

Committee Secretary
Senate Standing Committees on Legal and Constitutional Affairs
PO Box 6100
Parliament House
Canberra
ACT 2600

9th July 2012

For the attention of the Senate Legal & Constitutional Affairs Legislation
Committee

**Re: Inquiry into the Privacy Amendment (Enhancing Privacy Protection)
Bill 2012**

Acxiom Australia Pty Limited is writing in support of the submission made by
the Australian Direct Marketing Association.

Acxiom Australia Pty Limited is a leader in marketing technology and services
that enable marketers to successfully manage audiences, personalise
customer experiences and create profitable customer relationships with
certainty. Acxiom combines customer data and analytics, databases, data
integration and consulting solutions for personalised, multichannel marketing
strategies and Acxiom uses personal information in these ways to assist its
customers.

We agree to the issues and recommendations outlined in the submission
made by the Australian Direct Marketing Association on behalf of the
marketing and advertising community. In particular:

- **Prohibition on direct marketing:** We share concern that the inclusion
of a “prohibition on direct marketing” will cause considerable confusion
with our clients as to whether direct marketing is permitted or not. This
will have a direct, financial and reputational effect on our business;
- There is also the risk that consumer perception will be that direct
marketing is prohibited which will lead to confusion. To the consumer,
their understanding is most likely to be that there is a blanket restriction
on direct marketing which is simply not the case.
- The other problem I foresee with this is that it is potentially misleading
and deceptive in that it is not per se that direct marketing cannot be
conducted – in fact it can, it is simply that it must be done within certain
parameters.

We therefore support the removal of the term ‘prohibition’ on direct
marketing and agree to ADMA’s recommendation that the wording
revert to the positive;

- **Using data collected from third parties for marketing and**

advertising: We support ADMA's suggested amendments to APP 7.3(d) regarding use of personal information collected from a party other than the individual.

The approach proposed by the Government, requiring an opt-out to be included in all communications to customers and prospects where third party data is used will:

- (i) cause our clients compliance difficulties as it is not possible for them to include this amount of information in all communication channels – e.g. online advertisements, certain social media channels and twitter.
- (ii) discourage use services that we provide and recommend such as cleansing and updating services. These are currently used by our clients to maintain the accuracy of their data. However, as the use of such services will, in future, automatically trigger the requirements of APP7.3(d) with regard to customer communications, our clients will be less inclined to perform such operations.
- (iii) impacts on the ability for our clients to communicate effectively with their customers and provide them with best possible products and services for their needs.
- (iv) degrades the customer experience offered by our clients, which is absolutely critical to their brand reputation and the manner in which they are perceived by consumers in the market.

In this regard we are supportive of ADMA's proposal to ensure our clients always provide direct access to their privacy policy through which our customers and prospects can opt-out of further marketing from us.

- **Anonymity and pseudonymity:** We require that our clients maintain high standards of data accuracy. The provision that requires organisation to offer individuals the right to deal with organisations on an anonymous or pseudonymous basis will impact on our clients' ability to maintain accurate records as it will be unclear whether the information we hold is correct or not. It will also be labour and time intensive for Acxiom to keep multiple data entries and seems to defeat the existing NPP that data will be kept accurate.

We support the notion of anonymity where appropriate but request pseudonymity be removed or strictly confined to limited circumstances so that our clients can continue to comply with our requirements with regard to data accuracy.

- **Transborder disclosure of personal data:** We share concerns regarding the new liability provisions that apply with regard to transborder data disclosure. Our organisation takes significant steps to ensure data that is transferred overseas is protected to the level required by Australian law. However, there are instances where data may be subject to actions or attacks outside of our control such as to operational failure, fraud, sabotage and hacking and these must be taken into consideration before imposing liability. This is a particular concern when using cloud computing.

In particular, we would also request that information sent overseas within the same organisation (i.e. within Acxiom's global entities) be exempt from the requirement to comply with this APP.

- **Fines and penalties:** We also request clarification around fines and penalties. Being a company that is subject to the Privacy Act it is essential that we have an understanding of the potential extent of fines and penalties for our risk assessment purposes.

If you would like further information or detailed examples of how the new proposed privacy provisions will impact on our customers please do not hesitate to contact me.

Yours sincerely

Julie Dennis
General Counsel – Legal & Compliance
Acxiom Australia Pty Limited