

**COMMUNICATIONS
ALLIANCE LTD**



**Australian Communications and Media Authority's
Proposed changes to labelling arrangements – Implementation of a
consolidated regulatory compliance mark and electronic labelling**

Submission by Communications Alliance

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Australian Communications and Media Authority's

Proposed changes to labelling arrangements – Implementation of a consolidated regulatory compliance mark and electronic labelling

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1 INTRODUCTION

Communications Alliance is pleased to have the opportunity to comment on the Australian Communications and Media Authority's Consultation Paper on *Proposed changes to labelling arrangements – Implementation of a consolidated regulatory compliance mark and electronic labelling* (the Discussion Paper).

Communications Alliance believes it is in the best interests of industry, customers, regulators and government that the industry takes responsibility for assisting with the development of practical consumer protection measures which facilitate both increased consumer confidence and opportunities for industry growth.

In doing so, Communications Alliance seeks to facilitate open, effective and ethical competition between service providers while ensuring efficient, safe operation of networks, the provision of innovative services and the enhancement of consumer outcomes.

The themes presented in this submission reflect the views expressed by the members of Communications Alliance involved in the supply of customer equipment and technical regulation.

Communications Alliance

Communications Alliance is the peak telecommunications industry body in Australia. Its membership is drawn from a wide cross-section of the communications industry, including service providers, vendors, consultants and suppliers. Its vision is to provide a unified voice for the telecommunications industry and to lead it into the next generation of converging networks, technologies and services. The prime mission of Communications Alliance is to promote the growth of the Australian communications industry and the protection of consumer interests by fostering the highest standards of business ethics and behaviour through industry self-governance. For more details about Communications Alliance, see <http://www.commsalliance.com.au>.

2 EXECUTIVE SUMMARY

The members of Communications Alliance who have contributed to the review of the ACMA Discussion Paper have indicated that they generally support the proposal for the consolidation of the C-Tick, A-Tick and RCM into a single compliance mark.

Any proposed changes to the ACMA labelling arrangements must take into account the implementation of the new Electrical Equipment Safety System (EESS) by the Electrical Regulatory Authorities Council (ERAC), in particular the timing of its introduction.

The introduction of a consolidated compliance mark in Australia also has the potential to cause confusion for the New Zealand market and this aspect of any proposed changes need to be carefully managed.

The introduction of electronic labelling is supported.

3 GENERAL OBSERVATIONS

The objective of the proposal as presented in the Discussion Paper is to reduce the costs associated with the supply of electrical and electronic devices through the introduction of a consolidated compliance mark. Any changes to the labelling arrangements need to be carefully considered in light of this objective.

In particular, any changes to these arrangements must take into account the implementation of the new *Electrical Equipment Safety System (EESS)* by the *Electrical Regulatory Authorities Council (ERAC)*. The final Regulatory Impact Statement (RIS) was signed in May this year and the new system is scheduled to be introduced in July 2011.

Although the details of the EESS are unknown at this stage, it is understood that it is proposed to classify all electrical equipment (excluding battery operated equipment) into three classes (*Low, Medium and High risk*), with all *Medium* and *High* risk equipment to be registered on a national database. All suppliers are also to be registered on a national database.

As the proposed EESS will introduce considerable additional economic and resource impost on industry (i.e. requiring a test report for almost all mains powered devices and registering every device on a database), the consolidated compliance mark does not in itself introduce any significant additional costs of resource requirement. The proposed EESS does and therefore influences the proposal as presented in the *Discussion Paper*.

As there is significant overlap of communications equipment that will be subject to the EESS, any discussion of changes to the communications labelling arrangements would need to be synchronised with the EESS, particularly if the RCM is the single mark that is to be implemented by the ACMA and also with

respect to the introduction of a database. An early introduction of changes to the communications labelling arrangements may lead to considerable impost to the communications industry, the uncertainty of the level of the impost compounded by the fact that the details of the EESS are still forthcoming.

4 RESPONSE TO QUESTIONS

Consolidated regulatory compliance mark

1 Do you support the consolidation of the C-Tick, A-Tick and RCM into a single compliance mark? If not, why not?

The objective of a consolidated compliance mark is generally supported noting the issues raised in the remainder of this submission.

2 Are there any additional benefits to a consolidated compliance mark?

There were no benefits identified in addition to those identified in the *Discussion Paper*.

3 Are there any detriments to using a consolidated compliance mark?

In addition to the issues discussed under *General observations* (related to the EESS) and Question 4 (related to the TTMRA) that need to be considered, the introduction of a consolidated compliance mark will introduce upfront costs, such as changes to artwork and documentation.

Again it needs to be emphasised that in relation to the EESS, the lack of details of the changes to the electrical regulations make it difficult to fully gauge how it will impact on any proposed changes to the communications labelling arrangements.

4 What implications does the TTMRA have for the implementation of a consolidated mark?

Industry members in Australian and New Zealand have learnt to manage the differences between the New Zealand and Australian communications regimes. For example it was noted that the A-tick which is affixed to telecommunications equipment and also the C-Tick when affixed to radiocommunications equipment supplied to the Australian market have no application in New Zealand.

The introduction of a consolidated compliance mark in Australia has the potential to cause confusion for the New Zealand market unless this is carefully managed.

It is also pointed out that there is an apparent contradiction between the first and second paragraphs in Section 4.6 of the *Discussion Paper*. By way of clarification, the TTMRA does not cover radiocommunications (transmitter) requirements, contrary to what is stated in the first paragraph.

5 What role should AS/NZS 4417 play in the operation of the RCM?

In agreement with the *Discussion Paper*, it is suggested that the fact that AS/NZS 4417 does not apply to the ACMA administered regulations should be made clearer. It is acknowledged that the 'conditions of use' for the RCM are already addressed by each of the ACMA regulatory instruments (i.e. Labelling Notices) that allow the use of the RCM as an alternative to the C-Tick mark.

6 What should the CTM Rules for the RCM include?

It is recognised that the Certified Trade Mark (CTM) Rules is an issue for the ACMA and Standards Australia. It is felt to be inappropriate for Standards Australia to own the RCM trade mark rights if the RCM is to become the single mark used to indicate compliance with electrical regulations and all the ACMA regulations.

7 Should the amended Labelling Notices require the issue and/or display of a supplier code number?

It is acknowledged that the lack of the supplier code number on equipment simplifies labelling requirements but removing this piece of information from equipment has disadvantages.

The main issue relates to the parallel importing of the same equipment models by different suppliers, either directly or via their agents. Without any identifying codes on a device, the traceability of the device would generally fall back on following the supply chain of the device.

If a centralised database is used, the question asked is how suppliers/agents are identified against imported products if those products are not labelled with a supplier code.

8 Should there be a common database for all products marked with the RCM?

Notwithstanding the proposed introduction of the EESS as discussed under Question 1, the need for a database for communications equipment was not necessarily apparent as it was felt that it was not adding any extra value.

If the EESS does proceed with the introduction of a national database, then as discussed under other questions of the *Discussion Paper*, any changes to the communications labelling requirements needs to be coordinated with the EESS. Even so, this would still capture devices that would not be captured under the EESS requirements, no matter what they are, such as battery powered devices like mobile phones because such devices are not connected to the mains supply and therefore not captured by the EESS arrangements.

Consideration may also need to be given to the Compliance Level classifications in the *Telecommunications Labelling Notice* and how they relate to the three classes as defined in the EESS if a common mark is used.

9 What are the funding issues associated with a common database?

No specific comment for this question.

10 What other administrative issues are likely to arise in relation to a common database?

See discussion under Question 7 related to the supplier code number.

11 What additional administrative costs are likely to arise in relation to a consolidated mark?

If the EESS is introduced first, there will be significant additional costs to industry. Providing the ACMA move to a single compliance mark is subsequent to the introduction of the new EESS arrangements then no additional cost over and above those in relation to the new EESS arrangements were identified in relation to the introduction of the ACMA proposal.

It was confirmed that there should not be any introduction of an application fee for the use of a consolidation compliance mark.

12 What are the production costs associated with implementation of a consolidated mark?

No further production costs were identified in addition to those noted in the *Discussion Paper*.

13 How can those costs be determined?

No specific comment for this question.

14 Taking into account the ERAC proposal to use the RCM, should the consolidated mark be used just as a regulatory mark or a consumer mark as well?

Although there were some benefits in a consolidated compliance mark being considered as a consumer mark, the existing labelling arrangements were predominantly seen as a means for industry to identify product compliance. Anecdotally, it was felt that most consumers were unaware of the meaning of the compliance marks on communications products.

15 What education awareness activities should be undertaken to promote awareness of the mark?

It was agreed that in line with the points raised in the *Discussion Paper*, an education and awareness campaign carried out by the ACMA and targeted to industry would be beneficial to educate industry on changes to the labelling arrangements.

16 What should be the transitional arrangements for the consolidated mark?

If a consolidated mark is introduced, coordination with the introduction of the EESS is essential and to be consistent with present standard practice in the introduction of new requirements under the TLN, there should be a phase-in period of two years from the date the changes are introduced in the respective Labelling Notices.

Electronic labelling

17 Are there any additional benefits to electronic labelling?

No further benefits were identified in addition to those noted in the *Discussion Paper*.

18 Are there any detriments to electronic labelling?

With the proposed introduction of electronic labelling, the following items were identified for consideration:

- the electronic label should be displayed via the user interface when the device is booting up.
- the electronic label should be embedded in the firmware of the device and should be implemented to minimise tampering.
- some devices that do not have a display of their own but that are designed to be connected to a device that does include a display may be eligible to incorporate electronic labelling providing they have the electronic label information encoded into firmware so that when they are connected to a device with a display, such (e.g. a computer) the electronic label information could be automatically displayed on the connected device.

19 Do you support the proposed changes regarding electronic labelling?

Industry supports the introduction of electronic labelling.

20 Should suppliers be required to label both the accompanying documentation and the packaging of the device if using electronic labelling?

Industry felt that the labelling of the accompanying packaging in addition to electronic labelling was seen as good practice and of potential marketing benefit but that it does not need to be mandated.

21 Do you have any other comments or observations on the electronic labelling proposal?

No further comments in addition to those noted under Question 18.

Future issues

22 Should consideration be given to extending the mark to other regulatory topics?

Industry acknowledged that extending the mark to other regulatory regimes was possible but was considered to be premature at this point in time.

23 What role should labelling play in future technical regulatory arrangements?

No specific comment for this question.

5 CONTACTS

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