

18 August 2021

The Australian Competition and Consumer Commission
digitalmonitoring@accc.gov.au

Dear Sir/Madam

Submission: Digital Platform Services Inquiry – March 2022 Report on General Online Retail Marketplaces

The Consumer Electronics Suppliers Association (CESA) welcomes the opportunity to make a brief submission on the above Discussion Paper.

CESA is the premier national, industry body in Australia representing the consumer electronics industry. CESA Members encompass the majority of global suppliers of consumer electronic products to the Australian and New Zealand markets and also include major retailers of consumer electronic products. Thus, CESA is a key stakeholder of the Australian Consumer Law (ACL) regulatory requirements for suppliers.

General Comments

It is the view of CESA Members that the ACCC should consider online marketplaces to be suppliers under Australian Consumer Law (ACL) and as a consequence, subject to the full weight and same requirements as ordinary bricks and mortar retailers. The current approach disadvantages traditional retailers as they have to ensure they are conducting sufficient proactive due diligence on their products or risk severe penalties under the ACL (the ACCC doesn't hesitate to enforce), while online marketplaces seem to be able to get away with signing up to a vague, voluntary safety pledge and only taking reactive measures if something is later found to be non-compliant.

The principal concern of CESA Members is that some online sales of their products by large online suppliers do not meet Australian regulatory requirements for electrical safety. For example, some products do not have the Australian cord/plug for the Australian electrical socket. This is an example of parallel brands entering Australia without complying with Australian electrical safety regulations.

Online marketplaces continue to increase their market-share in Australia, and by allowing a different set of rules to traditional retailers create a less competitive market and potential compromise of product safety and supply of non-compliant product.

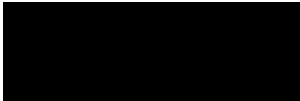
CESA Members agree that complaints raised with the ACCC regarding the practices of some online suppliers must be addressed:

- risk of consumer harm from products sold through the online market
- the quality of goods sold in these marketplaces;
- timeliness of payment remittance to sellers;
- how goods are put on display on the online marketplaces, and
- the level of support provided by marketplaces to consumers when disputes arise.

The risk of consumer harm in online marketplaces can come in varied forms. The ACCC launched the Australian product safety pledge, a voluntary initiative that commits its signatories (online suppliers) to a range of safety related responsibilities. However, as mentioned above, the Pledge is only a voluntary commitment and lacks any real follow-up or enforcement. As the Issues Paper states, the pledge only covers consumer harm which arises from unsafe products. Issues relating to the use of seller data, the prevalence of fake reviews, display of products on marketplaces, and terms and conditions imposed on third-party sellers are not addressed by the Pledge.

CESA looks forward to further consultation with the Commission on the Issues Paper and is happy to clarify any of the comment above

Yours sincerely



Ian McAlister
Chief Executive Officer