



2019 Members Advisory Forum (MAF) Meeting Report

Australian Communications Consumer Action Network

Tuesday, 3 April 2019, 11.00am – 3.00pm

Attendees:

Wendy Hick	Isolated Children's Parents' Association (via teleconference)
Annie Kiefer	National Council of Women of Australia
Tanya Cameron	Country Women's Association of Australia
Jane Hutchinson	Hobart Legal Centre
Joel Pringle	Benevolent Society
Tess Matthews	WEstjustice (by teleconference)
Carly Hyde	QCOSS (by teleconference)
Bev Jowle	Financial Counsellors Association of Western Australia

Apologies:

Nigel Waters	Australian Privacy Foundation
Ross Joyce	Australian Federation of Disability Organisations
Lauren Solomon	Consumer Policy Research Centre
Katie Acheson	Youth Action Network
Sarah Agar	Choice

ACCAN:

Deirdre O'Donnell (Chair)
Teresa Corbin
Una Lawrence
Gareth Downing

The purpose of the Member's Advisory Forum (MAF) is to discuss the most important issues from the perspective of ACCAN's members and the people they represent, with a view to incorporating these into ACCAN's future policy priorities.

The following meeting report provides an overview of the main issues raised and discussed. MAF participants are welcome to use this document in reporting back to their organisations. This report will also be sent to invited representatives who were unable to attend.

Overview of current communications context and ACCAN activities

ACCAN staff provided a brief outline of several major consumer issues and a summary of ACCAN's outcomes in the past 12 months. These are set out in detail in the ACCAN Environment Scan 2019-20, circulated to attendees before the Forum.

Discussion of communications issues

The discussion of specific issues was preceded by a brief discussion of the issues associated with the NBN. Key points noted were:

- The rollout of the NBN has been characterised by significant confusion with poor communication on the part of NBN Co hindering take-up from a Tasmanian perspective
- The challenges facing individuals with disability in engaging with the switch over process were highlighted as being particularly significant. It has been very time consuming to arrange for assistance in the process, both for the individuals concerned and their families to engage with the process and get assistance.
- Many of the issues observed in Tasmania came from the poor planning and structuring of the rollout.

1. Regional Communications

- The lack of guaranteed availability was highlighted, and it was agreed that the Statutory Infrastructure Provider reforms under the Telco Reform Bill were important to ensure access to communications by all Australians.
- The regional broadband scheme was discussed, and it was noted that there is further work required to ensure that there is long term guaranteed funding for regional services.
- The work of the RRRCC was discussed, with it being noted that many of the goals of the RRRCC have been achieved over the last 2 years.
- The drought is bringing increasing focus to the needs of regional Australia and was helping bring broader attention to communications issues.
- The need to maintain the momentum of the RRRCC was flagged as being the core objective.

2. Privacy

ACCAN outlined that although very supportive of privacy protections, it does not have an overarching policy position on what framework would be best to protect the interests of consumers.

- It was noted that in the last 2 years there had been significant breaches of privacy that have seen a shift in public attitudes towards privacy, and there was now substantial support for stronger privacy protections to be adopted by the public.
- The extent of the risks to consumer privacy has been identified as having increased over the last decade, with the need for stronger protections becoming increasingly important.
- The consumer data right and the privacy protections embedded in the reform were discussed, and gaps in the proposed privacy framework were noted.
- The suitability of existing protections were discussed, and the potential for re-identification of individuals using de-identified data was flagged as a serious concern.
- The creep of data requests from government about consumers seeking advice via the debt helpline was identified as being concerning, though it was noted that when there was pushback that the government stopped requesting the information.
- Government cross data matching using information from the Tax Office and Centrelink were flagged as being worrying developments, with the depth and richness of government data mining being concerning.

There was agreement that the development of a privacy policy position was a priority for ACCAN.

Scams and Fraudulent Number Porting:

The risks associated with fraudulent number porting were highlighted as being a matter of concern, and the risks of scams more generally were discussed, with the Hobart Legal Centre experiencing phone scams in the past on its lines.

Family Violence and online safety:

The problems associated with joint-access to account information, transaction information and geographic data were highlighted as being particularly concerning and facilitating stalking. Victims of family violence can be slow to seek assistance, with embarrassment being a significant barrier.

- In Western Australia there is a program in place that trains women's refuge workers on how to separate from a digital relationship, when a physical separation occurs. This is a useful model and should be investigated further to see if it is adopted in other states.

Data use and inequality:

QCOSS explained their interest in how data is being used to embed inequality, with a focus on the Centrelink robodebt initiative and impact on call recipients. As an example, cross matched data has been used to inform decisions about access to services (e.g. transport concessions cross linked to Centrelink data). This highlights the need to be able to test the robustness of programs to ensure that they meet social expectations.

The Forum considered ACCAN to be in a good position to bring together the concerns identified and more, in a coherent policy framework.

3. NBN rollout

There were a number of issues flagged about the consumer experience of the NBN rollout, including:

- Concerns about the complexity of the rollout process were reiterated (see above), with consumer experience of the blame game between NBN and retailers materially eroding consumer trust in the rollout.
- The roll-out has made no allowances for vulnerable individuals with lower than average literacy and poor financial literacy. Small bites of information, simply expressed, are suited to these consumers and should be developed.
- There is a need for a community education campaign about what switching to NBN means, and what consumers have to do. .
- The excessive use of contractors has eliminated accountability, with very limited oversight.
- On the ground experience of the switchover has meant periods of loss of service, missed and late appointments. The impact on all consumers has been significant.
- The Tasmanian rollout has not resulted in significant take up by low income households and individuals, who are primarily using mobile services.

4. Consumer Protection Framework

ACCAN explained that progress on the Consumer Safeguards review (Part C) has stalled due to the approaching Federal Election and caretaker period of government. Part C has been flagged by the Department of Communications and the Arts to examine choice and fairness. The ACMA has issued a warning to the major telcos for failing to meet their obligations about providing information about accessible services and products. An update on the role and progress of the Telecommunications Consumer Protections Code was provided, and the new ACMA Complaint Handling Standard.

Forum attendees identified a number of areas where consumer protections do not appear to be working adequately, including:

- Instances of upselling and poor selling practices that are of significant concern, and this is continuing amongst vulnerable consumers in WA.
- There continue to be significant weaknesses in the consumer protection framework, with the use of an industry code to provide protections failing to promote sound outcomes.
- A useful exercise would be to do a comparative study of enforcement actions across regulators to develop a comparative perspective.
- There needs to be a focus on the essential nature of telecommunications services as a starting point for future consumer protections.
- The exploitation of the elderly who are often acting as guarantors for contracts was highlighted.

QCOS suggested that the Australian Energy Regulator hardship guidelines developed for the energy industry may be useful to inform approaches to financial hardship in telecommunications.

5. Financial regulation and telecommunications

The lack of adequate regulation of credit in telco post-paid plans was discussed, and the following points were raised:

- As an essential service it is important that the regulatory framework is fit for purpose and reflects this reality.
- The blurring of sectors was raised as an issue, as utility providers begin to offer multiple services.
- The model of many credit providers was to encourage consumers to default on their debts, noting that Afterpay made \$28 million in the last financial year from late fees.
- The experience of financial counsellors is that hardship practices in state owned utilities including WaterCorp WA, were significantly better than those seen in private enterprise.
- Credit issues are a sector wide problem as models develop to avoid the operation of existing regulation. Telco credit was compared to the Afterpay model, because both are not subject to the same credit obligations as other financial products. The appetite for broader reform in the financial services sector may allow for many of the credit issues in telco to be incorporated in the reform agenda.
- Third party billing and recent ACCC fines were briefly discussed, with the observation that third party billing is akin to using a telco account as a credit card.
- The debt spiral faced by some consumers was discussed, with particular concern about consumers taking on debts to repay existing debts.
- There is a material difference between those who won't pay and those who can't pay, and hardship policies should be focused on the latter.

6. Affordability

ACCAN briefly outlined its intended approach to the development of affordability policy, and invited feedback. This involves:

- The creation of targeted consumer information to assist individuals get the most suitable service for them;
- A review of existing assistance programs for at-risk and hard to reach individuals (e.g. homeless) to determine whether there is a need for further funding and resourcing;
- The No Australian Left Offline policy to support affordable broadband for all Australians.

Discussion focussed on:

- The issue of a constantly evolving and changing market were highlighted as presenting particular difficulties for consumers.
- The proposal to develop user profiles (e.g: single person living alone; two parent family with one child) to assist consumers assess what services are appropriate was supported, with a range of matched products provided.
- The use of alternative communication methods including animations/cartoon graphics were flagged as an effective way of getting messaging understood.
- The essential nature of communications services was reaffirmed, with the view expressed that reforms have to be led from a high level, for example by the Minister responsible.

- There are significant pressures on consumers to roll-over their contracts with providers and be locked into new contracts as part of the NBN switchover.

Research focus 2019-20

ACCAN's research priorities for the remainder of FY 2019 were outlined:

- ACCAN staff summarised recent commissioned research into selling practices *Spotlight on Telco Sales and Commissions*
- The forthcoming research into the value of time forgone due to customer service delays was discussed:
 - The direct costs of calls over satellite were raised as an issue, especially when put on hold waiting to speak to a customer service representative.
 - The broader costs to the community sector who often dedicate resources waiting on the phone were highlighted as being another source of loss.
 - The costs for consumers of searching for information in complex markets like telco were also noted as being significant.

Suggestions for ACCAN's research focus in 2019-20 were:

- A benchmark report on telcos' approach to financial hardship on a national level was flagged as a worthwhile activity, modelled on the 2017 Rank the Telcos report.
- A study of the number of people given a bad credit rating as a result of telco debt, to provide an evidence base for a rethink of credit assessments by telco retailers, as well as a study to establish the number of people in financial hardship and credit management.
- Another suggestion was for a study to establish what percentage of consumers were paying their telco bills using payday loans.

Priorities and future policy directions

1. **Selling practices and credit issues** are priority areas, and every opportunity should be taken to push for reforms in the context of the Part C review of Consumer Safeguards, if and when it eventuates.
2. **Regional and remote areas must not be left behind.** There are many shared needs across metro and regional areas. Access to information is critical so regional and remote consumers can navigate the telco market.
3. **Support for ACCAN's work on quantifying consumer loss** to drive reforms and better consumer outcomes.
4. **Improved financial hardship arrangements**
5. **Better consumer facing information and resources**
6. **Privacy and security issues are very important for consumers**
7. **An essential utility framework for telecommunications**
8. **Embedded networks that limit consumer choice**

Conclusion

The feedback and suggestions made at the Members Advisory Forum will be used to inform ACCAN's future policy priorities, operations plan and research activity plan. These will be circulated to members of the Forum when finalised.

ACCAN CEO, Teresa Corbin, thanked the MAF attendees for their time and valuable contributions.