JULIE McCROSSIN: Ladies and gentlemen, it's my pleasure now to welcome Lauren Solomon up on to the stage, the CEO of the Consumer Policy Research Centre. The title of her presentation is great privacy -"A Day in the Life of Data Report". She's had a diverse career with AGL Energy and the Energy Efficiency Council. I've been interested in people's qualifications. Resource economics university of Sydney, behavioural economics London school of economics, psychology Monash and she's just thrown in executive program for non-profit leaders at the Stamford Graduate School of Business. Ladies and gentlemen, please welcome, Lauren Solomon.

LAUREN SOLOMON: Thank you for that introduction, Julie. I'd just like to start by acknowledging the traditional owners of the land on which we meet today and pay respect to elders past and present and happy birthday ACCAN. Thanks for having me back, I'm so pleased to be able to share this research with you today. I'm going to just say straight off the bat, I'm actually really optimistic about what the future holds when it comes to good data practices and what that's going to enable. Our researchers looked at consumer data through the lens of consumer protection, competition and privacy over the last couple of years and the growing intersection of those fields so I'm acutely aware of the benefits of the use of data to design better programs, deliver better services and support to those in need and I've spent most of my career trying to work out how to get that support to people using data that's been available to me to design better programs and engagement. But I guess through this process we've really learnt that with great data comes great responsibility and with the rapid developments in AI and machine learning there perhaps hasn't been a more important time for us to broaden the church of people participating in this public policy debate to make sure we're bringing people together. So, I think the reason for needing to broaden that church comes down to three things. The first is the rapid expansion of new sensors and technologies making their way into every aspect of our lifestyle -our home, workplaces -and data collected across all of those sources. The second is what the chief economist from the Bank of England talks about which is the shift from deductive reasoning to inductive reasoning, which is really about the shift from using theoretical framework to test data against those principles or hypotheses you have to collecting vast amounts of data and drawing inferences from that data and making conclusions about things. He's talked a lot about the need to have people skilled in both techniques and bringing those things together. We're talking increasingly about personally identifiable data, so data that directly relates to us as individuals, who we are and how we go about our lives, so increasingly we've really needed to take into account things like human rights, privacy, competition, consumer protection, even psychologists and historians and social scientists when we look at this field. I will just skip through, because I'm going to try to get through this relatively quickly. When we think about the data ecosystem, telco data just sits within a broader system of personal information and data now and what we're increasingly seeing is data combined across the sector and that's what gives it its power and also raises significant risks. It's the concentration and shifting of power as we see information combined across different platforms, entities and that's really coming down to the root of a lot of these discussions. One of my school mottos in primary school was knowledge the power, and I can tell you that concept hasn't meant more to me than it does today when looking at these sorts of problems. We're talking about a battle going on, about information and data and people holding vast quantities of that having a significant power imbalance or power advantage in the relationships that they're engaging with. So, I wanted to talk a little bit about if anyone hasn't come across this yet Shoshana Zuboff has published a book called ‘The Age of Surveillance Capitalism”, and it looks at the explosion of data use practices going across the economy now. She documents the bewildering number of sensors gathering our consumption of social media, our expressions, mood and music tastes and this data is used to develop predictions about what we'll do next, our behaviours and preferences and companies are able to increasingly suppress those behavioural buttons to get what the data holders want us to do. It's a confronting message through her thesis, but a compelling evidence case as to why we see the digital industry reaching the turnover of $330 billion a year. So there is incredible growth in these fields and it's something we have to be incredibly mindful of. The second thing that I just wanted to raise with you was Cathy O 'Neil a mathematician on Wall Street raising increasing concerns that data is not unbiased. Bias is inherent within a lot of the data sets we look at and that's a reflection of the power structures in society and so when we use algorithms this can increase and amplify the bias and discrimination that is already within society when we are making predictions about who people are and what they're likely to do. This has also led to the emergence of groups like the Algorithmic Justice League in the United States and it led Cathy to establish her consulting firm called ORCAA, which audits algorithms and provides advice to companies. The third thing I just wanted to mention is there's growing international cause for privacy to be considered formally as a human right in multiple jurisdictions. This is the Microsoft CEO recently making the statement at the World Economic Forum earlier this year. It's a major global challenge, so the UK competition and markets authority in their latest report basically said this challenge we now face really requires the highest levels of international cooperation. Platforms and very large multinationals using data as a source of market power are obviously operating across multiple boundaries and for that reason competition authorities are working much more closely together. So I wanted to just jump into our research, which looked at essentially within a 24-hour period exactly how much data is being collected about consumers now from when they get up in the morning at 7 am, they might get on social media and the sorts of information we see collected. Location data, device ID, we might then go and do an exercise class where we might book using an app. That's collecting things like location data, usage information, how long you spent there. We might then go to the shops and make a transaction through Woolworths, who we analysed in this report and we found that rewards programs were not only collecting data from the reward swipes of the card you've used, but matching that to your credit card and tracking transactions absent to you using the loyalty card, as well. We might do job hunting at home or browse a website when we get home and that's obviously collecting data through cookies, beacons what you've searched through on-line, what your interests might be or what you're worrying in late night when typing questions into Google. The data collectively from these sources is combined and enabling the development of detailed profiles of individuals and it can include everything from mood, what your health status might be, what your customer worth might be, your sexual orientation and your relationships. If you think this sounds creepy you're not alone, but these are the facts and we really need to deal with them if we're going to build trust in the digital economy and get the benefits out of data-driven technologies. So this is something to articulate, the fact that most consumers assume when they're engaging a business they have a relationship with that one first-party business, but business often has several relationships with other third parties also sharing data about consumers. So, it's really this combination of a transaction with a consumer with one company, but that company then having relationships with a whole host of other companies and the web gets very broad very quickly. It's also vastly enabled by data brokers who play a critical role in combining data across multiple sources. So, we analysed eight privacy policies as part of this report against complexity transparency and choice provided to consumers. Surprise, they're all incredibly long. One study found it would take 76 days to read all the privacy policies we agree to in a year. Our partner greater than X used the Hemingway app to look at readability time. All policies was found to require at least a level 10 education and the highest complexity being a university-level education to read. Eight policies would take over two hours we found to read and that's not even considering the significant addons. You also have cookie policies terms and conditions and third party advertiser websites attached to this as well. There was vague terminology around collection sharing and use. There's a lot of terminology we may share with trusted partners. We're not identifying who people are. What we also found with our varying levels of control available to consumers about what to do about it. Often there wasn't

granularity, it was a take it or leave it proposition -accept these terms or you can't use our service. The Mind Body app stated it collected information from strategic and joint marketing partners, social media pages and platforms, people who you are friends or otherwise connected to on social media platforms as well as from other third parties so I don't think that the majority of consumers out there using an app like the Mind Body app would be necessarily assuming that they're consenting to the collection of data not just about them, but about their friends and family, as well. So, what? This is a well-known example from Target where Target in the United States was developing a pregnancy prediction score of its customer base based on transaction data. They started sending baby coupons which resulted in a 16-year-old girl being put in the position of her pregnancy disclosed to her father before she discussed it with him. No doubt that caused her a fair amount of distress. If we're having predictions made about us and that's, can we do anything about it? What else? Manipulation, there's a growing field of policy experts discussing manipulation and exploitation in this environment, so we're seeing ex-Facebook employees describing the behavioural data they collect and use as an "information weapon". The scope to influence and manipulate behaviour either to commercial or political ends is increasing. Technological developments have enabled far greater monitoring of consumer behaviour and mood than before. We have software determining eye movements, Spotify sharing information about mood inferred from usage behaviour, what sort of music you're listening to at certain points in time and mobile phone sensors being able to track how the phone is being used and held and that potentially also inferring things like stress levels, mood and mental health issues. We can also point to the recent ACCC investigation into health engines, so health engine was found to be selling the records of patient data booking appointments with health professionals through their services on-line. So, these practices are really starting to enter the commercial space and obviously the ACCC through the digital platforms inquiry have been looking at this. We also in regards to manipulation and exploitation the European data protection supervisor has stated this type of manipulation is increasingly a threat to society. The next one I wanted to talk about was the scope for discrimination and exclusion. Consumer profiles are being developed of who we are and used by industry often to target potentially advertising but products and service to us as well. The intercept's recent investigation into Facebook's actionable insights is probably the most recent example where consumers might not be exactly sure or weren't aware that the profiling information was being collected. Information was being collected by Facebook about users device, Wi-Fi, mobile networks, past locations, interests, social groups and has been marketed as a way to screen customers on the basis of credit worthiness. We have a credit reporting system at the moment that's obviously got legislation attached to it, but we are seeing parallel profiling and scoring systems operating in a far less transparent manner without necessarily any power for consumers to correct the record. These are some of the growing trends, I won't go into it, I'm going to keep to time. The policy processes we're dealing with in Australia at the moment is the consumer data right which is an initiative to give consumers greater control over their information and data through portability. The ACCC digital platforms inquiry looking at market power issues, asymmetry and unfair trading. We're happy to see the ACCC release a report into customer loyalty schemes which we were not thinking a good signal about how loyal you are if it's coming with a vast collection of your data and personal information and the data sharing and release information as well that looks at public sector data. So, there's a lot on and I know many people in this room are trying to grapple with those issues just now. In terms of the five key underpinnings for us for trust in the digital economy, we need greater transparency of data practices to enable consumers to make informed choices. We need there to be clear and transparent information to understand, for consumers to understand what's being collected who it's being shared with and what it's being used for and we need to better understand the data ecosystem as well so we can design effective policies and regulations. The other thing we're very Sophia of is an increase in control, choice and comprehension. At the moment privacy policies are really not aiding comprehension and informed choice and so we think there's significant reform that needs to happen in that space. We also think it's really critical consumers have a right to delete their information once they're no longer comfortable with a company having it. There are good legal reasons as to why companies may need to retain information and that's absolutely fine where there's other legal reasons why that data needs to be retained, but if not, Australian consumers should have a right to ask for that data to be deleted and it becomes incredibly important when you start to look at data being exploited for scams. The more you know about people, the easier it is for scammers to start deploying those techniques and technologies. Accountability and explain ability, so if you've developed a profile about many me to what extent do I know that's happening and can I correct the record if I wrong. In Europe, Carmila found he'd be placed in the top 10 per cent of being interested in on-line gambling even though he'd never with a gambled in his life and he was put in the young and economically struggling segment and companies knew his hot water system was five years old. Also, protections for specific vulnerable groups, so in the EU we see a ban on the processing of data for minors without parental consent for the age under 16. We don't have similar protections here and there's a move, it was mentioned yesterday as well around data sovereignty and Indigenous rights, so giving Indigenous people control and power to tell their own stories through their own data is incredibly important as it is for a whole host of other parts of the community. So there's a broad discussion going on there, as well. Lastly, I just wanted to touch, it's really important that in this area where we're seeing the scope for exploitation and manipulation increasing that regulators have strength and power to come down on unfair commercial practices. We've also been talking about the introduction of an unfair trading prohibition into Australian consumer law to give the ACCC stronger powers in that regard. So, a lot of this is about addressing power imbalance between consumers and firms and making sure that consumers are on a more fair and level footing with some of these issues. This isn't all about putting the responsibility and blame on consumers and citizens it's about how we as a community develop and foster better ways to use technology with and for consumers in a way that improves our welfare. We know technology and data can be used for good so we need to have minimum protections in place and we need to foster better good data initiatives for the outcomes of the community. That's probably it from me for now. (APPLAUSE)

JULIE McCROSSIN: Thank you very much. We have time for just one question or comment.

>> Ian Binnie, I noticed during your presentation you talked about Googling things and our esteemed moderator has used the word Google a half a dozen of times in the last few days. Why don't they use Duck Home that don't?

LAUREN SOLOMON: They didn't know how data was being used or shared with, so in that regard the consumers aren't really fully informed in making those choices, but I would also say there's not a great deal of literacy in the community about proactive privacy measures that can be taken. Certainly after us going through this process we're aware of more of those technologies now, but I guess it's a combination of both minimum standards and competition between providers that are required here, so competition on its own we don't think will necessarily solve these problems.

JULIE McCROSSIN: Your presentation translates into this experience for me. I will often be thinking something and within an hour or two a whole range of ads about that come up and I really watch it now and I haven't spoken to anybody. Some people think everything's listening which they probably are, but it's very interesting. I just throw that comment. The number of times that happens to me is quite remarkable.

LAUREN SOLOMON: I think that's the point now. It's getting to the point of predicting what you're going to do next. It's no longer about who you are and what you're doing, it's about predicting your next step or action and that's where obviously the intervention is most beneficial for companies.

JULIE McCROSSIN: Could I ask a quick question, has the horse bolted?

LAUREN SOLOMON: Some would argue yes. We have to remember here that just because the technology can do it doesn't mean that it should and that's the reason why policy and regulation exists to make sure that technology is operating in line with community expectations and so I don't think we've had the discussion frankly with the broader community about what sort of technology we want in our lives and how we want that to work for us, not for technology just to be given to us and be told that's how it will work.

JULIE McCROSSIN: Thank you so much. Give Lauren a warm round of (APPLAUSE).