

Inquiry into the trade system and digital economy

finder.com.au

Thank you for the opportunity to provide a submission to the Joint Standing Committee for Trade and Investment Growth.

finder.com.au ("Finder", "we"), Australia's most visited comparison site, commends the Committee for the timing of this review. In our opinion, increasing demand for digitised services necessitates careful consideration of the "Trade system and digital economy" and the reforms required to maintain a strong and dynamic economy.

In our experience, consumers now expect frictionless digitised services that optimise their choices and reduce their costs. The challenge, in the absence of a common Digital Standard, is that consumers seldom enjoy the frictionless digitised services they expect.

Innovation

We are confident that Australia's trade architecture and regulatory system can adapt to the contemporary needs of the digital economy and disruptive technology. Australia has a long tradition of innovation and we're confident that Australia has the leadership capable of effecting the necessary changes. We encourage the Committee to support the innovation needed to facilitate the provision of digitised services in a manner that neither disproportionately benefits incumbents nor restricts competition.

As Australia's most visited comparison site, with more than 5 million visitors a month, Finder is well positioned to speak about consumer preferences and the digital economy. As a digital business, we have a strong understanding of the practical challenges faced by consumers and businesses and the opportunities of the digital economy.

The importance of security & consumer protection

Both consumers and businesses prioritise security, convenience and choice. Our 2017 survey of over 500 businesses identified that dealing with regulations is the largest pain point for Australian businesses¹. Likewise, these businesses, a majority of which earn income through the provision of digital services², prioritise efficiency and innovation³ and would therefore welcome regulatory improvements. In this respect, any legislative initiative that promotes competition while addressing business' apprehension about large, international digital brands is only likely to increase consumer confidence and activity.

¹ 30% of 500 respondents identified regulations as their biggest pain point. Finder.com.au 2017 "Business Sentiment Survey".

² 58%. Ibid.

³ Ibid. The top three priorities were identified as "becoming more efficient" (58%), "becoming innovative" (43%) and developing an online presence" (30%)

Finder is a digital service that compares 50+ product categories, including credit cards, home loans, savings and transaction accounts, personal loans and travel money. We inherently appreciate that both businesses and consumers want to maximise their choices while reducing their costs. The growth of the digital economy is grounded, to a great extent, on fulfilling these needs far more effectively, and more consistently, than old-economy businesses. Australian consumers' embrace of amazon.com is, in our opinion, a reflection of their success in addressing these needs.

Although we'd recommend the development of a Digital Standard, we do not consider that large-scale reforms are necessary to encourage the evolution of digitised services that:

- Promote choice and competition;
- Reduce service and product costs;
- Improve security;
- Minimise duplicated services; and
- Increase transaction speed.

The vitality of regulation for the sake of consumer protection

We urge the Committee to consider reforms that will remove friction and bureaucracy but believe that equal attention has to be directed to protecting consumers' security and access rights. Collaboration, incremental reforms and continuous improvement are, in our view, necessary to ensure that the Committee's aims deliver increased productivity, more competition and better consumer outcomes.

Finder recommends that the Committee consider the need for, and appropriateness of, the *Treasury Laws Amendment (GST Low Value Goods) Bill 2017*. We appreciate the public policy issues underpinning this amendment but believe that the reform will limit choice and competition.

We recognise and accept the need to allow for competing approaches but would suggest that any alternatives considered by the Committee should neither frustrate the intent of the reforms nor work to the disadvantage of either consumers or participants. Any proposed alternatives must meet, and exceed, the current requirements and must not be recommended merely as a means to avoid increased competition. In Finder's view, any proposed reforms must also be technologically and competitively neutral.

Regards,

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