



# 2019 Indigenous Advisory Forum (IAF) Meeting Report

## Australian Communications Consumer Action Network

Wednesday, 6 March 2019, 10.00am – 4.00pm

### PRESENT:

Heron Loban	Griffith University School of Law
Carolyn Cartwright	Managing Director, MoneyMob Talkabout
David Jedrzejczk	MoneyMob Talkabout
Lynda Edwards	Co-ordinator Financial Capability, Financial Counselling Australia
Alan Gray	Outreach Financial Counsellor, Broome Circle
Percy Bishop	Anindilyakwa Land Council
Mark Diamond	CEO National Rural Health Alliance

### ACCAN:

Teresa Corbin	CEO
Una Lawrence	Director of Policy
Gareth Downing	Senior Policy Analyst

### APOLOGIES:

Daniel Featherstone	Manager, First Nations Media
Lauren Ganley	CEO Desert Knowledge Australia, Telstra Indigenous Advisor
Unaisi Buli	Indigenous Consumer Assistance Network (ICAN)

The purpose of ACCAN's Indigenous Advisory Forum (IAF) is to discuss important telecommunications consumer issues from the perspective of representatives from Indigenous communities and organisations. The forum informs ACCAN's policy priorities and work plan.

## **Overview of current communications context and ACCAN activities**

ACCAN staff provided a brief outline of several major consumer issues and a summary of ACCAN's outcomes in the past 12 months. These are set out in detail in the environment scan 2019-20.

## **Discussion of Indigenous Communications Issues**

### **Telecommunications Affordability**

#### *Mobiles*

- The absence of information about the mobile options available was highlighted as a particular issue for remote communities, with no one available to break down the features of services for consumers. The limited sales avenues, particularly on Groote Eylandt (where there are 5 stores) were also noted.
- The impracticality of obtaining SIMs via post was highlighted, as was the lack of secure facilities in some communities to receive post.
- Telstra was flagged as being the only option in many communities, with pre-paid being the only option available in some stores within community. In a handful of communities Optus was identified as being the only option.
- A question was raised as to whether Telstra wasn't advertising lower cost options (e.g. Boost) to maintain sales of more expensive (and profitable services). The potential for pricing to be used to encourage take-up of better options was raised.
- There was support for the idea that there should be no data charges for government services like Centrelink and banking.

### **Consumer education and decision-making**

- There is often no one in community to provide information about how to select appropriate services and the breakdown of services, and the burden often falls onto shops selling the service who are often not well placed to inform consumers.
- The provision of information only in English was highlighted as a particular problem, with the absence of in language information preventing community members from engaging. The experience on Groote Eylandt was highlighted as an example, with 85% of community members speaking language.
- In APY land communities, it was noted that there is very little product information available in small shops.
- Putting someone in the shopfront and in community on an ongoing basis that could provide advice would support better outcomes.

## **Sales practices and credit assessment**

- Upselling within community and major centres was identified as a significant problem, and financial counsellors noted that much of the upselling is occurring when individuals travelled to regional centres such as Broome and were upsold prior to returning to community.
- The voluntary nature of the TCP Code was highlighted as a factor in the lack of a genuine drive to see enduring change in selling practices.
- The inconsistency between credit protections for telecommunications services and other forms of credit was highlighted as being inappropriate given the underlying problems are the same.
- The lack of credit assessment was raised as an ongoing problem, with multiple examples raised of significant debts being created.
- The credit assessment process in place was identified as being focused on avoiding financial risk to sellers, rather than an assessment of the customer's ability to afford the service.
- The adoption of responsible lending obligations and the implementation of genuine credit checks were identified as being essential to addressing the problem of upselling.

Suggested approaches:

- Further investigation into the incentives for franchised stores to upsell (as opposed to Telstra-owned stores) was raised as a future research area.
- There was support for drafting of a communique, media release and letters to be sent to the Minister and MPs concerning the problems associated with commission-based selling arrangements, upselling and the incurring of debts in regional and remote communities.

## **Dispute resolution processes**

- The process of individually going through the hardship and dispute resolution processes is exceptionally slow and time consuming for financial counsellors.
- There was an agreement amongst attendees that the 'streamlined' processes agreed to by Telstra in the past were not flowing through on the ground anymore, as the 'bulk-debt' waivers agreed to with Telstra had not been repeated in similar cases.
- The need for a systemic or 'super' complaints process to be developed was supported, with individual complaints being unable to represent the scope of the problems that exist.
- It was noted that going to the TIO was useful when debts had been sold by providers, but financial counsellors hadn't found the experience of using the TIO particularly easy.
- In many instances, the solutions offered by service providers to resolve an individual case cannot be accepted because they involve the return of equipment long since lost or damaged.
- The legality of agreements with service providers was also questioned, with many noting that the contracts may be unconscionable, and should be subject to investigation by the ACCC as breaches of the ACL.

## **Access and infrastructure assessment**

- There have been significant improvements in coverage and availability of services due to investments in infrastructure, however many communities were identified as still lacking adequate infrastructure.
- Although there are a variety of programs at a state and Federal government level, as well as private programs (Telstra and NBN) there appears to be limited co-ordination between groups to achieve effective coverage.
- On the ground in the APY lands and in town camps, much of the public housing that has been constructed has not been set up to receive fixed connections.
- The NBN Public-Interest Premise program and Public Wifi program were identified as providing some connectivity, but this varied considerably between communities.
- The security of public wifi was also questioned, with some remote communities only being able to access this wifi to perform tasks (e.g. banking) which would not ordinarily be done over an unsecured wifi connection.
- The potential for wifi mesh solutions to be applied was identified, but the primary constraint on greater rollout remains funding from government.
- Importantly, from a health perspective, in the absence of an on-site health workforce the lack of infrastructure precluded effective service delivery.

## **Indigenous Digital Inclusion Strategy and ACCAN pre-budget submission**

ACCAN's proposed approach was discussed and supported by attendees. ACCAN's approach is to:

- Review existing programs to identify the gaps that exist in terms of access, and build a case for further funding being made available to address these gaps, as part of a broader Indigenous Digital Inclusion Strategy. ACCAN is to share the information we collect as it develops.
- Advocate for funding for a dedicated Indigenous Digital Inclusion Strategy. ACCAN has already outlined this approach in a pre-budget submission to Treasury, and has raised the issue with the office of the Minister for Indigenous Affairs.

Attendees were supportive of ACCAN continuing to gather information about existing infrastructure programs, and share the information we collect.

## **Telstra presentation and discussion.**

Mark Sulikowski, Senior Advisor, Indigenous Digital Capability with Telstra gave an informal update to the meeting. This included:

- a brief overview of recent efforts by Telstra to address upselling and inappropriate extension of credit in communities.
- An outline of the main elements of the new Telstra Reconciliation Action Plan that has recently been published.
- An outline of the Telstra 2022 strategy of simplifying its market offerings from 1800 legacy plans to 20 plans. New plans will prevent excess data charges and there will be month by

month contracts. The program will commence in July 2019 and be rolled out through to 2022.

- An explanation of Telstra's changes to selling practices so there will be a restriction of 1 post-paid service per customer using their own device, with an assessment of ability to pay for new customers in high-risk locations.
- An explanation of a new specialised assistance team for Indigenous customers, based in Melbourne, and sitting in the credit management area.

The proposed changes to the extension of credit and limitation on the number of services sold were considered by the group, and considered to be insufficient to address the substantive issues faced caused by upselling due to the narrow scope of the proposed changes.

There was concern that the changes did not address the underlying incentive problem associated with commission based selling models, because buying devices was the major contributor to high levels of debt and the 1 post- paid service per customer restriction did not address this.

- Feedback to Telstra was that the streamlined dispute resolution processes had not facilitated the timely resolution of disputes concerning credits and upselling.
- Mark Sulikowski encouraged all members of the group to directly raise matters with him so that he can advise internal Telstra staff about the need for further changes with respect to credit policy and sales practices in remote communities.
- Mark Sulikowski noted they are engaged in improving staff training in regional and remote areas stores to ensure better customer outcomes. The lack of training was identified as a significant and ongoing problem by attendees.
- The continued problems associated with authorisation to act on behalf of a client, and confirmation of client identity, were highlighted as being a barrier to the resolution of disputes.
- The voiding of contracts was identified as an inappropriate remedy where consumers had made payments in good faith to unaffordable contracts – with refunds and compensation being the appropriate remedy where there had been unconscionable conduct.
- Overall, there is concern that the cases of high debt on telco bills are continuing. There is a network of financial counsellors working on these issues at the moment.
- Questions were asked about the new specialised assistance team, and what level of debt they were permitted to waiver.

#### ACTIONS:

- Telstra agreed to provide further information on the level of delegation of specialist team staff.
- Telstra agreed to follow up on concerns raised about financial counsellors' authorisation to act on behalf of clients, and check the current status of the groups they are dealing with.

Boost services were discussed as a viable cheaper option for remote consumers. Telstra advised there is no cap on service availability, and that network coverage should be the same but that this needed confirmation. The problem of Boost SIMs needing to be posted was discussed and explored, with attendees explaining that delivery of SIMs to remote locations is exceptionally difficult in the

absence of street addresses. Alternative addresses were also problematic if the premises were not secured.

ACTION: Telstra will confirm Boost coverage footprint and get back to ACCAN on this.

#### TIO

- There is a dedicated Indigenous phone line but you have to know about it as it's not listed anywhere in general materials or on the website.
- TIO outreach for Indigenous consumers no longer happening.
- The TIO does not provide specific Indigenous statistics. An issue was raised about how the TIO collects demographic information, and whether people who call the general TIO line can or should be asked whether they are Indigenous.
- Culturally, Indigenous consumers are less likely to complain when compared to general population.

### Research focus 2019-20

- ACCAN outlined the initial conclusions drawn from ACCAN research into commission based selling. The results indicate that there was limited difference between service providers, with pressure to sell and achieve sales target being a significant driver of upselling and cross-selling behaviour.

Suggested topics for research were:

- Targeted research of shop-front selling practices in regional centres to assess consumer understanding of products and services on offer. This could be in the form of a citizen's advice bureau/triage centre to act as an independent resource to help at risk consumers, and identify issues that they face, which would be in a good position to collect information.
- Research on selling practices and level of telecommunications debts in communities – it was noted that clients of 5 financial counselling organisations had incurred debts of about \$500,000
- It was agreed that the IndigMob model was good because it involved community members working within their community to help people, and a useful way of conveying information. It was flagged that information on how to compare telco products would be useful and could be explored further.

### Summary, ACCAN future policy directions and outreach opportunities

The participants listed the following as priorities for Indigenous consumers:

- Mis-selling and upselling of telco products and services to consumers;
- Consumer protections and enforcement of the ACL;
- Credit assessment, debt and dispute resolution (hardship) processes.

There was also support for ACCAN to continue to work on access to infrastructure to deliver appropriate communications services to remote communities.

Advice was provided to ACCAN on opportunities for further community engagement including through attendance at the Aboriginal Knockouts (ACBF), community festivals and events such as the Alice Festival, and NAIDOC day events in urban areas.

## **Conclusion**

The feedback and suggestions made at the Indigenous Advisory Forum will be used to inform ACCAN's future policy priorities, policy focus, operations plan and research activity plan. These will be circulated to members of the Forum when finalised.

ACCAN CEO, Teresa Corbin, thanked the Indigenous Advisory Forum participants for their time and valuable contributions.