

Submission

28th February 2023

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Re: Influence of International Digital Platforms

Dear Secretariat,

The Australian Communications Consumer Action Network (**ACCAN**) thanks the Senate Standing Committees on Economics (**the Committee**) for the opportunity to provide feedback on the Senate Standing Committee Inquiry Report on the Influence of International Digital Platforms.

ACCAN is the peak body that represents consumers on communications issues including telecommunications, broadband, and emerging new services. ACCAN provides a strong unified voice to industry and government as consumers work towards communications services that are trusted, inclusive and available for all.

Consumers face significant harms on digital platforms in the form of social networking scams, mobile app scams and a lack of redress. It is essential that the consumer voice is strengthened through access to external dispute resolution and funded representation. ACCAN recommends:

- The establishment of a digital platforms ombudsman to provide consumers with an authority to assist them in escalating their digital platforms complaints.
- Funding a consumer voice to advocate for consumers on digital platforms policy matters.

Consumers are facing harms on digital platforms

The Australian Competition and Consumer Commission (**ACCC**) reports that losses from social networking and mobile app scams almost doubled between 2020 (\$49 million) and 2021 (\$92 million).¹ Additionally, the ACCC estimates that only 13 per cent of victims report their scam and the actual sum of money lost to scams is likely much higher.

ACCAN found that almost three in four Australians agree that it needs to be easier to make a complaint and to get complaints resolved when interacting with digital platforms.² Given the consumer harms present in digital platforms spaces, it is crucial that consumers and small businesses be given more adequate protections and means of redress.

¹ ACCC, November 2022, Digital platform services inquiry: Interim report No. 5 – regulatory reform, p. 9, www.accc.gov.au/publications/serial-publications/digital-platform-services-inquiry-2020-2025/digital-platform-services-inquiry-september-2022-interim-report-regulatory-reform

² ACCAN Media Release, 29 November 2021, “New research finds nearly three-quarters of Australians want better complaints handling from digital platforms”, <https://accan.org.au/media-centre/media-releases/1942-new-research-finds-nearly-three-quarters-of-australians-want-better-complaints-handling-from-digital-platforms>

For example, Google’s restriction of third-party tech support services on its platform in 2018 had the effect of significantly limiting independent device repair technicians (IDRTs) from advertising their services on Google.³ Due to Google’s change in advertising policy, some IDRTs reported experiencing a decrease in revenue and others reported having had to close their businesses entirely.⁴

Small businesses and consumers require a digital platforms ombudsman to escalate their complaints, ameliorate harms and provide redress. As it stands, IDRTs have to engage with Google individually, leading to no public change in Google’s policy. According to the ACCC, the Australian Small Business and Family Enterprise Ombudsman has had some success acting as an additional level of dispute resolution, however it does not have the necessary powers to make binding decisions or order compensation that a digital platforms ombudsman would be able to exercise.⁵

Establish an Independent Digital Platforms Ombudsman

Consumers should have access to fair, effective, transparent, and timely mechanisms for dispute resolution so that they are adequately protected in the digital platforms market.⁶ ACCAN supports the establishment of an independent digital platforms ombudsman to oversee digital platforms regulation and complaint redress. A digital platforms ombudsman would:

- Provide consumers and small businesses with a central point for independent digital platforms dispute resolution.
- Identify patterns of systemic consumer harm on digital platforms.

Since the publication of the ACCC’s initial digital platforms inquiry report in 2019, there has been ongoing engagement on the topic of a digital platform ombudsman.⁷ ACCAN considers that while there is value in undertaking fulsome engagement on the appropriate institutional arrangements for a potential ombudsman, it is also critical that consumers have access to external dispute resolution in a timely manner.

Accordingly, ACCAN urges the Government to make an in-principle decision about whether a digital platform ombudsman will be established prior to the end of 2023. We consider that an in-principle decision should be made by the end of the year as to the entity to take up the function of a digital platforms ombudsman.

Fund an independent consumer voice

ACCAN supports the provision of funding for a consumer voice to represent consumers on digital platforms policy.

ACCAN, alongside other consumer groups, has previously raised concerns that there is no dedicated Australian consumer organisation representing the interests of consumers in the ever-expanding digital platform environment. We believe that a properly resourced consumer voice is needed to ensure that all Australian consumers can use digital platforms confidently and safely. This consumer

³ Google Ads & Commerce Blog, August 2018, Restricting ads in third-party tech support services, https://www.blog.google/products/ads/restricting-ads-third-party-tech-support-services/?mod=article_inline&source=post_page-----

⁴ ACCAN Consultation with IRDTs.

⁵ ACCC, November 2022, Digital platform services inquiry: Interim report No. 5 – regulatory reform, p. 99, www.accc.gov.au/publications/serial-publications/digital-platform-services-inquiry-2020-2025/digital-platform-services-inquiry-september-2022-interim-report-regulatory-reform

⁶ ACCAN, April 2022, Submission to the ACCC Digital Platform Services Inquiry Discussion Paper for Interim Report No.5: Updating competition and consumer law for digital platform services, p.17, <https://accan.org.au/ACCAN%20submission%20to%20ACCC%20DPSI%20September%20Interim%20Report%20April%202022%20FINAL.pdf>

⁷ ACCC, Digital platforms inquiry project overview, <https://www.accc.gov.au/focus-areas/inquiries-finalised/digital-platforms-inquiry-0>

body should be funded to properly engage with the many emerging issues facing Australian consumers on digital platforms.⁸

We note that ongoing consumer engagement is an expected part of future policy and regulatory processes. For example, a current consultation paper from The Department of Treasury notes that the effectiveness of different regulatory schemes on digital platforms is unknown and will require ongoing consumer engagement and representation.⁹ While consumer representatives have to date made a choice to engage with digital platforms issues, ongoing engagement cannot be guaranteed in the absence of dedicated resourcing.

We thank the Committee for the opportunity to provide this submission and look forward to further engagement with the discussions on the influence of international digital platforms. Should you wish to discuss any of the issues raised in this submission further, please do not hesitate to contact me at Con.Gouskos@accan.org.au.

Yours sincerely,

Con Gouskos
Policy Officer

The Australian Communications Consumer Action Network (ACCAN) is Australia's peak communication consumer organisation. The operation of ACCAN is made possible by funding provided by the Commonwealth of Australia under section 593 of the Telecommunications Act 1997. This funding is recovered from charges on telecommunications carriers.

⁸ ACCAN, November 2021, Digital Platforms and the Consumer Experience in Australia, <https://accan.org.au/accans-work/research/2020-digital-platforms-consumer-experience>

⁹ The Australian Government the Treasury, December 2022, Digital Platforms: Government consultation on ACCC's regulatory reform recommendations, p.7, <https://treasury.gov.au/sites/default/files/2022-12/c2022-341745-cp.pdf>