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Media release

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Industry's tinkering with voluntary Code won't fix customers' woes

ACCAN says submissions to the Australian Communications & Media Authority's (ACMA) draft report reveal the telco industry is in a state of denial about the threat of regulation if it fails to fix its customer service and complaint handling problems.

The industry body, Communications Alliance, has pointed to the voluntary Telecommunications Consumer Protection (TCP) Code as a way to fix all the industry's problems, a co-regulatory approach ACCAN says cannot possibly provide the fixes the ACMA has demanded surrounding issues such as advertising, customer-nominated spend limits and clear unit pricing information.

"We're quite surprised, given the threat made by the regulator to regulate if the industry failed to deliver on certain non-negotiables, that the industry hasn't offered up anything substantive to address the ACMA's concerns," said ACCAN Chief Executive Teresa Corbin.

"Instead, they've tinkered with and pointed to their voluntary Code as a solution. The current TCP Code has categorically failed to address basic levels of customer service and complaint handling, and indeed during the course of this inquiry, complaints to the Ombudsman have risen to record highs. It's very hard to believe that a revised Code alone will produce a different result."

"The industry has been told major change is needed, yet they come back and say it's too expensive and too hard to fix the problems. It's very disappointing."

ACCAN has strongly supported the ACMA's draft recommendations in its submission, which has been endorsed by 14 of its member organisations including Brotherhood of St Laurence, Central Land Council, Consumer Credit Legal Centre (NSW), Consumer Action Law Centre and Council of the Ageing Australia.

ACCAN says regulation is required for certain areas, including:

* banning confusing terms such as 'cap', 'unlimited', 'free', 'no exclusions' and similar terms;
* standardised unit pricing for call and data costs;
* compulsory spend-management tools so consumers are able to monitor their spending in real time and nominate their own maximum spending limits;
* if a service provider does not provide spend management tools, they are limited to recovering a maximum of 30% above the contracted (plan) price;
* complaints-handling processes;

ACCAN says the strength of the final ACMA recommendations will only be as good as the compliance measures and enforcement tools the regulator has to work with.

About ACCAN
ACCAN (Australian Communications Consumer Action Network) is Australia's peak communications consumer organisation. ACCAN's goal is available, accessible and affordable communications that enhances the lives of consumers. The operation of ACCAN is made possible by funding provided by the Australian government.

ACCAN and the ACMA are hosting a Reconnecting the Customer Summit in Sydney next week, which will include delegates from all over Australia representing ATSI, CALD, disability and low-income consumers. The Summit will provide participants the opportunity to discuss the findings of the RTC inquiry directly with ACMA Chair Chris Chapman.

"We've been really pleased with the breadth of consumer engagement with this inquiry, with the ACMA holding public hearings right around Australia and encouraging individual consumers to make submissions. We encourage the regulator to maintain its commitment to these significant reforms and put consumers at the heart of telecommunications policy in this country."

ACCAN's submission can be found here: http://bit.ly/oBgRwf

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