

Submission 2021 Regional Telecommunications Review

30 September 2021

Hon Luke Hartsuyker, Chair
2021 Regional Telecommunications Review Committee
Department of Infrastructure, Transport, Regional Development and Communications

By email: secretariat@communications.gov.au

Dear Hon Hartsuyker

Thank you for the opportunity to provide a submission to the 2021 Regional Telecommunications Review Committee's Issues paper as part of the Regional Telecommunications Review ¹. CPRC is an independent, non-profit consumer research organisation. Our mission is to improve the lives and welfare of consumers by producing evidence-based research that drives policy and practice change.

CPRC considers this review to be particularly important as COVID-19 has demonstrated how essential telecommunications devices and services are to Australian consumers, in particular regional consumers and how poorly they are being served. These services connect people to their families, friends, employment and are a gateway for engaging with banking, shopping, and entertainment. This reliance on these services is only more pronounced in rural and regional areas where they are critical in emergencies, being often the only way to access help and support. When consumers are unable to access phone and internet services, this forms a barrier that can contribute to regional consumers experiencing vulnerability.

CPRC is currently finalising qualitative research with consumers across Australia aimed at better understanding the experiences and expectations of being an Australian consumer today. Quotes and evidence in this submission can be attributed to this unpublished research. Through this research we have seen that consumers in regional Australia feel they have less choice in providers, especially for essential services such as energy and telecommunications. This causes them stress and frustration, as well as a feeling of being 'held hostage' by providers with little support or recourse when things go wrong. Given Telstra's dominance in the regional market, consumers feel they have no choice but to sign up to a service with the company, regardless of the challenges they may face with them.

"When you live somewhere remote, you rely on that phone for emergencies and you've got to pay for it. Telstra say 'we've got 98% of the coverage', so you've got to go with them to know that you can count on your phone in an emergency situation. You're over a barrel." Regional NSW

"When you look at a provider like Telstra, you have to go through so many hoops to resolve anything. There's no simple fix or easy way around fixing something that isn't our problem or our doing. This can be really frustrating when it's something like your mobile phone and you can't afford to wait a few days." Renter, Regional QLD

CPRC recently released the Sector Scorecard, which measured consumers' experience of business conduct across key sectors from May to December 2020. We found the

¹ Australian Government – Regional telecommunications review 2021 – Issues paper. July 2021

telecommunications sector had the worst user experience and accessibility score out of the six industries assessed.² The telecommunications sector ranked last in providing support to all consumers among the sectors measured – but scored worse for regionally located consumers (3.8) see Figure 1³.

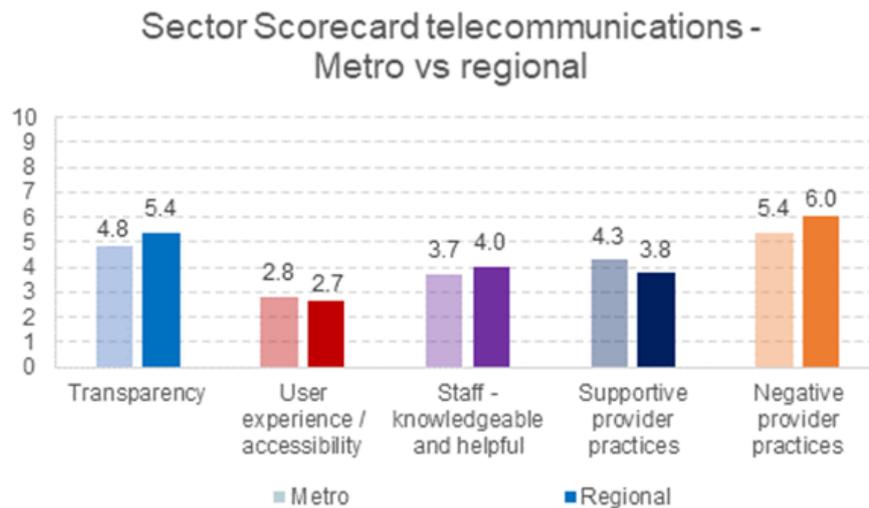


Figure 1: Sector Scorecard telecommunications metro vs regional (CPRC 2021)

It is clear there is room for improvement in how the telecommunications sector provides services to regional consumers. CPRC considers there are several issues that require detailed consideration, including improving information provision, choice, service levels, user experience, and support for consumers experiencing vulnerability.

Below is a summary of recent CPRC submissions and reports the Committee should consider in its deliberations:

- Submissions to the Consumer Safeguards Review Part B and Part C.^{4 5} Part C of the safeguards review is outstanding, and we recommend the Minister for Telecommunications must finalise and implement the consumer safeguards review, especially introducing stronger obligations to support consumers experiencing payment difficulty.
- Submission to Australian Media and Communication Authority consultation paper – Consumer vulnerability: Expectations for the telecommunications industry.⁶
- Report: Exploring Regulatory Approaches to Consumer Vulnerability⁷ – sets out opportunities for essential service market stewards to adopt a more inclusive approach to supporting all consumers.

² CPRC- Consumers and COVID-19: Sector Scorecard - September 2021

³ Note: our Sector Scorecard reflects the relative experiences of those who interacted with their provider. See <https://cprc.org.au/publications/consumer-insights-series-sector-scorecard/> for full scores and detailed methodology

⁴ Submission to the Consumer Safeguards Review Part B – Reliability of services Consultation Paper

⁵ Submission to the Consumer Safeguards Review Part C: Choice and Fairness

⁶ Submission to Australian Media and Communication Authority - Consumer vulnerability: Expectations for the telecommunications industry

⁷ CPRC - Exploring Regulatory Approaches to Consumer Vulnerability - February 2020

- CPRC COVID-19 research – tracked consumers' experiences with a range of services including telecommunications⁸
- Report: Five preconditions of effective consumer engagement⁹ – explored the core preconditions required to enable consumers to effectively participate in markets and make genuinely informed choices about the products and services.
- Report: The experiences of older consumers: towards markets that work for people – highlights CPRC's hierarchy of stewardship priorities in complex markets¹⁰
- Report: Picking peaches¹¹ – explored service quality in the Victorian energy market, however, the recommendations have applicability to the telecommunications sector.

CPRC would welcome the opportunity to provide further insights to support the Committee's work in finalising the review. If you have any queries about this submission and the attached reports, please contact Kristal Burry, Policy and Program Director at Kristal.burry@cprc.org.au



Lauren Solomon
Chief Executive Officer
Consumer Policy Research Centre

⁸ <https://cprc.org.au/consumers-and-covid-19-from-crisis-to-recovery/>

⁹ CPRC - Five preconditions of effective consumer engagement – a conceptual framework - 2018

¹⁰ Ben Martin Hobbs and Emma O'Neill, *The experiences of older consumers: towards markets that work for people*, (CPRC, 2021)

¹¹ CPRC – Picking peaches. Service Quality in the Victorian Energy Market – a summary report – August 2020