

25 November 2016

Dr Heather Smith PSM  
Secretary  
ACCAN Review  
Department of Communications and the Arts  
by e-mail to [accanreview@communications.gov.au](mailto:accanreview@communications.gov.au)

Dear Dr Smith

**Consumer representation: Review of section 593 of the *Telecommunications Act 1997* Issues paper**

The Telecommunications Industry Ombudsman (TIO) welcomes the opportunity to make a submission to the review of section 593 of the *Telecommunications Act 1997*.

**Summary of our submission**

The TIO believes ACCAN should continue to be funded. The complexities of the telecommunications industry are such that:

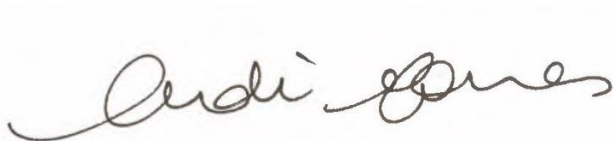
1. A telecommunications specific consumer organisation provides value
2. Consumer advocacy from a single body representing all consumers is efficient and effective
3. ACCAN is effectively performing its role
4. There is the opportunity to expand ACCAN's role to provide more consumer education

Our submission, broadly addressing questions 1, 2, 3, 4, 4a, 4b, and 9, is attached to this letter.

If you have questions or would like more information on the issues covered in the TIO's submission, please contact Ms Karen Pircher on 03 8600 8784 or [Karen.pircher@tio.com.au](mailto:Karen.pircher@tio.com.au).

Thank you for the opportunity to make a submission to this review.

Yours sincerely



**Judi Jones**  
Ombudsman

**Telecommunications Industry Ombudsman Ltd** ABN 46 057 634 787

PO Box 276 Collins Street West  
Vic 8007  
Level 3, 595 Collins Street  
Melbourne 3000

Tel freecall\* 1800 062 058  
Fax freecall\* 1800 630 614  
Telephone 03 8600 8700  
Fax 03 8600 8797

TTY 1800 675 692  
Email [tio@tio.com.au](mailto:tio@tio.com.au)  
Web [www.tio.com.au](http://www.tio.com.au)

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## **TIO submission**

The Telecommunications Industry Ombudsman's (TIO's) response to consultation broadly addresses questions 1, 2, 3, 4, 4a, 4b, and 9.

The TIO provides an independent and accessible dispute resolution service to handle complaints about telecommunication providers. The TIO is independent of consumers, industry and the Government and we report on issues affecting consumers of telecommunication services through the lens of a dispute resolution scheme.

The self-regulation framework in the telecommunications industry works well. A factor in this success is having the balanced views of resourced and informed industry and consumer bodies.

This submission sets out in more detail the TIO's view that:

1. A telecommunications specific consumer organisation provides value
2. Consumer advocacy from a single body representing all consumers is efficient and effective
3. ACCAN is effectively performing its role
4. There is the opportunity to expand ACCAN's role to provide more consumer education

### **5. A telecommunications specific consumer representative body provides value**

The TIO believes a telecommunications specific consumer representative body provides value. The telecommunications industry is complex and changing rapidly. With both the accelerating roll out of the National Broadband Network (NBN) and the further evolution of the 'Internet of Things', there is a need for technical telecommunications expertise that represents the consumer interest. It is more efficient and effective if the consumer interest is represented by a single voice.

Complaints to the TIO show increasing complexity. In the 2015-16 financial year, technical complaints to the TIO made up almost 40 per cent of our conciliation workload, compared to 30 per cent in 2014-15.

Complaints arising as a result of the NBN roll out indicate there is a need for a body which understands the impacts of the rollout and which represents consumer interests on subjects that include: :

- the impact of over-the-top services and the NBN
- different modes of delivery of the NBN, and
- complex wholesale and aggregator models of the NBN.

The Internet of Things, which sees everyday objects connect to the internet, will also bring a range of new issues. ACCAN, with its telecommunications expertise, is able to provide the consumer perspective on service provision at an early stage as Government, industry, consumers, and the TIO grapple with emerging issues.

Convergence of telecommunications with a diverse range of products and industries will result in a further degree of complexity. There is already convergence of financial services and telecommunications and there will be greater convergence with other industries, such as energy providers, through the connections of everyday utilities to wireless, satellite and fixed line internet services.

The increasing complexity will require a team of dedicated telecommunications experts to adequately represent consumer interests. An expert consumer representative body, such as ACCAN, will be able to understand the complex industry arrangements and the new technologies and use this to explain the consumer experience and to advocate on their behalf.

## **6. Consumer advocacy from a single body representing all consumers is efficient and effective**

There are efficiencies in retaining a single telecommunications consumer body. A single body will reduce investment in and duplication of telecommunications focussed work. A well-resourced consumer body with a charter to work with and represent those with particular needs is important. The experience of general consumers can result in benefits for all consumers, regardless of needs.

A single consumer body is an efficient way for Government, industry and the TIO to operate. To understand the consumer voice, each sector will need to engage with only one organisation. The alternate would mean Government, industry, and the TIO would need to speak with a range of organisations to understand their concerns. There is a risk this would lead to decisions being made without a comprehensive telecommunications consumer perspective.

In addition, funding a single consumer body will reduce Government investment in duplication of work. It will mean more investment is directed to consumer issues, and less on the overheads required to support each organisation.

A well-resourced consumer body with a charter to work with and represent all telecommunications consumers, including those with particular needs, is important. This allows ACCAN to engage with consumers, for example, in regional Australia, or those with disabilities, young people, and seniors, and to allow those consumer concerns to influence Government policy and the activities of telecommunications providers.

The experience of general consumers can result in benefits for all consumers, regardless of needs. For example, it was the complaints of general consumers about excess data charges that resulted in industry code improvements to allow for the introduction of usage notifications for mobile services. The absence of the general consumer experience could have meant usage notifications were not progressed.

## **7. ACCAN is effectively performing its role**

The TIO believes ACCAN is effectively performing its role and should be retained. This is because:

- ACCAN represents the views of both general consumers and those with particular needs well

- ACCAN effectively engages a broad range of stakeholders
- ACCAN's role in administering the research grants funding allows ACCAN to target research on relevant consumer issues, and make evidence based commentary

### ***ACCAN represents all consumer interests***

From various stakeholder forums attended by the TIO and ACCAN, and through individual meetings, our view is that ACCAN is aware of issues facing all segments of telecommunications consumers, including vulnerable consumers and those with special needs and represents all groups effectively.

The quality and breadth of the program and speakers at ACCAN's annual conference demonstrates its wide reach, its expertise and status as the peak consumer body representing telecommunications users. In recent years, the TIO has welcomed the opportunity to hear presentations from a wide range of consumers, including sole traders, those in regional Australia, and those with particular needs talking about contemporary issues about the technology and affordability of telecommunications services.

The ACCAN website is representative of ACCAN's balancing the interests of general consumers and those with particular needs. The website contains a wealth of information to help consumers understand, for example, how to connect a service with the NBN. As well as this, the ACCAN website contains a disability portal. This portal helps consumers choose equipment that will help them communicate.

### ***ACCAN interacts with a broad range of stakeholders***

From the TIO's lens, ACCAN is effectively engaged with a broad range of stakeholders.

ACCAN is a participant on the ACMA's Consumer Consultative Forum. The forum, which is designed to present different perspectives to inform the ACMA about issues affecting consumers, relies on ACCAN to provide an expert consumer voice. During these meetings, the TIO is witness to all stakeholders relying on and respecting the consumer perspective supplied by ACCAN.

ACCAN is a key participant in the review and development of industry codes, particularly the Telecommunications Consumer Protections Code. In this role ACCAN works with the industry peak body, Communications Alliance, representatives of the major telecommunications companies and the regulator, the ACMA.

ACCAN regularly engages the TIO on consumer issues, through regular meetings with the Ombudsman and engagement at the officer level. From these interactions we know that ACCAN is aware of and represents the views of both general consumers and those with particular needs. ACCAN's input assists the TIO's continuous improvement in relation to its policy approach and accessibility, to ensure that the TIO dispute resolution service meets the needs of all Australian consumers.

The TIO has welcomed ACCAN's participation on various TIO forums, including forums to improve the industry's response to financial hardship. The output from these forums was the creation of guidelines called 'Responding to customers in financial hardship Principles and practices for telecommunications service providers'. This document provides clear principles

and proven practices that telecommunications companies and consumers may use when dealing with consumers in financial hardship.

ACCAN is also represented on the TIO's Critical Friends Group, which feeds into TIO's Disability Action Plan and accessibility to consumers with special needs.

### ***Research and education***

One of the benefits of the ACCAN administering the research grants program is it allows ACCAN to make evidence based commentary on consumer issues. A recent example of this is the research on consumer understanding of information from telecommunications providers conducted by Dr Paul Harrison.<sup>1</sup>

The TIO believes there is an opportunity to build on ACCAN's existing resources to educate the Australian community as the telecommunications consumer expert. There are a range of synergies from aligning the consumer representative and educator roles, particularly in the NBN space. There is also an opportunity to formalise and expand ACCAN's role as a representative of all telecommunications consumers by being an educator of other organisations that represent consumer interests.

For example, ACCAN could receive funding to educate consumers about the different broadband speeds – slow data speeds being the single most complained about issue to the TIO. ACCAN has a deep understanding of the consumer experience when connecting a new NBN service and has published information for consumers about how to get connected. There is opportunity for ACCAN to use this information to let consumers know what to expect, in a way that is independent of **nbn**'s own commercial interests.

There is an opportunity to formalise and expand ACCAN's role as a representative of all telecommunications consumers by being an educator of other organisations that represent consumer interests (for example, in financial services, rural services, aged or culturally and linguistically diverse services).

This expanded role would keep ACCAN abreast with current and emerging issues in different sectors of Australian society and would position ACCAN to be the 'go-to' organisation for expert advice and intelligence gathering about the impacts of existing and proposed government policy and initiatives in telecommunications and for input into industry codes and guidelines.

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<sup>1</sup> Dr Paul Harrison is also a Director of the TIO Board