

## 4. Consumer experience

In determining the consumer experience (the second term of reference) the ACA was asked to consider:

- access to Telstra's customer service centre and the level of consumer understanding of the information provided by customer service centres;
- the transparency and effectiveness of arrangements for managing the assessment of customers seeking priority assistance, including the priority assistance application process and *post-facto* ratification procedures; and
- the level of public awareness of priority assistance arrangements.

To this end, the ACA undertook a varied assessment which included:

- visiting one of the Telstra customer service centres responsible for the management of priority assistance;
- reviewing Telstra's internal procedures and work instructions; and
- a survey of current Telstra priority assistance customers.

### ***Telstra's service centres and procedures***

As part of an audit of interim and alternative services offered by Telstra under the USO (refer to Chapter 2 **Performance reporting**) ACA staff visited Telstra's Newcastle office. When priority assistance was first introduced Newcastle was responsible for managing all priority assistance faults. This function has been progressively decentralised to other Telstra call centres such as Wollongong, Townsville and Launceston. Telstra's Jeopardy Management Team, which is responsible for the 24 hours a day, seven day a week management of priority assistance orders, is still located in Newcastle.

As part of the visit, ACA staff met key Telstra personnel involved in the provision of priority assistance services and witnessed demonstrations of Telstra's core systems. The ACA was also given access to a number of Telstra internal documents outlining procedures and work instructions for processes such as connection and fault restoration and the offering of interim services.

### ***Public awareness of priority assistance***

The ACA sought information from Telstra about its marketing strategies and policies for the promotion of priority assistance. Unfortunately this information was not provided to the ACA during the course of this review. Following the review, the ACA will follow up this issue with Telstra.

Telstra provides information on its website about priority assistance and previously has included priority assistance information as a bill insert to customers.<sup>1</sup>

From the survey responses (discussed further below) priority assistance appears to be well known in the medical profession which is encouraging because people with life-

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<sup>1</sup> See Telstra's website at [www.telstra.com.au/accessforeveryone/priorities.htm](http://www.telstra.com.au/accessforeveryone/priorities.htm).

threatening illnesses are likely to have regular contact with their doctors. However, it is difficult to assess the level of public awareness in the general community. A number of people contacted the ACA (after having seen newspaper advertisements concerning the ACA's review) and commented that they were not aware that this was a service offered by Telstra.

### **Finding**

After consideration of Telstra's priority assistance documentation and its visit to the Newcastle office, the ACA is confident Telstra's priority assistance procedures are transparent and generally effective in delivering an appropriate level of service to its priority assistance customers.

Due to time and resource issues the ACA was unable to fully assess the level of public awareness of Telstra's priority assistance service during the review. One way it may do this in the future is to include questions about priority assistance in future ACA consumer research.

## **The ACA's priority assistance survey**

To determine the level of consumer understanding and the customer experience with Telstra's priority assistance arrangements, the ACA conducted a survey of a sample of current Telstra priority assistance customers.

The survey sought feedback and comments from priority customers on matters including the consumer experience, connection and fault repair performance and general questions about priority assistance arrangements.

During the drafting phase of the survey, ACA staff sought expert advice from Newspoll to ensure the priority assistance survey was easy for customers to comprehend and that the results would be statistically valid and meaningful. The survey was voluntary and personal or any other identifying information was not collected. The survey is at **Appendix 4**.

The ACA advertised in major metropolitan newspapers on 20 August 2004. The advertisement outlined the priority assistance review process and invited priority assistance customers to complete the survey either on-line or to contact the ACA for a copy of the survey to be sent to them. This advertisement also invited public submissions to the ACA about Telstra's priority assistance arrangements.

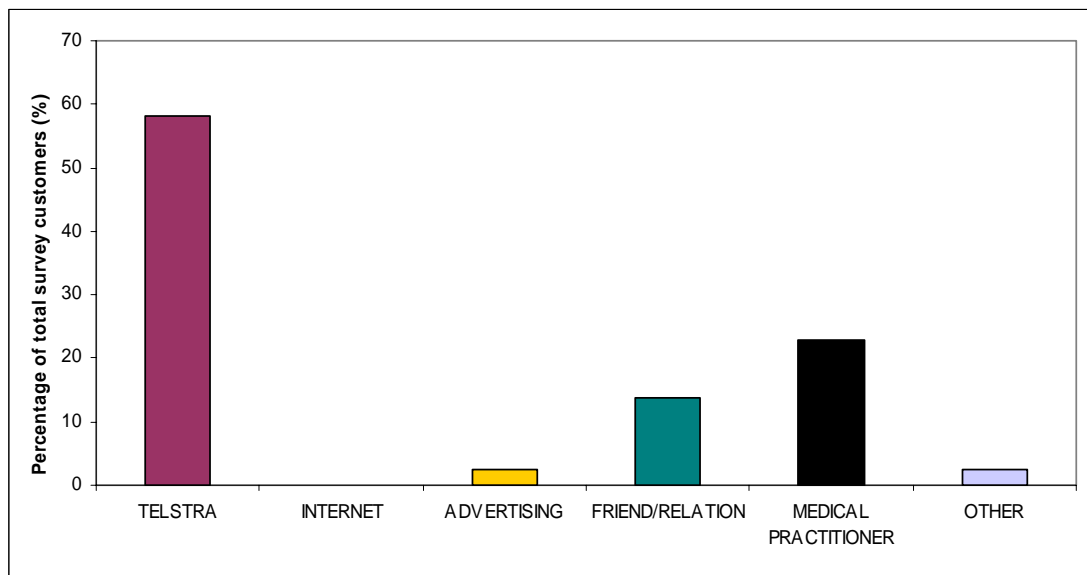
In addition, the ACA arranged for the survey to be mailed to 2,000 priority assistance customers throughout Australia. These customers were randomly selected by Telstra because of specific privacy clauses in the priority assistance application process which preclude the ACA being provided with details of Telstra's priority assistance customers. The ACA approved an accompanying letter from Telstra to its priority customers and an ACA fact sheet about priority assistance and a pre-paid envelope was also included.

All surveys were to be returned to the ACA by 16 September 2004 but due to the overwhelming response, the deadline was extended to 30 September 2004. Of the 2,000 priority assistance customers contacted, 691 customers (or 35 per cent) returned the ACA's survey. In addition, another three customers filled out the on-line priority assistance survey and another seven completed the survey after contacting the ACA. Of the 704 survey respondents, 67.8 per cent were in urban areas, 29.4 per cent were in rural areas and 2.8 per cent in remote areas.

The majority of respondents circles or highlighted a response to every question, but in some cases questions were left blank. This means that there are some discrepancies between the total number of respondents and the number of responses to certain questions.

Customers were asked to indicate how they found out about Telstra’s priority assistance service. Figure 4.1 illustrates that 58 per cent of customers found out about the service from Telstra. In most cases customers found out about priority assistance after contacting Telstra on another issue such as applying for a connection, reporting a fault or enquiring on another issue such as disability. A handful of respondents recalled being sent information about Telstra’s priority assistance service as a bill insert. Where customers nominated ‘other’ sources this was usually identified as the TIO. The survey allowed customers to record more than one response and, in many cases, customers identified the source as being both Telstra and their medical practitioner.

**Figure 4.1 How customers found out about Telstra’s priority assistance service**



### ***The application process***

The first part of the survey asked specific questions relating to the customer’s experience with Telstra and the application process. Ninety-five per cent of respondents found the application process extremely clear.

#### ***Application forms***

Of the 704 respondents, 630 found the process of signing up for priority assistance easy, while 41 had difficulties. Another 19 respondents did not provide a comment. At least 20 other respondents indicated that they had never received any forms for priority assistance. This suggests that some priority assistance customers who received the survey were not validated priority assistance customers.

Some of these customers felt that the application form was not user-friendly for those people with language difficulties or vision impairment. These responses came from people completing the survey on behalf of a relative or friend who was a priority assistance customer but unable to complete the survey (and, in most cases, required to help to complete the initial application form).

In particular, respondents found it unclear as to where customer and medical practitioner signatures were required. This led to Telstra returning the application form to the customer, in one case three times. The application form was sometimes returned by Telstra to customers with no explanation about what was missing or wrong on the form. Often it was a case of Telstra misreading the customer's information or parts of the form were not completed and processing could not commence until this information was supplied.

A small percentage of respondents also indicated that they felt the process, from initial contact with Telstra to completing the application form and having it approved, was too lengthy.

Telstra has since advised the ACA in late September 2004 that it is making a number of changes to its current priority assistance application form.

### *Medical certification and statutory declarations*

To become priority assistance customers, the applicants must provide proof that they, or a person living at their residence, has a life-threatening medical condition. Customers are given the choice of sending certification from their medical practitioner or a statutory declaration to Telstra with their priority assistance application.

Of those surveyed, 331 respondents indicated they had gone to their doctor to obtain a medical certification and 333 had submitted a statutory declaration.

Some customers felt that it was burdensome and costly to get medical certification as they incurred a consultation fee. In some cases (particular those respondents in rural or remote areas) two trips were required to get their medical practitioners' certification—one trip to leave the form and the other to collect the form.

In many cases customers and their medical practitioners had failed to check the application form had been completed and these were returned by Telstra (sometimes several times) for the doctor's provider number and official practice stamp or signatures to be included.

The survey asked customers who had provided medical certification whether their medical practitioner was previously aware of priority assistance. Of the 331 respondents who obtained certification from their medical practitioner, 88 per cent mentioned that their doctors were aware of Telstra's priority assistance service. This indicates medical practitioners have a high level of awareness of priority assistance and will actively recommend this service to their patients.

In general, the medical practitioner had reiterated to customers the benefit of the service (including that telephone faults would be fixed quickly) and acknowledged to the customer the appropriateness of the service in their current medical circumstance. A handful of respondents indicated that their medical practitioner viewed the signing of the application form (particularly for renewals) as an imposition.

Some respondents indicated that they did not realise until after they had obtained their medical practitioner's certification that there was an option to complete a statutory declaration. Responses also suggested that some customers submitted both a medical practitioner's certification and a statutory declaration to Telstra and were unaware of Telstra's preference for medical certification.

### *Telstra Customer Service Operators*

Fifty-eight per cent of respondents found out about priority assistance from Telstra, after contacting a Telstra customer service consultant. The survey asked these customers whether the Telstra operator explained the benefits of being a priority assistance customer, in particular that a telephone connection or fault repair would be completed or fixed within 24 or 48 hours (depending on where the customer lives). Ninety-three per cent indicated that the operator did explain the benefits. The remaining seven per cent in many cases annotated their surveys stating that they had contacted Telstra such a long time ago they could no longer recall.

A small minority of respondents found it difficult to talk to the right person in Telstra to enquire about priority assistance and to ask further questions or to get a copy of the application form mailed to them.

Around 10 respondents found it difficult to apply for priority assistance through the Telstra operator when making an application for someone in their household rather than themselves. Some reported feeling threatened and intimidated by the Telstra operator when trying to provide details of their family members' medical condition. Some felt the operators lacked sensitivity and failed to listen correctly to their enquiry. However, such responses were uncommon. More frequently customers made mention of receiving very satisfactory service from Telstra operators.

### **Quality of service**

In the second section of the ACA's survey of priority assistance customers, respondents were asked a series of questions about connection and fault repair performance for their priority assistance service.

#### *Priority assistance connections*

Survey respondents were asked if they had had their phone connected as a priority customer and if they answered yes, then asked whether it was connected within 24 hours (if an urban or rural customer) or 48 hours (remote). This question appeared to confuse a number of respondents because while 152 respondents said their phone was connected within these timeframes, only 141 respondents said they had a phone connected as a priority assistance customer. The confusion may have resulted from situations where priority connection was requested at the same time as 'applying' for (provisional) priority status.

Notwithstanding this, the majority of respondents noted that Telstra had met the connection timeframes with 26 per cent of customers claiming that the timeframes were not met and around five customers taking the opportunity to write comments critical of Telstra's performance in connecting their service. Criticisms included difficulties in arranging connections for weekends or over public holidays or when moving house.

A small number of customers were very critical that Telstra required them to complete a new priority assistance application form when they moved house. Customers found this unnecessary and overly-bureaucratic.

#### *Priority assistance faults*

Respondents were asked if they had had any faults repaired as a priority assistance customer. Of 675 responses to this question, 43 per cent, reported having at least one fault repaired while 57 per cent of customers had not.

Since priority assistance has only been available since May 2002, the figure of 43 per cent of priority customers experiencing a fault appears to be inaccurate. It is certainly unlikely that 43 per cent of CSG customers have experienced a fault since May 2002, particularly when the ACA has estimated that 89.73 per cent of CSG services did not experience any faults in 2003 and in each quarter from March 2003 to June 2004, CSG faults fluctuated between only 2.9 and 3.1 per cent (approximately) of the CSG customer base.

The high figure of 43 per cent could be due to a number of factors. Many people join priority assistance at the same time as they report a fault. In addition, customers with priority assistance may be more likely than non-priority assistance customers to report any service difficulties to Telstra since they have a greater reliance on and expectation of their phone service. It may also be possible that in answering the survey some customers have recalled faults that their service suffered before receiving priority assistance.

More analysis of priority assistance faults is in Chapter 2 **Performance reporting** of this report.

Of those customers who reported having a fault, 213 had had the fault repaired within the relevant timeframes and 35 did not. A further seven customers arranged with Telstra to have another appointment time for the fault to be repaired.

Some respondents described the causes of the faults they experienced, including aerial lines being brought down by trucks, problems with the local exchange, flooding and lightning. A few customers expressed their frustration at reporting a repeatedly faulty phone, only to have Telstra tell them that there was no fault.

Priority assistance customers are entitled to enhanced service reliability, not merely faster connections or fault repair.<sup>2</sup> The survey therefore sought information on customers experiencing numerous or repeated faults. The survey asked whether customer had experienced two or more faults on their phone service as a priority assistance customer over a three month period. Only 39 respondents, or approximately six per cent indicated they had experienced two or more faults in a three-month period. Most of these customers recounted that Telstra either found and fixed the faults efficiently within the 24/48 hour timeframe or that they were offered an alternative service and had their calls diverted to their mobile phones.

A small number of respondents included detailed explanations into their specific recurrent faults and problems encountered. Where possible, the ACA has cross-checked this information with data provided by Telstra under the NRF. The ACA will monitor some of these services and areas through the NRF processes.

The survey also sought information about Telstra's provision of interim and alternative services.<sup>3</sup> Those survey respondents who indicated that a fault had not been rectified within the required timeframe were then asked to indicate whether they were offered an alternative service.

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<sup>2</sup> According to its licence conditions Telstra must consider the service reliability of a priority assistance customer's service. If a customer has two or more reported faults (which make the customers standard telephone service inoperative) in a three month period of time during which the customer is a priority assistance customer, Telstra must test the service thoroughly and endeavour to ensure underlying network causes of faults are identified and if necessary fixed as soon as possible.

<sup>3</sup> For further information on interim and alternative services refer to Chapter 2 in this report.

However, it appears that respondents did not understand the sequence of questions under this section on fault repair. In particular the number of respondents who indicated they had received an interim service or diversion to their mobile phone was greater than the number of respondents who actually stated they had had a fault with their telephone service. As a result, analysis in this area has been limited because of unreliable data. For more information about interim and alternative services refer to Chapter 2 **Performance reporting**.

Of those customers who were given an alternative service while their fault was repaired, 10 customers stated that the solution was not acceptable, ineffective and unsatisfactory. In some cases, Telstra offered call diversion to a mobile phone as the customers' only option, even when reception for a mobile was unreliable and unworkable.

Some respondents described a frustrating experience over a number of days or a week trying to get a fault fixed. One received a satellite interim service and was disappointed when Telstra removed the service without advising the customer. In this particular case, a mobile service could not be used because there was no reliable signal.

Overall, there were numerous reports from appreciative priority assistance customers who were very satisfied with Telstra's fault repair service. Telstra staff were considered by respondents to be generally courteous, informative and helpful. Repairs were completed promptly and there was good communication between Telstra and the affected customers. In most cases, Telstra technicians made several return visits to ensure the service was working well.

There were a small number of adverse comments that related mainly to Telstra subcontractors not being familiar with the infrastructure, Telstra's procedures or the local area. There was also some criticism of poor communication by Telstra resulting in an excessive number of vehicles and technicians responding to fault requests.

### *Customer complaints*

Twenty-two respondents said they had made a complaint about their priority assistance service. Of these customers, 95 per cent complained to Telstra and five per cent complained to the TIO. Only two customers suggested that their complaint had not been resolved.

Issues that customers had complained about included:

- the renewal process;
- some Telstra operators being curt and impatient with customers and delays in getting through to the relevant person or area;
- Telstra returning some application forms without explaining to the customers what the problems with the forms were; and
- Telstra 'mislaying' application forms, and as a result, removing a person from priority assistance status for failing to provide an application form within the specified time period.

### ***The renewal process***

Priority assistance customers were asked to indicate the length of time they had been a Telstra priority assistance customer and the results are shown in Table 4.1.

**Table 4.1 Length of time survey respondents have been a priority assistance customer**

Length of Time	Number of customers
0–3 months	38
3–6 months	62
6–9 months	93
9–12 months	159
1 + year	312

A further question asked for respondents' views on the renewal process. It is clear from the responses that this is one of the least successful and least liked aspects of priority assistance.

While 66 per cent of those who gave their views indicated that they found renewal easy, another 23 per cent said 'cannot comment' and 11 per cent found the process very difficult. At least 40 respondents who had had priority assistance for more than a year annotated their surveys to say that they had not received a renewal form, and it is likely that a proportion of the respondents who chose 'cannot comment' also had not received a renewal advice. Some respondents indicated they were entirely unaware of the need to renew their priority assistance service. Some elderly respondents were clearly made anxious by the survey because they had not been asked to renew and feared that they had been removed from priority status.

At least 12 per cent of respondents advocated changes to different aspects of priority assistance. The majority of the changes concerned the renewal process. Many customers could not understand why yearly renewal was necessary if a person's medical condition was permanent and unchanging. They also felt it was an added expense to have to seek a consultation with their medical practitioner to get a new medical certificate each year. Many customers suggested longer intervals between renewals, ranging from two to five years. Some customers suggested that there be an extra box on the application form for the medical practitioner to indicate whether a persons' condition was likely to change.

## **Overall perception of Telstra's priority assistance service**

More than 92 per cent of respondents to the survey were satisfied with their priority assistance service (six per cent were neither satisfied nor dissatisfied). However, most priority customers surveyed had not yet 'tested' the priority assistance service (that is, they had not had service faults nor required a new connection). Many said they were satisfied with the service because priority assistance gave them peace of mind that should a life-threatening situation arise their service would be operable and, if there was a fault it would be quickly resolved.

From the responses received, it appears that a significant proportion of priority assistance customers are elderly people, many living alone, for whom priority assistance is a much-needed and valued service.

At least 12 per cent of respondents provided written comments about improvements they wished to see implemented, or additional comments on their priority assistance service (see under **The renewal process** above).

Other particular improvements suggested by respondents to the survey were:

- Make the service available to all elderly people who live alone or all people with chronic but non-life-threatening conditions.
- Provide an easier application form and greater personal assistance to complete the form—a priority assistance helpline.
- Increase public awareness of priority assistance (through bill inserts, leaflets, and posters or brochures in doctor’s waiting rooms) and advertise the service, for example, in magazines targeted at elderly people or in newspapers.
- Attach priority assistance status to a customer rather than a telephone service and remove the requirement for a priority customer to reapply when they change their address.
- Some customers wanted a specific number to call for fault reporting or other matters related to priority assistance rather than calling the general Telstra number and having to wait in a customer queue. Customers suggested this number could be included on a priority assistance customer’s bill rather than widely advertised to prevent incorrect use of the number.
- Some customers felt that the Telstra operators needed to be more sensitive, efficient and understand a customer’s enquiry quickly to enable them to be put through to the relevant area of Telstra as soon as possible. Operators needed to understand that delays may cause distress to customers and compromise their health.
- Some customers felt priority assistance should be extended to include mobile phone and Internet services.

The following are some of the respondents’ comments describing the service,

*‘It is a great service and very comforting.’*

*‘Wish I had known about this service earlier than I did!’*

*‘This service gives me peace of mind that should anything go wrong it will be rectified quickly.’*

*‘This service is neither aged nor blind friendly.’*

*‘It’s a pity that other customers cannot enjoy the same level of service.’*

*‘An invaluable safety net!’*

*‘How do I contact Telstra if my phone line is out?’*

## **Findings – the consumer experience**

The survey provided a very useful contribution to this review. The response received was far better than expected and the ACA now has a much better understanding of how Telstra’s priority assistance service operates and the expectations and needs of priority assistance customers.

From an analysis of results and comments provided by respondents, the vast majority of were of the opinion that Telstra provides an excellent service to customers with a life-threatening medical condition. It is a valued program for a small percentage of the population who require an enhanced level of service continuity and expeditious connection and fault repairs.

However, some key issues that emerged from the survey results including:

- Application form—the form is difficult to understand and in particular, it is not clear where a customer or medical practitioner is required to sign.
- Renewal process—many respondents felt that the requirement for 12-month renewal process was unnecessary, particularly if they have a permanent life-threatening medical condition. This issue was also raised by Telstra in its submission to the ACA (see also Chapter 5 **Consumer and industry consultation** for further discussions on the renewal process).
- Re-application when changing address—this Telstra's requirement appears to be unnecessary and is an added burden and cost to customers.
- Eligibility requirements—many respondents felt that the service should be extended to elderly people who live alone and their telephone is their contact with the community. (See also comments made by community organisations in Chapter 5).
- Contacting Telstra—many respondents felt that priority status should also mean that a customer is able to contact Telstra quickly without having to experience long delays in a customer queue. Some respondents proposed a 'priority assistance only' customer contact number.

These results of the ACA's survey indicate that priority assistance customers have a number of issues with the current arrangements. Some of these issues were also raised in Telstra's submission and in other public submissions received by the ACA. Many of the ACA's recommendations address these issues and are discussed at the end of Chapter 5 **Consumer and industry consultation**.

## 5. Consumer and industry consultation

As part of the fourth of the priority assistance review's terms of reference, the ACA was asked to seek feedback from relevant Telstra staff, the medical community, consumer groups and consumers regarding Telstra's priority assistance arrangements. The ACA advertised its intentions to conduct the review in all major metropolitan newspapers throughout Australia on 20 August 2004.

The advertisement outlined the review process including inviting Telstra priority assistance customers to participate in a survey and public submissions about Telstra's priority assistance arrangements. Submissions originally closed on 16 September 2004 but this date was extended until the end of September for a number of reasons.

The ACA also wrote to stakeholders, including consumer telecommunications groups, medical associations, aged care organisations and disability groups in early August 2004 inviting them to participate in an interview process about Telstra's priority assistance review or to send a submission to the ACA. Only one stakeholder, the TIO, took up the ACA's invitation for an interview/discussion of issues session. The ACA also wrote supplementary emails to stakeholders advising them of the extension of the due date for submissions.

Telstra was advised in July 2004 about the ACA's intention to review its priority assistance arrangements. Telstra was invited to send a submission to the ACA about its experience in offering priority assistance and any issues or improvements it could identify. Telstra advised the ACA in early September that it would be unable to provide a submission until mid-October 2004. Telstra's submission was received on 19 October 2004.

Only a small number of written submissions was received. Submissions were received from:

- Telstra
- Royal Blind Society
- Deafness Forum of Australia
- Australian Communications Industry Forum – Disability Advisory Body (ACIF-DAB)
- Jane Smith (former Telstra priority assistance customer)

### Telstra's submission to the review

Telstra's submission is at **Appendix 3**. As part of its submission, Telstra advised the ACA that it had introduced some key initiatives to improve the priority assistance service since the implementation of the priority assistance service in 2002. These initiatives include:

- revised arrangements for accepting priority fault reports from customers so that all of Telstra's call centres are able to handle these requests;
- a nationally based system for accepting and managing fault reports;
- a nationally based system for managing despatch of orders for connection and fault repairs to the field technicians;
- establishment of Telstra's 'Priority Assistance Governance Council' to oversee the provision of priority assistance in different work areas; and

- a jeopardy management process that identifies priority assistance orders in danger of not meeting timeframes.

Telstra has advised that it intends to submit its revised policy for priority assistance to the Minister for approval by the end of March 2005. However, approval of Telstra's revised policy is contingent on findings and recommendations from this report.

The revised Telstra priority assistance policy will see a number of changes including:

- removal of the Telstra priority assistance application form from Telstra's SMP;
- a simpler and streamlined application process;
- a revised revalidation process (with changes to the period of renewal and method of renewal); and
- confirmation in the policy that an alternative service will always be offered at the time of receiving a fault report.

A discussion of these issues and other issues raised by Telstra in its submission are discussed below.

### ***Telstra's priority assistance application form***

Currently, the priority assistance application form is included as an attachment to Telstra's priority assistance policy which in turn is an appendix to Telstra's SMP. Under the legislative requirements, any changes to the SMP must be submitted to the ACA for approval.

In its submission to the priority assistance review Telstra advised that:

*'...any enhancements that are made to the application form, for example, to improve its readability, will require Telstra to submit a revised version of its standard marketing plan to the ACA for approval'.*

Telstra contends that this process is unnecessary and time-consuming.

The ACA supports Telstra's proposal to remove the priority assistance application form from the SMP, with the condition that any amendments to the application form are provided to the ACA with sufficient time to comment before finalisation.

Any information provided in the priority assistance brochure or application form must directly correspond with information already provided in Telstra's priority assistance policy or any subsequent amendments to the policy. No new information can be introduced as a change or amendment.

### ***Medical practitioner certification***

Telstra advised that it intends to include a statement in its priority assistance policy setting out its preference for customers to supply medical practitioner confirmation, consistent with the priority assistance application form and brochure. Telstra's submission stated that:

*'.....the use of a statutory declaration will still remain an option for those customers who have difficulty obtaining confirmation from a Medical Practitioner, for example, they are unable to visit a doctor'.*

Telstra argues that medical certification provides it with greater confidence that only medically eligible customers will receive priority assistance. Telstra views this proposed change as mainly administrative, essentially updating the policy to reflect what is already stated in the application form and brochure.

The ACA believes there should be a balance between the interests and convenience of consumers and Telstra's desire to ensure that only genuine customers receive priority assistance. Customers who can obtain medical certification should be encouraged to do so; those who cannot should retain the option of submitting a statutory declaration. The ACA's view is that the current level of persuasion contained in Telstra's application form and brochure is appropriate and sufficient to achieve this outcome.

Further, no evidence has been provided to show a notable problem with 'fraudulent' statutory declarations. The ACA's survey showed approximately equal numbers of customers providing either medical certification or a statutory declaration.

The ACA will not support any change to Telstra's policy document that has the effect of forcing customers to seek medical certification. However, the policy document should be consistent with the application form and brochure, and on these grounds the ACA supports Telstra amending the policy. The ACA will look closely at the policy change submitted by Telstra to make sure that its customers are not disadvantaged.

### ***The priority assistance application process***

As part of its submission, Telstra advised that it wishes to change the current three-step application process. Currently, a provisional priority assistance customer has 28 calendar days to submit an application form to Telstra. On the 28th day, Telstra sends a reminder letter to advise the customer that they have an additional seven days to return the application form. At the end of this seven-day period, Telstra will attempt to call the customer by telephone to advise that priority status will be removed from the customer's telephone service.

Telstra is proposing to remove the telephone call from the application process and extend the timeframe from seven days to 14 days for responding to the reminder letter by returning the application form.

The ACA supports Telstra's proposal to extend the timeframe, because a customer now has 42 days in which to return an application form, in line with the current arrangements under the current ACIF Priority Assistance Code.

### ***The renewal process***

Telstra's submission argues for extending the revalidation timeframe from the current one year to two years. Telstra believes extending the timeframe will '*assist in better managing the priority assistance database on a day to day basis as well as being more convenient*'. Telstra proposes in its revised policy to include a revised validation process that addresses both the timeframe and also the method of revalidation.

Under the current priority assistance policy, customers need to re-apply annually for priority assistance status. The customers will be sent a letter after the eleventh month advising that their status will be removed at the end of the next month unless they re-apply. The customer must go through the same application process as if they were a new customer applying for priority assistance.

It appears that Telstra currently does not follow the renewal process and does not write to customers in the eleventh month advising them that they must reapply. A high proportion of customers who responded to the ACA's priority assistance survey had been priority assistance customers for a period longer than a year but indicated they had not received renewal letters. A number of customers had contacted Telstra themselves after the first 12 months to check whether they were still a priority assistance customer or whether they needed to reapply.

The ACA supports Telstra's decision to extend the timeframe from the current 12 month period. However, the ACA believes that, rather than two years, a period of at least three years should be permitted.

Customers eligible for priority assistance must have a life-threatening medical condition. In the majority of cases, the condition is permanent. The ACA accepts the view put by the ACIF-DBA and the Deafness Forum that many customers find it onerous, expensive and undignified to have their status verified annually. Increasing the renewal timeframe will ease the pressure on customers and would lessen the burden on medical practitioners to provide medical certification.

The ACA does not support imposing different renewal timeframes for different illnesses or discriminating on the basis of whether a customer's condition is permanent. For administrative simplicity, all customers, once correctly validated, should be invited to renew after at least three years.

If Telstra is to review the method of re-validation, including automating the process, the ACA requires confirmation from Telstra that it intends to put these practices into place and will revalidate customers accordingly. While customers are not disadvantaged by not receiving notification of the renewal process, because they continue to receive priority assistance the renewal process is part of Telstra's policy and its failure to follow up renewals with its customers has caused some confusion and concern for priority customers.

Telstra's revised policy outlining the renewal process will be reviewed in light of the practicalities and likelihood of Telstra adhering to its renewal processes within the relevant timeframes.

### ***Telstra's current performance reporting arrangements***

In its submission, Telstra stated that it will progressively introduce enhancements to priority assistance reporting over the next year. In particular, Telstra intends to disaggregate fault repair misses into missed by hours rather than missed by days.

The ACA understands Telstra's position on disaggregating faults data and agrees that frequency distribution at the hourly level would be useful. The ACA is unlikely to publish this level of detail in quarterly performance reports but may use it when discussing Telstra's performance. Telstra's proposed reporting would not identify fault repairs that missed the timeframes after three or more days. The ACA's position is that Telstra should continue to report priority assistance performance based on what it currently reports with some modifications (as recommended in Chapter 2 **Performance reporting**).

### ***Interim service arrangements***

Telstra recommended that its policy include a limit on the length of time that a customer can retain an interim service in circumstances where a customer-caused delay prevents connection of the permanent service. Telstra gave an example in its submission of a customer delaying the connection process by not providing a lead-in trench for the subsequent connection of a permanent service.

While the ACA accepts that this situation is inconvenient for Telstra, it has not provided compelling evidence to show that a policy amendment is needed. Telstra did not quantify the extent to which this issue caused delays. The ACA believes that the proposed change would require substantial and complex guidelines to qualify the circumstances where a time limit could be fairly applied. The issue of determining what is a 'customer-caused delay' is not a simple one; it should not be left to Telstra's discretion. Without evidence of the need for this change

and its intended scope, the ACA cannot conclude that it is currently warranted in relation to priority assistance.

Telstra's current policy for alternative services is to offer one to all priority customers at the time of receiving a fault report. This requirement is in addition to those circumstances outlined in the current licence conditions. Telstra intends to include a reference in its next revised policy to state that an alternative service will always be offered at the time of receiving a fault report and the option of an alternative service offer will also be extended to those instances where there is a delay in connecting a priority service. The ACA has no objections to Telstra including this revision in its revised policy provided that they offer customers the choice of an interim or alternative service when it is known that the 24/48 hour connection and fault repair timeframes cannot be met.

### ***Other issues raised in Telstra's submission***

In its submission, Telstra stated that fulfilling its licence conditions is quite difficult because the obligations placed on Telstra do not take into consideration practical difficulties. These difficulties include such aspects as:

- connect outstanding cases (see Chapter 3 **The operation of Telstra's priority assistance service**); and
- fault repair circumstances where there is insufficient time to supply an interim service (for more information, refer to Chapter 2 **Performance reporting**).

## **Public submissions**

The public submissions raised a number of issues regarding Telstra's priority assistance arrangements. These issues generally fell into the following categories:

- all carriers should offer priority assistance;
- the eligibility criteria for priority assistance should be extended;
- there is a need for increased awareness of priority assistance service;
- the renewal process should be every five years, not annually; and
- the service should meet the particular needs of TTY users<sup>4</sup>.

### ***All carriers should offer priority assistance***

The three disability groups, the Deafness Forum, the ACIF – Disability Advisory Body (ACIF-DAB) and the Royal Blind Society, wanted all carriers to offer priority assistance, as a condition of their telecommunications licences. It was contended that the current arrangements under which only Telstra is required to offer priority assistance restrict choice in the telecommunications market for disabled consumers who have life-threatening conditions.

### ***Extension of the eligibility criteria***

The Royal Blind Society called for priority assistance to be available to people with a disability, *'in circumstances where that disability may affect their access to emergency help from the community'*.

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<sup>4</sup> A telephone teletypewriter (TTY) is used where communication is typed after the call is connected, allowing people with hearing or speech impairment to use telecommunications. Calls can be connected to another TTY user or relayed and translated to the NRS (National Relay Service).

Further, the Society stated that people who are blind are often in the same position as those who cannot seek help because of illness.

The society noted that disability alone should not be sufficient grounds to receive priority assistance, and it recommended that the ACA work with other disability groups to redefine the eligibility criteria.

### ***More publicity about priority assistance***

ACIF-DAB and the Deafness Forum submitted very similar comments on the issue of improving public awareness of priority assistance. Both wanted an *'ongoing and regular publicity program by both the ACA and carriers'*. Evidence from the ACA's priority assistance survey indicated that some priority assistance customers regarded on-going awareness of the service as essential and commented on the current lack of publicity about Telstra's service. (Refer to chapter 4 **Consumer experience** for further information).

### ***Renew every five years, not annually***

ACIF-DAB and the Deafness Forum both argued that customers with permanent life-threatening conditions find it onerous, expensive and undignified to have their permanent status verified annually. They suggested that the application form include a field to allow consumers to indicate a permanent condition, which would then require a renewal every five years, rather than annually. Jane Smith's submission raised the same problem concerning permanent conditions requiring renewal every year and argued for Telstra to take into account the type of condition when setting renewal timeframes.

### ***TTY users must not be disadvantaged***

The Deafness Forum argued that TTY users needing priority assistance should receive the same faster connection and fault repair, and the same enhanced service reliability, as other fixed-line priority assistance customers.

## **Stakeholder interviews – the Telecommunications Industry Ombudsman**

The ACA wrote to a number of stakeholders inviting them to participate in the review process. Only one stakeholder, the TIO accepted the ACA's invitation and a meeting was held on 19 August 2004.

The TIO is an industry-based scheme that offers small business and residential customers of telephone and Internet service providers an independent alternative dispute resolution scheme. The TIO has jurisdiction includes investigation of complaints about telephone services.

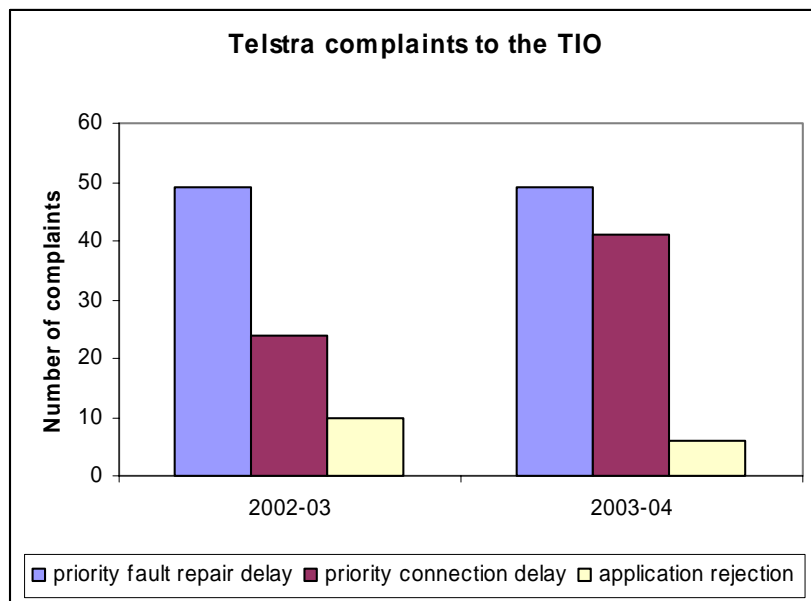
Under its policy assistance policy, Telstra must advise new customers of the availability of priority assistance and the applicable eligibility requirements and application procedures. Telstra also advises customers in its policy that if a customer is not found to be eligible for priority assistance, they may take their complaint to the TIO.

The TIO can investigate complaints to the extent to which Telstra has acted in accordance with its priority assistance policy but will not attempt to assess the complaint on medical grounds, for example, if a person's application is rejected on the grounds that they do not meet the medical criteria the TIO is not able to intervene.

Telstra's priority assistance policy came into effect in July 2002 and was fully implemented by 31 March 2003. Since this time the TIO has investigated a number of complaints about Telstra's

priority assistance service. Figure 5.1 shows the number of Telstra priority assistance complaints received by the TIO from 2002 to June 2004.

**Figure 5.1 Complaints to the TIO about Telstra’s priority assistance service, 2002-03 to 2003-04**



The TIO categorises complaints about Telstra’s priority assistance service into three areas:

- complaints regarding delays in the provision of a priority assistance service for a customer;
- complaints regarding delays in faults associated with a customer’s priority assistance service; and
- complaints regarding the rejection of a customer’s application for priority assistance service.

While Telstra is the only service provider who offers priority assistance as part of its licence conditions, AAPT and Primus also offer this service (refer to Chapter **1 Introduction**). The TIO also receives complaints about these providers but the number is relatively small.

In relation to the TIO complaints for 2003–04, the TIO has advised that the Telstra complaints in general relate to customer difficulties in registering as a priority assistance customer or the provision of inadequate information on the service and subsequent registration process.

The majority of complaints from Telstra customers about faults and provision of a priority assistance service are from customers who have stated they have priority assistance status or have requested or are in the process of applying for priority assistance status. Many customers complained that they were not made aware of their priority assistance status despite having told the TIO and presumably their service provider that they have a medical condition that may meet the priority assistance criteria.

While the TIO has recorded a high number of priority assistance fault complaints, it advised that a high percentage of complainants have contacted the TIO multiple times about the same issue. This means that, although 65 priority assistance fault complaints were received in 2003–04, they did not relate to 65 individual customers. The TIO believes that the highly sensitive nature of priority assistance means that customers may be more likely to complain a several times to achieve a result.

The majority of TIO complaints for priority assistance are resolved at either Level 1 or 2. Level 1 is resolved at the time the consumer calls or can be referred onto a member service provider for resolution with the customer directly within 14 days. The TIO may escalate a complaint due to complexity and the amount of time spent on the complaint. For 2003–04, 91 per cent of priority assistance complaints to the TIO were resolved at Level 1 and seven per cent were resolved at Level 2. Only two complaints were dealt with at Level 3.

### ***Issues affecting the current priority assistance arrangements***

The TIO raised a number of issues with the ACA about priority assistance. In particular the TIO found it difficult to deal with Telstra and its Complaint Resolution Unit (CRU) over priority assistance complaints. The TIO did not receive a high number of complaints about priority assistance and did not have any significant complaints issues to report. The number of complaints received by the TIO was only marginally less than Telstra’s reported number of escalated complaints for 2003–04. This indicates that most of Telstra’s escalated complaints are referred to the TIO.

The TIO also identified issues about priority assistance which include:

- incorrect identification by Telstra of customers with provisional priority assistance status; and
- inconvenience and cost to customers of having to renew priority assistance every 12 months (particularly in the case of customers with permanent life-threatening conditions) and the need to reapply when moving premises.

### **Other issues**

As part of the consultation process, the ACA informally received some information relating to a number of issues raised by consumers to the Department about Telstra’s priority assistance arrangements. These issues related to:

- the eligibility requirements and the Telstra process for screening priority customers;
- the renewal process;
- the quality of service provided to priority assistance customers and the timeframes for connection and fault repair;
- Telstra’s priority assistance policy;
- credit management issues; and
- the offering of interim or alternative services to priority assistance customers.

### **Findings**

Telstra made a number of suggestions about changing its priority assistance policy, some of which the ACA supports. Other suggested changes are not supported by the ACA (refer to **Telstra’s submission to the review** above in this chapter for more details).

The public consultation phase of the review revealed issues about the current offering of priority assistance arrangements by Telstra. In particular, the most common issue raised was the renewal process and the current timeframes for renewal.

Part 8 of Telstra's priority assistance policy outlines the required renewal process for priority assistance customers.<sup>5</sup> While the process is clearly defined in the policy, there is some anecdotal evidence from information received by the Department and also responses to the ACA's priority assistance survey (refer to Chapter 4 **Consumer experience**) that suggest many priority assistance customers find the annual renewal requirement inconvenient. In many cases, customers are unwilling or reluctant to obtain medical certification for a condition that remains unchanged from a year ago and is an ongoing condition.

There is also evidence to suggest that some customers do not know they have to reapply for the service. This is exacerbated by the fact that Telstra does not appear to follow its procedures for sending out renewal notices at the appropriate time to priority customers. It is likely that in many cases the only way customers renew their priority assistance status is if they contact Telstra themselves.

During the consultation phase consumers raised two significant issues that merit further consideration beyond this review. Several stakeholders suggested that other carriers should be required to offer priority assistance under the ACIF Priority Assistance Code which currently has a voluntary application and only applies to carriers and CSPs who chose to offer priority assistance. The other suggestion by consumers and stakeholders was for an extension of the eligibility criteria to include elderly people living alone and with disabilities.

Both issues involve significant changes to policy and would have potentially profound implications for the operation of priority assistance services. The merits of expanding the eligibility criteria would need thorough consideration given its implications for the delivery of these services.

## Recommendations

In light of responses received from stakeholders, the public and Telstra, the ACA recommends:

**Recommendation 24** — Telstra's priority assistance application form should be removed from the SMP. Any changes or amendments to the application form or brochure must be shown to the ACA before publication as part of an informal review process.

**Recommendation 25** — The current application form should be amended to improve readability.<sup>6</sup> It is suggested that after Telstra makes changes to its form, it should test the new form with existing priority assistance customers and groups representing elderly people and people with disabilities.

**Recommendation 26** — The ACA supports Telstra's proposal to change requirements of the priority assistance application process by:

- removing the requirement for Telstra to contact a customer by telephone after seven days from when the priority assistance application is due (28 days after the customer's initial contact with Telstra); and

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<sup>5</sup> A priority assistance customer must also reapply for priority assistance in the following circumstances:

- if the customer moves house;
- if the telephone service is changed from one customer/lessee name to another customer/lessee;
- or the customer changes from Telstra to another service provider.

<sup>6</sup> It should be noted that in early October 2004, Telstra sent a revised priority assistance brochure and application form to the ACA. The form was much improved in terms of readability and also design layout and contained no additional information. To date the ACA has not been advised by Telstra as to whether this application form has been introduced in Telstra.

- extending the timeframe for customers to respond to the reminder letter from seven days to 14 days.

**Recommendation 27** — The renewal process for priority assistance should be extended to a period of at least three years (up to five years) and the ACA will consult with Telstra about an agreed renewal period that takes account of consumer feedback.

**Recommendation 28** — The ACA supports Telstra's proposed policy change to indicate that medical certification to support an application for priority assistance is preferred.

**Recommendation 29** — Telstra's policy should be amended so that customers do not need to renew an application for priority assistance when moving premises and their circumstances have not changed. All customers would still be required to go through the normal renewal process at the specified time interval and Telstra customer service staff should verify over the phone that the customer's circumstances have not changed.

**Recommendation 30** — The ACA has recommended different reporting requirements for fault repairs but would not object to Telstra providing additional information as proposed. Changes to the record-keeping requirements will enhance the provision of Telstra's data provided to the ACA and will allow for a more robust analysis of the performance of Telstra's priority assistance service. An analysis of the reporting regime is available in Chapter 2

**Performance reporting.** Specific recommendations for amendments are in that chapter.

**Recommendation 31** — The ACA does not support the addition of time limits for interim services in the priority assistance policy (Telstra's intention to place a limit on the amount of time in which an interim service will be supplied where a customer caused delay prevents connection of the permanent service).

**Recommendation 32** — Telstra in its submission stated that it also intends to include a reference in its priority assistance policy that an alternative service will always be offered at the time of receiving a fault report. The ACA has no objections to this addition to the policy.

# Glossary

<b>Term</b>	<b>Definition</b>
ACA	Australian Communications Authority
ACIF	Australian Communications Industry Forum Established in May 1997 as a communications industry self-regulatory body. ACIF is responsible for developing industry codes and standards and service specifications.
alternative service	A service that provides a customer with access to a telephone service. For example an alternative service is a call diversion to a mobile telephone service or to a second fixed telephone service. Telstra is not obliged to charge standard telephone service rates for these services.
CSG	Customer Service Guarantee Standard providing for financial compensation to customers where requirements set out in the standard are not met.
interim service	An interim service is a voice telephony service which is a voice telephony service that uses mainly mobile or satellite technology and is charged at standard telephone service (STS) rates. Customers who are offered an interim service are able to make and receive local calls for the untimed local call fee rather than rates associated with mobile or satellite telephone services. The core services available will be similar to those provided by Telstra's STS. Additional features such as enhanced call handling features, data or fax capabilities may not be available.
inoperative service	An inoperative service is a standard telephone service with: (a) an absence of dial or ring tone; or (b) an inability to make or receive calls; or (c) disruptions to communications because of excessive noise levels; or (d) repetition of service cut off; or (e) another condition that makes the service wholly or substantially unusable.
MSD	Mass Service Disruption A public notice by a carriage service provider about an exemption from complying with the CSG performance standards due to circumstances beyond its control.
NRF	Network Reliability Framework Requirement on Telstra from January 2003 to provide regular reports to the ACA on the reliability of its fixed line services and to remediate the network in areas with particularly poor performance.
priority assistance	A service supplied to priority customers under the priority assistance policy. Priority assistance offers the highest level of service practicably available at the time on the connection of a first

## ACA's Priority Assistance Survey

	STS or equivalent (where no other STS's exist, whether provided by Telstra or another provider) and on the fault repair of an existing STS (where all other STS's at the place of residence are inoperative, whether provided by Telstra or another provider).
Priority Assistance Code	<i>Industry Code ACIF 609:2003 Priority Assistance for Life Threatening Medical Conditions</i>
priority customer	A customer who satisfies the eligibility criteria in relation to a diagnosed life-threatening medical condition.
PwC	PricewaterhouseCoopers
remote area	A township or community grouping of less than 200 people or a township or community grouping located outside a standard zone.
rural area	A township or community grouping of 200 or more people but less than 10,000 within a standard zone.
SMP	Standard Marketing Plan The SMP sets out the equipment, goods and services that Telstra supplies in fulfilment of its universal service obligation throughout Australia.
STS	Standard Telephone Service The standard telephone service supplied by Telstra in fulfilment of its universal service obligation under Part 2 of the Telecommunications (Consumer Protection and Service Standards) Act 1999. This includes an equivalent service where voice telephony is not practical for people with a disability
TIO	Telecommunications Industry Ombudsman Industry funded independent dispute resolution service, established in December 1993, for consumers unable to resolve complaints with their telecommunications carrier or carriage service provider.
urban area	A township or community grouping of 10,000 or more people.
USO	Universal Service Obligation Obligation under the Telecommunications Act 1997 to ensure standard telephone services, payphones and prescribed carriage services are reasonably accessible to all people in Australia on an equitable basis wherever they reside or carry on business. Telstra is the sole current universal service provider.