

# Customer Service Guarantees, Mark II

*How believable is the government's latest promise to provide a strengthened Customer Service Guarantee scheme and better service levels?*

In 1996, the government promised that its Customer Service Guarantee (CSG) scheme would ensure that service quality would not be allowed to drop with the partial sale of Telstra.

With another election looming and legislation to fully privatise Telstra tabled, the government is promising a strengthened CSG scheme which will - this time - guarantee better service levels. But will it?

The Australian Communications Authority's (ACA) latest Quality of Service Bulletin gives the government real cause for concern, particularly for rural constituents. In the past year, Telstra's percentage of connections on or before the "Agreed Commitment Date" dropped nationally from 84 per cent to 74 per cent. In country areas, the figures were worse - from 82 per cent to 66 per cent. Fault restoration within one working day dropped nationally from 73 per cent to 64 per cent, and in country areas, from 74 per cent to 61 per cent. No wonder Senator Alston called Telstra service levels "unacceptable".

1996 legislation for the partial sale of Telstra also established the CSG scheme, giving the minister power to direct AUSTEL to set CSG performance standards. The subsequent ministerial direction was implemented in 1997 by AUSTEL successor the ACA, with the issue of three instruments covering the "Standard", the "Scale of Damages" and the "Waiver of Customer Guarantee", plus an explanatory "Guide", with the scheme to take effect on January 1, 1998.

The scheme covers only a standard telephone service and enhanced call handling features. And aspects of the service covered by the scheme can only be those determined by the minister - which now include service connection time, fault repair time and times involving appointments with customers.

The actual standard for connection times is set by reference to the "relevant planning document" defined in the "Guide" as either the timelines set by AUSTEL in 1996 for Telstra's universal service obligation, or a universal service plan approved by the minister. Because the minister has not yet approved Telstra's universal service plan, the CSG connection times are still those set out in 1996.

Those timelines extend from one week for towns and communities which are readily accessible to existing infrastructure, to up to 27 months for areas with less than 200 people and not readily accessible to infrastructure. The standard telephone service review recommended that those timelines be substantially reduced. Telstra's universal service plan which proposed a reduction to 21 months has not yet been approved by the minister.

The universal service obligation was intended as a safety net to ensure eventual connection. But because of the need for consistency between Telstra's obligations under the CSG scheme and its USO obligations, the USO requirements have become the defining timelines for all providers of the standard service covered.

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Fault rectification times are not part of the USO and, therefore, closer to what should be expected: in metropolitan areas, the end of the first full working day after receipt of the reported fault; in non-metropolitan (not remote) areas, until the end of the second full working day; and for remote areas, until the end of the third full working day.

The intention of the government was to encourage voluntary compliance with the scheme and so a breach of its standards are specifically not considered a breach of the Act. Enforcement is to be by the customer through court proceedings.

The major change to the scheme contained in the Telstra (Transition to Full Private Ownership) Bill 1998 is with enforcement of standards.

The ACA will be able to give written directions to a CSP subject to CSG standards, requiring action to ensure compliance with the standards or that

the extent of compliance with the standard reaches or exceeds a specified goal or target.

Further, the amendments will specifically forbid a CSP from contravening an ACA direction on compliance. In other words, a breach of an ACA direction is a breach of the Act and as such, can be enforced through a Federal Court injunction in relation to contraventions of the Act.

Interestingly, the government has talked about the possibility of fines of up to \$10 million for contravention of CSG standards. But those fines are only available under the Act for contravention of "civil penalty provisions". Yet neither the provisions of the Act establishing the CSG scheme nor the proposed amendments make contravention of the scheme subject to civil penalty provisions.

There are ways to strengthen the CSG scheme. The minister could approve Telstra's USO Plan, which would immediately shorten CSG connection times. The government could make contravention of an ACA direction under the scheme subject to civil penalties, or make compliance with CSG standards a Service Provider Rule and enforceable as such.

The minister's Second Reading speech also suggested the government would consider tightening requirements on CSPs to inform customers of their rights under the scheme, and a review of CSG standards within a year.

In the longer term, it may make more sense to move the CSG scheme into the provisions for ACA's monitoring of carrier and carriage service provider service, allowing the ACA to make specific determinations in relation to carriers or CSPs generally, or in relation to a specific carrier or CSP, and to determine standards on connection and fault repair times and the other service quality issues affecting the public. <

**Holly Raiche**

## Domain Naming

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- There should be universal representation on the governing body for the administration of the registry functions. Key stakeholders including end users should be represented.
- All gTLDs need not necessarily be administered by one single organisation (there was no clear consensus on this point) but one body should act as a coordinator.
- The question of the creation of new gTLDs (the Green Paper proposed five new gTLDs but provided no further details) should be dealt with in a separate paper as the issues were different.

NOIE also agreed to conduct some further investigations into possible options for the resolution of disputes and for the "oversight" of the registry monopoly by a non-U.S. organisation. It was agreed that more information was required on these points before an official response could be made.

The U.S. Green Paper has actually helped in the development of an Australian policy approach to the administration of the Domain Name System by forcing an early consultation and research effort. But whether Australia can have any influence on issues which are so dominated by the U.S. remains to be seen. It is important to let the U.S. know that the wider Internet community has a stake in the outcome of this debate, and the efforts of NOIE are welcomed in this regard.

NOIE will provide a response to the U.S. Green Paper by mid-April 1998. It is willing to receive public submissions. Information is available at the NOIE web site: <http://www.noie.gov.au> <

**Chris Connolly**

## Comment

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Both concepts have occasional and limited legitimacy; but both are abused by those in power, becoming a one-size-fits-all excuse for concealment.

Commercial confidentiality is a legitimate reason for secrecy only when the consumers of a company's products and services have a wide choice in a genuinely competitive market.

The problem is that the old definition of government - as those organisations which are created by statute and use public money - is no longer adequate. Now that private enterprise is entrusted with many vital functions in society - from running prisons, to public transport, to the power supply - a new definition of government is needed. This definition should be based not on an organisation's legal structure but on its function.

What matters is the citizen's perspective. That control of, say, the water supply has shifted from a public enterprise governed by statute to a privately owned company matters not a whit to ordinary people. Their needs and interests - in a clean, affordable and environmentally responsible water supply - have not changed. Their rights to information should not change either.

Any company which operates a service which is basic to the life of the community, and which constitutes a monopoly or near-monopoly, has many of the characteristics of government. It therefore has many of the same responsibilities, including providing the public with the information it can legitimately demand. <

**The Victorian Information Audit is available from the Communications Law Centre, tel (02) 9663 0551 or order online at <http://www.comslaw.org.au>**

**Vic Marles**