

Our reference: BN-05242-2024

Australian Competition and Consumer Commission GPO Box 3131 Canberra ACT 2601

By email: digitalmonitoring@accc.gov.au

To whom it may concern,

Thank you for the opportunity to provide feedback to the Australian Competition and Consumer Commission (ACCC) Issues Paper "Digital Platform Services Inquiry - March 2025 - Final Report".

The NSW Small Business Commissioner (the Commission) is an independent statutory office of the NSW Government. It provides strategic advice, advocacy and affordable dispute resolution services across NSW.

The Commission has participated in the ACCC's ongoing work on the Digital Platform Services Inquiry, contributing submissions and survey insights that explore various aspects of this matter. To further support small businesses in their dealings with digital platform providers, the Commission has developed guidance on the common risks and challenges they may face:

Past submissions prepared by the Commission, including to related reviews and inquiries, include:

- <u>Submission to State Insurance Regulatory Authority (SIRA) Food Delivery Rider Insurance, June</u> 2021.
- <u>Submission to Australian Competition and Consumer Commission (ACCC) Digital platform services inquiry 2020-2025</u>, August 2021.
- <u>Submission to Federal Treasury ACCC's regulatory reform recommendations for Digital Platform</u> Services, February 2023.
- Submission to Parliament of Australia Influence of international digital platforms, February 2023.

The Commission continues to closely monitor and report on the concerns raised by small business stakeholders, many of whom encounter difficulties leveraging the benefits of digital platforms and accessing adequate customer service and support. Persistent issues such as payment delays, loss of access to accounts, difficulties understanding terms and conditions, fake reviews and scams also pose ongoing threats to businesses and are the subject of complaints received by my office.

The Commission notes an increasing number of contacts from businesses, particularly accommodation providers, raising concerns about practices which restrict their ability to control pricing arrangements and/or the listing of their properties. Businesses have noted the significant power imbalances between major online travel agents and small accommodation providers, who have become reliant on these platforms. The Commission observes this as an area warranting further monitoring given consolidation in online travel agents since COVID-19 and the potential for small accommodation providers to have no choice but to accept arrangements which may not always be in their best interests.

Additionally, the Commission observes an increasing number of payment delay issues across multiple platform categories, including major online travel agents, with disputes and more complex matters taking longer to resolve.

Dispute resolution

An ongoing issue for small businesses is the lack of effective customer service and internal dispute resolution pathways. It is not uncommon for digital platforms to rely on offshore customer service representatives when matters require escalation. This is sometimes problematic as these representatives may not always have a good understanding of a platform's obligations under Australian law or are otherwise unempowered to resolve matters (including where a business may encounter consequential losses associated with any delays associated with the resolution of their complaint).

While the Commission has established relationships with Australian-based representatives, we are not always able to seek timely escalation and resolution of matters. In some instances, this may be partially due to reductions in Australian-based staff as well as changes in the way customer complaints are handled. The Commission acknowledges some platforms engage productively and have made improvements to their service offering. However, in general, we observe a trend where it is becoming more challenging and complex to resolve complaints. We would be open to further discussions with the ACCC on the specific nature of challenges experienced by my office.

A robust and comprehensive dispute resolution process is essential to improving outcomes for small businesses and should remain a high priority. The Commission strongly supports the ACCC's recommendations for mandatory internal dispute resolution standards that ensure accessibility, timeliness, accountability and importantly, the ability to escalate issues to a human representative.

In this context, the Commission notes the NSW Government's recent announcement to extend protections under Chapter 6 of the *Industrial Relations Act 1996* to gig workers in the food delivery and ride share sectors. These reforms will empower the NSW Industrial Relations Commission to mediate and, if necessary, arbitrate disputes between platforms and gig workers. This provision should provide gig workers in the food delivery and ride share sectors a formal mechanism to appeal decisions such as deactivation from apps or platforms.

Thank you for the opportunity to make a submission. If you require further information, please contact my Executive Officer Megan Bennett, at either megan.bennett@smallbusiness.nsw.gov.au or (02) 9372 8767.

Yours sincerely

Chris Lamont
Commissioner
NSW Small Business Commission

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