12 December 2011

Telecommunications
Industry
Ombudsman

Simon Cohen
Ombudsman

Mr Palethorpe
Committee Secretary
Senate Standing Committee on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600
Email: ec.sen@aph.gov.au

Dear Mr Palethorpe

**Universal Service Obligation (USO) legislative reform package – Telecommunications Universal Service Management Agency Bill 2011, Telecommunications Legislation Amendment (Universal Service Reform) Bill 2011 and Telecommunications (Industry Levy) Bill 2011**

Thank you for providing the Telecommunications Industry Ombudsman (TIO) with the opportunity to comment on the Universal Service Obligation (USO) legislative reform package.

We set out in the attached submission, relevant complaint statistics and our observations or comments about the proposed USO legislative reform package. The TIO's recent August 2011 submission to the Department of Broadband, Communications and the Digital Economy on the Discussion Paper about the Universal Service Obligation Legislative Reform for the transition to the National Broadband Network, is also attached.

We trust that this information will assist the Environment and Communications Legislation Committee in its deliberations.

Yours sincerely

Simon Cohen
**Ombudsman**

Telecommunications Industry Ombudsman

# Telecommunications Industry Ombudsman – Submission on the Telecommunications Universal Service Management Agency Bill 2011, Telecommunications Legislation Amendment (Universal Service Reform) Bill 2011 and Telecommunications (Industry Levy) Bill 2011

December 2011

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## About the TIO

The Telecommunications Industry Ombudsman (TIO) is a free and independent alternative dispute resolution service for small business and residential consumers in Australia who have a complaint about their telecommunications services.

We aim to resolve these complaints quickly in a fair, independent and informal way, having regard not only to the law and to good industry practice, but also to what is fair and reasonable in all the circumstances. Before the TIO becomes involved in a complaint, the service provider is given an opportunity to resolve the complaint with its customer.

We are independent of telecommunications companies, consumer groups and government.

For most complaints we receive, we establish the issues in dispute and the resolution sought, and then refer the consumer or small business to a designated point of contact at the relevant telephone or internet service provider. The provider is given a final opportunity to resolve the matter directly with the consumer, without the TIO's direct involvement. Around 90% of complaints we receive each year are resolved at this stage of the process.

Where the consumer and service provider do not reach an agreement at this early stage, the TIO becomes more directly involved by seeking to conciliate an agreed resolution between the parties. Around 7% of complaints are resolved using this conciliation process.

Complaints that cannot be resolved by conciliation are escalated for formal investigation by the TIO. If the complaint remains unresolved after formal investigation and the TIO is of the view that it would be fair and reasonable to do so, the TIO can make binding determinations up to a value of $30,000 and non-binding recommendations up to a value of $85,000 in respect of each complaint.

We record complaints according to service types – internet, mobile, landline and mobile premium services (MPS), and by the types of issues that these complaints present. These issues include connection delays, credit management disputes, contractual disputes, customer service/complaint handling and billing disputes. Every complaint involves at least one issue. Some complaints can involve multiple issues – for example, a complaint about a delay in rectifying a faulty landline service may also involve a claim that the consumer's complaint about this fault was not acknowledged or escalated (a complaint handling issue).

Further information about the TIO is available at www.tio.com.au.

## TIO Approach to the Inquiry into the TUSMA Bill, Universal Service Reform Bill and Industry Levy Bill

The TIO welcomes the opportunity to comment on the Universal Service Obligation (USO) legislative reform package to the delivery of key telecommunications safeguards in the transition to the National Broadband Network (NBN).

In considering the three-bill package of reforms, comprising the *Telecommunications Universal Service Management Agency Bill 2011* (the TUSMA Bill), the *Telecommunications Legislation Amendment (Universal Service Reform) Bill 2011* (the Universal Service Reform Bill) and the *Telecommunications (Industry Levy) Bill 2011* (the Industry Levy Bill), the TIO has primarily focussed on the impact these reforms may have on consumers' access to services or their ability to resolve complaints about these services.

In the TIO's August 2011 submission on the Discussion Paper about the Universal Service Obligation Legislative Reform for transition to the NBN (the Discussion Paper), we strongly recommended that existing consumer safeguards are translated across into the proposed legislative framework and that the proposed reforms continue to ensure consumers' reasonable access to services and effective dispute resolution processes.

Our comments in this submission are drawn from our extensive experience in handling and resolving complaints from consumers about their telecommunications services.

We set out in this submission:

- a brief overview of TIO complaints, including new complaints that the TIO receives about landline services, fault and connection issues, disability issues and payphones
- our observations or comments on the TUSMA Bill and the Universal Service Reform Bill. We have not commented on the Industry Levy Bill as this Bill falls outside our scope of expertise.

## Complaints to the TIO

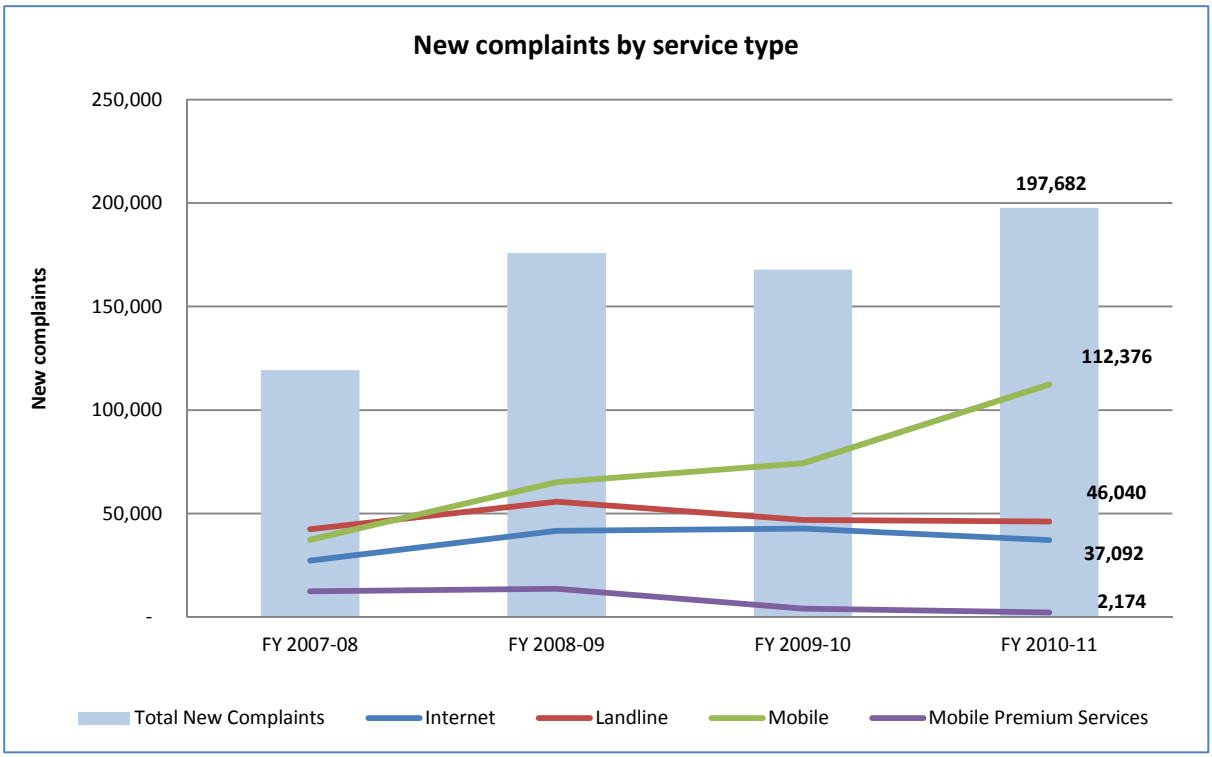
### Overall complaint trends

When a consumer – residential or small business – contacts us about an expression of grievance or dissatisfaction about a matter within the TIO's jurisdiction that the service provider has had an opportunity to consider, we record this as a 'new complaint'.

The TIO recorded and handled 197,682 new complaints in 2010-11. This compares with 167,772 new complaints recorded during 2009-2010. Customer service, complaint handling, billing and fault issues continued to be key areas generating new complaints to the TIO in 2010-11.

The graph below shows the breakdown of new complaints recorded by the TIO by service type – internet, landline, mobile and mobile premium services (MPS) – over the past four years.

*Graph 1: New complaints by service type*



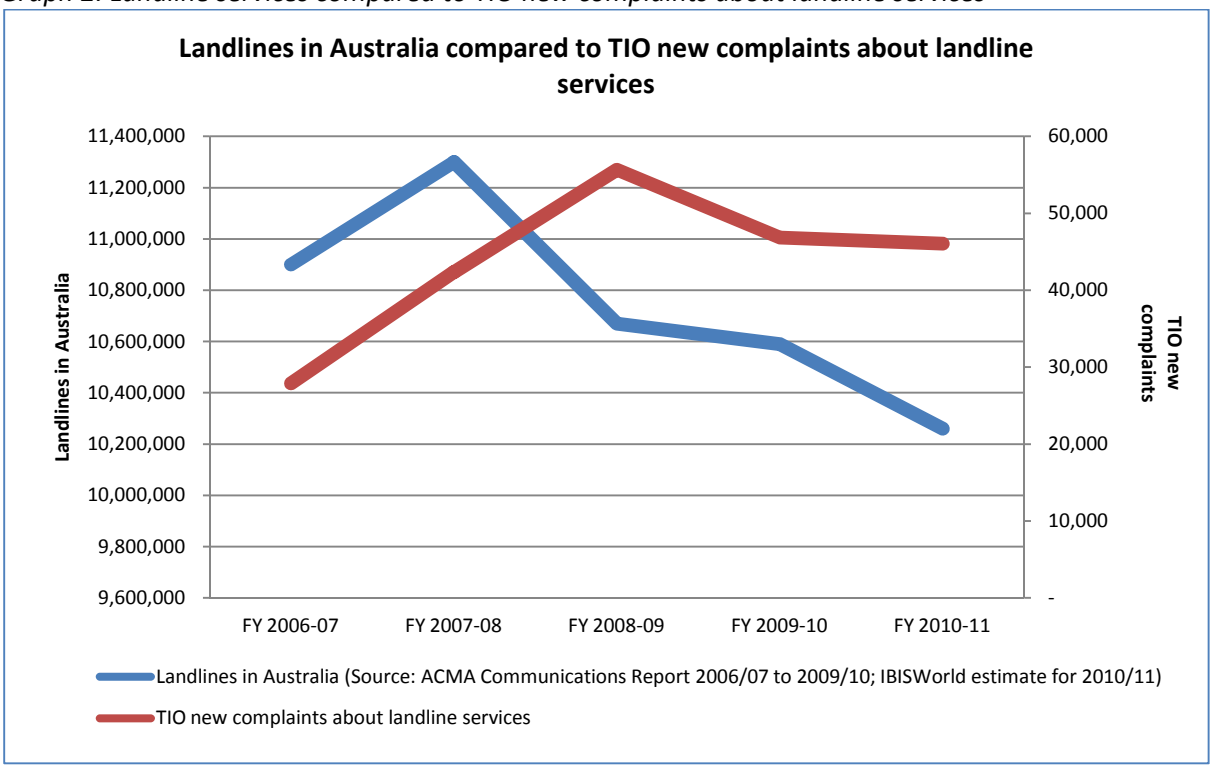

### Landline (voice) services

Under the current USO regime, the primary universal service provider is required to fulfil its obligations to ensure that standard telephone services are reasonably accessible to all Australians regardless of where they live or work. This includes the supply of a standard handset to enable voice telephony and, if the end user has a disability and a standard handset is impractical, access to equipment which would enable communication that is the equivalent of voice telephony.

We note that the use of landline services in Australia has declined over recent years as consumers increasingly take up mobile, broadband and convergent technologies. New complaints regarding landline services received by the TIO have decreased since 2008-09 with a stable number of new complaints received over 2009-10 and 2010-11.

Graph 2 shows the number of landline services in Australia compared to the number of new complaints recorded by the TIO about landline services over the past five years.

*Graph 2: Landline services compared to TIO new complaints about landline services*

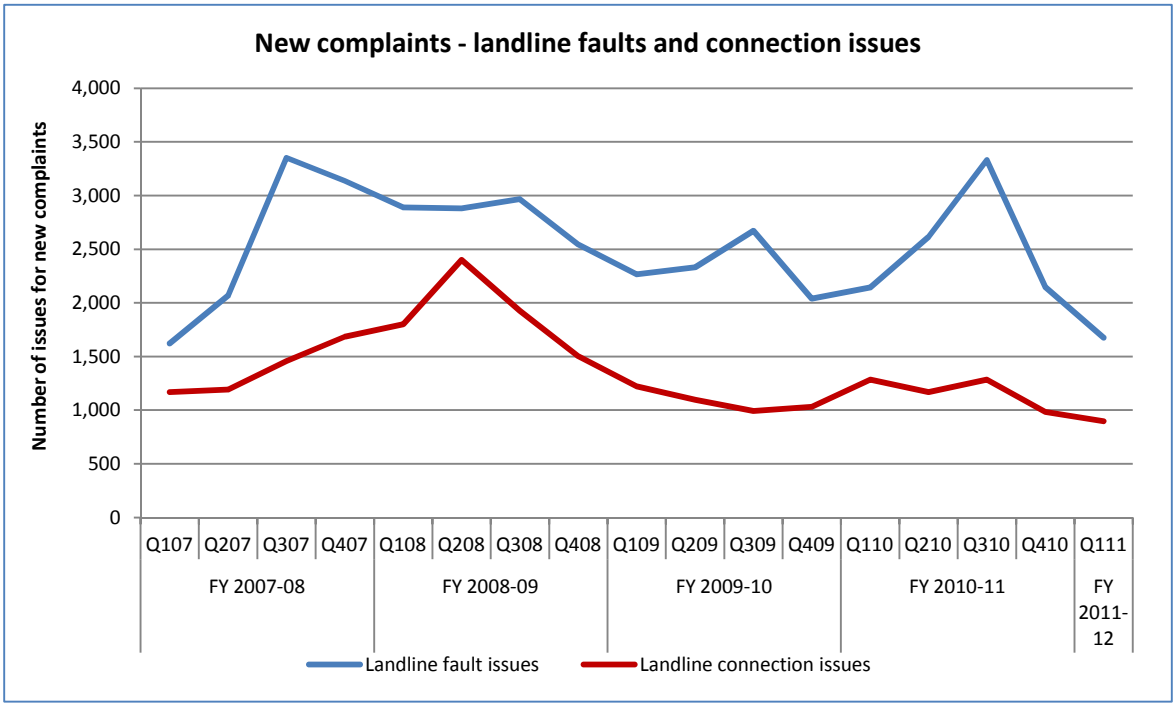



**Connection and fault issues for landline services**

We record issues about landline services (including convergent technologies such as VoIP which are offered as a standard telephone service) under a number of different categories.

Graph 3 shows the number of landline faults and connection issues for new complaints recorded by the TIO by quarter from 1 July 2007 to 30 September 2011.

*Graph 3: New complaints – landline faults and connection issues*




New complaints regarding landline faults increased sharply in the first three quarters of 2010-11, but have decreased significantly since that time. New complaints about landline connections experienced a steady decrease over an extended period between 2008-09 and 2010-11. While the number of new complaints about landline connections received by the TIO did increase during the last quarter of 2009-10, this remained relatively steady during the first three quarters of 2010-11 and has decreased since that time.

Despite fluctuations over the past four year period, new complaints about landline fault issues and landline connection issues at the end of September 2011 are at similar levels as they were at the start of 2007-08 when the number of landline services in Australia started to decrease.

The TIO has jurisdiction to investigate complaints about connection and fault repair delays for landline services and to assess, if appropriate, any compensation under the *Telecommunications (Customer Service Guarantee) Standard 2011* (CSG Standard). The TIO statistics indicate that the CSG Standard may be relevant to approximately 86% to 92% of landline complaint issues under the categories of connection and faults. The TIO does not capture separate statistics in relation to issues that may relate to the USO.

**Disability issues**

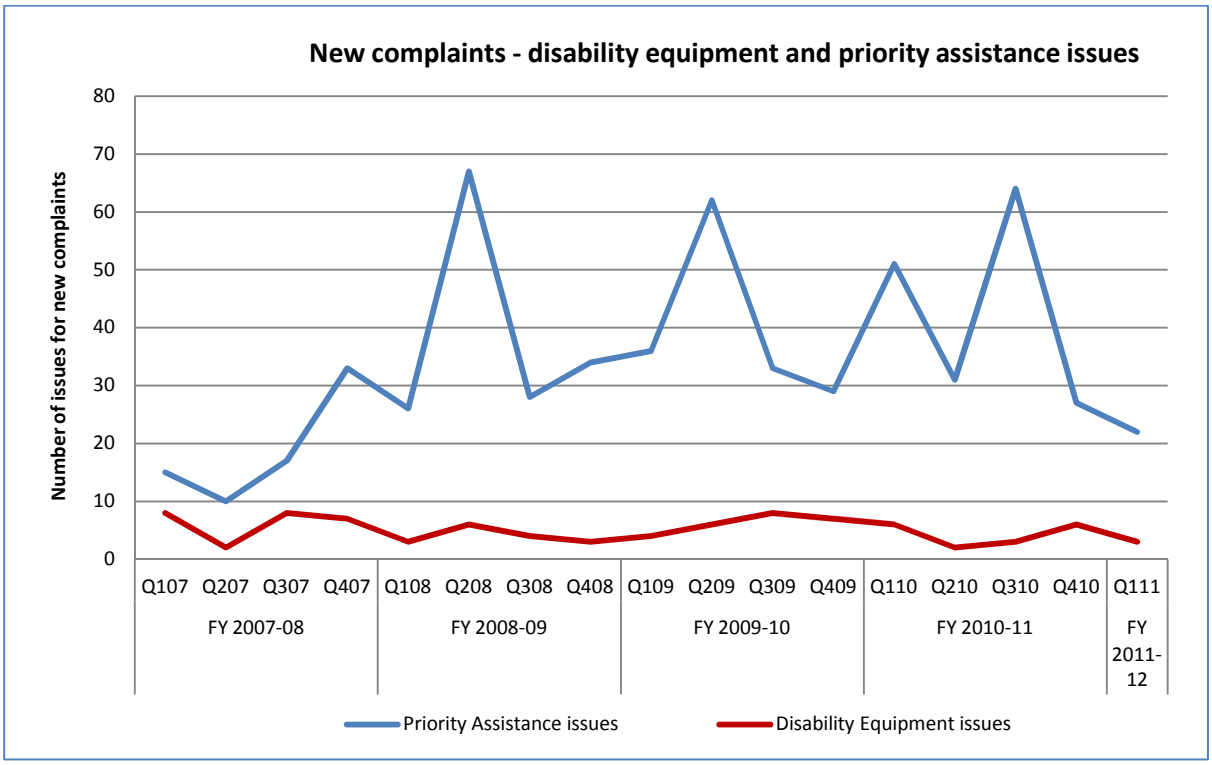
The TIO records complaints regarding disability equipment and about priority assistance issues under the complaint category of disability.

New complaints regarding disability equipment typically relate to delays experienced in the supply of disability equipment, delays in repairing faulty disability equipment and incorrect information provided about disability equipment. As for new complaints about priority assistance, these relate to delays in connection of services or fault rectifications relating to a priority assistance service, or refusal to assist consumers who are priority assistance customers.

While new complaints received by the TIO regarding disability equipment and priority assistance issues are small compared to other complaint categories, they are significant in that they concern complaints from those in the community who are most vulnerable.

Graph 4 shows the number of new complaints received by the TIO about disability equipment and priority assistance issues by quarter from 1 July 2007 to 30 September 2011. Priority assistance issues for new complaints remain higher at the end of September 2011 compared to these issues at the start of 2007-08, while disability equipment issues have remained at a consistent level over the past four years.

*Graph 4: New complaints – disability equipment and priority assistance issues*

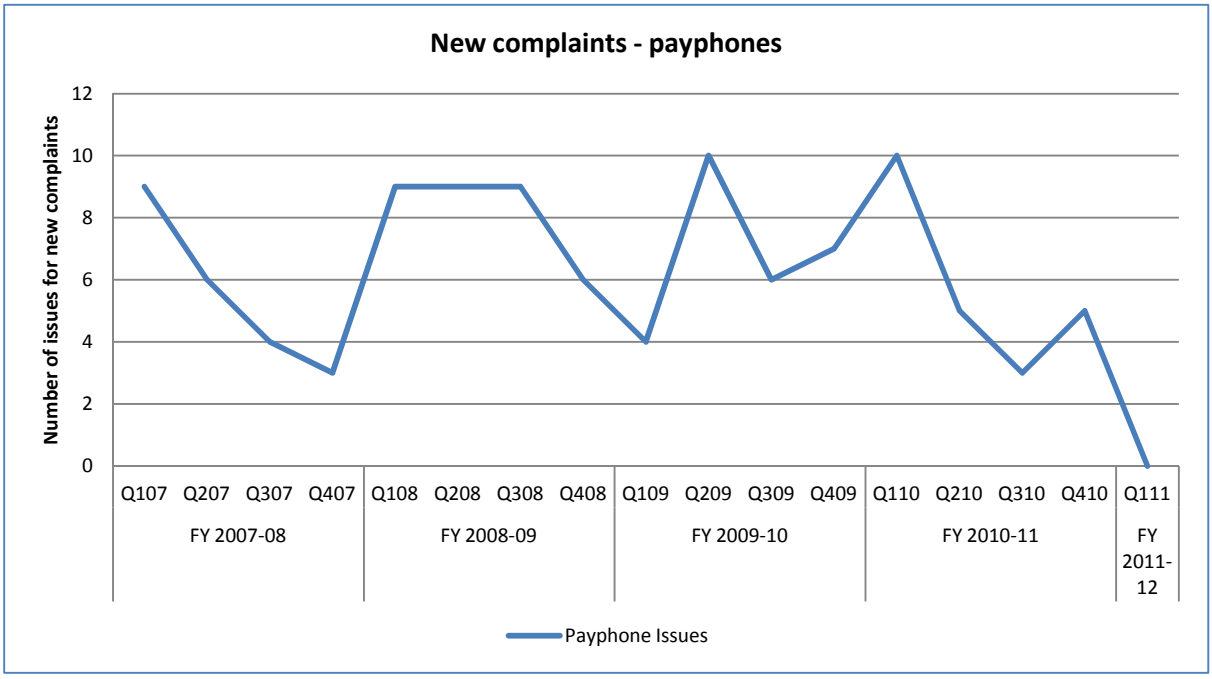



**Payphones**

While the TIO does not have the jurisdiction to record or investigate complaints regarding the location or removal of payphones, we do handle complaints about faults and charges for payphones. This category forms a very small proportion of the new complaints received by the TIO each year.

Graph 5 shows the number of new complaints received regarding payphones by quarter from 1 July 2007 to 30 September 2011.

*Graph 5: New complaints – payphones*




The number of new complaints received by the TIO regarding payphones is both small and has decreased since the first quarter of 2010-11. However, reasonable access to functional payphones remains an important issue for consumers in regional and remote areas, marginalised consumers who have no access to other telecommunications services and those consumers who need access to payphones in emergencies.

## Observations on the USO legislative reform package

We outline below our observations on several specific provisions in the TUSMA Bill and Universal Service Reform Bill.

### The TUSMA Bill

***Policy objectives***

The USO legislative reform package seeks to achieve continuity of key telecommunications safeguards in the transition to NBN. To this end, the policy objectives for the contracts or grants TUSMA will administer, set out in clause 11 of the Bill appear to largely reflect this objective. The TIO further notes that Item 66 of the Universal Service Reform Bill amends section 8A of the *Telecommunications (Consumer Protection and Service Standards) Act 1999* (the Consumer Protection Act) (which sets out the objects of Part 2 of the Consumer Protection Act), by requiring the objects to be read together with the TUSMA Bill.

While the objectives are appropriate, several of the specific objectives in the Consumer Protection Act are not reflected in the TUSMA Bill. For example, the requirement for the USO to be fulfilled in ways that are, as far as practicable, responsive to the needs of consumers, and consistent with Australia's open and competitive telecommunications regime – are not expressly reflected in the TUSMA Bill. These objectives will be more transparent, and their application to TUSMA's

management of the contracts and grants for the delivery of the USO and public interest telecommunications services clearer, if they are included in the TUSMA Bill.

***Monitoring of performance***

Subclause 29(1) of the Bill requires TUSMA to monitor and report to the Minister, each financial year, on all significant matters relating to the performance of contractors and grant recipients. The report must cover the adequacy of compliance with the terms and conditions of a contract or grant, any notifications of breaches, the remedial action taken by TUSMA in response to such breaches, and the outcomes of that action. Furthermore, the report must be included in TUSMA's annual report tabled each year in Parliament.

Whilst any requirement to include the above matters in the report does not limit TUSMA from including other significant matters relating to the performance of contractors and grant recipients in the report, the provision could be strengthened by setting out additional consumer protection matters to which the report must cover, for example:

- the adequacy of each contractor's and each grant recipient's compliance with the Customer Service Guarantee performance standards, rules and benchmarks
- the adequacy, quality and timeliness of the services supplied by contractors or grant recipients.

**Universal Service Reform Bill**

***Information sharing with TUSMA***

We note that the Universal Service Reform Bill includes amendments to the *Australian Communications and Media Authority Act 2005* and the *Competition and Consumer Act 2010*, which allow the ACMA and the ACCC respectively to share information with TUSMA. The Explanatory Memorandum correctly states that providing these bodies with the capacity to share information on communication matters with TUSMA may assist TUSMA in meeting its monitoring and reporting obligations. We also note that there is also a corresponding scope for TUSMA to disclose relevant information to the ACMA and the ACCC in subclause 122(1) of the TUSMA Bill.

We refer to the comments in our August 2011 submission on the Discussion Paper where we suggested that the legislative reforms allow for the TIO to share information with TUSMA where this may be relevant to the functions of TUSMA. We indicated that such information may include TIO complaints data or specific complaints information relating to contracted providers/grant recipients.

The TIO, the ACMA, the ACCC and TUSMA (once established) undertake independent, yet complementary functions. The TIO – in addition to resolving disputes between consumers and their service providers – provides the telecommunications industry and the community with an independent perspective on the consumer experience. Through the thousands of contacts we receive each week and the many residential or small business consumers we help each year, we are able to identify complaint trends and their probable causes and to provide this valuable information to stakeholders. The TIO's comprehensive data places us in a position to assist TUSMA meet its monitoring and reporting obligations.

While the TIO can and intends to liaise informally with TUSMA where appropriate, a formalised arrangement supported by legislation – preferably in Part 6 of the Consumer Protection Act – may facilitate more effective sharing of information.

***The National Relay Service***

Contractors that provide standard telephone services and payphone services will be required to be members of the TIO scheme by virtue of the provisions of Part 6 of the Consumer Protection Act; they are eligible carriage service providers dealing with residential or small business consumers. This reflects current requirements for the USO provider, and ensures consumers of these services (and service providers) have a legislated right of independent, fair, informal and speedy resolution of complaints with contractors.

A similar legislative protection for consumers using the NRS is not in place. In this respect, we note the current provider of the NRS is a member of the TIO scheme. Consumers with a complaint about the NRS can come to the TIO for assistance to resolve their complaint.

Given that an effect of the USO legislative reform package is that USO and NRS contracts will both be administered by TUSMA, other arrangements where appropriate should also be equivalent. We therefore suggest the requirement for NRS contractors to be members of the TIO scheme, be included in Part 6 of the Consumer Protection Act.

Telecommunications
Industry
Ombudsman

Simon Cohen
Ombudsman

8 August 2011

USO Branch
Department of Broadband, Communications and the Digital Economy
GPO Box 2154
Canberra ACT 2601
email: uso@dbcde.gov.au

Dear Sir/Madam

**Universal Service Obligation Legislative Reform for transition to the National Broadband Network – Discussion Paper**

Thank you for providing the Telecommunications Industry Ombudsman (TIO) with the opportunity to comment on the Discussion Paper about the Universal Service Obligation Legislative Reform for transition to the National Broadband Network (the Discussion Paper).

We have set out in the attached submission, relevant complaint statistics and suggestions about the proposed legislative reforms, to the extent that these relate to our experience in handling and resolving disputes between small business and residential consumers and their telecommunications service providers.

We trust that this information will assist the Department in its deliberations on the proposed legislative reforms for the delivery of the Universal Service Obligation and other public interest telecommunications services.

Please contact David Brockman, the TIO's Manager Planning & Stakeholder Engagement, on (03) 8600 8700 if you have any queries regarding this submission.

Yours sincerely

Simon Cohen
**Ombudsman**

Telecommunications Industry Ombudsman

# Telecommunications Industry Ombudsman – Submission on the Universal Service Obligation Legislative Reform for transition to the National Broadband Network

August 2011

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## About the TIO

The Telecommunications Industry Ombudsman (TIO) is a free and independent alternative dispute resolution service for small business and residential consumers in Australia who have a complaint about their telecommunications services.

We aim to resolve these complaints quickly in a fair, independent and informal way, having regard not only to the law and to good industry practice, but also to what is fair and reasonable in all the circumstances. Before the TIO becomes involved in a complaint, the service provider is given an opportunity to resolve the complaint with its customer.

We are independent of telecommunications companies, consumer groups and government.

For most complaints we receive, we establish the issues in dispute and the resolution sought, and then refer the consumer or small business to a designated point of contact at the relevant telephone or internet service provider. The provider is given a final opportunity to resolve the matter directly with the consumer, without the TIO's direct involvement. Around 90% of complaints we receive each year are resolved at this stage of the process.

Where the consumer and service provider do not reach an agreement at this early stage, the TIO becomes more directly involved by seeking to conciliate an agreed resolution between the parties. Around 7% of complaints are resolved using this conciliation process.

Complaints that cannot be resolved by conciliation are escalated for formal investigation by the TIO. If the complaint remains unresolved after formal investigation and the TIO is of the view that it would be fair and reasonable to do so, the TIO can make binding determinations up to a value of $30,000 and non-binding recommendations up to a value of $85,000 in respect of each complaint.

We record complaints according to service types – internet, mobile, landline and mobile premium services (MPS), and by the types of issues that these complaints present. These issues include connection delays, credit management disputes, contractual disputes, customer service/complaint handling and billing disputes. Every complaint involves at least one issue. Some complaints can involve multiple issues – for example, a complaint about a delay in rectifying a faulty landline service may also involve a claim that the consumer's complaint about this fault was not acknowledged or escalated (a complaint handling issue).

Further information about the TIO is available at www.tio.com.au.

## TIO Approach to the USO Legislative Reform Discussion Paper

The TIO welcomes the opportunity to comment on the proposed legislative reforms to the delivery of the Universal Service Obligation (USO) and other public interest telecommunications services in the transition to the National Broadband Network environment. In considering the proposed legislative reforms outlined in the Discussion Paper (the Discussion Paper) issued by the Department of Broadband, Communications and the Digital Economy, the TIO has primarily focussed on the impact these reforms may have on consumers' access to services or ability to resolve complaints about these services.

Any fundamental changes to regulatory arrangements can have an impact on the manner in which consumers use services and the telecommunications industry's ability to deal with the issues that arise. On this basis, we believe it is critical that existing consumer safeguards are translated across into the proposed USO legislative framework and that the proposed reforms continue to ensure consumers' reasonable access to services and to effective dispute resolution processes.

We set out in this submission:

- a brief overview of TIO complaints, including new complaints that the TIO receives about landline services, fault and connection issues, disability issues and payphones
- our observations on the high level principles (section B) and on the specific legislative proposals (section C) in the Discussion Paper.

## Complaints to the TIO

### Overall trends

When a consumer – residential or small business – contacts us about an expression of grievance or dissatisfaction about a matter within the TIO's jurisdiction that the service provider has had an opportunity to consider, we record this as a 'new complaint'.

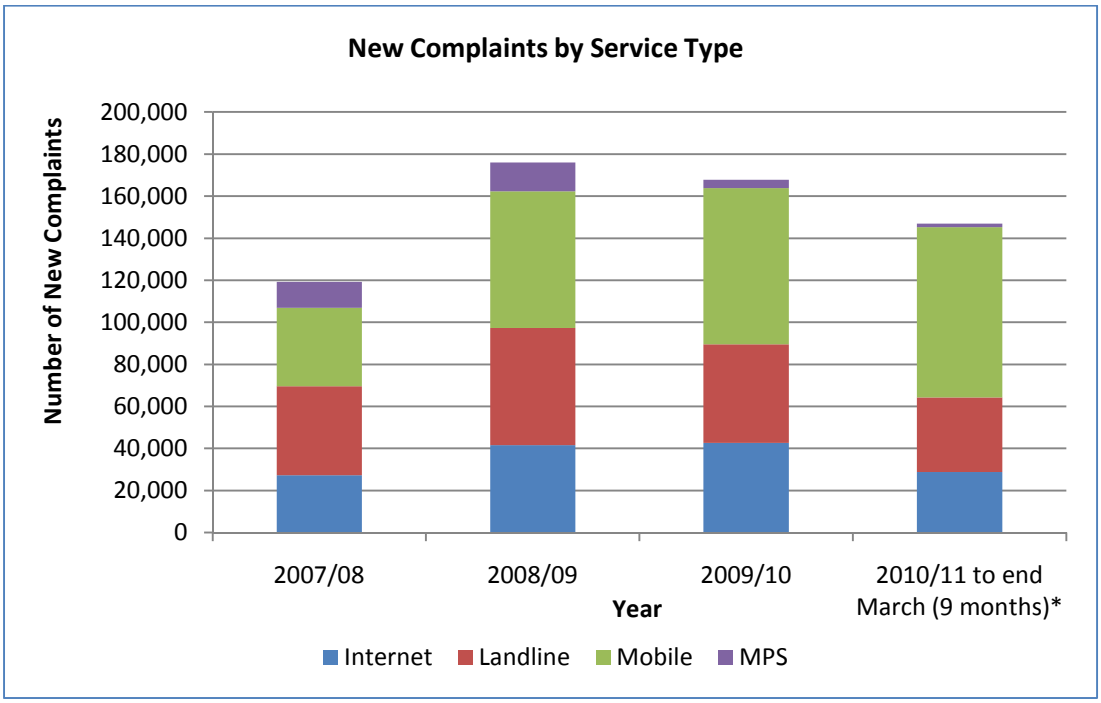
Consumers who contact us generally have their complaint referred to a designated complaint handling point at the service provider who has 10 business days to contact the consumer and resolve the complaint. Approximately 90% of TIO new complaints are resolved through this referral process. Where, after referral, a consumer comes back to the TIO with their complaint unresolved, we aim to conciliate an agreed resolution between the two parties. Cases that remain unresolved following the conciliation process are escalated for formal investigation and/or determination by the Ombudsman.

The TIO recorded and handled around 145,000 new complaints from small business and residential consumers in the first nine months of 2010-11, and 167,772 new complaints in 2009-10.

Customer service, complaint handling, billing and fault issues continued to be key issues in new complaints to the TIO in the first nine months of 2010-11. The full details of TIO complaints data for the financial year 2010-11 will be released in the TIO's 2010-11 Annual Report.

The graph below shows the breakdown of new complaints recorded by the TIO by service type – internet, landline, mobile and mobile premium services (MPS) – over the past 3 years and for the first nine months in 2010-11.

*Graph 1: New complaints by Service Type*



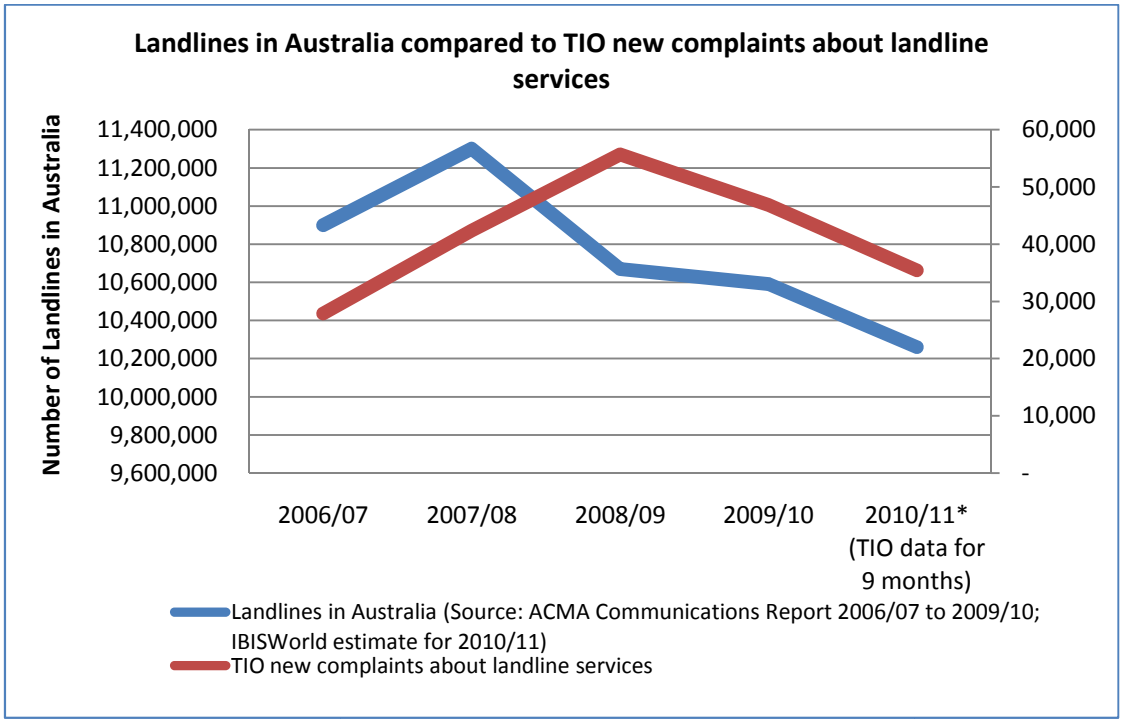

**Landline (voice) services**

Under the current USO regime, the primary universal service provider is required to fulfil its obligations to ensure that standard telephone services are reasonably accessible to all Australians regardless of where they live or work. This includes the supply of a standard handset to enable voice telephony and, if the end user has a disability and a standard handset is impractical, access to equipment which would enable communication that is the equivalent of voice telephony.

We note that the use of landline services in Australia has declined over recent years as consumers increasingly take up mobile, broadband and convergent technologies. New complaints regarding landline services received by the TIO have similarly decreased.

Graph 2 shows the number of landline services in Australia compared to the number of new complaints recorded by the TIO about landline services over the past four years and the first nine months in 2010-11.

*Graph 2: Landline services compared to TIO new complaints about landline services*

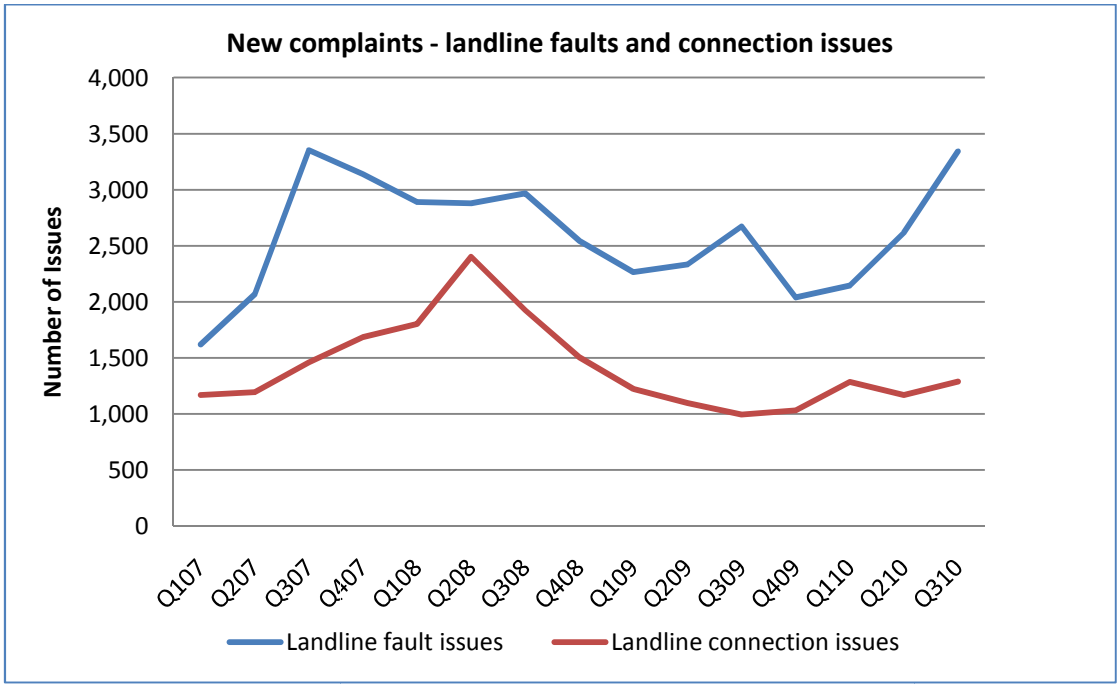



**Connection and fault issues for landline services**

We record issues about landline services (including convergent technologies such as VoIP which are offered as a standard telephone service) under a number of different categories.

Graph 3 shows the number of landline faults and connection issues for new complaints recorded by the TIO by quarter from 1 July 2007 to 31 March 2011.

*Graph 3: New complaints – landline faults and connection issues*



While new complaints regarding landline faults began to decrease in the third and fourth quarters of 2009-10, this trend reversed and there was a sharp increase in fault complaints received by the TIO in the first three quarters of 2010-11. New complaints about landline connections experienced a steady decrease over an extended period between 2008 and 2010. While the number of new complaints about landline connections received by the TIO did increase during the last quarter of 2009-10, this has remained relatively steady during the first three quarters of 2010-11.

The TIO has jurisdiction to investigate complaints about connection and fault repair delays for landline services and to assess, if appropriate, any compensation under the *Telecommunications (Customer Service Guarantee) Standard 2011* (CSG Standard). The TIO statistics indicate that the CSG Standard may be relevant to approximately 86% to 92% of landline complaint issues under the categories of connection and faults. The TIO does not capture separate statistics in relation to issues that may relate to the USO.

**Disability issues**

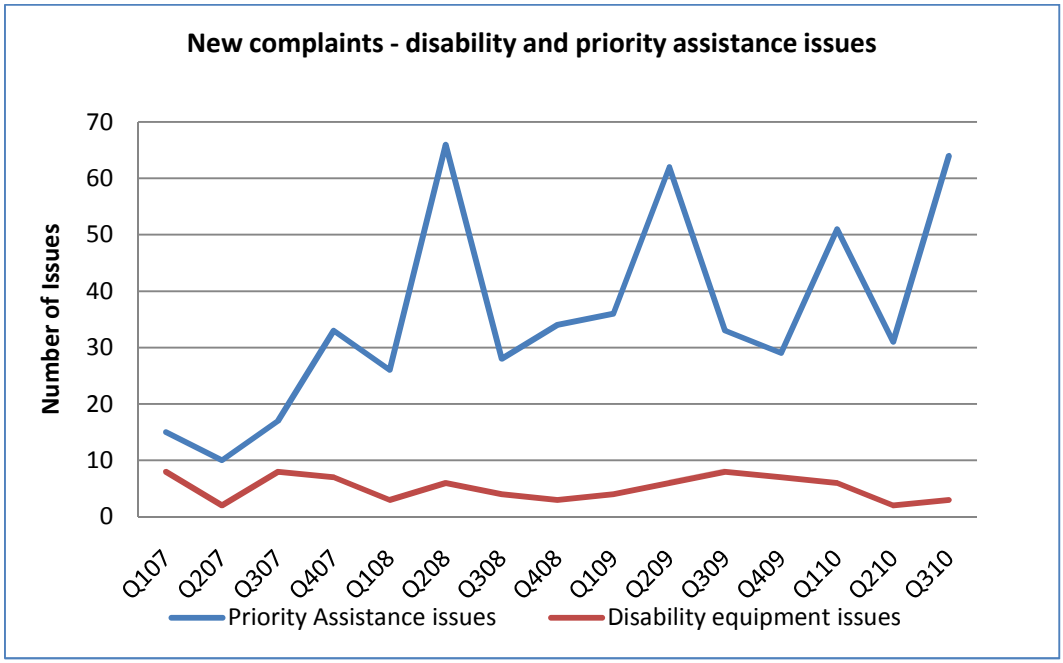
The TIO records complaints regarding disability equipment and about priority assistance issues under the complaint category of disability.

New complaints regarding disability equipment typically relate to delays experienced in the supply of disability equipment, delays in repairing faulty disability equipment and incorrect information provided about disability equipment. As for new complaints about priority assistance, these relate to delays in connection of services or delays in repairing a faulty priority assistance service, or refusal to assist consumers who are priority assistance customers.

While new complaints received by the TIO regarding disability equipment and priority assistance issues are small compared to other complaint categories, they are significant in that they concern complaints from those in the community who are most vulnerable.

Graph 4 shows the numbers of new complaints received by the TIO about disability equipment and priority assistance issues by quarter from 1 July 2007 to 31 March 2011.

*Graph 4: New complaints – disability equipment and priority assistance issues*

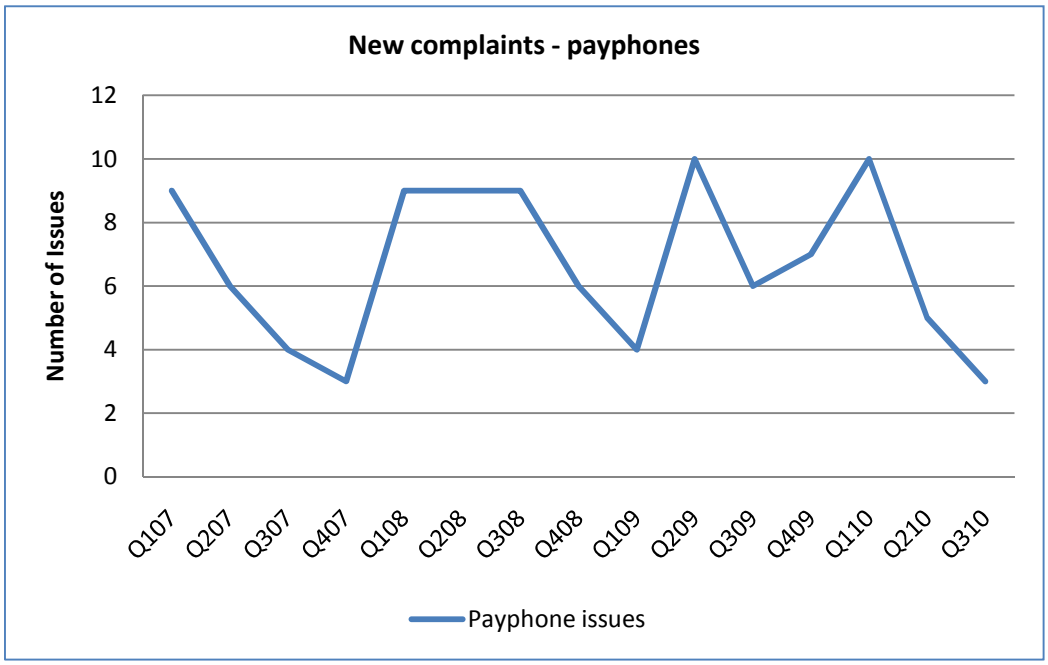



**Payphones**

While the TIO does not have the jurisdiction to record or investigate complaints regarding the location or removal of payphones, we do handle complaints about faults and charges for payphones. This category forms a very small proportion of the new complaints received by the TIO each year.

Graph 5 shows the number of new complaints received regarding payphones by quarter from 1 July 2007 to 31 March 2011.

*Graph 5: New complaints – payphones*



We note that the number of new complaints received by the TIO regarding payphones is both small and has decreased over the past financial year. However, we consider that reasonable access to functional payphones remains an important issue for consumers in regional and remote areas, marginalised consumers who have no access to other telecommunications services and those consumers who need access to payphones in emergencies.

## Observations on the Discussion Paper

### High Level Principles (section B)

We understand that the proposed USO legislative reform package seeks to achieve the government's policy objectives in the transition to the National Broadband Network whilst maintaining continuity in the delivery of the USO and public interest telecommunications services. To this end, we note that the high level principles in section B of the Discussion Paper appear to cover the key principles necessary to achieve these objectives.

We suggest that the high level principles can be further enhanced by:

(i) expanding principle 3(b) in section B.2 to include a specific principle that the management of the contracts and grants for the delivery of the USO and other public interest services by the Telecommunications Universal Service Management Agency (TUSMA) take into account consumer safeguards and fundamental objectives in the current regulatory arrangements

(ii) expanding principle 7 in section B.4 to outline how this principle could be supported through monitoring and enforcement if there is non-compliance by contractors/grant recipients

(iii) including in section B.4, a principle that TUSMA has appropriate internal dispute resolution and external dispute resolution processes to resolve disputes between itself and contractors/grant recipients. These disputes must be fairly, efficiently and quickly resolved so that consumer detriment is minimal or non-existent

(iv) including in principle 12 in section B.5, that the performance standards and benchmarks for USO services include internal and external dispute resolution processes that fairly and effectively address consumer dissatisfaction or complaints.

### Specific Legislative Proposals (section C)

We outline below our observations on several specific proposals outlined in section C of the Discussion Paper, where these may be relevant to our experience in handling and resolving complaints relating to standard telephone services and payphones.

#### *Contracts and Grants*

The TIO considers that any contractual arrangements made between TUSMA and contractors/grant recipients will need to ensure that there is both internal and external dispute resolution processes in place and that, if necessary, contracts may be awarded or renewed based on both past and present performances in this area.

These contractual arrangements should include a requirement by the contractors/grant recipients to report on their compliance with the performance standards and benchmarks for USO and other public interest services. In addition, we suggest that there should be sufficient monitoring and reporting on the operations of contracted providers to ensure that any conditions of the agreements related to performance standards and benchmarks are met and maintained.

***Information gathering and reporting***

The Discussion Paper indicates that the legislative reforms will include sharing of information between the Australian Media and Communications Authority (the ACMA), the Australian Consumer and Competition Commission (the ACCC) and TUSMA. We suggest that these reforms allow for the TIO to share information with TUSMA where this may be relevant to the functions of TUSMA. Such information may include TIO complaints data or specific complaints information relating to contracted providers/grant recipients.

***USO Services***

*Pre-conditions for removal of USO regulation*

The Discussion Paper refers to a period where new arrangements would have to be in place between the commencement of TUSMA operations and any decision on whether to remove USO regulation. We consider that it is important to ensure that provisions are made for effective complaint handling processes that allow for accessible dispute resolution during the transition period between 1 July 2012 and 1 July 2014.

*Progressive removal of USO regulation - Standard Telephone Services*

We note that the definition of the standard telephone service will continue to apply and, as now, will include equivalent forms of communication where voice telephony was not practical for an end-user with a disability.

The TIO considers that the proposed legislative reform package should continue to provide protections for consumers in all areas so that the current safeguards ensuring reasonable access to standard telephone services remain. In this regard, we make the following suggestions that may strengthen the specific proposals in section C.3.2 and section C.3.3:

- any contractual arrangements made both during and after any transitional period include the requirement for effective internal and external dispute resolution processes to ensure that any consumer complaints about standard telephone services (including about disability equipment used to access the service) are addressed promptly and fairly

- these internal and external dispute resolution processes are independently monitored and reviewed on a regular basis

- there is ongoing and regular reporting on the general performance of contracted providers as well as on the manner in which they resolve consumer complaints or systemic issues

- where consumers are unable to resolve any complaints regarding standard telephone services directly with their provider, they have a clear pathway and accessible recourse to the TIO to assist in resolving their dispute

*Progressive removal of USO regulation - Payphones*
We note that payphones will no longer be covered under the USO regulatory framework as of 1 July 2014. We note that reasonable access to public payphones on an equitable basis throughout Australia remains an important issue. Reasonable access to standard telephone services on the street is as vital as it is in the home or workplace and for some consumers, may be their only means of communication.

For this reason, it is important that consumer safeguards, including performance standards and benchmarks that can be monitored and reported upon, remain in place after the USO regulation is removed. We suggest that these safeguards can be further enhanced by the inclusion of requirements for effective internal and external dispute resolution processes so that consumer issues or complaints about payphones can be promptly and fairly resolved. We reiterate our suggestions for arrangements about standard telephone services set out above as being equally applicable to the relevant arrangements for payphones.

***Effective transition of existing services to the NBN – migration of voice-only customers***
In the TIO's experience, consumers with voice-only services are likely to be vulnerable or disadvantaged consumers. These include pensioners who need voice services in the case of medical or other emergencies, consumers experiencing financial hardship and who rely on incoming calls only services, and consumers who live in remote locations where this is the only service available to them. The migration of consumers with voice-only services needs to be managed carefully to ensure adequate support so that there is no break in the continuity or functionality of their services.

We reiterate our suggestions about arrangements for standard telephone services outlined above, as being similarly applicable to arrangements to transition existing services and voice-only customers to the NBN. These include adequate dispute resolution processes to address complaints that may arise from consumers about the migration of their services, as well as to address any disputes between TUSMA and the contracted service providers/grant recipients when undertaking this migration.