RESEARCH INDUSTRY
COUNCIL OF AUSTRALIA

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Manager, Numbering Project
Australian Communications and Media Authority
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Wednesday 29 February 2012

Dear Sir/Madam,

Re: Issues paper: Telephone numbering – Future directions

Thank you for your invitation to make a submission.

The Research Industry Council Australia (RICA) represents both business and professional bodies in the market and social research industry. Our constituent bodies are the Association of Market and Social Research Organisations (AMSRO), representing businesses, and the Australian Market and Social Research Society (AMSRS), representing individual research professionals.

The market and social research industry turns over $750 million annually and employs over 12,000 people and over 4,100 of these are full-time professionals.

On behalf of RICA, we write to inform the ACMA of the research industry's concerns in relation to the proposed actions outlined in the abovementioned paper. In implementing actions in this area, we request that the ACMA take into account the potential for adverse impacts on:

- the market and social research industry; and
- the broader public interest of facilitating the production of cost-effective, high-quality market and social research data.

Our submission is attached.

Yours sincerely,

Martin O'Shannessy & Szymon Duniec
On behalf of the RICA Council

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RICA SUBMISSION – ACMA ISSUES PAPER: TELEPHONE NUMBERING – FUTURE DIRECTIONS

Key Points

- RICA agrees with the ACMA that an actively-managed, evolutionary approach to telephone numbering reform is desirable. RICA also agrees with the ACMA that key objectives of such an approach should be to minimise adjustment costs to industry, information costs to consumers and unintended consequences from regulatory change.
- Unless it is accompanied by regulatory change that allows effective use of the Integrated Public Number Database (IPND) by researchers, the **proposed removal of the requirement that geographic numbers must be used in a specific, predominantly fixed location** would have a significant adverse impact on the research industry and a broader negative impact on economic efficiency, innovation and productivity growth in Australia.
- Telephone surveys of Australian households represent an important form of data collection for the market and social research industry and its clients. The ability of the industry to conduct efficient and accurate telephone surveys depends on the availability of sample lists of telephone numbers that cover a representative cross-section of households and that are linked with geographic location data. Currently, **the industry relies on the geographic identification in the telephone number**.
- **Unless replaced via an IPND-derived geographical tag**, removing the link between geographic location and telephone number would lead to the inability of researchers to locate people in specific geographic areas prior to calling them. This would lead to **significantly higher costs for conducting telephone surveys**, as a greater number of people would need to be contacted and screened for qualification, and would also be more intrusive.
- Higher telephone survey costs would have a significant **adverse impact on the research industry** via lower revenue and activity levels. They would also have a **broader negative impact on economic efficiency, innovation and productivity growth** in Australia. Thousands of public, not-for-profit and private sector organisations depend on accurate research data to inform critical investment and resource allocation decisions. Increased telephone survey costs would reduce their capacity to commission and benefit from research data.
- To address these issues, RICA proposes a new (self managing) framework and process for access to the IPND by the research industry.
- RICA's proposed model would provide greater privacy protection to Australian households than the existing IPND access arrangements for researchers and would ensure the industry continues to provide accurate and cost-effective research to benefit the Australian public.

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Introduction

RICA agrees with the ACMA that an actively-managed, evolutionary approach to telephone numbering reform is desirable. Such an approach should aim to minimise adjustment costs to industry, information costs to consumers and unintended consequences from regulatory change. RICA also agrees with the ACMA's set of principles for the reform of numbering regulation; viz.: efficiency, flexibility, resilience, simplicity and transparency.

RICA submits that there is a strong public interest in ensuring that telephone survey research of Australian households (whether it be health research, public policy research, electoral research or research to inform commercial or not-for-profit sector decisions) is able to be conducted efficiently and to produce accurate results. In the private sector, as well as in many government and not-for-profit sector contexts, such research provides a critical input to decision making that drives product and service innovation, productivity increases and economic efficiency.

In the absence of cost-effective and accurate market and social research information, private, not-for-profit and public sector decisions would be sub-optimal, reducing economic efficiency and the ability of organisations in these sectors to provide services and products that meet the needs of their customers.

Impact of Removing the Link between Geographic Location and Telephone Number

Telephone surveys of Australian households represent an important form of data collection for the market and social research industry and its clients. The industry's ability to conduct accurate and efficient telephone survey research with households depends on the availability of sample lists of telephone numbers that cover a representative cross-section of households and that are linked with geographic location data. Currently, the industry relies on the geographic identification in the telephone number.

Effective telephone survey research relies on good, scientific sampling. Integral to this is that samples are drawn so as to represent, in their correct proportions, all the geographic locations of potential respondents. Currently, such sampling relies on the geographic identification in the telephone number, as does any sampling of a particular geographic area, such as an electorate or local government area.

In addition to the inability to define a good scientific sample, a further consequence of removing the link between geographic location and telephone number is the inability to locate people in specific geographic areas. This leads to the need to survey a broad population of people in order to locate those people who qualify for the survey.

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For example, in a flood preparedness survey, this would involve contacting all people to locate the small proportion of people living in flood prone areas. This is unnecessarily burdensome to people who are contacted, since the majority who agree to participate will, in fact, not qualify.

Hence, removing the link between geographic location and telephone number would lead to significantly higher costs for conducting telephone surveys, as a greater number of people would need to be contacted and screened for qualification, and would also be more intrusive.

Higher telephone survey costs would have a significant adverse impact on the research industry via lower revenue and activity levels. They would also have a broader negative impact on economic efficiency, innovation and productivity growth in Australia. Thousands of public, not-for-profit and private sector organisations depend on accurate research data to inform critical investment and resource allocation decisions. Increased telephone survey costs would reduce their capacity to commission and benefit from research data.

A Solution to the Problem – Use of IPND-derived Geographical Tags

RICA recognises the benefits to consumers of removing the existing location restrictions that apply to geographic telephone numbers. In particular, removing these restrictions would enable number portability so that people could take their telephone number with them when they move house.

RICA submits that these benefits could be realised without an adverse impact on the research industry if, prior to the removal of the location restrictions, regulatory change were introduced to allow effective use of the IPND by researchers.

Specifically, RICA proposes that a standing authorisation IPND access model be introduced for the research industry along the following lines:

- AMSRO and AMSRS would jointly apply once for a standing authorisation from the ACMA for access to the IPND.
- The ACMA authorisation would allow a database administrator appointed by AMSRS and AMSRO to obtain quarterly updates from the manager of the IPND of a limited subset of **de-identified** IPND data (telephone number, matching postcode of service and directory address, type of service – i.e. landline, mobile or VoIP – and whether the number is classified as residential, business, government or charity), subject to the ACMA being satisfied that the database administrator has appropriate information security and privacy protections in place.

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- The appointed database administrator would be permitted to provide extracts of its IPND-derived database to AMSRS and AMSRO members for use for appropriate research purposes without the need for individual ACMA authorisation of each research project.
- Researchers would be provided with IPND-derived data by the database administrator if they undertook to use the data only for research:
  - conducted in accordance with the standards and codes of conduct issued by AMSRS and AMSRO;
  - conducted in accordance with the *Privacy Act 1988* (Cth); and
  - that does not involve contacting persons to conduct sales, promotional or fundraising activities.

- AMSRO and AMSRS would cover the costs of this model relating to the database administrator and the IPND Manager's costs for quarterly updates.

RICA notes that its proposed access model provides greater privacy protection to Australian households than the existing IPND access model for researchers, which enables researchers to access identity information and specific address details of individual telephone service subscribers.

Conclusion

In summary, market and social research plays an important role in Australia's economy and in informing government decisions. There is a strong public interest in ensuring that it operates effectively and efficiently.

RICA urges the ACMA to take into account the specific concerns of the market and social research industry in relation to the ACMA's proposed changes to telephone numbering regulation.

Yours faithfully,

Martin O'Shannessy & Szymon Duniec
On behalf of the RICA Council

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