



# All consumers must benefit

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**T**he Australian Consumers' Association welcomes liberalisation of the telecommunications market and expects increased competition to deliver many lasting consumer benefits. Effective competition is more likely to promote the consumer interest than is regulation. But we need to be cautious, as the benefits of competition may not reach all Australian consumers equally.

We know that competition gravitates towards more lucrative market segments - which leaves many consumers out in the cold when it comes to technology benefits, cost savings, and better service. All residential consumers have helped fund the digitisation of the public network, but under the new regime there is no obligation on the carriers to offer all consumers the same deals - even though those who are offered special deals will use the same network we all helped to pay for.

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## Good information

To promote a wider spread of the benefits of competition consumers need to be informed and active in the market place, rather than passive. We know that if consumers are informed and discerning in their behaviour, then carriers will be more compelled to focus on their customers. For consumers to be able to take advantage of the new opportunities they need access to accurate and reliable information so that they can make the right decision. Carriers should try and build (or retain) their market share by winning over customers through better price and service, rather than through glitzy adver-

tising, by imposing barriers to customer mobility or by bogging down competitors in access negotiations or in the courts.

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## Consumer protection

As the regulatory changes will shift responsibility for overseeing industry performance onto the industry itself, the capacity of the industry to protect consumer issues will be very much under the spotlight. The Australian Communications Industry Forum (ACIF) consumer codes discussions have so far identified useful priorities for code development, but the process will be useless unless it achieves strong conduct provisions, full industry coverage, and unless codes are enforced. The incentive for carriers to mislead is enormous in their attempt to gain or protect market share. ACIF also has responsibility for leading the industry down the right path.

At a level closer to the consumer, technology that *works* is a basic consumer expectation. Products must be 'fit for the purpose' intended, as the Trade Practices Act insists. But you can understand why consumers might think this doesn't apply to them when their mobile phone calls regularly drop out, and yet they are charged for reconnection. Given that the technology easily identifies whether you or the exchange terminated the call why doesn't the industry eliminate this practice and compensate mobile users?

At the moment the Customer Service Guarantee (CSG) is primarily concerned with establishing performance standards for the timeliness of con-

nections, service calls and fault rectification. The CSG should also cover wider quality of service aspects such as assured signal quality, billing accuracy and availability, and defined limits to back-billing. Consumers will be able to waive their rights under the CSG. Would they really understand the economic value of CSG rights? Could details like these be buried in the fine print of contracts? We suspect so. Telcos may soon be offering irresistible deals which erode consumer rights.

The timing of privatisation of Telstra closely following liberalisation will put additional pressure on the maintenance of consumer rights. The Telstra float coordinators are urging the government to consider revising the existing prices cap arrangements and to introduce charging for directory assistance (013). The Government is also under pressure to slow down the debate on the possible health risks from mobile phone radiation.

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## Basic rights

Consumers must be placed at the centre of the telecommunications equation - their basic rights must be rock solid. Competition is about delivering a better outcome for consumers and any suggestion that a particular consumer right should be removed in the interests of increasing balance sheets should be quickly dismissed. Examples of these rights include the right to be properly informed, to have equal access to the benefits of competition and to protect those consumers who are not in a position to exert market power. □