



Telephone Numbering – Future Directions

Submission by the Australian Communications Consumer
Action Network to the Australian Communications and
Media Authority



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About ACCAN

The Australian Communications Consumer Action Network (ACCAN) is the peak body that represents all consumers on communications issues including telecommunications, broadband and emerging new services. ACCAN provides a strong unified voice to industry and government as consumers work towards availability, accessibility and affordability of communications services for all Australians.

Consumers need ACCAN to promote better consumer protection outcomes ensuring speedy responses to complaints and issues. ACCAN aims to empower consumers so that they are well informed and can make good choices about products and services. As a peak body, ACCAN will activate its broad and diverse membership base to campaign to get a better deal for all communications consumers.

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Executive Summary

ACCAN thanks the ACMA for the opportunity to provide comment on *Telephone Numbering – Future Directions* (the Directions Paper) which outlines expected changes to the Numbering Plan.

We are concerned that little consideration has been given to how consumers will be affected by the Directions Paper, ignoring the important role numbering policy has to play in achieving “availability of accessible and affordable carriage services that enhance the welfare of all Australians”.¹

The rules and procedures in the Numbering Plan provide the foundations for a consumer to receive a quality service. For example, moving directory services on the 12 range to appropriate 18, 13 and 19 numbers will remove long standing confusion about the cost of calling these services. ACCAN believes this should be done as soon as practically possible.

ACCAN cannot, however, support the direction of ‘broad-based numbering’ which will eventually merge currently separate number ranges, like mobile and geographic numbers, into one indistinguishable bundle of numbers. This commitment is premature as the ACMA has failed consider technical challenges and the valuable pricing and contextual information separate mobile and geographic numbers provide to consumers.

The Directions Paper portrays the untimed local call obligation, a long-standing and important consumer protection, as a burden on industry and regulators without considering the value of the obligation to consumers. The ACMA should not go through with actions that will fundamentally alter the way the untimed local call obligation is delivered, effectively unwinding this legislated protection.

Lastly, we are concerned that the ACMA has committed to transferring detail from the Numbering Plan to industry managed codes and guidelines which lack the enforcement powers of the Numbering Plan. At a time when there is robust debate about the effectiveness of industry self-regulation, the ACMA needs to carefully consider devolving enforcement responsibility for any matter in the Numbering Plan.²

¹ This is a key objective of the *Telecommunications Act 1997*, Part One (3):

<http://www.comlaw.gov.au/Details/C2011C00237/Download>

² See ACCC, 2011, *Reconnecting the Customer*, ACMA inquiry: Australian Competition and Consumer Commission response to Inquiry draft report, available at

http://www.acma.gov.au/webwr/assets/main/lib410037/accc_response_to_rtc_draft_report.pdf

Response to Telephone Numbering – Future Directions

1. Broad-based number system premature

The first direction the ACMA has committed to is to: “Rationalise number ranges over which like services are provided...to allow for the broad-based use of numbers and improve technical neutrality in the structure of number ranges”.³ In other words, move towards a system where currently separate number ranges, like mobile and geographic number ranges, will become one indistinguishable bundle of personal use numbers.

The small changes outlined in immediate actions, such as those relating to satellite services, could simplify numbering without creating confusion for consumers. However, the commitment to work towards a single pool of personal use numbers is premature. ACCAN believes that the importance of pricing information, technical barriers and the contextual information provided by separate number ranges has not been fully considered and that the ACMA should not proceed with its commitment to Future Direction 1 in the Directions Paper.

1.1 Pricing issues will prevent commitment to broad-based numbering

Pricing information still important to consumers

The ACMA has concluded that there “appears to be decreasing consumer visibility of, and sensitivity to, the price and location information embedded in telephone numbers.”⁴ The ACMA uses this assumption to justify merging technology specific number ranges into broad-based categories. ACCAN disagrees with this view and maintains that pricing information in numbers is still important to consumers.

Awareness of fixed to mobile call cost is an obvious example of this. ACMA consumer research found high awareness of the cost of calling mobile numbers from fixed-lines.⁵ Among households with fixed-lines and mobiles, one in two people say they avoid making calls to mobile numbers from their fixed-line phone.⁶ Among those households with only a fixed-line, two-thirds (68 per cent) try to avoid calling mobile numbers from their fixed-phone because of the expense.⁷

For some communications products, like bundles with “included value”, it is wrong to conclude that consumers do not value the pricing information provided by numbering as systemic issues with the products themselves obscure this useful information.⁸ The ACMA’s

³ Future Direction 1 in ACMA, 2011, *Telephone numbering – Future directions*, p 10.

⁴ Ibid p 8.

⁵ ACMA, 2011, *Numbering: Implications of research into consumer issues, Consultation Paper 4*, p104.

⁶ Ibid p 104.

⁷ Ibid p 105.

⁸ ACCAN raised this matter in ACCAN, 2011, *Numbering: Consultation paper 4*, pp 5-6.

Reconnecting the Customer Inquiry recognised many consumers “do not and cannot fully understand the services that they purchase, especially bundled services. In particular they do not understand the charging arrangements at the time of purchase.”⁹ Consumers cannot value pricing information inherent in numbers when this information is obscured by product structures and charging systems. The *Reconnecting the Customer Inquiry* aims to address advertising, product information and billing issues and, ideally, will make it easier for consumers to determine call costs by glancing at a number dialled. The findings from the *Reconnecting the Customer Inquiry* can explain why in some cases there appears to be decreasing consumer visibility of pricing and location information in numbers. Until the recommendations from the inquiry have been implemented it is premature to conclude that consumers do not want the pricing information in numbers.

Pricing will be based on technology for the foreseeable future

Pricing for mobile and geographic calls is built upon the technical distinctions between mobile and fixed-line phones. The ACCC considers technology specific aspects when declaring access arrangements like the Mobile Terminating Access Service.¹⁰ These industry arrangements then form the building blocks for retail pricing. Technical distinctions as a key barrier to broad-based numbering are barely addressed in the Directions Paper.

Of course, there is emerging technology that will change the way pricing works. The fibre-to-the-home technology to be used by the National Broadband Network (NBN) will change the fixed-line phone market. However, it should not be forgotten that even after the rollout is complete copper-based fixed-line services may still be used by the 7 per cent of consumers who will be receiving the NBN by satellite or wireless technology. The 10-year timeline for the NBN rollout adds further uncertainty. The technical infrastructure that calls will be delivered on in the future is in no way certain. For the foreseeable future, technical differences will continue to affect pricing. A broad-based numbering system makes little sense in this environment.

Consumers value contextual information provided by separate mobile and fixed-line number ranges

Beyond pricing concerns, it is useful to know if a call is being made to a fixed-line or mobile phone. Consumers use these technologies differently. Fixed-line phones are often situated in communal spaces like offices or homes. They may be used by several family members. In contrast, mobiles are seen as personal items.¹¹ ACMA research found that while people expected landline numbers to be publically available via directory services, mobile numbers were only selectively made public or distributed to known contacts.¹²

⁹ ACMA, June 2011, *Reconnecting the Customer: Draft public inquiry report*, http://engage.acma.gov.au/reconnecting/wp-content/uploads/2011/06/RTC-Edited_Master-Version_Final_Web-edition1.pdf p63, see also pp 46-48, 50-53.

¹⁰ See ACCC, 2011, *Inquiry to make a final access determination for the Domestic Mobile Terminating Access Service (MTAS)*, <http://www.accc.gov.au/content/item.phtml?itemId=1021247&nodeId=609a3f8ccb150295a7a61aa07c76cc4e&fn=MTAS%20FAD%20explanatory%20statement%20and%20instrument.pdf>

¹¹ ACMA, 2011, *Numbering: Implications of research into consumer issues, Consultation Paper 4*, p55.

¹² *Ibid* p55.



Broad-based number use has the potential to cause widespread confusion for callers who will no longer have context for a call they place. Further research on whether consumers would value a broad-based numbering system is needed before the ACMA commits to this direction.

ACCAN is not convinced of the need to move towards a broad-based numbering system rather than separate mobile and geographic numbering ranges. Consumers still value the distinction between mobile and geographic numbers because of the pricing and contextual information these separate number ranges provide. Technical distinctions between mobile and fixed services form the basis for pricing and this will continue for the foreseeable future. Finally, this distinction helps deliver important consumer protections such as the untimed local call obligation. These considerations have not been fully explored by the ACMA. As there is no strongly demonstrated need to work towards this future direction ACCAN recommends the following:

- **That the ACMA does not proceed with Future direction 1. In its place the ACMA should reassess the need for and feasibility of a broad-based numbering system in five years.**

1.2 ACMA must maintain untimed local call obligation

The ACMA notes there will be issues with the provision of the untimed local call obligation if geographic numbers are converted to flexible general purpose numbers.¹³

The obligation is a requirement set by the *Telecommunications (Consumer Protection and Service Standards) Act 1999* which states “If a carriage service provider charges an eligible customer for eligible local calls made using a standard telephone service supplied to the customer, the provider must give the customer an untimed local call option.”¹⁴

In the Directions Paper the ACMA outlines the obstacles that the untimed local call obligation presents to the ultimate goal of broad-based number ranges as well as the burden the obligation places on the ACMA and industry. Little consideration is given to the value of untimed local calls. ACCAN had hoped the ACMA would focus on how numbering policy can further strengthen the untimed local call obligation rather than see the obligation as an obstacle.

People still use and value local call information in numbers. ACMA research found half (51 per cent) of adults with a landline and a mobile phone reported they always looked at a number when dialing to know if it was a local call.¹⁵

The Directions Paper suggests the obligation could be delivered through geographic encoding in billing systems - a backend solution that would provide the caller with no indication of whether they were making a local call at the time of calling. This fails to meet

¹³ ACMA, 2011, *Telephone numbering – Future directions*, p14.

¹⁴ *Telecommunications (Consumer Protection and Service Standards) Act 1999*, Part 4 (104)
http://www.comlaw.gov.au/Details/C2012C00089/Html/Text#_Toc314127214

¹⁵ ACMA, 2011, *Numbering: Implications of research into consumer issues, Consultation Paper 4*, p17.



the objective of the Numbering Plan to provide consumers with clear pricing signals.¹⁶ The option of meeting the obligation by making all national calls untimed is a clearer solution. The ACMA has not assessed the impact on consumers for either option.

The ACMA has acknowledged it has no authority to remove or alter the untimed local call obligation, a key consumer protection.¹⁷ ACCAN understands the need to make the Numbering Plan easier to understand and regulate as well as develop a roadmap for future developments. This should not be done at the expense of essential consumer protections which the Numbering Plan is meant to provide.

Given this, it is disappointing to see actions 2 and 3 in the Directions Paper, which commits to ACMA to removing the requirements to use geographic numbers in a charging district and in a specific fixed location. These will dramatically alter the way the untimed local call obligation is delivered and could be seen as an unwinding of the obligation. More analysis is needed to establish if these changes are consistent with legislation.

Speculation about how local call arrangements might be delivered in future is beyond the scope of the Numbering Review. Further, the conclusions the ACMA has drawn about the obligation have not been guided by consumer need. ACCAN strongly recommends the ACMA does not commit to actions 2 and 3 as they will change the delivery of the untimed local call obligation so dramatically it could be seen as unwinding this important consumer protection.

ACCAN recommends:

- **That the ACMA does not proceed with Action 2, which would remove the requirement to use geographic numbers in a specific location within a charging district**
- **That the ACMA does not proceed with Action 3, which would remove the requirement that geographic numbers must be used in a specific, predominantly fixed location**

2. Transfer of procedural matters into codes and guidelines removes essential consumer protections

ACCAN understands the need to amend the Numbering Plan. ACCAN supports redrafting the plan for clarity and simplicity. However ACCAN does not believe this will be achieved by moving detail into industry codes and guidelines, which is the aim of direction 4 and action 17.

The ACMA has provided little guidance about the specific sections of the Numbering Plan to be removed. Action 17 suggests parts of chapters 6 and 7 would be appropriate to move to industry managed documents but the paper suggests other sections would be removed in the future. Until the ACMA provides specific information ACCAN is unable to assess specific impacts of this change for consumers.

¹⁶ See *Telecommunications Numbering Plan 1997* 1.11– “ An object of this plan is (a) to enable end-users to understand the level of call charge for calls to a number;” <http://www.comlaw.gov.au/Details/F2012C00070>

¹⁷ ACMA, 2010, *Numbering: Structure of Australia's Telephone Numbering Plan, consultation paper 1* p28.

Broadly, this is an issue where the ACMA has failed to consider the effects of change for consumers who are the end users of numbers. No mention of either positive or negative implications for consumers is made in chapter 3. Yet, the importance of providing clear and enforceable procedural detail was raised during the consultation period.¹⁸

Generally, there are issues in moving procedural rules to industry managed codes and guidelines. Moving procedural details will not be a simplification. The procedures will still exist. This is not likely to reduce the documentation or administration requirements for service providers. The key difference will be the way procedures can be enforced. Industry codes and guidelines do not provide appropriate regulatory guarantees of enforcement should breaches occur.

At a time when there is debate about the effectiveness of industry self-regulation, the ACMA needs to carefully consider devolving enforcement responsibility for any matter in the Numbering Plan.¹⁹ ACCAN cautions against moving any detail to industry managed codes or guidelines. Failing this, ACCAN would expect the impact on consumers will be will be a primary consideration when the ACMA consults on any transfer of detail from the Numbering Plan to industry codes and guidelines.

ACCAN recommends:

- **That further information is provided about specific sections to be removed from the Numbering Plan and captured in industry codes and guidelines.**
- **That the ACMA conducts a public consultation on the consumer impact of any detail to be transferred from the Numbering Plan to weaker regulatory instruments.**

3. Directory assistance transition will increase price transparency

ACCAN supports actions 11 – 13 to move operator services such as directory assistance and call connect from the 12 number range to appropriate freephone, local-rate or premium rate number ranges. The ACMA has demonstrated there is significant confusion about the cost of calling directory assistance services.²⁰ These actions will enable end-users to easily understand call charges. Of course, this clarity is only possible once the ACMA implements its proposed changes to the 13 and 18 ranges so call costs are consistent from mobiles and landlines.²¹

However, actions 11-13 only ameliorate confusion around initial call cost, not the myriad of costs that can apply to additional services available through directory assistance lines like 'through connect'. For example, the Telstra Directory Assistance service, 1223, a free call for

¹⁸ Telecommunications Industry Ombudsman, 2011, *Submission to Numbering Plan: Allocation and charging of numbers – Consultation paper 3*, p 10.

¹⁹ See ACCC, 2011, *Reconnecting the Customer, ACMA inquiry: Australian Competition and Consumer Commission response to Inquiry draft report*, available at http://www.acma.gov.au/webwr/_assets/main/lib410037/accc_response_to_rtc_draft_report.pdf

²⁰ ACMA, 2011, *Numbering: Implications of research into consumer issues, Consultation Paper 4*, p 35.

²¹ See ACMA, 2011, *Numbering: Calls to freephone and local rate numbers - the way forward*, final decision pending.



Telstra customers, offers a direct connection service where a “connection fee applies to successful and attempted connection.”²² The exact cost of this service is not always made known to consumers at the time of the call and, without this information, consumers may be confused about charges applying to what they expected to be a free call.

To ensure that numbers provide clear pricing signals, consumers need to receive a verbal notification at the time of a directory assistance call outlining specific costs for additional services.

Response to question one: would five years be an adequate period for the migration of these numbers?

Confusion about the cost of calling directory assistance services has been raised by consumer advocates for nearly a decade.²³ Clear pricing signals need to be in place as soon as practically possible.

ACCAN recommends a staged migration of services on the 12 range, with timelines appropriate to the relative levels of consumer detriment and confusion. This solution will balance the needs of consumers with the practical considerations of implementing change. A consumer will experience greater financial detriment from ringing a premium service without fully understanding the costs as opposed to ringing a free service without knowledge of costs. Because of this we recommend migration occurs sooner for services better suited to the '19' number range.

ACCAN recommends:

- **That Action 11 be retained without amendment. Directory assistance services delivered at no charge to the consumer migrate to the 18 number range within five years.**
- **That Action 12 be amended so directory assistance services charged at the same rate as a local call migrate to the 13 number range within three years.**
- **That Action 13 be amended so directory assistance services charged at a premium level migrate to the 19 number range within two years.**

4. Other matters

4.1 Review of Annual Numbering Charge requested

The direction paper highlights concerns with exceptions to the Annual Numbering Charge (ANC).²⁴ The ACMA rightly points out that any changes to the exceptions applied to the ANC could introduce market distortions. However, current exceptions are possibly providing small market advantages, for example, to service providers who provide fixed-line and mobile

²² See Telstra website, 'Features and services – Directory assistance', Accessed 20 February 2011. <http://www.telstra.com.au/home-phone/features-services/#directory-assistance>

²³ See Kirsty Needham, 22nd July 2004 'Telstra admits confusion of directory inquiries', Accessed 10 February 2012: <http://www.smh.com.au/articles/2004/07/21/1090089220901.html> and Bridie Smith, 13 December 2004, 'Need a number – call 1223, it's cheaper', Accessed 10 February 2012 <http://www.theage.com.au/news/National/Need-a-number-Call-1223--its-cheaper/2004/12/12/1102786955372.html>

²⁴ ACMA, 2011, *Telephone numbering – Future directions*, p38.



services.²⁵ This is a topic that deserves further consideration. ACCAN would welcome a full review of the ANC.

4.2 More information needed on changes to LICS number range

ACCAN requires further information in order to properly assess the proposed changes to the Location Independent Communications Services (LICS) range. Before actions 6, 7 and 9 are pursued ACCAN requests that the ACMA provides a briefing about the impact of amendments on consumers.

²⁵ As raised by Vodafone, see *ibid* p 37.