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To: Australian Communications and Media Authority (ACMA)

Thank you for the opportunity to express the Internet Association of Australia (IAA) perspective on the *Consumer Vulnerability: Expectations for the Telecommunications Industry* (Consumer Vulnerability Statement of Expectations). IAA represents small to medium internet service providers (ISPs).

The COVID-19 pandemic has highlighted the essential nature of access to telecommunications services, especially for working, learning and communicating. Amidst these challenging times, IAA agrees that telecommunications providers have a responsibility towards supporting consumers, especially those who may be facing vulnerability. IAA supports mechanisms providing consumer safeguards within the telecommunications sector and welcomes ACMA's Consumer Vulnerability Statement of Expectations clarifying how telcos can implement best practice.

However, IAA would point out that for smaller ISPs, some objectives may be difficult to meet because of resource constraints. For example, an objective within the priority area of Financial Hardship states:

"Offer flexibility in their contract arrangements, including easily moving to cheaper contracts and cancellation of contracts at minimal or no cost, as relevant to the circumstances of a consumer."

Smaller telecommunications providers do have a desire to support vulnerable consumers, however, offering too much flexibility with financial contracts can be difficult for smaller ISPs to manage given this could increase their exposure to bad debt. Smaller ISPs may not have the resources to undertake costly, lengthy or invasive verification of the financial circumstances of their customers. Smaller ISPs do not necessarily have the financial resources where non-payment of their own bills may lead to insecurity of service provision.

Another aspect of concern is the lack of resources smaller ISPs would have to implement the policies and processes to assist and interact with vulnerable consumers mentioned in the Statement of Expectations. Examples provided under the priority area of Customer Service include:

- *"Design consumer interaction channels, including directing consumers to preferred channels, taking into account known and vulnerabilities of the consumer base."*
- *"Design customer relationship management systems and associated processes to enable the recording of a consumer's vulnerability in a way that assists with future interactions between the consumer and the telco."*

Although the examples above are ideal, they may be difficult for smaller providers to comply with, especially considering their customer service teams may comprise only a handful of people. That said, smaller providers may also have greater understanding and personal relationships with their customers due to the smaller numbers. Smaller ISPs often provide boutique services tailored to their customer needs. Smaller ISPs may not have strong bargaining power with their own upstream providers forcing them into very one-sided contracts.

IAA would also encourage a whole of issue approach to support consumers experiencing vulnerable circumstances. One aspect could be by increasing funding and accessibility of financial counselling for

consumers, which has been found to help both providers and their customers¹, but would encourage financial counsellors to act in ways that do not presuppose a negative or predatory relationship with providers. Other aspects could include making government rebates for telecommunications services more accessible and efficient, for both consumers and their telecommunications providers. In that way consumers could obtain vouchers or other assistance independently and not require the telecommunications provider to validate a person's low income status, for example.

With telecommunications increasingly seen as an essential service, telecommunications providers do similarly recognise obligations to support their customers. However, those obligations should be proportionate and feasible. Consumers also need to be empowered to take responsibility for their own financial choices and recognise where costs may be beyond their reach. The provision of Critical Information Summary documents are vital to this process and widely in place throughout the sector.

We look forward to collaborating with the ACMA to understand and educate telecommunications providers on any changes to their obligations in this matter.

Once again, I would like to thank you for providing us with the opportunity to contribute to the *Consumer Vulnerability: Expectations for the Telecommunications Industry*.

About the Internet Association of Australia

The Internet Association of Australia Inc (IAA) is a member-based association representing the Internet community. Founded in 1995, as the Western Australian Internet Association (WAIA), the Association changed its name in early 2016 to better reflect our national membership and growth.

Our members comprise industry professionals, corporations and affiliate organisations. IAA provides a range of services and resources for members and supports the development of the Internet industry both within Australia and internationally. Providing technical services as well as social and professional development events, IAA aims to provide services and resources that our members need.

IX-Australia is a service provided by the Internet Association of Australia to Corporate and Affiliate members. It is the longest running and lowest cost Internet Exchange in Australia. Spanning six states and territories, IAA operates over 30 points of presence and operates the New Zealand Internet Exchange on behalf of NZIX Inc in New Zealand.

IAA is also a licenced telecommunications carrier, and operates on a not-for-profit basis.

Yours faithfully,

Narelle Clark
Chief Executive Officer
Internet Association of Australia

¹ Financial Counselling Australia 2021, [Telcos and Financial Hardship: Feedback from the frontline](#)