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Policy Position April 2023

Independent Plan Comparison Tool

# Summary

The Australian Communications Consumer Action Network (**ACCAN**) recommends that the Federal Government develop an independent plan comparison tool (**IPCT**) for the telecommunications sector. The IPCT should provide independent and complete information about voice, data, and broadband products and services. The IPCT should be free, accessible, and easy to use.

# Background

The telecommunications market is complex and can be difficult for consumers to navigate. Telecommunications providers offer a range of products and services, and it can be challenging for consumers to choose between them.

Consumers overwhelmingly agree that it should be easier to find and compare information about phone and internet plans.[[1]](#footnote-2) Consumers are often at an information disadvantage when finding suitable products and services due to their lack of knowledge about available offers compared to retailers. Additionally, consumers face resource constraints and are increasingly time poor.

Private comparison tools do not necessarily put consumers’ interests first and may:

* Present consumers with incomplete information on the options available to them.
* Have hidden commercial relationships with the providers they list on their site.
* Provide limited or no information on accessible options for people with disability.

Private comparison tools may lack information important to consumers, including those with accessibility or affordability concerns. Comparing the options available for broadband, voice, and mobile at their location can also be difficult for many consumers. Furthermore, existing comparison tools do not cover the entirety of the telecommunications market. Existing comparison tools are not addressing consumers’ information disadvantages because they are not entirely designed for the benefit of consumers.

# Implementation

The benefits from the IPCT will depend on how the tool is implemented. As such, it is key that the tool provides:

* Information on voice, data and broadband services that is comparable across different technologies.
* Information on services in metropolitan, regional, rural, and remote areas tailored to a consumers’ particular location.
* Information accessible to people with a disability.
* Information in community languages.

The IPCT should include information about affordable options and concessions for low-income consumers. The tool should also be designed and developed in consultation with consumers and consumer groups. The IPCT should be government funded.

Carriage Service Providers are required to provide consumers with a free summary of each of their offers upon request through a Critical Information Summary (**CIS**).[[2]](#footnote-3) However, this information is not in a format that is readily comparable for consumers.

Existing CIS documentation or Consumer Data Right product information could be standardised and uploaded to the IPCT. An example of this approach is the Australian Energy Regulator pricing guidelines, which is used by Energy Made Easy (**EME**) and could be adapted to the telecommunications sector. [[3]](#footnote-4) In the energy sector, providers submit data to EME which accompanies their energy plans on the market.

# Benefits

An IPCT would provide several benefits. These include:

* Providing unbiased prominence to offers in the market.
* Allowing consumers to place greater trust in the tool’s operation.[[4]](#footnote-5)
* Reducing the search costs and information asymmetries faced by consumers.
* Promoting competition by reducing barriers to entry and enhancing the discoverability of smaller providers.

# Conclusion

ACCAN recommends the development of an IPCT for telecommunications plans. The current telecommunications market makes it difficult for consumers to find information about different products and services. The establishment of an IPCT will provide consumers with key product and price information for telecommunications services, allowing them to select a service offering that best meets their needs.

The Australian Communications Consumer Action Network (ACCAN) is Australia’s peak communication consumer organisation. The operation of ACCAN is made possible by funding provided by the Commonwealth of Australia under section 593 of the Telecommunications Act 1997. This funding is recovered from charges on telecommunications carriers.

1. Australian Communications Consumer Action Network, 2022, ACCAN Research Snapshot: Consumer expectations – reliability and fairness, p. 16, <https://accan.org.au/accans-work/research/2003-consumer-expectations-2022> [↑](#footnote-ref-2)
2. Communications Alliance, C628:2019 Telecommunications Consumer Protections Code (Incorporating Variation No.1/2022), clause 4.2.1. [↑](#footnote-ref-3)
3. Australian Energy Regulator 2018, *AER Retail Pricing Information Guidelines*, p. 17, [www.aer.gov.au/retail-markets/guidelines-reviews/retail-pricing-information-guidelines](http://www.aer.gov.au/retail-markets/guidelines-reviews/retail-pricing-information-guidelines) [↑](#footnote-ref-4)
4. Australian Competition and Consumer Commission, 2014, The comparator website industry in Australia, p. 12, [www.accc.gov.au/system/files/926\_Comparator%20website%20industry%20in%20Australia%20report\_FA.pdf](http://www.accc.gov.au/system/files/926_Comparator%20website%20industry%20in%20Australia%20report_FA.pdf) [↑](#footnote-ref-5)