

14 May 2007

Jill Irvine  
Productivity Commission  
PO BOX 80  
**BELCONNEN ACT 2616**

Email: [consumer@pc.gov.au](mailto:consumer@pc.gov.au)



Dear Ms Irvine,

**Subject: Productivity Commission's 'Review of Australia's Consumer Policy Framework'  
Issues Paper: Submission by Communications Alliance**

Thank you for providing us with the opportunity to comment on the Productivity Commission's 'Review of Australia's Consumer Policy Framework' Issues Paper. Our comments are set out below.

Please let us know if you have any queries regarding these comments.

Yours sincerely

Anne Hurley  
**Chief Executive Officer**  
Communications Alliance Ltd

**COMMUNICATIONS  
ALLIANCE LTD**

Level 9  
32 Walker Street  
North Sydney  
NSW 2060 Australia

P.O.Box 444  
Milsons Point  
NSW 1565

**T** 61 2 9959 9111  
**F** 61 2 9954 6136  
**TTY** 61 2 9923 1911  
[www.commsalliance.com.au](http://www.commsalliance.com.au)  
ABN 56 078 026 507

**COMMUNICATIONS  
ALLIANCE LTD**



Productivity Commission's  
'Review of Australia's Consumer Policy Framework'  
Issues Paper  
Submission by Communications Alliance

## Table of Contents

1	Executive Summary .....	1
2	The consumer policy framework in the telecommunications industry .....	3
3	Consumer Participation within Communications Alliance .....	5
4	Telecommunications industry self-regulation: collaborative outcomes delivering the benefits of competition to end-users .....	6
5	Industry self-regulation for effective consumer outcomes: looking beyond codes of practice .....	6
6	Assessing the effectiveness of industry self-regulation .....	8
7	The role of the TIO in providing a fact base for addressing consumer issues...	8
8	Consumer Contracts.....	10
9	Sources of information.....	11
10	Overseas models .....	12
11	Conclusion.....	12

# Productivity Commission's

## 'Review of Australia's Consumer Policy Framework' Issues Paper

### Submission by Communications Alliance

Communications Alliance is pleased to have this opportunity to make a submission to the Productivity Commission's Consumer Policy Framework Issues Paper.

The membership of Communications Alliance is drawn from a wide cross-section of the communications industry, including service providers, vendors, consultants and suppliers as well as business and consumer groups. Its vision is to provide a unified voice for the Australian communications industry and to lead it into the next generation of converging networks, technologies and services.

## 1 Executive Summary

Communications Alliance is committed to effective consumer participation in its work to ensure optimal outcomes for end-users of telecommunications services.

The fundamental policy objectives of the *Telecommunications Act 1997* include:

- A regulatory framework that promotes the 'long-term interests of end-users of carriage services' (s 3(1)); and
- the maximum use of industry self-regulation without imposing undue cost on suppliers (s 4).

Within the consumer policy framework for telecommunications, Communications Alliance plays a pivotal role in fostering consumer participation and facilitating the development of outcomes for consumer protection, such as industry codes

Communications Alliance submits that:

- The framework for consumer policy in the telecommunications environment is built on a range of generic and industry-specific legislative and industry-developed instruments which create obligations for consumer protection in the telecommunications industry.
- Whilst s 2 of the *Trade Practices Act 1974* contains the overarching objective of '*enhanc[ing] the welfare of Australians through the promotion of competition and fair trading and provision for consumer protection*', there is no specific statement of objectives for consumer policy in the myriad of instruments which create the framework in the telecommunications industry.
- Within the framework, there are a number of obligations which are overlapping and duplicative. This has potential impacts for both suppliers and consumers: it increases compliance costs for suppliers with potential for consequent higher prices for

consumers; it creates a multiplicity of complaint organisations with consequent confusion for consumers.

- There are a number of agencies with regulatory responsibility for consumer protection outcomes, as well as industry bodies such as Communications Alliance, the TIO and TISSC which have a role in the overall scheme. Whilst this ensures that the interests of consumers are given a significant focus, it again can have a potential impact for consumers of fragmenting the focus on the issues and of creating a multiplicity of complaint organisations with consequent confusion for consumers.
- Consumer participation is a feature in most agencies and industry bodies, with consumer representatives forming advisory bodies within the organisations. Whilst this ensures that consumer representatives are playing a direct role in the outcomes, it also imposes a cost on industry to support a number of groups and imposes a cost on the consumer representatives in the resources required to populate the advisory groups.
- In accordance with the policy objective of self-regulation, the industry has collaboratively developed significant consumer protection outcomes in the form of codes and standards, and information documents such as fact sheets which cover a range of inter-operator and supplier/customer processes.
- All outcomes developed under the auspices of Communications Alliance for consumer protection are done so with the active involvement of both consumer representatives and supplier representatives.
- In assessing the effectiveness of self-regulation in the context of consumer protection, it is valid to note that significant substantive protections have been put in place over a period of 10 years and that the form of those protections has recently been revised to incorporate them in a single Code which is less prescriptive and more easily read and understood.
- The TIO plays a valuable role in providing an independent office for complaint resolution and in tracking the issues for consumers to which suppliers should respond.
- An independent review of consumer participation in Communications Alliance in 2005 reported that the model was world-leading in its involvement of consumers and that there was general support for consumer participation in relation to the development of codes and practices of the industry.
- The current consumer policy framework has worked well in providing outcomes for consumers, however there are opportunities for improvement which could usefully be considered. These include:
  - a statement of specific objectives for consumer policy in telecommunications
  - consideration of overseas approaches which include specific objectives of consumer empowerment
  - rationalising the overlapping and duplicative provisions, including the substantive provisions and mechanisms for complaint handling;

- o a more 'macro approach' to consumer participation rather the overlapping/duplication of consumer bodies in ACMA, Comms Alliance, the TIO, ACMA and suppliers, for example the creation of a well-resourced single organisation.

## 2 The consumer policy framework in the telecommunications industry

The framework for consumer policy and participation within the telecommunications industry facilitates consumer input into policy, regulation, self-regulatory outcomes, and administration across a range of institutions – government agencies, as well as industry-funded bodies such as the Telecommunications Industry Ombudsman (TIO) and Communications Alliance.

That there are a range of institutional arrangements for consumer participation is a function of the range of legislative and industry-developed instruments which create obligations for consumer protection in the telecommunications industry. These instruments include:

- The *Telecommunications Act 1997 (Cth)*; of particular note is Part 6 which establishes a regime for the development and registration of industry codes. Section 113 contains an extensive list of the types of matters that may be dealt with by industry codes and standards. These matters deal essentially with the relationship between the service provider and the customer;
- Industry codes of practice which have been developed under Part 6 and registered with ACMA. A full list is available at <http://www.commsalliance.com.au/documents/codes>;
- Industry-specific legislation for community safeguards as set out in the *Telecommunications (Consumer Protection and Service Standards) Act 1999 (Cth)*. Provisions in this Act include:
  - o the Universal Service Obligation;
  - o the Customer Service Guarantee;
  - o the complaint and ADR system of the TIO;
  - o emergency call services regime; and
  - o provisions relating to telephone sex services;
- Generic consumer protection legislation at both Commonwealth and State level, including the *Trade Practices Act 1974 (Cth)* and State and Territory Fair Trading legislation;
- Ministerial and regulatory Determinations and Directions;
- Other industry-specific and industry-developed instruments such as the Mobile Premium Services Self-Regulatory Scheme.

Whilst s 2 of the *Trade Practices Act 1974* contains the overarching objective of 'enhanc[ing] the welfare of Australians through the promotion of competition and fair trading and provision for consumer protection', there is no specific statement of objectives for consumer

policy in the range of instruments which create the framework for the telecommunications industry.

The organisations with regulatory responsibility for consumer protection outcomes in the telecommunications industry spans the spectrum of obligations created in the various instruments, including:

- the Australian Communications and Media Authority (ACMA) under the *Telecommunications Act* and the *Telecommunications (CPSS) Act*;
- The Australian Competition and Consumer Commission (ACCC) under the *Trade Practices Act 1974*; and
- State and Territory Fair Trading Departments under their enabling legislation.

Additionally, organisations which are funded by industry have important roles to play in the consumer policy framework. The TIO and TISSC provide complaint handling and dispute resolution services. Communications Alliance facilitates the development of outcomes for consumer protection such as industry codes and the provision of information for suppliers and consumers.

The complex hierarchy of potentially overlapping obligations for consumer protection and the segmented organisational responsibility result in a framework for consumer participation which is also potentially overlapping. This has potential impacts for both suppliers and consumers. The need for compliance with a myriad of obligations across a number of instruments and jurisdictions creates compliance costs for suppliers with potential for consequent higher prices for consumers.

It also creates a multiplicity of complaint organisations for consumers, with the potential for consumers and the organisations themselves as to the appropriate body for dealing with the specific complaints.

Within most of the organisations with responsibility for consumer protection outcomes in the telecommunications industry – including both regulators and industry bodies - there are consumer representatives who form an advisory body of some description.

ACMA has the legislative function under the *Telecommunications Act* to constitute the Consumers' Consultative Forum (CCF). The ACCC has its Consumers Consultative Council (CCC) and Communications Alliance has its Consumers Council (CC) and Disability Council (DC). The TIO has a council with consumer representatives, TISSC has consumer representatives, in addition, individual service providers including Telstra and Optus may have consumer advisory bodies.

The requirement to resource such an array of advisory groups places a great impost on consumer representatives, particularly as it is in many cases the same representatives who attend the different groups.

In addition to its advisory councils, Communications Alliance's wider advisory and working groups include consumer representatives and industry representatives. Therefore, an industry code developed under the auspices of Communications Alliance reflects a consensus outcome of a Working Committee comprising equal numbers of supplier and consumer representatives.

### **3 Consumer Participation within Communications Alliance**

The telecommunications industry established Communications Alliance (then called Australian Communications Industry Forum – ACIF) in 1997 in response to the regulatory policy objective in the *Telecommunications Act 1997* of the 'maximum use of industry self-regulation'.

From its inception, Communications Alliance was inclusive of consumer representatives in advisory and working groups. Under the auspices of Communications Alliance, consensus outcomes have been reached by working groups developing agreed parameters for inter-operator processes, technical and network standards, and obligations for consumer protection.

The latter are contained in a series of industry codes registered by ACMA – colloquially known as 'Consumer Codes' – cover a range of matters including billing, credit management, customer transfer, and consumer contracts.

In 2006 a project commenced to develop a single Telecommunications Consumer Protection Code (the 'TCP Code') from the existing suite of Codes. This project responds to calls from consumer representatives - particularly in their 2004 paper 'Consumer Driven Communications' - for the development of a single consumer code which provides greater clarity and simplicity than the current codes. The TCP Code is expected to be submitted to ACMA for registration in the second half of 2007.

In 2001 Communications Alliance established a Consumer Council to provide broad ranging consumer advice. This body is in addition to the existing Disability Council.

Two reviews of consumer participation within Communications Alliance have been held with the objective of enhancing the processes and outcomes for all stakeholders.

A major recommendation of the first review by Think Evans consultants was the establishment of a Consumer Register. This was established in 2006 and a copy of the document is at [http://www.commsalliance.com.au/Activities/Consumer\\_Participation](http://www.commsalliance.com.au/Activities/Consumer_Participation)

The second review was conducted by independent consultants Morgan Disney Consultants in 2005. This review reported that the model of consumer participation within Communications Alliance (then ACIF) was world-leading in its involvement of consumers and that there was general support for consumer participation in relation to the development of codes and the practices of the industry.

The report noted opportunities for consideration of a more coherent 'macro approach' to consumer participation in the industry in response to the current overlapping/duplication of consumer bodies in ACIF, ACMA, the TIO, Telstra and Optus which results in inefficiency for all stakeholders in the industry – for example, the establishment of a strong, well-resourced independent consumer body.

A key recommendation of the report was to develop a Consumer Participation Framework in relation a range of matters. That recommendation was implemented with effect from July 2006 and a copy of the document is [http://www.commsalliance.com.au/Activities/Consumer\\_Participation](http://www.commsalliance.com.au/Activities/Consumer_Participation) .

Communications Alliance is also a member of ACMA's Consumer Consultative Forum. An inaugural Consumer Congress will be held in August 2007 under the auspices of both ACMA and Communications Alliance.

#### **4 Telecommunications industry self-regulation: collaborative outcomes delivering the benefits of competition to end-users**

Section 4 of the *Telecommunications Act 1997* provides that the policy objective is the 'maximum use of industry self-regulation'.

Since 1997 and the introduction of competition and industry self-regulation, the industry has collaboratively developed significant outcomes – originally in the form of codes and standards and now also including more informal documents such as Guidelines and Fact Sheets – covering the range of inter-operator processes, technical and network specifications, and supplier/customer relationship. More than 50 codes and standards have been developed, many of them registered or approved by ACMA, and these sit alongside a range of non-codified self-regulatory responses initiated by the industry under the auspices of Communications Alliance - examples of which are provided later in this submission.

In the context of consumer protection, much of the focus on industry codes is on the so-called 'Consumer Codes' which deal with the supplier/customer relationship.

However, of great significance for consumer outcomes are the many examples of the collaboratively-developed inter-operator processes. These outcomes enhance consumer protection and choice in the telecommunications environment and deliver the benefits of competition to consumers.

In September 2006, the highly successful *Mobile Number Portability Industry Code (MNP)* celebrated five years in operation. In that time over 440,000 number ports have taken place with a very low incidence of complaints. The development of the MNP scheme established world's best practice processes in this area which have continued to be refined.

Another success for industry self-regulation is in the area of call charging and billing accuracy. The *Call Charging and Billing Accuracy Industry Code* was developed to provide assurance to customers, regulators and government that all industry participants meet an acceptable level of overall accuracy in the calculation of call charges and gives customers increased confidence that their bills and call charges are correct.

Consumer participation and consultation is a major input in the development of codes and standards and other outcomes at Communications Alliance – either by direct consumer involvement in working groups and/or the opportunity for input at public comment stage.

#### **5 Industry self-regulation for effective consumer outcomes: looking beyond codes of practice**

Self-regulation is not without significant costs for industry as highlighted in our submissions to the Commission's recent studies on red tape and regulatory burden. Copies of our submissions are available upon request or from the PC's website.

Code development places a high level of cost on the individual businesses involved as they have to allocate staff to the task of drafting a code, which can be a lengthy process.

Section 118 of the *Telecommunications Act 1997* empowers ACMA to request the development of a code. Whilst ACMA has exercised this power on few occasions over a ten-year period, it is submitted that if it is to be exercised it must be accompanied with evidence of market failure to justify the development of a code and what the additional regulation seeks to achieve.

Communications Alliance is increasingly addressing consumer safeguard shortfalls by the exploration of low cost effective self-regulatory responses that target the problem. Instead of developing codes of practice as a first step response, Communications Alliance seeks to implement solutions which reflect the dynamic and fast changing environment of the telecommunications landscape. Therefore, Communications Alliance is increasingly addressing perceived gaps in consumer protection with compliance education for service providers, awareness raising, and training via, for instance: information booklets, fact sheets, industry briefings and training sessions.

A good example of alternate ways to address perceived gaps in consumer safeguards is evidenced in the Next Generation Network industry activities being led by Communications Alliance.

Whilst self-regulation may impose cost and resourcing imposts on industry, Communications Alliance is tackling new and emerging issues head on. Importantly, we believe that recognition of the cost and resource implications for industry representatives (including the imposts for consumer advocacy bodies) should always be key considerations when examining consumer, economic and social policy matters. This is particularly so when there are a large number of smaller and newer players in the telecommunications arena. Any level of additional burden or regulatory impost can be extremely detrimental to new and emerging markets and this is ultimately not good for competition and consumer choice.

This philosophy is reflected in the strategic direction of Communications Alliance and seen in our work in identifying and resolving industry issues. For instance, Communications Alliance's Voice over Internet Protocol (VoIP) expertise ensures that there is balanced and comprehensive input to policy development and debate. Communications Alliance has been developing a strong track record of leadership in industry-led solutions for VoIP that includes:

- creation of the ACIF VoIP Working Group to identify and progress issues relating to VoIP from customer fault restoration/service support to IP interconnection and peering;
- release of a global discussion paper on *Quality of Service (QoS) VoIP Service Interconnectivity* to further identify the steps that need to be taken by the industry to resolve QoS issues; and
- convening of successful annual VoIP forums to focus on matters such as VoIP self-regulatory initiatives and inter-provider cooperation, all of which are underpinned by a strong focus on consumer policy matters.

## **6 Assessing the effectiveness of industry self-regulation**

Communications Alliance is committed to ensuring effective consumer participation in its work and will continue to take steps to ensure that the processes are world-leading. As noted above, Communications Alliance has engaged consultants on 2 occasions over the last three years to review the effectiveness of its consumer participation framework, with the view to enhancement and continual improvement, and has implemented recommendations from those reviews.

Communications Alliance has also responded positively to comments in the 'Consumer Driven Communications' report in 2004 relating to its processes and to calls for a single consumer Code to replace the existing suite of codes.

Communications Alliance is aware that there have been criticisms from time to time that industry self-regulation as a tool in the consumer policy framework has not been effective.

In response to any such comments, Communications Alliance notes that since 1997, and through the work developed under the auspices of Communications Alliance, there are in place considerable substantive consumer protections in the provision of telecommunications services which were not previously in existence. Consumer representatives have participated in the development of those protections. It is an open question whether the range of protections would have been legislatively developed in the absence of industry leading the initiatives.

The code framework initially developed as a suite of codes written by working committees, rather than a single professionally-drafted Code. Communications Alliance responded to consumer calls for a single consumer protection code and a draft Telecommunications Consumer Protection Code ('TCP' Code) will be released for public comment in May 2007, with expectations of publication in about August 2007. The TCP Code has been professionally drafted to make it more streamlined, easier to read and to understand.

Communications Alliance works closely with its members and the TIO on promoting compliance with the Codes and is committed to this ongoing work. Further, under the Telecommunications Act 1997, responsibility for enforcement of registered Codes lies with ACMA. Since 1997, ACMA has issued 2 notices to comply with a registered Code but has not taken other enforcement action. Whilst not purporting to extrapolate from this fact alone that self-regulation is demonstrably effective and functioning, it is submitted that it is a strong factor to be taken into account in assessing the effectiveness of self-regulation in the consumer policy framework.

## **7 The role of the TIO in providing a fact base for addressing consumer issues**

Communications Alliance submits that a critical piece in the implementation of an effective consumer policy framework is gaining an early understanding of the issues that may need to be addressed and proactively working with our members on these issues.

Communications Alliance supports the need for alternative dispute resolution and believes that the TIO Scheme does provide a range of benefits and services to consumers. The TIO is

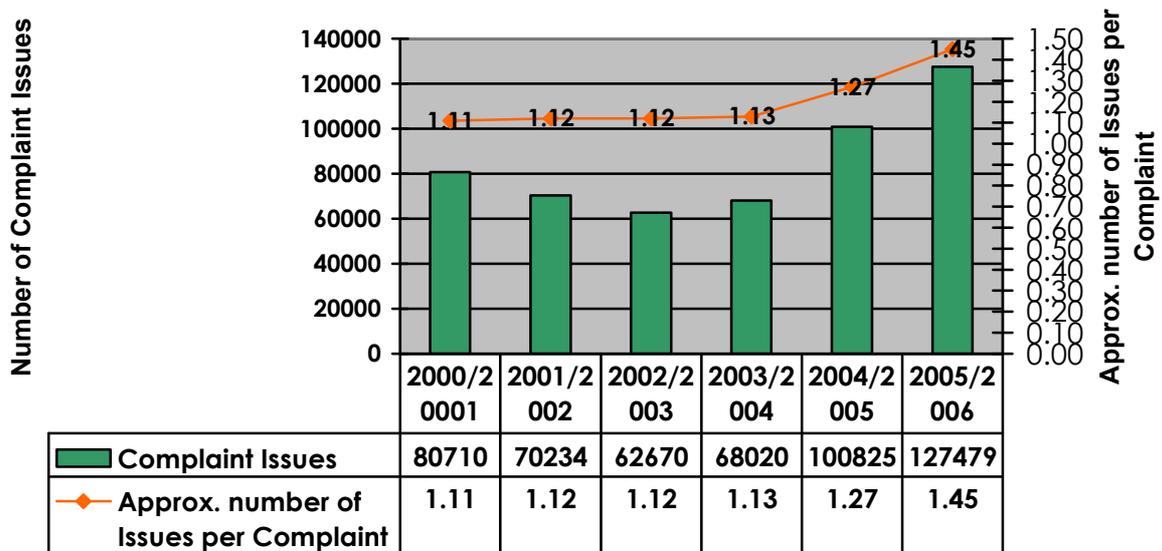
a 'free' complaint handling resource for consumers who have not been able to have their complaint resolved with their service provider and as such does not impose prohibitive fees on telecommunication consumers.

Communications Alliance submits that the key challenge for the telecommunications industry and the TIO Scheme is to ensure that it is able to keep pace in terms of the complexity of issues, influx of new technology, and introduction of new services and product offerings.

For example, over the last decade the number of complaints handled by the Office of the TIO has increased as the market has grown. Moreover, it is also worth noting that the number of 'Issues'<sup>1</sup> per individual complaint has also started to rise. Complainants who take their complaint to the Office of the TIO may in fact have a number of sub-issues per single complaint.

Chart 1, tracks this trend over the past seven years.

**Chart 1 - Total TIO Complaint Issues and Approximate Number of Issues per Complaint since 2000/01**



This is one form of evidence that the industry itself is getting more complex, reinforcing the importance that the TIO Scheme needs to keep pace by having the right skills, resourcing and capability to meet the needs of people who rely upon the services of that Scheme.

Communications Alliance submits that the TIO Scheme is a very valuable scheme. It provides consumers with an office of last resort to have their complaints handled free of charge and within specified timelines and it provides a fact base of the issues in the industry which need to be addressed.

<sup>1</sup> The TIO defines **Issue** as "The matter about which a complainant has contacted the TIO. A single complaint may involve several issues".

## 8 Consumer Contracts

During the Consumer Policy Framework public hearings held by the Productivity Commission there were a number of comments made by participants about contracts and their complexity for consumers. Such discussion included questioning whether the current consumer framework for contracts is fundamentally sound and whether it simply requires fine-tuning or more comprehensive changes are required.

Under the *Telecommunications Act 1997* providers may contract with customers either on an individual basis, or provide customers with a Standard Form of Agreement (SFOA). The most common practice is that consumers accept the terms and conditions set out in a SFOA. The industry has been criticised by consumers for failing to provide user-friendly contracts and documentation. The main criticisms are that SFOA's are too long, not easily understood, and can differ across jurisdictions. It is purported that this leads to confusion for consumers as few would be able to fully comprehend the complexities of the contracts, even if they had the appetite to read it in full. To remedy this ACMA issued the *Telecommunications (Standard Form of Agreement Information) Determination 2003* which requires providers to publish a summary of their terms and conditions which outlines all main terms but is limited to four pages in length.

To assist the industry with the complex issue of contracts, the *Consumer Contracts Industry Code* was developed and registered with ACMA in 2005. The Code was developed under the auspices of Communications Alliance, with equal numbers of supplier and consumer representatives on the Working Committee.

The objective of this Code is to address consumer detriment arising from the imbalance of bargaining power between service providers and their residential and small business customers. The perceived benefits to consumers from the implementation of this Code are the provision of a minimum set of standards for determining whether the terms in their consumer contracts are fair and intelligible. The Code has been registered with ACMA and industry compliance enhances consumer confidence in the fairness, accessibility and intelligibility of contracts. In this Code, contracts themselves are also governed by Code rules which insist that the wording is not confusing nor that the contract contains any unfair or hidden conditions.

Whilst contracts are clearly difficult for consumers to deal with and industry supports the need for them to be user-friendly, the introduction of the industry Code presents additional burdens to business. Industry incurs costs resulting from the need for comprehensive staff training programmes, implementation of new business processes and rules, the drafting of new contracts, preparation, printing and distribution of new collateral and contracts. An additional burden stems from the fact that the majority of providers operate in multiple states and territories and therefore have to comply with the *Trade Practices Act 1974* plus state specific fair trading legislation. Multi-jurisdictional operations intensify the need for comprehensive staff training to ensure that consumers receive information about contracts that relates to their location. Uniformity of fair trading legislation would improve the scope of knowledge for customer service staff, increase consumer confidence, and customer service.

It is clear that consumer contracts is an area that warrants continuous improvement and industry accepts that it must be pro-active in ensuring that consumers are fully aware of their rights and obligations. The steps already taken have helped to ensure that consumers

are provided with all relevant information to assist them in making informed choices when choosing telephone and Internet services. .

Statistical information provided to Communications Alliance by the TIO (who has conferral of power to handle breaches associated with the Code shows a relatively low number of recorded breaches against the Consumer Contracts Code. In the December 2006 quarter, a total of 40 complaints were recorded against the Consumer Contracts Code. Thirty-nine Possible complaints (commonly referred to as an 'alleged' breach as no formal investigation occurs at the Office of the TIO and the matter is automatically referred back to the TIO member for resolution) and one Confirmed complaint (formally investigated by the TIO) was recorded against the Contracts Code.

The apparent low number of complaints to the TIO does not detract from the importance of the protections in the Consumer Contracts Code and the need for compliance with those provisions; however, the statistics may provide a fact base that the Code is contributing to an outcome for consumers which is beneficial.

## **9 Sources of information**

Consumers have a wide array of information available to them to assist in making choices regarding the selection of products and services. For instance, a recent provision made by many telecommunications industry participants is regular access to billing information, as this enables consumers to track their level of spend and budget accordingly. The introduction of capped plans enhances consumer empowerment by providing access to services of a far higher monetary value than the cost of their capped plan. The industry must ensure that all information is presented in a clear and well ordered manner to ensure ease of comprehension and prevent consumers making poor decisions as stated in the Issues Paper.

The existence of a well functioning demand-side relies on consumers accessing this information to ensure that they make well informed choices and minimise the risk of agreeing to purchase inappropriate services.

To further assist consumers in this area, the concept of a single information point for the telecommunications environment is being explored. Initial scoping of this concept has shown that there is a call for an integrated service that would enhance consumer empowerment by providing, for instance:

- increased/improved consumer safeguard information;
- information accessible from one centralised information point;
- 'just in time' information when customers are experiencing problems and require immediate information;
- information resources to address consumer safeguards that are critical, i.e. consumers safeguards about which it is very important for consumer to be informed;
- consumer information about rights and safeguards at various stages throughout the service cycle; and
- information prioritised against level of potential consumer detriment.

As mentioned in the Issues Paper, behavioural economics shows that consumers do not always act as expected when they have been presented with a large amount of information. The concept of a single information point would assist with consumer inertia and resistance to act in their best interests. To ensure that all interested parties could gain

access to such a service the offering could be complemented with a series of roadshows targeted at consumers from non-English speaking backgrounds, those with a disability such as sight impairment and vulnerable consumers.

Communications Alliance submits there is merit in the Productivity Commission further exploring the creation of a centralised information point for all consumer information requirements. The provision of a holistic suite of safeguard information covering the key information requirements of all Australian consumers would be a useful tool.

## 10 Overseas models

The policy objective set out in s 2 of the Trade Practices Act 1974 is 'enhanc[ing] the welfare of Australians through the promotion of competition and fair trading and the provision of consumer protection.' As noted earlier, a specific statement of objectives in relation to telecommunications consumer policy is not apparent in the many instruments creating the framework.

In Australia, therefore, the emphasis in consumer policy would appear to be on consumer protection rather than consumer empowerment.

The United Kingdom's Department of Trade and Industry (DTI) produced their Comparative Report on Consumer Policy Regimes in October 2003. The report commented favourably on the Australian consumer policy framework especially in the areas of consumer protection. The report however, did comment on the fact that industry self-regulation and codes developed for that purpose "tend to have a 'lowest common factor' quality."

A review of policy objectives in overseas jurisdictions indicates that EU and OECD countries incorporate the need for consumer empowerment into their consumer policy frameworks. In Denmark for example, "the Consumer Ombudsman aims to protect consumers on the basis of an "average norm". This means protecting consumers on the basis of the experience and knowledge of the average consumer."<sup>2</sup>

As noted earlier, the 2005 independent consultants' report into consumer participation within Communications Alliance noted opportunities for consideration of a more coherent 'macro approach' to consumer participation in the industry - for example, the establishment of a strong, well-resourced independent consumer body. Whilst clearly of benefit in addressing the resource constraints of consumer representatives, such an holistic approach may also provide benefits for all stakeholders in the form of a centralised resource which could provide expert advice about consumer, competition and social policy matters affecting consumers in the Australian environment.

## 11 Conclusion

Communications Alliance submits that the consumer policy framework for the telecommunications environment provides multiple opportunities for consumers to input into policy, regulation, self-regulatory outcomes, and administration across a range of institutions. The outcomes developed collaboratively between consumers and suppliers

---

<sup>2</sup> P10: Comparative Report on Consumer Policy Regimes, October 2003, Department of Trade and Industry, UK

under the auspices of Communications Alliance are substantial and significant, and Communications Alliance is committed to ensuring continued effective consumer participation and delivering beneficial outcomes.

There are some opportunities for enhancement, in particular relating to articulating objectives, streamlining overlapping/duplicative provisions across the range of instruments, and consideration of a more holistic approach to relieve consumer representative resourcing restraints as well as to bring a wider perspective of consumer policy for the benefit of all stakeholders.

Communications Alliance would be happy to discuss any aspect of this submission and thanks the Productivity Commission for the opportunity to provide comments against the Issues Paper.



**Published by:  
COMMUNICATIONS  
ALLIANCE LTD**

**Level 9  
32 Walker Street  
North Sydney  
NSW 2060 Australia**

**Correspondence  
PO Box 444  
Milsons Point  
NSW 1565**

**T 61 2 9959 9111  
F 61 2 9954 6136  
TTY 61 2 9923 1911  
E [info@commsalliance.com.au](mailto:info@commsalliance.com.au)  
[www.commsalliance.com.au](http://www.commsalliance.com.au)  
ABN 56 078 026 507**

Care should be taken to ensure the material used is from the current version of the Standard or Industry Code and that it is updated whenever the Standard or Code is amended or revised. The number and date of the Standard or Code should therefore be clearly identified. If in doubt please contact Communications Alliance