



21<sup>st</sup> December 2021

Committee Secretary  
House of Representatives Standing Committee on Indigenous Affairs  
PO Box 6021  
Parliament House  
Canberra ACT 2600

Via email: [IndigenousAffairs.reps@aph.gov.au](mailto:IndigenousAffairs.reps@aph.gov.au)

**Inquiry into how the corporate sector establishes models of best practice to foster better engagement with Aboriginal and Torres Strait Islander consumers – supplementary ACCAN comments**

ACCAN thanks the Committee for the opportunity to present on 15<sup>th</sup> December. At that hearing the Committee Chair, Julian Leaser MP, requested that ACCAN provide additional insights into what recommendations in the MoneyMob report *Telecommunications Debt in Rural and Remote Indigenous Central Australian Communities* (MoneyMob report) have been actioned. While we are unable to give a fully comprehensive update on all seventeen recommendations at this point, we are able to make the following observations.

**1. Telstra recommendations**

Telstra has informed ACCAN of its actions following the ACCC investigation and court enforceable undertaking, including:

- Remediation of the 108 cases identified ACCC in the investigation, and providing reports to the ACCC on actions taken including debt waivers, and reimbursement where monies had been paid by affected consumers.
- Establishing a Consultation and Assistance Panel of financial counsellors whose clients include Indigenous consumers impacted by Telstra mis-selling, to provide feedback on Telstra's activities required in its undertaking to the ACCC.
- Establishing a First Nations Connect hotline as announced in March 2021<sup>1</sup>.
- Conducting community outreach to identify additional customers with high levels of debt – we understand more have been found and remediation has either been implemented or is underway.
- Conducting a publicity campaign to encourage customers affected by Telstra's unconscionable conduct to take up the offer of remediation.

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<sup>1</sup> <https://exchange.telstra.com.au/supporting-indigenous-customers-with-new-centre/>



- Plans to conduct digital literacy training in a number of remote communities under a community service program.
- In February 2021, Telstra announced it was ending its franchisee arrangements for retail stores and will be managing them inhouse by the end of FY 2022. This decision will impact a large number of stores and is welcome as the stores involved in mis-selling and unconscionable conduct were operated by franchisees. We hope that Telstra's direct oversight of training and sales incentive structures will have beneficial outcomes and reduce the risk of further such practices continuing.

In relation to MoneyMob's recommendations 13 and 14 regarding Telstra's Low Income Advisory Committee (LIMAC), we are not aware as to whether LIMAC has focused on the impact of Telstra's new products on low income Indigenous consumers, but can confirm that there is no reference to such considerations in Telstra's 2021 Sustainability Report.<sup>2</sup>

## 2. Telecommunications Industry Ombudsman recommendations

ACCAN has liaised with MoneyMob and the Telecommunications Industry Ombudsman (TIO) on the recommendations and comments in the report in relation to the TIO (see recommendations 9, 10 and 12). We are aware that representatives of the TIO attended the Financial Counselling Australia 2021 Conference in Darwin in May 2021, including the ATSI Yarning Circle, to hear about issues arising in communities. We are also aware that the TIO has been working on feedback from community legal centres and financial counsellors on improving the way it deals with vulnerable complainants.

In addition, the TIO Consumer Panel consists of representatives of consumer advocacy organisations including financial counsellors, Legal Aid and community legal organisations. Members include those working in remote communities and with Aboriginal and Torres Strait Islander consumers.

## 3. The Australian Communications and Media Authority (ACMA) recommendation

Recommendation 8 of the MoneyMob report is that the industry regulator, the ACMA, report on the number of mobile phone accounts that have gone into credit management and disconnection, including the total value of debt involved.

Since the MoneyMob report was published in 2020, the ACMA has reported on *Customer financial hardship in the telco industry*<sup>3</sup>, looking at the residential and small business customer experience of financial hardship of major telcos in 2019-20. This report identified the total level of debt for customers in financial hardship at June 2020 at \$5,743,674, with 81% of this amount attributable to customers in financial hardship for mobile services. Over the same period, 4,080 residential financial hardship customers were disconnected, and 5,515 were subject to debt collection activities triggered by their telco debts. The published data by the ACMA does not identify what percentage of these customers were Aboriginal and Torres Strait Islanders, but the figures are concerning.

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<sup>2</sup> <https://exchange.telstra.com.au/sustainability-2021/>

<sup>3</sup> <https://www.acma.gov.au/publications/2021-02/report/customer-financial-hardship-telco-industry-state-play-report-2019-20>



#### 4. Industry wide recommendations

The MoneyMob report includes several recommendations (2, 4, 5, 6) that apply to telecommunications retailers more generally. Rules for industry engagement with customers are set out in the Telecommunications Consumer Protections Code (the Code),<sup>4</sup> including selling practices, credit assessments, customer service, financial hardship and credit management. The Code has not changed since the publication of the MoneyMob report, so these recommendations have not been acted upon. This means that retailers are not required to conduct an affordability check to ensure that customers have the ability to pay for the services and products at point of sale. Instead, the requirement is to conduct a credit assessment for new customers purchasing post-paid products and services with a total value of \$1000 or more. This consists of asking the customer about their source of income, and running a credit check. The MoneyMob report, and ACCAN's presentation to the Committee, provides evidence of the amounts of accumulated telco debt that can be incurred through irresponsible sales practices, exploitation of customers with limited financial or technical literacy, whose first language is not English. A more responsible approach consistent with that required for licensed credit providers is needed to prevent ongoing harm.

ACCAN would be happy to assist the Committee by answering any further questions raised by this supplementary submission.

Yours sincerely

Dr Heron Loban  
Chair, ACCAN Indigenous Steering Committee

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<sup>4</sup> <https://www.commsalliance.com.au/Documents/all/codes/c628>