

Released under FOI

Agius, Karen

From: Murtagh, David
Sent: Wednesday, 21 March 2018 9:36 AM
To: Reader, Kate
Subject: RE: crikey - Is the ACCC inquiry into Facebook and Google out of date already? [SEC=UNCLASSIFIED]

Hi Kate

Generally political parties have an exemption from regulations about data collection.

David

From: Reader, Kate
Sent: Wednesday, 21 March 2018 9:34 AM
To: Sims, Rod <rod.sims@acc.gov.au>; Featherston, Roger <roger.featherston@acc.gov.au>; Jacobsen, Geesche <geesche.jacobsen@acc.gov.au>; Rickard, Delia <delia.rickard@acc.gov.au>; !DigitalPlatforms Team <!DigitalPlatformsTeam@acc.local>
Cc: !Media <!Media@acc.gov.au>
Subject: RE: crikey - Is the ACCC inquiry into Facebook and Google out of date already? [SEC=UNCLASSIFIED]

Agree Rod – I don't know if we know at this point whether people think its harmful or not. If the information was used by a bank or an insurance company would consumers also think it is not harmful?

In relation to 2 in my view it is potentially a breach of privacy law and also a contractual matter for FB. The way it links to our inquiry is via the information asymmetry point – do consumers really understand what information they give up when using the platforms and the use the platforms make of it (including giving it to third parties).

Happy to discuss
Kate and Morag

From: Sims, Rod
Sent: Tuesday, 20 March 2018 11:39 PM
To: Reader, Kate <kate.reader@acc.gov.au>; Featherston, Roger <roger.featherston@acc.gov.au>; Jacobsen, Geesche <geesche.jacobsen@acc.gov.au>; Rickard, Delia <delia.rickard@acc.gov.au>; !DigitalPlatforms Team <!DigitalPlatformsTeam@acc.local>
Cc: !Media <!Media@acc.gov.au>
Subject: RE: crikey - Is the ACCC inquiry into Facebook and Google out of date already? [SEC=UNCLASSIFIED]

Thanks for this Kate.

Re 1, not sure people would think it is not harmful when it is used by political parties.

Re 2, what is FB doing about the breach?

Sent with Good (www.good.com)

-----Original Message-----

From: Reader, Kate
Sent: Tuesday, March 20, 2018 06:12 PM AUS Eastern Standard Time
To: Sims, Rod; Featherston, Roger; Jacobsen, Geesche; Rickard, Delia; !DigitalPlatforms Team

Released under FOI

Cc: !Media

Subject: RE: crikey - Is the ACCC inquiry into Facebook and Google out of date already?
[SEC=UNCLASSIFIED]

Hi Rod

Two things to add context to this article:

1. Cambridge Analytica has been quite open about using consumer data. In an article in the Good Weekend a few months back it boasted about having 5000 individual data points about every adult in America. It's view is that "most people are aware that when they use things like supermarket loyalty cards or credit cards or they opt in on social media to share data and so forth that some of this information is being used for marketing and targeting purposes and they don't really have a problem with that because they understand, as we do, that this data isn't harmful or intrusive". This is one of the issues we are considering testing in consumer surveys.
2. As I understand the current issue Facebook data was provided to an academic who then provided it to Cambridge Analytica. This is the breach of Facebook's policy. It is worth noting that Facebook itself could have provided some of the data direct (de-identified in accordance with its policy) to Cambridge Analytical as a purchaser of an advertising product.

Kate

From: Sims, Rod

Sent: Tuesday, 20 March 2018 1:19 PM

To: Jacobsen, Geesche <geesche.jacobsen@accg.gov.au>; !DigitalPlatforms Team
<!DigitalPlatformsTeam@accg.local>

Cc: !Commissioner/Executive Staff <compas@accg.gov.au>; !Media <!Media@accg.gov.au>

Subject: RE: crikey - Is the ACCC inquiry into Facebook and Google out of date already? [SEC=UNCLASSIFIED]

Thanks Geesche. It is certainly highly relevant to our inquiry.

Sent with Good (www.good.com)

-----Original Message-----

From: Jacobsen, Geesche

Sent: Tuesday, March 20, 2018 01:12 PM AUS Eastern Standard Time

To: !DigitalPlatforms Team

Cc: !Commissioner/Executive Staff; !Media

Subject: crikey - Is the ACCC inquiry into Facebook and Google out of date already?
[SEC=UNCLASSIFIED]

Fyi – article of interest.

Also, letting you know we provided the same lines given to the Guardian yesterday re will we include Cambridge Analytica in our inquiry to the SMH in response to an inquiry.

Geesche

Released under FOI

Is the ACCC inquiry into Facebook and Google out of date already?

With the revelations about Cambridge Analytica and a plummeting stock price, there are arguably much more pressing issues to discuss.

Glenn Dyer

Crikey business and media commentator

Share

The growing Cambridge Analytica scandal involving 50 million Facebook accounts triggered a multi-billion dollar sell-off on Wall Street on Monday — with the value of Facebook falling by nearly 7%, its largest one day fall in five and a half years. The prices of other tech heavies, such as Alphabet (Google), Apple, Amazon, Microsoft and Netflix also fell because of investor fears the Facebook story would see closer supervision and regulation of social media, especially in Europe.

Suddenly the ACCC inquiry on the media impact of platforms such as Facebook and Google, done at the Turnbull government's behest, is starting to look so 2017.

Clearly the issue, so far as Wall Street investors are concerned, has moved beyond ones of growth in ad revenues and profits for these giants, to one of tougher regulation inhibiting or stopping that growth. It's not the fact that Cambridge Analytica may or may have not done something wrong, it's the fear that the currently unfettered ability of Facebook and Google (and other tech heavy stocks) to make money with impunity might be curtailed.

Certainly US investors saw no winners from Facebook's problems, as US media stocks also fell overnight. News Corp was down 1.5%, 21st Century Fox was off 1%, The New York Times lost 1.25%, Comcast was down 1.5%, Disney shares were off 1.3%, Charter Communications (the second biggest cable group in the US) lost 2.7% and Gannett, the major newspaper owner saw its shares off nearly 1%. If investors had seen this as a problem solely for Facebook and perhaps Google, Apple and Amazon, you would have expected the media shares to have perhaps suffered smaller losses or small rises as investors punted on the tightening of regulation (if it happens) slowing the loss or reversing the flow of revenues from established media to these platforms.

Instead of all this, the ACCC inquiry has been tasked to look at the "impact of digital search engines, social media platforms and other digital content aggregation platforms on the state of competition in media and advertising services markets".

An issues paper detailed the terms of reference:

The extent to which platform service providers are exercising market power in commercial arrangements with the creators of journalistic content and advertisers; the impact of platform service providers on the level of choice and quality of news and journalistic content to consumers; the impact of platform service providers on media and advertising markets; the impact of longer-term trends, including innovation and technological change, on competition in media and advertising markets, and the impact of information asymmetry between platform service providers, advertisers and consumers and the effect on competition in media and advertising markets.

And the ACCC said the inquiry:

Released under FOI

... may lead to a range of outcomes, including but not limited to: findings regarding structural, competitive or behavioural issues in the relevant markets; increased information about competition, pricing and other practices in the supply of online news and journalistic content and advertising services to Australian consumers; improved transparency for Australian consumers regarding media, advertising services, and news and journalistic content on digital platforms; ACCC action to address any behaviour that raises concerns under the Competition and Consumer Act 2010, and Recommendations to the Government for law or policy change.

Not a word on data retention and use by these platforms or others, such as media companies and political parties. Data retention and its use/misuse is arguably a much bigger danger than the impact of Facebook or Google on news.

The biggest beneficiaries of the ACCC inquiry and any government action will be wealthy people such as the Murdoch family (News Corp papers, Sky News and Foxtel and radio stations owned by Lachlan Murdoch) and Kerry Stokes (Seven Network and newspapers and magazines, especially in Perth where Stokes' outlets are the dominant voice). This inquiry will look at helping them as much as helping other more widely-owned media groups such as Fairfax Media, Nine Entertainment or Southern Cross.

Meanwhile, overseas, the debate has moved on to a much bigger, more sensitive issue. It's one the political parties don't want you to know about: what they know about you.

<https://www.crikey.com.au/2018/03/20/accc-inquiry-facebook-google-out-of-date/>