



14 February 2012

Committee Secretary
Joint Select Committee on Cyber-Safety
Department of House of Representatives

By email: jssc@aph.gov.au

Dear Secretary

eBay and PayPal Submission - Inquiry into Cybersafety for Senior Australians

Thank you for the opportunity to make a submission to the Joint Select Committee on Cyber-Safety's inquiry into Cybersafety for Senior Australians.

Both eBay and PayPal enjoy considerable patronage from the 55 year old plus age group. eBay and PayPal would like to use this opportunity to provide some valuable insights to the Committee about how this sector of the community interacts online and raise some of the issues that are key to achieving better security for this sector, and the online community as a whole.

Senior's use of eBay and PayPal

In recent analysis of eBay's active user database, approximately 10% of users have identified themselves as aged 55 years or older.

PayPal, has approximately 11% of its users identified as aged 55 years or older. This represents over 400,000 senior Australians as PayPal users.

Measures that would increase safety and security for seniors

Greater formalised collaboration between public and private sectors

eBay and PayPal recommends the formation of a Consultative Working Party on Cybercrime (CWP) based on the success of the Consultative Working Group on Cyber Safety, focusing predominantly on issues relating to children, chaired by the Department of Broadband, Communications and the Digital Economy (DBCDE). This new CWP would benefit all members of the Australian community, particularly those in the most vulnerable age groups such as seniors.

The CWP would bring industry experts and key government agencies together to improve responses to cybercrime affecting online and mobile commerce and financial transactions.

The CWP would focus on projects and initiatives to:

- deter cybercrime in Australia;
- detect and disrupt cybercrime in Australia;
- improve Australia's efforts to fight international-based cybercrime; and
- ensure international learnings and initiatives are explored for relevance to Australia.



In addition to improved and coordinated disruption of cybercrime, one of the greatest by-products of forming the CWP would be breaking down institutional barriers, enabling lasting partnerships that allow a better understanding of which agencies are best placed to move projects forward, and for government to better understand industry pain-points and skills.

Partnerships and understandings forged via the regular CWP process would also be useful in times when it is essential for operational agencies to seek private sector assistance, and vice versa, and for policy departments seeking industry engagement.

The CWP process will increase the likelihood of effective resourcing and cooperation from industry, allowing for longer term budgeting and staffing and also product planning and changes.

Recommendation 1: That Government establish a Consultative Working Party bringing together industry experts and key government agencies to improve responses to cybercrime affecting online and mobile commerce and financial transactions.

Enhanced Identity Verification Measures

One of the biggest risks to online safety and security is the inability to easily and reliably verify the identity of users involved in an online transaction, whether it be of a business or social nature. A stronger identity verification regime online would benefit all Australians including senior Australians.

In 2011, the Commonwealth passed legislation amending the Privacy Act 1988 (Cth) to enable the use and disclosure of credit reporting information for electronic identity verification purposes to satisfy obligations under the AML/CTF Act. This was a step in the right direction for identity verification, albeit for a narrow purpose. eBay and PayPal strongly recommends that the Government considers that further sources of verified identity information should also be considered for this purpose, and for other purposes online. Types of high quality government data that could be used to verify identity include datasets held by state-based licensing authorities. Consumers are accustomed to providing the information contained on their licences as a form of identity verification in the offline environment, so electronic access this type of information by approved entities, with customer consent, could prove quite useful in making the online commerce and payments environment safer for all Australians.

Recommendation 2: That the Government explore options for the NBN to introduce network level security to protect our most vulnerable users of online services.

Consumer privacy protection

It is becoming increasingly common to hear media reports regarding high-profile information security breaches at companies that hold vast amounts of consumer financial details such as credit card and bank account details. Recent market research commissioned by leading online security firm Symantec revealed that that three out of four (73 percent) Australian organisations experienced at least one data breach in 2010¹.

¹ The Ponemon Institute LLC: 2010 Annual Study: Australian Cost of a Data Breach



The market is a major driving force in ensuring appropriate data protections of consumers' data, however it may be that some market participants have not done enough to secure their customers data under the current regulatory framework. eBay and PayPal therefore support the introduction of data breach notification laws so long as they are not a one-size-fits-all approach that could risk stifling small business. The delivery of breach notifications must be consistent with the way each organisation regularly communicates, and notification needs to be actionable.

Recommendation 3: Data breach notification laws that is not one size fits all

eBay and PayPal recognise that it is often confusing and difficult for victims of cybercrime to report incidents to police and other authorities. Whilst there are senior users that are well versed in the ways of the web, there are still many that need considerable guidance in this regard.

Given the situation outlined above, eBay and PayPal strongly supports either the formation of a single point of contact, or a coordinated set of entry points, for all victims to report cybercrime, particularly those most vulnerable such as the senior community.

Recommendation 4: That the Government progress the development of either the formation of a single point of contact, or a coordinated set of entry points, for all victims to report cybercrime.

If you or the committee would like further information regarding the above, or clarification on any of the points raised, please do not hesitate to contact sgrigorian@ebay.com.

Yours sincerely

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