

OPTUS: Why industry complaints are rising

GOOGLE SURVEY: Australia a smartphone leader

AUCKLAND: Free Wi-Fi ahead of World Cup launch

DAVID THODEY
Says that ICT industry
should drive innovation in
other sectors

COMMUNICATIONS DAY

9 SEPTEMBER 2011

What's happening today in telecom business, policy & technology

ISSUE 4058

ACMA issues 5-month deadline to get consumer code right

The Australian Communications and Media Authority has given the industry five months to come up with an acceptable consumer protection code, warning that if the code doesn't meet its requirements by that time it will intervene directly by introducing an industry standard.

The timeframe for the industry to get its self-regulatory code working was delivered with the final report of ACMA's Reconnecting the Customer public inquiry, which looked into the customer service and complaints-handling practices of Australian telecommunications providers. It is the first time the regulator has issued a deadline for the revised code.

The report, to be delivered today, makes a number of key recommendations that the regulator expects the industry to follow in its forthcoming redrafting of the Telecommunications Consumer Protections Code. In particular, it has called for the TCP Code to provide:

- Clearer pricing information in advertisements that allows consumers to more easily compare services
- Improved and more consistent pre-sale information about plans
- Meaningful performance metrics that allow consumers to compare providers
- Tools for consumers to monitor usage and expenditure
- Better complaints-handling by providers

ACMA chairman Chris Chapman said that the overwhelming response to its consultation process had been that improvements were both urgent and necessary. "The industry should address these concerns as soon as possible so the industry is now formally on notice to reflect these outcomes in the new TCP Code," Chapman said. "If the industry doesn't develop a code that addresses the ACMA's concerns, the ACMA will mandate changes through direct regulation."

At a briefing ahead of the report's launch, an ACMA official said that the regulator would be ready to move to an industry standard straight away if the code doesn't measure up within the five-month deadline, allowing it to take providers to the Federal Court for compliance breaches rather than issuing warnings.

However, ACMA officials have also acknowledged that the industry has been making progress in adopting many of its proposed measures and expects to see a draft of the revised TCP Code ready for public consultation in the next month. The Communications Alliance has also flagged changes to the code that take into account today's final report.

At the ACMA briefing officials said that three proposed measures would have an immediate impact on consumers: unit pricing to allow for accurate comparison advertising; a one-page summary document that will be provided with all products giving key information for consumers; and spend management tools.

ACMA's final report calls for service providers to advertise their rates using a two-minute standard for comparison, or the cost of a standard text or 1MB of data for non-voice services. It would also require the disclosure of the estimated number of 2-minute calls included in a plan.

For the one-page summary provided to consumers, the regulator wants service providers to give critical information about their product such as term of the contract, maximum amount payable for early termination, minimum monthly payment and standardised rates. It also wants to see non-product specific information such as customer service contact details, access to spend management tools, cooling-off periods,

access to internal and external dispute resolution and TIO contact details.

In the area of spend management tools, ACMA has called for a notification system that alerts consumers of spend limits at either consumer-nominated or provider-specified expenditure/usage points in addition to an alert at 95%. It also calls for a transitional measure on service providers that do not offer spend management tools that would require them to impose a hard cap on all plans that would prevent a consumer from incurring charges more than 50% over the minimum monthly spend specified in the plan.

All three areas are already under consideration by Comms Alliance for consideration in the revised code. CA CEO John Stanton said the revised TCP Code still needed to go through several steps, including further consideration by the relevant steering group and ACMA, then a public comment period, before it could be finalised.

He also said that the industry was looking to form a new compliance body, with consumer representation, that will be established to monitor service providers' compliance with the code, work with providers on any weaknesses and, where necessary, refer problems to the ACMA for potential enforcement action. A set of industry performance metrics will be created and providers will report against these to the compliance body.

ACMA officials at yesterday's briefing also acknowledged the moves to introduce the new body and metrics, and suggested that the industry would have six months from the time the code is registered to implement the scheme. They are also calling for the industry to adopt the definition of "complaint" as set out in the Australian Standard for Complaints-handling, AS ISO 10002-2006, as well as comply with the guiding principles set out in the Australian Standard for visibility, accessibility, responsiveness, objectivity, charging, confidentiality, being customer-focused, accountability and continuous improvement.

The ACMA itself will also aim to monitor compliance once any new code is accepted, with officials suggesting that they will first target the larger service providers, given they account for 80% of customers. At the same time they will aim to help smaller players by making sure they are aware of their responsibilities under a new code.

TIO SHAKEUP: As well as a shake-up of complaints handling for service providers, the ACMA's final report has recommended an overhaul of the Telecommunications Industry Ombudsman scheme. In particular it stated that the structure of the TIO is not currently subject to regulatory oversight and does not comply with best practice for an external dispute resolution scheme.

ACMA has recommended that the governance framework of the TIO be amended to better align it with best practice for EDR schemes by creating a unitary governance model with one overseeing body. The body would be responsible for appointing the ombudsman, dealing with complaints about the TIO scheme, monitoring trends and systemic issues, and monitoring the TIO's capacity to manage caseloads. It said that membership of the overseeing body would comprise equal numbers of consumer and industry representatives and an independent chair.

It also called for improvement to TIO's systemic issue identification and reporting processes. These would include removing any restrictions on the TIO's ability to commence and conduct investigations about systemic issues, require regular reporting to the ACMA and/or the ACCC, and reporting on systemic issues in its annual report.

Geoff Long

Complaints rise due to growth, new services: Optus

Optus has defended increased numbers of consumer complaints as a symptom of customer growth, particularly in new products and services. Meanwhile, Internode has again called for the Telecommunications Industry Ombudsman to measure these complaint statistics on a per-capita basis rather than in absolute terms.

A quartet of Telstra, VHA, Optus and Internode heavyweights spoke openly on the topics of misleading advertising and bill shock at a vigorous panel session hosted by the Australian Communications Consumer Action Network. Internode MD Simon Hackett, in particular, was a vocal critic of the TIO's method of listing complaints in absolute terms. "When you look [at the complaints] per-capita, you understand how good that company is per thousand customers... the big bad guys aren't actually as bad..."

[whereas] some of the little guys are awful!" he said. "It's insane to me that the TIO's very public reports don't do that."

Optus director of government and corporate affairs Maha Krishnapillai said that the number of complaints Optus received had trended upwards because of the number of new customers access a range of new products and services. "Our tracking is that there are certain types of products where we have to put extra work into, but it's not across the board where we've had those [complaint] increases," he said.

"We sent out 3.5 million consumer bills last month alone... [and] I would argue, as an industry, we would have more touch-points with customers than virtually any other industry."

The Australian Communications and Media Authority has previously highlighted misleading advertising - in particular the promotion of cap plans - as a key driver of customer complaints. VHA director of customer service and experience Cormack Hodgkinson added that the onus was on the provider to not mislead the customer. "I think the key, on the plans, is to make it very clear and to make sure that we educate customers absolutely correctly around what is included and what is not included," he said.

Telstra GMD of strategy and corporate services Paul Fegan added that while fines for misleading advertising were "indicative and embarrassing," a bigger concern to telcos was brand damage. "We're trying to build enormous trust, reinforced because of all the changes going on," he said. "I would be much more concerned about the brand image than the fine."

On the subject of misleading advertising, Hackett chipped in with a dig at the Trade Practices Act "as interpreted by the ACCC." "We have spent some years now with the minister for communications describing our network as a 100 megabit fibre network - unambiguously. Senator Conroy is allowed to say 100 megabits," he said. "If I say it, I'll get sued by the Trade Practices Act!"

BILL SHOCK: Hackett went on to detail Internode's own solution to bill shock, which he said was achieved by applying a 'hard stop'. "A webpage comes up that says "you've run out of juice, want to put another coin in the gas meter? While slightly annoying, you only get the bill you agreed to," he explained.

Optus, meanwhile, has launched new tools to curb mobile users' monthly bill shock, including an alert system for postpaid users travelling overseas to notify they are being charged for data roaming; customers that continue to use that service will be notified every 15MB of usage.

The telco will also send texts to users that have exceeded 80% of voice or data on their plan - and when a customer spends more than \$20 on services not included under the cap.

"By alerting customers throughout the month to charges they may incur outside their mobile plan, we hope to provide customers with a greater level of visibility and control of their mobile bill," Optus Consumer marketing director Gavin Williams said.

David Edwards

Thodey calls for industry-wide push on cross-sectoral innovation

Telstra CEO David Thodey has called on the entire ICT sector to pull together and take a leadership role in driving innovation across other industries - warning that the sector has become more fractured in this regard than ever before.

Thodey delivered the Charles Todd Oration in Sydney, hosted by the Australian Computer Society and the Telecommunications Society of Australia. "Ten years ago, we had a few innovation summits... yet I can't remember the last time this industry got together to say 'how can we apply technology to be more innovative in Australia, how do we stimulate innovation?'" he said. "We are not collaborating together in any way. If I look at where we're working with the education groups, with the Commonwealth Scientific and Research Organisation, with the private sector and with multinational companies, I think we've gone backwards... there are more people moving in different ways than ever before. And I think we have an opportunity to bring this together."

Thodey made it clear that he thought industry should take the lead role in this. "In terms of government policy, there've been many attempts, but they've all seemed to... sort of fall away," he said. "We need to apply ourselves to real business issues around real



industries and take leadership.... [for example], in the mining sector, we should be one of the great technology innovators... and yet I think I can name maybe two companies that have really capitalised on that.”

Key to success, he continued, would be more effective communication around potential benefits. And he said that Telstra had already started making some structural changes to help drive innovation. “[Telstra] has to lead part of it... we’ve now re-established Hugh [Bradlow]’s role as head of innovation for Telstra,” he said. “And that’s not just innovation within Telstra, it’s about how we can be a catalyst in terms of bringing innovation to many industries, and how we can fund the application of technology in specific areas.”

“The second thing is that we’ve got to put some money into this... one of the big criticisms around innovation is that there’s no real private equity being put into the industry here,” he added. “What we’re doing, we’ve asked Deena Shiff to go and set up an investment group for applications and ventures...we’re putting A\$40-50 billion dollars to invest in new cloud applications that we think will change the various industries, [although] obviously, there’s a business return we’re looking for [from] that.”

“As a community in Australia, we need to do better; we need to put our differences aside and find a way we can at least stimulate innovation in this country, make a difference, and see if we can export it a bit more and continue to create real value.”

Petroc Wilton

Google report finds Australia 2nd highest in world for per-capita smartphone usage

A study carried out by IPSOS Research for Google has reportedly revealed that Australia has the second highest smartphone usage by population density in the world, second only to Singapore.

According to a number of media outlets, Google and IPSOS polled 30,000 people in 30 countries on smartphone use, including some 2,000 Australians; the resulting report found that 37% of Australians now own a smart phone, behind Singapore at 62%. It also found Australians using mobiles widely for retail research, e-commerce, and mobile banking compared to the residents of many other countries.

However, the survey also found that some 80% of Australian businesses lacked mobile-optimised websites – identified by Google, along with a dearth of appropriate mobile payment systems, as primary barriers to e-commerce in Australia.

Staff reporters

Telcoinbox fills out senior exec roster in bid to triple revenues

Telcoinbox is pushing ahead with a plan to ramp up revenues threefold in five years, expanding its staff roster with a group of new senior exec appointments.

The firm has created a new CFO position, to be filled by 10-year Mortgage Choice veteran Tony Crossley. With substantial experience in funding and risk management of a 400 franchise network, he will be tasked with building the foundations for a new growth drive and leading Telcoinbox’s ANZ micro-acquisition strategy in a financial management capacity across ANZ.

Meanwhile, Ahad Aboss joins the company as Network and IT manager; Aboss’ ten years of network engineering experience includes stints at Swiftel and Exetel. He will lead Telcoinbox’s engineering team as the company expands into Layer 2 DSL, SHDSL, VoiP, hosting and cloud technology offerings. Also joining the team will be group product manager Jeanette Slack, an Optus alumnus, and ex-AAPT staffer Adrian Atherton as sales manager.

“Our vision is to triple our revenue over the next five years. To achieve this our plan is to strengthen our financial position through raising capital, growing our current service providers by launching new and improved voice, mobile, data and internet products, and adding to the mix, non organic growth options,” said Telcoinbox MD Damian Kay. “Hiring the right people in strategic positions will allow us to achieve these goals and free up the management team to concentrate on potential acquisition opportunities and actioning our NBN strategy.”

Petroc Wilton

NSW farmers want QoS NBN agreement

Farmers in New South Wales are calling for a quality of service agreement between the federal government, NBN Co and the 7% of NBN customers outside the fibre footprint.

Speaking at the Australian Communications Consumer Action Network's national conference in Sydney, NSW Farmers Association communications spokesperson Anthony Gibson said the agreement should include parameters such as speed, ping time and jitter to those not offered a fibre connection. Additionally, he said, it must be "continually updated to ensure that [wireless and satellite] customers... have access to all the services that are provided to optic fibre customers on the NBN."

Gibson said that NSW farmers felt they were not getting value for money with the services on offer and believed they suffered from a lack of providers to choose from. He added that since the NBN project had kicked off, the federal government had lowered its targets for its wireless and satellite NBN users. "We supported the principle of the NBN proposal before the 2010 federal election, considering it to be a superior telecommunications ambition for rural Australia," he said.

"Post-election, however, we have seen a lowering of ambition for the shared spectrum services for wireless and satellite. The government statement of expectation now refers to a peak speed of 12Mbps rather than the minimum speeds referred to previously... and we are concerned that this... gives no guarantee to farmers of a usable internet service in the peak evening periods."

He added that farmers were concerned, like Malcolm Turnbull, about the cost and affordability of the NBN rollout.

David Edwards

ASG spends A\$13.8 million on new datacentre, cloud facility

Business management and IT consulting firm the ASG group is the latest organisation to commit to new data centre infrastructure, launching a A\$10.2 million tier 3 facility in Perth. The company is also spending A\$3.6 million dollars on a new cloud computing push that will include staff, training, software, and a new network operations centre within the datacentre.

The new facility is located in Bentley Technology Park, and features two separate data halls for a total of 550m² of space. ASG Group CEO Geoff Lewis positioned the new cloud and data centre as an excellent fit for service providers hoping to offer cloud services to mining companies, utilities and government agencies. The facility will also, according to Lewis, be the first data centre in Perth connected to the NBN.

Petroc Wilton

Conroy calls for applications to digital hubs and digital enterprise programs

Communications minister Stephen Conroy has called for applications from service providers to deliver the first round of the federal government's Digital Hubs and Digital Enterprise programs.

Local organisations in the NBN first-release sites of Brunswick, Armidale, Kiama, Townsville and Wilunga, and the three stage one Tasmanian communities of Scottsdale, Smithton and Midway point, can lodge applications by 5 October.

Conroy said the programs would go towards helping local communities, not-for-profit organisations and SMBs in NBN early rollout areas to gain the skills needed to maximise the benefits of the fibre network.

Funding for the Digital Hubs program is A\$13.6 million, with A\$10 million for the Digital Enterprise initiative. The programs will be offered to the first 40 communities to benefit from the NBN.

David Edwards

CORRECTION

In yesterday's story on TPG's new mobile broadband service, we incorrectly stated the excess data charge;

the actual charge is 2.75 cents per MB. CommsDay regrets the error.

GRIST STEPS DOWN AS IINET DIRECTOR

Tony Grist has resigned as a non-executive director from iiNet after five years. Grist, who is also serving as the chairman of Amcom, cast the move as a logical outcome of Amcom's recent in-specie distribution of their shareholding in iiNet to its shareholders.

NEW ZEALAND

Auckland gets extra free Wi-Fi ahead of Rugby World Cup

A second free Wi-Fi network has begun operation in Auckland just one day before the start of the Rugby World Cup. CallPlus said its network will operate free of charge for the duration of the cup with no usage limits.

An announcement from the company said it is halfway through installing 1,000 hot spots mainly around the central business district, the Viaduct, Ponsonby, Grey Lynn, Herne Bay and Freeman's Bay. The service is already delivering around 50GB of traffic each day.

CallPlus CEO Mark Callander said he is willing to install access points in all central bars, restaurants, hotels and similar establishments.

The new Wi-Fi network will compete with a rival free service operated by Tomizone in partnership with the Auckland Council. Originally the site planned to charge users NZ\$3 an hour for service, but last month a sponsorship deal was struck with marketing website Localist.co.nz to provide free Wi-Fi during the Rugby World Cup. Users are able to have three 30 minute sessions each day.

Callander said the CallPlus service has no time restrictions or complicated sign-up processes. He said: "The service is being delivered over our own 4G Wireless network so it is independent of other initiatives designed to provide a similar service."

TOMIZONE ADDS BUSES, TRAINS: Tomizone said Auckland now has the world's first fully integrated metropolitan Wi-Fi system with free roaming across the central city and on public transport. The company has extended its network reach to cover the Link buses which run in central Auckland as well as some train services.

Tomizone said its network has been operating for a week and is already seeing heavy usage.

There are plans to extend the network further. Auckland Transport operations manager Mark Lambert said his organisation will evaluate the service before looking at making it more widely available across the public transport network.

Auckland and Wellington's free city-wide Wi-Fi networks will not be accessible by the general public watching the rugby in the cup venues.

Bill Bennett

TV switchover could boost rural broadband

Rural Connect project manager John Allen has called for the government to divert funds raised by the 700Mhz band spectrum auction to subsidise a wider rural fibre roll-out.

Allen says the gap between the fibre-to-the-premise UFB and fibre or fixed wireless proposed for the RBI may lead to a rural-urban digital divide.

He says the spectrum will realise a higher price if it is used for mobile broadband rather than a fixed wireless rural network. He says the money raised could go a long way towards eliminating the urban-rural digital divide.

Allen's organisation is part of an independent economic development body in the North Waikato and Franklin district - a largely rural area which takes the southern fringe of the new Auckland Council.

Bill Bennett

About Communications Day (including the Line of NZ)

Communications Day is the telecommunications news authority of Australia and New Zealand. Published daily since 1994, CommsDay is expertly written and edited by a team of 7 industry writers with a combined 110 years experience in technology reporting across Australia, NZ, Asia, the United States and Europe. CommsDay is available by subscription only and read by over 8,000 industry executives as well as policymakers and parliamentarians every week day.

PUBLISHED BY DECISIVE PUBLISHING

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