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Media Release

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'Cosy' relationship between watchdog and telcos is costly for consumers

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Australia's peak communications consumer body, ACCAN, is calling for a parliamentary inquiry into the conduct and culture of the Australian Communications and Media Authority (ACMA) following troubling revelations about its close collaboration with major telcos.

Through Freedom of Information disclosures, the ABC has found that the ACMA 'cut a deal' with Optus to reduce its fine for breaching the Integrated Public Number Database (IPND) in late 2023, and has an established practice of sharing media releases about upcoming enforcement actions with the affected companies to check they are 'suitable'.

ACCAN CEO Carol Bennett said that these practices raise deeply concerning questions about ACMA's independence and its ability to act in the public interest.

"Independent research has found the ACMA levied just over \$6 million in fines to telcos - some of Australia's largest companies - for consumer protections breaches between 2010 and 2023, despite the consumer experience of poor services, high prices and exploitative sales conduct."

"Today's reports give us significant concerns that the regulated and the regulator have too close a relationship. When this is the case, consumers pay the price."

"The key regulator for our sector must oversee clear rules to protect consumers, and step in to penalise non-compliance when it occurs. The correspondence found between Optus and the ACMA raises serious questions about the close dealings of the two parties in jointly determining fines and penalties."

"We welcome the government's recent announcement that the ACMA will have strengthened enforcement powers. However, today's revelation goes to the culture and approach of the organisation, about which questions have been raised."

"No other sector accepts collusion on fines and penalties between a watchdog and the industry it oversees—a situation that can only be described as regulatory capture."

"Fining an \$8 billion company only \$1.5 million for over 200,000 data breaches suggests telcos can treat compliance obligations as inconsequential or just the cost of doing business."

"A parliamentary inquiry with broad terms of reference is the only way to address the issues raised by these documents and more broadly within the sector."

"As an essential consumer service, the public expects that their regulator for this industry is working in their interest - not as a lapdog for industry," Ms Bennett concluded.

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ACCAN spokespeople are available for comment.

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ACCAN is committed to reconciliation that acknowledges Australia's past and values the unique culture and heritage of Aboriginal and Torres Strait Islander peoples. Read our RAP