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4 June 2018
Ms Rose Webb
Commissioner
NSW Fair Trading
PO Box 972
Parramatta
NSW 2124

By email: complaintsregister@finance.nsw.gov.au

Dear Ms Webb

Thank you for the opportunity to attend the roundtable held by NSW Fair Trading chaired by John Tansey on Wednesday 16 May 2018 in Sydney. Ai Group commends NSW Fair Trading on a well-managed session that allowed all stakeholders to discuss their concerns.

Ai Group's position on the NSW Fair Trading database remains the same as outlined in our correspondence to the NSW Government dated 1 July 2016 and 10 April 2017. We have enclosed these documents for your reference.

Ai Group continues to **support** the register on the basis that it has *potential* to encourage consumer facing businesses to improve performance by acting on customer complaints. The scheme has been operating for 19 months however Ai Group has yet to sight any data that the scheme has benefited either industry or consumers. In some cases it appears, from examining the register, that the performance of some well-known consumer goods organisations, in terms of the incidence of complaints, have actually deteriorated. Ai Group encourages NSW Fair Trading to release data to demonstrate that the policy objectives of the scheme are being met.

We reiterate our position that the complaints register lacks procedural fairness given there is no recourse for a company to either dispute the validity of a complaint lodged against it or to provide a context for the complaint. This was a consistent concern raised at the recent round table and Ai Group recommends that NSW Fair Trading include a provision in the register to allow companies to comment on the number and nature of complaints.

NSW Fair Trading has posed questions that Ai Group has answered below.

1. How relevant is the information published on the Register?

Ai Group believes that the register only has limited relevance to the consumer as they do not have access to the complete picture relating to a given complaint nor is detailed product information available. The register does not allow the supplier to provide a context to the complaint. For example, information that allows a consumer insight on the nature of the complaint that may relate to either the quality of the product, the warranty solution, delivery expectations or breach of ACL requirement would be beneficial.

2. What sort of improvements to the information on the Register would you suggest?

Ai Group recommends that companies have the right to be able to publicly respond to the complaint lodged against them including the ability to provide a context for the complaint i.e. their side of the story. Ai Group has previously raised concerns that a single threshold of 10 complaints a month does not allow for differentiation between a company with a large sales volume (where a higher number of complaints might not be unexpected) compared to one with a small volume.

Consideration to also be given to splitting complaints about products from complaints about service. Members have advised that complaints against their brands have been known to occur with service companies that are not controlled by them. The nature of a product is very different to that of a service and hence they should be treated differently. A one size fits all approach is not appropriate.

3. Should the Complaints Register only include data about complaints received (as opposed to outcomes)?

Companies should be able to choose the nature of the information they provide as a context that may or may not include data on complaint resolutions or outcomes.

4. Should any further information about the resolution of those complaints be included? Why?

See our response above.

5. Should Fair Trading change the minimum number of complaints required before a business appears on the Register? If so, what should the number be? Why?

As touched on previously Ai Group is not aware of any data from NSW Fair Trading that would indicate that the policy objectives of the scheme are being met and hence we do not support any reduction to the quantum of the threshold until such evidence is provided (see also our comments in Item 2 above).

6. How often should the Register be updated (e.g. monthly, quarterly, six monthly)? Why?

Ai Group recommends that the interval of one month should be left as is. If it is to be changed then the threshold must also be altered e.g. if the accumulation period was set to three months then the threshold for complaints would have to be increased to 30.

Ai Group recommends that period for publication be reduced. March data is currently published late in May. We believe that a 30-day cycle would be more useful.

7. How long should each edition of the Register remain published on the NSW Fair Trading website? Is the current 24 months appropriate, or should it be longer or shorter? Why?

NSW Fair Trading should conduct a 'click' analysis on the older reports to ascertain if they are still being accessed and use this as a basis for making this decision. Notwithstanding this it is important that the editions do not remain on the register indefinitely so that companies who improve their complaint handling are not disadvantaged.

8. How well is the current policy on the grouping of franchised businesses working, including the breakdown by location? What changes would you suggest?

Ai Group supports breaking complaint data down to retailers and franchisees based on location (where they have been aggregated under an umbrella brand) however we believe that this could encourage individual franchises to push complaints up the supply chain to manufacturers thus distorting data on the register.

See also our comments in Item 9 below.

9. Should the same approach be taken with chains and related companies/corporate groups even if they operate under different brands? Why?

Ai Group believes that businesses should be individually held accountable for variables that they control and hence we do not support aggregation of complaints under an “umbrella” brand. Ai Group has previously submitted

Companies should be given the right to make a case to NSW Fair Trading on what “trading” or “brand” names should be used for complaint logging purposes on the basis of business structure and / or ownership.

Many companies may share a brand but have independent operations and supply/distribution chains in Australia. Whilst a consumer may only discern a single brand there may be no ability for the organisations that operate under the brand umbrella to collectively control variables such as product quality that can result in complaints.

10. How well has the process of notification to businesses about their imminent appearance on the Register been working? What changes would you suggest?

Ai Group’s members are unclear, apart from this being a courtesy by NSW Fair Trading, as to what action members can or should take during this time.

11. Is three working days a suitable period of notice? Should it be shorter or longer?

As above

12. What changes, if any, do you think should be made to the published format of the Register?

Ai Group recommends that consideration should be given for the register to differentiate between complaints made against suppliers of a service compared to that of a product. Members do not always have control over service entities that repair their products (see Item 9) and the processes and procedures that govern both are also very different.

We also believe that from a consumer perspective information should be provided on the product that is the subject of the complaint.

I would welcome the opportunity to discuss this important issue with you further.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Goodsell', written in a cursive style.

for
Mark Goodsell
Head – NSW
Ai Group

Encl.