

Parliament of

The adequacy of protections for the privacy of Australians online

About !7

A joint venture between ! Inc and the Seven Media Group, !7 offers a range of content, navigation and information services to internet users in . Yahoo!7 is focused on powering its communities of users, advertisers, publishers and developers by creating indispensable experiences based on trust. We welcome the opportunity to provide !'s unique perspective on the current landscape in global privacy matters, where we draw on 15 years of experience delivering innovative features for our users, ensuring the highest level of responsible privacy protection along the way.

Inquiry Terms of Reference

The Senate has referred the following matter to the Standing Committee on Environment, Communications and the Arts for inquiry:

The adequacy of protections for the privacy of Australians online, with regard to:

privacy protections and data collection on social networking sites;  
data collection activities of private companies;  
data collection activities of government agencies; and  
other related issues.

Submission

Introduction

!7 welcomes the opportunity to participate in this inquiry. Online privacy issues are top of mind for many Australians at present due to the Privacy Act reforms and some high profile examples of alleged abuses of user privacy by certain members of industry. Privacy has been on !'s mind for the last 15 years, during which time we have remained steadfastly committed to maintaining users' trust in our companies. We care a lot about making sure our privacy commitment is reflected in every product and feature we offer, in the context of users' experiences as they engage with our products, in addition to our written privacy policies. The Internet is changing each day, and as we create new products and make changes at !, we work to communicate them in meaningful ways so that users are able to make informed decisions about their privacy preferences. We are also committed to making these decisions simple, visible and easy for users to manage.

On a high level, our approach to privacy couples front-end transparency, meaningful choice, and user education, with back-end protections for data that limit how much information and how long personal identifiers are maintained. We offer recent details of this approach in the following Section.

#### Transparency, choice and education

!7's Privacy Centre provides easy navigation, information on special topics, and gives prominence to our opt-out page, making it simple for users to find and exercise their privacy choices. We are also providing leadership in experimentation around ways to provide notice and transparency outside of standard privacy policies, thereby giving users multiple privacy touch points and greater insight into the ubiquity of data collection and its use online, notably around advertising.

As part of this commitment to transparency of practices, we prioritise keeping control in the hands of users where they can exercise meaningful choices. We have an opt-out that now applies to interest based advertising, also described as behavioural advertising, both on and off of the ! network of web sites – whether we touch users as a first-party publisher or as a third-party ad network, we want them to understand that they have control over these practices.

Beyond this, !7 has also configured opt-outs to be persistent for users who have registered for a ! account. This means that users who clear their cookies will not inadvertently clear their privacy choices at the same time, and means the privacy choices a user makes can be recognised over many devices from which they may choose to access our services such as a home computer, work computer, and mobile device such as a Blackberry or iPhone. Choices for unregistered users are stored in opt-out cookies, consistent with broad industry practice.

!7's Privacy Centre also outlines the practical steps users can take to manage their privacy and personal information. This includes advice and reminders on posting information about themselves and content to !7's communitybased services. The Privacy Centre is available via a permanent link at the foot of almost every page on !7. Users may also edit their online accounts at any time by clicking on prominent "edit my profile" links.

These front-end steps (transparency, control and education) are complemented by back-end protections of users' information, in areas that they are neither expected to see nor control directly, but nevertheless represent a significant component of privacy, such as security and data retention. Even if a user never uses the front-end controls, the back end policies improve privacy and security.

#### Security and data retention

We recently announced what we consider to be the industry's leading global data retention policy. Under this policy we will retain the vast majority of our web-log data in identifiable form for less than 90-days, with limited exceptions for fraud and security

systems (which may hold data up to six months) and legal obligations. This dramatically reduces the period of time we will hold log file data in identifiable form and vastly increases the scope of data covered by the policy, to include not only search log files but also log file data relied on by our ad systems.

!7 cooperates with law enforcement agencies and the security services when they are investigating crimes that involve a !7 service or user. Whilst !7 is not an Internet Service Provider (ISP), we do store user data and communications data through our various products and services (most notably !7 Mail). We are aware that discussions are underway between the Attorney General's department and various industry associations about a mandatory data retention framework. It is not clear at this stage whether this framework would extend to companies that are not ISPs but that offer online communications services such as web email. There is a clear tension within the data retention debate between protecting consumer privacy and ensuring that law enforcement has access to the information they need to investigate crime. Yahoo!7 preserves data relating to a specific email account as a way of maintaining the integrity of this potential evidence, subject to valid legal process. We argue that this more targeted retention of data through preservation is a more manageable and proportionate way of providing the law enforcement community with the information they need.

At Yahoo!7, we collect data so that we can provide relevant meaningful services to consumers. The data is also necessary for site operations in order to understand site traffic, improve our site design, comply with auditing requirements, manage abusive and fraudulent behaviour, and ensure we have delivered advertising that advertisers have paid us to deliver.

With this front end-back end approach, we believe we have used that data responsibly. Now, more than any other leading Internet company, we are telling consumers how we use their data and giving them meaningful choices to manage their own information. In addition, our industry-leading data retention policy represents our assessment of the minimum amount of time we need to retain data in order to respond to the needs of our business and create the highest quality user experiences while maintaining the ability to fight fraud, secure systems, and meet legal obligations.

#### Online behavioural advertising

Yahoo!7 also aggregates behavioural data relating to our users for the purposes of online behavioural advertising. Online behavioural advertising generally relies on information about web browsing behaviour, such as ads viewed, ads clicked, pages viewed, pages clicked, and/or search terms entered, to serve selected advertisements to a specific browser that will hopefully be more relevant to the user. It is important to emphasise that this technology is based upon being able to identify a browser, and not an individual user. As such, an IP address facilitates assignment of interest categories to a unique browser, using a browser cookie set for this purpose.

We are always striving to provide the most relevant, customised experience to our users. When a Yahoo!7 user logs into our system we can provide them with more customised services because the user has told us more about him or herself in combination with the interests we are able to observe. That said, Yahoo! prominently places an opt-out from online behavioural advertising in our privacy policy as discussed above for anyone not

wishing to participate.

Yahoo!7 is currently participating in a cross industry effort to codify and adopt some recommended global good practices in this area. There is much discussion taking place in peer countries around the world on these issues and we are striving for a consistent approach worldwide as there are clearly no national boundaries separating the Internet and online advertising models. Once these good practice recommendations are finalised, it will be critical to use these as the basis for a broad education campaign around online behavioural advertising to ensure clear understanding of what it is and what it is not. We welcome the Privacy Commissioner's involvement in such a campaign.

!7 Updates – A social media case study

!7 provides online products and services, some of which incorporate 'social sharing' features. Examples include Flickr (photo sharing), !7 Video (commercial and user generated video sharing), !7 Answers (knowledge sharing), in addition to other options built into products that facilitate sharing of otherwise public content.

Our approach to privacy in the social arena is no different than how we deal with privacy in advertising or in any of our products. It's about communicating with users, giving them choice and doing it in a simple, easy-to-use way. Consumers will decide which services to use based on features and product quality. We expect privacy to be an expected feature of a good product, just like security. Consumers may not make their decision about which product to use based on privacy but they will decide which products NOT to use (or which sites to leave) using privacy as a criteria.

Yahoo!7 recently launched a new service called Yahoo!7 Updates. ! is deeply committed to privacy – not just as a written policy, but as a fundamental consideration applied to each and every ! product and feature.

We recognised that some of the best content on Yahoo!7 comes from the people who use our products, their reviews, ratings, comments, photos, etc. and Yahoo!7 Updates pulls together all of these activities across the Yahoo!7 network into one stream. At the same time, we wanted to expand the number of streams made available to users to include activity from their Yahoo!7 Messenger contacts and from Yahoo!7 Contacts. This makes it easier than ever to see and share public updates with friends and family. A user's contact list is private, viewable only by the user, and shows only public updates to make it easier to stay connected to the people and information that matter most. We are committed to offering people full control over this experience and any settings can be easily changed. In fact, users are given the opportunity to alter preferences for sharing at the time they post information or write a review.

#### Australian Privacy Amendment Legislation

Yahoo!7 has been following the ongoing review of the existing Australian Privacy Act and will be making a submission to the Senate Finance and Public Administration Committee in relation to the exposure draft of the new Privacy Principles. The need for privacy protections online has been a key consideration in the ALRC review process and

we note that the new privacy legislation will apply equally to the treatment of personal information online as it will to the offline treatment of this information.

## Conclusion

Most advances in online privacy protection have come as a result of industry initiatives undertaken to preserve user trust in the Internet medium, and through self-regulatory efforts that allow competitor companies to recognise consistent best practices that reinforce consistent user experiences online—both domestically and globally. Market forces encourage companies like Yahoo!7 to bring privacy innovations to our customers quickly. As one company leads, many others follow or leapfrog by innovating in new ways.

So, as the Committee considers its role in helping protect consumer privacy online, Yahoo!7 hopes that legislators will consider an approach that enables providers to keep pace not only with technological advances but with consumer demands and expectations as well.