



## OPTUS RESPONSE TO “CONSUMER REPRESENTATION: REVIEW OF SECTION 593 OF THE TELECOMMUNICATIONS ACT 1997” ISSUES PAPER

24 November 2016

ACCAN Review  
Department of Communications and the Arts  
PO BOX 13310, Law Courts  
MELBOURNE VIC 8010

*Via email: [accanreview@communications.gov.au](mailto:accanreview@communications.gov.au)*

Dear Mr Chalmers,

Optus welcomes the opportunity to respond to the Department of Communications and Arts' (DoCA) issues paper (the Paper) on Consumer Representation: Review of section 593 of the Telecommunications Act 1997' (the Act).

Optus has also participated in drafting the combined AMTA/ Communications Alliance submission on this paper and supports the views expressed. The comments expressed in this letter will be of a more general nature.

### 1. Consumer representation

The Australian Communications Consumer Action Network (ACCAN) continues to manage a difficult balance in representing the interests of its members, and advocating more broadly for the benefit of general consumers, particularly given the prevalence of its membership base representing minority or special interest groups.

Since the mid-term review of ACCAN, Optus has held more regular meetings with ACCAN staff which have been an opportunity for ACCAN to seek a greater understanding of Optus' policies and processes. ACCAN has also provided a greater level of visibility of issues they intend to raise publically. While not all issues brought forward have resulted in an alignment of view, it has meant Optus has experienced a greater level of engagement with ACCAN policy staff on policy issues than previously commented upon. Optus does not always agree with ACCAN's stated positions but we look forward to this approach continuing bilaterally and in the broader industry forums to improve understanding of each other's views and experiences.

It should be acknowledged that over the last 18 months ACCAN has released notice of their policy priorities for the next year. These priorities remain extremely broad and we are yet to see the fruits of this representation, however it is hoped this approach will lead to a more focused representation on general consumer interests.

### 2. Independent Grants Program and research

ACCAN has been the recipient of funding allocations under section 593 of the Act since 2009. Optus considers it is timely to review whether alternative research funding models could be adopted.

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As the Paper states, the primary policy objective of section 593 is “to ensure the interests of consumers are taken into account by the telecommunications industry, governments and regulators. Independent research into relevant telecommunications issues is intended to inform Government policy decisions.”<sup>1</sup>

In Optus’ view, the overall management of the ACCAN grants scheme is run well. However, Optus does not consider that the choice of funding recipients and the execution of some research programs have provided outcomes that can “meaningfully influence Government policy”<sup>2</sup> or change industry behaviour.

Optus recognises there have been a number of research projects that developed tools or information for specific needs of a community group. For example, Media Access Australia develop the Affordable Access website<sup>3</sup> from funding granted in 2015 provides a wealth of useful advice geared to customers who have accessibility needs from their telecommunications services. There have also been grants to translate telecommunications education material into non-English languages, developing communication material and apps for remote indigenous communities or people with mental health issues; and to develop resources and legal guides to assist women who are the subject of domestic violence. While there is a useful place within the broader research on telecommunications issues for these topics, Optus is not aware that they have influenced government policy or industry behaviour.

Some research and publications undertaken by ACCAN have drawn conclusions based on a small sample size. Optus notes this created issues for findings made by the research paper “*Confident, but Confounded: Consumer Comprehension of Telecommunications Agreements*” published in conjunction with Deakin University<sup>4</sup>. For research undertaken under the independent grants scheme, the results may be hampered by the limit of \$60,000 per project. For projects designed to investigate the merits of current policy or deficiencies industry practice, Optus suggests that a higher level of funding be made available to ensure the project is sufficient size and scope to ensure conclusions are well founded.

To persuade industry members that change is warranted based on research findings, particularly where conclusions recommend practices over and above those required by current legislation or regulation, the research must be of sufficient weight and rigour for industry to be able to justify any commercial or operational costs needed to make that change. Where ACCAN has engaged Optus with sufficient evidence of gaps within our processes for specific customers, we have been willing and able to use this information to build improvements into our practices.

Some research undertaken using ACCAN grants has covered a topic a regulator has already audited. For example, the research “*Investigating competition in the mobile phone marketplace*”<sup>5</sup> conducted by the Australian National University: School of Accounting and Business Information Systems from grant funding (\$30,806) provided in 2014 and published January 2016 looked into the compliance of a range of service providers’ Critical Information Summary (CIS) documents and whether they were compliant with the Telecommunications Consumer Protections Code. Not only did this research make a number of incorrect assumptions about the requirements of the Code, Optus is of the understanding this research was conducted during the same period the ACMA also conducted their own desktop audits of CIS.

<sup>1</sup> Department of Communications and the Arts, “*Consumer Representation: Review of section 593 of the Telecommunications Act 1997*” Issues Paper, October 2016, p4.

<sup>2</sup> Ibid, p8.

<sup>3</sup> <http://affordableaccess.com.au/whats-accessible/>

<sup>4</sup> <http://accan.org.au/our-work/research/1307-confident-but-confounded>

<sup>5</sup> Alex Richardson and Greg Shailer, “*The state of competition in the Australian mobile resale market: A study of Australian MNOs and MVNOs*”, Australian National University, January 2016 <http://accan.org.au/grants/completed-grants/808-investigating-competition-in-the-mobile-phone-marketplace>

Whilst ACCAN liaises with industry on the subject of funding grants once they have been granted, there is no industry or government representative on the independent grants panel that determines funding recipients. A broader representation on this panel may be useful in ensuring grants are directed to research proposals that are not likely to overlap with investigations underway elsewhere across the telecommunications community.

#### *Alternative funding models*

Optus would be open to the Government considering other funding models. One option could be for the funding allocated meet the terms of section 593(2) to be assigned to the Department's Bureau of Communications Research (BCR) and for ACCAN to advise the BCR on issues or themes worthy of research. This may have the benefit of providing a more thematic approach to research topics rather than a dependency for research grant applicants to approach the grant scheme.

Another option could be to open the allocation of funding to other representative groups within the industry rather than just one consumer body.

### **3. Should other activities be funded?**

Optus suggests that funding allocated to meet the terms of section 593(2) could also be directed to specific education development projects either via the BCR or other industry organisations.

We welcome the opportunity to discuss these matters with the Department.. For more information, please contact Xanthe Corbett-Jones at [xanthe.corbett-jones@optus.com.au](mailto:xanthe.corbett-jones@optus.com.au) or 02 8082 9017.

Yours sincerely



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