



5 December 2016

ACCAN Review
Department of Communications and the Arts
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Melbourne Vic 8010

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Dear Sir/Madam

Telstra submission to the 'Consumer representation: Review of section 593 of the Telecommunications Act 1997' issues paper (Issues Paper)

We welcome this opportunity to comment on the Department's Issues Paper on consumer representation under section 593 of the Telecommunications Act 1997 and trust the information provided in this submission will assist the Department with its deliberations on this matter.

The Australian Communications and Consumer Action Network (ACCAN) has been a powerful voice representing consumers' telecommunications interests with telecommunications providers, Government, regulators and industry associations. A key pillar of Telstra's strategy is to deliver brilliant customer experiences, so ACCAN is an important stakeholder for us as demonstrated by our regular dialogues with ACCAN and our participation in, and financial support for, the annual ACCAN national conferences, most recently, 2016 ACCANect.

Our response to the Issues Paper is provided below.

Consumer representation

The value of ACCAN, as a peak body representing its many and varied constituent members, is evident in its advocacy activities on behalf of consumers' concerns in discussions with staff and senior management of telecommunications providers and in industry discussions, forums and working committees. We believe ACCAN is well placed to consolidate and distil these concerns into real input which can be used by industry when developing or revising codes, guidelines or other consumer related measures and safeguards. ACCAN also uses its website and regular newsletter to effectively highlight and raise relevant telecommunications issues for consumers.

However, ACCAN's membership represents a variety of special interest consumers, whose interests need to be balanced with those of many ordinary residential or small business customers. ACCAN's membership includes over 100 organisations¹ and its engagement strategy and objectives often appear skewed towards meeting their interests and/or expressing their views. The broader mainstream interests and views of consumers are not usually canvassed nor captured by ACCAN and so, arguably, are not included in ACCAN's advocacy activities.

This outcome is a result of the peak membership model and so is inherent in ACCAN's structure. ACCAN has neither the resources nor funding to adequately represent the interests of general residential consumers or small businesses. Our observation is that the resources

¹ Page 6 of Issues Paper



of ACCAN are spread quite thinly across a large number of processes they participate in. We note that ACCAN has been involved in over 100 inquiries and over 30 issues over the last three years². Even if it did attempt to canvass the views of a broader cross section of residential and small business consumer interests, the results would likely be too general to provide relevant consumer insights into industry, regulator or Government discussions.

ACCAN's effectiveness would therefore be improved if the views from mainstream customers were included. As ACCAN cannot effectively capture this information by itself, it needs support from industry to ensure the views of the majority of consumers are highlighted and made available. Carriage Service Providers have access to relevant current information on the needs, behaviours, and preferences for their own customers. We suggest that the industry associations, Communications Alliance and the Australian Mobile Telecommunications Association, should take the lead in coordinating regular, structured and formal discussions with ACCAN including relevant insights from residential and small business consumers.

This information would supplement, and not replace, the valid views of ACCAN's membership. Given the availability of more comprehensive customer information, issues and views, we expect a more effective and relevant discussion on issues facing residential and small business customers.

These discussions should include recognising our experiences in responding to customers' changing expectations in how they deal with Telstra and other companies. Acknowledging these changes will also assist ACCAN to become more effective in representing telecommunications consumers.

For example, Telstra recognises that our customers are increasingly demanding a seamless experience. In response, we are working to enable digital transactions for all interactions between Telstra and our customers. We are making significant investments to support the digitisation of our processes. Customers' use of our online channels including Chat, Facebook and Twitter continue to grow reflecting how customers want to interact with us.

To illustrate this further, the ACMA's Communications report 2015-16 notes that, in the six months to June 2016, 94% of adult Australians went online to conduct banking, pay bills, or buy and/or sell goods and services. In addition, the report states, in the four weeks to June 2016, 43% of adult Australians purchased or sold something online³.

These examples demonstrate a changing consumer demand and usage of telecommunications products and services. ACCAN's role as a consumer advocacy body would be enhanced by having access to this sort of customer information direct from industry.

The industry arrangements we are suggesting could be supported in a joint CA/AMTA/ACCAN memorandum of understanding which sets out the appropriate obligations and outcomes for each party including joint objectives, meeting frequency, managing information, progressing issues raised by ACCAN etc.

Complaints data and trends from the TIO and the industry's quarterly complaints in context reports would also provide relevant information on industry performance. This information could also prompt focused industry discussions on relevant issues affecting consumers, for example, making the transition to the nbn smoother for consumers.

The improved outcomes from this process would include the following:

- 1) ACCAN being better informed with respect to understanding, directly from industry, the preferences and expectations from the broader consumer base;

² Page 6 of Issues Paper

³ ACMA Communications report 2015-16 p67



- 2) Ability for ACCAN to engage directly with industry to identify, review, discuss and address concerns and issues of interest relevant to all or most customers and therefore enable it to engage more effectively with industry;
- 3) Will assist ACCAN to avoid trying to do too many things and so avoid the likelihood of spreading its resources too thinly or not giving enough time or attention to key issues;
- 4) Improve the responsibilities, accountabilities and incentives of industry to improve performance, promote self-regulatory outcomes and so reduce the need for involvement or oversight from regulatory agencies or government (of course we recognise regulatory options to improve consumer protections and safeguards are available if this process does not lead to better customer experiences); and
- 5) Strengthening and continuation of an effective telecommunications specific consumer organisation rather than having consumers represented by a general consumer body. We think the resources, time and investment by industry, regulators and Government should continue to focus on ensuring ACCAN represents telecommunications consumers. We believe a generic consumer organisation would lack the skills and credibility amongst the consumer base to understand the complexity of the issues and adequately represent consumers.

Independent Grants Program and research

Section 593 allows the Minister to make a grant of financial assistance to “a person or body” for telecommunications research which implies funds may be made available to organisations other than ACCAN. If this is the intention, Telstra recommends the Department act to clarify the legislation so that it is clear other organisation can receive funding for telecommunications research.

Telstra notes it has reviewed and improved customer service processes on the basis of ACCAN research, for example, digital assets when a person dies and digital inclusion activities for the homeless.

However, we note industry has generally had little input into the issues subject to ACCAN research which, in our view, limits the quality of the findings or recommendations. For example, the research on consumer understanding of telecommunications agreements, ‘Confident but confounded’ raises several relevant issues to industry but recommends further research due to its small sample size. Contribution by industry may have added relevant data which could have been utilised in the report. Telstra would also appreciate updates or briefings on the results of research relevant to our activities.

We look forward to discussing these views with you. Please contact Trevor Hill on [REDACTED] or [REDACTED] should you require further information.

Yours sincerely,

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