

10 July 2023

Richard McMahon

General Manager – Government and Regulatory
Australian Retail Credit Association

By email: [REDACTED]

Dear Richard,

RE: ARCA Credit Reporting Code review

Thank you for the opportunity to provide input into ARCA Credit Reporting Code Review. Our comments are limited to proposal 6.

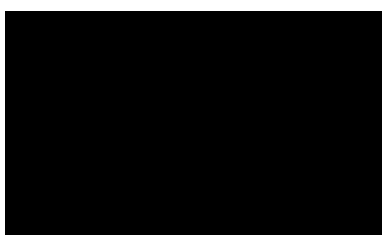
The paper asks how account open date, account close date, credit limit and credit term should apply to credit provided by the telecommunications and utility businesses.

In short, none of these concepts translate well into the telecommunications space, and attempts to make them fit would likely yield inaccurate data that would not be fit for purpose. Additionally, such reporting requirements would require considerable system development and would fail any cost-benefit analysis. Communications Alliance does not, therefore, support either credit limit or credit term reporting requirements for the telco sector.

In relation to the credit term, we agree with the Discussion Paper's statement that, *"the 'credit term' should not be included, as the arrangements are more similar to revolving arrangements (which can continue indefinitely) than e.g. a fixed term loan."*

Account open and close dates cannot be defined by connection and disconnection rates. Unlike utilities, telecommunications operators may not operate a physical connection to a fixed address, and service may not be instant or easy to clearly identify. Disconnection can also be variable. For example, mobile accounts often remain active for a period after credit expiry rather than being disconnected immediately and can be reactivated during this period. It is not clear whether a disconnection date would refer to the credit expiry date or to the end of the 'grace period'. Additionally, where customers are on month-to-month commitments, the concept of an open or closed account would be near impossible to manage on a timely and accurate basis.

Yours sincerely,



John Stanton
Chief Executive Officer