



25 November 2016

ACCAN Review  
Department of Communications and the Arts  
Via email to: [accanreview@communications.gov.au](mailto:accanreview@communications.gov.au)

To the Department of Communications and the Arts,

**Consumer representation: review of section 593 of the *Telecommunications Act 1997***

CHOICE welcomes the opportunity to comment on the Consumer representation: review of section 593 of the Telecommunications Act 1997 issues paper.

Since 2009, ACCAN has been a highly effective organisation that fights for consumer rights in the communications sector, producing research to inform critical debates and ensuring a strong consumer voice in issues around these essential services.

There is a permanent need for consumer advocacy in the communications space. Issues are becoming more complex with technological development and service convergence, creating an even greater need for funded, specialised consumer advocacy work.

No organisation can consistently and easily fulfil its mission while under constant review, especially with reviews questioning its existence or looking to remove core funding. Such reviews provide systemic opportunities for industry groups to undermine a body that exists to hold them accountable. No industry group enjoys the pressure that an effective consumer advocacy group brings to policy debates. The Department needs to consider this conflict carefully when assessing ACCAN's effectiveness and the need for ongoing funding.

CHOICE strongly recommends that section 593 of the Telecommunications Act should be retained without amendment. Grants made under section 593 should continue to be directed to a single body, ACCAN, to ensure funds are used in a coordinated and effective manner. Longer, multi-year funding arrangements should be put in place, grants should be increased and reviews of ACCAN should be less frequent and focused on whether the body is delivering outcomes for consumers rather than regular discussions about whether it even needs to exist. ACCAN's activities have proved the value of funding for specialist consumer advocacy work. This work now needs the ongoing support of the Department of Communications and the Arts and the Federal Government.

**Consumer representation**

ACCAN's consumer representation work cannot be undertaken by a generalist consumer body. CHOICE and ACCAN play unique and complementary roles in policy debates. CHOICE has and will continue to represent consumers on a range of issues, but in all communications-specific policy areas, CHOICE relies on ACCAN's expertise to develop policy positions.

**Unlocking the power of consumers**

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Generalist consumer bodies do not have the resources to replicate the depth and breadth of ACCAN's work. ACCAN employs several policy officers and senior staff members who spend the time required to analyse technical and legal matters. CHOICE, by comparison, employs four policy advisers who work across a broad spectrum of consumer issues including finance, general consumer protection, product safety, travel, trade, food and some communications issues.

We can also look to the example of Energy Consumers Australia, recently established by the Council of Australian Governments to advocate on national energy market matters of importance for energy consumers. The creation of ECA recognises that in such a complex market for essential services, protecting consumers' interests requires the resources of a dedicated energy market advocate with deep and specialised expertise. ACCAN's role in the communications sector is no less important, and cannot be resourced by a generalist organisation.

We also take issue with the assertion that concerns of 'average' consumers can be dealt with separately to those with diverse needs or backgrounds. Typically, when determining how law reform, regulatory change or current business practices affect consumers, a consumer representative will need to assess the issue holistically, testing it from a range of perspectives. Even though CHOICE may be considered to represent 'average' consumers, our work is constantly guided by an assessment of the needs of diverse communities.

ACCAN is stronger because it represents diverse interests and can bring many perspectives to policy debates. The issues paper notes that ACCAN did not endorse the Telecommunications Consumer Protection Code in 2012, stating that this was because of a lack of consensus among ACCAN members. This is incorrect. ACCAN did not endorse the Code because it did not have adequate levels of consumer protection. At the time ACCAN refused to endorse the Code, it noted seven major points where the Code failed to meet clear requirements the regulator had previously set for the industry.<sup>1</sup> This is an excellent example of the detailed, expert and effective consumer representative work ACCAN has done.

CHOICE welcomes new groups representing and supporting specific groups of Australian consumers. Any funding for other groups representing consumers should be in addition to, not at the cost of, ACCAN's funding.

Finally, we caution against the assumption that direct surveying of consumers could replace the work done by a body like ACCAN. Surveys and even direct calls for feedback from consumers cannot replace analysis, policy, stakeholder engagement and the consumer representation work of a consumer representative body.

### **Independent grants program and research**

ACCAN's grant program and research makes its policy, stakeholder engagement and consumer representation work stronger, and vice versa. ACCAN should continue to administer grant funding. The connections ACCAN forms with stakeholders through its other work has exposed the grants program to organisations that may not otherwise have participated. ACCAN is also able to promote and apply research findings in its work. The ACCAN model would be weakened if the grants program was conducted by another body. CHOICE is also concerned that the wide range of community groups currently using the grants program would have reduced access grants if it was conducted by another body.

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<sup>1</sup> <https://accan.org.au/our-work/432-peak-consumer-group-says-it-cannot-support-telecommunications-code>

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CHOICE has found that the research produced by ACCAN is extremely useful. The research produced about and with specific communities has helped to highlight issues that would not otherwise be a priority for the Federal Government or the Department. The research program should continue to be guided by consumer needs rather than shifting external priorities.

Research has also usefully informed broader debates about consumer problems. ACCAN's research partnerships with academics and community groups have produced work that is highly relevant to debates about consumer experiences with complex markets. In particular, the following reports have been frequently used by CHOICE to illustrate consumer behaviour and frustrations in a range of markets:

- *Confident, but confounded: consumer comprehension of telecommunications agreements*<sup>2</sup>;
- *Fine Print project*<sup>3</sup>,
- *Hardship policies in practice: a comparative study*<sup>4</sup> and
- *Seeking straight answers: consumer decision making in telecommunications*<sup>5</sup>.

Additional funding should be provided allowing ACCAN to increase partnerships with academic groups exploring behavioural economics and consumer decision making. Such work has tremendous value not only within the communications sector but in addressing wider consumer problems as markets for essential services become increasingly complex. Funding for the independent grants program should increase to at least \$350,000 per annum. The limit of \$60,000 per project should be increased to \$100,000 to allow ACCAN's independent committee more discretion to fund larger projects, such as academic projects with complex methodologies.

### **Funding for other activities**

CHOICE notes that ACCAN already undertakes consumer education activities. This work should be better funded and expanded.

ACCAN should also be encouraged to communicate consumer concerns to decision makers across businesses, regulators and government forums in a manner that is most effective to achieve consumer outcomes. ACCAN should use the media and public communications to strongly put forward the case for policy change. There should be no restrictions, formal or informal, over ACCAN's ability to communicate the need for change in the manner that's most effective.

Please contact CHOICE if you require any further information about this submission.

Yours sincerely,

Alan Kirkland  
CEO.

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<sup>2</sup> [http://accan.org.au/files/Reports/Confident%20Confounded\\_accessible%20WEB\\_03.11.16.pdf](http://accan.org.au/files/Reports/Confident%20Confounded_accessible%20WEB_03.11.16.pdf)

<sup>3</sup> <http://accan.org.au/our-work/research/727-fine-print-project>

<sup>4</sup> <http://accan.org.au/grants/completed-grants/467-financial-counselling-australia-fca>

<sup>5</sup> <http://accan.org.au/our-work/research/365-seeking-straight-answers-consumer-decision-making>

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