Children's Online Privacy Code Consultation

July 2025





About FARE

The Foundation for Alcohol Research and Education (FARE) is a not-for-profit organisation with a vision for an Australia free from alcohol harms – where communities are healthy and well and where laws, policies and programs are fair, equitable and just.

Every day, people across Australia are negatively impacted by alcohol, through injury, violence, mental ill-health, chronic disease, family violence and disadvantage. Far too many Australians die because of alcohol.

We work collaboratively to build the capacity of people wanting to create change, raise community awareness of alcohol harms, advocate for policy change aimed at preventing alcohol-related harms and increase accountability of companies that fuel harm.

Working with local communities, people with lived experience of alcohol harm, values-aligned organisations, health professionals, researchers and governments across the nation, we are improving the health and wellbeing of everyone in Australia.

To learn more about us and our work visit www.fare.org.au.

You can get in touch via email at info@fare.org.au

Contents

About FARE	2
Executive Summary	
Recommendations	5
Introduction – Alcohol Marketing and Children	5
Children's data extensively collected by digital platforms	5
Impact of alcohol advertising on children	6
Community attitudes towards alcohol advertising and children	6
Australian Privacy Principles (APP)	7
APP 6 - Use or Disclosure of Personal Information	7
APP 7 - Direct Marketing	8
Conclusion	9
Poforoncos	11

Executive Summary

Everyone should be able to enjoy the benefits of using digital technologies to work, learn and play. This can happen when we have safe digital environments that enable people's health and wellbeing rather than undermining it. However, harmful industries, such as the alcohol, gambling and unhealthy food industries currently access sophisticated technology and tools to aggressively target people online with marketing for their products. 1,2,3

Children need environments that are safe and support their wellbeing and this extends to digital spaces. However, children are currently subjected to pervasive data collection and profiling practices in digital environments, often without genuine consent or understanding. This includes the extensive use of children's personal information by digital platforms and advertisers to deliver personalised advertising for products that can cause significant harm to health and wellbeing. The alcohol industry has been found to upload data about minors to ad-targeting platforms and to engage in direct marketing to children through social media. These practices are contrary to children's best interests and have clear negative public health consequences, including earlier alcohol initiation and increased risk of long-term alcohol harm.

The Foundation for Alcohol Research and Education (FARE) welcomes the opportunity to provide input into the development of the Children's Online Privacy Code. This submission focuses on the application of Australian Privacy Principles (APPs) 6 and 7 in the context of protecting children's privacy online, particularly concerning the use of personal information for the targeted marketing of harmful and addictive products such as alcohol. Based on policy, research and public health evidence, FARE's submission calls for a comprehensive regulatory approach to prevent digital harms and uphold children's rights.

FARE submits that APP 6 must be strengthened to prohibit secondary uses of children's personal information where these uses are not in the child's best interests, regardless of whether the child has apparently provided consent. Profiling, targeting and tracking children for commercial gain must be clearly prohibited under the Children's Online Privacy Code (the Code), with a presumption against any use or disclosure of personal information beyond what is strictly necessary to deliver a core service.

Under APP 7, FARE recommends an outright prohibition on the use or disclosure of children's personal information for direct marketing purposes. The principle of 'reasonable expectation' must not be used to justify advertising to children. Even with opt-outs or parental controls, children remain vulnerable to exploitative targeting mechanisms, particularly when harmful industries use advanced algorithms and tactics to reach them.

Children's right to privacy must come before commercial interests. The Australian public is also concerned about companies collecting and using data to advertise harmful products to children and is supportive of policy action to prevent it. The development of a strong, enforceable Children's Online Privacy Code is a crucial opportunity for Australia to establish clear protections for children in digital spaces and ensure that future generations grow up in environments that protect and nurture them, rather than compromise and sell off their health and wellbeing.

Recommendations

To ensure that the Children's Online Privacy Code is effective and rights-based, FARE recommends the following:

- 1. Prohibit the use and sale of children's personal information for profiling, behavioural targeting, and direct marketing, ensuring the prohibition captures these actions done by or on behalf of companies that prioritise commercial gain.
- 2. Mandate data minimisation, privacy-by-design, and child safety-by-default practices across all digital services that may be accessed by children.
- 3. Ensure that APPs 6 and 7 include the presumption that secondary data use and direct marketing are not in the best interests of the child and cannot be legitimised by consent.
- 4. Affirm that direct marketing to children is inherently unfair and unreasonable, and the notion of a child holding a 'reasonable expectation' cannot be used to justify intrusive data practices.

Introduction – Alcohol Marketing and Children

Commercial companies are increasingly using digital environments to expose children and young people to marketing for harmful and addictive products, such as alcohol, gambling and unhealthy foods. These harms are exacerbated by opaque data practices and a lack of meaningful safeguards in digital spaces. FARE is deeply concerned about how personal information is collected, used, and disclosed for commercial purposes in ways that undermine children's privacy and wellbeing.

In this submission, we focus on the critical role of Australian Privacy Principles (APPs) 6 and 7 in protecting children's personal information in online settings. These principles regulate the use, disclosure, and direct marketing of personal data. The vast majority of digital services that children interact with, from games and video platforms to social media and messaging apps, are built around the monetisation of personal data. Children are routinely profiled, tracked, and targeted with content and advertising designed to manipulate their behaviour, often without their knowledge or understanding. In this context, the existing APP framework must be interpreted and strengthened in ways that uphold children's rights to privacy and protection from exploitation.

The development of a Children's Online Privacy Code represents a vital opportunity to address longstanding gaps in the protection of children's data and to bring Australia's privacy framework in line with international best practice, including guidance from the United Nations Committee on the Rights of the Child. FARE strongly supports efforts to strengthen privacy protections for children and views this reform as essential to creating safer online environments. Ultimately, the implementation of the Children's Online Privacy Code must be situated within a broader regulatory effort to end the commercial exploitation of children's data. This includes comprehensively addressing harmful marketing practices and proactively committing to protecting children now and into the future, in recognition of the long-term consequences that early exposure to data-driven marketing can have on children's health.

Children's data extensively collected by digital platforms

Every day, millions of people across Australia, including children who are spending an average of over 14 hours online each week,⁴ are exposed to relentless advertising which targets their specific vulnerabilities, emotions and attributes. Children are regularly and routinely tracked and targeted online in ways that exploit them and contravene their best interests. Digital platforms collect vast amounts of personal information about children, often without meaningful consent or understanding. Research has found that online platforms use marketing systems to track and profile children, this then enables companies to target

children with highly tailored online advertising for alcohol and other addictive, harmful products, using data about their interests and behaviour. 5,6,7

A research report by FARE found that companies selling harmful products - like alcohol and gambling - are gathering immense data about every facet of people's lives, including the lives of children, young people and others who are most at risk of harm from these products. This data is extensively exploited, using data brokers and AI tools to track moods, mental health, purchasing history and movement patterns, serving up precision marketing in real time. The report also found that consent is often assumed or bundled, and it is currently impossible for people to use digital platforms without being targeted by advertising for harmful and addictive products.⁸

Advertising technology companies collect over 72 million data points on a child by the time they are 13 years old,⁹ and Meta alone are currently gathering data on almost 2 million children in Australia and New Zealand. Meta collects this data to develop real-time psychological insights to these children to sell targeted advertising, for example identifying when they are feeling overwhelmed and anxious.¹⁰ Investigations by Reset Australia found that Meta tags children as interested in alcohol, approves alcohol advertisements targeted to children,¹¹ and continues to harvest children's data to target them with advertising.¹²

Research conducted in Australia found that alcohol, gambling and unhealthy food companies upload data about adolescents to Meta's advertising model and that Meta's advertising model tags adolescents as interested in alcohol, gambling and junk food for marketing purposes. Consequently, young Australians report being frequently targeted with alcohol, gambling and unhealthy food advertising when they are online.¹³

Impact of alcohol advertising on children

When children are exposed to alcohol advertising, they are more likely to initiate alcohol use and to go on to use alcohol at higher-risk levels. A systematic review of the research literature found a significant association between exposure to alcohol marketing and initiation of alcohol use. Every study reviewed within the research piece found a relationship between early marketing exposure and alcohol use. Children with greater exposure to alcohol marketing were more likely to initiate alcohol use and to engage in binge and hazardous alcohol use.¹⁴

The National Health and Medical Research Council's Australian guidelines to reduce health risks from drinking alcohol recommend that children and young people under 18 years should not drink any alcohol due to the risks of injury and other harms to their health, including interfering with brain development, accidents, injury and self-harm, and developing alcohol use disorders or dependence later in life.¹⁵

Digital platforms have become integral to how children learn, play and socialise, but have also become places where children are increasingly exposed to targeted advertising for harmful and addictive products. ¹⁶ Creating safe environments where children aren't exposed to the harms of alcohol and other harmful products requires new, comprehensive, effective regulation of digital spaces.

Community attitudes towards alcohol advertising and children

A recent survey of 2,037 Australians on digital alcohol advertising revealed strong public concern about these practices, particularly when they involve children. Most respondents indicated they were concerned about alcohol ads targeting children online, with 80 per cent at least somewhat concerned and 41 per cent extremely concerned. Similarly, there was deep concern around the collection and use of children's personal information by companies that sell or advertise alcohol products. 82 per cent of participants were at least somewhat concerned about this practice, with nearly half saying they were extremely concerned.

There was also clear support for policy action, with 82 per cent supporting measures to prevent companies from collecting or using data about children's online activity to market alcohol products. Only five per cent opposed such measures, indicating broad public backing for stronger protections for children in digital environments.¹⁷

Australian Privacy Principles (APP)

The current digital environment enables the widespread collection, use and disclosure of personal information, often in ways that are opaque, complex, and misaligned with the expectations and best interests of the individuals whose data is processed. This is especially true for children, who are increasingly navigating digital spaces that have been designed primarily to maximise engagement and profit, rather than protect their rights. The Australian Privacy Principles, particularly APP 6 and APP 7, play a crucial role in regulating the handling of personal information but these principles must be applied with a much higher threshold of protection when it comes to children.

APP 6 - Use or Disclosure of Personal Information

APP 6 states that APP entities must only use or disclose personal information for the primary purpose for which it was collected, unless an exception applies. Exceptions include if the individual consented to the use or disclosure, or the individual would reasonably expect the entity to use or disclose the information for that secondary purpose.

Australian Privacy Principle 6 must be interpreted and applied in a way that maximally protects children from harmful secondary uses of their personal information. APP 6 currently allows entities to use or disclose personal information for the primary purpose for which it was collected, or for a secondary purpose where consent has been given or the individual would reasonably expect the use or disclosure to occur.

However, in the context of children's personal information, this framework is inadequate. People cannot always be expected to understand the implications of providing personal data, let alone the downstream consequences of secondary uses. ^{19,20} Children's comprehension of abstract concepts such as data processing, profiling, algorithmic targeting, or commercial intent cannot be assured, particularly among younger age cohorts, and in an environment recognised as being complex and manipulative, as discussed below.

In practice, people generally provide personal information online with the primary expectation that it will be used to access a digital service or feature, such as playing a game, watching videos or communicating with friends. As reported by the ACCC, they do not expect that their information will be sold, shared or repurposed to serve targeted advertisements or to support behavioural profiling systems that predict their moods, preferences or vulnerabilities. A consumer study found that 74 per cent of Australians are uncomfortable with their personal information being shared with or sold to other companies. A such, the application of APP 6 must incorporate a strong presumption against any secondary use or disclosure of children's personal information.

This approach would be consistent with the advice of the United Nations Committee on the Rights of the Child in its General Comment on children's rights in relation to the digital environment, which says that businesses should be prohibited by law from "profiling or targeting children of any age for commercial purposes on the basis of a digital record of their actual or inferred characteristics, including group or collective data, targeting by association or affinity profiling."²²

Consent is not a sufficient safeguard in this context. It is well established in privacy and consumer research that children and even their parents or guardians often do not understand the complex, opaque and manipulative nature of consent mechanisms used in digital services. Consent interfaces are often designed in ways that nudge users towards accepting all terms, including secondary data uses, with little genuine choice. ²³Young people are particularly at risk from this proliferation of manipulative "dark patterns": Australian research found only 7% of young people felt confident they understood the terms and conditions they have 'accepted', and only 4% read them all the time. ²⁴

Therefore, APP 6 must be strengthened to ensure that consent alone cannot be used to legitimise secondary data practices involving children, especially when such practices prioritise commercial gain over the best interest of the child, and where the practices are being used to target children and young people with harmful product advertising.

The Children's Online Privacy Code should clearly establish that profiling, tracking or targeting children for commercial purposes, including advertising or content recommendation, is not a secondary purpose that can be justified under APP 6. The use of personal information for these purposes cannot be said to be in the child's best interests, nor can it be considered "reasonably expected". Care must be taken to prohibit the use of children's personal information by, or on behalf of, companies that sell or promote addictive and harmful products such as alcohol, gambling and unhealthy food. These forms of targeted advertising exploit children and increase their exposure to risks that can have lifelong consequences.

Rather than relying on post-hoc consent or notice, entities should only collect the minimum amount of personal information necessary to provide a core service, and should be prohibited from collecting, retaining or sharing data for purposes unrelated to the immediate functioning of the service. This must be accompanied by a positive obligation to assess whether any data processing involving children aligns with their best interests, and whether it could cause unjustified harm. These assessments must not be overridden by the commercial interests of the APP entity.

Recommendations

- 1. Prohibit the use and sale of children's personal information for profiling, behavioural targeting, and direct marketing by or on behalf of companies that prioritise commercial gain.
- 2. Mandate data minimisation, privacy-by-design, and child safety-by-default practices across all digital services that may be accessed by children.

APP 7 - Direct Marketing

APP 7 prohibits APP entities from using or disclosing the personal information that it holds for direct marketing purposes, unless specific conditions are met. These conditions include obtaining consent from the individual, or if the individual would reasonably expect the organisation to use or disclose the information for that purpose.

FARE strongly supports the prohibition of direct marketing of harmful products to children and urges that APP 7 be applied in a way that provides absolute clarity on this issue.

Direct marketing inherently involves influencing behaviour and decision-making through personalised messages, often based on a person's characteristics, interests or behaviour. Online platforms, including social media platforms and search engines, have designed sophisticated marketing systems, which use data-driven recommender systems and algorithmic models to enable advertisers to target people, and hyper-personalise advertising based on intimate insights into their lives, including their characteristics, predispositions and behaviour.²⁵

When applied to children, this form of communication is particularly harmful. Children are less able to distinguish marketing from other forms of content, are more susceptible to persuasive techniques, and are less capable of exercising critical judgment about the intentions behind promotional messages. ²⁶ These factors make children an especially vulnerable audience to marketing practices, particularly when such marketing is for products that cause significant harms such as alcohol, gambling and unhealthy foods.

Research by the Victorian Health Promotion foundation (VicHealth) investigated data-driven online advertising of harmful products to Victorian children and young people aged 16-25 years. The research found that 194 advertisers uploaded data about the children and young people to Meta, which then generated 787 advertising interests about them. Meta assigned an average of 6.3 alcohol-related advertising interests to the participants (e.g., 'alcohol', 'bars', 'beer'), including 41 alcohol-related advertising interests to five participants who were under the age of 18. In addition, two alcohol retailers uploaded data about a participant under the age of 18 years old. As a result, the children and young people were frequently targeted by social media advertising for harmful and addictive products, including alcohol and gambling. Of the 54 participants who were younger than 18, over half reported being targeted with alcohol advertisements on social media either regularly (17.2%) or sometimes (41.4%).²⁷

Research has also found that Meta charges approximately \$3 for alcohol advertising to be sent to 1,000 Australian children aged 13-17 years old.²⁸ In addition to data-driven targeting of children and young people, alcohol companies use celebrities and social media influencers, and peer-to-peer marketing to reach children and young people with advertising for alcohol products and brands that friends and mutuals have liked.²⁹

No APP entity should be permitted to use or disclose a child's personal information for the purpose of direct marketing for harmful products, regardless of whether consent has been obtained. Direct marketing to children should be considered inherently unfair and unreasonable: the notion of a child holding a 'reasonable expectation' that they will receive advertising content is incompatible with the real-life experiences and cognitive capacities of most children and cannot be used to justify intrusive data practices.³⁰

The use of opt-in mechanisms, parental permissions or privacy settings cannot mitigate the fundamental problem with marketing to children. Even where such mechanisms exist, they are often poorly understood, difficult to navigate or deliberately designed to favour commercial outcomes. Furthermore, the idea that marketing practices could be made 'fair and reasonable' through transparency or user control fundamentally misconstrues the power imbalance between children and commercial entities. APP 7 must be framed to recognise this imbalance and to categorically prohibit direct marketing to children as an unjustifiable intrusion into their privacy and wellbeing.

Recommendations

- 3. Apply APPs 6 and 7 to include a presumption that secondary data use and direct marketing are not in the best interests of the child and cannot be legitimised by consent.
- 4. Affirm that direct marketing to children should be considered inherently unfair and unreasonable and the notion of a child holding a 'reasonable expectation' cannot be used to justify intrusive data practices.

Conclusion

Children's right to privacy must be upheld in all aspects of their lives, including in digital environments. The use of children's data to fuel predatory digital advertising must be treated as a pressing public health and

human rights issue. These practices are currently occurring including to market harmful products to children, with clear negative impacts.

The introduction of the Children's Online Privacy Code provides a critical opportunity to create safer online spaces for children, but the Code must deliver strong, enforceable protections that prioritise the rights and wellbeing of children over commercial interests. This includes strengthening the APPs to ensure that children's personal information cannot be used for secondary purposes or direct marketing, regardless of whether consent has been obtained. The Code must prohibit the profiling, targeting, and trading of children's data for commercial purposes, especially by companies that sell or promote harmful products.

To address these risks, the OAIC should adopt a privacy-preserving, rights-based approach to the development and implementation of the Code. This includes prohibiting the use of children's data for targeted advertising and mandating data minimisation and safety-by-design requirements across all platforms.

Ultimately, the commercial interests of companies must never outweigh a child's fundamental right to privacy. The Children's Online Privacy Code should enshrine this principle and establish a clear, enforceable standard that ensures children's data is not collected, used or disclosed for marketing purposes. Strong privacy protections are essential for immediate harm prevention and for children to grow up in a digital environment that supports their health and wellbeing. The Australian Government must act now to safeguard the digital rights of children and protect future generations from harm.

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02 5104 9311 :: INFO@FARE.ORG.AU :: WWW.FARE.ORG.AU :: ABN 91 096 854 385