

# Not a fair trade

Consumer views on how businesses use their data



# CPRC WORKING PAPER

## CPRC

The Consumer Policy Research Centre (CPRC) is an independent, not-for-profit, consumer think-tank. Our work is possible thanks to funding from the Victorian Government.

CPRC aims to create fairer, safer and inclusive markets by undertaking research and working with leading regulators, policymakers, businesses, academics and community advocates.

## Acknowledgements

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CPRC is responsible for the views in this report, including any errors or omissions.

## Statement of Recognition

CPRC acknowledges the Traditional Custodians of the lands and waters throughout Australia. We pay our respect to Elders, past, present and emerging, acknowledging their continuing relationship to land and the ongoing living cultures of Aboriginal and Torres Strait Islander Peoples across Australia.

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## Introduction

The status quo where businesses collect, share and use personal information with very few restrictions or limits is not working for Australians.

The Consumer Policy Research Centre (CPRC) undertook this research to make sure that consumer views and needs were well-reflected in ongoing discussions about reform to Australia's privacy protections. Australian consumers told us very clearly what they want: for businesses to treat their data with greater care and respect.

Today, most protections for consumers are based on notification and consent. Practically, this means that people are asked to accept long and unhelpful privacy policies, often as the precursor to accessing a product or service. It's difficult, if not impossible, to really understand how a business will actually use your data. If you don't like what a business plans to do with your data, you typically have two choices: accept it or don't shop with that business. The take-it-or-leave-it approach to privacy policies doesn't give people real choice and doesn't offer meaningful protection against harmful data practices.

There's a major mismatch with how the digital economy currently works and what consumers want. Whole industries currently exist to trade in consumer data yet 79% of Australians agree that a company should not sell people's data under any circumstances. Even though companies commonly monitor what we do online, on their own websites as well as across the internet, 70% of people are not comfortable with companies monitoring their online behaviour.

Australians want all businesses to meet minimum standards for data collection and use. From a consumer perspective, the harm to them from poor data practices is the same whether it's caused by a small, large, local or international business – 90% expect businesses to protect against data misuse that leaves them worse-off.

These requests from consumers are reasonable. It is only in the past decade that many companies have come to expect that they can collect significant data about their current and potential customers, track them and on sell that data. With 79% of Australians agreeing that a company should only collect information that it needs to provide the product or service and 84% agreeing that data should be used with their interests in mind, it's time to shift the onus.

It's time for businesses to look at data and see how they can profit through positive outcomes for the community instead of monetising data in ways that cause community harm.

The law needs to require more effort on the part of businesses to assess if how they collect, share, and use data results in fair outcomes for their customers. Australians support a strong regulator that has sufficient resources to investigate privacy harms (82%) and has the power to pause, test and ban current and potentially harmful data practices (80% or more).

Australians deserve privacy laws that protect them, a regulator that has the power and resources to proactively enforce the law and a system that gives them access to support for when things go wrong. The burden for creating a safe online world and protecting privacy can no longer remain on the shoulders of Australian consumers.

## Methodology

This report outlines key findings from a nationally representative survey of 1,000 Australians, exploring consumer views on how businesses collect, share and use consumers' personal information. It builds on some of the consumer research conducted by the Consumer Policy Research Centre in 2018 and 2020.<sup>1</sup> However, this survey was designed in a way to specifically capture consumer sentiment on issues related to proposals within the 2023 Privacy Act Review report.<sup>2</sup>

CPRC's survey was conducted between 10 and 16 March 2023. Data collection was conducted by CPRC, using Ipsos' Digital Platform. To achieve a nationally represented sample, quotas were set on each of the three demographic variables of age group, gender, state/territory.

The report also includes commentary from survey participants. Participants were invited to provide commentary at the end of the survey. As participants are completely deidentified, quotes in the report are attributed as "*consumer survey participant*".

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<sup>1</sup> CPRC, "CPRC 2020 Data and Technology Consumer Survey", (2020), <https://cprc.org.au/cprc-2020-data-and-technology-consumer-survey/>

<sup>2</sup> Attorney-General, "Privacy Act Review Report", (2023), <https://www.ag.gov.au/rights-and-protections/publications/privacy-act-review-report>

## Key findings

### Business accountability



### Targeted advertising



### Sharing and selling consumer data



### Help and redress



## Defining what's personal

There is some confusion about what “personal information” is currently protected by the Privacy Act.<sup>3</sup> The Review of the Privacy Act puts forward a recommendation to clarify that “personal information” is meant to be a broad concept which includes information that could reasonably identify someone. This aligns with consumer views of what they think is personal information.

The survey asked Australians to select data points which they considered as personal information in addition to name, address, gender, telephone and date of birth (Figure 1). The top 10 categories considered as personal information were:

1. financial information (72%)
2. phone contacts (70%)
3. income (68%)
4. photos (64%)
5. messages (62%)
6. location data (61%)
7. IP address (60%)
8. device IDs (59%)
9. mental health information (57%)
10. online search history (56%)

These categories were followed closely by physical health (56%), sexuality (53%), family members and ancestry (52%) and whether a person is living with a disability (50%).

While results are mixed to the extent of which data points are considered as personal information, only 3% of Australians considered none of the additional categories as personal information. Also, of all the suggested categories, the lowest ranking category (topics you are interested in) still had a significant portion of the population considering it as personal information (24%). This points to a recognition that Australians generally consider a lot more of their data points as personal information and any new consumer protections should ensure this information is adequately protected and, if used by businesses, that it is done so with safety and respect.

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*“Need to be more protective with personal information”*

*“Too much detailed information is being collected”*

Comments from consumer survey participants

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<sup>3</sup> Attorney-General, “Privacy Act Review Report”, (2023), <https://www.ag.gov.au/rights-and-protections/publications/privacy-act-review-report>

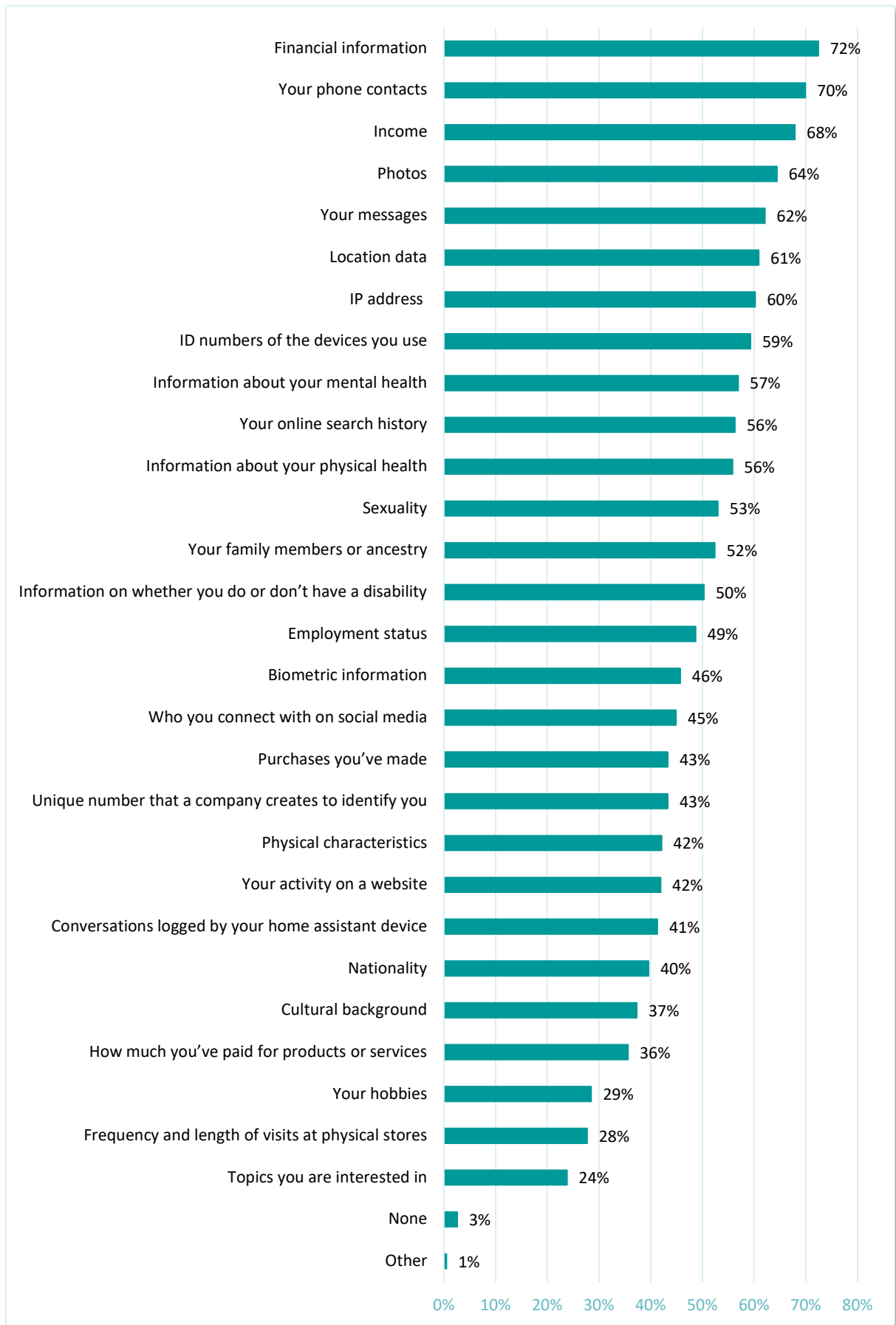


Figure 1: Consumer views on what constitutes personal information



## Using personal information

The survey asked people if they are comfortable with how businesses use their personal information for specific activities (Figure 2). Australians showed high levels of discomfort with personal information being:

- used to create a personal profile (60% reported either very uncomfortable or somewhat uncomfortable)
- collected from other companies (69% reported either very uncomfortable or somewhat uncomfortable)
- used to develop a product or service that a consumer may be interested in (70% reported either very uncomfortable or somewhat uncomfortable)
- used to monitor their online behaviour (70% reported either very uncomfortable or somewhat uncomfortable)
- shared or sold with other companies (74% reported either very uncomfortable or somewhat uncomfortable).

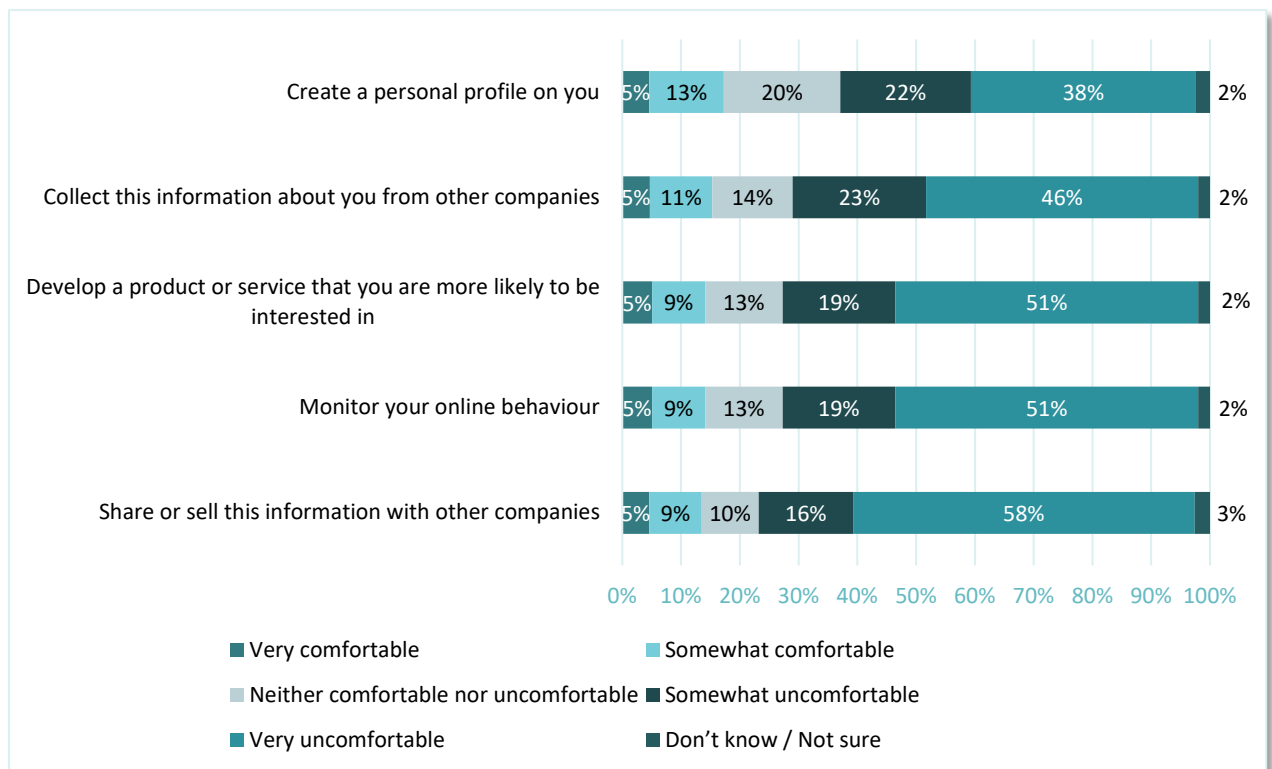


Figure 2: Comfort level with how personal information is used by businesses

*“They are selling and or buying our data without being transparent about their practices. They are only concerned with themselves, profits, and how much they can sell to vulnerable people. They accomplish this by preying on consumers after being nosy about their details and targeting them. They are using our data to make more money for themselves whether we like it or not.*

Comment from consumer survey participant

## Consumer perceptions of privacy protections online

Placing the onus on consumers to protect their privacy is unfair when there is little responsibility placed on businesses to collect less data and use it safely. With 52% of consumers finding it time-consuming to protect their privacy online and 49% finding it frustrating, it's a recognition that current models and processes to privacy protection are failing to serve consumers adequately. Only 7% of consumers agree that companies give consumers real choices to protect their privacy online.

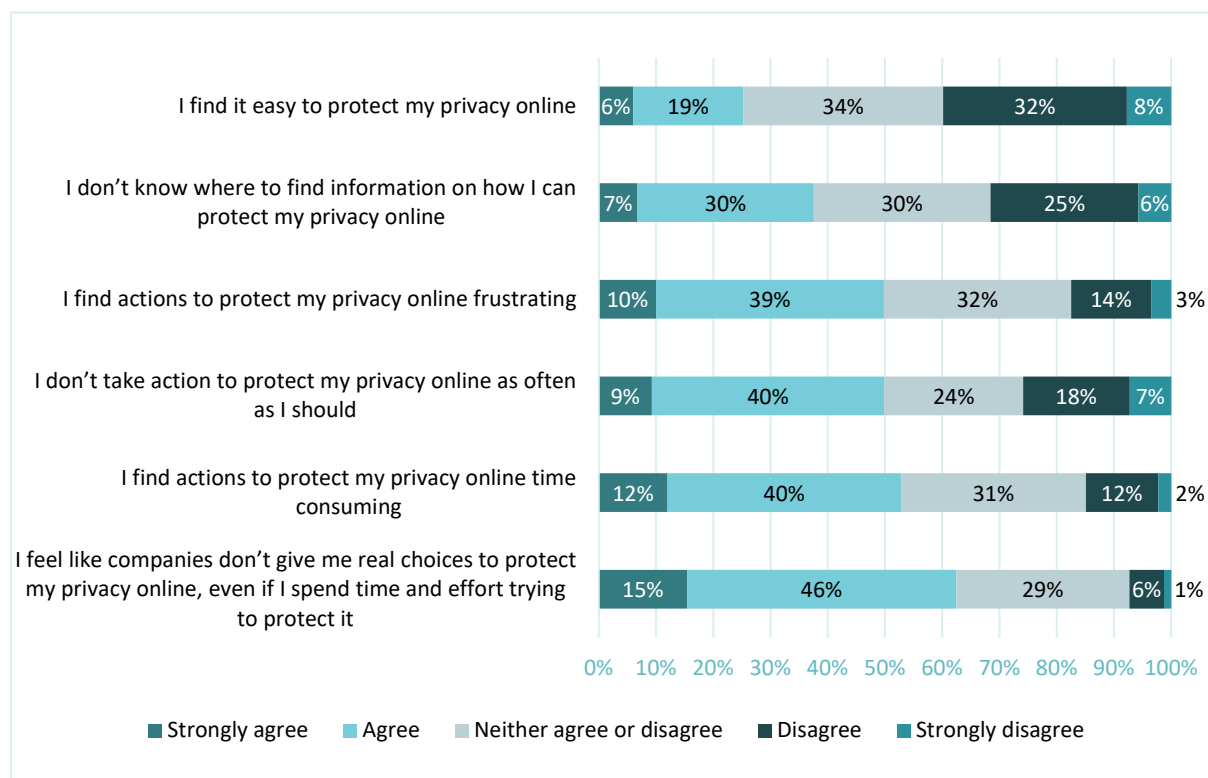


Figure 3: Consumer perception on protecting their privacy

Note: The option of 'Unsure' has been removed from this graph for ease of reading. It was 3% or less for each of the above options.

### A sense of unfairness

Consumers reported finding several aspects of navigating privacy protections unfair (Table 1). These included:

- being required to accept a Privacy Policy that lets a company share consumer data with another company where it's not necessary to deliver the product or service (65% found it very unfair or unfair)
- difficulty finding the Privacy Policy (66% found it very unfair or unfair)
- being required to supply more personal information than is necessary to deliver the product or service (64% found it very unfair or unfair)
- lengthy and complex privacy policies (64% found it very unfair or unfair)
- website or app default settings are set to 'on' for all data collection and sharing that consumers must opt-out of (64% found it very unfair or unfair).

	Very unfair	Unfair
When you are required to accept a Privacy Policy that lets a company share your data with another company where that is not necessary to deliver the product or service	44%	21%
When it is hard to find the Privacy Policy that you are agreeing to about collecting and sharing your personal data	42%	24%
When companies require you to supply more personal information than is necessary to deliver the product or service	41%	23%
When options to reject or accept 'cookies' are difficult to find or require you to go to a third-party website	40%	25%
When the Privacy Policy is lengthy and complex in explaining how the company collects, uses and shares your personal data/information	37%	25%
When website or app default settings are set to 'on' for all data collection and sharing and you must opt-out	33%	26%

Table 1: Privacy actions and issues that consumers find unfair

## Targeted advertising

When asked about targeted advertising, there was a clear discomfort with personal information being used without any baseline safeguards and limits on business practices.

### Tracking online behaviour for targeted advertising

Only 9% of Australians reported being comfortable with companies targeting them with advertising based on their online behaviour even if they had not given permission (i.e., what a person may have previously viewed, searched for, purchased or discussed via a messaging app) (Figure 4).

Almost half (46%) of Australians are not comfortable with companies targeting advertising to them based on their online behaviour. Of those who were comfortable with targeted advertising (51%):

- 31% want to have the option to opt-out
- 25% only want to see targeted ads when they have opted-in
- 25% only want to see ads based on current search for product or service, and
- 17% were comfortable with companies targeting them with advertising even if they hadn't given permission (only 9% of the total population).

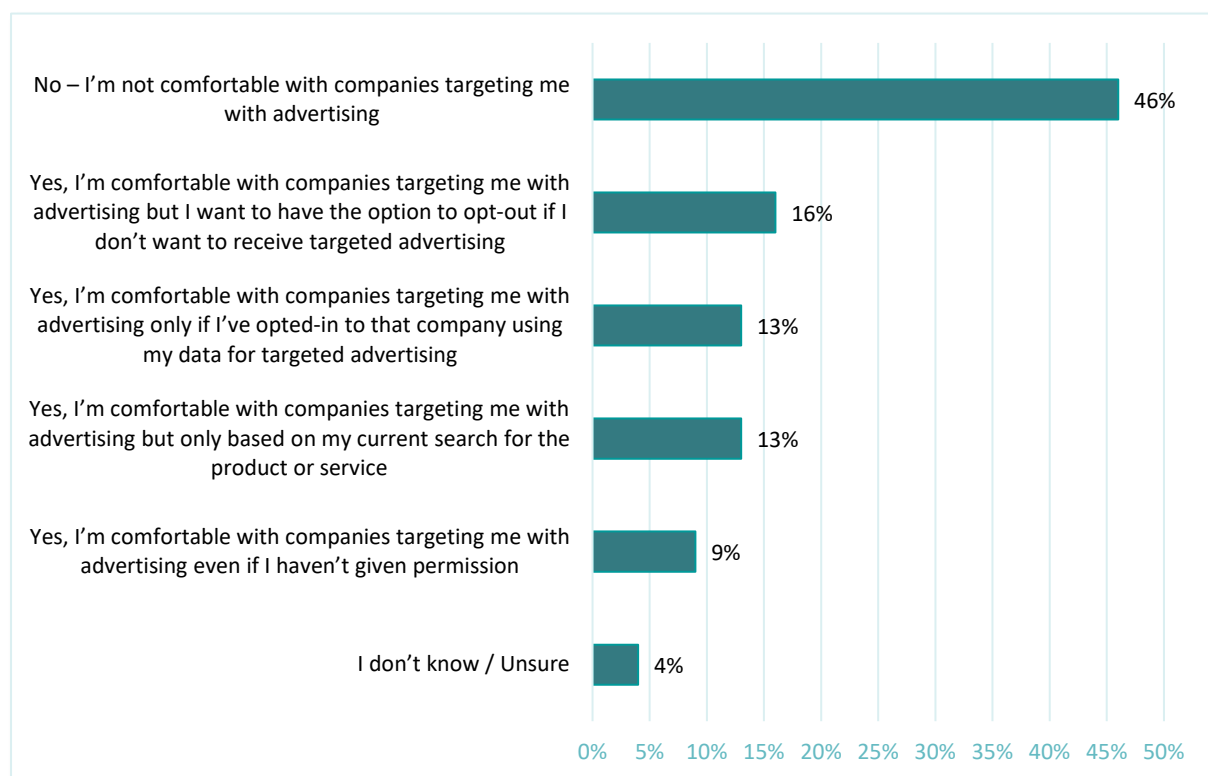


Figure 4: Level of comfort receiving targeted advertising based on online behaviour

*“Why, after searching where to buy a car battery online, am I bombarded with endless ads from multiple suppliers for the next month even though I have already made my purchase?”*

*“I really feel annoyed when I search for products or services and then I start getting emails or suggestions within platforms for many months after.”*

Comments from consumer survey participant

## Tracking personal characteristics for targeted advertising

Results are similar when it comes to targeted advertising based on personal characteristics (e.g., gender, age, income or location) (Figure 5). Only 8% of Australians reported being comfortable with companies targeting them advertising based on their personal characteristics even if they had not given permission.

Almost half (49%) of Australians are not comfortable with companies targeting advertising to them based on their personal characteristics. Of those who were comfortable (48%):

- 31% want to have the option to opt-out
- 29% only want to see targeted ads when they have opted-in
- 23% only want to see ads based on current search for product or service, and
- 16% were comfortable with companies targeting them with advertising even if they hadn’t given permission (8% of the total population).

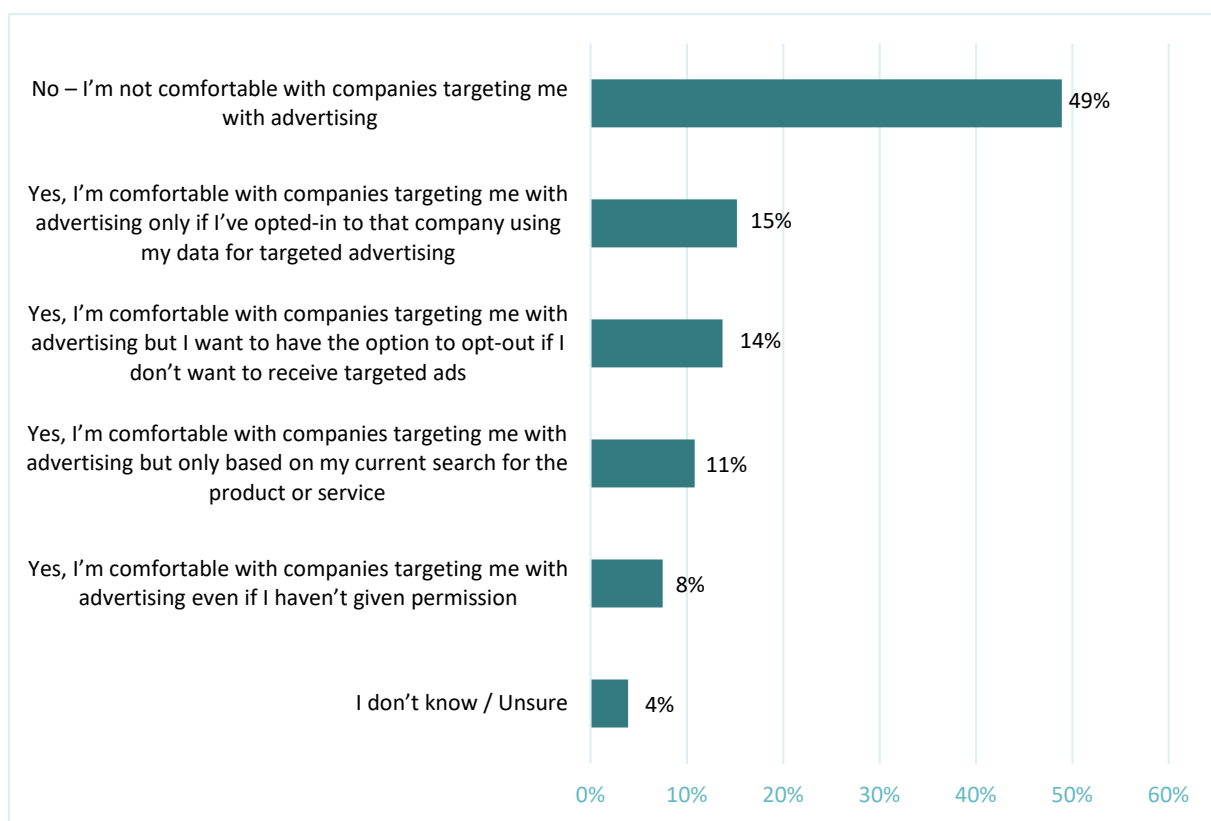


Figure 5: Level of comfort receiving targeted advertising based on personal characteristics

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A very high percentage of Australians are uncomfortable with targeted advertising or would at least prefer that it is made available as an opt-in model. It is clear that an opt-in approach would be the safest option for Australians where the choice and control remain in their hands. Opt-in also should not mean that Australians are then subjected to dark patterns / deceptive designs<sup>4</sup> including recurring notifications or nagging designed to coerce them into opting-in.

There is very limited consumer appetite to navigate the opt-out settings of the plethora of websites and apps that a person visits in a day.

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*"You really should have to opt in to all the various data sharing and mining. It shouldn't be a default."*

Comment from consumer survey participant

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<sup>4</sup> CPRC, "Duped by design: Manipulative online design: Dark patterns in Australia", (June 2022), <https://cprc.org.au/dupedbydesign/>.

## Expectations of businesses

There is a gap between what consumers expect of businesses when it comes to privacy and what businesses are actually doing. When asked whether businesses are doing enough to protect consumer privacy, the resounding response was no (Table 2).

Businesses aren't doing enough	I'm satisfied that businesses are doing enough	Don't know / Not sure
70%	15%	16%

Table 2: Consumer views on whether businesses are doing enough to protect consumers' privacy

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*"I don't think they're working hard enough in protecting customer information these days."*

*"They are selling and or buying our data without being transparent about their practices."*

Comments from consumer survey participant

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Australians have much higher expectations of what good protections look like compared to what is currently on offer (Table 3). A high majority of the survey respondents (79%) agree that a company should only collect information that it needs to provide the product or service and 84% agree that data should be used with their interests in mind.

When it comes to selling and using data, the expectations are yet again high with Australians expecting more transparency on how their data may be used to assess their eligibility for a product or service (84%) and not wanting companies to sell their data under any circumstances (79%).

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*"Partner programs appear to be used as an excuse for information sharing as though within the same company."*

*"Many businesses collect all sorts of information before they will sell to you, I do not use these businesses, because I don't think that they need this information."*

*"I find that businesses collect data they don't need very often."*

Comments from consumer survey participant

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	Strongly agree	Agree
A company should only collect information about me that it needs to provide the product or service	46%	33%
A company should always act in my interests when it uses my data	54%	30%
A company should be transparent about how they use data about me to assess my eligibility for or exclude me from products or services	55%	29%
A company should give me clear and simple options to opt out of information they can collect, share or use about me	57%	28%
A company should not sell my data under any circumstances	58%	21%

Table 3: Percentage of survey respondents who either strongly agreed or agreed on what companies should and should not do

## Business accountability

Most Australians believe businesses have the highest level of responsibility when it comes to how personal information is being collected, shared and used (Figure 6):

- 90% expect businesses to protect them against data misuse (i.e., data being used in a way that leaves people worse-off) (72% high; 18% moderate).
- 90% expect businesses to clearly explain how personal information is being used (71% high; 19% moderate).
- 88% expect businesses to ensure people are not opted-in by default for their data collection or sharing options (68% high; 20% moderate).
- 90% expect businesses to ensure people have access to opt-out from data collection, sharing and use options (69% high; 21% moderate).



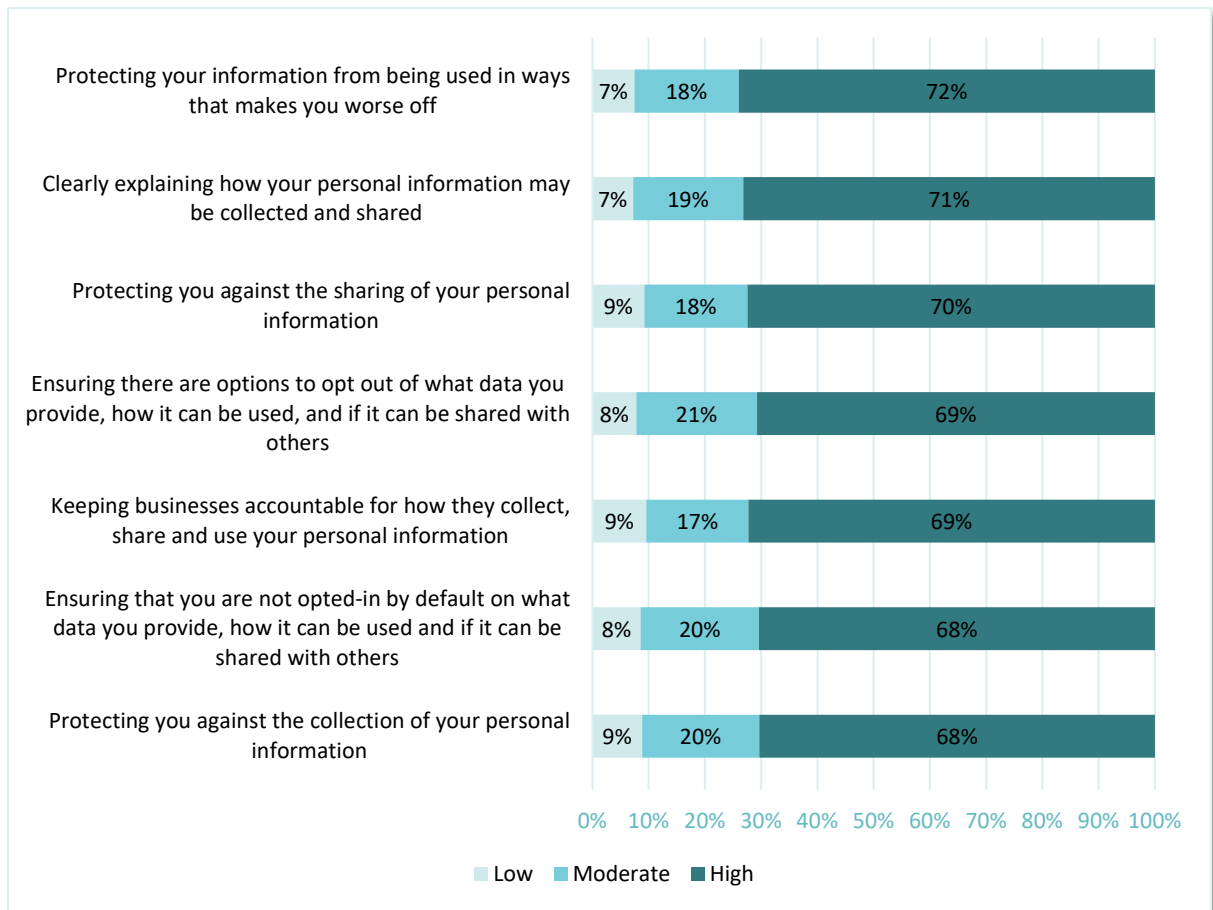


Figure 6: Consumer perceptions on level of responsibility for businesses when collecting, sharing and using consumer data  
 Note: The option of 'None/not relevant' has been removed from this graph for ease of reading. It was 4% or less for each of the above options.

Australians were asked what they think is a fair requirement on businesses that use their data (Figure 7). Most people thought it was fair to:

- require businesses to test and report the impact of their data practices on their customers or community before implementing them (57%), and
- request that a company delete personal information when it is no longer needed for the original purpose (73%).

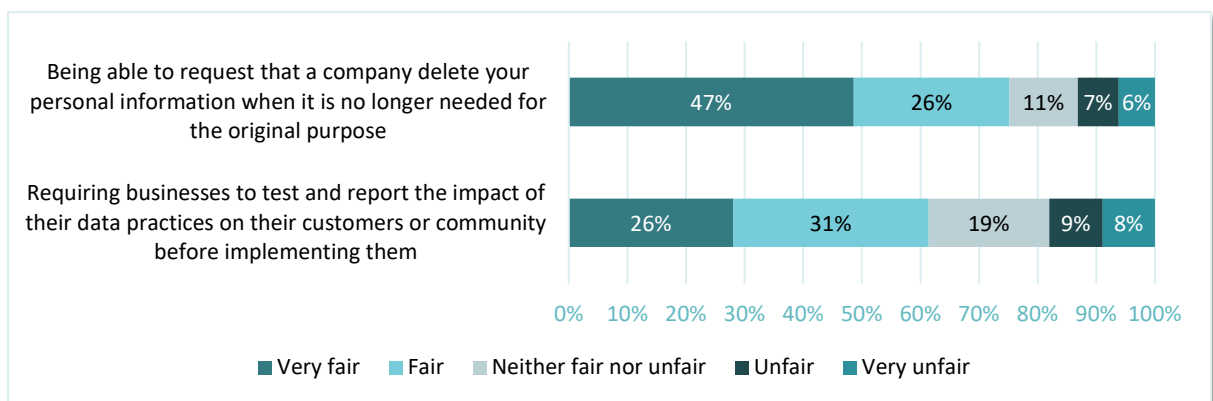


Figure 7: Consumer perceptions on protecting their privacy  
 Note: The option of 'Unsure' has been removed from this graph for ease of reading. It was 7% or less for each of the above options.

## Expectations of small businesses

The size or nature of a business does not significantly influence what Australians expect from how their data is collected, shared and used (Figure 8). Similar to companies in general, Australians agree that small businesses should:

- not collect information that they don't need for delivering a product or service (81% for small businesses, 79% for all companies)
- not collect information about them that they don't currently need for delivering the product or service (81% for small businesses, 84% for all companies)
- not share or sell personal information to another organisation without a person's explicit consent (82% for small businesses, 79% for companies to not sell information under any circumstances)
- take steps to keep their personal information safe (82% for small businesses, 84% for all companies).

When it comes to collection of information, majority of Australians agree that small businesses should not collect personal information if they cannot ensure its safety and security (81%).

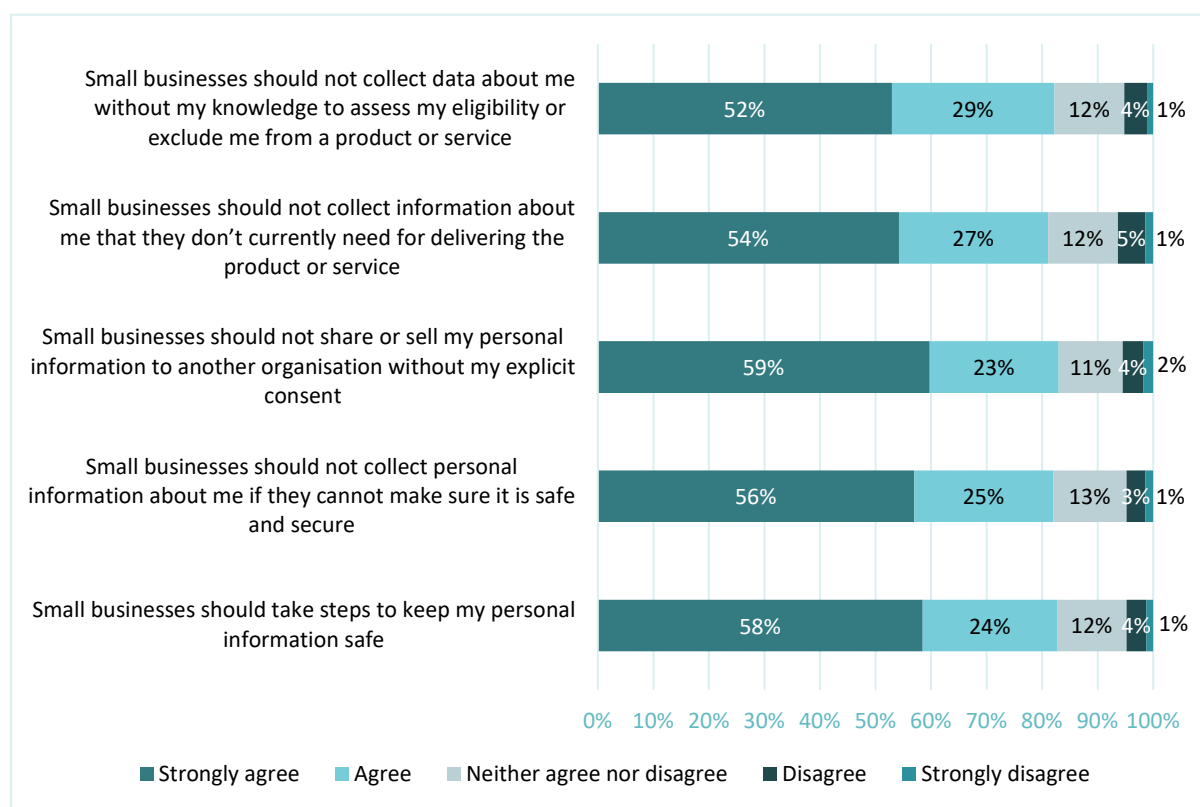


Figure 8: Consumer expectations of small businesses on privacy

Note: The option of 'Unsure' has been removed from this graph for ease of reading. It was 2% or less for each of the above options.

### Using data for the right reasons

Australians acknowledge that there are instances when their personal information needs to be collected or shared without their knowledge but it is clear that those circumstances are limited (Figure 9).

Australians have a higher level of comfort if their personal information is being collected or shared to:

- guard against fraudulent use of a service (57% very comfortable to somewhat comfortable)
- prevent users who have previously been blocked from a service for misconduct from registering or using the service again (48% very comfortable to somewhat comfortable), and
- check your credit history when you apply for credit (42% very comfortable to somewhat comfortable).

The level of comfort shifts when personal information is being collected or shared to:

- more precisely conduct target advertising based on a person's attributes and interests, even without building a profile (51% uncomfortable)
- allocate people to a segment or group of customers based on information not provided directly to the company (49% uncomfortable), and
- create a more detailed profile on the person for marketing purposes (61% uncomfortable) or to share with other businesses (68% uncomfortable).

A significant portion of respondents noted that they were neither comfortable nor uncomfortable with various practices which indicates that there is potentially a lack of understanding of how personal information can be used and the impact of those use cases. It shows that relying on notification and consent as the primary consumer protection is not practical in a complex, data-driven economy.



Figure 9: Consumer expectations on use of data without explicit consent  
 Note: The option of 'Unsure' has been removed from this graph for ease of reading. It was between 3% and 6% for each of the above options.

### In the interest of the consumer

When people are sharing their personal information, they’re expecting that it’ll be used in their best interest and will not cause harm to them or others (Figure 10). Most Australians believe that:

- personal information should only be collected and used in a way that personally benefits them (70%)
- their personal information should not be collected and used in a way that harms them or others (83%)
- children’s personal information should only be collected or used if it is in the best interest of the child and there is explicit consent from a parent or guardian (74%)
- personal information should only be collected or used if it is in a person’s best interest and is unlikely to cause harm to them and others (70%).

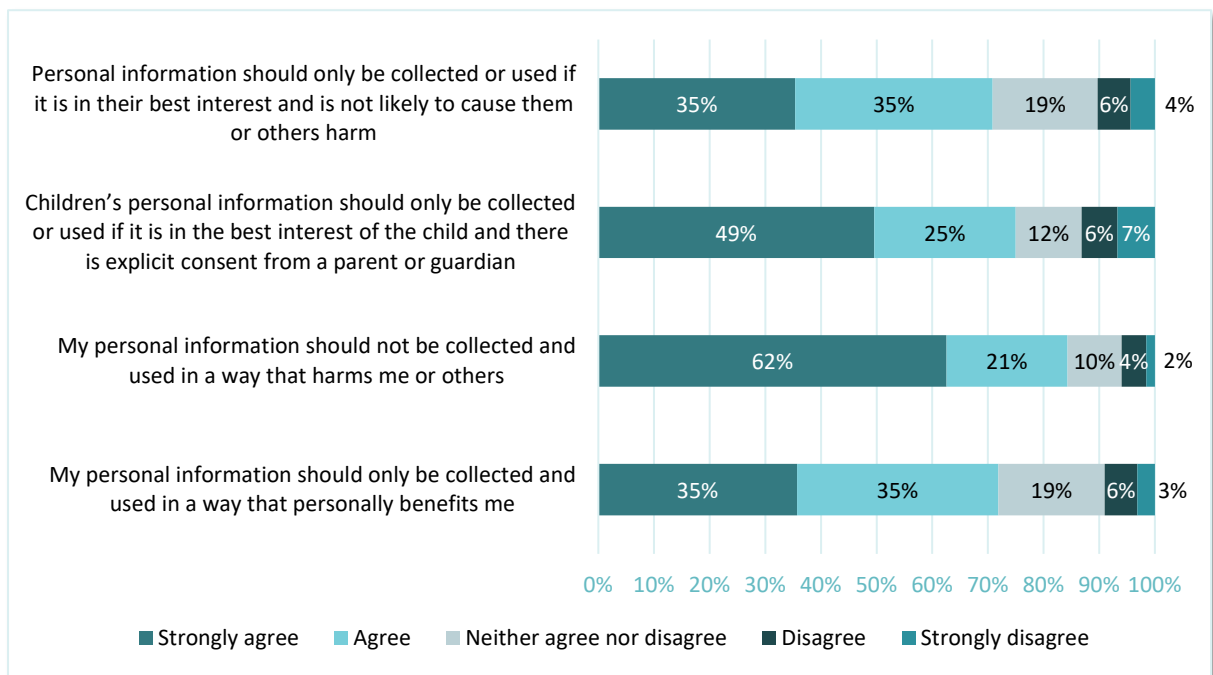


Figure 10: Consumer expectations on whose interest personal information is collected and used  
 Note: The option of 'Unsure' has been removed from this graph for ease of reading. It was 3% or less for each of the above options.

*“Businesses don't care about protecting us, all they care about is making money. Prior to the internet they weren't able to collect personal information unless it was to deliver a service or product, and then it was just the delivery address. Just because we are all online DOES NOT MEAN we should have to sacrifice our personal data to be marketed to and have to put up with being slammed with ads or emails.*

Comment from consumer survey participant

## Keeping data safe

In light of Australia’s high profile data breaches in late 2022<sup>5</sup>, Australians were asked their views on businesses keeping their data safe (Figure 11). Regardless of the type of business, on average, close to half of Australians have little to no confidence that businesses will keep their data safe from future data breaches:

- Only 23% have some level of confidence in small businesses (44% are not confident).
- Only 25% have some level of confidence in large businesses (47% are not confident).
- Only 17% have some level of confidence in international businesses (57% are not confident).

The level of confidence erodes further with online only businesses, with, on average, close to 60% of Australians having little to no confidence with these businesses keep their data safe.

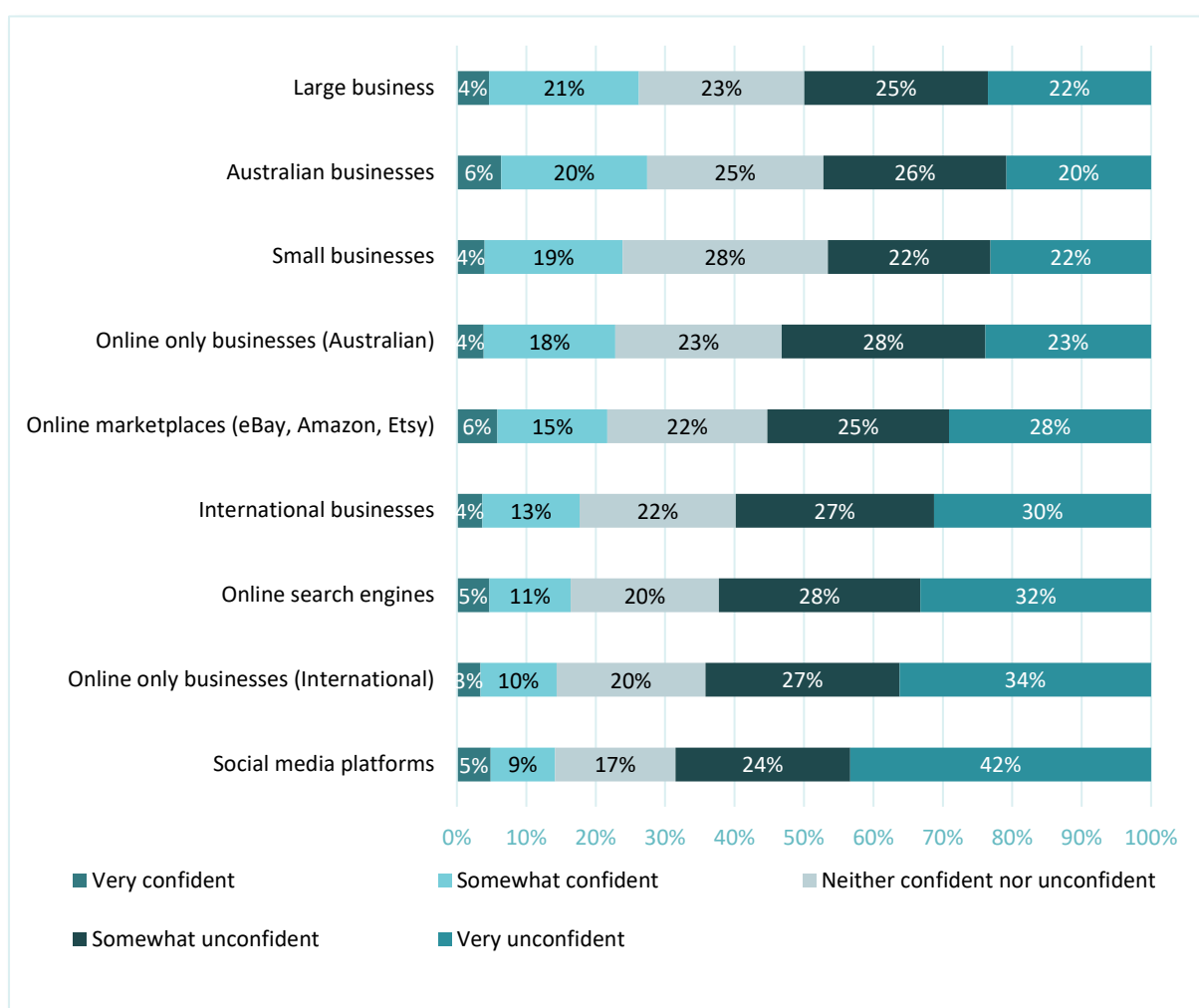


Figure 11: Consumer confidence in businesses to keep their data safe

Note: The option of ‘Unsure’ has been removed from this graph for ease of reading. It was 6% or less for each of the above options.

<sup>5</sup> Smith, P., “Cyber experts worry as Medibank puts hack behind it”, (27 February 2023), Australian Financial Review, <https://www.afr.com/technology/cyber-experts-worry-as-medibank-puts-hack-behind-it-20230223-p5cn10>.

*“The fact big businesses such as Optus and Medibank have been hacked does not fill me with confidence at all.”*

*“15 years ago my son wanted a mobile phone so I had to give my personal information because he was a child. We closed the account 10 years ago and he took out his own policy with Telstra. Then when Optus was hacked he received a message (2 weeks later) advising his details had been hacked when it was actually mine - after the account had been closed for 10 years, this is totally deplorable and I should have been compensated most definitely.”*

Comment from consumer survey participant

When it comes to data protection, Australians expect far more than what they’re getting (Table 4). To protect their data, Australians agree that a company should:

- delete personal information when it is no longer needed (83%)
- be responsible for keeping data safe (84%)
- protect them from harm if there is a data breach (65%)
- notify customers when there is a data breach and provide clear information about where to get help (86%).

	Strongly agree	Agree
A company should delete my personal information when it is no longer needed for the original purpose	61%	22%
A company who has my data should be responsible for keeping my data safe	61%	23%
A company should protect me from harm if my data is breached	62%	23%
A company should notify me when my data is breached and provide clear information about where to get help	62%	24%

Table 4: Consumer perception on protection against data breaches

## Expectations of government

Most Australians believe government also has a high level of responsibility when it comes to how personal information is being collected, shared and used (Figure 12). Australians expect governments to protect them against data misuse (88%), clearly explain how personal information is being used (85%) and ensure consumers are not opted-in by default to data collection and sharing options (85%).

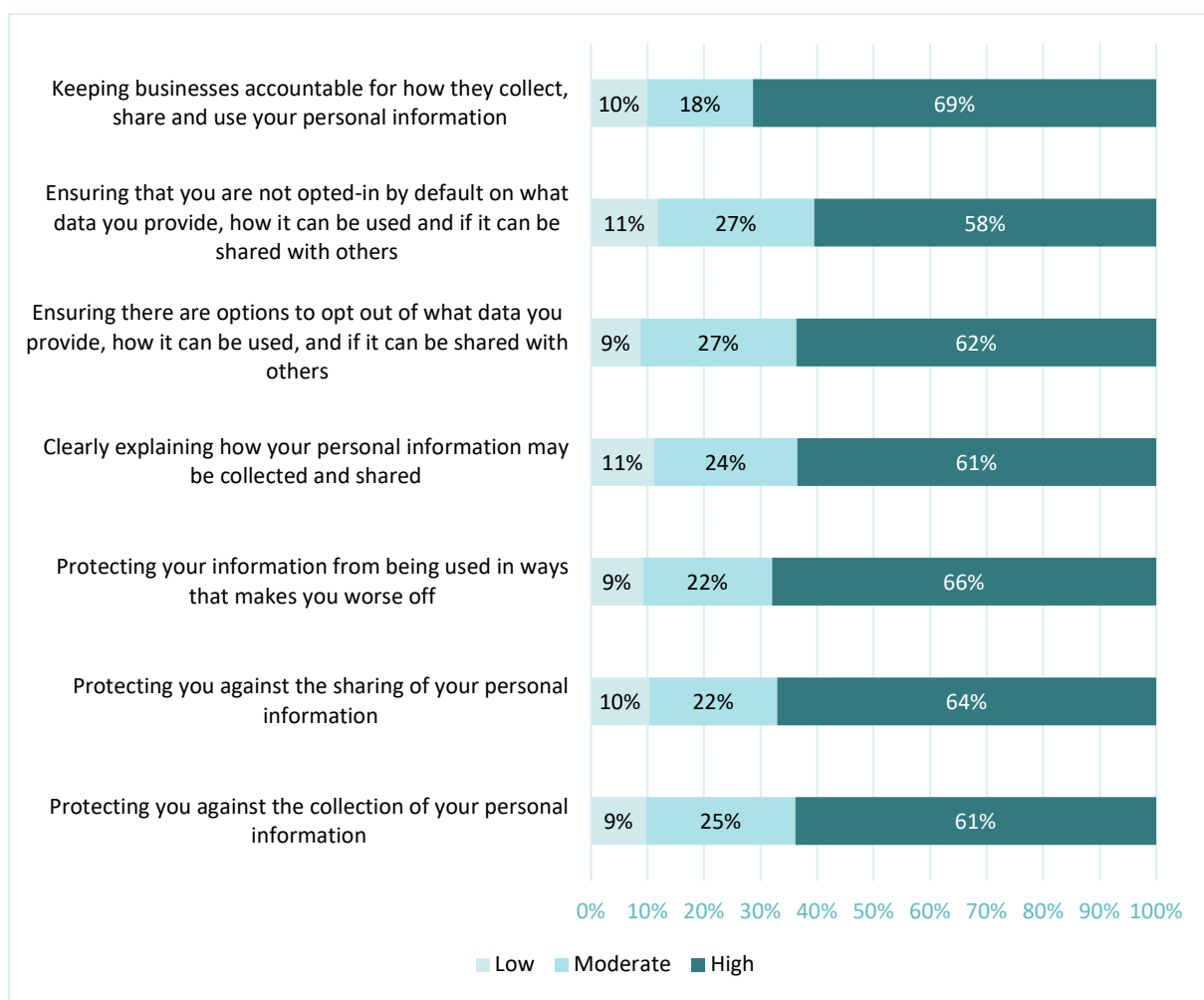


Figure 12: Consumer expectations of government

Note: The option of 'None/not relevant' has been removed from this graph for ease of reading. It was 4% or less for each of the above options.



## Enforcing the law

In addition to valuing strong privacy protections, Australians also value strong enforcement and penalties (Figure 13). People consider it unfair that businesses can misuse consumer data without any enforcement or penalties imposed by the regulator (60% think it is unfair).

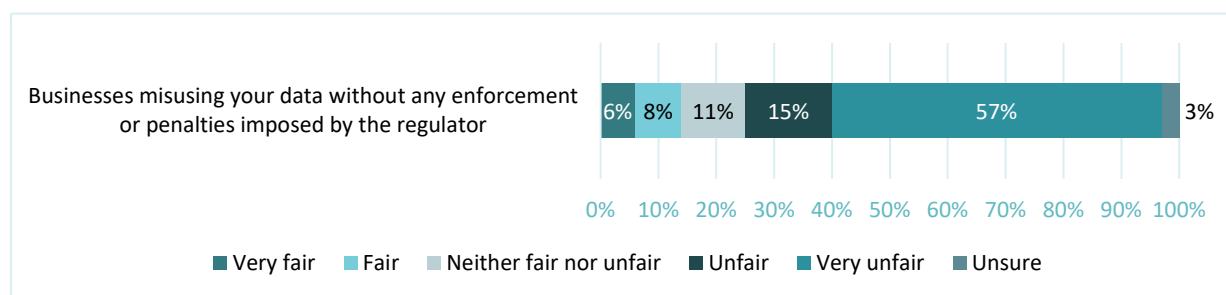


Figure 13: Measuring level of fairness for businesses misusing data without consequences

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*“When breaches happen no real solutions or preventative actions are put in place and no consequences are faced by the business.”*

*“At the moment they have Carte Blanche to do as they please without being held to account.”*

Comments from consumer survey participant

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Australians also consider that the regulator should have a range of mechanisms to hold businesses accountable (Figure 14). These include having:

- enough staff and resources to investigate how companies collect, share and use personal information (82% strongly agree or agree)
- the power to require businesses to pause and test data practices that may lead to harmful outcomes for people (80% strongly agree or agree)
- the power to ban data practices that cause harm (81% strongly agree or agree)
- the ability to issue penalties for companies that breach privacy protections (82% strongly agree or agree).

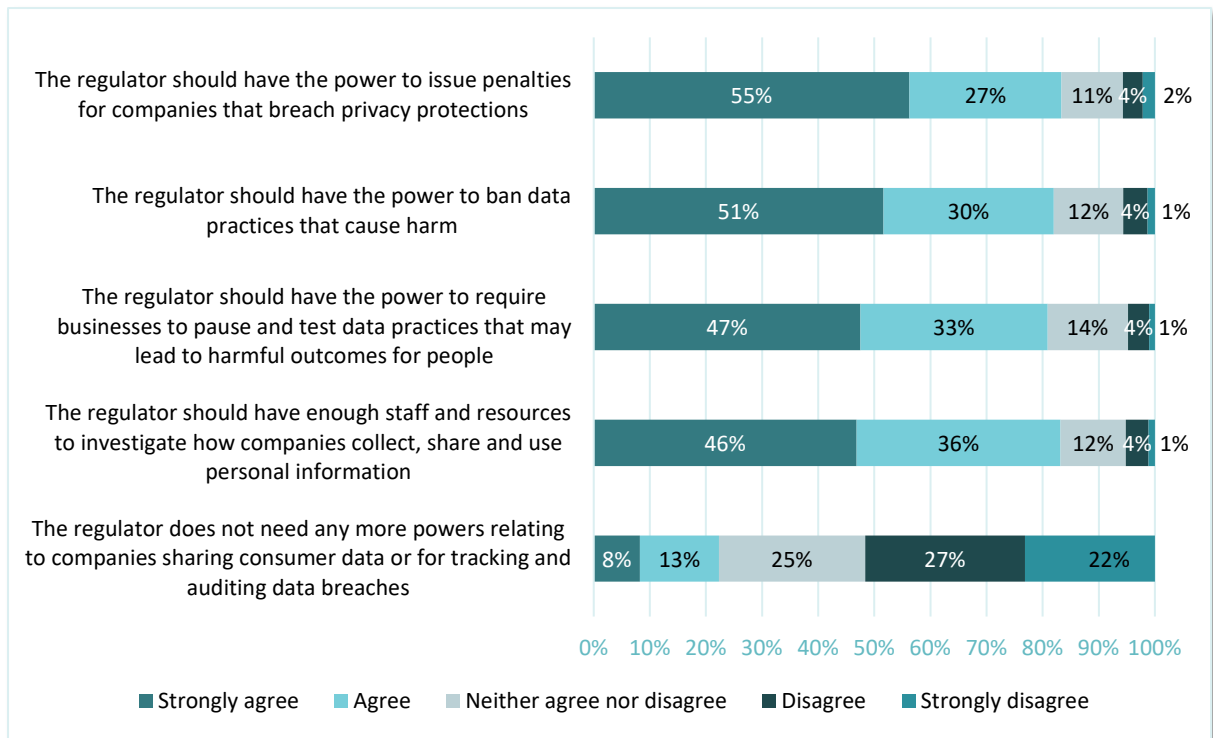


Figure 14: Consumer expectations of regulator powers

*“Unless the law enforces privacy, it won't happen.”*

Comment from consumer survey participant

## Support and redress

Australians are confused about who can help them or where they can get redress when something happens to their private information (Table 5):

- 50% do not know where to seek help if they have a problem with how a company collects, shares or uses their personal information.
- 46% do not know where to seek help if their data is hacked.
- 46% do not know who to seek help from if they believe their personal information is being used in a way that’s causing them harm.
- Only 18% are confident that they will be compensated if they’ve been left worse-off because of how a company collected, shared or used their information.

	Strongly disagree	Disagree
I know where and who to seek help from if I have a problem with how a company collects, shares or uses my personal information	18%	32%
I know where or who to seek help from if I have had my data hacked	16%	30%
I know where or who to seek help from if I am being scammed	13%	23%
I know where or who to seek help from if I believe my personal information is being used in a way that is causing me harm (e.g., seeing ads targeted to me on a product that I am trying to quit)	16%	30%
I am confident I will be compensated if I have been left worse-off because of how a company collected, shared or used my data	5%	13%

Table 5: Consumer expectations of regulator powers

