



CSG – Telephone Policy Section
Telecommunications Division
Department of Communications, IT and the Arts
Via email: csg@dcita.gov.au

April 2006

Re: Customer Service Guarantee Changes

Thank you for the opportunity to comment on the proposed strengthening of the Customer Service Guarantee (CSG).

About CTN

The Consumers' Telecommunications Network (CTN) is a national peak body of consumer and community organisations, and of individuals representing community interests, who participate in developing national telecommunications policy. CTN advocates policies for better access, quality of service and affordability of telecommunications facilities for all residential consumers.

CTN's members are national and state organisations representing consumers from non-English speaking backgrounds, deaf consumers, indigenous people, low income consumers, people with disabilities, young people including children, pensioners and superannuants, rural and remote consumers, women and consumers in general.

Overview

Since it was introduced, the CSG has played an important role in compelling services providers to fix faults in a time efficient manner. CTN welcomes the intent of the changes, and we suggest only some minor adjustments to the proposed changes, but wish to highlight at the outset it is crucial that the CSG be applied to customer accounts by the Carriage Service Provider (CSP) without requiring the customer to specifically apply for the CSG. This needs better compliance and closer regulatory monitoring to ensure the CSG is effective.

Mass Service Disruptions

We are pleased to see an attempt is being made to balance the time taken by CSPs to fix an outage and the needs of consumers to regain a functional service in the event of a mass service disruption. Clearly the lack of definition has benefited CSPs and we are pleased to see the additional guidance for the CSPs. We strongly support limiting a claim for extreme weather to 3 times per year, but seek clarification to ensure this is meant to apply to the CSP Australia-wide, rather than it applying to a particular consumer or geographic area.

Increasing CSG Penalties

The most important point we wish to make is that the application of CSG penalties should be done automatically by the CSP, but we believe this is not occurring uniformly across the industry. The CSG functions as compensation for a customer and penalty to the CSP when a service is not restored within a reasonable time.

Late last year CTN's office received a complaint about a landline service that did not function for over 3 weeks, despite repeat complaints from the customer to the CSP. The customer only became aware of the CSG after contacting CTN for assistance in resolving the matter, because the CSP had not provided their customer with information about her entitlements. In this type of situation we see a pressing need to ensure CSPs are complying with CSG requirements and suggest this would be the type of occurrence that could be addressed through a penalty scheme.

At CTN's annual Conference held in Sydney last week, one of the speakers outlined a situation whereby their phone service was out for 7 weeks because of mix ups between his CSP and the contractor arranged to fix his service. He too was unaware of the existence of the CSG.

A customer should have recourse if the CSP does not meet the CSG, but to rely on the customer to rectify supplier inaction seems illogical. If a customer doesn't know about the CSG then they don't receive the compensation and the penalty effect is also negated. This is an inherently inequitable situation, as it favours those who are more aware of their rights, rather than their deservedness for compensation.

The effectiveness of the CSG is achieved not just through compensation for the individual consumer affected by the service outage, but the penalty on the CSP for not meeting the agreed timeframe. There is scope, therefore, to consider not just an additional fee to be recompensed to the consumer but perhaps a larger penalty to be applied to the CSP for habitual breaches of the CSG or lack of information provision to eligible customers about the CSG.

It may be worth considering the establishment of a penalty system which could feed into a fund that could be used for any range of purposes- for example a funding a public education campaign about the CSG in areas with low applications but high potential applications (for example areas frequently affected by Mass Service Disruptions). Possibly an "in-kind" penalty could be suitable, which may for example require the offending party to provide notice to all customers about the existence of the CSG. This is an idea that should be progressed in consultation with consumer groups.

We support the increased penalties to be paid to consumers for breaching the CSG, but suggest that higher penalties to 2 items in CSG Direction will provide impetus to change some ongoing problems.

Many customers are not aware of their rights with regard to the CSG, and many would not think to complain to the Telecommunications Industry Ombudsman about a missed or broken service appointment, because their emphasis is on getting their service fixed rather than potential compensation. For this reason we

think higher penalties for missed appointments are required, so that it acts as a disincentive to breaking/missing appointments. Appointments should only be made when they can be fulfilled, because they usually entail the customer having to be present at the premises, often at great inconvenience.

We also support a greater penalty than the proposed 21% be applied for delays in the rectification of faults. This is a great source of consumer distress, and bigger penalties will provide better disincentives to slow fault rectification.

We'd like to point out that people in rural, regional and remote areas are more likely to have access to a single telecommunications service than those in metropolitan areas. The disadvantage suffered as a result of delays in fault rectification and cancellation of appointments is exacerbated. Given a longer CSG timeframe applies, it would seem only logical that additional compensation should be allocated when the CSG is breached.

Interim and Alternative Services

We remain concerned that the mere offer of an interim or alternative service is sufficient to exempt a CSP from the CSG, regardless of how reasonable that offer was and whether it was taken up by the customer. It is important to keep in mind that an offer may not be a reasonable one to the consumer- for example a mobile service should not cost a customer more to make calls than their regular service would have cost. That said, we are pleased that the definition will be incorporated into the CSG standard.

Conclusion

Once again we'd like to reiterate that we strongly support the proposed strengthening of the CSG, and hope our comments on CSG penalties and the need for better compliance and compliance monitoring are incorporated accordingly into future policy decisions.

We hope these comments are of use to you in this review. Should you wish to discuss this response in more detail please contact myself or Sarah Wilson at Consumers' Telecommunications Network where we can be contacted on 02 9572 6007 or at ctn@ctn.org.au.

Yours sincerely,



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CTN Executive Director

This submission was prepared by Sarah Wilson, CTN Policy Officer, and Teresa Corbin, CTN Executive Director. It was approved out of session by the CTN Council.