

Supplementary submission to the Senate Committee on Environment and Communications inquiry into the feasibility of a prohibition on the charging of fees for an unlisted (silent) number service

18 April 2013

Summary

Telstra makes this supplementary submission in response to a number of assertions made by other submissions to this inquiry that are incorrect or require clarification. In doing so this response explains why Telstra's fee exemption for customers facing a security threat is appropriate, and why it is reasonable that consumers may be charged for Silent Line.

Telstra's fee exemption for customers facing a security threat is appropriate because:

- people with a critical need of the Silent Line service will face little impediment in accessing it;
- people on lower incomes do not necessarily have an elevated need of Silent Line;
- Silent Line fee exemption approvals will be non-invasive and will protect customer privacy; and
- resellers face no structural barrier to implementing their own fee exemption for Silent Line.

Moreover, it is reasonable that consumers may be charged for Silent Line because:

- free Silent Line is not intrinsic to most people's ability to manage their privacy, and
- the Integrated Public Number Database and the rules that govern it are not relevant to this inquiry.

Telstra's Silent Line fee contributes to the optimal balance between public and private benefits that must be struck in government policy in this area. In Telstra's view the Government should not intervene to prohibit the charging of fees for an unlisted number service.

Telstra's fee exemption for customers facing a security threat is appropriate

Some submissions criticised Telstra's Silent Line fee exemption for customers facing a security threat, largely on the grounds that the fee exemption is too narrow in its application. Three customer groups were identified as entitled to the fee exemption but not included in it: potentially vulnerable customers who do not meet the eligibility criteria, lower income customers and security-threatened customers of resellers. Telstra submits that these concerns are unwarranted for the reasons set out below.

People with a critical need of Silent Line will face little impediment in accessing the service

In the past Telstra has frequently waived the Silent Line fee for customers in distress, the new fee exemption will formalise and publicise that policy. Telstra's aim is always to help our customers use communications technology to enhance the way they live, not hinder it. For customers who face a security threat but do not meet the eligibility criteria for Telstra's Silent Line fee exemption, our customer service agents will be empowered to respond to applicants' individual circumstances and apply the fee exemption where appropriate.

Several additional customer groups were identified in submissions as not covered by Telstra's fee exemption but with potentially elevated need of Silent Line, including domestic violence workers, police, teachers, and prison guards. In fact, Telstra will provide its fee exemption to domestic violence workers facing security threats because the community organisations they work for are highly resource constrained. Employees of government agencies and other private sector organisations are not in the same position. If elevated personal risk is an inherent part of these professions, then their employer, who is often a State Government or the Commonwealth, has a responsibility to ensure their security. If Silent Line is considered necessary in that regard, it should be funded by those employers, not by Carriage Service Providers (CSPs).

People on lower incomes do not necessarily have an elevated need of Silent Line

Several submissions loosely identified lower income customers as people who are disadvantaged by the Silent Line fee. Telstra accepts that for very low income customers the modest charge might constitute an impediment to accessing the Silent Line service, but has seen no evidence that Silent Line is intrinsically a critical service for lower income customers (unless they face a security threat, in which case they are entitled to Telstra's fee exemption). In that regard the fee may be an impediment to accessing Silent Line for some customers, but it is not a critical threat to these customers' privacy.

As detailed in Telstra's first submission to this inquiry, the success of the Do Not Call Register (DNCR) removes the primary driver of directory unlisting for customers who are not facing a specific security threat. The ACMA has just released updated figures for the DNCR, which now lists 8.5 million numbers. As reported by the ACMA, close to 90 per cent of registered numbers reported a material reduction in unsolicited telemarketing calls. Registrations on the DNCR have been extended to eight years, removing any risk that numbers may fall off the register in the foreseeable future without the customer being aware.¹

Silent Line fee exemption approvals will be non-invasive and will protect customer privacy

Some concern was expressed in other submissions that the action of applying for Telstra's Silent Line fee exemption would invade the privacy of the applying customer because Telstra would be recording sensitive information. This is not correct. In fact Telstra will record no information about the applicant beyond the fact that a fee exemption has been applied on their account. Any details relating to the applicant's circumstances that are relayed to the customer service agent will be used only to verify an application on the spot, and not recorded.

Resellers face no structural barrier to implementing their own fee exemption for Silent Line

Telstra Wholesale provides re-bill services including Silent Line to a number of reseller CSPs, who then provide those services to their customers at prices they determine. Contrary to some assertions, there is no structural impediment to reseller CSPs choosing to put in place a fee exemption like Telstra's. In doing so they would bear the costs of providing the Silent Line service on behalf of their eligible retail customers just as Telstra does for its eligible retail customers. Any claim that Telstra must waive the fee at the wholesale level before another CSP can waive the fee at the retail level is simply incorrect. Some reseller CSPs might prefer that Telstra pay the costs of their retail pricing policy, but that preference does not justify a wholesale fee exemption.

¹ ACMA media release dated 16 April 2013, at http://www.acma.gov.au/WEB/STANDARD/pc=PC_600199.

It is reasonable that consumers may be charged for privacy-enhancing services

Free Silent Line is not intrinsic to most people's ability to manage their privacy

Some submissions claim there is a general community view that consumers should not need to "pay for privacy", but no hard evidence is provided in support of this assertion and such sentiment alone is not a sound basis for regulating a commercial service. No doubt some customers would prefer that all commercial services be provided for free, but it is inappropriate, and in any case clearly unsustainable, for commercial service charges to be prohibited by regulation on that basis.

Long-standing social policy settings make it clear that the free provision of Silent Line is by no means an intrinsic or necessary element of protecting an individual's privacy. If it were, we would not also have laws mandating publication of the White Pages directory or the regulatory mechanisms that support this. We have arrived at this position because for most people the public availability of their street address and fixed line phone number information is not particularly intrusive. For most people Silent Line is neither critically important nor prohibitively expensive.

As stated in Telstra's original submission to this inquiry², Telstra's White Pages obligation embodies the government's view that a comprehensive national directory is a necessary public good. Telstra's Silent Line fee supports that public good by limiting take-up of Silent Line to customers who derive a specific utility from the service. Unchanged since 1996³, the fee is just high enough to prevent most people from making an unthinking or reflexive choice to unlist, but modest enough to be readily paid by the few who really want or need to be unlisted. The stability of this arrangement is underpinned by the success of the Do Not Call Register, which, as detailed above, eliminates the main driver of unlisting for most people.

The Integrated Public Number Database is not relevant to this inquiry

Some submissions appear to confuse or conflate the White Pages directory with the Integrated Public Number Database (IPND), and argue that because unlisting in the IPND is free, it should also be free in the White Pages. In fact the two databases are distinct in both format and purpose, and it is appropriate on that basis that they should also be regulated differently. Furthermore, the purposes and operation of the IPND are currently under review by the Department of Broadband, Communications and the Digital Economy.⁴ In short, the IPND and its settings are not an appropriate reference point for this inquiry.

The White Pages database is used only to produce the national directories and provide the corresponding directory assistance services. The IPND's primary purpose is not to support a national directory, but to provide critical information to the emergency services and to law enforcement and national security agencies.⁵ There are stricter controls on using the IPND to produce directories because the IPND contains all Australian telephone numbers, including all mobile numbers, whereas the White Pages includes mobile numbers only at the customer's election.

² *Telstra submission to the Senate Committee on Environment and Communications inquiry into the feasibility of a prohibition on the charging of fees for an unlisted (silent) number service*, 28 March 2013, available at http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=ec_ctte/unlisted_numbers/submissions.htm.

³ Apart from the introduction of the GST.

⁴ See Terms of Reference for the review at

http://www.dbcde.gov.au/_data/assets/pdf_file/0011/142985/Terms_of_Reference_Integrated_public_number_database_review.pdf.

⁵ [http://www.dbcde.gov.au/telephone_services/telephone_numbering/integrated_public_number_database_\(ipnd\)](http://www.dbcde.gov.au/telephone_services/telephone_numbering/integrated_public_number_database_(ipnd)).