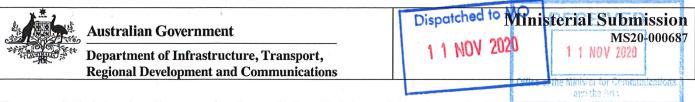
#### PROTECTED Cabinet



To:

Minister for Communications, Cyber Safety and the Arts, the Hon Paul Fletcher MP

(for decision)

Subject: ACCC Digital Platform Inquiry - Implementation Update

Critical Date: Routine

Recommendations for Minister Fletcher: That you

Recommendations for winister Fletcher: That you	
1. Note implementation of the recommendations from the Australian Competition and Consumer Commission's (ACCC) Digital Platforms Inquiry (DPI) for which your portfolio is responsible are all on track, except for recommendations 22 & 23 regarding dispute resolution and part of recommendation 6 regarding a review of advertising rules (Attachment A).	Noted / Please Discuss
2. Agree to proceed with implementation of the design and development of a pilot external dispute resolution (EDR) scheme (recommendation 23) by s 47C	Agreed) Not Agreed
Minister's Signature:	/7 Date:
Minister's Comments	Quality Rating
Received in Parliamentary  2.4 NOV 2020	<ol> <li>Very Poor</li> <li>Poor</li> <li>Satisfactory</li> <li>Good</li> <li>Excellent</li> </ol>

#### **Purpose:**

1. To update on implementation of the ACCC's DPI and seek approval to progress a pilot EDR scheme.

#### **Key Issues:**

2. The Government's response to the ACCC's DPI, released on 12 December 2019, includes an implementation roadmap committing the Department and the Australian Communications and Media Authority (ACMA) to a program of work to address eight of the ACCC's 23 recommendations. We are on track to deliver all of these commitments, except those regarding the pilot EDR scheme (recommendation 22 & 23) and a review of the advertising rules (part of recommendation 6) (see **Attachment A**). An update on implementation of all the ACCC's recommendations is at **Attachment B**.

3. s 34(3)

#### PROTECTED Cabinet

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#### Sensitivities:

5. s 34(3)

s 34(3)

s 34(2)

6. The findings of the ACCC's first interim report of the Digital Platforms Services Inquiry 2020-2025 (released 23 October 2020), which include increased evidence of consumer losses due to scam activity and unfair trading practices brought about by consumer-provider power imbalances, has reinforced the ACCC's support for effective dispute resolution mechanisms. The ACCC is aware of the interruption to implementation of the EDR scheme but did not note the delay in the interim report.

#### **Financial Implications:**

7. s 34(3)

#### Background/Issues:

8. Recommendation 22 of the DPI relates to a set of standards that platforms should adopt in order to resolve disputes internally in the first instance. The Government responded to recommendations 22 and 23 together but did not explicitly commit to recommendation 22 on its own. The Department is monitoring digital platforms' efforts to improve their internal dispute resolution processes.

#### Communication/Media Activities: N/A

Consultation: ACCC, ACMA

#### **Attachments:**

Attachment A – DPI Implementation Progress Report, October 2020

Attachment B – DPI Implementation Progress Table

Attachment C – NPP for a Pilot External Dispute Resolution Scheme for Digital Platforms, March 2020

Contact Officer: \$ 22

Position: Director, Digital Platforms

Branch: Digital Platforms and Online Safety

Phone/Mobile:s 22

Cleared by: Bridget Gannon Position: Assistant Secretary

Branch: Digital Platforms and Online Safety

Phone/Mobile: \$ 47F

Instructions for MAPS: Nil

Responsible Adviser: \$ 47F

Distribution CC List: Simon Atkinson, Richard Windeyer, Pauline Sullivan, James Penprase, Mike Makin, s 47F

s 22



#### **Australian Government**

Department of Infrastructure, Transport, Regional Development and Communications

PDR ID: EC20-000693

To: Simon Atkinson (for decision)

Through:

s 47F

Richard Windeyer

Deputy Secretary,

Communications and Media

cc: Pauline Sullivan

**Timing:** By 17 February 2021 to allow approach to market and commencement of project.

Subject: Digital Platforms External Dispute Resolution Scheme - Feasibility Study and Design Project

Recommendation:	
s 47C	Agreed Not Agreed
That you agree that the details of the work plan for the EDR Scheme Feasibility Study and Design Project at to be settled by Richard Windeyer, Deputy Secretary the Communication and Media Group and Pauline Sullivan, First Assistant Secretary of the Content Division.	are
s 47F Signature: Simon Atkinson Comments:	Date: 17/z/z)

#### **Key Points:**

- 1. The Australian Competition and Consumer Commission's (ACCC) Digital Platforms Inquiry final report (DPI report) identified concerns among consumers and businesses about the lack of effective dispute resolution procedures for the major digital platforms operating in Australia. The report recommended developing minimum internal dispute resolution standards for digital platforms (Recommendation 22) and establishing an independent ombudsman to resolve disputes between the digital platforms and the consumers and businesses using their services (Recommendation 23).
- 2. The Government Response to the DPI report agreed in principle with Recommendations 22 and 23, and committed to developing a pilot External Dispute Resolution (EDR) Scheme that will inform

- whether to establish a Digital Platforms Ombudsman. The Department is responsible for implementing these recommendations.
- 3. We briefed Minister Fletcher in November 2020 (**Attachment A**) on the implementation progress, and sought guidance on his preferred approach to the pilot scheme. The Minister agreed to proceed with the design and development of the pilot scheme, and that the work be funded through uncommitted departmental funds from the Online Safety Research Program (Program) for 2020-21.
- 4. s 47C
- 5. We have previously briefed you on this matter and you indicated that your preference was to approve the movement of funds, and for Mr Windeyer and Ms Sullivan to settle the work plan for this project. We are preparing separate briefing for Mr Windeyer, subject to your approval of the matters in this brief.
- 6. Consultation Details: Nil
- 7. Stakeholder Implications: It is anticipated that this project will have implications for key regulators, ombudsmen and industry stakeholders, particularly major digital platforms (Facebook and Google).

Name: Bridget Gannon

Position: Assistant Secretary

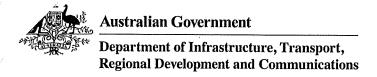
Division: Content Ph: 6271 1913 Mob: s 47F

Date: February 2021

s 22

#### **Attachments:**

A: MC20-000687



PDR ID: EC21-000044

To: Richard Windeyer (for decision)

Through:

Pauline Sullivan

First Assistant Secretary,

Content Division

Timing: By 19 February 2021 to allow approach to market and commencement of project.

**Subject**: Digital Platforms External Dispute Resolution (EDR) Scheme - Feasibility Study and Design Project

Recommendat	ion:		
and Design Pro	to the EDR Scheme Feasib ject Work Plan (Attachmer n Plan (Attachment B)	•	Agreed / Not Agreed
three firms on I platforms' inter	the Request for Quote and Panel PNL1594 to deliver a rnal dispute resolution resears' digital disputes survey	digital	Agreed / Not Agreed
proposed memb	ne letters (Attachment D), i pers to join the Advisory Pa he Communication Plan (A	nnel, to be	Signed Not signed
Signature:	 hard Windeyer		Date: 22-2-21.
	Please check n of dispatch of	with me letter.	on timing

#### **Key Points:**

s 47C

2. In response to Recommendations 22 and 23 of the Australian Competition and Consumer Commission's (ACCC) Digital Platforms Inquiry report, the Government Response committed to developing a pilot EDR Scheme that will inform whether to establish a Digital Platforms

- Ombudsman. This brief proposes a workplan to progress that commitment by establishing an evidence base and analysis of the status quo.
- 3. We recommend a study with three components desktop research into international best practice in digital dispute resolution; gathering consumer complaints data to analyse the type of disputes consumers are likely to bring to a dispute resolution process; and establishing the existing internal dispute resolution (IDR) and complaints handling processes of digital platforms. s 47C
  - s 47C
- 4. We propose convening an Advisory Panel of government and industry representatives to provide input to the study. The role of the Advisory Panel is outlined in Attachment C and letters to the members are at Attachment D.
- 5. Reflecting sensitivities related to the Government's current work with platforms on the News Media Bargaining Code and the Online Safety Bill, the Communications Plan at Attachment B proposes that in the first instance you or Ms Pauline Sullivan phone the platforms to explain our work in this space. Talking points are included in Attachment B.
- 6. We propose to engage an external firm to map the IDR mechanisms of platforms 5 47C and develop and deliver a survey on the prevalence and experience of consumer disputes and complaints against the major digital platforms. A Request for Ouote has been prepared (Attachment E) to approach three firms on Panel PNL1594 - AlphaBeta, These firms are market leads in business process analysis. AlphaBeta has additional experience with Google in conducting similar data analysis in the past.
- 7. Consultation Details: Nil
- 8. Stakeholder Implications: It is anticipated that this project will have implications for key regulators, ombudsmen and industry stakeholders, particularly major digital platforms (Facebook and Google).

Name: Bridget Gannon Position: Assistant Secretary

Division: Content Ph: 6271 1913

Mob: s 47F

Date: February 2021

s 22

#### Attachments:

A: EDR Scheme Feasibility Study and Design Project Work Plan

B: Advisory Panel - Communication Plan and Talking Points

C: Advisory Panel – Terms of Reference

D: Advisory Panel – Letters to Participants

E: Request for Quote

Attachment A

# Digital Platforms External Dispute Resolution Scheme - Feasibility Study and Pilot Design Project Work Plan

#### February 2021

The Australian Competition and Consumer Commission's (ACCC) Digital Platforms Inquiry identified concerns among consumers and businesses regarding an absence of effective dispute resolution procedures attached to the major platforms operating in Australia. The Final Report recommended the development of minimum internal dispute resolution standards for digital platforms (Recommendation 22) and the establishment of an independent ombudsman to resolve complaints and disputes between consumers and digital platforms, and businesses and digital platforms (Recommendation 23).

The Government Response and Implementation Roadmap for the Digital Platforms Inquiry¹ committed to develop a pilot External Dispute Resolution (EDR) scheme, \$ 47C

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То

progress this work, we propose a two-staged project:

#### Stage 1: Feasibility Study

We propose to undertake a feasibility study to:

- 1. Better understand the problem
  - a. Gather evidence on the nature and scale of complaints and disputes that are unresolved between consumers, businesses and digital platforms.
  - b. Monitor and analyse emerging international trends on dispute resolution.
  - c. Establish an advisory panel with membership from key regulators, ombudsmen, platforms and consumer groups to support research and discuss possible solutions.
- 2. Identify ways that platforms can deal with disputes and complaints more effectively.
  - a. Work with platforms to map their internal complaints handling and dispute resolution mechanisms, and identify areas for improvement.

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S 47C		

<sup>&</sup>lt;sup>1</sup> https://treasury.gov.au/publication/p2019-41708



#### Resourcing

The Digital Platforms and Online Safety Branch will be supported and informed by secondments from the below Government members of an Advisory Panel, to undertake research, gather evidence, determine the appropriate government intervention, 470

#### s 47C

- Australian Competition and Consumer Commission
- **Telecommunications Industry Ombudsman**
- Australian Communications and Media Authority

The Branch will procure external consultants to complete two discrete pieces of work:

- 1. A report focused on the internal complaints mechanisms of platforms. The consultants will work collaboratively with digital platforms to map internal dispute mechanisms \$ 47C
- 2. The consultants will also develop and deliver a survey on the prevalence and experience of consumer complaints and disputes against major digital platforms. The survey will serve to demonstrate the scope of the issue, and balance data provided by the platforms with consumer data from the Australian public.

#### Cost

Consultant fees are estimated to cost up to \$500,000. We have received approval from the Secretarys 47C (EC20-000693 refers).

#### Consultation

The Department will write to key regulators and industry ombudsmen inviting them to participate in an Advisory Panel. The panel will meet every two months and will be chaired by the Assistant Secretary of the Digital Platforms and Online Safety Branch. The Advisory Panel will discuss the work of the feasibility study \$ 47C

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but would not have a decision-making role in the study 8 47C

Representatives from the following organisations will be invited to be on the Advisory Panel:

- Australian Competition and Consumer Commission
- Telecommunications Industry Ombudsman
- Australian Small Business and Family Enterprise Ombudsman
- Australian Communications and Media Authority
- Office of the eSafety Commissioner

#### **Digital Platforms' Participation**

The Department will also write to digital platforms inviting them as guests to key meetings of the Advisory Panel, to provide input, advice and clarify any questions:

- DIGI
- Google Australia
- Twitter Australia
- Facebook Australia
- Amazon Australia and New Zealand

#### **Outcomes**

The feasibility study will produce three reports (Reports 1-3) (February-June 2021). s 47C

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s 47C

The feasibility study and design project

will culminate in a final report (Report 4) to the Minister **S** 47C

- Report 1 Research on international best practice in digital dispute resolution:
   31 March 2021
- Report 2 Digital platforms internal dispute resolution and complaints handling processes and \$ 47C
   30 June 2021
- Report 3 Complaint and Dispute Analysis (informed by the consultant-led consumer disputes survey): 30 June 2021
- s 47C

#### **Timeline**

The Feasibility Study and Design Project will commence February 2021, with the final report to the Minister due by the end of September 2021 (see Figure 2.0 for visualisation). § 47C

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#### **Risks**

#### Stakeholder response

The Government has multiple streams of work that seek to introduce or reform regulation of digital platforms, including the proposed Defamation Law Reforms, Disinformation Code, the News Media and Digital Platforms Mandatory Bargaining Code and the Online Safety Bill. \$ 47C \$ 47C

#### Resourcing

The scope of this project is defined by the resources available in the Digital Platforms Section, supported by seconded staff from other Government agencies. Considering the large number of reform proposals being progressed by Government, there is a risk that the scope of this project could be impacted by a shift in Government priorities. Should this occur, we will need to consider the resourcing of the section, or the timeline of the project.

Figure 1.0 - Proposed Timeline – Feasibility Study and Design Project

Dates (W/C)	General	Advisory Panel	Report 1 – (DITRDC) International best practice in digital dispute handling and resolution	Report 2 – (Consultancy firm) Platforms' internal mechanisms and minimum standards	Report 3 – (Consultancy firm/DITRDC) Evidence and analysis of scale and nature of consumer complaints	s 47C	
25-Jan			Commence work on research	A Later Control of the Control of th	consumer complaints		
1-Feb				7		·	
8-Feb		Terms of Reference settled with FAS					
15-Feb	Secretary approval received; Work Plan Finalised - approved by Dep Sec and FAS; Calls made to platforms (FAS); Letters dispatched to Advisory Panel (Dep Sec)			RFQ approach to market			
22-Feb		First Meeting	ESTATE OF THE STATE OF THE STAT	Quotes received; preferred consulta	nt selected		
1-Mar	Seconded staff to commence in DITRDC			Consultants contracted Commence work with ACCC on comp			
8-Mar				Commence work with platforms (consultancy firm)	Develop survey (consultancy firm)		
15-Mar			Entry Control of State of Stat				
22-Mar							
29-Mar			Finalise Report 1				
5-Apr		Second Meeting (discuss Report 1 and the progress on Reports 3 and 4)		Milestone 1: Progress update to DITRDC	Deliver survey (consultancy firm)		
12-Apr 19-Apr							
26-Apr						_	
3-May				Milestone 2: Progress update to DITRDC			
10-May							
17-May					Finalise survey (consultancy firm); Commence data analysis		
24-May	!						
31-May			·			s 47C	
7-Jun 14-Jun	·			Presentation to Department on findings and outcomes	Complete data analysis; handover to DITRDC (consultancy firm). DITRDC to prepare summary Report		
				Pin lin position of the second			_
21-Jun				Finalise Report 2 - Consultants deliver	Finalise Report 3 – DITRDC deliver		
28-Jun		Third Meeting (discuss Reports 2 and 3)				s 47C	
July August							
Sept		·				s 47C	

# Background The Policy Issue

Attachment A

The Australian Competition and Consumer Commission's (ACCC) Digital Platforms Inquiry identified concerns among consumers and businesses regarding an absence of effective dispute resolution procedures attached to the major platforms operating in Australia. The Final Report recommended the development of minimum internal dispute resolution standards for digital platforms (Recommendation 22) and the establishment of an independent ombudsman to resolve complaints and disputes between consumers and digital platforms, and businesses and digital platforms (Recommendation 23).

While the report identified shortcomings in *internal* dispute resolution mechanisms, in cases where disputes cannot be effectively solved internally, the inquiry recommended the establishment of an *external* dispute resolution scheme or ombudsman to: investigate complaints, require take down of content where appropriate, and order compensation in appropriate cases. Examples of complaints and disputes that might be considered by a dispute resolution scheme include:

- Business complaints relating to the cost or performance of advertising services.
- Consumer complaints related to scams and the removal of such content
- Unfair contract terms or lack of legal protections or negotiating power for small businesses relying on platforms for customer interface.

The ACCC's findings and recommendations for action are broadly in line with developments in other countries. Since the ACCC's report, there have been proposals announced in other countries aimed at improving the operation and transparency of dispute resolution processes of platforms. For example, the recently released EU Digital Services Act includes requirements for certain digital platforms to provide complaint and redress mechanisms, and for the option of out of court dispute settlement.

#### The Government's response

The Government Response and Implementation Roadmap for the Digital Platforms Inquiry<sup>2</sup> supported recommendations 22 and 23 in principle and committed to develop a pilot EDR scheme, the outcomes of which will inform whether to establish a Digital Platforms Ombudsman to resolve complaints and disputes between digital platforms and individual consumers and small businesses using their services. The Government response also noted that parallel improvements in internal dispute processes would be assessed.

The findings of the ACCC's first interim report of the Digital Platforms Services Inquiry 2020-2025 (released 23 October 2020), included further evidence of consumer losses due to scam activity and unfair trading practices brought about by consumer-provider power imbalances, and reinforced the ACCC's support for effective dispute resolution mechanisms.

<sup>&</sup>lt;sup>2</sup> https://treasury.gov.au/publication/p2019-41708



Department of Infrastructure, Transport, Regional Development and Communications

Attachment B

# Digital Platforms External Dispute Resolution Feasibility Study and Design Project - Communication Plan and Talking Points

February 2021

# Purpose

This plan proposes to engage government and industry stakeholders in an Advisory Panel, to provide input and advice to the EDR Scheme Feasibility Study and Design Project.

propose that in the first instance Ms Pauline Sullivan phone the digital platforms to explain our work in this space. Talking points for this are included below. Reflecting sensitivities related to the Government's current work with digital platforms on the News Media Bargaining Code and the Online Safety Bill, we

Following this phone call, the Digital Platforms Section will dispatch a formal invitation on behalf of Mr Richard Windeyer for the proposed members to join the Advisory Panel.

# Communications Plan

Communication Activity	Reason for Communication	Channel	Audience	Timing	Responsible
Introduction and foreshadowing of the study	To sensitively introduce the study and project to high-risk stakeholders.  Key messages: See Talking Points	Phone call	Digital Platforms (DIGI, Twitter, Facebook, Amazon, Google)	W/c 15 February	FAS, Pauline Sullivan
Formal invitation to members of the Advisory Panel	To form a panel of experts to inform the study and project.  Key messages: See Letters (Att D(1))	Formal Letter - dispatched via email	ACCC, TIO, SBFE Ombudsman, ACMA, eSafety	W/c 15 February	Deputy Secretary, Richard Windeyer (dispatched by Digital Platforms Section)
Formal invitation to guests of the Advisory Panel	To form a panel of experts to inform the study and project.  Key messages: See Letters (Att D(2))	Formal Letter - dispatched via email	Digital Platforms (DIGI, Twitter,	W/c 15 February	Deputy Secretary, Richard Windeyer (dispatched by Digital Platforms Section)

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Communications Plan

			racebook, Amazon, Google)		
Follow up email	To arrange seconded staff to DITRDC with government agencies	Email	ACCC, TIO, ACMA	W/c 22 February	AS Bridget Gannon, dispatched by Digital Platforms Section
Meeting invitation 1	To arrange the first meeting of the panel	Email	Advisory Panel	W/c 22 February	AS Bridget Gannon, dispatched by Digital Platforms Section
Agenda and discussion paper/s (if any)	To inform meeting discussion Note: if available, aim to get out with the invitation	Email	Advisory Panel	W/c 22 February	AS Bridget Gannon, dispatched by Digital Platforms Section
Meeting 1	To discuss issues in the space and find opportunities to collaborate	Meeting	Advisory Panel	W/c 22 February	AS Bridget Gannon, chair
Meeting invitation 2	To arrange the second meeting of the panel	Email	Advisory Panel	W/c 29 March	AS Bridget Gannon, dispatched by Digital Platforms Section
Agenda and discussion paper/s (if any)	To inform meeting discussion Note: if available, aim to get out with the invitation	Email	Advisory Panel	W/c 5 April	AS Bridget Gannon, dispatched by Digital Platforms Section
Report 1 - International Best Practice	To inform meeting discussion	Formal report	Advisory Panel	W/c 5 April	Digital Platforms Section
Meeting 2	To discuss the outcomes of Report 1, and the progress of Reports 2 and 3	Meeting	Advisory Panel	W/c 5 April	AS Bridget Gannon, chair
Meeting invitation 3	To arrange the third meeting of the panel Note: if available, aim to get out with the invitation	Email	Advisory Panel	W/c 21 June	AS Bridget Gannon, dispatched by Digital Platforms Section
Agenda and discussion paper/s (if any)	To inform meeting discussion	Email	Advisory Panel	W/c 28 June	AS Bridget Gannon, dispatched by Digital Platforms Section

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		Formal report	Advisory Panel	W/c 28	External consultants
Report 2 - Internal Dispute Resolution mapping	10 IIII0III IIIGERIIIB discussioii	on in a lebon.	1000 A	June	
Report 3 - Consumer digital	To inform meeting discussion	Formal report	Advisory Panel	W/c 28 June	External consultants, Digital Platforms Section
Meeting 3	To discuss the outcomes of Reports 2 and 3	Meeting	Advisory Panel	W/c 28 June	AS Bridget Gannon, chair
DRAFT DITRDC Recommendations for comment	For comment / input	Formal report	Advisory Panel	Jul-21	AS Bridget Gannon
s 47C	For comment / input	Formal report	Advisory Panel	Aug-21	AS Bridget Gannon
DRAFT Final Report	For comment / input	Formal report	Advisory Panel	Sep-21	AS Bridget Gannon
Final Report		Formal report	Minister Fletcher	Sep-21	FAS Pauline Sullivan

Communications Plan

February 2021

#### **Talking Points**

For Pauline Sullivan, First Assistant Secretary, to call digital platforms representatives, week commencing 15 February 2021:

- In its Digital Platforms Inquiry, the ACCC raised concerns from consumers and businesses that they
  lack effective dispute resolution systems, particularly in relation to complaints regarding scam
  material and advertising services.
- The Government agreed to this recommendation in principle and committed to developing a pilot Digital Platforms External Dispute Resolution (EDR) Scheme.
- To progress this commitment, we are conducting a feasibility study from February to June.
- We understand that you have a lot on your plate with Australian and foreign governments introducing various reforms that will impact your industry.
- It is not our intention that this feasibility study lead to further regulation of digital platforms. However, we are committed to progressing a feasibility study that takes a fresh look at:
  - o existing dispute resolution practices of digital platforms,
  - o whether they are working effectively, and
  - o whether they can be improved for Australian consumers and businesses.
- The study is an opportunity for you to demonstrate the effectiveness of your existing dispute resolutions processes, highlight ongoing improvement, and demonstrate your commitment to transparency.
- We understand that you have substantial internal complaints systems in place and hold significant
  data on the scale of complaints that are received from Australian consumers and businesses and the
  ways in which these complaints are resolved.
- We are engaging an external consultant to work with you to map your internal complaints systems and gather any data that you are willing to provide so that we can understand the scale of the issue to be addressed.
- Understanding your internal complaints and disputes systems is the first step to considering whether other action if any is required and appropriate.
- We are convening an Advisory Panel of representatives from government agencies and digital industry to provide advice and support to the study. We would value your participation in this panel.

0	s 47C	

#### **Contact Details**

•	Digital	Industry	/ Group	Inc	(DIGI)	):
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s 47F

February 2021	Talking Points
• Google Australia: s 47F	
s 47F	
5 471	
Facebook Australia:	
s 47F	
Twitter Australia:	
s 47F	
Amazon Web Services Australia and New Zealand:	
s 47F	

#### Background

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DPI Recommendations 22 and 23 and the Government's commitment are publically available, so platforms should not be surprised that it is an area we want to investigate further. To mitigate the risk that platforms develop consultation fatigue, we should emphasise that rather than establishing a pilot scheme, we are taking a much more considered approach to identify what, if any, issues require government intervention in dispute resolution.

Letters will be sent from Mr Richard Windeyer to each platform following the conversation.

# Digital Platforms External Dispute Resolution Feasibility Study and Design Project Advisory Panel - Terms of Reference

#### Purpose

The Advisory Panel is convened by the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC) to discuss and provide feedback on the Digital Platforms External Dispute Resolution Feasibility Study and Design Project (study). The panel does not have a decision making role, however the advice provided by the panel will be considered by DITRDC when composing its final report to the Minister for Communications, Urban Infrastructure, Cities and the Arts. The panel will:

- Discuss and agree on opportunities to collaborate on the projects of the study;
- Advise on specific projects of the study, their topics and issues to focus on, and discuss the research and findings of those projects;
- Share knowledge of digital platforms' dispute resolution processes and consumer disputes and complaints data;

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#### Membership

#### Chair

Bridget Gannon, Assistant Secretary of the Digital Platforms and Online Safety Branch, DITRDC

#### Core Members

EL1 and EL2 representatives from the following Government agencies:

- Australian Competition and Consumer Commission
- Telecommunications Industry Ombudsman
- Australian Small Business and Family Enterprise Ombudsman
- Australian Communications and Media Authority
- Office of the eSafety Commissioner

#### Associate members

Senior representatives from the following industry bodies:

- DIGI
- Google Australia
- Twitter Australia
- Facebook Australia
- Amazon Australia and New Zealand

#### Meetings

The panel will meet at the DITRDC offices in the Nishi Building, 2 Phillip Law Street, Acton, ACT, according the below schedule. The specifics of date, time and location will be settled before each meeting. Teleconference options will be available. DITRDC will provide Secretariat support.

#### Meeting 1

Date: Week commencing 22 February		ek commencing 22 February
Topics:	6	Introduction to the topic and stakeholders in this space
ropics:	6	Background on the study and report projects being undertaken.
		Discuss research topics and issues for Reports 1-3
	•	Discuss and agree to collaboration opportunities
Products: • A list of suggestions for possible research topics/issues to focus on		A list of suggestions for possible research topics/issues to focus on
rioducts:	•	Agreements for collaboration opportunities.

#### Meeting 2

Date:	Week commencing 5 April
Topics:	<ul> <li>Discuss Report 1, presented by DITRDC</li> <li>Discuss progress of reports 2 and 3</li> </ul>
Products:	• None

#### Meeting 3

Date:	Week commencing 28 June
Topics:	<ul> <li>Discuss Reports 2 and 3, \$ 47C</li> <li>\$ 47C</li> <li>Discuss general findings of the study, \$ 47C</li> <li>\$ 47C</li> <li>\$ 47C</li> <li>\$ 47C</li> </ul>
Products:	A recommendation to DITRDC on whether an EDR is necessary

Date	Event	Reference	Notes
Date	EVENTS	neierence	General information about the DPI can be found
			here: www.accc.gov.au/focus-areas/inquiries-
4-D4	ec-17 The then Treasurer, the Hon Scott Morrison MP, directed the ACCC to conduct an inquiry into digital platforms (MR 232/17 refers)	Link	finalised/digital-platforms-inquiry-0
	ec-18 The ACCC released its preliminary report for the inquiry.	Link	initialised/digital platforms inquity o
	ul-19 The ACCC published the final report, following it being provided to the Treasurer.	Link	
20-3	The Government released its Response and Implementation Roadmap for the Digital Platforms Inquiry. The Government responded to	LIIIK	
12-De	ec-19 recommendations 22 and 23 together - the response committed the Department to develop a pilot External Dispute Resolution (EDR) scheme.	Link	
s 47C	the response commenced the response commenced the performance of the response commenced the	LIIIK	. 470
54/0		Link	s 47C
		_	<del>-</del>
l I		s 47C	
s 47C			
- 470	-		
s 47C	an-21 The Digital Platforms Section developed a project proposal for the EDR Feasibility Study and Design Project (EDR Project).		
Dec-20 - Ja	in-21 The Digital Platforms Section developed a project proposal for the EDK Feasibility Study and Design Project (EDK Project).		
25-Ja	an-21 The Section briefed the Secretary, Simon Atkinson, \$ 47C and the EDR Project plan.	EC20-000693 refers	
	c 47C		
	The Secretary agreed S 47C but requested re-briefing to approve and directed the Section to further develop the		
	an-21 project plan with the details to be settled with Deputy Secretary, Richard Windeyer, and First Assistant Secretary, Pauline Sullivan.	<u>Link</u>	
	an-21 The Section started work on Project 1 (report of International laws addressing to dispute resolution with Digital Platforms).		
	2b-21 The Section briefed the Secretary <b>S</b> 47C	<u>Link</u>	
17-Fe	Pb-21 The Secretary agreed S 47C	<u>Link</u>	
	The Section briefed the Deputy Secretary on the project plan, which included: The Section complete a report of International laws addressing to dispute resolution with Digital Platforms; the Section seeks an external consultant from ACCC EXpert Panel PNL1594 to complete two reports - the first examining the internal dispute resolution (IDR) processes of Digital Platforms, with a view to developing IDR industry standards, the second a survey of consumer and small business complaints with Digital Platforms, to ascertain the scope of the issue; the Department convenes an Advisory Panel of Government agency and industry representatives to discuss and provide input to the project. The Department would report back to the		
17-Fe	eb-21 Minister in Q3 2021.	EC21-000044 refers	
	2b-21 The Deputy Secretary agreed to the project plan (EC21-000044), with the timing of invitations to the Advisory Panel to be decided.	Link	
23-Fe	2b-21 The Section notified the Internal Finance team S 47C	<u>Link</u>	
26-Fe	The Section contacted the external consultancy firms on Panel PNL1594 to discuss an RFQ going out later that day. The RFQ was emailed to the firms on the same day, with the responses due 8 March 2021. Ernst & Young and Accenture (previously AlphaBeta) were able to be contacted, but eb-21 PricewaterhouseCoopers did not respond to the Section's attempts to make contact or the the RFQ.		
s 47C		<u>Link</u>	
	ar-21 Accenture submitted its response to the RFQ.	<u>Link</u>	
8-10 Marc	ch-21 Accenture's response was evaluated by the Digital Platforms Section Director, \$ 22 , and Deputy Director, \$ 22		
10-Ma	ar-21 The Section met with Accenture to discuss its proposal. The response was revised based on the Section's feedback and resubmitted.	Link	
11-M:	The Section provided an Approval Minute the Assistant Secretary, Bridget Gannon, who has delegation for the expenditure of funds for this project, ar-21 on Accenture's response, recommending that it be accepted. A contract draft was provided to the AS for review alongside Accenture's proposal.	Link	
	ar-21 A draft of the work order contract was provided to the AS for review alongside Accenture's proposal.	Link	

		1	T
	FAS and AS requested the section to talk with ABSFEO and the Council of Small Business Organisations Australia to discuss the project. The Section		
11-Mar-21	spoke to COSBOA on the 12th and ABSFEO on the 15th of March, and both were supportive.	<u>Link</u>	
	FAS notified the Minister's Office of the Department's progress on the EDR project, and intention to contact several major Digital Platforms and		
	industry representatives to participate in the project.	<u>Link</u>	
26-Mar-21	AS approved the Accenture proposal with minor changes. The changes were made by Accenture and returned same day.	<u>Link</u>	
	Deputy Secretary signed the invitations to the Advisory Panel.		
30-Mar-21	The Advisory Panel invitations were returned to the Section for dispatch.		
31-Mar-21	Accenture and the Department signed the work order contract, and a copy was provided to all parties.	<u>Link</u>	
	AS approved the procurement order in MyWorkplace - note AS has previously approved in hard copy brief, but due to IT issues the MyWorkplace		
31-Mar-21	approval was delayed.		
	AS contacted industry representatives of major digital platforms (DIGI, Google, Amazon, Facebook and Twitter) to notify them of the project and		
31-Mar-21	that they will be invited to participate.		
31-Mar-21	Invitations to participate in the Advisory Panel were sent to the Government agencies (DISER, ACCC, TIO, ACMA, eSafety, ABSFEO) and industry.	<u>Link</u>	
1-Apr-21	The signed work order contract was registered in MyWorkplace.		
6-Apr-21	Work order contract went up on AusTender.	<u>Link</u>	
•			
1-8 April 21	Agencies and industry confirmed participation in the panel and nominated a representative. The Section drafted an Agenda for the first meeting.		
	A draft of the Agenda was provided to the AS for approval.	Link	
9-Apr-21	Advisory Panel Meeting 1 invitation sent		
	Agenda and paper were approved, and sent to the Panel members.	Link	
	Spoke to ACCC re: Accenture and details of the EDR project	Link	
	Advisory Panel Meeting 1 - Government agency representatives only. Accenture attended as guests to outline projects.	Link	
	The outcomes of the first meeting were sent to the Panel	Link	
	Meeting with Google. Google discussed scope of EDR study and \$ 47G	LITIK	
	Meeting with Accenture re: COI concern.		
30-Api-21	Accenture submitted an additional \$ 47G		
3-May-21	Accentage submittee an additional \$470	Link	
	Advisory Panel Meeting 2 invitation sent	LIIIK	
	Accenture's Digital Platforms Workshop		
	·		
	Advisory Panel Meeting 2 - Platforms to attend with Government agency representatives		
	Accenture SteerCo meeting - dispute resolution interim findings	t to t	
	Accenture SteerCo meeting - methodology discussion	<u>Link</u>	
· · · · · · · · · · · · · · · · · · ·	Accenture had one on one meetings with Platforms to validate data		
	Meeting with PM&C		
	Meeting with Treasury		
	Accenture sent raw data		
	Final Consultancy Report sent by Accenture	Link	Commercial in Confidence
27-Jul-21	Advisory Panel Meeting 3 - Government agency representatives only	<u>Link</u>	
	Met with Minister Fletcher to update him on EDR Project, and the findings in Accenture's report. The Minister requested more information about		
4-Aug-21	how EDR processes impact SMBs, and how ASBFEO supports SMBs.		
	Provided a summary and progress report to Minister Fletcher, S 47C		
16-Sep-21	s 47C	s 47C	
s 47C			
29-Nov-21	Spoke with Treasury S 47C		
1-Dec-21	Treasury responded, provided some suggestions.		
1-Dec-21	Spoke with ACCC re: outcomes, <b>s</b> 47C		
		•	•

s 47C  2-Dec-21 noted that ACCC's September 2022 DPSI report will cover consumer complaints about scams and other issues.		
EDR Final Report sent to Minister Fletcher. § 47C 9-Dec-21 § 47C	s 47C	
s 47C		

#### Australian Government

Ministerial Submission MS21-001376

Department of Infrastructure, Transport, Regional Development and Communications

To: Minister for Communications, Urban Infrastructure, Cities and the Arts, the Hon Paul Fletcher MP (for decision)

**Subject:** Digital Platforms – External Dispute Resolution (EDR) Feasibility Study - next steps

Critical Date: \$ 34(3)

Recommendations for Minister Fletcher: That you

1.	Note the information provided in this brief.	Noted/ Please discuss
2.	Agree that the Department engage with the small business sector to obtain information on their experiences with dispute resolution with platforms, the impacts on their ability to operate their businesses, and possible solutions (Attachment C refers).	Agreed / Not Agreed
3.	s 34(3)	Agreed and Signed / Not Agreed
Miı	nister's Signature:	Date:/ 2021
Min	Minister's Comments	Date:/ 2021  Quality Rating

#### **Purpose:**

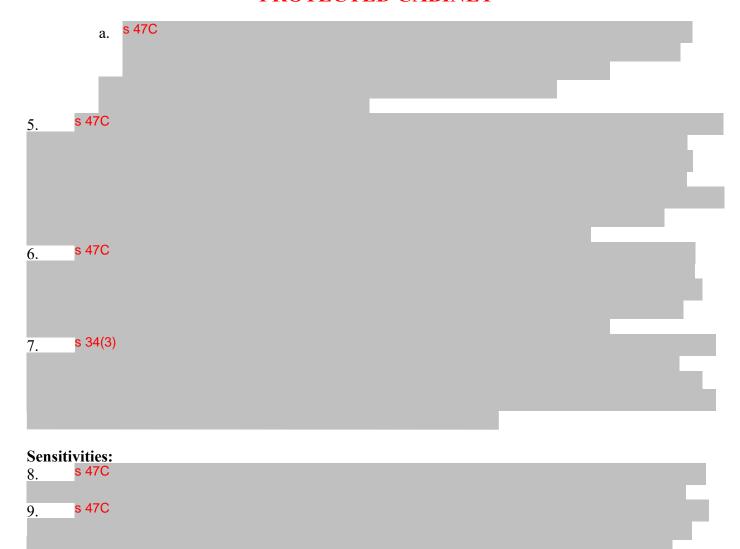
1. To brief you on next steps for the EDR Scheme Feasibility Study and \$ 34(3)

#### **Key Issues:**

- 2. On 23 July 2021, the Department briefed you on the progress of the Digital Platforms EDR Feasibility Study (MS21-000526 refers). s 47C
- 3. s 47C

Accenture's analysis report and survey data is at **Attachment A** and a summary of engagement with industry to date is at **Attachment B**.

4 s 47C



Financial Implications: N/A Background/Issues: N/A

Communication/Media Activities: N/A

#### **Consultation:**

10. The members of the advisory panel and agencies informing this work are PM&C; Treasury (Competition and Small Business Branches); DISER; ACCC; TIO; ASBFEO; ACMA; Office of the eSafety Commissioner; DIGI; Google Australia; Twitter Australia; Facebook Australia; eBay Australia.

#### **Attachments:**

Attachment A: Accenture Report, including data slide deck

Attachment B: Summary of industry engagement

Attachment C: Next steps – business sector engagement

Attachment D: Letter to the Prime Minister

Contact Officer: \$ 22 Cleared by: Bridget Gannon Position: Director Position: Assistant Secretary

Section: Digital Platforms Section Branch: Digital Platforms and Online Safety

Phone/Mobile: \$ 22 Phone/Mobile: 02 6271 7079 / \$ 47F

Instructions for MAPS: Nil Responsible Adviser: \$ 47F

Distribution CC List: Simon Atkinson, Richard Windeyer, Pauline Sullivan, Bridget Gannon, \$ 22

#### **Australian Government**

# Department of Infrastructure, Transport, Regional Development and Communications

s 47F

Digital Industry Group Inc (DIGI) 11 York Street SYDNEY NSW 2000

475

Dear

s 47F

In July 2019 the Australian Competition and Consumer Commission's (ACCC) Digital Platforms Inquiry identified consumer concerns about the dispute resolution procedures of major digital platforms. In its response to the report, the Government committed to developing a pilot Digital Platforms External Dispute Resolution (EDR) Scheme to learn more about this issue.

To progress this commitment, the Department is seeking your participation in a feasibility study from April to June 2021. The study will consider the existing internal dispute resolution processes of the major digital platforms, seek to identify what, if any, consumer concerns remain unresolved and consider what action – if any – is required and appropriate. We will report our findings to the Hon Paul Fletcher MP, Minister for Communications, Urban Infrastructure, Cities and the Arts later this year.

We acknowledge this study adds to the list of Government initiatives being progressed that consider the regulatory framework for digital platforms. However, this is an opportunity for you to work collaboratively with the Government to provide a better understanding of the problem, including more information about the effectiveness of the existing dispute resolution options available to consumers and businesses that use social media, marketplace and search services.

To support the study we are convening an Advisory Panel of representatives from relevant government agencies and digital industry, chaired by Bridget Gannon, Assistant Secretary of the Digital Platforms and Online Safety Branch. We invite you to participate in the panel as an industry expert and to provide input to the process as we identify the issues and develop solutions that are workable for all parties.

A member of the Digital Platforms and Online Safety Branch will be in touch in the coming weeks to discuss your participation. Should you wish to get in touch directly, please contact Director, Digital Platforms Section via email at or on (02) 6271 1721.

As a part of the feasibility study we are also engaging the services of an external consultant to collaborate with major digital platforms to map the existing internal complaints processes available to Australian users and identify possible solutions. This work will inform the panel of the scale of the issue to be addressed and the effectiveness of complaints processes that are already in place.

We would be grateful for your cooperation and assistance in this matter.

Yours sincerely

s 47F

Richard Windeyer
Deputy Secretary, Communications and Media
Department of Infrastructure, Transport, Regional Development and Communications
March 2021

#### Australian Government

#### Department of Infrastructure, Transport, **Regional Development and Communications**

s 47F

Managing Director Facebook Australia

s 47F

Global Business Group Facebook Australia L41, 200 Barangaroo Avenue SYDNEY NSW 2000

s 47F

@fb.com

Dear s 47F

In July 2019 the Australian Competition and Consumer Commission's (ACCC) Digital Platforms Inquiry identified consumer concerns about the dispute resolution procedures of major digital platforms. In its response to the report, the Government committed to developing a pilot Digital Platforms External Dispute Resolution (EDR) Scheme to learn more about this issue.

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A member of the Digital Platforms and Online Safety Branch will be in touch in the coming weeks to discuss your participation. Should your staff wish to get in touch directly, please Director, Digital Platforms Section via email at contacts 22

(a)infrastructure.gov.au or on (02) 6271 1721. s 22

As a part of the feasibility study we are also engaging the services of an external consultant to collaborate with major digital platforms to map the existing internal complaints processes available to Australian users and identify possible solutions. This work will inform the panel of the scale of the issue to be addressed and the effectiveness of complaints processes that are already in place. Our consultant will contact you in the coming weeks, and I ask that you engage with them openly during this time.

We would be grateful for your cooperation and assistance in this matter.

Yours sincerely

s 47F

Richard Windeyer

Deputy Secretary, Communications and Media

Department of Infrastructure, Transport, Regional Development and Communications

**27** March 2021

DIGITAL PLATFORMS AND ONLINE SAFETY BRANCH / DIGITAL PLATFORMS SECTION

# **EDR Scheme Feasibility Study**

#### **Business Sector engagement**

#### Small business sector survey and results

As a part of the EDR Scheme Feasibility Study, Accenture undertook a survey of businesses and consumers as well as targeted interviews with businesses, regulators and industry bodies.

Accenture surveyed 8,334 consumers aged over 18 and 1,471 small to medium sized businesses (SMBs). Out of this sample 2,988 consumers (36 per cent) and 500 businesses (34 per cent) had a relevant issue, complaint or dispute on a digital platform. Accenture's surveys provide a broad picture of the experiences consumers and SMBs are having with the internal dispute resolution (IDR) processes of digital platforms. On the business side, it demonstrates that:

- SMBs experienced 1.4 million issues in 2020;
- 38 per cent of issues were experienced on Facebook and 18 per cent on Google;
- The most common type of issue was:
  - content or account removal (20 per cent);
  - advertisement-related issues (16 per cent) such as changes in algorithms, charges, results or performance transparency;
  - hacking or fake accounts (16 per cent).
- 46 per cent of SMBs were unsatisfied with platforms' IDR processes.
- Of the key problems SMBs experienced with IDR:
  - 39 per cent felt that the platform didn't direct to other resources for support;
  - 35 per cent wanted more information or feedback;
  - 31 per cent wanted clearer processes and timeframes for resolutions;
  - 24 per cent of SMBs felt that it was difficult to contact someone in the platform;
  - 24 per cent felt that the platform's actions in response to their complaint were not consistent with the severity of the issue;
  - 21 per cent wanted more transparency; and
  - 18 per cent thought the platform was biased.
- The negative impacts experienced by SMBs were reputational damage (40 per cent), loss of customers (35 per cent) and lack of return on money for online advertisement (32 per cent).

#### Other engagement with industry

Since January 2021, we have consulted with stakeholders, to provide input and feedback to our EDR Scheme feasibility study. This work was primarily via our Advisory Panel of government, small business regulators and digital platforms industry stakeholders, however we also conducted targeted, one-on-one consultation with the below organisations.

#### Council of Small Business Organisations Australia (COSBOA)

Early in the Feasibility Study we met with COSBOA to discuss the IDR processes of digital platforms. COSBOA members have, on an anecdotal basis, raised concerns about:

- the operation of algorithms and how they impacts the visibility and reach of their businesses. For instance, where members have been downgraded from search results without any explanation;
- advertising issues;
- fake reviews, particularly in the hospitality industry; and
- inequality in bargaining power. For instance, many small businesses feel vulnerable, feel they are pressured to 'give in or give up,' or don't make complaints because they think it won't make a difference.

We will seek further information from COSBOA on the experiences of their members, and in particular how we can improve the digital platforms dispute resolution options available to them.

#### **Australian Small Business and Family Enterprise Ombudsman (ABSFEO)**

ABSFEO was a member of the Feasibility Study Advisory Panel. It gave input to both our and Accenture's research, and has provided feedback on the preliminary regulatory options we've explored to date. We will continue to liaise with ABSFEO through the Advisory Panel and directly.

We are also liaising with the Treasury about the recent Independent Review of ASBFEO, which was conducted by Ms Carmel McGregor PSM and released on 31 August 2021<sup>1</sup>. That review has considered the assistance function of the ASBFEO and found that there are some gaps in the Australian small business assistance ecosystem, including:

- a need for a more cohesive transfer of assistance cases between agencies;
- clearer assistance pathways across jurisdictions and responsibilities, and
- tracking of case outcomes across the system.

The review has also found that stakeholders have indicated there may be a gap in the system in relation to the determination of disputes involving small businesses.

The review has recommended that Treasury and ASBFEO should review evidence of gaps in the assistance and dispute resolution ecosystem for Australian small businesses, then implement targeted approaches to resolve these gaps and improve assistance outcomes.

We will continue to work with Treasury to ensure our digital platforms project aligns with the development of the Government's response to that review.

<sup>&</sup>lt;sup>1</sup> Australian Small Business and Family Enterprise Ombudsman Independent Review - Final report (treasury.gov.au)

To: Minister for Communications, Urban Infrastructure, Cities and the Arts, the Hon Paul Fletcher MP (for information)

Subject: Digital Platforms External Dispute Resolution Scheme

**Critical Date:** For information / Routine

Recommendations for Minister Fletcher: That you

1. 2.	Note the information provided in this brief.  Note that we are preparing a report with \$47C and	Noted / Please Discuss Noted / Please Discuss
3.	recommendations to be provided to you in September.  s 34(3)	Agreed / Not Agreed
Miı	nister's Signature:	Date:/ 2021
Min	Minister's Comments	Quality Rating  1. Very Poor 2. Poor

Purpose: To update you on the progress and early findings of the Digital Platforms Dispute Resolution Feasibility Study. \$ 47C | \$ 34(3) | \$ 34(2)

#### **Key Issues:**

- 1. In its response to the Digital Platforms Inquiry (DPI), the Government committed to develop a pilot External Dispute Resolution (EDR) Scheme to inform whether to establish a digital platforms ombudsman. We progressed this commitment through a feasibility study, to gather more evidence on the size and nature of the problem and need for Government intervention. The study is supported by research by Accenture.
- 2. Accenture has mapped the internal dispute resolution (IDR) processes of major digital platforms in Australia and the wider dispute resolution landscape. Accenture has also surveyed Australian users and small businesses, to better understand their experiences of digital platforms' IDR processes and to identify any opportunities for improvement.
- 3. Accenture's preliminary findings show that platforms have sophisticated automated systems to address the majority of issues before or immediately after they occur. However, of the estimated 4.2 million issues that users reported to platforms in 2020, platforms only

resolved 76 per cent. The remaining 24 per cent of issues, which were often the most complicated, remained either unresolved or were referred to Australian EDR bodies, such as regulators and ombudsmen. Under existing arrangements, there are limits on the ability of EDR bodies to resolve disputes with platforms due to jurisdictional issues, limited resourcing and enforcement powers. Accenture estimates that in 2020 the current dispute resolution landscape cost

\$4.2 billion in time taken to resolve issues, with \$3.7 billion of that borne by users and small businesses.



#### Sensitivities:

s 47C

#### **Financial Implications:**

7. s 47C

#### **Background/Issues:**

8. See Additional Information.

Communication/Media Activities: N/A

#### **Consultation:**

9. PM&C; Treasury; DISER; ACCC; TIO; ASBFEO; ACMA; Office of the eSafety Commissioner; DIGI; Google Australia; Twitter Australia; Facebook Australia; eBay Australia. \$ 47C

#### **Attachments:**

s 47C

Contact Officer: S 22 Cleared by: Bridget Gannon
Position: Position: Position: Assistant Secretary

Section: Digital Platforms Section Branch Digital Platforms & Online Safety

Phone/Mobile: \$22 Phone/Mobile: 02 6271 7079 / \$47F

Instructions for MAPS: Nil

Responsible Adviser: \$ 47F

Distribution CC List: Simon Atkinson, Richard Windeyer, Pauline Sullivan, Bridget Gannon, \$ 22

#### **Additional Information:**

The Australian Competition and Consumer Commission's (ACCC) Digital Platforms Inquiry final report (DPI report) (released 26 July 2019) identified concerns among consumers and businesses about the lack of effective dispute resolution procedures for the major digital platforms operating in Australia. The DPI report made two recommendations relevant to dispute resolution.

- Recommendation 22 that the Australian Communications and Media Authority (ACMA) develop industry standards for digital platforms' IDR processes, setting out specific requirements including transparency, visibility, accountability, and data safety, among others.
- Recommendation 23 that the Government establish an independent ombudsman to resolve complaints about digital platforms, covering complaints from businesses about advertising services, and complaints from consumers about scams, and that it should have the ability to compel information, make decisions that are binding on digital platforms, order compensation, and compel digital platforms to take down scam content.

In its response to the DPI (released 12 December 2019) the Government agreed in principle with the recommendations and committed to develop a pilot EDR scheme, the outcomes of which would inform its decision on whether to establish a Digital Platforms Ombudsman. The Government acknowledged an EDR mechanism would need to be tightly integrated with existing IDR processes. It further noted the merit of requiring digital platforms to demonstrate that their IDR processes are clear and transparent.



You then approved a new approach, for us to run a feasibility study (MS20-000687) \$\frac{\$\\$47C}{\$}\$ The study has several components:

- 1. Research on recent international legislation on digital dispute resolution processes or similar.
- 2. Mapping of digital platforms' IDR and complaints handling processes (undertaken by Accenture).
- 3. Survey of Australian consumer and small business experiences with digital platforms' IDR processes (undertaken by Accenture).
- 4. Stakeholder input via an Advisory Panel of government agency and industry representatives from:
  - Department of Industry, Science, Energy and Resources (DISER)
  - Australian Competition and Consumer Commission (ACCC)
  - The Treasury
  - Telecommunications Industry Ombudsman (TIO)
  - Australian Small Business and Family Enterprise Ombudsman (ASBFEO)
  - Australian Communications and Media Authority (ACMA)
  - Office of the eSafety Commissioner (eSafety)
  - Digital Industry Group Inc (DIGI)
  - Google Australia
  - Twitter Australia
  - Facebook Australia
- 5. Mapping of existing EDR mechanisms available to Australian consumers and small businesses. The research looks at the authority and powers, governance structures and resourcing requirements of industry-funded organisations, public ombudsmen, and regulators, such as ACMA; ACCC; state and territory small business commissions; and fair trading bodies.

To: Minister for Communications, Urban Infrastructure, Cities and the Arts, the Hon Paul Fletcher MP (for decision)

Subject: Digital Platforms – External Dispute Resolution (EDR) Feasibility Study - Final Report

Critical Date: Routine.

Recommendations for winnster Fletcher: That you	
1. Note the External Dispute Resolution (EDR) Feasibility Study Final Report.	Noted / Discuss
2. s 47C	
2.	Signed / Not Signed
3. s 47C	
J	Agree / Not Agreed
4. s 47C	
	Agree / Not Agreed
	D / / / 2021
Minister's Signature:	Date:/ 2021
Minister's Comments	<b>Quality Rating</b>
	1 V D
	1. Very Poor
	2. Poor
	3. Satisfactory
	4. Good
	5. Excellent

#### **Purpose:**

1. To provide you with the Final Report of the EDR Feasibility Study (the Report) (**Attachment A**) \$ 47C

#### **Key Issues:**

2. s 47C

s 47C

s 47C

3. **s 47C** The

Australian Communications Consumer Action Network released survey results on 29 November 2021 showing a high level of consumer concerns, including that three-quarters of Australians want better complaints-handling processes.

4. The Australian Competition and Consumer Commission (ACCC) has indicated that it will continue to examine consumer dispute resolution issues as part of its 5<sup>th</sup> interim Digital Platforms Services Inquiry report due in September 2022 (5<sup>th</sup> interim report). We will continue to work closely with the ACCC on these issues and provide input to its inquiry. § 47C

s 47C

s 47C

5. s 47C

#### **Sensitivities:**

6. s 47C

#### **Financial Implications:**

7. Nil.

#### **Background/Issues:**

8. Nil.

#### **Communication/Media Activities:**

9. Nil.

#### **Consultation:**

10. The Department has consulted widely throughout the project with major digital platforms and relevant government agencies. PM&C; Treasury; DISER; ACCC; TIO; ASBFEO; ACMA; Office of the eSafety Commissioner; DIGI; Google Australia; Twitter Australia; Facebook Australia; eBay Australia

#### **Attachments:**

Attachment A: Digital Platforms Industry External Dispute Resolution Scheme - Final Report s 47C

Contact Officer: S22 Cleared by: Kerstin Wijeyewardene

Position: Director, Digital Platform Market Position: Assistant Secretary

Branch: Platforms and News Branch Branch Platforms and News Branch

Phone/Mobile: 6271 1721 / \$ 22 Phone/Mobile: 6271 7533 / \$ 47F

Instructions for MAPS: Nil

Responsible Adviser: Kristine Kaukomaa

Distribution CC List: Simon Atkinson, Richard Windeyer, Pauline Sullivan, § 22

2

# **EDR Scheme Advisory Panel**

# Meeting Agenda

Wednesday 21 April 2021 / 1:30 pm / Williams Room, Nishi Building, 2 Phillip Law Street, New Acton

Teleconference facilities are available – see invite for dial-in instructions

#### **Attendees**

Member	Role and Agency	Contac	t Email		
Bridget Gannon (Chair)	Assistant Secretary, Digital Platforms and Online Safety Branch, Department of Infrastructure, Transport, Regional Development and Communications (DITRDC)	Bridget	Bridget.gannon@infrastructure.gov.au		
s 22	Director, Digital Platforms Section, DITRDC	s 22	@infrastructure.gov.au		
s 47F	Director, Technology Engagement and Investment Team, Technology and National Security Division, Department of Industry, Science, Energy and Resources (DISER)	s 47F @industry.gov.au			
Morag Bond	General Manager, Digital Platforms Branch, Australian Competition and Consumer Commission (ACCC)	Morag.bond@accc.gov.au			
Kate Reader	General Manager, Digital Platforms Branch, ACCC	Kate.reader@accc.gov.au			
Vicky Finn  Lead, Strategy and Regulatory Affairs, Telecommunications Industry Ombudsman (TIO)		s 47F			
Dr Craig Latham	r Craig Latham Australian Small Business and Family Enterprise Ombudsman (ASBFEO)		Craig.latham@asbfeo.gov.au		
Director, Media Bargaining Code Taskforce, Australian © acma Communications and Media Authority (ACMA)		@acma.gov.au			
Julia Fossi	lia Fossi Office of the eSafety Commissioner (eSafety)		Julia.fossi@esafety.gov.au		
Toby Dagg	Toby Dagg eSafety		Toby.dagg@esafety.gov.au		
s 47F	Managing Director, Accenture		s 47F		
s 47F	47F Managing Director, Accenture		s 47F		
s 47F	Director, Accenture	s 47F			
Observers: S 22	(DITRDC), s 22 (DITRDC), is 22 (DITR	RDC)			

#### Agenda

#### 1 Welcome and introductions (DITRDC)

#### 2 Feasibility Study and Design Project (DITRDC)

DITRDC is leading a feasibility study to assess the state of dispute resolution mechanisms in relation to digital platforms. The study includes three projects:

- Project 1 International best practice in digital dispute handling and resolution
- Project 2 Platforms' internal mechanisms and minimum standards
- Project 3 Evidence and analysis of scale and nature of consumer complaints

#### s 47C

#### Papers:

Feasibility Study and Design Project Timeframe

#### 3 The role of the Advisory Panel (DITRDC)

The Advisory Panel will participate in the projects, discuss the issues and findings in the projects, and \$ 47C

A contact list has been circulated with the agenda for panel members to update with primary and secondary contacts on EDR and related digital platforms issues.

#### Papers:

- Terms of Reference
- Contact list (for input by the Panel)

#### 4 Accenture / Projects 2 and 3 (DITRDC/Accenture)

DITRDC has contracted Accenture to progress Projects 2 and 3, in collaboration with the digital platforms and the members of the panel. Accenture is invited to give a brief overview of the projects for the Panel.

#### 5 Summary of the Digital Platforms Inquiry final report (DPI) and recommendations 22 and 23 (ACCC)

ACCC is invited to outline its findings from the DPI that led to the recommendations, and also any other relevant findings from other ACCC inquiries or reports.

#### Papers:

- Chapter 8 of the ACCC's DPI final report
- Regulating in the Digital Age Government's response to the ACCC's DPI final report

#### 6 Consumer and small business disputes regarding digital platforms (all)

This agenda item is an open discussion of consumer and small business complaints against digital platforms as observed by the panel members.

#### 7 Resourcing of the project (DITRDC)

Seeking secondees or other resources to support the project.

#### Attachments:

- a) Feasibility Study and Design Project Timeframe
- b) Advisory Panel Terms of Reference
- c) Contact list for panel member input
- d) Chapter 8 of the ACCC's DPI final report
- e) Regulating in the Digital Age Government response to the ACCC's DPI final report

# **EDR Scheme Advisory Panel**

#### **Meeting 1 Outcomes Summary**

#### Wednesday 21 April 2021

#### 1 Welcome and introductions

#### 2 Feasibility Study and Design Project

 DoITRDC introduced the EDR Scheme feasibility study to the Panel. The study is progressing the Government's commitment to introduce an EDR Scheme in response to the ACCC Digital Platforms Inquiry (DPI) final report.
 \$ 47C

#### 3 The role of the Advisory Panel

- The Panel discussed its role within the study, and how it will \$ 47C
- Terms of Reference were circulated and agreed by the Panel.

#### **Action items:**

The Panel members will review the circulated Contact list and provide input back to DoITRDC.

#### 4 Accenture / Projects 2 and 3

- Accenture outlined their projects to the Panel. The Panel discussed what it felt was in scope versus out of scope, and emphasised its interest in marketplaces and financial transactions as being in scope.
- The Panel supported the emphasis on IDR mapping in Accenture's work.
- The Panel discussed the particular complaints that might be received by an EDR Scheme. An EDR Scheme should not duplicate existing Government bodies that deal with legal complaints. However, a suggestion was made that an EDR should be ready to receive all complaints, and assist consumers to connect with appropriate resources for complaint resolution outside its remit or resolve those complaints within its remit.

#### **Action items:**

• The Panel members will provide further contacts for Accenture to DoITRDC to relay.

#### 5 Summary of the DPI final report and recommendations 22 and 23

- ACCC outlined its findings from the DPI that led to the recommendations noting that it focussed on Google and Facebook. ACCC also discussed its ongoing work in the Digital Platforms Services Inquiry, including its work looking at platforms' Terms and Conditions, and discussed challenges with jurisdiction issues.
- ACCC also noted that there is a Change.org petition, complaining about malicious use of search terms, ad
  words, etc. It suggested that this might be a good source of contacts for Accenture to seek more information
  about that type of complaint.

#### 6 Consumer and small business disputes regarding digital platforms

• The Panel shared each of their agencies experience with consumer and small business complaints.

#### **Action items:**

• eSafety will contact DoITRDC to provide further information about its discussions with platforms as regards Safety by Design and other issues.

#### 7 Resourcing of the project

#### **Action items:**

The Panel will liaise with DoITRDC offline to discuss resourcing / potential secondments.

# **EDR Scheme Advisory Panel**

# Meeting Agenda

Wednesday 2 June 2021 / 3:00 pm / Daintree Room, Nishi Building Level 4, 2 Phillip Law Street, New Acton

Teleconference facilities are available – see invite for dial-in instructions

#### **Attendees**

Bridget Gannon (Chair)	Assistant Secretary, Digital Platforms and Online Safety Branch, Department of Infrastructure, Transport, Regional Development and Communications (DITRDC)
Pauline Sullivan	First Assistant Secretary, Online Safety, Media and Platforms Division, DITRDC
22	Director, Digital Platforms Section, DITRDC
s 47F	General Manager, Consumer Policy Unit, Treasury
s 47F	General Manager (a/g), Technology Policy and Engagement Branch, Technology and National Security Division, Department of Industry, Science, Energy and Resources (DISER)
s 47F	Director (a/g), Technology Engagement and Investment Section, Technology and National Security Division, DISER
Morag Bond	General Manager, Digital Platforms Branch, Australian Competition and Consumer Commission (ACCC)
Kate Reader	General Manager, Digital Platforms Branch, ACCC
Vicky Finn	Lead, Strategy and Regulatory Affairs, Telecommunications Industry Ombudsman (TIO)
Dr Craig Latham	Australian Small Business and Family Enterprise Ombudsman (ASBFEO)
s 47F	Director, Media Bargaining Code Taskforce, Australian Communications and Media Authority (ACMA)
Julia Fossi	Office of the eSafety Commissioner (eSafety)
Toby Dagg	eSafety
Justin Mining	Government Affairs and Public Policy, Google Australia
Josh Machin	Head of Public Policy, Facebook Australia
Kara Hinesley	Director of Public Policy, Twitter Australia

Sunita Bose	Managing Director, Digital Industry Group Inc (DIGI)			
Dr Jenny Duxbury	Senior Adviser Public Policy and Regulatory Affairs, DIGI			
Observers: \$ 22 (ACCC), \$ 47F	(DITRDC), \$ 22	(DITRDC), s 22	(DITRDC), <mark>s 22</mark>	

#### Agenda

#### 1 Welcome and introductions (DITRDC)

#### 2 Feasibility Study and Design Project progress update (DITRDC)

Meeting Paper 1 – Report 1: International Approaches to Regulating Dispute Resolution Processes for Digital Platforms

DITRDC is leading a feasibility study to assess the state of dispute resolution mechanisms in relation to digital platforms. The study comprises three projects:

- Project 1 International responses to digital dispute handling and resolution report
  - See Meeting Paper 1
- Project 2 Mapping a sample of platforms' internal mechanisms and IDR standards
  - Mapping process being progressed by Accenture in collaboration with platforms
- Project 3 Understand the scale and nature of consumer and business concerns
  - Business and consumer surveys and interviews completed by Accenture
  - Department to commence analysis of available data

## 3 Discussion and feedback on Report 1: International Approaches to Regulating Dispute Resolution Processes for Digital Platforms (All)

DITRDC has circulated the draft report to panel members (Meeting Paper 1).

#### 4 Update on IDR processes (Platforms)

Representatives from Google, Facebook and Twitter are invited to provide an update on how complaints handling and dispute resolution processes have changed or improved since the DPI final report was released in 2019.

- What did IDR look like 2 years ago, how does it look today, and what changes do you expect in the next 2 years?
- Do platforms see opportunities to improve the experience of users in dispute processes?
- How have overseas developments affected platforms' operations in Australia and globally?
- Are there international approaches that are more successful than others?

#### **Meeting Papers:**

a) Report 1: International Approaches to Regulating Dispute Resolution Processes for Digital Platforms (draft)

# **EDR Scheme Advisory Panel**

#### **Meeting 2 Outcomes Summary**

#### Wednesday 2 June 2021

- 1 Welcome and introductions (DITRDC)
  - N/A

#### 2 Feasibility Study and Design Project progress update (DITRDC)

- DoITRDC clarified the scope of the project. The policy questions ask whether there a role for Government here? And if so, what is it? We examine whether platforms have T&Cs that commit to having complaints handling processes, whether those processes exist, and whether those processes need supplement/support from Government. The project does not specify type or subject of complaint.
- DoITRDC acknowledged that the Accenture research will always have limitations in sample size, but that the mapping is one part of the whole project.

#### **Action items:**

- Platforms and ACCC will send information/research directly to DoITRDC, to supplement Accenture's work.
- DoITRDC will share what it can of this further information with the Panel as appropriate.

### 3 Discussion and feedback on Report 1: International Approaches to Regulating Dispute Resolution Processes for Digital Platforms (All)

Platforms reaffirmed their commitment to having good complaints handling processes, and noted that those
processes are being continuously refined and improved upon. Platforms try to introduce improvements that
are globally consistent, and – while always behaving with respect to local laws - will look to integrate smart
regulation that is consistent with company policies and values. No one jurisdiction is more influential than any
other.

#### **Action items:**

• The Panel will provide feedback on draft Report 1.

#### 4 Update on IDR processes (Platforms)

- Platforms provided a summary overview of their complaints processes, as well as any recent improvements.
   Facebook and Twitter spoke to their strong relationships with current regulatory bodies as an additional enhancement outside of their continually improving complaints handling processes.
- Twitter emphasised that, while it is tempting to see platforms as homogenous, they are increasingly different businesses and their complaints handling processes are purpose built to respond to each platform's unique business model. Regulations that require a particular type of complaints handling process may not translate to improved consumer experiences.
- Agencies discussed the need for familiar and consistent entry points to complaints processes across platforms.
   Consumers should be able to expect a complaints centre to exist, and know whereabouts to locate it regardless of the topic of the complaint.
- DoITRDC will consider feedback to refine the scope of the project to particular platforms or businesses, and to differentiate between 'outrage complaints' and 'transactional complaints'.

#### **Action items:**

• DoITRDC will present options to the platforms for how we will consult further, after the Accenture project is completed.

# **EDR Scheme Advisory Panel**

# Meeting Agenda

Tuesday 27 July 2021 / 10:30 am / Tjakamarra Room, Nishi Building Level 3, 2 Phillip Law Street, New Acton

Teleconference facilities are available – see invite for dial-in instructions

#### **Attendees**

Assistant Secretary, Digital Platforms and Online Safety Branch, Department of Infrastructure, Transport, Regional Development and Communications (DITRDC)				
First Assistant Secretary, Online Safety, Media and Platforms Division, DITRDC				
Director, Digital Platforms Section, DITRDC				
General Manager, Consumer Policy Unit, Treasury				
General Manager (a/g), Technology Policy and Engagement Branch, Technology and National Security Division, Department of Industry, Science, Energy and Resources (DISER)  General Manager, Digital Platforms Branch, Australian Competition and Consumer Commission (ACCC)  General Manager, Digital Platforms Branch, ACCC				
			Vicky Finn  Lead, Strategy and Regulatory Affairs, Telecommunications Industry  Ombudsman (TIO)	
			Australian Small Business and Family Enterprise Ombudsman (ASBFEO)	
Director, Media Bargaining Code Taskforce, Australian Communications and Media Authority (ACMA)				
Office of the eSafety Commissioner (eSafety)				
(DITRDC), s 22 (DITRDC), s 22 (DITRDC), DC/ACCC), s 47F (ACCC), s 47F (eSafety), MA), s 47F (Treasury)				

#### Agenda

#### 1 Welcome and introductions

#### 2 Outcomes of IDR mapping and survey of consumer and small business experiences

Meeting Paper 1 – Accenture Dispute Resolution Final Report

DITRDC provide an overview of the outcomes of Accenture's research, including:

- Platforms' IDR processes and innovations in DR technologies
- The resolution rates and user satisfaction at each stage of the DR process
- Consumer and small business experiences using platforms' IDR processes

Following this meeting, DITRDC invites verbal and written feedback from the Panel on the Accenture Report.

#### 3 DITRDC research into existing Australian EDR bodies and powers

Meeting Paper 2 – Summary of external dispute resolution ecosystem and agency powers

DITRDC is researching the functions of existing EDR bodies and their powers to address in-scope issues. We will reach out to relevant Panel members to provide their input by 9 August.

4 Options to address user and small business dissatisfaction with the digital platforms industry's dispute resolution processes

3	47	C		

5 Next steps and timing

Feedback by 9 August

#### **Meeting Papers:**

- a) Meeting Paper 1 Accenture Dispute Resolution Final Report
- b) Meeting Paper 2 Summary of external dispute resolution ecosystem and agency powers
- c) s 47C

# **EDR Scheme Advisory Panel**

# Meeting 3 Outcomes Summary

#### Tuesday 27 July 2021

Item	Торіс				
2	Outcomes of IDR mapping and survey of consumer and small business experiences  Noted Meeting Paper 1.				
3	DITRDC research into existing Australian EDR bodies and powers  Noted Meeting Paper 2.  Action items:  Panel will give written feedback on Meeting Paper 2, including responses to the questions, by 9 August.				

Noted Meeting Paper 3.

#### **Action items:**

• s 47C

s 47C



To	o: Pauline Sullivan (for noting)	Through:	Bridget Gannon Assistant Secretary Digital Platforms and Online Safety
	ming: N/A  ubject: Digital Platforms External Dispute Resolution	on (EDR) Scheme -	- MYEFO
R	Recommendation:		
Т	That you note this brief	Noted / Plea	ase Discuss
	ignature:Pauline Sullivan	Date:	
Ke	ey Points:		
1.	On 24 December 2020, the Prime Minister wrote t Infrastructure, Cities and the Arts ('the Minister')	to the Minister for s 34(3)	Communications, Urban
2.	The Minister has been asked to bring forward to the	ne s 34(3)	
3.	The Digital Platforms Section is preparing a brief Accenture phase of the project, and to propose next the Minister's Office in July. \$ 47C		

4. s 47C

5. Consultation Details: T<sup>S</sup> 47C

The Government's

response to those recommendations was to:

- a. develop a pilot external dispute resolution scheme in consultation with major digital platforms, consumer groups and relevant government agencies;
- b. assess the development and rollout of the pilot scheme over the course of 2020, along with any parallel improvements in associated internal dispute resolution processes; and
- c. to use the outcomes of the pilot scheme to inform consideration of whether to establish a Digital Platforms Ombudsman to resolve complaints and disputes between digital platforms and the individual consumers and small businesses using their services.
- 6. **Stakeholder Implications:** The policy options that are developed will have implications for key regulators, ombudsmen and industry stakeholders, particularly major digital platforms. Google has requested further information about the process and wants to remain closely engaged in the policy development stage.

Name: **Bridget Gannon**Position: **Assistant Secretary** 

Division: Content Ph: 6271 1913

Mob: **S 47F** 

Date: July 2021

Contact Officer: \$ 22

Section: Digital Platforms

Ph: \$ 22

Mob: \$ 22

**Attachments:** 

s 47C s 47C

PROTECTED CABINET