

Thursday, 11 June 2020

Andrew Symonds
A/g Director
Codes and Standards Section
Department of Infrastructure, Transport, Regional Development and Communications

Dear Andrew

Re: Review of the Telecommunications Joint Principles for COVID-19

Consumer Action Law Centre (**Consumer Action**) welcomes the opportunity to provide feedback on the review of the Government and industry [Joint Statement of Principles](#) (**Joint Principles**) for telecommunications during the Covid-19 emergency.

Consumer Action is an independent, not-for-profit consumer organisation with expertise in consumer law and policy, and direct knowledge of people's experience of modern markets. We make life easier for people experiencing vulnerability and disadvantage in Australia, through financial counselling, legal advice, legal representation, policy work and campaigns.

We continue to receive calls for assistance from people affected by the Covid-19 emergency. We anticipate this demand will significantly increase in coming months, particularly if Government support measures come to an end (e.g. the increased JobSeeker and JobKeeper support payments). Financial counsellors report that some of the most distressing calls they receive are from people who have fallen between the cracks of the Government's initial response to the crisis and are ineligible for income support. The economic fallout from the emergency continues to impact people in the community, increasing the number of people experiencing vulnerability and hardship. At this time, people need support from their telecommunications providers now more than ever to keep connected.

While Covid-19 restrictions are easing, many remain in place. State Government directives require people to continue working from home if they can and many state borders remain closed, separating family and friends. Centrelink, banks, telco providers and other essential services have been recommending online self-service access to support. The past three months have emphasised what we already knew – telecommunications services are essential. This was acknowledged by Minister Fletcher in his media release announcing the Joint Principles.¹

¹ <https://www.paulfletcher.com.au/media-releases/media-release-telecommunications-hardship-principles-for-covid-19>

Relaxing the important protections set out in the Joint Principles would be disastrous for Australians experiencing financial hardship, who need to stay connected during this health crisis. Instead, the Joint Principles should be strengthened to address the problems revealed in their first 45 days of implementation. This should include proactive moratoriums on disconnections, penalty fees, and debt collection and default listing, as was announced by three of the four largest telcos prior to the release of the Joint Principles.

As noted in our [28 May 2020 submission to the Senate Select Committee on Covid-19](#),² the release of the Joint Principles actually resulted in a disappointing wind back of positive measures announced by the major telcos in the early stages of the emergency.

We reiterate that measures which rely on people contacting their provider for hardship assistance will be ultimately be ineffective. This approach fails to acknowledge the significant problems people have experienced in contacting their telco provider in recent weeks, and the impossibility of calling your telco provider if you are disconnected. This approach also fails to consider the most vulnerable community members, including people who are victims of abuse and people struggling to keep a roof over their heads. Telecommunications providers can and should do better than this to support our communities during this difficult time, especially as we know some providers have systemically sold expensive phone plans to people who could never afford them - something they would've known had they conducted proper credit assessments.

At an absolute minimum, the Joint Principles should specify that telcos must offer an *affordable* arrangement or payment plan to *any* customer who contacts their telecommunications provider about their payment difficulty. Each of the measures in the Principles is contingent on the customer having entered and complying with the terms of their payment plan or hardship agreement. This assumes telecommunications companies are providing affordable payment plans or hardship arrangements to their customers who contact them about financial difficulties. Thus far, calls to us have indicated this has not always been the case.

Here is a snapshot of calls to the National Debt Helpline from people in Victoria during April and May 2020:³

Telstra	<ul style="list-style-type: none"> • One person said they were unable to reach Telstra via phone or in-store to access financial hardship. • Four people said they were refused financial hardship or payment extensions. • One person said they were only able to organise an <i>unaffordable</i> payment plan (\$200/fortnight) and that their account would be 'barred' if they did not pay this.
Optus	<ul style="list-style-type: none"> • Two people said they were only able to organise <i>unaffordable</i> payment plans with Optus
TPG	<ul style="list-style-type: none"> • One person said their phone and internet was disconnected due to financial difficulty.
Belong	<ul style="list-style-type: none"> • Two people said they were unable to reach Belong at all for simple administrative payment issues, which resulted in internet disconnection for at least one of them.
Internode	<ul style="list-style-type: none"> • One person was threatened with internet disconnection due to financial difficulty.
Tangerine	<ul style="list-style-type: none"> • One person was threatened with internet disconnection due to financial difficulty.

² <https://consumeraction.org.au/senate-inquiry-covid19/>

³ Please note that Consumer Action receives approximately 60% of calls to the National Debt Helpline in Victoria.

We consider that these incidents are indicative of systemic issues with telco providers responding to people in hardship. Further, these incidents reflect ongoing problems with telco dispute resolution processes.⁴ To be effective, proactive measures to assist people in financial hardship (such as proactive moratoriums on disconnections, penalty fees, and debt collection and default listing) which do not require consumers to contact telco providers should be implemented. This would not only assist people in hardship, but also reduce the burden on telco customer service teams. Further, the onus should be on telcos to accept payment arrangements that are affordable for any person who contacts them about difficulties paying. For too long, telecommunications providers have been able to dictate their own terms for responding to customers in financial hardship.

We also need to look beyond the immediate issues associated with Covid-19 to ensure people are treated fairly now and in the future by telco providers. We strongly recommend reform that would require telco providers to conduct affordability and suitability checks for mobile products, so unaffordable arrangements are less common. Further, there needs to be improved dispute resolution and hardship processes more generally, to help people get quick and fair outcomes when things go wrong. We also need increased industry accountability with tough consequences for breaking the rules, which means going beyond the current approach to self-regulation.

Please contact me on 03 9670 5088 or at brigitte@consumeraction.org.au if you would like to discuss this with me directly or to arrange a meeting.

Yours faithfully,

CONSUMER ACTION LAW CENTRE



Brigette Rose

Senior Policy officer

Cc:

Amelia Metcalf, Senior Advisor, Office of the Hon Paul Fletcher MP, Minister for Communications, Cyber Safety and the Arts

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⁴ For example, the latest Roy Morgan Customer Satisfaction survey published by the Communications Alliance shows that only 48% of people who had made a complaint to their telco provider in the last 6 months to April 2020 were satisfied with how their complaint had been handled, while 31% were dissatisfied. Telecommunications Customer Satisfaction, Wave 26 – April 2020, p 27, available at:

https://commsalliance.com.au/_data/assets/pdf_file/0016/70423/Comms-Satisfaction-Survey-Apr-2020.pdf

