

SUMMER 2001—02

Issue 15

A quarterly report on consumer issues in the communications industry

Consumer views on competition

Payphones—how well are they working?

**Are telecommunications
consumers satisfied?**

plus much more



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Communications
Authority

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CONSUMER BULLETIN



From the
Chairman's desk



Welcome to the Summer issue of the *Consumer Bulletin*

In this issue of the *Consumer Bulletin* we present findings from the ACA's research on issues that affect Australian consumers in telecommunications.

Since the deregulation of telecommunications in Australia in 1997 and the removal of barriers to carrier entry, the ACA has played a major role in creating a communications environment in which competition can flourish, while at the same time protecting consumers.

The ACA conducts research surveys into consumer satisfaction, consumer awareness and payphones, to learn more about how Australian consumers feel about telecommunications services and products, and where more consumer information is needed.

For the first time this year, consumers were asked about their satisfaction with competition in telecommunications services. Competition first came with national long distance and international calls. In the past four years we have seen the price of telephone calls fall as more service providers enter the industry.

The impetus of competition in residential and mobile communications has seen the introduction of new products and innovative technologies and in some ways the plethora of choice for consumers can be overwhelming.

Consumers are faced with many new telecommunications products and services with a wide variety of packaging and pricing options. They need information to make informed decisions, expect access to new and improved services at lower prices, and seek a greater involvement in decision making.

One of the ACA's roles is to keep consumers up to date in the rapidly changing communications environment by providing consumer information to make informed decisions.

As always, we welcome your comments and ideas for the *Consumer Bulletin*. I hope that you enjoy reading this issue.

Tony Shaw
Chairman

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Editorial directory

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Explanation

This issue of the *Consumer Bulletin* primarily reports on the results of two ACA surveys—Consumer Satisfaction Survey and Consumer Awareness Survey. The two surveys had different numbers of respondents and obtained slightly different results in some areas, for example in the percentage of households reported to have a mobile phone.

Website

The *Consumer Bulletin* and other consumer information is available on the ACA website at www.aca.gov.au/consumer/index.htm

Information in the *Consumer Bulletin* is intended as a guide only and is considered correct at the time of printing. For this reason the information contained herein should not be relied on as legal advice or regarded as a substitute for legal advice in individual cases.



How happy are we with our mobile phone services?

We're used to them ringing in restaurants, cafes, business meetings, trams, trains and buses and sometimes even while we're at the movies.

We're a nation of mobile phone users, as the latest consumer satisfaction research by the ACA confirms, with 67 per cent of households and 76 per cent of small businesses surveyed reporting they own a mobile phone.

But just how happy are we with our mobile phones and the various services provided by mobile phone providers?

Despite high levels of mobile phone usage and improvement of networks, consumers continue to have concerns about aspects of mobile phone services. There also seems to be confusion in the market, according to the ACA's 2001 Consumer Satisfaction Survey.

The research found low levels of consumer satisfaction in a number of areas including:

- technical quality;
- pricing; and
- the information provided by mobile phone companies to consumers.

Both small business and household users found it particularly confusing to compare the information provided by mobile providers about their products, plans and services. They also rated it difficult to compare information between providers.

In terms of technical quality consumers reported reasonably high levels of dissatisfaction with their mobile service. Over one third of consumers were dissatisfied with both coverage and call drop out. In contrast, only low levels of dissatisfaction were recorded for voice quality and call congestion.

"Overall we're not seeing high levels of satisfaction with mobile phones despite the high levels of usage and the good efforts of the industry. There also seems to be

confusion in the market" says Jacqui Thorpe from the ACA's Industry Performance Team.

"There's also a strong sense that people aren't getting the benefits of competition in the mobile market and half of small businesses and households think the price of calls is too high."

Overall, both business and household users are satisfied with their mobile phone contracts. However, those that aren't satisfied attributed this as being mainly due to the contract's length, hidden costs and the inability to upgrade to other features within an existing contract.

Another area of satisfaction is with the ability to send text messages from one mobile phone to another, known as short message service (SMS). Mobile phone users who use this feature showed high levels of satisfaction with it.

Main mobile providers

The survey of 1,532 respondents found that Telstra was the main provider of mobile phone services for the majority of households (54 per cent) and small businesses (63 per cent).

Optus was the next major provider, with 28 per cent of households and 19 per cent of small businesses connected, followed by Vodafone with 8 per cent of small businesses and 11 per cent of households.

For further information on the ACA's Consumer Satisfaction Survey 2001, see the article 'Are telecommunications consumers satisfied?' on page 7 of this Bulletin, contact the ACA's Industry Performance Team on 03 9963 6800 or visit the ACA website at www.aca.gov.au/publications/reports/satisfaction/index.htm

Commonly used abbreviations

3G	Third generation
ABA	Australian Broadcasting Authority
ABS	Australian Bureau of Statistics
ACA	Australian Communications Authority
ACCC	Australian Competition and Consumer Commission
ACIF	Australian Communications Industry Forum
AMPS	Advanced mobile phone service (an analogue mobile phone technology)
AMTA	Australian Mobile Telecommunications Association
CCF	Consumer Consultative Forum (ACA)
CDMA	Code Division Multiple Access (a digital mobile phone technology)
CLI	Calling line identification
CND	Calling number display
CSG	Customer Service Guarantee
CSP	Carriage service provider
DCITA	Department of Communications, Information Technology and the Arts
DSL	Digital subscriber line
EMC	Electromagnetic compatibility
EMR	Electromagnetic radiation
GPRS	General Packet Radio Service
GSM	Global system for mobiles (a digital mobile phone technology)
IMEI	International mobile equipment identity number
IMSI	International mobile subscriber identity number
IP	Internet protocol
IPND	Integrated Public Number Database
ISDN	Integrated services digital network
ISP	Internet service provider
IT	Information technology
LNP	Local number portability
MNP	Mobile number portability
NRS	National Relay Service
PUK	Personal unblocking key
SIM	Subscriber identity module
SMS	Short message service
STS	Standard telephone service
TIO	Telecommunications Industry Ombudsman
TSI	Telecommunications Service Inquiry
TTY	Teletypewriter (used for text communications by speech and hearing impaired people)
ULL	Unconditioned local loop
USO	Universal service obligation
VoIP	Voice over Internet protocol
WAP	Wireless application protocol
WLL	Wireless local loop

TIO reports on telecomm



Australians lodged 72,264 complaints with the Telecommunications Industry Ombudsman (TIO) last financial year, an increase of almost 33 per cent from the previous year.

Established in 1993, the TIO is a free and independent dispute resolution service for residential and small business consumers who have been unable to resolve a complaint with their telephone or Internet service provider.

In its 2000–01 Annual Report, the TIO points to poor customer service, unreliable Internet access and mobile phone contracts as increasingly common causes of consumer complaint. As in previous years, billing disputes accounted for the largest proportion of complaints (29.8 per cent of telephone service complaints and 39.4 per cent of Internet service complaints).

Provision of services

The biggest improvement for the year occurred in the proportion of complaints about the provision of telephone services (or new connections). These accounted for 10.9 per cent of all complaints about telephone services compared to 16.3 per cent the previous year.

Faults

There was also a large decrease in the proportion of complaints about telephone faults, which fell from 9.8 per cent to 5.6 per cent of all telephone service complaints.



unications industry

“It seems that fewer mass service disruptions around the country during the year resulted in proportionally fewer complaints about faults,” says John Pinnock, Telecommunications Industry Ombudsman.

“Telstra’s upgrade of the customer access network has contributed to shorter waiting times for phone connections and the Customer Service Guarantee, which penalises companies for delays in connections and fault repair, appears to be having a positive effect.”

Customer service

The largest increase in complaints occurred in complaints about poor customer service. These rose from 6.9 per cent to 15.8 per cent of all telephone-related complaints, and from 6.6 per cent to 14.8 per cent of all Internet-related complaints.

“People are particularly frustrated by long call waiting times, discourteous or unhelpful staff, lack of technical support, and failure to escalate complaints,” says Mr Pinnock.

“Encouragingly, we did see some improvement in complaints about poor customer service in the last quarter of the year; hopefully this will be a continuing trend.”

The TIO’s Annual Report includes a review of complaint statistics for 2000–01. These statistics are published for the information of consumers and to help service providers identify areas where they can improve their performance.

Case study: Unauthorised transfer

A woman claimed that her elderly parents had been visited by a door-to-door sales representative from a telephone provider implying that he was associated with another well-known telephone company. The complainant claimed her parents were confused and believed they needed to sign the paperwork presented to them in order to stay with their existing company. The complainant’s mother signed the form not realising she was transferring the service to another provider. Following a request to the service provider for information, the company investigated the matter and found there was a strong possibility that the sales representative may have made misleading claims. The company agreed to reverse the transfer and waive all the charges.

One.Tel and the TIO Annual Report: 15,084 of the complaints reported in 2000–01 were against One.Tel, accounting for the 33 percent increase in complaints. These complaints have not been categorised according to issue, so that it is not possible to comment on the ‘One.Tel effect’ on particular complaint categories.

To obtain a copy of the TIO Annual Report 2000–01, contact the TIO on free call 1800 062 058 or visit the TIO website at www.tio.com.au.

Are telecommunications consumers aware?



Since 1999 the ACA has surveyed consumers to find out how much Australians know about telecommunications issues and what they want more information about.

The annual Consumer Awareness Survey informs the ACA about the different telecommunications services Australians are using—such as mobile phones, the Internet and pay TV.

The results of this year's survey revealed a continuing rise in the level of consumer knowledge and the uptake of mobile phones by young people. It also found that the views of residents and small business people on most issues were similar.

The survey canvassed the views of 1,238 residential and 373 small business consumers—a broad section of telecommunications users.

“The information is valuable because it informs the ACA of existing information gaps among consumers, across a wide range of issues, so that suitable information strategies can be developed,” says Hannah Jones from the ACA's Consumer Awareness Team.

At a glance the survey provided a snapshot of what's happening in Australian homes and small businesses, in terms of telecommunications. Some particularly interesting results were as follows:

- 67 per cent of residential users and 71 per cent of small businesses felt that providers of telephone services are more responsive to their needs now than before the introduction of competition four years ago.
- 71 per cent of households had a mobile phone.

- 69 per cent of households who had an Internet connection were using their fixed phone line for connection.

“The majority of consumers considered themselves well informed about telecommunications,” Ms Jones says.

High levels of consumer awareness were demonstrated in the following areas:

- 70 per cent of residential users and 65 per cent of small businesses knew that Telstra was the first answer point for '000'.
- 60 per cent of residential users and 63 per cent of small businesses knew that they could purchase a phone for a fixed line and avoid paying an equipment rental charge.
- Around 60 per cent of both residential users and small businesses were aware of legislation that ensures that all Australians have access to telecommunications services.
- 62 per cent were aware that a service guarantee is imposed on service providers to meet timeframes for connections, appointments and repairs.

However, there were lower levels of awareness on the following issues:

- 22 per cent of residential users and 16 per cent of small businesses knew about specific consumer safeguards, such as voluntary codes of practice. However, 90 per cent of residential users and 88 per cent of small businesses indicated interest in finding out more about safeguards.
- 28 per cent of residential users and 29 per cent of small businesses were aware that financial compensation is automatically payable if specified timeframes for connecting, repairing and turning up for appointments are not met by service providers.
- 38 per cent of residential users and 45 per cent of small businesses knew that Internet providers do not have to provide access to the Internet from a fixed line for the cost of a local call.

For more information on the ACA's Consumer Awareness Survey 2001, contact the ACA's Consumer Awareness Team on 03 9963 6800 or visit the ACA website at www.aca.gov.au/publications/reports/awareness/index.htm



Are telecommunications consumers satisfied?

The price of fixed phone telephone calls has fallen with increased competition and Australian consumers are generally happy with what they pay for actual calls.

However, they're not so pleased that the cost of renting a telephone line has increased at the same time.

Those are some of the findings of the recent ACA Consumer Satisfaction Survey, which surveyed 1,532 Australian households and small businesses to find out how satisfied they are with the nation's telecommunications services.

The survey found that two thirds of small businesses and two thirds of householders believe the price for fixed phone line rental is too high.

"Consumers are clearly aware that while the cost of calls has been going down, the cost of line rentals has been going up, and they're decidedly not happy about that," says Maxine Sudol from the ACA's Industry Performance Team.

While only one third of households and small businesses think line rental prices are about right, more than half of the same consumers think call prices are about right for local, national long distance and international calls.

Fault repairs

The survey also looked at consumer satisfaction levels with fixed phone fault repairs.

"Overall, people are happy with the quality of fault repairs, but not so happy with the length of time it takes to get repairs done," says Ms Sudol.

Both small businesses (40 per cent) and households (39 per cent) expressed high levels of dissatisfaction with the time taken to repair faults.

In contrast, nearly all households and more than three quarters of businesses are satisfied with the quality of the repair.

Billing

Most household and small business consumers continue to be highly satisfied with the billing services provided by phone companies for both fixed phones and mobile phones.

Between 80 and 85 per cent of consumers are satisfied with their fixed phone billing services.

For mobile phones, 75 per cent of household consumers and 84 per cent of small businesses are satisfied. Billing services cover a range of issues including the accuracy of the bill, clarity, itemisation and frequency of billing but exclude costs and prices.

For those few consumers who express dissatisfaction with billing services, the two reasons most often quoted are inaccurate information on the bill and information on the bill not being clear.

For further information on the ACA's Consumer Satisfaction Survey 2001, contact the ACA's Industry Performance Team on 03 9963 6800 or visit the ACA website at www.aca.gov.au/publications/reports/satisfaction/index.htm

Payphones — how well



Payphones are part of the Australian landscape, with more than 70,000 placed around the country from our major cities to our most remote regions. Just over 35,000 payphones are operated by Telstra, with the remainder, often identified as blue or gold payphones, being operated independently.

Despite the increase in the numbers of Australians who have mobile phones, payphones remain important to consumers, particularly for those who don't have a fixed phone line. That accounts for two per cent of Australian homes, according to recent Australian Bureau of Statistics data.

It's also worth noting that 7.7 per cent of all calls made to the national emergency number '000' in the past year were made from payphones.

Telstra has responsibility under the universal service obligation (USO) to ensure that payphones are reasonably accessible across the country. Telstra reports to the ACA on a quarterly and annual basis about the performance of its payphone services.

For the past three years, the ACA has also conducted independent research as another way of monitoring just how well Australia's payphones are working.

For the ACA's forthcoming Special Report No.9, *The Universal Service Obligation: Payphones*, a random selection of Telstra operated payphone sites—excluding independently operated payphones—was selected for auditing across the country.





are they working?

Testing was conducted throughout urban, rural and remote areas of Australia to ensure that the sample was representative of performance in those areas.

Researchers went out into the field to physically test each of the 501 payphones included in the survey. They assessed the payphones for two main things: how well they worked and how easy they were to access.

The findings from the survey included:

- More than 9 in 10 payphones were accessible 24 hours a day.
- More than 9 in 10 payphones were in good condition and free from vandalism that would impede their use.
- Almost all phones (99 per cent) had a dial tone. One per cent of the total payphones sampled were totally dysfunctional and could not be used for any purpose.
- Where test calls to the '000' emergency service number and 1800 numbers were made from payphones, 97 per cent were able to connect successfully and had a satisfactory line quality to enable a conversation to be held.

In another interesting finding, 99 per cent of local calls made using coins returned the correct amount of unused coins.

This high correct return rate contrasts with the ACA's *Consumer Satisfaction Survey 2001*, in which 20 per cent of household respondents reported that receiving the

'wrong coin change' was the most significant contributing factor to dissatisfaction.

"The discrepancy between the high correct coin return rate and the high level of dissatisfaction may be accounted for by a low level of understanding in relation to the type of change payphones give," says Stacey Joyce from the ACA's USO Monitoring Team.

"Payphones only return unused coins, so if a local call (40 cents) is made using a 50 cent coin, no change will be received. However, the consumer satisfaction survey found that a very high proportion—61 per cent—of household respondents believed they would get 10 cents back if they made a local call with a 50 cent coin."

"The ACA intends to work with Telstra to increase awareness of the fact that only unused coins are returned to consumers, and to encourage consumers to use their coins in the most efficient way possible to minimise credit loss," explains Ms Joyce.

The survey also identified some issues regarding ease of accessibility of payphones for the community in general and for people with a disability, which will be investigated further by the ACA.

For further information on the *Public Payphone Study 2001*, contact the ACA's USO Monitoring Team on 03 9963 6712 or visit the ACA website at www.aca.gov.au/publications/index.htm



Consumer views on increased competition

“High levels of confusion about the information provided by fixed phone and mobile phone providers about their products, services and plans was also identified in the survey. This may have contributed to consumer perceptions about the effects of competition,” says Mr Byrne.

“It’s the first time we’ve asked specific questions about satisfaction with competition, so we’ll be looking at this area again with interest next year. It will be particularly interesting to see what the effect of mobile number portability is,” Mr Byrne says.

Increased competition in the fixed phone and mobile phone market is here to stay but consumers don’t necessarily feel that they’re reaping the benefits of competition.

A survey of 1,537 small businesses and household users as part of the ACA’s Consumer Satisfaction Survey, found low levels of consumer satisfaction with the level of competition about both the provision of fixed phone and mobile phone services.

The survey found that many consumers who had mobile phones, were not satisfied about the price of mobile phone calls, despite increased competition in the mobile market. About half of both small business and household users were satisfied in this regard and between 20 and 25 percent of consumers reported dissatisfaction.

“The level of price competition for mobile phone users was one of the areas of the survey which recorded the lowest levels of consumer satisfaction,” says Dominic Byrne from the ACA’s Industry Performance Team.

“One of the objectives of increased competition is to offer consumers increased quality of services, greater choice and reduced prices. And while there has been an increase in the level of competition in the provision of fixed phone and mobile phone services over the past few years, the survey suggests that consumers don’t necessarily appear to feel they’re benefiting in this way.”

Satisfaction with price competition: fixed phone calls

- 61 per cent of households were satisfied, 22 per cent were neutral or undecided and 17 per cent were dissatisfied.
- 54 per cent of small businesses were satisfied, 26 per cent were neutral or undecided and 19 per cent were dissatisfied.

Satisfaction with price competition: mobile phone calls

- 51 per cent of households were satisfied, 24 per cent were neutral or undecided and 24 per cent were dissatisfied.
- 54 per cent of small businesses were satisfied, 24 per cent were neutral or undecided and 22 per cent were dissatisfied.

For further information on the ACA’s Consumer Satisfaction Survey 2001, contact the ACA’s Industry Performance Team on 03 9963 6800 or visit the ACA website at www.aca.gov.au/publications/reports/satisfaction/index.htm



Keeping telephone numbers when changing service providers

Thousands of mobile phone users in Australia have opted to keep their phone number when switching mobile phone providers since the option became available on 25 September 2001.

The issue of keeping a phone number—whether it's a fixed phone or mobile number—is one that consumers are very interested in finding out more about, according to research by the ACA.

In the 2001 Consumer Awareness Survey, information about 'porting' telephone numbers when changing providers was an issue that both small business and household users, were very interested in. Almost six in 10 consumers wanted to know more.

Local number portability

It is possible to keep your phone number when you change providers of your fixed telephone line provider (for example, switching from Optus to Telstra).

It is also possible to keep your phone number when you move—as long as you move within the same telephone exchange area. Even if you switch providers in the move, as long as it's within your current provider's same exchange area, you are still able to keep your previous telephone number.

Most consumers appear to be aware of this. The survey referred to above found that 75 per cent of consumers said 'false' to the statement 'if I change my service provider for local calls, I will have to change my telephone number'. So many consumers do have an appreciation of local number portability.

"We are encouraged by that," says Steve Thurston from the ACA's Network Selection Team. "However, many people have a fairly vague notion of local number portability, so the ACA is working to continue to lift understanding of it."

"We're also working with the Australian Communications Industry Forum (ACIF) to revamp and improve the local number portability industry code so that porting processes are more efficient."

Mobile number portability

Since the introduction of mobile number portability, it is possible to keep your mobile phone number when you change service providers. Many mobile phone users in Australia have been quick to take advantage of this opportunity.

"A month after mobile number portability was introduced, more than 40,000 people had taken advantage of mobile number portability by switching providers and retaining their number," says Mr Thurston.

"Given the fairly high numbers of households (71 per cent) and small businesses (87 per cent) that reported owning mobile phones, it makes mobile number portability a crucial issue. Number portability is about increasing competition and providing better services and opportunities for consumers."

"For mobile number portability to be a huge success, it's not necessary for a lot of ports to be happening. If carriers are competing and retaining their customers, that's also a good thing for consumers."

Overall, the ACA says the introduction and implementation of mobile number portability has been a success, despite some initial 'teething problems', with customers experiencing delays in their number being ported due to a number of IT system and process issues that were unforeseen even during the test phase. Many customers have ported without delay, but some have suffered long delays.

With the introduction of mobile number portability, the ACA's role has moved from increasing community awareness about the issue to continued monitoring and reporting about the implementation of portability.

For further consumer information on mobile number portability, contact ACA's Consumer Awareness Team on 03 9963 6800 or visit the ACA website at www.aca.gov.au/mnp/index.htm

Industry codes in place to protect consumers



Have you ever been concerned by the response from your service provider about an issue that affects you as a telecommunications customer? Or wondered, for example, what you could do if you don't get the exact service you believe you paid for?

Maybe you want to be reassured that you won't have any problems keeping your mobile number if you want to change providers. Or you want to be sure that your telephone number won't be displayed to every person you call, if you don't want it to be.

You'll be pleased to learn that there are consumer codes in place for the telecommunications industry that protect consumers from such problems. In fact, codes in telecommunications cover many issues, from the way calls are charged and billing accuracy, to the handling of life-threatening and unwelcome calls.

Seven consumer protection industry codes have been registered by the ACA. Under the *Telecommunications Act 1997*, the ACA is responsible for registering codes and for monitoring industry's compliance with registered codes.

Despite low levels of consumer awareness about the voluntary codes, with only 22 per cent of respondents recently surveyed by the ACA aware that codes exist, there is a high level of code compliance by telecommunications providers.

"Given that the consumer codes have only been formally registered since May 2000, the awareness level is not surprising," comments Liz Bailey from the ACA's Codes and Consumer Safeguards Team.

"And the ACA is satisfied that the level of industry compliance with the majority of the codes is acceptable."

The ACA is pleased, for example, that the industry has 'bitten the bullet' and developed consumer protection codes relating to the two areas that attract the highest number of customer complaints—billing and customer transfer.

"Most of the major consumer protection issues have now been addressed by industry codes," says Ms Bailey.

As part of its monitoring role, the ACA surveyed 15 of Australia's major telecommunications services providers this year, to find out whether they had policies and internal compliance arrangements in place to meet all requirements of the various industry codes.

"We found high levels of compliance with all consumer codes, except in the areas of complaint handling and the provision of information on prices, terms and conditions," says Ms Bailey.

The ACA has commenced investigating these areas of non-compliance in conjunction with the industry. The ACA can issue a formal warning or a direction, which is enforceable through the Federal Court, to a carrier or service provider if it is found to have breached any of the registered codes.

In other good news, the Australian Communications Industry Forum (ACIF), the industry owned, resourced and operated body developing and implementing self-regulation in the telecommunications industry, has commenced a campaign to increase consumer awareness of codes. For more information, see the article 'It's your call' on the next page.

Where can I find out more about the codes?

The ACA has a series of fact sheets on consumer protection codes. Copies can be obtained from the ACA website at www.aca.gov.au/consumer/index.htm or by completing the fact sheet order form inserted in this bulletin and returning the form to the ACA.

For further information on industry codes, visit the ACA website at www.aca.gov.au/codes/index.htm or the ACIF website at www.acif.org.au

It's your call

Do you know your phone rights?

The Australian Communications Industry Forum (ACIF) launched a public education campaign in September this year to inform Australian consumers about their phone rights.

ACIF's campaign aimed to raise consumer awareness about rights for changing telephone or Internet service providers.

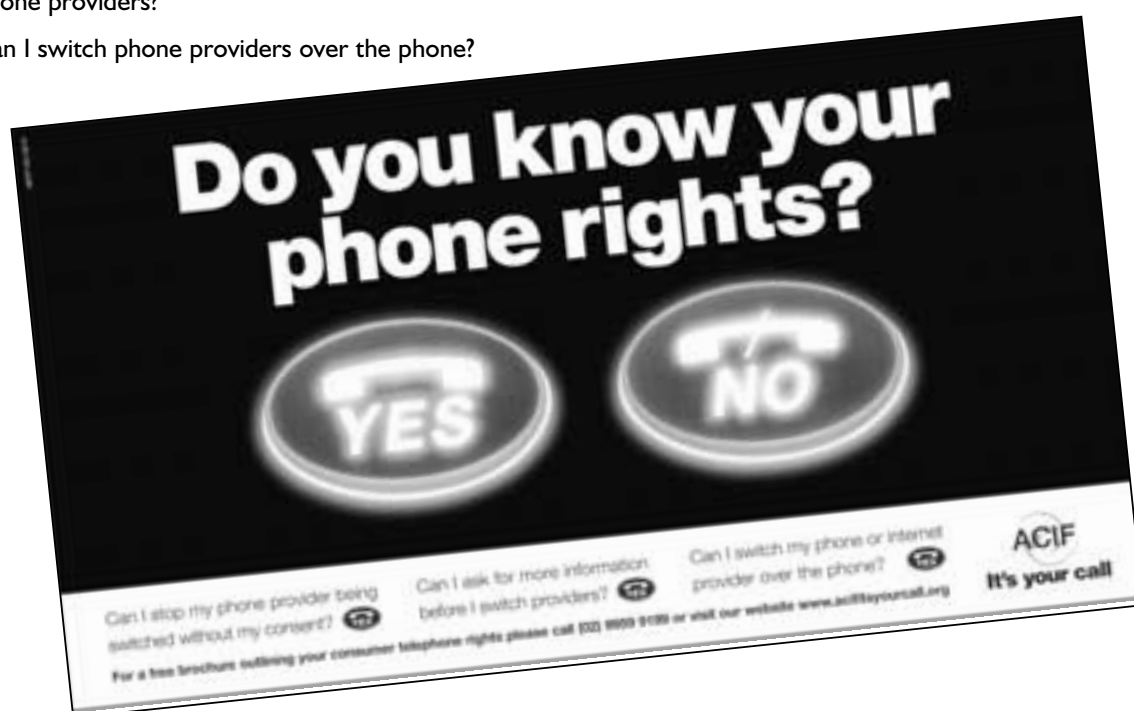
The campaign provided consumers with answers to these questions:

- Do you know your phone rights?
- Can I stop my phone provider being switched without my consent?
- Do I have to switch phone providers?
- Can I ask for more information before switching phone providers?
- Can I switch phone providers over the phone?

Print advertisements like the one on this page were published in local and metropolitan newspapers and radio advertisements were heard around the country, informing Australians of their phone rights.

A brochure titled *It's your call* answers the questions above and clearly explains consumer rights. The brochure is available in English, Italian, Greek and Arabic, and the ACIF Telecommunications Consumer Codes Brochure has been reproduced in audio and Braille formats.

For further information on your phone rights or to obtain a copy of the brochure, contact ACIF on 02 9959 9199 or visit the ACIF website at www.acifitsyourcall.org





Consumer information—an important part of choice

It can be confusing and time-consuming comparing one mobile or fixed phone plan against another—whether you're looking at options offered by just one phone company or by a number of different providers, or even if you're dealing with the advertising material you receive in the mail box.

The ACA is concerned about the barriers consumers may feel about being informed on telecommunications choices. Both the ACA's Consumer Awareness and Consumer Satisfaction Surveys looked at different aspects of this important issue.

"For the last two years the consumer awareness survey has asked consumers about how informed they feel," says Frances Wood, Manager of the ACA's Consumer Awareness Team.

"The majority of people say it is hard to compare prices and products and that it's easier to leave all your services with the one provider."

Findings from the ACA's Consumer Satisfaction Survey confirm the concern consumers have about the plethora of information that is available to phone and Internet users, and the quality of the information—whether they're small business or household users.

That survey found high levels of consumer dissatisfaction in a number of areas relating to the information made available by providers of fixed phone, mobile phone services and, to a lesser extent, Internet services.

"It seems that across the board it isn't easy for consumers to compare information about the various products, services and plans on offer," says Graziella Campana, from the ACA's Industry Performance Team.

"It's especially confusing for first-time mobile phone users or fixed phone users looking to change providers. It will be interesting to see if these high levels of dissatisfaction continue over the next few years," says Ms Campana, who adds the ACA is currently looking at how information can best be provided to consumers in a competitive market place.

Internet

Both surveys found that higher levels of consumer satisfaction existed with Internet services than with telephony services. The Consumer Awareness Survey found 85 per cent satisfaction with the customer support services provided by Internet service providers.

Households were more satisfied (81 per cent) than small businesses (74 per cent) with the information provided on terms and conditions prior to signing up with an Internet service provider.

Seventy three per cent of household consumers were satisfied with the information they received from their provider on technical aspects of installing and maintaining their Internet connection. For households, dissatisfaction levels with the technical information provided by Internet providers decreased from 22 per cent in 1999's survey to 12 per cent in this year's survey.

Other key findings of the surveys about the ability of consumers to navigate information included:

- Small businesses were more dissatisfied (30 per cent) than households (27 per cent) with the quality of information provided by fixed-line service providers. Those who lived in rural households were generally more satisfied than their urban counterparts.
- 80 per cent of households agreed that it was less hassle to keep all their services with one provider (up from 78 per cent in 2000).
- 66 per cent of households agreed that it was difficult to compare the prices and service features of different service providers (up from 59 per cent in 2000).
- Most small businesses (74 per cent) agreed that it was difficult to compare the prices and service features of different providers, compared to 86 per cent last year.
- Non-urban households (30 per cent) and small businesses (31 per cent) reported higher levels of dissatisfaction with the information about mobile phone services being easy to find, easy to understand, and answering their questions, than did urban households (27 per cent) and urban small businesses (28 per cent).
- Urban respondents were more inclined to see themselves as well-informed about telecommunications issues. In major urban areas, 29 per cent of respondents rated themselves as highly aware, compared to 21 per cent in rural areas.

For further information on the ACA's Consumer Satisfaction and Consumer Awareness Surveys, contact the ACA on 03 9963 6800 or visit the ACA website at www.aca.gov.au/publications/index.htm



Consumer information—shopping for a phone plan

Thinking of changing your phone plan or signing up with a new service provider? Trying to work out which provider is right for you? Not sure if you want to use the same provider for every call?

It seems everywhere you look these days, there are new telecommunications services and phone plans emerging. But how do you know which plan or product to choose?

There are several ways to find information about selecting the right telephone or Internet service for you:

- Think about how you use the phone or Internet.
- Look at what you spend now.
- Study the service providers' pricing and usage plans.
- Ask the service provider any questions you have.
- Compare the products and prices. One handy way to do this is to look on the Internet for websites that do comparison of telecommunications prices and services.

These are just two of the many websites providing information about telecommunications services in Australia.

- www.epricesaver.com.au

epricesaver is an independent service providing price comparisons of Internet service providers, local and long distance call costs and mobile phone plans (with and without handsets).

- www.phonechoice.com.au

PhoneChoice is an independent service providing information about mobile phone plans, mobile phones, international call rates, national long distance rates and local call rates.

The ACA does not endorse these companies or websites but provides them as a reference for consumers to find out more about telephone and Internet costs and plans.

Pre-select or over-ride?

What's the difference between pre-selection and over-ride codes?

Pre-selection is when you nominate a preferred service provider to supply you with particular telephone services, including long distance, and international calls and calls to mobiles. That preference is recorded as a standing arrangement for your telephone service, but can be bypassed by the use of over-ride codes.

An over-ride code is a four digit number starting with '14' that enables you to take advantage of special offers by other providers, on a call-by-call basis. It bypasses your pre-selected provider for that call only. You will be billed by the provider whose over-ride code you dialled. (Some providers advertising special offers require you to register with them before using their over-ride codes so they can bill you).

If you are looking to change your pre-selected provider to take advantage of a special offer, and you plan to use over-ride codes, remember to:

- ask if there are limits on the use of over-ride codes
- check the details of the offer including the rates, terms and conditions and penalties for any breaches.

If you are looking to change your local access provider, ask if there are limits on your ability to choose another provider for pre-selected services. The standard conditions of some providers require customers to allow the provider to pre-select on their behalf.



Internet awareness

There are 628 Internet services providers (ISPs) jostling to connect Australians to the World Wide Web, according to the latest survey by the Australian Bureau of Statistics.

In such a competitive environment, to find that 65 per cent of consumers are sufficiently satisfied that the amount of information provided by Internet providers allows them to make informed decisions about their provider is 'reasonably high', according to the ACA.

The ACA measured consumer satisfaction levels and a range of Internet-related issues in the recent Consumer Satisfaction Survey.

Of the 1,238 households and 373 small businesses who took part in the research, 55 per cent of small businesses and 46 per cent of households were connected to the Internet.

"While 65 per cent of Internet users were satisfied with the information provided by their ISP there is still a 'significant minority' of 23 per cent who were dissatisfied", says Alan Chalmers from the ACA's Numbering Team.

The ACA has responded to a request for advice from the Communications Minister about ways to improve information dissemination to assist Internet users.

"We hope to be able to begin working with ISPs and consumers on a solution later this year," says Mr Chalmers.

Customer Service

Customer support service provided by ISPs is one area in which the survey reveals high levels of consumer awareness:

- 83 per cent of Internet users know how to contact their provider for customer service;
- 70 per cent have used customer support services; and
- 85 per cent are happy with the assistance they have received.

The survey also reveals that Internet consumers are price-conscious when it comes to choosing their service, with 79 per cent indicating they are not prepared to pay twice as much to double the speed and reliability of their Internet connection.

"There are lots of consumers who want a low-cost service," comments Mr Chalmers.

One of the areas of concern highlighted by the survey's findings is that 20 per cent of consumers with an Internet connection experience unexpected line drop-outs as a major problem.

To help address this issue, in May 2001 Telstra and the Federal Government launched the Internet Assistance Program to provide a range of help services to assist consumers.

"One of the aims of this program is to provide practical ways in which consumers can configure their computers and modems to reduce call drop-out," says Mr Chalmers.

"There is help available in this area, and we encourage people to use it."

The Internet Assistance Program is currently available to rural and regional customers and will be extended to metropolitan customers from March 2002.

Dial 000 in a life-threatening emergency

Most Australians know that '000' is the number to dial in a life-threatening situation.

The 000 emergency number is a vital component of Australia's emergency services network, providing a first point of contact for people who find themselves in time-critical life-threatening or dangerous situations. The emergency service number for the Deaf, and hearing or speech impaired people is '106'.

However, in some Australian States, services such as police, ambulance and fire brigades can also be contacted by dialling 1144x numbers as a secondary point of contact. In a life-threatening situation, callers may call this secondary number, overlooking the 000 number, and end up with their call not being given the priority that is required.

The ACA, in conjunction with emergency services across the nation, is working hard to clear up any confusion about what number to call in a life-threatening emergency. As part of this strategy 1144x numbers will be withdrawn from Australia's Numbering Plan from 30 September 2002.

"The ACA is withdrawing these numbers because they are not available in all States and on all telecommunications networks," said Bridget Nagle from the ACA's National Interest Issues Team.

"In contrast, dialling 000 in any State or Territory will automatically connect a caller to emergency assistance—

police, fire or ambulance—and can be dialled free of charge from any phone—fixed, mobile or payphone."

"That's the message we want to get out: dial 000 in a life-threatening emergency."

In tandem with the plan to phase out 1144x numbers, the ACA along with Telstra (the provider of the 000 number) and emergency service organisations will continue the push to ensure that fewer non-genuine emergency calls are made to 000.

"Of the 10 million emergency calls to 000 in the past 12 months, half were non-genuine," explains Ms Nagle. "These calls only hold up genuine calls that can be a matter of life or death."

Many of the unwelcome calls made to 000 are mistakes made by PABX systems which default to 000 and misdials by either individuals or by a phone or fax system error due to incorrect programming.

Mobile phones, inadvertently dialling 000 while in a handbag, briefcase or pocket are often also the culprit. To avoid this happening, a key pad lock can be applied to the mobile phone.

The ACA continues its research into understanding why so many unwelcome calls are made to 000 in its efforts to decrease the number of such calls.

When dialling 000, remember:

- State whether you want Police, Fire or Ambulance assistance.
- If calling from a mobile phone, give as much information about the location of the emergency as possible.
- Stay on the line until connected with the emergency service operator—they will need to talk to you before sending assistance.



For further information on emergency services, contact the ACA's National Interest Issues Team on 03 9963 6816 or email at nii@aca.gov.au

ACA consumer protection investigations

The ACA, as a telecommunications regulator, has a role in monitoring and investigating customer complaint systemic issues and in ensuring that telecommunications service providers comply with registered consumer and industry codes. Under the law, the ACA has the power to direct a carrier or service provider to comply with a registered code.

Mobile phone advertising

Advertising of mobile phones and other services by some service providers may be misleading in some instances. The ACA recently investigated the advertisements of some offers by Telstra and Hutchison (also known as Orange) to assess whether they comply with the standards set in industry codes.

Two Telstra advertisements were investigated: one offering three months of 'free' access fees for Telstra MobileNet customers and the other offering 'free' interstate message bank retrieval. The main issue was the use of disclaimers in these advertisements.

The ACA considered the advertisements could be misleading because of the length of the disclaimer in one instance, the complexity of the information contained in the advertisements and the very small font size of the disclaimer. The ACA sought Telstra's comments on how these advertisements stood with respect to the *Customer Information on Prices, Terms and Conditions Code* (the Code).

The ACA received a response from Telstra about the 'free' access fee offer. Telstra argued that the complexity of the disclaimer was necessary in this instance, but also advised that the 'free' access offer is no longer available.

The ACA does not intend to take any further action in this case, but will continue to monitor advertisements and the use of disclaimers.

At the time of writing this article, Telstra had still to respond to the ACA about the advertisement offering 'free' interstate message bank retrieval.

The ACA also investigated the use of disclaimers by Hutchison in recent mobile phone advertisements. In the ACA's view, the Orange Justgo, FreeTalk and TalkEasy advertisements could have misled consumers because they failed to adequately identify roaming charges and the size for the disclaimer was too small.

Some Hutchison advertisements, which claimed savings compared to other mobile phone providers, were also considered as possibly misleading because they failed to disclose all compulsory charges and payments.

Hutchison responded to the ACA's concerns and has undertaken to comply with the *Trade Practices Act* and the code. Hutchison agreed to clearly identify roaming charges in accordance with the code and make the link between advertising text and disclaimers clearer and in a larger size.

The ACA was satisfied with the response and does not intend to take further action.

Complaint Handling Code investigation

Complaints received by the Telecommunications Industry Ombudsman (TIO) and performance data received by the ACA indicates that some service providers are not complying with the Complaints Handling Code.

The ACA will commence an investigation into compliance by service providers with this code. The investigation will examine call queuing, call-back services, registration of complaints, escalation of complaints and referral of complaints to the TIO. When the investigation is complete, the ACA will determine the need for further action if there is evidence of non-compliance with the Complaints Handling Code.

For further information about consumer codes, see the article 'Industry codes in place to protect consumers' on page 12 of this Bulletin.

ACA reviews Customer Service Guarantee

The ACA's review of the Customer Service Guarantee (CSG) may lead to changes in how the CSG is applied and the standards of service.

The CSG sets standards for phone companies for connections, fault repairs and appointments for the standard telephone service. It also provides for payments to customers where phone companies do not meet the CSG standards.

The Government has asked the ACA to review the Customer Service Guarantee (CSG) and determine how best to apply the standard where there are a number of carriers delivering telecommunications

services using several different means of delivery, while effectively promoting the long-term interests of consumers of telecommunications services.

The ACA issued a discussion paper seeking comments on a number of issues including the coverage of services under the CSG, which service providers it should apply to, and whether common standards should continue to apply.

For further information on the CSG, visit the ACA website at www.aca.gov.au/consumer/csg_index.htm

Consumer involvement in standard making

Did you know that telecommunications services and equipment must meet specific standards before they are released onto the market? Since the success of new services or new equipment relies on the end-user, consumer involvement in standard making is an important issue.

In Australia, standards for services and equipment are based primarily on international standards. When international standards are developed, user input is not always given consideration. This is mainly because technical experts develop standards and participation in standards committees is difficult for users who have limited expertise in technical issues.

To overcome this, representatives of peak international and national standards bodies are collaborating on ways that user input can be built into the standards process. The ACA has been working closely with consumer groups to ensure that Australian consumers can contribute to the standards setting process for telecommunications services and equipment.

An international 'user workshop' is held every 18 months in conjunction with the regular meeting of the peak international and regional telecommunications standards bodies, known as the Global Standards Collaboration (GSC). At these meetings, common interests are compared, information is exchanged and work programs are discussed.

A user workshop was held on 7 November 2001, in Sydney and attended by representatives of consumer groups, disability organisations, businesses, service providers and government departments.

The workshop was an opportunity for consumers to discuss standards issues and influence organisations responsible for developing international standards. Issues, including how standards are set, why standards need user input and how consumer needs are taken into account in the development of standards, were discussed.

The outcomes of the workshop were presented to the November GSC meeting, which focused on how major standards bodies can effectively address user needs in the development of international standards and how these needs can be incorporated in standards.

The outcomes of the GSC will be included in the next issue of the *Consumer Bulletin*.

For further information on user involvement in standards making, contact the ACA's International Telecommunications Team on 03 9963 6856.

Recent events and announcements

December 2001

ACA releases findings from Consumer Awareness and Consumer Satisfaction research—see ACA website at www.aca.gov.au/publications/index.htm

14 November 2001

ACA Consumer Consultative Forum held in Melbourne—see ACA website at www.aca.gov.au/committee/national/ccf/ccf.htm

14 November 2001

Registration of Industry Code Unconditioned Local Loop Service Network Deployment Rules—see ACA website at www.aca.gov.au/codes/abtem18.htm

5 October 2001

ACA releases its investigation report on the implementation of mobile number portability—see ACA website at www.aca.gov.au/mnp/index.htm

25 September 2001

Introduction of mobile number portability—see article on page 11 and ACA website at www.aca.gov.au/consumer/mnp/index.htm

24 September 2001

ACA releases June 2001 quarter *Telecommunications Performance Monitoring Bulletin*—see ACA website at www.aca.gov.au/publications/performance/index.htm

Articles and suggestions

Letters, articles and suggestions for the *Consumer Bulletin* can be sent to:

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Australian Communications Authority
PO Box 13112 Law Courts
Melbourne VIC 8010
Facsimile: 03 9963 6899
Email: consumer.bulletin@aca.gov.au

ACA OFFICES

Australian Communications Authority (ACA)

Regulates radiocommunications and telecommunications

CENTRAL OFFICES

Canberra Central Office

PO Box 78, Belconnen ACT 2616
Telephone: 02 6219 5555
Facsimile: 02 6219 5200

Melbourne Central Office

PO Box 13112, Law Courts
Melbourne VIC 8010
Telephone: 03 9963 6800
Facsimile: 03 9963 6899
TTY: 03 9963 6948

www.aca.gov.au/contact/offices.htm

People with English language difficulties can contact the ACA via the Translating and Interpreting Service (TIS) by calling 131 450.

REGIONAL OFFICES

ACA Australia-wide number:
1300 850 115

Calls charged at local call rates, higher charges may apply from mobile and payphones

New South Wales Region

GPO Box 5295
Sydney NSW 2001
Telephone: 02 9245 4000
(Sydney metro only)
Facsimile: 02 9245 4099
Email: nswro@aca.gov.au

Southern Australia Region

PO Box 13120, Law Courts
Melbourne VIC 8010
Telephone: 03 9963 6988
(Melbourne metro only)
Facsimile: 03 9963 6989
Email: saro@aca.gov.au

Northern Australia Region

PO Box 1225
Cairns QLD 4870
Telephone: 07 4048 7444
(Cairns metro only)
Facsimile: 07 4048 7400
Email: naro@aca.gov.au

Southern Queensland Region

PO Box 288
Red Hill QLD 4059
Telephone: 07 3247 7111
(Brisbane metro only)
Facsimile: 07 3247 7100
Email: sqro@aca.gov.au

Western Australia Region

PO Box 6189
East Perth WA 6892
Telephone: 08 9461 2111
(Perth metro only)
Facsimile: 08 9461 2100
Email: waro@aca.gov.au

Australian Broadcasting Authority (ABA)

Regulates radio, television, pay TV, digital broadcasting and Internet content
PO Box Q500
Queen Victoria Building NSW 1230
Telephone: 02 9334 7700
Facsimile: 02 9334 7799
TTY: 02 9334 7777
www.aba.gov.au

Australian Communications Industry Forum (ACIF)

Established to implement and manage self-regulation of the communications industry
PO Box 444
Milsons Point NSW 1565
Telephone: 02 9959 9111
Facsimile: 02 9954 6136
www.acif.org.au

Australian Competition and Consumer Commission (ACCC)

Monitors anti-competitive and unfair market practices and product safety/liability
National Office
470 Northborne Avenue
Dickson ACT 2602
Telephone: 02 6243 1111
Facsimile: 02 6243 1199
Information Line: 1300 302 502
www.accc.gov.au

Australian Mobile Telecommunications Association (AMTA)

Represents the mobile telecommunications industry in Australia
GPO Box 1966
Braddon ACT 2612
Telephone: 02 6230 6055
Facsimile: 02 6262 7062
www.amta.org.au

Australian Telecommunications Users Group (ATUG)

Promotes the strategic use of telecommunications for business
PO Box 357
Milsons Point NSW 1565
Telephone: 02 9957 1333
Free call: 1800 226 281
Facsimile: 02 9925 0880
www.atug.com.au

Consumers' Telecommunications Network (CTN)

Represents residential consumers' interests in telecommunications
Unit 2, 524 Parramatta Road
Petersham NSW 2049
Telephone: 02 9572 6007
Facsimile: 02 9572 6014
TTY: 02 9572 6047
www.ctn.org.au

Small Enterprise Telecommunications Centre Limited (SETEL)

Represents small business consumers' interests in telecommunications
PO Box 58
Jamison ACT 2614
Telephone: 02 6251 7848
Facsimile: 02 6251 7835
www.setel.com.au

Standards Australia

Develops technical standards for telecommunications
GPO Box 5420
Sydney NSW 2001
Telephone: 1300 65 46 46
Facsimile: 1300 65 49 49
www.standards.org.au

Telecommunications Industry Ombudsman (TIO)

Assists with resolution of complaints about residential and small business telephone and Internet services
PO Box 276 Collins Street West
Melbourne VIC 8007
Telephone: 03 8600 8700
Free call: 1800 062 058
Facsimile: 1800 630 614
TTY: 1800 675 692
www.tio.com.au

Telephone Information Services Standards Council (TISSC)

Sets independent standards for the content and advertising of telephone information services
PO Box 1021
Haymarket NSW 2000
Telephone: 1300 139 955
Facsimile: 02 9211 4447
www.tissc.com.au