol industry is using a global pandemic as a marketing opportunity. May 2020.

[8] Hern A, Ledergaard F. Children 'interested in' gambling and alcohol, according to Facebook. The Guardian UK. 2019 Oct 10. Available from: https://www.theguardian.com/technology/2019/oct/09/children-interested-in-gambling-and-alcohol-facebook

[9] Williams D, McIntosh A, Farthing R. Profiling children for advertising: Facebook's monetisation of young people's personal data. Sydney: Reset Australia, 2021.

[10] Jernigan D, Noel J, Landon J, Thornton N, Lobstein T. Alcohol marketing and youth alcohol consumption: a systematic review of longitudinal studies published since 2008. Addiction. 2017; 112 Suppl 1: 7-20.

online linked to increased alcohol use.[11] Research has found 'liking' or following alcohol marketing pages on social media is associated with riskier alcohol use among young Australians.[12]

The constant flow of pro-alcohol messages is confronting and difficult for people with lived experience of alcohol harm. A recent survey of Australians who were trying to reduce or stop their use of unhealthy products found 83% agreed or strongly agreed that digital marketing makes it more difficult for them to reduce their use of alcohol, gambling, and unhealthy foods. Almost 9 in 10 people would prefer to see less or no online marketing for alcohol.[13]

The existing regulatory system is ineffective at protecting the community, particularly children and young people

Regulatory approaches have not kept pace with the increased sophistication and diversity of modern alcohol marketing. Australia continues to rely largely on voluntary, industry-managed codes and practices for managing alcohol advertising. The obvious conflict of interest means the industry-managed processes could never restrict alcohol marketing in a genuinely effective manner. For example, the ABAC Scheme is jointly funded and directed by the Brewers Association of Australia, Australian Grape & Wine, and Spirits & Cocktails Australia Inc.

A substantial body of research documents the significant weaknesses and limitations of the industry-led scheme.[14,15] When it comes to digital marketing, existing codes do not adequately restrict alcohol companies from marketing on digital platforms that are heavily used by children. There are concerning examples of alcohol advertising directed to children online, such as before children's videos on YouTube[16] and a vodka ad featuring a child model and children's themes on Instagram and Facebook.[17] The lack of regulations restricting alcohol companies use of personalised data puts the community at risk of harm.

The limited provisions that do exist are poorly adhered to, demonstrating a clear need for effective monitoring and compliance mechanisms. For example, alcohol companies in Australia fail to comply with the industry marketing code requirement for age-restriction controls on social media. One independent study found 28% of Instagram and 5% of Facebook alcohol brand accounts did not have age-restriction controls activated.[18] An ABAC audit in November 2022 found of more than 300 alcohol brands, 20% of YouTube, 22% of Facebook, and 29% of Instagram accounts were non-compliant with the requirement to activate age-restriction controls.[19]

It is evident the existing framework for regulating unhealthy marketing on digital platforms fails to protect the community, particularly children and young people.[15] It is in the public interest to introduce mandatory regulation.

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[11] Noel, J, Babor, T, & Robaina, K. Industry self-regulation of alcohol marketing: a systematic review of content and exposure research. Addiction. 2017;112(Suppl 1), 28–50.
[12] Carrotte E, Dietze P, Wright C, Lim M. Who 'likes' alcohol? Young Australians' engagement with alcohol marketing via social media and related alcohol consumption patterns. Aust NZ J Public Health. 2016; 40(5):474-497.
[13] Foundation for Alcohol Research and Education and VicHealth. Experiences with online marketing of alcohol, gambling, and unhealthy food: A survey. January 2023.
[14] Aiken A, Lam T, Gilmore W et al. Youth perceptions of alcohol advertising: are current advertising regulations working? Aust NZ J Public Health. 2018;42:234–9
[15] Reeve B. Regulation of alcohol advertising in Australia: Does the ABAC Scheme adequately protect young people from marketing of alcoholic beverages? QUT Law Review. 2018;18(1):96-123
[16] The ABAC Scheme. ABAC Adjudication Panel Determination No 94/22, 8 December 2022. Available from: https://www.smh.com.au/healthcare/bundaberg-rum-advertisements-on-dora-the-explorer-videos-spark-outrage-20150923-gjte3x.html
[17] The ABAC Scheme Limited. ABAC Adjudication Panel Determination No 88/17, 22 June 2017. Available from: http://www.abac.org.au/wp-content/uploads/2017/07/88-17-Determination-Vodka-Cruiser-22-6-17.pdf
[18] Pierce H, Vidler AC, Stafford J, Keric D. Alcohol brands' use of age-restriction controls on Facebook and Instagram in Australia. Public Health Research & Practice. 2022;32(2).
[19] The ABAC Scheme Limited. Alcohol marketing compliance audit – social media age restriction. 2022. Available from: http://www.abac.org.au/wp-content/uploads/2022/11/J01152-ABAC-Compliance-Audit-Outcomes.pdf

Recommendations

We submit that the online marketing of harmful and addictive products must be considered when examining the operation of international digital platforms in Australia. Digital platforms are currently profiting from harmful marketing practices at the expense of the health and wellbeing of the Australian community.

We make the following recommendations:

1. There must be an additional focus on the use of algorithms for targeted marketing and the potential for harm.
2. Regulatory reform must ensure that preventing harm from digital platform business activities is a primary consideration. Minimum standards should be set that require digital platforms do not act in ways that put people using platforms at risk of harm, including harm to their health and wellbeing.
3. Mandatory measures are implemented requiring digital platforms to make advertising information accessible, including their data practices and automated decision systems.
4. The tracking, profiling, monitoring, or targeting of children for commercial purposes, particularly by, or for, companies selling or marketing addictive or harmful products, including alcohol, should be prohibited.
5. A regulatory framework must be developed to effectively govern alcohol marketing on digital platforms with a legislative basis, surveillance, and enforcement systems that deter non-compliance, and appropriate resourcing to ensure effective implementation. Regulation should be comprehensive and mandatory, with the objective of protecting people from harmful digital marketing practices. While our submission has focussed on alcohol marketing, a regulatory system should include protections for children and others most at risk of harm from digital marketing of harmful products including alcohol, gambling, tobacco (including e-cigarettes), and unhealthy foods.

Thank you once again for the opportunity to contribute to this Inquiry. Any questions regarding our submission, please contact Hannah Pierce, Executive Officer – Alcohol Change Australia, at hannah.pierce@adf.org.au.

Yours sincerely,

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