

ACCAN CEO Teresa Corbin CommsDay Summit Speech

8th April 2019

Before I begin I would like to take this opportunity to acknowledge the Gadigal people of the Eora Nation, the traditional custodians of this land and pay my respects to the Elders past, present and emerging.

Thank you to Grahame and the CommsDay team for having me and well done for pulling together another great conference.

This year, ACCAN will mark its 10th anniversary. In the decade since we formed, we've evolved from a chorus of consumer groups focusing on various telco policy issues, to a singular voice that is fighting for trusted, inclusive and available communications for all Australians.

We've seen a number of wins for consumers since then, most recently the announcement of \$220 million in funding for regional communications as discussed this morning by Senator Bridget McKenzie. As part of the Regional, Rural and Remote Communication Coalition, we have long championed the need for improved reliable communications outside of our cities and suburbs, so we were very pleased that the Government implemented many of the recommendations from the 2018 Regional Telecommunications Review - a win for bush communications across the country.

Though these wins should be celebrated, the need to protect the interests of consumers in the telco space remains constant.

This afternoon, I would like to address three main issues that we have seen to be jeopardizing the rights of consumers in the telecommunications space:

Firstly, the inadequacies of the Telecommunications Consumer Protections Code and the need for the revised Code to deliver strengthened consumer protections to support consumer trust in the telecommunications sector.

Secondly, I'll discuss how Australians with disability are being underserved by the telcos when it comes to their right to appropriate and independent information about telecommunications equipment and services available.

Finally, I'll share the initial outcomes of our work to highlight the need for affordable broadband across the country.

TCP Code

The leading consumer safeguard in the telco industry, the Telecommunications Consumer Protections Code, has been under review since 2017. While industry body Communications Alliance have promised that the revised Code will “strengthen consumer protections across a range of areas”, the registered Code has yet to be publicly released, leaving many questions as to what these strengthened protections will look like.

From our contact with consumers, we know that the TCP Code is currently failing to protect customers when it comes to sales practices.

We're aware of sales practices in the telco industry that are opportunistic and apparently driven by the need to meet sales targets, rather than being underpinned by long-term consumer interests. This concerning conduct prompted us to commission an exploratory report, *Spotlight on Telco Commissions and Targets* which suggests there is a broad industry approach among the three major telcos to focus on selling, up-selling and cross-selling. This sometimes results in consumers being exposed to questionable tactics from customer service representatives, according to those interviewed the report.

The harm caused to consumers by unsolicited selling and up-selling in the telco sector is significant. Unsolicited sales are often characterised by aggressive, high-pressure selling practices that are particularly harmful to vulnerable and disadvantaged consumers. ACCAN members have expressed deep concern about the practice and believe that it should be banned entirely.

The TCP Code also needs to lessen the burden on consumers when it comes to communicating their needs and choosing a product that is most suitable for their circumstances. Many consumers do not know what they want or need from a product when they come into a store or enquire online and are relying on the sales staff's recommendations and advice. We would like to see industry put in place stronger obligations that mean the provider must proactively ask about and consider a consumer's needs and provide them with appropriate products based on that knowledge. The potential to hit sales targets should always be secondary to customer

needs and this rebalance should be reflected in the design of incentives and commissions.

ACCAN has also encouraged changes to the TCP Codes rules regarding information on products for consumers with disabilities. Currently, telcos are required to provide information about the disability products and services they offer to those consumers who have identified such a need. And yet the Code also says that telcos are only obliged to give information about products made specifically for consumers with a disability (such as a teletypewriter), rather than mainstream products with features suitable for certain disabilities. This reflects a stark disconnect between the Code, and the everyday use of communications technology by the more 4 Million Australians who identify as having a disability, as modern phones and tablets now have a range accessibility features that may be suited to people with disability.

Consumers rely on information that is easy to find, and easy to understand in order to choose products that are best for them and their needs. We'd like to see the TCP Code include a requirement that telcos provide information about the accessibility features of all the products that they sell.

AT Project

This does not need to be a labour-intensive commitment from the retail service providers; ACCAN's own Accessible Telecoms project is a ready solution to the acknowledged lack of up-to-date, appropriate and

independent information about telecommunications equipment and services available for Australians with disability.

Since launching in December, the interactive website and call centre have been a one-stop shop for information about the accessibility features of nearly 300 telco products, both mainstream and assistive that are suitable for people with disability.

In the first 3 months of operation the service has received over 13,000 unique visits to the website, demonstrating the practical demand for such a service within the community. The success of the Accessible Telecoms website can also be attributed to the strong industry support we have received: thank you to Telstra, Optus, Vodafone and AMTA for including links to the Accessible Telecoms project on your websites. We believe that by working together we can bridge the knowledge gap of telecommunications equipment and services available for Australians with disability.

#NoAustralianLeftOffline

One of the final challenges for telco consumers that I want to discuss today is the affordability of home broadband. We know that for low-income families in-particular, the proportional cost of home broadband is ballooning; Australia's poorest households are paying nearly three times more of their income to stay online than their more fortunate counterparts. This is simply unacceptable. Broadband isn't a luxury service anymore; we need to get online for everything from accessing

government services and job seeking, to helping our kids complete their homework.

After consulting with a variety of groups who had firsthand experience with the issues faced by low-income Australians such as The Smith Family, WorkVentures, Anglicare Australia, the Australian Council of Social Service, the Benevolent Society and the Australian Seniors Clubs Association, ACCAN came up with an affordable broadband policy that will help over a million households on the lowest incomes and will be budget neutral.

Our initiative, known as No Australian Left Offline would see a 50 mbps unlimited broadband service offered at a wholesale price of \$20 per month by NBN Co to households receiving government financial support. This would mean eligible households would pay approximately \$30 per month for unlimited broadband – almost halving the current average cost.

When we launched this policy proposal in February, we were overwhelmed by the response from the public. After the launch received nation-wide media coverage, we were inundated with calls, emails, and social media messages from members of the public who wanted to show their support for our proposal. Many pensioners and low-income consumers wanted to know how they could sign up for this suggested service – demonstrating that there is a strong demand for a concessional home broadband service.

Over the last few months, we've also been meeting with politicians who recognise the benefits of No Australian Left Offline, not just for their constituents, but for the nbn itself. There are currently over a million households that are at risk of not switching over to the nbn by 2020. As nbn moves away from dimension-based discounts for CVC purchases, the affordability of broadband will likely worsen once again as the nearly 1.2 million users on entry-level 12Mbps plans are forced to either upgrade to a more expensive plan, or leave the nbn market altogether. The impact of this change is being felt already, with Dodo and Primus removing their 12Mbps plans from the market last week, leaving new customers to pay \$10 or \$20 per month more respectively to get online. This is no small increase for families who are already struggling with their monthly internet costs. These consumers are likely to move to cheaper mobile broadband plans, or face being priced out of having internet access at all. This begs the question: how can the nbn claim to be the national broadband network if so many households are at risk of being unable to connect?

Our politicians have long seen electricity prices as a key election issue, and we have again seen this play out in the Morrison Government's planned Budget for 2019-2020. However, the Government's own Australian Bureau of Statistics data shows that on average, households spend more on telecommunications services and equipment than on energy. With the nbn due to be completed in 2020, the winning party at this year's election cannot afford to ignore the reality that affordable broadband needs to be a key item on their agenda. It is up to all of us in

this room, from telcos to regulators and everyone in between to make sure that our decision-makers understand the importance of a connected Australia where there is No Australian Left Offline.

Conclusion

We're pleased to have worked together with many of you in this room to ensure that the rights and protections of telco consumers are at the forefront of the conversation in the ever-changing telco space over the past 10 years. However, with new technology always around the corner, we can't become complacent. As ACCAN looks forward to the next 10 years, we will continue to advocate for better safeguards and mechanisms to better protect Australians and to hold those who act against telco consumers to account.