

TIO Opening remarks

Inquiry into the business case for the NBN and the experiences of small businesses

Joint Standing Committee on the NBN

Judi Jones - Ombudsman

Thank you for the invitation to appear before the Joint Standing Committee. I am pleased to be here to share any insights I can.

I am assisted by the Chair of our Board, Professor the Hon Michael Lavarch and Ms Jillian Brewer, Assistant Ombudsman Dispute Resolution.

The TIO is the independent external dispute resolution scheme for Australia's telecommunications industry. It is a not-for-profit company mandated by legislation and governed by a Board.

The scheme was established in 1993 to provide a free, independent and accessible service to assist providers and consumers resolve complaints they have not been able to resolve directly. We deal with complaints from both residential consumers and small businesses.

The Telecommunications (Consumer Protection and Service Standards) Act 1997 requires all telecommunication carriers and carriage service providers to join the TIO, to pay complaint handling charges for complaints made to the scheme, and to comply with the decisions of the Ombudsman.

The Ombudsman is independent and one of the mechanisms to ensure this is the structure of the board, which is made up of equal numbers of consumer, industry, and independent directors.

Our role includes supporting industry improvement, and we investigate systemic issues we see in complaints. However, the scheme has a distinct role from that of an industry regulator. While members have an obligation to comply with the scheme, enforcement sits with the sector regulator, the ACMA.

In the period 1 July 2019 to 30 June 2020, we received just over 127,000 complaints. This gives us a high-level insight into complaints in the sector – the complaints consumers have been unable to resolve with their provider. These complaints are of course part of a much larger picture of complaints consumers make directly to, and resolve with, their telecommunications provider.

The first stage of our complaints process is to document the complaint and refer it to the provider at a higher level. The provider then works directly with the consumer to resolve the complaint. If, after 10 business days, the complaint remains unresolved, the consumer can ask us for further assistance.

The vast majority (85-90%) of complaints are resolved in the referral process. The 10-15% of complaints that return to us as unresolved are allocated to a case manager who works with the parties to resolve the complaint.

While we handle complaints between the consumer and the retail service provider with which they have a contract, our Terms of Reference allow us to ask NBN Co to assist where needed.

We also register some complaints directly against NBN Co, where the consumer has complained about NBN Co having damaged their property, or a landowner or occupier has objected to NBN Co accessing land to install low impact infrastructure

As the network build nears completion, my office continues to work with the sector, government and regulators to identify emerging issues. We work closely with NBN Co and providers to ensure that complaints are resolved, and systemic issues addressed.

Last year, the increasing complexity in particularly fault and connection delay complaints meant consumers had to wait longer for us to assign their complaint to a case manager. Over the past year we have established small business and technical teams to give us additional specialist expertise. I also established a working group with NBN Co and a number of providers to identify and resolve issues in these fault and connection complaints. I am pleased to say these initiatives have paid off and we are back to normal timeframes for assigning cases.

Over the past few years, we have strengthened our data capture and visibility. Our revised keywords introduced in July 2017 are available on our website and in our Annual Report. I provided a copy of these to your Secretary for your background briefing.

We have re-introduced quarterly reporting, which now includes reporting by network type. This more regular and granular reporting allows our stakeholders to have greater visibility over trends in complaints. As the industry evolves, we are continually making improvements to ensure the scheme continues to meet community expectations.

You have my initial and supplementary submissions, as well as the reports on the Small Business and COVID systemic investigations undertaken by my office.

The period since our January submission has included significant challenges for the sector and for consumers. Along with bushfires and floods at the start of the year, the global COVID-19 lockdowns meant overseas call centres and back office functions had to close for periods. As noted in our Supplementary Submission and Annual Report, there was a sharp rise in consumers not being able to contact their internet provider. Consumers told us telco issues were more disruptive as we all became increasingly reliant on being connected to live, work and study.

Government, industry and NBN Co moved quickly to put in place measures to support people and businesses to stay connected, including hardship measures, financial support, release of additional CVC to providers, and pricing measures.

While complaints increased in the latter part of the year, the 2019-20 year saw an overall decline in complaints of 4%. We are anticipating as the Government and providers wind back support measures, we will see more hardship issues for residential and small business consumers.

The data in our submissions to the committee looks at complaints about faults and connections. It shows complaints broken down by 'services delivered over the NBN' and 'services delivered over other networks'. We also report on these complaints in our annual and quarterly reports.

In 2019-20, fault and connection complaints across all service types except mobile fell by 6.9%. But there was a shift in the network proportions, with complaints about services delivered over the NBN increasing by 5%. This was not surprising, given the increase in consumers receiving their services over that network.

As more consumers connect to the NBN, we expect to receive a greater proportion of complaints about services delivered over the NBN. During the 2019-20 year, we received a total of 35,601 fault and connection complaints about services delivered over the NBN, an increase of 5%. That same year 1,735,306 new premises were activated on the NBN and by the end of the year, 7,267,396 premises were connected to the NBN.

However, much like the overall picture of complaints, for complaints about services delivered over the NBN, it was a year of two halves.

During the first two quarters of 2019-20, (before the pandemic), we saw an increase in complaints about faults and connections for services delivered over the NBN when compared to the previous year. During the second two quarters of 2019-20, during the pandemic, we received fewer complaints when compared to the previous year.

We do anticipate that unresolved complaints about services delivered over the NBN will continue to become more complex as the rollout moves into the later stages. The later stages of the rollout will include connections that have been postponed due to their complexity.

We are pleased with the way industry has adjusted its process to respond to the challenges in complex connection issues, offering interim services and working with NBN Co to respond to issues. We have noted a decrease in complaints about missed appointments. However, some consumers continue to be particularly vulnerable to detriment, including voice-only customers and small businesses that rely on network continuity.

I am happy to answer any questions you have about the complaint figures I have provided. My Assistant Ombudsman, Ms Brewer, is here to provide insight into any specific operational questions you may have that relate to complaints and how we resolve them. And Professor Lavarch will be pleased to answer any questions you have about the governance of the scheme.