

## **SPEECH BY TERESA CORBIN TO COMMS DAY CONGRESS**

**MELBOURNE, 12 October 2011**

Thank you. I'd like to especially thank Grahame Lynch and Petroc Wilton for the opportunity to address you all again this year at this fantastic conference.

I'd like to start by introducing ACCAN briefly. We are a new organisation, just two years old. You might have seen our name in CommsDay but are a bit vague on exactly who we are and what we do.

ACCAN is the peak body representing consumers on telecommunications, broadband and emerging new services. We provide a unified consumer voice to industry and government – and our priorities are availability, accessibility and affordability of communications services for all Australians.

We are a member-based organisation. Our 175 or so members are a diverse bunch. Our 100 organisational members include community legal centres, disability advocates, farmers' federations, indigenous groups, financial counsellors, parents groups, regional groups, seniors' organisations and research bodies. We also have about 75 individual members who support the work that we do.

As you can guess not all of these groups necessarily see eye to eye on all sorts of other issues, but when it comes to problems with telecommunications, they find they have a lot in common and are keen to work together.

As Australian telecommunications academic Gerard Goggin has said: The idea that everyone should have a universal entitlement to a bedrock level of telecommunications service is easy to understand, and taps directly into a cherished national sense of fairness and social justice.

Social justice is a key aspect of our world view at ACCAN, but to give you a better sense of the other influences on us, it's important to know that ACCAN emerged out of several consumer groups that were very much part of the broader consumer movement in Australia. Of course, CHOICE is the most famous and visible arm of this movement and last year celebrated its 50-year anniversary. Consumer advocacy is a relatively small world, and our Director of

Policy and our Media & Communications Manager both came to ACCAN from CHOICE.

My own background is in advocacy, starting out in my student days at La Trobe University. It was a phase I never grew out of.

In 1995 I joined Communications Telecommunications Network – or CTN – one of the groups that became ACCAN. My first role there was working with the Telstra Regional Consumer Councils, which some people in the room might remember.

CTN was directly involved in the negotiations and campaign to set up the Telecommunications Industry Ombudsman – a pillar of today's industry structure. One we would like to think won't always be as busy as it is now.

So customer service and consumers' right to redress is another big part of who we are.

We have a big job in this regard because telecommunications is one of those parts of the economy, where it seems, the market just doesn't seem to provide enough of an incentive for business to do what business is supposed to do naturally – provide great customer service, or at least, not terrible customer service.

As for how ACCAN is funded – in 1997, the Howard Govt introduced the current Telecommunications Act and it provided for consumer representation to be funded via an industry levy, which all carriers pay.

But interestingly, this system, in which industry contributes to consumer representation, is not something that originates in a government decree but rather in enlightened self-interest of industry. In fact it originated with the enlightened self-interest of the biggest, meanest incumbent monopoly, Telstra – then Telecom Australia – back in 1989.

At that time, Telecom had been through a long-running consumer relations disaster on the issue of timed local calls. The proposal for timed local calls was also a political crisis for the government of the day. It was in fact the reason the Hawke Govt lost the Adelaide by-election in 1988.

Telecom was under pressure from all quarters. They decided that an improved relationship with the general community was needed. Executives saw that they would be better positioned to negotiate with government if they demonstrated an ongoing commitment to consumer representation.

So our predecessor group CTN was established - with Telecom funding. Funding by Telstra continued until 1998 when the current funding arrangement kicked in. The decision was made by government to introduce the levy for consumer representation in the then-new multicarrier environment so as to protect the independence of CTN by replacing Telstra funding.

While Telstra-consumer relations were not always perfectly harmonious - at the relationship was widely seen as at least constructively critical on each side.

This is an approach we continue at ACCAN in today's diverse market, not just with Telstra but with the many providers that now make up the industry.

To give you a few examples of how ACCAN is working with industry and regulators today, we need look no further than the current review of the Telecommunications Consumer Protection Code [that John Stanton was just discussing]. I am on the steering committee, and we have consumer representation of each of the six working groups.

Similarly, we made a number of submissions to the ACMA's Reconnecting the Customer inquiry, many of which influenced the six recommended action areas stemming from that inquiry.

Last summer we worked behind the scenes with Vodafone when its network problems spiralled into even greater customer service and complaint handling issues. We've also been instrumental in working with industry to design mobile premium services regulations, which have greatly reduced the number of complaints, made by customers in relation to these services. More recently, we consulted industry on the challenges and opportunities presented through the structural separation of Telstra.

Looking back at the original list of member groups for telco consumer representation from 1989, there has been remarkable continuity until today. Financial counsellors, disability groups, Indigenous groups, farmers groups are

all there. The main change to the mix that has emerged since that time is of course the internet community of activists, such as the Internet Society of Australia.

Of course, as one would expect, then and now, there is no single view among the diverse member groups on structural policy debates like how the NBN should be financed. Our voting members are not-for-profit groups that are non-party affiliated. And this is the reason why ACCAN cannot and will not be taking positions on each of the many ideological controversies that erupt in this sector.

Ultimately these are matters of political philosophy and intelligent people can be found on both sides of the argument.

We have to stay focused on the consumer reality. That is to say, we have to focus on how we can put outcomes for consumers at the forefront of the policymakers' agenda, and if we can't set the agenda as much as we would like, to at least engage with the government of the day about what is important from a consumer perspective. We want the consumer interest to be at the heart of policy making in this sector.

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I'll take an educated guess and say everyone in this room has at least one mobile phone, a broadband connection at home, probably mobile broadband and perhaps even one tablet device. I have all of these communication devices and very rarely run into trouble understanding my contract or bills and I'm fortunate that I can afford to pay them. For most of us in this room, I'm sure it is the case.

Our members represent some of the 2.2 million Australian people who lived in poverty in 2006. That's one in ten people. These households survive on less than 50% median Australian income i.e. \$281 for a single adult per week.

2.6 million people over 14 years do not have access to the internet at home or via a mobile phone, which is roughly 14 % of total population (ACMA).

42 % reported that the cost of connecting to the internet at home was too expensive.

It's these consumers that need representing.

We believe there is a big shift going on – from a broadband service being seen as a nice thing to have - to recognising that it is a utility akin to energy and water and the telephone.

Governments of all stripes have recognised the problem of income as a barrier when it comes to a phone service. We have a legislated right to a standard telephone service. We have made provisions for Telstra to meet this obligation, and we have subsidised specific products for low-income people.

Let me be absolutely clear that ACCAN expects these low-income measures guaranteeing essential phone access to continue uninterrupted in the transition to the NBN and after its implementation.

There is a growing understanding that communications are becoming increasingly essential to participation in society. We think that we need to change the mindset so that broadband is seen as an essential service.

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We work closely with Comms Alliance and as I have previously mentioned, we have spent over 12 months and considerable resources trying to improve the TCP Code. Whether or not it satisfies the ACMA remains to be seen.

I have a great deal of respect for John Stanton. His role is not an easy one. However, I think his comments made earlier today in relation to the cost of so-called Free and Local Rate 1800 and 1300 numbers from mobiles demonstrates better than even I could, why the industry needs consumer representation.

We have had over 70 percent of our member organisations endorse our Fair Calls For All campaign.

John Stanton tells us that only 2 complaints have been made per month to the ACMA. The people we represent have never heard of the ACMA. Very few have even heard of the TIO. But financial counsellors, community legal centres, and groups that help young and old consumers tell us that their constituents are suffering. These are the people who can least afford to bear the cost of making these calls and who are most in need of the over 700 essential services accessed by 1800 numbers.

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We believe that communications consumers are entitled to rights drawn from the principles of consumer and human rights.

In short, we see our role in the industry is to:

- Campaign for consumers and the public interest.
- Place emphasis on the needs of consumers for whom the market is not working.
- Inspire, inform, enable and equip consumers to act in their own interests.
- Research consumer issues to produce sound information and evidence.
- Build partnerships and work across jurisdictions to optimise positive outcomes.

I've discussed some of the work we do with industry. We also work with regulators and government on major reform areas. In the last financial year we made some 40 submissions and had representatives on 20 committees and working groups.

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Research is another important aspect of what we do. Our policy work and our submissions have a robust evidence base. We administer a \$250,000 Grants Scheme, which is particularly focused on areas of research for communities who are underrepresented. This year we've published research on internet use in Remote Indigenous Communities Internet with Swinburne University and the Centre for Appropriate Technology and the Central Land Council [slide], and case studies on migrants and refugees in conjunction with Footscray Community Legal Centre.

Some of our big picture research looks at issues affecting all consumers. I'd like to share with you a report we published last month by Dr Paul Harrison at Deakin University called Seeking Straight Answers: consumer decision-making in telecommunications.

This research was conducted using three research methods – a desk review of consumer behaviour, such as consumer heuristics and biases and mental processing capabilities. It also looked the prevalent issues of information overload, choice overload, bundling and complex pricing.

The second part of the research was extended auto ethnographic data collection, where we had 27 participants take over 80 hours of footage while they went through the experience of choosing a telco bundle. Here's what they reported:

**SHOW VIDEO**

The third part of this research was a large scale experiment where we looked at the effect of bundling and limited time offers in advertising on consumer perceptions and purchase intentions, the effect of unit pricing and the presentation of terms and conditions information in advertising on consumer perceptions and purchase intentions.

Ironically, the main recommendation coming from the author of this report, Paul Harrison was to urge the telecommunications industry - a supplier of devices to help people talk, directly and quickly to each other - to bypass the devices and the jargon and instead talk face-to-face with their customers.

It's been a pleasure to be able to talk to you face-to-face today. But we all know communications works best when it is two-way, so I'd encourage you to come and talk to me in a break or send me an email if you're interested in working with us.

We remain genuinely interested in working with whoever shares our passion for an inclusive Australia, one where everyone has access to vital telecommunications services at an affordable price. The advances I've seen in telecommunications during my time in this industry have been astonishing and remarkable – and it is, I believe, our organisation's responsibility to make sure everyone has the opportunity to benefit from all the richness and benefits that technology brings us.

**END**