



Consumer Representation: Review of s593 of the Telecommunications Act (ACCAN)

Submission to
the Department of Communications and the Arts

28 November 2016



About ACCAN

The Australian Communications Consumer Action Network (ACCAN) is Australia's peak communications consumer organisation representing individuals, small businesses and not-for-profit groups as consumers of communications products and services. ACCAN focuses on goods and services encompassed by the converged areas of telecommunications, broadcasting, the internet and online services, including both current and emerging technologies.

ACCAN aims to empower consumers to make good choices about products and services. As a peak body, ACCAN will represent the views of its broad and diverse membership base to policy makers, government and industry to get a better outcome for all communications consumers. Member groups include community legal centres, disability advocates, indigenous organisations, financial counsellors, regional organisations, farmers' federations, parents groups, seniors organisations and other individual members.

The operation of ACCAN is made possible by funding provided by the Commonwealth of Australia under section 593 of the Telecommunications Act 1997. This funding is recovered from charges on telecommunications carriers.

ACCAN administers a Grant Scheme as part of its funding agreement with the Commonwealth Department of Communications. The aims of the Scheme are to support consumer research and representation that is aligned with ACCAN's strategic plan.

Acknowledgement

ACCAN wants to express gratitude to its members who are crucial to the success of consumer representation and research because they drive, enrich and support all ACCAN's work. ACCAN could not have achieved so much without the widespread support of all stakeholders, in particular communications consumers. ACCAN also thanks the Department of Communications and the Arts (DoCA) for its interest and engagement with consumer matters and sincerely appreciates the effort and quality of interaction with the government.

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Executive Summary

The Australian Communications Consumer Action Network (ACCAN) welcomes this government review of Section 593 of the Telecommunications Act 1997 (s593). This is a valuable opportunity to examine communications consumer representation and research; consider the current model's effectiveness and the on-going relevance of s593, as well as future considerations and options.

Sector specific consumer organisation

Having a well-funded consumer organisation is particularly important in a highly competitive industry such as telecommunications where there are millions of direct relationships with consumers. It is well known that phone and internet service contracts come with the potential for high levels of consumer confusion and frustration. Complaints are largely driven by the rapidly changing environment, new unfamiliar technology, the large choice of service providers and complicated service offerings and chains of delivery.

There is no question that ACCAN has made a substantial contribution to increased consumer awareness about rights and responsibility; improvements to product design and service delivery; greater industry investment in customer service and a better regulatory approach through the revised Telecommunications Consumer Protections (TCP) Code. All are factors that have led to the significant drop (>45%) in complaints to the Telecommunications Industry Ombudsman in the past few years.

Despite these advances, ACCAN's submission to this review highlights that there is a continued need for s593 and that funding under this program is most effectively directed to one telecommunications specific organisation not a general consumer body or multiple organisations representing specific consumer interest groups. As the NBN continues to be rolled out and Internet of Things (IoT) devices become more prolific there continues to be a strong argument that an industry specific consumer body is necessary, not only to represent consumers well, but also to keep them informed and able to act on their own behalf.

The communications policy debates requiring input from a consumer perspective are invariably very complex issues requiring an understanding of telecommunications and consumer regulation, competition, economics and a multitude of technical matters. Even addressing the challenge of diverting resources in a general consumer organisation to prioritise telecommunications issues would not ensure that a generalist group would be able to maintain the expertise to represent communications consumers adequately. There is a danger that as a result the ultimate policy outcomes would not be optimally balanced.

Engaging a broad range of stakeholders

ACCAN's real value proposition is that as an expert consumer organisation it provides independent advice from a consumer perspective in a timely manner both to consumers, industry, regulators and government.



ACCAN is well connected to a diverse network of stakeholders both through its membership base (Appendix 8) and its purpose built consultation frameworks. ACCAN's advisory forums and direct consultations ensure regular and relevant contact with all the different sectors in the demand side. These groups include general consumer groups, people in rural and remote regions, small businesses, financial counselling service providers, community legal case workers, domestic violence support agencies, internet users, seniors, people representing those from a culturally and linguistically diverse background, not-for-profit ICT enterprises, young consumers, people with disabilities, Deaf consumers, tenants, low income consumer groups, people representing homeless people and women's organisations.

Importantly ACCAN is also well placed to take any consumer concerns directly to the parties that can assist most quickly and readily. ACCAN has a seat at the table on many industry and government bodies (Appendix 6) addressing communications issues. ACCAN also has direct relationships with service providers both large and small. ACCAN has an Industry Engagement Framework (Appendix 11) and a Memorandum of Understanding with Communications Alliance to ensure there is regular and on-going liaison with the industry peak bodies.

Consumer representation

This submission provides an overview of ACCAN's effectiveness and how its representative policy positions are developed through an inclusive consultation framework complemented by robust research. In its policy development work, ACCAN is able to integrate at times divergent consumer opinions when required through a combination of research, capacity building and consultation.

ACCAN works closely with members and independent experts to authoritatively represent consumers in federal, state and local government inquiries, as well as statutory authorities and industry consultations. Since the renewal of ACCAN's contract 154 submissions and 15 policy positions have been produced. ACCAN consumer representation has led to many outcomes and these are summarised in a timeline (Appendix 3).

Undoubtedly there is a continuing community need for consumer representation in the communications industry to be well funded. ACCAN has ensured the consumer perspective is represented at every level across government, industry and to the media. ACCAN is able to consult with its wide networks and use its expertise to consult with target groups of affected consumers and synthesise often disparate consumer opinions into consolidated positions, supporting the work of government and industry by streamlining the process of consulting with multiple consumer groups.

Balancing general and specific interests in consumer representation

A concern raised in the Issues Paper about consumer representation is that ACCAN may have difficulty balancing the needs of general consumers and those with specific needs. In reality the majority of ACCAN's representational work is focussed on issues affecting all consumers. At times, such as when a specific service such as the National Relay Service (NRS) is being reviewed or a problem for a specific group is identified, ACCAN works with members in the sector to assist industry and government with engagement with affected consumer groups. ACCAN has existing relationships with such a large range of consumer stakeholders that it is easy for government agencies and industry bodies to use ACCAN's network to build the connections they need for these discussions.



ACCAN can also identify the impact on some specific groups and ensure they are included in discussions from the outset. While universally supported solutions are the preferred approach to policy issues, the reality is there are times when not every consumer group will be in agreement. In these situations ACCAN has developed expertise in working in a manner that builds bridges between different groups. This ensures that at the very least the different perspectives are understood and sometimes completely different solutions to issues are found.

As a peak body ACCAN is well positioned to balance both the overall consumer benefit with the needs of any specific groups because it includes a highly diverse range of groups in its membership. ACCAN is also well practiced at explaining the nuances of the variations between the positions of different consumer groups where necessary to government and/or industry. The ACCAN model has highlighted that frequently when the needs of specific groups are taken into consideration more effective longer lasting policy outcomes can be implemented. ACCAN is well placed to connect the affected parties and help broker outcomes that suit all concerned and this model of consumer representation is strengthened as a result.

By employing a different approach to consumer representation in telecommunications, ACCAN has broken down the barriers of previously “siloes” and separately funded consumer groups. As a peak body, ACCAN now involves a much broader range of consumer interest groups which is demonstrated by its larger member base now numbering 119 organisations. This has grown from just 32 members in 2008 with the most recent recruits highlighting ACCAN’s ongoing relevance. They include COSBOA, Cotton Australia and the National Farmers Federation.

Linkage between consumer representation and research

Prior to ACCAN’s inception consumer representation and research was fragmented, with funding split up across multiple groups with no guarantee that these would be the same groups from year to year. This created a disproportionate administrative load for the Department for a relatively small grant program.

It was also quite contentious as there were often complaints to the Minister’s office from groups who received little or reduced funding. Notably there have been no such complaints under the ACCAN model. It became more and more challenging to distribute the small amount of funds between more and more specific groups. This is why the Department of Communications encouraged consumer groups to come up with their own solution. ACCAN was the new model supported by consumer groups and ultimately industry as well.

Under the ACCAN model, representation and research activities are integrally linked which explains in part why ACCAN has delivered more outcomes than the previous funding model. Prior to 2009 up to 11 different organisations were funded – some doing research and some for consumer representation. Prior to 2009 no organisations were funded to undertake both consumer representation and research which led to a disconnection between policy positions and the evidence base. These functions are most effectively delivered in tandem and should not be separated again by any future funding contracts or arrangements.

The new model allows for a more co-ordinated approach for the allocation of funds. Consumers assist ACCAN to set its policy and research priorities. Industry and government are also consulted



about areas of priority for the Independent Grants Programme. Consumer representatives working on issues are, as a result, better informed about the evidence base supporting their concerns. Issues are also aggregated by ACCAN so that there are fewer groups requesting meetings and there are fewer ad hoc representations from the demand side. The body of research built by ACCAN over the past seven years is constantly in use and referenced. It is also being used to set new questions for further inquiry.

Value of ACCAN research

The modern policy and advocacy landscape is driven by the principles of evidence based research. In order to be an effective and authoritative voice for consumers, it is vital that ACCAN has access to the most rigorous, up to date, and methodologically sound research available.

ACCAN's approach to research is two-fold: via its own commissioned research, and that undertaken by third parties through the competitive independent grants program (IGP). This research aids in understanding and illustrates issues that affect consumers, and helps develop evidence to support representational work where evidence otherwise may not exist. Research is needed to identify and fill gaps in the information landscape. ACCAN research is typified by:

- Direct connection to ACCAN's strategic goals, operational plan, and identified research priorities,
- Framing from *consumer* perspectives and investigating consumer experiences, consumer detriment, consumer behaviour and consumer need, and
- Intellectual and research rigour using appropriate methodologies to substantiate a robust evidence base.

Over the period ACCAN has operated the IGP some 31 IGP projects have been funded and 39 research projects have been commissioned. A full bibliography of all research publications is provided. While all IGP projects have some educational basis, projects have been designated by primary topic areas: research, education and representation. Commissioned research projects have been primarily research, but many also have strong educational outcomes.

Independent Grants Program impact

A large proportion of ACCAN's research work, and community education has been funded through the IGP which is allocated \$250,000 (indexed) per annum. This scheme has had several independent reviews and an impact assessment. The scheme is operated in a fair, transparent and accountable manner and conforms with Commonwealth Grants Guidelines.

Successful projects include some that have received subsequent funding through public sector research bodies, private sector entities and even from direct community donations as well. Projects address a diverse range of consumer issues in response to the evolving market and produce a wide range of outputs. Impact has been considerable, with a number projects making findings that have influenced government policy, industry practice and procedure and informed regulator action. Funded research projects could also become more influential if more flexibility was available to the

program such as the opportunity to run projects over multiple years or across broader ranges of funding amounts.

External reviews of ACCAN research

ACCAN has undertaken two recent reviews of the program. The first was undertaken in 2015 in response to the ACCAN Mid-term Review and focused on the Independent Grants Program. This review concluded the IGP was run in a fair, competitive, accountable and transparent manner and compliant with the Commonwealth Grants Guidelines. It also found the IGP to be highly effective, providing grant funds to suitable organisations undertaking practical, topical and high value projects that have positive impacts and outcomes for consumers. The review was undertaken by N-Carda and is Enclosure 2.

The second review was commissioned in response to this current consultation and was specifically to address the level of impact as considered as an outcome of research which gives rise to a marked effect, change or benefit for Australian telecommunications consumers, whose interests ACCAN is mandated to represent. This review was undertaken by Dr Karina Aveyard of the University of Sydney School of Media and Communications and is Enclosure 1. This review found, among other conclusions, that:

- *This program of research has generated a wide range of positive impacts (marked effects, changes and benefits) for Australian telecommunications consumers.*
- *Research funded by ACCAN is demonstrated to be relevant to and generate direct benefits for consumers. Research is always funded with a clear sense of purpose and with specific practical outcomes (impacts) in mind.*
- *ACCAN research demonstrates high level impact across five key areas of influence on telecommunications consumers:*
 - *Government policy and regulation*
 - *Industry practice*
 - *Empowerment of consumers*
 - *Representation*
 - *Knowledge*
- *ACCAN maximises the reach and significance of impacts generated from its research through management practices that ensure:*
 - *Research produced is relevant and of a high quality*
 - *Projects funded represent a wide range of consumer interests*
 - *Dissemination and engagement activities are strategically targeted and managed*
 - *Impact is pursued across multiple areas of influence on the consumer chain*

It is appropriate for the Government to provide grants to a consumer representative group to undertake research into telecommunications issues as this provides a suitable arms-length approach to intelligence gathering across an appropriately broad research agenda, provided appropriate governance structures are in place and a broad set of projects are undertaken. Any single government department may tend to focus on its own work program and objectives and give lower

priority to the research agenda set by other government agencies, industry and consumers themselves.

ACCAN should continue to be funded under s593 for research to ensure there is a robust evidence base to support its policy positions and consumer education activities. Funding for the IGP should be continued under s593 with the following enhancements for future funding rounds:

- Strategic priorities to be discussed with government and published as draft guidelines before being finalised on an annual basis
- There should be more flexibility with multi-year grants and potentially larger amounts than \$60,000
- ACCAN should not be prevented under the contract from providing top-up or flow on funding to projects outside the designated IGP amount

Research funded through the IGP is useful to consumers as is evidenced by the range of educational materials, the number of downloads and calls for presentations and distribution of the outputs. Funded research projects could be more useful to consumers if even broader distribution channels were available with a larger budget for printing and outreach.

Other potential activities and s593

The issues paper asks whether other activities, in addition to consumer representation and research should be considered for funding under s593. It canvasses interest in changing the drafting of the Act to explicitly include education, and there is also a suggestion that industry wide Low Income Measures may be encompassed in s593. ACCAN has considered both these options at length in its submission.

The telecommunications market is complex and evidence shows that consumers are struggling to deal with information overload. New systems and services such as the Internet of Things (IoT) and the large scale migration to the NBN indicate acute needs. Competitive markets work better with informed consumers who can use their market power to make decisions in their own best interests. There is clearly a strong need to assist consumers in solving their own issues in an increasingly self-service marketplace.

ACCAN recognised from the outset that consumer education provided by a communications consumer group was needed in the Australian telecommunications market and has sought to fill this need through a range of mechanisms, some funded under s593. For others ACCAN has sought alternative funding arrangements. Part of representing consumers effectively includes informing consumers of their choices and enabling consumers to act in the own interests to navigate the telecommunications marketplace better.

There is an argument that there is a need for a better resourced more strategic approach to consumer education and capability building in the future. While the drafting of s593 does not need to change to accommodate this, serious consideration should be given to the establishment of a new program. This should be in addition to the program that funds ACCAN consumer representation and

research, to ensure that education initiatives are scalable and meet the growing need for outreach and appropriately formatted information.

ACCAN has always focussed on filling gaps and not replicating work other groups are already undertaking, except to assist them, for example through content review, or with distribution of messages and material through ACCAN's extensive community networks. In this way ACCAN has carefully allocated a limited budget to education without directing resources away from the other areas of ACCAN work. In fact ACCAN's consumer education activities are strategically linked to the ACCAN policy priorities and research outcomes. This ensures that consumer information needs are well-researched and carefully identified before any material is produced.

Growing demand for consumer education

Recently the government's Regional Telecommunications Review (2015)¹ Recommendation 10 stated "Recognising the significant changes in the regional telecommunications market, ACCAN should continue to make representations on the affordability and accessibility of services, including the promotion of tools to help consumers make informed decisions regarding their services."

Despite the many programs available targeting digital literacy, ACCAN remains the only agency addressing the need for independent consumer information in a strategic manner. Every time there are equipment upgrades, evolutions in service provision and changes to the regulatory landscape, ACCAN steps in to vet consumer information provided and implement complementary consumer awareness strategies.

There is evidence of the enormous need for more consumer education because ACCAN's materials and outreach activities are in high demand. Consumers constantly tell ACCAN that they are confused and struggling to make choices and use services. ACCAN's printed materials are also literally "snapped up" wherever they are distributed.

There is a clear need, however, for a better focused, structured and funded approach to consumer education that can adequately address evolving consumer information needs on an ongoing basis.

ACCAN suggests the allocation of specific s593 funding to the establishment of a separate and discrete **Consumer Education Program** to deliver ongoing consumer education initiatives and information resources in a well-planned, structured and collaborative way.

Consumer Education Program

To ensure stakeholder (*Government, Regulator and Industry*) transparency and a well-structured approach, it is envisaged that the **Consumer Education Program** would be fully documented in terms of planned major education initiatives, with periodic updates and comprehensive stakeholder consultation prior to finalization. It would encompass and utilise a variety of resources, content and media including awareness-raising initiatives, educational materials, information modules, consumer guides, decision-making tools and on-line resources.

¹ <http://www.rtrc.gov.au/issues-paper/index.html>



ACCAN has the depth of knowledge, understanding of consumer information needs, and experience in effectively delivering on those needs to successfully design, develop and deliver such a **Program**.

In order to ensure ongoing information accuracy and consistency, minimise duplication and maximise overall cost-effectiveness, ACCAN would work in close consultation with all stakeholders and specifically seek additional input/advice on major initiatives. This consultation could occur through ad-hoc informal liaison and/or periodic meetings of a more-formal “*Stakeholder Consultation Group*” established expressly for that purpose.

Low income measures and s593

It is proposed by the Issues paper that another activity that could potentially be funded under s593 would be to assess and report on the retail telecommunications products suitable for low income consumers. It is suggested that this could subsume the function currently undertaken by Telstra’s Low Income Measures Assessment Committee (LIMAC).

There is no question that LIMAC needs to be reviewed and potentially changed to address the shifts in the telecommunications marketplace. ACCAN has already collated a significant evidence base to suggest that there are many low income consumers missing out on telecommunications services, in particular adequate access to broadband.

The telecommunications market has grown and diversified since Telstra was privatised, and given responsibility for LIMAC. An approach that involves all main market players may be more appropriate in 2016, and could lead to more positive outcomes for low income consumers. There are, however, many options to consider and the role of s593, or that ACCAN could potentially play, is only one element to consider in the future of low income measures.

In order to determine an appropriate future model *all* the major telecommunications service providers, and the current members of LIMAC, need to be a part of a broader consultation and the review of s593 is not the most appropriate vehicle for this discussion. The optimum goal would be to find a forward path that the entire industry and low income consumer groups, including ACCAN, agree upon. ACCAN understands that a full and separate review of LIMAC has been planned so consideration of this issue should be set aside from the review of s593 and considered as part of the review of consumer safeguards to ensure all parties can work together to reach a consensus.

ACCAN is an efficient model

The Telecommunications Act 1997 sets out as one of its core objectives to promote the interests of long-term users of telecommunications. The funding mechanism provided to consumer representation and research under s593 is a vital element of achieving this goal. It ensures consumer representation and research is both accountable to government and independent from industry.

The ACCAN model provides excellent value for money costing the equivalent of four cents for each year for every customer (or service in operation). s593 provides a vehicle to achieve the benefits of demand side engagement with the supply side in a sustainable manner where the industry that benefits most from a sector specific consumer body contributes to its on-going funding.



Conclusion

There are strategic and direct benefits in continuing to fund ACCAN to ensure consumer representation in the communications industry. These include providing consumers with a strong, coordinated organisation through which they can work to help Australia realise its vision of world class communications infrastructure as part of building the long term prosperity of our nation.

ACCAN is now recognised as the unified, coordinated consumer voice balancing supply-side perspectives in the communications industry. Previously the consumer voice was fragmented and there were many overlapping forums where arguments were repeated and little progress was achieved. The quality of consumer participation prior to ACCAN's existence was variable. ACCAN's greatest success is perhaps most effectively demonstrated by how a peak body can unite and amplify consumer voices to improve access to communications in Australia.

Ongoing funding for ACCAN under s593 of the *Telecommunications Act 1997* is recommended, with another five-year contract from 2017-2022 ensuring that ACCAN continues, at a minimum, at the same level of operation. If additional increased consumer education functions were to be considered then additional funding perhaps as a separate program should be considered. It is also suggested that the options for transition for a new contract for 2017-2021 be considered by DoCA well in advance of the expiry of the existing contract.

Recommendations

General

1. ACCAN should continue as the peak telecommunications consumer body recognising the significant gains made by unifying the consumer voice into one organisation with a single strategic direction. These improvements would not have been possible under the previous funding model of specific grants to some, but not all, consumer groups.
2. The Government should continue to fund ACCAN under s593 with another five-year contract from 2017-2022 because it has performed the role of consumer representation and research in the telecommunications industry well.

Consumer Representation

3. Funding for a specific communications consumer body under s593 should continue because it is the most efficient model to ensure well-informed, timely consumer representation to the government and industry on policy, other relevant issues and co-regulatory / self-regulatory instruments.
4. Most of ACCAN's resources are currently targeted at representations to government and industry on general issues affecting all consumers. Therefore there should be no change to the current arrangements which give ACCAN the flexibility to identify where, in addition to its general consumer representation on telecommunications issues, it is most appropriate to also represent those with particular needs such as consumers in rural and remote regions, people with disabilities, Indigenous communities, low income groups, those from culturally and linguistically diverse groups and women.

Independent Grants Program and Research

5. ACCAN should continue to be funded under s593 for research to ensure there is a robust evidence base to support its policy positions and consumer education activities.
6. Funding for the Independent Grants Program should be continued under s593 with the following enhancements for future funding rounds:
 - Strategic priorities to be discussed with government and published as draft guidelines before being finalised on an annual basis;
 - There should be more flexibility with multi-year grants and potentially larger amounts than \$60,000; and
 - ACCAN not be prevented under the contract from providing top-up or flow on funding to projects outside the designated IGP amount.

Funding for other activities

7. The Government should consider funding an additional Consumer Education Program under s593 to ensure that ACCAN's current education activities can scale up appropriately to meet the growing information demand of consumers transitioning to the NBN, purchasing more and more IoT devices and adopting the many other new and emerging telecommunications services.
8. Consideration of the Low Income Measures Assessment Committee (LIMAC) should be set aside from the Review of s593 and considered as part of the review of consumer safeguards to ensure all parties can work together to reach a consensus on a path forward.

Conclusion – Drafting of s593

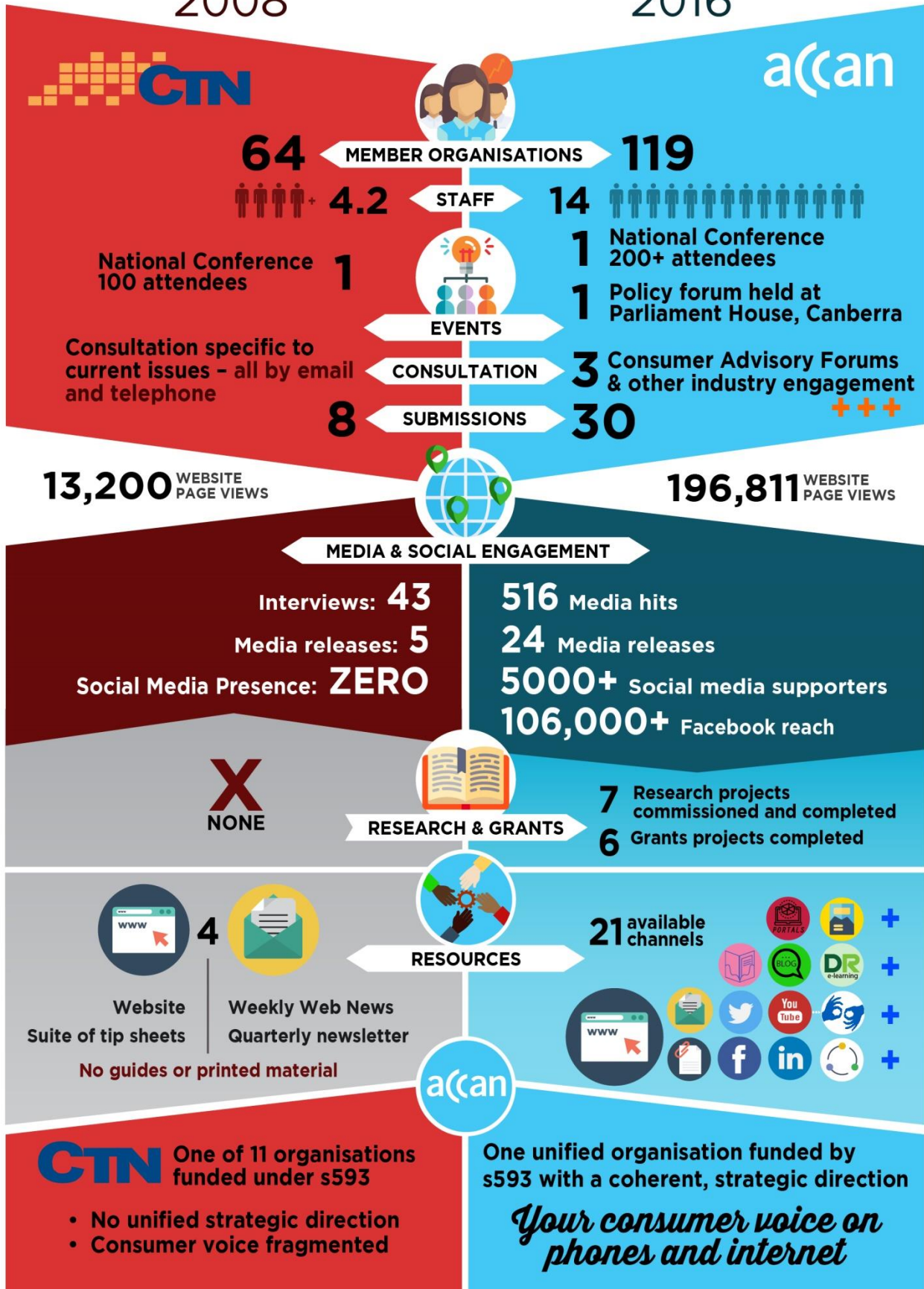
9. s593 of the Telecommunications Act should remain unchanged by this review as it continues to provide an effective mechanism and fulfil an important purpose, while providing sufficient flexibility for the Government.

THEN AND NOW

How consumer representation and research has changed

2008

2016



Introduction

There is continuing need for s593 and funding under this program is most effectively directed to one telecommunications specific organisation not a general consumer body or multiple consumer groups representing specific consumer interests. ACCAN is of the view that an industry specific consumer body is necessary in the rapidly changing communications industry.

This introductory section notes that ACCAN is widely regarded as a best practice model and that this is very much because it is an industry specific consumer body that has developed deep expertise in telecommunications technology and regulation. Furthermore ACCAN understands how this intersects with consumer policy frameworks and issues.

ACCAN should continue as the peak telecommunications consumer body recognising the significant gains made by unifying the consumer voice into one organisation with a single strategic direction. These improvements would not have been possible under the previous funding model of specific grants to some, but not all, consumer groups.

International best practice model

Since 1997 funding for consumer representation and research has been legislated in the Telecommunications Act, providing for an industry levy that the government administers. This funding model ensures consumer representation and research is both accountable to government and independent from industry. The most recent application of this legislative mechanism has funded the ACCAN model of consumer representation and research and is considered by many other industries and also internationally as a best practice model.

ACCAN has hosted many delegations of interested international visitors since its establishment. For example briefings have been provided to consumer lawyers from Japan, regulators and consumer representatives from Thailand, Departmental officials from Vanuatu and industry delegates from South Korea. The ACCAN model has been of interest to the New Zealand Government with its recent review of its Telecommunications Act and ACCAN is in regular contact with consumer and user representatives across the Tasman on issues relating to mobile roaming and internet reliability. ACCAN is also called on regularly to make international presentations, participate in global standards work and assist other generalist consumer organisations with their advocacy work on digital consumer issues.

ACCAN's body of work enjoys a highly respected reputation because it achieves the benefits of supply and demand side engagement in a sustainable manner where the industry that benefits most from a sector specific consumer body contributes to fund it. Indirectly this means the customers that drive this marketplace are funding consumer representation and research and can feel some assurance that the long term interests of end-users are being considered.

Sector specific consumer organisation

Having a well-funded consumer organisation is particularly important in a highly competitive industry such as telecommunications where there are millions of direct relationships with

consumers. It is well known that phone and internet service contracts come with the potential for high levels of consumer confusion and frustration. Complaints are largely driven by the rapidly changing environment, new unfamiliar technology, the large choice of service providers and complicated service offerings and chains of delivery.

There is no question that ACCAN has made a contribution to increased consumer awareness about rights and responsibility; improvements to product design and service delivery; greater industry investment in customer service and a better regulatory approach through the revised Telecommunications Consumer Protections (TCP) code. All are factors that have led to the significant drop (>45%) in complaints to the Telecommunications Industry Ombudsman in the past few years.

Despite these advances, there is a continued need for s593 and the funding under this program to be most effectively directed to one telecommunications specific organisation not a general consumer body or multiple organisations representing specific consumer interest groups. As the NBN continues to be rolled out and IoT devices become more prolific there continues to be a strong argument that an industry specific consumer body is necessary, not only to represent consumers well, but also to keep them informed and able to act on their own behalf.

The communications policy debates requiring input from a consumer perspective are invariably very complex issues requiring an understanding of telecommunications and consumer regulation, competition, economics and a multitude of technical matters. Even addressing the challenge of diverting resources in a general consumer organisation to prioritise telecommunications issues would not ensure that any generalist group would be able to maintain the expertise to represent communications consumers adequately. There is a danger that as a result the ultimate policy outcomes would not be optimally balanced.

Market structure and consumer representation

In 1996 it was recognised that for the Australian co-regulatory structure to be successful, consumers needed effective representation in that marketplace. s593 is therefore to promote the views and interests of telecommunications consumers within the regulatory and broader marketplace.

The Telecommunications Act 1997 completed the move initiated in 1991 to a model of largely industry self-regulation and co-regulation. With this change, many of the pre-existing Codes, Regulations and legislated mechanisms (instruments) were brought together into a single landscape. By aggregating previous systems, in an already complex technological landscape, expertise is required. In summary there is a need to ensure:

- An appropriately resourced level of consumer input into the regulation landscape, that is, one which is reliable and dependable
- Consumers have a voice in Industry Code development
- A balanced approach needed in the self-regulatory model
- Deeper expertise in this sector due to its complexity

It has been observed that *The landscape of telecommunications consumer and community regulation is not simply ordered. This does not signify a drafting failure, but rather the accumulation of assorted legislative obligations inherited from past licence conditions, general consumer protection laws,*

Ministerial powers and requirements included in industry-specific codes, within a regime whose policy is to promote “the greatest use of industry self-regulation”^{2 3}

Specific communications consumer representation continues to be needed because the Australian telecommunications market is a complex, self-regulated industry with significant imbalance in market power between consumers and suppliers with, therefore, inevitable regulatory intervention. Far from a model of pure competition, the Australian market is dominated by a small number of large players with some historical evidence of anticompetitive behaviour⁴ and a range of poor operating practices with the ACCC reporting 16 major investigations into contraventions of the Australian Consumer Law (ACL) in the communications sector in 2015-16. Consolidation in the market continues to reinforce the dominance of those players.⁵

In that sense it is useful to reflect on the significant size and value of the telecommunications market in Australia and reflect on the disparity of between consumers and the dominant players. Recent figures show 258 active licensed carriers⁶ and 66 internet service providers⁷. In the year 2014-15 the highest growth in Australian GDP was reported in the Information, Media and Telecommunications sector⁸ and the sector generated some \$40,576m total sales and services income⁹.

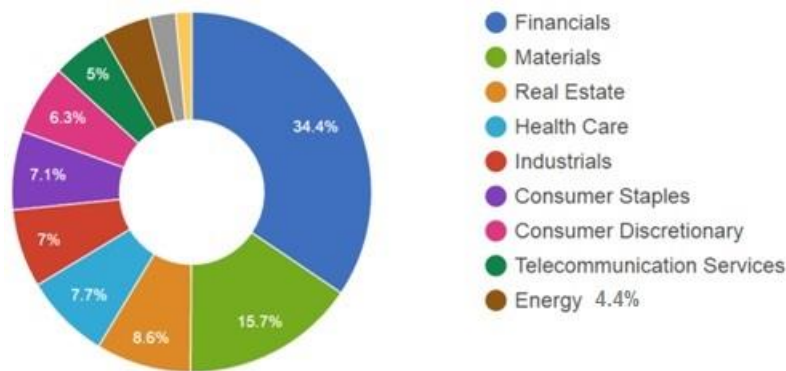


Figure 1 Proportions of Australian stock market by sector value¹⁰

In particular, the largest players within the Australian telecommunications market constitute significant parts of the Australian economy, with Telstra valued at \$58,881b in market capitalisation and TPG valued at \$5.96b¹¹. Of the ASX200 five per cent of listed companies are in the telecommunications sector and revenues from the top four telecommunications companies for the last full reporting year are shown below (note reporting periods vary).

² TA s4(a)

³ Grant, A. & Howartz, D. (eds) 2011, Australian Telecommunications Regulation, 4th edn, CCH Australia, Sydney p356

⁴ <https://www.accc.gov.au/media-release/18-million-penalty-imposed-on-telstra>

⁵ Competition in the Australian telecommunications sector report, ACCC 2016

⁶ <http://www.acma.gov.au/Industry/Telco/Carriers-and-service-providers/Licensing/register-of-licensed-carriers-licensing-i-acma> as at October 2016

⁷ 8153.0 - Internet Activity, Australia, June 2016

⁸ Australian Industry Report 2015, Department of Industry, Innovation and Science

⁹ 8681.0 - Information Media and Telecommunications Services, Australia, 2013-14

¹⁰ ASX 10 October 2016

¹¹ ASX market capitalisation listings as at 18 Nov 2016

Company	FY Revenue (\$m)	Market Share Mobile ¹²	Market Share Fixed B/B
Telstra	25,911	45%	41%
Optus	9,115	27%	14%
Vodafone	3,652	18%	N/A
TPG	2,387.8	n/a	27% iiNet + TPG

Table 1 Revenue and market shares of dominant players Source: Annual reports for last full reporting year, ACCC

While regulatory bodies are designed to promote competition, it was recognised that a strong consumer voice is needed to ensure that industry responds to consumer needs.¹³ In order to balance the potentially dominant view represented by telecommunications companies and get the best outcomes in the long term interests of end users, consumers need the effective representation offered by a seasoned, professional organisation.

Furthermore, telecommunications is increasingly cementing itself into consumers' lives. As was observed by the ACCC in its issues paper in commencing a market study on the Australian telecommunications market, Australian consumers increasingly want and expect affordable, ubiquitous and seamless connectivity to meet their evolving communication needs. They are also directing larger amounts of household expenditure to telecommunications and increasingly diverting funds from other vital goods¹⁴ as the overall household expenditure increases¹⁵. Indications of this spend are shown in Table 2

Service	User base	Proportion	Indicative cost/mo
Household internet access	7.7 million	86% of all households ¹⁶	\$44 - \$144
Internet users	19.238 million	85% percent of population	\$44 - \$144
Mobile subscriptions	31.77 million	140 per 100 inhabitants	\$43 (av ARPU)
Fixed phone total subscriptions	9.08 million	40 per 100 inhabitants	\$25 - \$85

Table 2 Market penetration and cost Source: OECD Broadband portal, annual reports, current advertised rates

Forces on the Australian Market

Threat of New Entrants: Key barriers to entry are the cost and requirement of capital, carrier licensing, Australia's geography and the inherent technology complexity. Despite market consolidation and a small number of dominant large players, new players have entered the Australian market and continue to do so. The latest such example being MyRepublic. The NBN may well change the economies of market entry once critical mass is reached. With new players, comes an increase in competition and choice, but more need of consumer representation as new players attempt new strategies to operate in the Australian market. Consumer representation can add value

¹² ACCC Telecommunications Competitive Safeguards for 2013-14

¹³ <http://www.itnews.com.au/news/new-consumer-telco-body-will-cost-700000-129887> (accessed 23 November 2016)

¹⁴ The Household, Income and Labour Dynamics in Australia Survey 2016

¹⁵ BCR Communications Monitor 2016 <https://www.communications.gov.au/what-we-do/bureau-communications-research/communications-monitor/consumption-and-use-services>

¹⁶ 8146.0 - Household Use of Information Technology, Australia, 2014-15

here by identifying issues before they require regulatory or legislative intervention and by promoting consumer education. This may reduce the cost of regulation in the long run.

Power of Suppliers: Telecommunications equipment suppliers no longer have disproportionate bargaining power over telecommunications operators since the advent of lower cost equipment, yet incompatibilities between the relatively few larger equipment vendors remain. Closed handset ecosystems have meant that consumers have not had optimal access to equipment and services. Recent actions such as Google Nest product termination mean uncertain futures as software reliant products emerge. Handset locking practices have also persisted and ACCAN has played a strong role in improving practices there in representing consumers' interests and use of services to international companies, and a number of these areas are outside the remit of regulatory bodies.

Power of Buyers: While basic services may be treated as a commodity little inclination to switch between services has been seen in the Australian market. As such, the imbalance of power between consumers and telecommunications service providers within Australia is significant and is evidenced by the consumer knowledge testing¹⁷ undertaken on behalf of ACCAN and ACCAN surveys of the market¹⁸. The ability of consumers to dictate terms and conditions is extremely low, with complex contracts persisting as the norm. Having a strong unified voice creates a balance that can ensure that the terms and conditions are equitable to begin with and presented in a manner which is easy to understand.

Availability of Substitutes: Internet telephony is starting to mean a significant displacement in messaging services, but this has largely had impact on the postal market more so than the telecommunications market in Australia if demand is sufficient to go by. Independent information and education helps to transition consumers from legacy services and to ensure consumers optimise the benefits and understand any risks, which industry players may not want to highlight.

Competitive Rivalry: Competition in the Australian telecommunications industry is fierce, yet with market consolidation fewer larger players are remaining. The ACCC recently reported its concern over the level of consolidation in its review of competition this year stating: "As the fixed broadband market has become relatively concentrated, any further consolidations in the industry would likely raise serious competition concerns."¹⁹ Consumer representation can help assess the degree of competition on the factors that are valued, such as complaints handling.

Self-regulation: It is recognised by the Australian Government that self-regulation is preferred to Government Intervention where problems are clearly defined.²⁰ In the telecommunications area there has been a policy of de-regulation over the last few years.²¹ Additionally, a number of codes that protect consumers are earmarked for de-registration.²² Given that telecommunications are of

¹⁷ Harrison, Paul, Hill, Laura, and Gray, Charles, 2016, *Confident, but Confounded: Consumer Comprehension of Telecommunications Agreements*, Australian Communications Consumer Action Network, Sydney

¹⁸ ACCAN Affordability Map <http://accan.org.au/our-work/research/1241-affordability-map>

¹⁹ Competition in the Australian telecommunications sector report, ACCC 2016

²⁰ Australian Government, Treasury.

http://archive.treasury.gov.au/documents/1131/HTML/docshell.asp?URL=06_chap5.asp

²¹ Telecommunications de-regulation 2014. <https://www.communications.gov.au/deregulation>.

²² Communications Alliance work plan, for example Calling Number Display de-registration. http://www.commsalliance.com.au/__data/assets/pdf_file/0003/38694/Works-Program-160915.pdf

social and economic importance it is vital that there is a body to ensure that consumer codes are developed of equal importance to industry codes. Self-regulation works best when consumers' views are represented and when funding is allocated to measure the impact and any potential detriment.

Signs of market transformation

There are strong signs of further market transformation into the near future. Some of the following factors indicate complex changes in the near future:

- NBN becoming the underlying basis over which the market operates
- Technology permeating all areas of life through Smart Cities and Smart Homes
- Changing importance of industry specific Codes and Regulations and continuous review
- Potential evolution of the USO
- Potential for broadband performance monitoring
- Evolving options for disability access and assistive technology
- Agenda of de-regulation and de-registration of codes

It is evident, therefore, that for the Australian market to obtain the greatest structural efficiency both industry and consumer voices need to be party to any regulation.

Engaging a broad range of stakeholders

ACCAN's real value proposition is that as an expert consumer organisation it provides independent advice from a consumer perspective in a timely manner both to consumers, the industry, regulators and the government.

ACCAN is well connected to a diverse network of stakeholders both through its membership base of 119 organisations and its purpose built consultation frameworks (Appendix 8, 9, 10). ACCAN's advisory forums and direct consultations ensure regular and relevant contact with all the different sectors in the demand side. These groups include general consumer groups, people in rural and remote regions, small businesses, financial counselling service providers, community legal case workers, domestic violence support agencies, internet users, seniors, people representing those from a culturally and linguistically diverse background, not-for-profit ICT enterprises, young consumers, people with disabilities, Deaf consumers, tenants, low income consumer groups, people representing homeless people and women's organisations.

Importantly ACCAN is also well placed to take any consumer concerns directly to the parties that can assist the most readily and quickly. ACCAN has a seat at the table on many industry and government bodies (Appendix 5) addressing communications issues. ACCAN also has direct relationships with service providers both large and small. ACCAN has an Industry Engagement Strategy (Appendix 11) and a Memorandum of Understanding with Communications Alliance to ensure there is regular and on-going liaison with industry peak bodies. The wide support that ACCAN enjoys in the industry for its role and work is also evidenced by the large number of providers that sponsor the ACCAN annual conference (Appendix 13).

ACCAN understands that it may be difficult at times to take on the concerns raised, however, the community benefits from the more balanced discussions that result, even when the outcome is not exactly what consumer or industry stakeholders have initially proposed. In spite of this frank approach ACCAN now engages at the highest levels of the industry with regular contact at CEO level.



ACCAN also interacts with a broad range of government stakeholders from local, state and federal levels, regulators and complaint handling agencies. In addition to working with the Department of Communications and the Arts on communications related policy issues ACCAN has also engaged with others such as the Attorney General's Department and the Department of Prime Minister and Cabinet. There is also regular involvement with the National Disability Insurance Agency and the Digital Transformation Office. ACCAN has developed multi-level relationships with regulators including the ACMA and ACCC. ACCAN ensures it keeps in touch with the work of organisations handling consumer complaints in order to have an in depth understanding of processes, systemic issues and trends.

Having one dedicated communications consumer organisation has ensured that there is continuity in the multitude of stakeholder relationships. As these relationships have broadened, they have become even more useful: consumer concerns are addressed in a timely manner ensuring more effective, long lasting outcomes that benefit both consumers and industry.

General Recommendations

ACCAN should continue as the peak telecommunications consumer body recognising the significant gains made by unifying the consumer voice into one organisation with a single strategic direction. These improvements would not have been possible under the previous funding model of specific grants to some, but not all, consumer groups.

The Government should continue to fund ACCAN under s593 with another five-year contract from 2017-2022 because it has performed the role of consumer representation and research in the telecommunications industry well.

Consumer Representation

ACCAN has effectively performed the role of representing the interests of consumers in relation to telecommunications. ACCAN effectively engages with a broad range of stakeholders, including industry, government agencies and other consumer groups.

Considering the consumer representation role performed by ACCAN, ACCAN has adopted an appropriate balance between representation of general consumers and representation of those with particular needs. A telecommunications specific consumer representative body funded by Government is required due to the inherent complexity of the market and its regulatory structure.

ACCAN provides effective consumer representation

The Australian system of regulation in telecommunications is one of co-regulation, that is, a mixture of government and industry self-regulation. In order for regulation processes to be effective, both industry and consumers need to be parties at the table. Generally speaking, ACCAN’s representative work consists of formal submissions to inquiries and consultations, providing comment to informal consultations, development of consumer policy positions on significant issues, and other representation on specific issues in discussions with government and industry.

ACCAN’s representative policy positions are developed through inclusive consultation frameworks, working closely with members and independent experts on a regular basis, and supported by robust research. In its policy development work, ACCAN is able to integrate seemingly divergent consumer opinions through a combination of consultation, research, and capacity building. These are then clearly communicated to inquiries conducted by federal, state and local governments, as well as statutory authorities and industry organisations.

Since the renewal of its contract in 2012, ACCAN has produced 154 submissions and 15 policy positions. ACCAN consumer representation has led to many outcomes and some of these are summarised below (for a full list in a timeline see Appendix 3). ACCAN represents consumers on 27 different industry bodies and committees. This number fluctuates depending on the focus of work in the telecommunications policy arena.

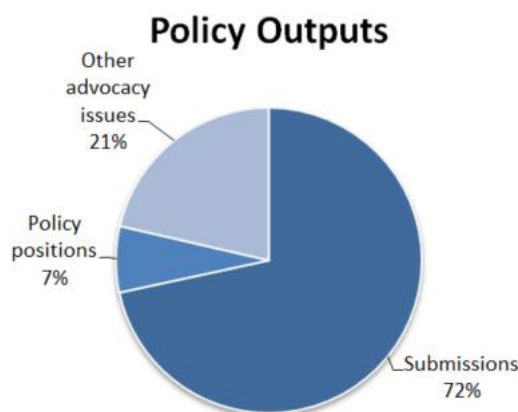


Figure 2 Balance of policy outputs



Undoubtedly there is a continuing community need for consumer representation in the communications industry to be reliably and appropriately funded. ACCAN has ensured the consumer perspective is represented at every level across government, industry and in the media. ACCAN has deep connections with a wide network and uses its expertise to analyse complex policy issues, convey these to a targeted groups of affected consumers and develop representative and cohesive policy responses of a high quality. This complex process has a twofold benefit – it supports and strengthens consumer representation by synthesising the consumer voice into a united position; and it streamlines consumer consultation for consulting entities, saving invaluable hours in consultation with multiple consumer groups. Examples include recent consultations conducted by NBN Co, the ACCC, DoCA, and the Productivity Commission into complex issues such as NBN migration and pricing; the National Relay Service; and the future of the Universal Service Obligation.

The 2012 TCP Code is a good example process. ACCAN worked with an extensive network of consumer representatives and used research to inform its positions in code development. The Issues Paper cites this, incorrectly, as an example of where consumers could not reach agreement. In reality all consumer groups were in agreement with both regulators, the ACCC and the ACMA, that the balloted version of the Code was inadequate. As a result ACCAN voted against that version of the Code. However, it was the ACMA decision that the Code did not provide adequate community safeguards that resulted in a stronger Code being negotiated directly between CA and the ACMA. ACCAN was not part of these discussions and was not given the opportunity to vote on this final Code which it would most probably have supported. The stronger Code and the establishment of Communications Compliance have led to many improvements in industry practices.

As the peak consumer organisation in the dynamic telecommunications sector, ACCAN has an important role to play in responding to government and industry consultations and priorities. However, ACCAN also follows an annual process where policy priorities are mapped out and areas for focus identified for the year ahead. These priorities incorporate and reflect:

- Policy priorities identified by ACCAN members (Appendix 2)
- An environmental scan – a survey of priorities identified by government, the telecommunications industry, and ACCAN’s major government and industry stakeholders, as well as an examination of international and national trends
- Consultation with ACCAN’s membership forums
- Internal consultation with the ACCAN policy team, ACCAN CEO and ACCAN Board
- An assessment for consistency with ACCAN’s 2012-2017 Strategic Plan (Appendix 1)

ACCAN policy priorities are then published on the website, and provide the framework for representation activities. ACCAN’s current policy priorities are included as an appendix.

ACCAN counts a number of major achievements in consumer representation. A few are listed below and a full list is provided in Appendix 3.

Working for fair pricing of products and services

- ACCAN successfully negotiated with fixed line resellers ACN and Optus to drop the Silent Line charge. This follows Telstra’s agreement to no longer charge the fee to vulnerable consumers. It is a significant benefit for at risk individuals, who can now maintain fixed line privacy at no cost.



- ACCAN worked with the ACMA to deliver fair pricing for calls to 1800 and 13/1300 numbers from mobiles.
- ACCAN published research showing consumer confusion with the array of global roaming prices was justified, and welcomed the introduction of more affordable roaming products. ACCAN has supported Government initiatives to create a competitive global roaming market, starting with Trans-Tasman arrangements.
- ACCAN worked with Telstra to introduce a late fee waiver for some vulnerable consumers.

Engaging with the Coalition Government's deregulation agenda

- ACCAN worked closely with the Department of Communications on the new Coalition Government's deregulation agenda. This approach balances efficiencies with effective consumer protection, in support of a fair market for all.
- The majority of ACCAN proposals for short term reform were adopted.
- ACCAN positions on longer term reforms around privacy and service level guarantees have been significantly influential.

Increasing competition and consumer protections in the telecommunications market

- Mobile handset unlocking – ACCAN worked with the major telecommunications providers to increase the range of unlocked handsets sold to customers, bringing significant benefits to consumers by removing barriers to switch to better suited mobile providers, and allowing for easy use of local SIM cards when travelling. As a result, all new Optus Apple handsets are now unlocked, as are all new handsets sold by Vodafone.
- ACCAN worked with industry and the ACCC to remove misleading advertising claiming an offer is 'unlimited', when in fact it is not. The resultant ACCC enforcement undertaking by Medion makes clear that such claims are unacceptable under the Australian Consumer Law.
- ACCAN engaged in ACCC consultations on industry pricing, to ensure that competition continues to deliver lower prices for consumers.
- ACCAN's review of telecommunications customer contracts and liaison with industry has led to proactive updates to standard contracts.

Improvements for Accessible ICT

- ACCAN joined the effort to kill CAPTCHA, the annoying and discriminatory tests used by websites to prove users are human. Telstra has subsequently ceased using CAPTCHA, and ACCAN continues to work with Google to improve accessibility of the system used on its sites.
- The federal government has adopted a preferred policy of public procurement of accessible information and communications technology (ICT), and is working closely with ACCAN and Standards Australia on the local adoption of the relevant EU standard.

Extensive consumer engagement by ACCAN

Membership and consultation models in place by ACCAN

ACCAN's engagement with the community is constructive and outcomes oriented. A diverse range of informative materials are distributed broadly and target consumer need effectively and efficiently. ACCAN has conducted a range of events, from small gatherings of experts, through structured workshops, to its annual conference. Examples include ACCAN's 'Connecting the Country' Forum. Held in 2014 it was a huge success and highlighted the importance of having mobile communications

outside urban centres and involved over 50 attendees representing 30 organisations. The event was also a key part in formulating ACCAN’s ‘Community Consultation Kit’ which assists communities in putting together business cases for new telecommunications infrastructure.

In August 2013 ACCAN partnered with Telstra to stage the Southern Hemisphere’s first M-Enabling event. The M-Enabling Australasia 2013 conference and showcase, the biggest conference to date, attracted 298 delegates from across industry, government and community organisations and individuals. This event, and subsequent roundtable, have been key triggers in the move for government to adopt public procurement standards for accessible ICT.

ACCAN has engaged in consultations held by government departments and statutory agencies, such as the ACMA, ACCC and OAIC, as well as many industry consultations. The graph below, undertaken as part of the mid-term review analysis, shows the range of sectors consulted and represented during the period August 2012-2015 for submission work.

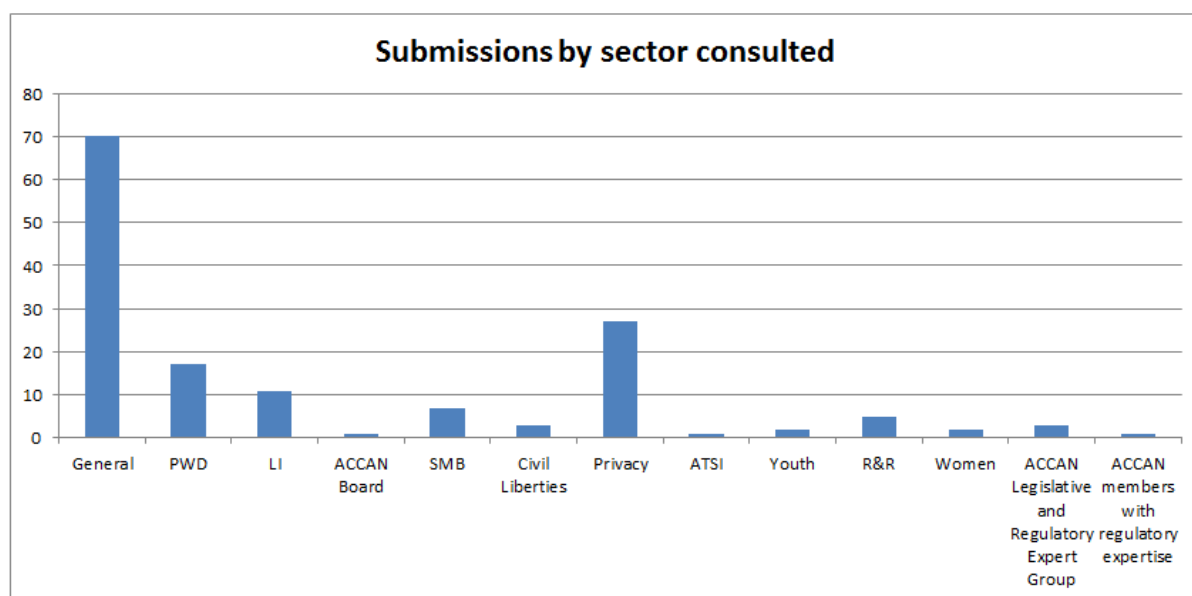


Figure 3 Submission tally by sector consulted 2012 - 2015

The largest sector represented is the general consumer category. This indicates consultations have taken place with ACCAN members such as Choice, state consumer associations, the Consumers’ Federation of Australia, the Communications Law Centre, Consumer Action Legal Centre and take into account the needs of consumers across the board.

ACCAN’s work is assisted by a formal member consultation structure, which was revised and restructured in 2015 to ensure relevance and balanced membership representation. Prior to 2015, two standing advisory forums existed covering General consumers and Disability respectively, which met twice per year. Subsequently, sector specific forums have been convened annually or biannually as necessary. These forums span a range of groupings and are listed in Appendix 10. Over the period 2015 – 2016 eight have been held.

In preparation for its recent mid-term contract review, ACCAN assessed engagement with industry and government in representation and advocacy of consumer interests at 34 issues. These are listed below:

- Accessible ICT Government Procurement
- Local IT pricing of products for people with disability
- NBN Broadband Accessibility
- Audio Description trial for Free to Air TV
- Caption Broadcast Standards
- Telstra Silent Lines
- Pre-paid Calling Cards
- In-App Purchases
- Clearer Telecommunications Consumer Contracts
- Fair rate pricing for 1300 calls from mobiles
- Mobile handset unlocking
- Unlimited plans advertising
- Complaint metrics
- Mobile network performance
- Mobile coverage expansion
- Telstra Mass Service Disruptions to CSG
- Lord Howe Island internet connection problems
- Global roaming charges
- Unfair contracts
- Public communications and consumer awareness in NBN Switchover areas
- Interim Satellite Service capacity problems
- Multi-lingual point of sale material
- New technologies and consumers with disability
- Inaccessible CAPTCHA
- Customer Service Guarantee reforms
- Telco customer information on disability products
- International Mobile Roaming Standard reform
- ABC TV Audio Description
- Public procurement of accessible ICT
- Industry wide adoption of 1800 calls from mobiles
- Telstra's Network Reliability Framework reforms
- Future universal service obligations
- Mobile text and data plans suitable for people with disability
- Inaccessible You Tube captioning

Sectors consulted and represented in these matters are depicted in Figure 4, which shows the top three consumer sectors as general, disability (PWD), and regional and remote (R&R).

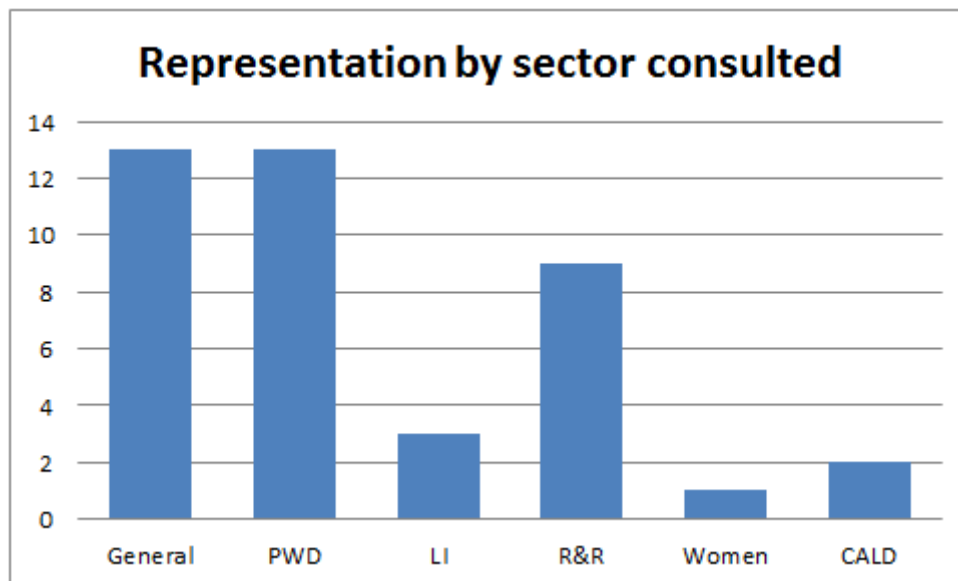


Figure 4 Tally of other advocacy by sector consulted

ACCAN has a range of systems to ensure it meets regularly with a broad range of stakeholders. In the section following each type of engagement is described and linked to outcomes and the meetings attended tallied over the term. All types of meetings show a seasonal drop over the end of year period, and increases at other times. ACCAN also attempts to be efficient as well as strategic in the choice of meetings and will leverage broader events where possible to maximise exposure and optimise potential engagement. Note that these tallies are understated as not all meetings have been able to be collated. Tallies also apply to the period of ACCAN’s Mid-Term review, i.e.2012-2015.

Regulator meetings

Due to the nature of the telecommunications industry, ACCAN staff routinely met with a range of regulators with responsibility across the sector. Meetings held with regulators comprise:

- Regular forums or committees where ACCAN holds a seat (ACCC CCC, ACMA CCF)
- Ad hoc briefings on particular issues
- Those convened by ACCAN or at the request of the other party
- An ebb and flow depending on projects, e.g. TIO restructure, code/regulatory reviews
- Miscellaneous, i.e. ASIC, TUSMA, ARPANSA etc
- Formal events held by regulators
- State based consumer affairs officials
- State and federal attorneys general and their officers
- Other government departments

Department of Communications meetings are not included as it is impossible to separate specific regulatory topics from routine contract management meetings.

Stakeholder meetings held over term	ACMA	TIO	ACCC	Misc Reg
Tally of meetings with regulators	46	77	31	16

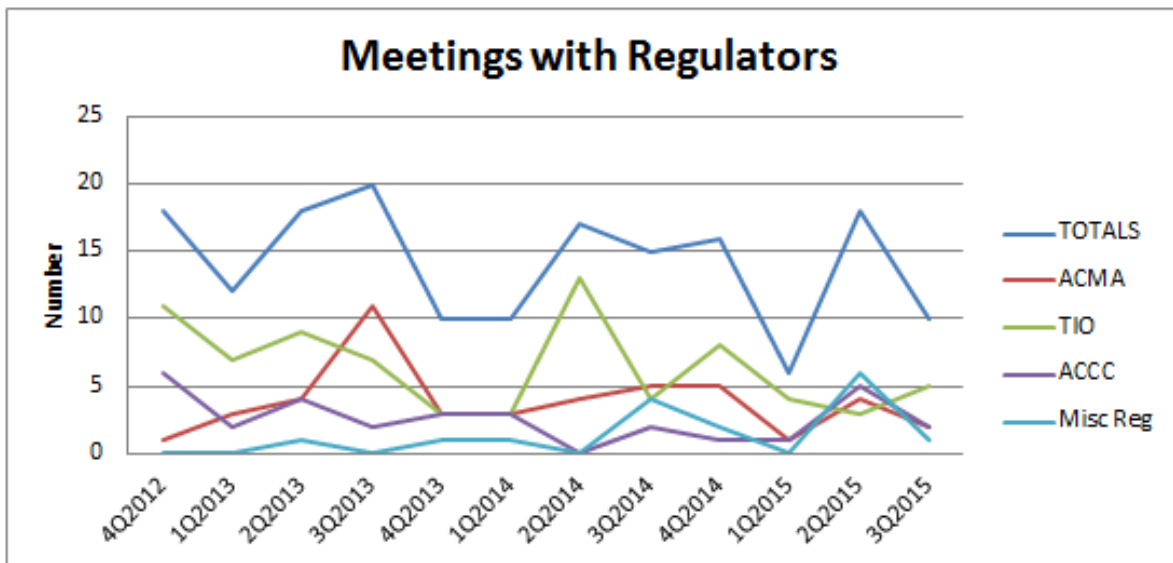


Figure 5 Tally of Meetings with Regulators 2012-2015

Industry engagement

ACCAN endeavours at all times to have a constructive, positive relationship with all industry players and this approach is codified in our Industry Engagement Framework. Working effectively with the telecommunications industry is important to achieving ACCAN's vision of communications services that are available, accessible and affordable for all consumers. Examples of the benefits of a good relationship between ACCAN and industry stakeholders are:

- Enhanced community confidence in consumer related policies implemented by service providers
- Reduced future costs (for example, through better quality input to policies, products and processes)
- Improved responses to emerging issues and community concerns and the capacity to respond to them quickly through an increase in trust
- Enhanced two-way communication and better understanding on both sides, including a clearer articulation of what cannot be resolved
- Happier, more informed and satisfied consumers, which benefits all concerned.

Industry meetings may be convened by ACCAN or at the request of the other party and comprise a range of items:

- ACCAN's regular industry engagement forums convened with a range of participants drawn from across the industry, including associated industry bodies
- Regular meetings with Communications Alliance
- Regular face to face meetings with major service providers including content and 'over the top' service providers
- Sponsorship and partnership meetings (e.g. Google internship management) on specific projects
- Code review and other working groups
- Ad hoc consultations on specific issues

- Briefings prior to product release or planned issue management
- Crisis management e.g. during critical incidents/major outages
- Broader industry events, hosted forums
- International and national standards bodies such as Standards Australia

Examples of where this has borne fruit in the way of genuine outcomes for consumers include:

- Working with all stakeholders on the Copyright Code
- ACCAN nominated by Facebook to comment in the media on their new features to enable Legacy Account Management
- Early notice of data sharing plans and other industry products before major release
- Engagement on the privacy and disclosure terms relating to retained customer data prior to public release
- Prior warning of a deep packet inspection trial
- Implementation of outcomes from Grants Scheme projects

Industry meetings held over term	ACCAN Industry forum	CA	Telstra	Optus	Vodafone	NBN Co	Other Telco/ISP
Tally of industry meetings attended	5	43	66	22	15	33	110

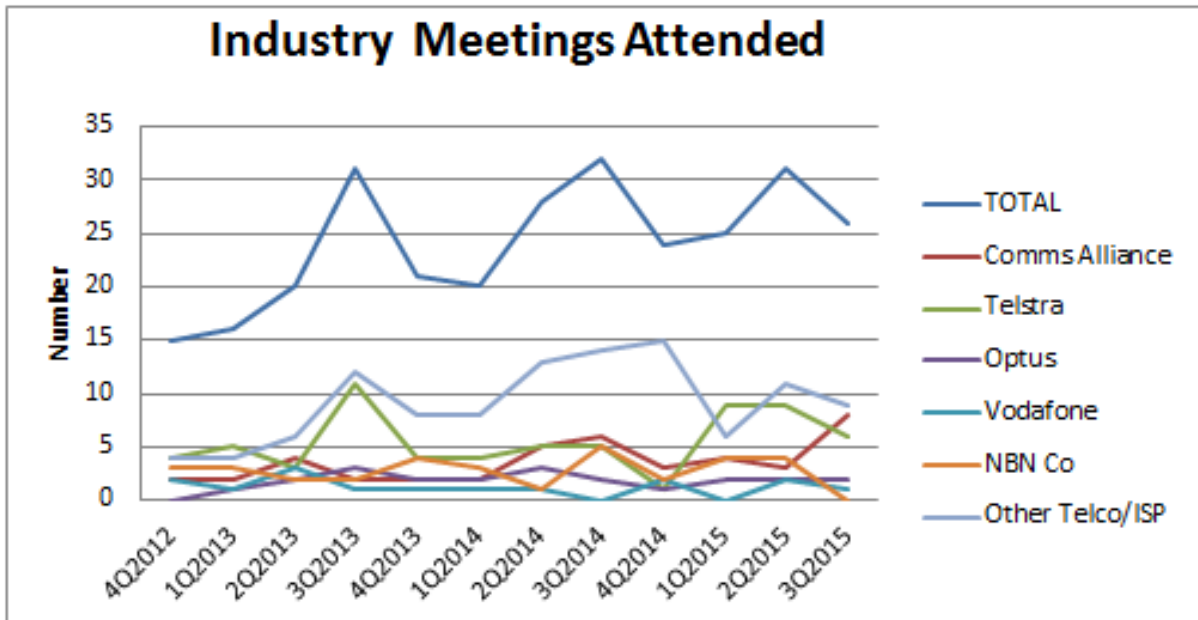


Figure 6 Tally of Industry Meetings Attended 2012-2015

Member Engagement

The ACCAN Board, representatives of ACCAN’s membership and staff developed the following vision statement for consumer stakeholder engagement at a joint planning workshop (held 2013):

A meaningful and rewarding two-way relationship with consumer stakeholders that delivers results for communications consumers through leadership, agenda-setting and trusted advocacy.

At least four Advisory Forums are held annually to advise ACCAN on its policy priorities. A Members Advisory Forum spans all the areas of ACCAN’s activity and policy work and has a broad membership drawn from both individual and organisational members of ACCAN.

This forum is complemented by three other sector specific forums to build capacity and understanding of issues in key focus areas: a Disability Advisory Forum, an Indigenous Advisory Forum, and a Small Business Advisory Forum. These forums are now held annually. ACCAN’s consultation framework also allows for ad hoc advisory forums, for example a Rural, Regional and Remote Forum was held in October 2016. Additionally where there are specific issues requiring consultation Expert Advisory Committees are formed.

ACCAN also has a range of other strategies to obtain broad community and member engagement which include:

- Specific member communications sent to invite participation or call for input to consultations, events or other initiatives
- Expert advisory forums on specific topics and have included affordability, deregulation, customer information and TCP Code review (2014)
- Ad hoc catch up meetings with a member organisation
- Attendance at a member organisation AGM or other event
- Meetings to discuss grant projects and outcome implementation
- Sector wide engagement e.g. Yabun, Festival of Eid, broad sector conferences

Member engagement over term	Formal Member Emails	Forums Held	Members’ Meetings	Other Outreach
Tally of sessions attended	60	23	188	57

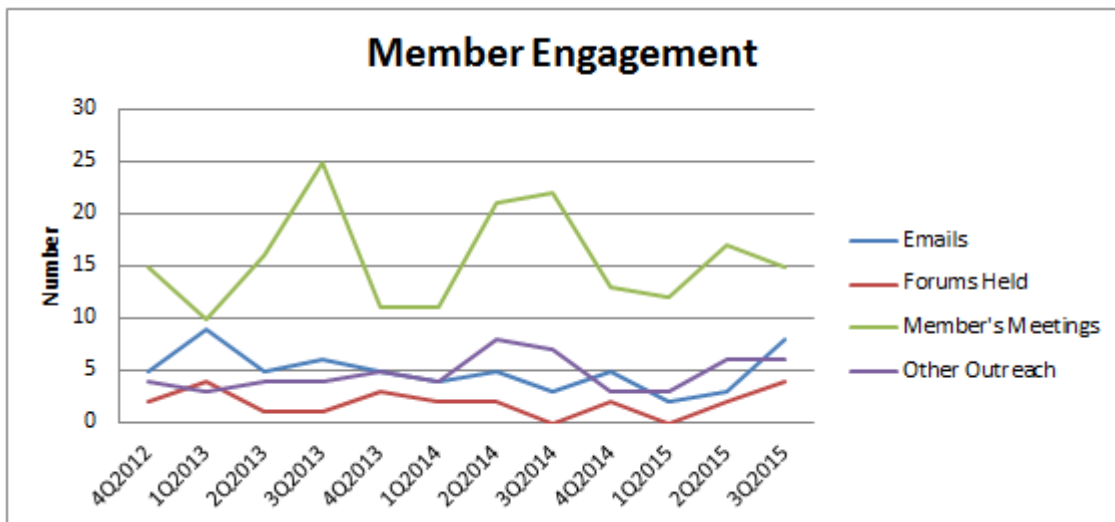


Figure 7 Tally of Member Engagement Events 2012-2015

ACCAN Annual National Conference

ACCAN's national conference has been held annually as required within the contract. This event is now a major fixture of the consumer and telecommunications marketplace. Over the 2012-2016 contract period, the themes have been:

- **Delivering for Consumers**, the 2012 conference assessing how the market does, or does not, deliver for consumers
- **M-Enabling**, which in 2013 brought an international theme to Australia and addressed accessible mobile technology. The event incorporated a showcase of technology.
- **Delivering for Consumers**, the 2014 conference with an emerging technology theme.
- **Dollars and Bytes**, the 2015 conference that focused on affordability across the market.
- **ACCANect, Equipping Consumers to Stay Connected**, the 2016 conference addressing practical approaches to getting and staying connected across the many contemporary topics.

Each year the conference has attracted in excess of 150 delegates and spans the many contemporary topics of interest to all participants in the Australian telecommunications market.

Consumer representation and segmentation

A single telecommunications oriented organisation will be more effective at representing consumers than several segment based organisations as the expertise on telecommunications can be consolidated and applied across demographics. Specific consumer groups can be effective, but will have a steep learning curve every time a telecommunications issue emerges. Resources within broad based consumer organisations will have to compete internally when other issues for the sector arise, and telecommunications may fall to the bottom of the priority list. In contrast, a group with expertise in the industry vertical can maintain effective relationships across the community sector to ensure appropriate understanding of the perspectives of different consumer segments.

Consumer segmentation can be by a range of methods, as marketing research shows, however the ACCAN contract has required it to use the following demographic segmentation:

- general consumers
- small business users of telecommunications services in their capacity as consumers
- Aboriginal and Torres Strait Islanders
- low income
- disability
- culturally and linguistically diverse backgrounds
- youth
- seniors
- women and
- rural, regional and remote areas.

Other models also exist such as those common to technology diffusion²³ (innovators, early adopters, early majority, late majority and laggards) and could be applied, however demographic

²³ Rogers, Everett (16 August 2003). *Diffusion of Innovations*, 5th Edition. Simon and Schuster. ISBN 978-0-7432-5823-4.

segmentation such as the above is still helpful. In order to be successful at consumer representation across market segments an appropriate balance is required and:

- Mass market deficiencies and mass market regulation will still need to exist, therefore the system or entity must be capable of across the board responses
- The current model is an effective segmentation, however flexibility in representation is necessary as it is rare that an individual or organisation will fit neatly into one category alone.
- Mechanisms to resolve priority mismatch are needed. Topics will clash across horizontal representation groups, e.g. when issues with the NDIS arise, a disability group may find it difficult to attend to a telecommunications issue. Or, if in the middle of a serious drought, a farmers' group may be disinclined to argue for telecommunications issues when debt relief questions are far more urgent.
- Systemic issues versus sectoral issues need to be understood, for example where a problem can be solved for a low income group it may assist a disability group: larger scale factors can be assessed but should not be assumed.
- Other representation groups will always emerge, particularly for regional and remote consumers, yet these are often activist groups that arise due to a temporary motivation, e.g. correcting a black spot means know-how is lost when the group fades after coverage issues abate or are remediated.

Benefits of the ACCAN model

Were Government to fund representation only for a body or bodies representing consumers with particular needs this would lead to a re-fragmentation of representation and a lack of continuous expertise. This is an inherently inefficient model of consumer representation in a vertically integrated market. Disparate views would then need to be synthesised by government and multiple funding relationships would need to be again in place. Groups also come and go, so an active approach to monitoring consumer voices across the landscape would be required. Each group would need to acquire specialist expertise and traverse steep learning curves, while at the same time have very limited resources to do so. ACCAN has this built into its model of representation already.

A telecommunications representation function could be carried out by a general consumer body however the consequence of this is likely to be diluted representation of communications consumer issues, and prioritisation of other consumer issues when they are deemed less complex, less time consuming, or more urgent.

ACCAN has developed some unique characteristics which enhance its consumer representation including:

- The ability to provide consumer representation specific to the telecommunications industry vertical rather than one which works horizontally across multiple industries.
- Greater depth of expertise in communications issues as evidenced by the qualifications held by current staff (Appendix 23).

- Consistent ability to apply expertise in telecommunications, whereas broad based groups develop specialities and preferences which at times may include depth within telecommunications, however, this focus is not on-going or guaranteed.

Being a specialist organisation with whom general groups consult for its expertise, ACCAN builds and maintains relationships to ensure alignment with shared principles of consumer representation. ACCAN does this by identifying and applying approaches that work across sectors, and seeks not to reinvent the wheel for each consumer segment. ACCAN has a proven ability to harness the potential for collaboration which might be precluded by a sector specific group. An example of this was in the work ACCAN undertook with the Australian Consumer Law Review where liaison with other general consumer groups ensured that ACCAN's representation focussed specifically on issues relevant to communications consumers. The positions taken were complementary to those taken by generalist consumer organisations on broader issues regarding the Australian Consumer Law review.

Government could measure consumer views directly by undertaking its own consumer research, however, this would not reflect views as accurately as ACCAN does due to its broad engagement strategies with consumers and its balanced approach to initiating and integrating research findings. It is also of more assistance to the government to have a specialist organisation like ACCAN to consult with as issues unfold on an on-going basis.

Balancing general and specific interests in consumer representation

Another concern raised in the Issues Paper about consumer representation is that ACCAN may have difficulty balancing the needs of general consumers and those with specific needs. In reality the majority of ACCAN's representational work is focussed on issues affecting all consumers. At times, such as when a very specific service such as the National Relay Service (NRS) is being reviewed or a problem for a specific group is identified, ACCAN consults with the affected consumer groups. ACCAN has existing relationships with such a large range of consumer stakeholders that it is easy for government agencies and industry bodies to use ACCAN's network to build the connections they need for these discussions.

ACCAN can also identify the impact on specific demographic groups and ensure they are included in discussions from the outset. While universally supported solutions are the preferred approach to policy issues, the reality is there are times when not every consumer group will be in agreement. In these situations ACCAN has developed expertise in building bridges between different groups. This ensures that at the very least the different perspectives are understood and sometimes completely different solutions to issues can be found.

This is exactly the situation with the current consideration by the ACCC of mobile roaming. ACCAN members have very different perspectives depending on where they live and who they represent. ACCAN's approach with this matter has been to assist with briefings and explanatory materials about the issue so that member organisations are able to make their own submissions and also engage with the ACCC directly. Member organisations also participated in the ACCAN conference recently where there was a debate between several providers showcasing the different perspectives in the industry on the issue.

In fact, ACCAN applies a range of techniques for issue prioritisation. One such is a four sector model as shown below in Figure 8

Issues with high impact / high detriment	Case by case basis	Issues ACCAN must address
Issues with low impact / low detriment	Rare to engage	Case by case basis
	Few consumers	Many consumers

Figure 8 Issue prioritisation matrix

As a peak body ACCAN is well positioned to balance both the overall consumer benefits with the needs of any specific groups because it includes such a diverse range of groups in its membership. ACCAN is also well practiced at explaining the nuances of the variations between the positions of different consumer groups, where necessary, to government and/or industry. The ACCAN model has highlighted that frequently when the needs of specific groups are taken into consideration more effective, longer lasting, policy outcomes can be implemented.

By employing a different approach to consumer representation in telecommunications, ACCAN has broken down the barriers of previously “siloes” and separately funded consumer groups. As a peak body, ACCAN now involves a much broader range of consumer interest groups and demonstrated by its larger member base now numbering 119 organisations. This has grown from just 32 members in 2008 with the most recent recruits highlighting ACCAN’s ongoing relevance. They include COSBOA, Cotton Australia and the National Farmers Federation.

Linkage between consumer representation and research

Previously consumer representation and research was fragmented. Funding was split across multiple groups with no guarantee that these would be the same groups from year to year. This created a disproportionate administrative load for the Department for a relatively small grant program.

It was also quite contentious as there were often complaints to the Minister’s office from groups who received little or reduced funding. Notably there have been no such complaints under the ACCAN model. It became more and more challenging to distribute the small amount of funds between more and more specific groups. This is why the Department of Communications encouraged consumer groups to come up with their own solution. ACCAN was the new model supported by consumer groups and ultimately industry as well.

Under the ACCAN model, representation and research activities are integrally linked which explains in part why ACCAN has delivered more outcomes than the previous funding model. Prior to 2009 up to 11 different organisations were funded – some doing research and some for consumer



representation. Prior to 2009 no organisations were funded to undertake both consumer representation and research which led to a disconnection between policy positions and the evidence base. These functions are most effectively delivered in tandem and should not be separated again by any future funding contracts or arrangements.

The new model allows for a more co-ordinated approach for the allocation of funds. Consumers assist ACCAN to set its policy and research priorities. Industry and government are also consulted about areas of priority for the Independent Grants Program. Consumer representatives working on issues are, as a result, better informed about the evidence base supporting their concerns. Issues are also aggregated by ACCAN, so that there are fewer groups requesting meetings and there are fewer ad hoc representations from the demand side. The body of research built by ACCAN over the past seven years is constantly in use and being referred to and even being used to set new questions for further inquiry.

Consumer Representation Recommendations

Funding for a specific communications consumer body under s593 should continue because it is the most efficient model to ensure well-informed, timely consumer representation to the government and industry on policy, other relevant issues and co-regulatory / self-regulatory instruments.

Most of ACCAN's resources are currently targeted at representations to government and industry on general issues affecting all consumers. Therefore there should be no change to the current arrangements which give ACCAN the flexibility to identify where, in addition to its general consumer representation on telecommunications issues, it is most appropriate to also represent those with particular needs such as consumers in rural and remote regions, people with disabilities, Indigenous communities, low income groups, those from culturally and linguistically diverse groups and women.

Independent Grants Program and Research

Research funded through the Independent Grants Program (IGP) has influenced Government policy and the behaviour of industry as is evidenced by the impact noted by many projects. Funded research projects could become more influential if more flexibility was available to the program such as the opportunity to run projects over multiple years or across broader ranges of funding amounts.

Research funded through the IGP is useful to consumers as is evidenced by the range of educational materials, the number of downloads and calls for presentations and distribution of the outputs. Funded research projects could be more useful to consumers if even broader distribution channels were available.

It is appropriate for the Government to provide grants to a consumer representative group (or any other non-government body) to undertake research into telecommunications issues as this provides a suitable arms-length approach to intelligence gathering across an appropriately broad research agenda, provided appropriate governance structures are in place and a broad set of projects are undertaken. Any single government department may tend to focus on its own work program and objectives and give lower priority to the research agenda set by other government agencies, industry and consumers themselves.

The current ACCAN model is appropriate and has appropriate management and governance structures in place.

Overview of IGP and ACCAN research

The modern policy and advocacy landscape is driven by the principles of evidence based research. In order to be an effective and authoritative voice for consumers, it is vital that ACCAN has access to the most rigorous, up to date, and methodologically sound, research available.

ACCAN's approach to research is two-fold: via its own commissioned research, and that undertaken by third parties through the competitive independent grants program (IGP). This research aids in understanding and illustrates issues that affect consumers, and helps develop evidence to support representational work where evidence otherwise may not exist. Research is needed due to gaps in the information landscape. ACCAN research is typified by:

- Direct connection to ACCAN's strategic goals, operational plan, and identified research priorities,
- Framing from *consumer* perspectives and investigating consumer experiences, consumer detriment, consumer behaviour and consumer need, and
- Intellectual and research rigour using appropriate methodologies to substantiate a robust evidence base.

Projects not forming part of the IGP are undertaken either by qualified staff internally, or commissioned externally, as appropriate, depending on resource availability or the specific expertise

required. At all times projects are supervised by appropriately qualified and experienced staff, and managed under contract when externally commissioned.

Over the period ACCAN has operated the IGP some 31 IGP projects have been funded and 39 commissioned research projects. While all IGP projects have some educational basis, projects have been designated by primary topic areas: research, education and representation. Commissioned research projects have been primarily research, but many also have strong educational outcomes. Figure 9 shows the balance of the IGP projects by primary intent of each over the term.

Mix of IGP Projects

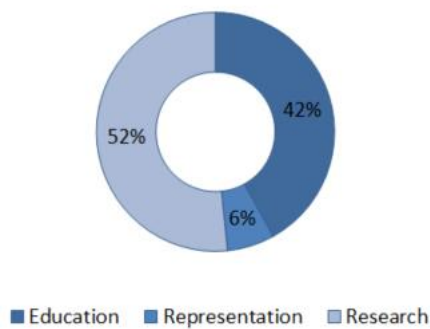


Figure 9 Mix of IGP projects

The IGP is for defined projects only with defined start and finish dates against clear milestones. The IGP funds all aspects of a project that can be directly attributable to the project, however is not applicable for the funding of ordinary operations of an organisation. This means the grant recipients cannot seek funding for items independent of the project or for administrative levies based on a percentage of grant. This, at times, has been unwelcome news for organisations seeking ongoing funding from the IGP.

ACCAN’s current funding contract requires it to “include selection processes that are demonstrably independent of any sectoral interests and comply with Commonwealth guidelines”. To this end ACCAN has taken steps to ensure that a diversity of projects across the community segments specified in the ACCAN contract have been funded. This is summarised in Figure 10 below.

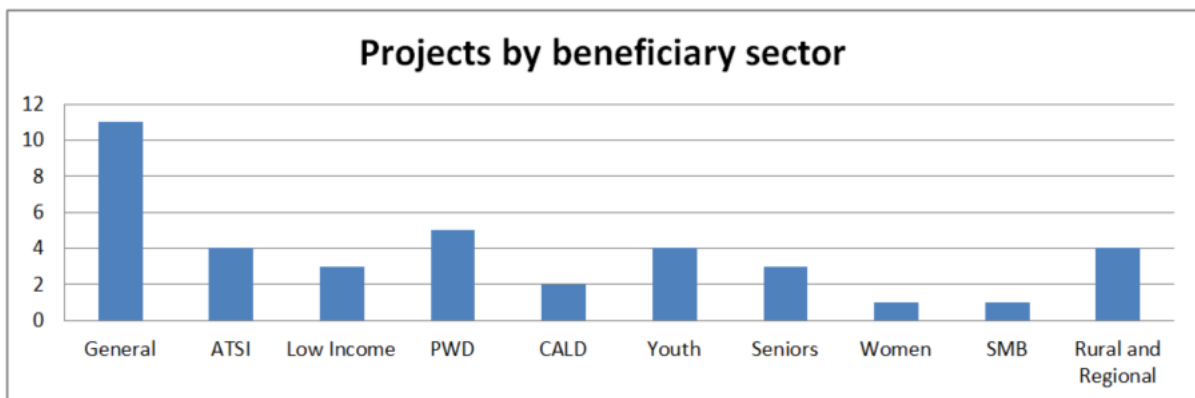


Figure 10 IGP Projects by beneficiary sector

The ACCAN IGP, therefore, identifies emerging issues that are likely to require corrective action, and allows for a range of responses: regulatory, industry led, education, or other. Consumer issues are matters arising from the needs of consumers in order to act with agency in a competitive market and can be viewed through the lens of the United Nations Eight Consumer Rights and a tally of projects against this model is shown in Figure 11.

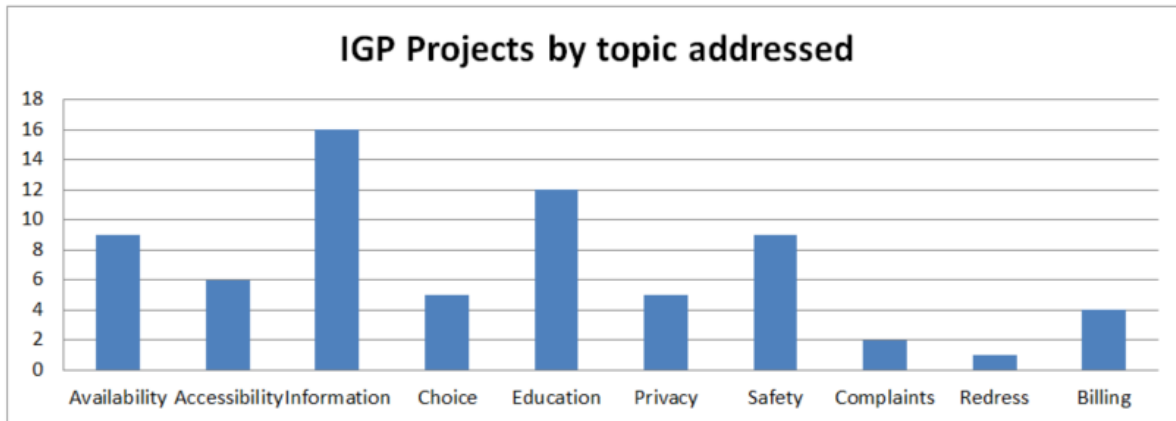


Figure 11 IGP Projects by consumer issue addressed

External reviews of ACCAN research

In addition to the analysis following, ACCAN has undertaken two recent reviews of the program. The first was undertaken in 2015 in response to the ACCAN Mid-term Review and focused on the Independent Grants Program. This review concluded the IGP was run in a fair, competitive, accountable and transparent manner and compliant with the Commonwealth Grant Guidelines. It also found the IGP to be highly effective, providing grant funds to suitable organisations undertaking practical, topical and high value projects that have positive impacts and outcomes for consumers. The review was undertaken by N-Carta and is Enclosure 2.

The second review was commissioned in response to this current consultation and was specifically to address the level of impact as considered as an outcome of research which gives rise to a marked effect, change or benefit for Australian telecommunications consumers, whose interests ACCAN is mandated to represent. This review was undertaken by Dr Karina Aveyard of the University of Sydney School of Media and Communications and is Enclosure 1. This review found that:

- *Through both the Independent Grant Scheme and commissioned projects ACCAN manages a program of research that is well attuned and highly responsive to current and emerging consumer issues*
- *This program of research has generated a wide range of positive impacts (marked effects, changes and benefits) for Australian telecommunications consumers.*
- *Research funded by ACCAN is demonstrated to be relevant to and generate direct benefits for consumers. Research is always funded with a clear sense of purpose and with specific practical outcomes (impacts) in mind.*
- *ACCAN research demonstrates high level impact across five key areas of influence on telecommunications consumers:*
 - *Government policy and regulation*

- *Industry practice*
- *Empowerment of consumers*
- *Representation*
- *Knowledge*
- *ACCAN maximises the reach and significance of impacts generated from its research through management practices that ensure:*
 - *Research produced is relevant and of a high quality*
 - *Projects funded represent a wide range of consumer interests*
 - *Dissemination and engagement activities are strategically targeted and managed*
 - *Impact is pursued across multiple areas of influence on the consumer chain*
- *An approach to measuring impact that takes into account both the overall organisational policies and practices and assessments of case study examples provides an appropriate and effective way of understanding the impact of ACCAN's research program.*
- *ACCAN's program of research follows strict processes of governance and management and these have been crucial factors in the timely completion of projects and the consistent quality of the outputs they generate.*

Setting the research agenda

Much of ACCAN's policy work is in direct response to inquiries conducted by the Department of Communications and the Arts, however significant portions of ACCAN's workload is in response to other government agencies (local, state and federal), regulators and industry itself.

In the early period of telecommunications deregulation, additional carrier licenses were issued with a requirement that a proportion of revenue be retained for research purposes, and each carrier was required to submit a research plan. This requirement lapsed some time ago. The major players in the Australian telecommunications industry make active use of the R&D tax incentives available, and industry also funds market research in order to develop and monitor performance of its products and services – from the perspective of its particular market focus. By its very nature, the bulk of research conducted in this way will take the perspective of meeting industry need first rather than that of consumers. One notable exception to this is the Australian Digital Inclusion Index 2016²⁴. Hence again, significant consumer issues that impede fair access to the market are not examined.

Research undertaken or funded by ACCAN is usually in the category of 'applied research', that is where the methods and techniques are well known but the specific target groups or market systems are not fully explored. As such the research may not be attractive to mainstream research agencies as it often lacks sufficient novelty to *prove* something new, yet in the Australian consumer telecommunications context may provide essential substance to an area insufficiently characterised. Without this knowledge consumer need is unmet, and consumer detriment unattended. An

²⁴ Thomas, J, Barraket, J, Ewing, S, MacDonald, T, Mundell, M & Tucker, J 2016, Measuring Australia's Digital Divide: The Australian Digital Inclusion Index 2016, Swinburne University of Technology, Melbourne, for Telstra.

excellent example here is the ACCAN ‘Fine Print’ project which formed the basis of the ACCC’s test case on unfair contract terms against the service provider NetSpeed²⁵.

The telecommunications field is complex in both its technological basis and through the attendant mechanisms for regulation. In order to participate in Code development a sound understanding of emerging technology is required, through the observation of, and participation in, technical standards development. Likewise, emerging technologies present novel traps for consumers. The timetable for developing Codes and Standards are set by industry both within Australia and internationally.

Other grant schemes do exist, such as the Seed Foundation Grants under the Asia Pacific Network Information Centre (APNIC) Development Program, the auDA Foundation grants, the Telco Together Foundation grants and the Alannah and Madeleine Foundation, as well as one off grants from local governments and community clubs. Each of these schemes have different emphasis and in the APNIC case grantees compete across the Asia Pacific region for grants. The Independent Grants Panel assisted by ACCAN staff work to ensure the overlap is minimal. As such, the ACCAN IGP is distinct and unique in its mission to support research focused on available, accessible, and affordable communications that enhance the lives of consumers.

Scheme	Purpose	Eligibility	Size of grant
NBN Co and AIIA	Identification of case studies	NBN customers	\$10,000 - \$25,000
APNIC	Solutions to ICT development needs in the Asia Pacific region	Internet NFP groups	\$3,000 - \$30,000
auDA	Software and ‘increase the utility of the internet’	NFP or PhD student	\$5,000 - \$25,000
Telco Together	Charitable causes	Selected partners only	Proportional to donations
Alannah And Madeleine	Children’s safety projects	Selected partners only	Directed
Local governments	Local community projects	Community groups within catchment	<\$10,000

Table 3 Comparable grant schemes

In addition, because ACCAN is independent of government it can gather intelligence through research of issues not yet perceived by government and with a *consumer* perspective. Should the government elect to operate its own research program to replace the IGP and ACCAN commissioned research, it would run the risk of missing vital points of view that an independent consumer body can gather.

The natural agenda for telecommunications regulation within Australia is set through a range of mechanisms. Some mechanisms, such as Codes, are governed almost entirely by industry and therefore operate against a distinctly different timetable to that of, for example, the federal government legislative agenda. Again the regulation reviews conducted by other arms of

²⁵ <https://www.accc.gov.au/media-release/court-declares-consumer-contract-terms-unfair>

government, such as the ACCC, have their own timetables. Each of these programs of work benefit from reasoned consumer input backed by research. Research conducted by the Bureau of Communications Research is focused on economic aspects and provides key economic indicators about the sector. It also analyses and tracks trends to provide insights into the sector's role in the broader economy and its dynamics. ACMA research likewise is targeted at regulator needs. Both of these entities have distinctly different research agendas to the IGP.

Strengths of the IGP

The IGP demonstrates a number of strengths:

- Ability to integrate industry and other stakeholder input into the guidelines and assessment process
- Relatively well contained projects can check and validate arguments, expertise and assumptions
- Independent system of research on consumer behaviour needed as sectoral assumptions are real (industry vs government vs consumer representation groups)
- Transparent processes including an independent panel and panel selection
- Projects can be terminated when failing or when agreement cannot be reached on methodology
- Not captive to any one sector or stakeholder group
- Can readily support partnerships between service providers or project participants
- Flexible advisory models have been used as appropriate, e.g. advisory committees or individual external reviewers
- Flexible as to the types of outputs produced in order to maximise impact
- Flexibility with the scheme means more input can be gained, e.g. last review recommended more direction in the guidelines to specific projects
- Complies with Commonwealth Grant Guidelines

Challenges of the IGP

The IGP faces a number of challenges:

- Longer duration projects are precluded by financial year constraints in the ACCAN-DoCA contract
- Multiple smaller projects are less efficient to manage
- Financial year timetable can be inflexible
- Funds cannot be carried over from one financial year to the next
- Broader partnerships could be constructed with longer duration projects

Research impact and use

Over the entire period that ACCAN has operated the IGP projects have had a range of impacts. In some cases the size of the grant has meant it could effectively demonstrate a proof of concept project which could then receive funding from the Australian Research Council or other body. This has been the case of the *Home Internet* project (2010), *Death and the Internet* (2012) and *What's ya*

Story (2013). Both the *Home Internet* project (2010) and the *Homeless and Connected* project (2013) have provided evidence for private sector funding for subsequent projects. The *Know Your Gizmo* (2012) project continues to operate today with a range of sources of funding and support. Of particular note also is the *What Standards* (2013) project which underpinned the techniques for videos produced by VIC Deaf for emergency services and also forms the basis for Auslan translation training in the ACARA curriculum.

In some cases, the incentives for telecommunications consumer research is low as academics may see the techniques as not sufficiently novel, and, as well, projects simply apply known techniques, or repeat other studies to prove issues and demonstrate remedies. This means that specific work of this nature is unlikely to be funded elsewhere but may prove something vital for correcting consumer detriment in a practical sense. Examples of these are the *Megacharge* (2016) project which analysed billing session data and compared totals to the final amounts charged to find significant discrepancies arising from round up, and the *Confident but Confounded* (2015) project which analysed consumers’ ability to solve problems after purchase. Each of these projects have assisted ACCAN in its work with telecommunications service providers. The latter project ACCAN expects to be pivotal in future reviews of the regulation surrounding consumer information provision. Previous mention has been made of the *Fine Print* (2013) project.

Outputs of ACCAN’s research and IGP projects have been accessed by the community broadly as is evidenced by the number of downloads on the ACCAN website. Overall, the grants landing page has received some 36,564 unique hits in the period from 31 August 2012 – 15 November 2016, correspondingly the research landing page 11,274 hits. Below is a selection of download counts for different reports. Note, the majority of these projects have been published during the reporting period, thus have been available for varying periods. These statistics do not incorporate downloads from third party sites such as Australian Policy Online, the recipients own web site or other agencies, loans from university libraries, or printed copies distributed by ACCAN in the course of its outreach work.

IGP Project	Downloads
Homeless and Connected	2,031
Warrnambool Exchange Fire – Consumer impact analysis	543
Death and the Internet	383
What Standards? Auslan Translation Standards	364
What’s Ya Story	317
Hardship Policies in Practice: A Comparative Study	305
Accessible word documents made easy	289
Demystifying personal cloud services for Australian consumers	252
Empowering women to end digital abuse	230
Caps, Apps and Other Mobile Traps	224
Accessing Subscription Video on Demand	196
Know Your Gizmo	194
Efficient Seniors’ Training Using Broadband Technologies	187
Total	5,515

Table 4 Downloads of IGP project reports

Research Project	Downloads
Hacking the Grapevine	525
Home Tweet Home	379
Anglicare Victoria's Hardship Survey	318
Fine Print project	259
The Future of the Universal Service Obligation	235
Small Business Telecommunications Service Use and Experience	212
Confident, but Confounded: Consumer Comprehension of Telecommunications Agreements	180
ACCAN global roaming research	170
Broadband performance consumer decision making:	165
Informing Small Business: Examining fixed phone and broadband products:	160
Total	2,603

Table 5 Downloads of ACCAN research project reports

These outputs continue to be of benefit to governments locally and internationally, to industry and the community at large. Under the current ACCAN contract, the scheme must be demonstrably independent of any sector and as such has addressed a diversity of consumer segments with an appropriate range of outputs such as reports, tip sheets, workshops and videos.

ACCAN has commissioned experts from the University of Sydney to more fully assess the impact of the ACCAN research and IGP. Refer Enclosure 2 – Analysis of the Impact of ACCAN Funded Research 2008-2016.

Project outputs

In turn, much of this research produces educational materials and systems to gain further impact beyond ACCAN’s direct representation work. Research, in and of itself, often does not have impact without a means to disseminate that information and to take the research findings and evolve them into targeted representation mechanisms or to support the empowerment of consumers through knowledge and tools with which to exercise choice and buying power. An effective peak body provides a basis for representation with its advocacy role and deep connections with the broader community.

At its conception, the IGP was established with a view to both growing community capacity as well as ensuring a source of research. The program addresses three areas of consumer work: research, education and representation. The IGP should be retained as a vital part of the ACCAN model as it grows community linkages, grows community capacity and provides useful bi-directional pathways into the broader consumer base. The IGP allows for problems evident in pockets of the community to be characterised and responded to, which would otherwise potentially go unnoticed, as they may not be evident at sufficiently large numbers to be reflected in mainstream indicators such as complaint data. Examples of these include the *Know Your Gizmo* (2013), *What standards?* (2015) and the *Hardship Policies in Practice* (2014) projects.

ACCAN projects frequently do not simply produce a densely worded report on complex matters, but have attempted to be flexible in the outputs in order to best address consumer need. While all IGP

projects must produce an acquittal report summarising the outputs, many different items have been produced. Outputs from projects published during the last contract term appear below. This table includes some subsequent outputs produced by ACCAN that are used to enhance engagement.

Title	Grantee and partners if any	Published	Outputs
<i>Accessing subscription video on demand: A study of disability and streaming television in Australia</i>	Curtin University	2016	Report, Tip Sheets, App
<i>Affordable Access</i>	Media Access Australia	2016	Comprehensive web site guide
<i>Emerging issues for online access, communication & sharing of 3D printer files</i>	University of Melbourne	2016	White paper, Comprehensive web site guide and comparative tool
<i>Improving the communication of privacy information for consumers</i>	UTS, Communications Law Centre	2016	Comprehensive report
<i>The state of competition in the Australian mobile resale market - A study of Australian MNOs and MVNOs</i>	ANU	2016	Comprehensive report
<i>Document Accessibility Toolbar</i>	Vision Australia	2015	Software tool
<i>Our Phones, Our Rights: Translated and community-appropriate telecommunications resources for remote indigenous communities</i>	Queensland Remote Aboriginal Media (QRAM)	2015	Comprehensive report, Radio segments in five community languages, Downloadable mp3 files, posters
<i>What standards? The need for evidence-based Auslan translation standards and production guidelines</i>	DeafConnectED, Melbourne Polytechnic, Macquarie University	2015	Comprehensive report, Production handbook
<i>ReCharge: Women's Technology Safety, Legal Resources, Research & Training</i>	Women's Legal Service NSW, Domestic Violence Resource Centre Vic and Wesnet	2015	Statistical report Comprehensive web site with legal guides Webinars
<i>The Digital Age Project: Strategies that enable older social housing residents to use the internet</i>	Southern Cross University	2015	Comprehensive report, Community portal
<i>Demystifying Personal Cloud Services: An investigation of Australian consumer expectations and experience</i>	RMIT	2015	Comprehensive report, infographic
<i>Yarning and Learning: Communication use and issues in remote Indigenous</i>	Queensland Remote Aboriginal Media (QRAM)	2015	Comprehensive report, Radio segments, Downloadable mp3

Title	Grantee and partners if any	Published	Outputs
<i>communities</i>			files
<i>Assisted Access: Developing a model for fair and secure access to telecommunications customer service for Deafblind Australians</i>	Able Australia	2015	Report
<i>Homeless and Connected</i>	University of Sydney	2014	Comprehensive report, Hardship portal, research summary
<i>What's ya Story</i>	University of Melbourne	2014	Comprehensive report, Mobile app
<i>Warrnambool Exchange Fire: Consumer Impact Analysis</i>	RMIT	2014	Comprehensive report, Presentation pack, Survival guides
<i>Hardship Policies in Practice: A comparative study</i>	Financial Counselling Australia	2014	Report Hardship practice guidelines
<i>Efficient Seniors' Training Using Broadband Connection</i>	Australian Seniors' Computer Clubs Association	2013	Comprehensive report, training guides
<i>Know Your Gizmo</i>	Albury Wodonga Volunteer Resource Bureau	2013	Downloadable kit workshop pack
<i>Caps, Apps and Other Mobile Traps</i>	National Children's and Youth Law Centre	2013	Comprehensive report, Web based legal guides
<i>Don't Just Sign on the Dotted Line: Evaluating Justice Connect's 'Bring Your Bills Day'</i>	Justice Connect	2015	Report Videos in community languages
<i>Death and the Internet: Consumer issues for planning and managing digital legacies</i>	University of Melbourne	2013	Comprehensive report, Leaflet, Presentation pack, Hypothetical workshop
<i>Broadbanding Brunswick: High-speed Broadband and Household Media Ecologies</i>	University of Melbourne	2013	Comprehensive report
<i>Small Business Telecommunications Service Use and Experience</i>	Market Clarity	2013	Comprehensive report, Leaflet suite, Tip sheets
<i>SociABILITY: Social media for people with a disability</i>	Media Access Australia	2012	Report, Tip sheets, Web site

Table 6 Recent IGP project outputs

In addition to the outputs above, many academic contributors go on to publish in peer reviewed academic journals.

Governance

Commissioned research

On compiling the policy priorities, ACCAN looks to where gaps in the evidence base are apparent in the program of work, and then specifically seeks to gather supporting information. For example, affordability has been an issue of high priority over the last year, thus a social housing project²⁶ as well as work on the lived experience of affordability, the adequacy of existing income support arrangements and the poverty premium²⁷ have been undertaken. With the issue of consumer information being considered in reviews of the Telecommunications Consumer Protections Code, consumer knowledge testing was commissioned²⁸.

Research projects are set up under a process where the initiating ACCAN staff member (usually in the policy team) first constructs a requirements statement for the work, which the research team then use to create a brief of work to put to a skilled researcher or research agency. The research team in conjunction with the policy team will scan the research community to identify the appropriate skills base, and then (depending on the budget and perceived size of project) the work offered as a consultancy or put out to a closed tender. This process ensures that each project is constructed with appropriate rigour, including identifying the hypothesis under test, the methodologies to be used and the outputs to be obtained. The work is then undertaken under contract with set milestones for delivery. ACCAN may use additional peer review or external editors before final publication.

IGP Governance

In brief, the ACCAN board refines the strategic plan, and approves the IGP guidelines and timetable each year. ACCAN seeks input annually from members about the strategic priorities for the consumer sector and these inform the selection of successful bids by an independent grants panel after a ranking and rating process. The grants team seeks input from key stakeholders across industry, regulators, and members to brief the panel prior to final selection. In the 2016 Round, the scheme guidelines were further refined to explicitly state key topic areas as agreed with DoCA in the mid-term review.

Conflicts of interest are managed via a system of declaration and proximity. IGP members do not assess projects that are deemed to have a significant conflict of interest. The board then reviews the process used and approves the recommendations for funding should it be satisfied. Similarly, board members will declare any conflicts of interest and absent themselves should a significant conflict emerge.

The processes for the IGP are listed in full on the ACCAN website.

²⁶ Infocchange and ACCAN 2016, *Social Housing and Broadband: Internet Use and Affordability for Social Housing Residents*, Australian Communications Consumer Action Network, Sydney

²⁷ Ogle, G. & Musolino, V. 2016, *Connectivity Costs: Telecommunications Affordability for Low Income Australians*, Australian Communications Consumer Action Network, Sydney

²⁸ Harrison, Paul, Hill, Laura, and Gray, Charles, 2016, *Confident, but Confounded: Consumer Comprehension of Telecommunications Agreements*, Australian Communications Consumer Action Network, Sydney

Independent Grants Program and Research Recommendations

ACCAN should continue to be funded under s593 for research to ensure there is a robust evidence base to support its policy positions and consumer education activities.

Funding for the Independent Grants Program should be continued under s593 with the following enhancements for future funding rounds:

Strategic priorities to be discussed with government and published as draft guidelines before being finalised on an annual basis;

There should be more flexibility with multi-year grants and potentially larger amounts than \$60,000; and ACCAN should not be prevented under the contract from providing top-up or flow on funding to projects outside the designated IGP amount.

Other Potential Applications of s593

The issues paper asks whether other activities, in addition to consumer representation and research should be considered for funding under section 593 of the Telecommunications Act. The issues paper canvasses interest in changing the drafting of the Act to explicitly include education.

Consumer education and s593

The telecommunications market is complex and evidence shows that consumers are struggling to deal with new technologies and information overload. New systems and services such as the large scale migration to the NBN, and the potential of the Internet of Things indicate acute needs. Competitive markets work better with informed consumers who can use their market power to make decisions in their own best interests. There is clearly a strong need to assist consumers in solving their own issues in an increasingly self-service marketplace.

ACCAN recognised from the outset that consumer education provided by a communications consumer group was needed in the Australian telecommunications market and has sought to fill this need through a range of mechanisms, some funded under s593 and for others ACCAN has sought alternative funding arrangements. Part of representing consumers effectively includes informing consumers of their choices and empowering them to make better purchasing decisions.

There are detailed and on-going discussions with the Department about expectations on ACCAN to provide consumer education. This is an explicit requirement under the current contract with DoCA that ACCAN should “educate consumers and organisations on telecommunications issues” with the Key Performance Indicator being “Information is accurate, tailored and relevant to a range of different consumers, offers remedies and is distributed broadly”. Additionally it was agreed with DoCA to include education projects in the grants program from its very first round.

There is evidence of the enormous need for more consumer education because ACCAN’s materials and outreach activities are in high demand. Consumers constantly tell ACCAN that they are confused and struggling to make choices and use services. Volunteer groups such as the BIRRR are emerging to address the need for more information. ACCAN’s printed materials are also literally “snapped up” wherever they are distributed.

ACCAN has produced a large portfolio of education collateral with over 95 different items available either in printed copies, on the website or social media. ACCAN has reprinted its Top Tips for consumers several times now since its launch by the Minister earlier this year. ACCAN has participated in over 75 different external outreach events since 2013. Invitations to attend conferences, community meetings and events are chosen quite carefully to ensure ACCAN keeps within budget and time limitations. It is clear from these activities however, that the appetite for consumer education on communications issues is vast and there is significant unmet demand for the hands on easy to follow approach that ACCAN provides to consumers.

There is clearly a convincing argument for a better resourced more strategic approach to consumer education and capability building in the future. s593 does not need to change to accommodate this, however. Serious consideration should be given to the establishment of a new program in addition



to the program that funds ACCAN consumer representation and research to ensure that education initiatives are scalable and meet the growing need for outreach and appropriately formed information.

ACCAN and consumer education

As communications consumer experts ACCAN understands the gaps in the knowledge base of consumers and also the materials already available from service providers, regulators, government departments and other NGO agencies. ACCAN has also undertaken several research projects to better understand the way consumers understand information and how to provide it in the best possible manner. This, together with ACCAN research on products, representational work on committees, and consultation with industry (both service providers and equipment manufacturers) puts ACCAN in a unique position to pass on information to consumers.

Over the past eight years ACCAN has gained a profile as the peak communications consumer body in Australia. We have built a significant media profile, averaging 60 interviews per month, over 5,100 visitors to our website per month, and a social media strategy including a YouTube channel and over 2,000 Twitter followers. ACCAN has earned a reputation as a 'go to' point for reliable consumer communications information. ACCAN uses the mainstream media to achieve specific consumer education goals and also routinely provides comment in response to media inquiries.

ACCAN has expertise in the use of plain language drafting techniques, accessible document creation, social media and multichannel information production with a view to targeting the largest possible audiences using a small budget as effectively as possible. Wherever possible ACCAN uses media opportunities for consumer awareness raising as well as leveraging partnerships with other organisations, especially ACCAN grant recipients, public presentations and information tables at community events.

All ACCAN staff members participate in outreach activities (see Appendix 22) stretching the limited resources available as far as possible because engaging with the community champions attending these events is the best way to build awareness through word of mouth networks. In total ACCAN now uses 24 different channels including on-line, social media, main stream media (radio, print and television) and a diverse set of print materials (see Appendix 20) to get its messages across.

Examples include:

- tip sheets and Top Tips Packs
- booklets and guides
- online articles
- ACCAN Magazine
- social media postings on Facebook, Twitter, You Tube and LinkedIn
- an App (funded by a bequest from Maureen Le Blanc's estate)
- seminars for community groups
- videos including some in Auslan
- talk back radio segments
- courseware (funded by the Digital Business Kits Program)
- Mobile blackspots community kit



ACCAN has always focussed on filling gaps and not replicating work other groups are already undertaking, except to assist them, for example through content review, or with distribution of messages and material through ACCAN's extensive community networks. In this way ACCAN has carefully allocated a limited budget to education without directing resources away from the other areas of ACCAN work. In fact ACCAN's consumer education activities are strategically linked to the ACCAN policy priorities and research outcomes. This ensures that consumer information needs are well-researched and carefully identified before any material is produced.

Programs have been tailored to help address specific consumer information gaps as they emerged – sometimes much faster than larger, less flexible organisations. For example, ACCAN was the first to recognise the need for consumer guides for the NBN and published these well in advance of either NBN Co or retail service providers. Most recently the Skymuster Guide has been very popular with consumers in remote areas less accustomed to competition and choice.

ACCAN experience with Digital Ready and the Digital Business Kits has built an expertise base in the pedagogy of consumer education programs and how they can be best implemented. It has also implemented a program of feedback and built in continuous improvement to materials based on real consumer use and knowledge tests. This project has also opened up access to new channels and new communities particular those servicing small businesses and other groups generally focussed on digital literacy.

Growing demand for consumer education

Recently the government's Regional Telecommunications Review (2015)²⁹ recommendation 10 stated "Recognising the significant changes in the regional telecommunications market, ACCAN should continue to make representations on the affordability and accessibility of services, including the promotion of tools to help consumers make informed decisions regarding their services."

The Issues Paper also highlights the increasing complexity of the marketplace as new services come online such as the NBN, IoT and the government's digital first service platforms. Rural, regional and remote consumers are particularly concerned about the lack of information available about new services and how to resolve technical problems on the ground on a daily basis. This has seen the establishment of social media groups such as the Better Internet for Rural Regional and Remote (BIRRR) and 2508+ Disconnected. Both groups are supported entirely by volunteers and have become ACCAN members and are now linked into ACCAN's information channels.

BIRRR, together with Agforce Queensland, are investigating ways to fund on the ground technical support for individual consumers and to meet the growing demand for timely assistance and expert advice on the specifics of individual consumer needs to get connected to the internet so they can access services for their business, children's education, entertainment and social purposes.

ACCAN supports the development of this direct technical support model as it plays a distinct and directly complementary role to the educational materials and consumer information that ACCAN provides. In fact consumers across Australia would benefit from an independent technical assistance program especially during the next few years as the NBN is being rolled out. Perhaps a combination

²⁹ <http://www.rtirc.gov.au/issues-paper/index.html>

of corporate support and resources from specific government departments that are making savings by going digital could be rallied to assist here.

Despite the many programs available targeting digital literacy, ACCAN is still the only agency addressing the need for independent consumer information in a strategic manner. Every time there are equipment upgrades, evolution in service provision and changes to the regulatory landscape, ACCAN steps in to vet consumer information provided and implement complementary consumer awareness strategies.

ACCAN has been forced to make hard choices especially in relation to the resources required for printed material and face to face outreach work. While it would be desirable to provide every Skymuster customer with a printed Skymuster Guide ACCAN simply could not afford to do so. Remote consumers want printed copies of the guide to save on their data download allocations. ACCAN also has to refuse consumer outreach requests regularly because it simply does not have the ability to attend to every request.

There is a clear need, therefore, for a better focused, structured and funded approach to consumer education that can adequately address evolving consumer information needs on an ongoing basis.

ACCAN suggests the allocation of specific s593 funding for the establishment of a separate and discrete **Consumer Education Program** to deliver ongoing consumer education initiatives and information resources in a well-planned, structured and collaborative way.

Consumer Education Program

To ensure stakeholder (*Government, Regulator and Industry*) transparency and a well-structured approach, it is envisaged that the **Consumer Education Program** would be fully documented in terms of planned major education initiatives, with periodic updates and comprehensive stakeholder consultation prior to finalization. It would encompass and utilise a variety of resources, content and media including awareness-raising initiatives, educational materials, information modules, consumer guides, decision-making tools and on-line resources.

As mentioned above ACCAN is well placed to effectively design, develop and deliver such a **Program**.

In order to ensure ongoing information accuracy and consistency, minimise duplication and maximise overall cost-effectiveness, ACCAN would work in close consultation with all stakeholders and specifically seek additional input/advice on major initiatives. This consultation could occur through ad-hoc informal liaison and/or periodic meetings of a more-formal "*Stakeholder Consultation Group*" established expressly for that purpose.

There might also be particular *Consumer Education initiatives* that could be undertaken / delivered jointly between ACCAN and other stakeholders – e.g. regulators, industry bodies and sector-specific consumer/representative groups. Consumer Education resources produced through the **Program** would be available to all stakeholders for wider distribution as appropriate.

Consumer education differs from other education

Consumer education is characterised by education on matters pertaining to:

- Consumer behaviour and consumer choices
- Consumer contracts and their impact
- Consumer rights and responsibilities
- Technical traps in products and services of which consumers need awareness

ACCAN has a unique position in being able to apply its industry specific knowledge and practice to create appropriate materials to meet the above need.

The Government should consider funding an additional Consumer Education Program under s593 to ensure that ACCAN's current education activities can meet the growing information demand of consumers transitioning to the NBN, purchasing more and more IoT devices and adopting the many other new and emerging telecommunications services.

Funding for Other Activities Recommendation

The Government should consider funding an additional Consumer Education Program under s593 to ensure that ACCAN's current education activities can scale up appropriately to meet the growing information demand of consumers transitioning to the NBN, purchasing more and more IoT devices and adopting the many other new and emerging telecommunications services.

Low income measures and s593

It is proposed by the Issues paper that another activity that could potentially be funded under section 593 of the Telecommunications Act would be to assess and report on the retail telecommunications products suitable for low income consumers. It is suggested that this could subsume the function currently undertaken by Telstra's Low Income Measures Assessment Committee (LIMAC).

ACCAN has been in discussions with Telstra regarding the Telstra Low Income Measures Assistance Committee (LIMAC) because Telstra has proposed a cross-industry approach by the major telecommunications service providers to develop targeted assistance for low income consumers. Currently only Telstra is required under its carrier licence conditions to provide low income products and programs.³⁰

LIMAC is an effective mechanism that has provided invaluable assistance to many Australians in need. While LIMAC needs reform, to keep pace with changes in services and changes to the overall marketplace, it is vital that LIMAC not be removed but replaced with a mechanism that can be just as effective into the future.

³⁰ *Carrier Licence Conditions (Telstra Corporation Limited) Declaration 1997, Condition 22.*

Background to Telstra LIMAC

The Telstra Low Income Measures Assistance Committee (LIMAC) is an independent body established to provide advice on the best ways to support low income consumers. Over its lifetime, LIMAC has commissioned research in relation to Telstra's 'Access for Everyone' programs.

The organisations that make up the current LIMAC committee are: the Australian Council of Social Service (ACOSS); the Council on the Ageing (COTA); Homelessness Australia; Anglicare Australia; St Vincent de Paul Society; Jobs Australia; the Salvation Army; the Smith Family; and the Department of Families, Housing, Community Services and Indigenous Affairs.³¹

LIMAC was established pursuant to Condition 22 of the *Carrier Licence Conditions (Telstra Corporation Limited) Declaration 1997*, which states that the licensee must offer a low income package endorsed by consumer advocacy groups. It also states the licensee must set up LIMAC, and that the members should be representatives from low income consumer advocacy groups.

Condition 22 sets out that "The role of LIMAC will be to assess proposed changes to the low income package or to the marketing plan for the low income package." Telstra is required to implement a marketing plan that has been approved by LIMAC, and to make low income consumers aware of the package. Telstra is also required to consult with, and consider, LIMAC's views before making significant changes to the package.³² In addition to its function as a reviewer of the low income package and the marketing plan, a sub-committee coordinates the distribution of Bill Assistance Vouchers (\$5m per year) and prepaid phone cards (\$1m per year) to the organisations that issue them to low income consumers and consumers in crisis.

Issues with the Telstra LIMAC model

There are some issues with the current LIMAC model, including that:

- The low income package is only available to Telstra customers. The roll-out of the NBN may see some low income consumers unable to choose and receive Telstra services. These consumers should also have access to a low income package.
- Telstra is the only company required by carrier licence conditions to have a low income package, marketing plan, and LIMAC.

Future Directions for LIMAC

There is no question that LIMAC needs to be reviewed and potentially changed to address the shifts in the telecommunications marketplace. ACCAN has already collated a significant evidence base to suggest that there are many low income consumers missing out on telecommunications services; in particular adequate access to broadband. The existing Commonwealth Telecommunications Allowance is also inadequate and poorly targeted³³.

The telecommunications market has grown and diversified since Telstra was privatised and given responsibility for LIMAC. An approach that involves all main market players may be more appropriate in 2016, and could lead to more positive outcomes for low income consumers. There

³¹ <https://www.telstra.com.au/aboutus/community-environment/community-programs/access-for-everyone>

³² *Carrier Licence Conditions* above n1.

³³ Ogle, G. & Musolino, V. 2016, *Connectivity Costs: Telecommunications Affordability for Low Income Australians*, Australian Communications Consumer Action Network, Sydney

are, however, many options to consider and the role ACCAN could potentially play is only one element to consider in the future of low income measures.

While ACCAN would be prepared to consider a role – such as the assessment and reporting on retail telecommunications products suitable for low income consumers (as suggested in the Issues Paper) – this would also only meet one element of the current LIMAC arrangements. There are significant existing consultation processes, as outlined above, that are presently in place and that would also need to be considered in any new model. In order to determine an appropriate future model *all* the major telecommunications service providers, and the current members of LIMAC, need to be a part of a broader consultation. The review of s593 is not the most appropriate vehicle for this discussion. The optimum goal would be to find a forward path that the entire industry and low income consumer groups, including ACCAN, agreed upon. The ideal would be one where consumers, government and industry work together to determine a consensus position.

ACCAN has provided some preliminary thoughts to Telstra but has not had the opportunity to discuss these with other industry providers. ACCAN understands that a full and separate review of future LIMAC options has been planned as part of the upcoming Review of Consumer Safeguards by DoCA.

Funding for Other Activities Recommendation

Consideration of the Low Income Measures Assessment Committee (LIMAC) should be set aside from the Review of s593 and considered as part of the review of consumer safeguards to ensure all parties can work together to reach a consensus on a path forward.

Conclusion and Drafting of s593

There are strategic and direct benefits in continuing to fund ACCAN to ensure consumer representation in the telecommunications industry. These include providing consumers with a strong, coordinated, well recognised organisation through which they can work to help Australia realise its vision of world class communications infrastructure as part of building the long term prosperity of our nation.

ACCAN is an efficient model

The Telecommunications Act 1997 sets out as one of its core objectives to promote the interests of long-term users of telecommunications. The funding mechanism provided to consumer representation and research under s593 is a vital element of achieving this goal. It ensures consumer representation and research is both accountable to government and independent from industry.

The ACCAN model provides excellent value for money costing the equivalent of four cents for each year for every customer (or service in operation). Section 593 provides a vehicle to achieve the benefits of demand side engagement with the supply side in a sustainable manner where the industry that benefits most from a sector specific consumer body contributes to its on-going funding. Indirectly this means the customers that drive average revenue per user in telecommunications marketplace with their purchases and usage are funding consumer representation and research. As a result of the establishment of ACCAN the industry has also made savings by streamlining its own consultation bodies and consumer education initiatives.

Were the Government to revert to funding consumer representation via several specific consumer representation bodies with particular needs this would lead to a re-fragmentation of representation and a lack of continuous expertise. This is an inherently inefficient model of consumer representation in a vertically integrated market. Disparate views would then need to be synthesized by government and multiple funding relationships would need to be in place. Funding one telecommunications consumer body is more efficient administratively for the government. Groups also come and go, so an active approach to monitoring consumer voices across the landscape is required. Each group would need to acquire specialist expertise and traverse steep learning curves. ACCAN has this built into its model of representation already.

A benefit of ACCAN administering the Independent Grants Program is that it is possible to leverage additional co-contributions from partners involved in the projects in both in-kind and dollar amounts. ACCAN's own recent impact survey found that the ownership that the recipients of the grants have over the projects also ensures that the benefits extend for many years after the projects have been funded, completed and acquitted.

ACCAN considers that it uses the funds efficiently and effectively, but currently needs to prioritise its activities as it is not able to meet the demand for requests for presentations and attendance at community events. This is despite the fact that since 2012 ACCAN has participated in over 70 outreach events.

The growing success of the ACCAN grants scheme is also attracting increasing numbers of applications. This creates an administrative challenge to manage the IGP with the current funding levels. Furthermore ACCAN is also increasingly approached by academic institutions to partner in projects that require end-user participation and input.

Other comparable organisations and models

Energy Consumers Australia (ECA) was recently established with an annual budget of approximately \$6m per annum. Given that household energy corresponds to 2.6% of expenditure and telecommunications 2.5%³⁴ it would appear that there are differences between the sectors for consumer representation. The ECA funding model differs from the ACCAN model in that ECA is funded via a direct proportion of revenue rather than an indexed base amount.

Since ACCAN's establishment two other significant organisations have wound up. The Australian Telecommunications User Group (ATUG) representing corporate and government end-users and sometimes small businesses closed in 2011. The Communications Law Centre provided a valuable evidence base for policy debates and closed early this year. Both of these well-known organisations in the telecommunications policy arena leave a gap that is partially filled with ACCAN's remit. Without ACCAN there would be no end-user organisations to provide expertise or research to contribute to the public policy debates on communications issues.

In conclusion

ACCAN is now recognised as the unified consumer voice balancing supply-side perspectives in the telecommunications industry. This was the role envisioned for ACCAN by consumers, government and industry representatives at the Consumer Representation Forum held on 1 May 2008.

ACCAN has provided a clear direction through its strategic plan and has built up a strong reputation for delivering evidence based consumer representation. The consumer voice now enjoys a high media profile with ACCAN now the "go to" organisation for commentary on telecommunications consumer issues. The staff and board at ACCAN bring together well recognised expertise in telecommunications policy which is supported by ACCAN's consultation frameworks with consumer and industry groups.

Previously the consumer voice was fragmented and there were many overlapping forums where arguments were repeated and little progress was achieved. The quality of consumer participation prior to ACCAN existence was variable. A well-organised and cohesive approach has been achieved through appropriate funding of ACCAN as the peak body for consumers. Allocation of increased funding has ensured that ACCAN can commission meaningful research projects and initiatives that translate into real outcomes for consumers. ACCAN's greatest success is perhaps most effectively demonstrated by how a peak body can unite and amplify consumer voices to improve access to telecommunications in Australia.

While ACCAN undoubtedly uses the current level of funding very well, it is clear that by establishing a strong base for telecommunications consumer representation and research a model has been set

³⁴ 5206.0 - Australian National Accounts: National Income, Expenditure and Product, Jun 2016



up that can be further developed. Should the government and industry support an increase to the present level of funding, ACCAN could take advantage of opportunities and deliver greater outcomes for the entire industry.

Ongoing funding for ACCAN under s593 of the *Telecommunications Act 1997* is recommended, with another five-year contract from 2017-2022 ensuring that ACCAN continues, at a minimum, at the same level of operation. It is also suggested that the options for transition for a new contract for 2017-2021 be considered by DoCA well in advance of the expiry of the existing contract.

Drafting of Section 593 - Recommendation

Section 593 of the Telecommunications Act should remain unchanged by this review as it continues to provide an effective mechanism and fulfil an important purpose, while providing sufficient flexibility for the Government

ENCLOSURES

External Reviews

University of Sydney Analysis of the Impact of ACCAN Funded Research 2008-2016
N-Carta Review of ACCAN Grants Scheme
ACCAN Research Bibliography

Consumer Education Materials Samples

ACCAN Top Tips Packs
Sky Muster 2nd Edition Booklet
Posters – Complaints Handling
Posters – Indigenous consumer education materials

Copies of previous Annual Reports 2012 -2016