Chief Customer Advocate Report on Customer Vulnerability

2023

Acknowledgement

I acknowledge the Traditional Custodians of the land on which I live and work —
the Gadigal people of the Eora Nation. I recognise the existing, original and ancient
connection Aboriginal and Torres Strait Islander peoples have to the lands and
waterways across the Australian continent. I am grateful for the knowledge shared
with me and generosity extended to me by First Nations friends, family and colleagues.

At Telstra, we are enriched by Aboriginal and Torres Strait Islander peoples'
contribution to our organisation, and we commit to working with you to build
a prosperous and inclusive Australia.

Terms used

Throughout this Report, the terms Aboriginal and Torres Strait Islander, Indigenous Australians
and First Nations are used interchangeably to reference Australia's First Peoples.

About this report from the Chief Customer Advocate

The Chief Customer Advocate Report on Customer Vulnerability 2023 summarises what Telstra has done to support its customers in vulnerable circumstances and its plans to keep improving. It provides a picture of how Telstra meets its legal obligations as well as what Telstra does beyond these requirements to better serve its customers.

These initiatives are a vital part of Telstra's company purpose of building a connected future so everyone can thrive. This work is implemented under the Telstra T25 strategy goal of keeping 1 million customers in vulnerable circumstances connected, measured quarterly and reported annually in the *Telstra Sustainability Report*.

This report provides descriptions of how Telstra designs its products and services to meet various needs and where Telstra has committed to improvements. Notably, this report also includes my perspectives on opportunities for Telstra to improve outcomes.

Importantly, the point of view in this report is my own as Chief Customer Advocate. I have been supported by Telstra to publish my findings. At the same time, Telstra retains its right to take positions which may vary from those published here. At the beginning of the report there is an explanation of the Chief Customer Advocate role at Telstra and an overview of how Telstra listens to customers.

This report has been compiled in the spirit of encouraging a public discussion about what information about customers and vulnerability could lead to better outcomes. It is intended to be transparent about Telstra's approach and hold it accountable to the commitments made to improve. It is a baseline that I intend to build on with subsequent reports published annually to track progress over time.

As far as I'm aware, this type of report is a first — not just for the telco industry but also the service sector more broadly in Australia. This increased level of openness is another step for Telstra towards achieving its stated commitment of being a responsible business.

Publishing more data about how companies are supporting customers in vulnerable circumstances should help establish a community of best practice. I hope this initiative builds more trust in the corporate sector by demonstrating how one business is working on being more responsive to customer needs, especially when extra care is required.

I look forward to hearing from consumer advocates, financial counsellors, and policy makers on how — as an industry — we can better support customers when times are tough.

Teresa Corbin
Chief Customer Advocate

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1. Customer Advocacy at Telstra

1.1 Chief Customer Advocate – about the role

The Chief Customer Advocate is a relatively new role for Telstra. In the telecommunications industry, it was also a first.

The role acts as an independent advisor within Telstra and serves three purposes:

1. Provides an **independent** 'voice of the customer'

2. **Champions the needs** of customers that are in vulnerable circumstances

3. **Holds Telstra to account** in treating customers in a fair, reasonable and responsible way

In December 2021, I joined Telstra after a long career as a consumer representative. I have also worked extensively to improve digital inclusion in Australia, because as we all know, access to connectivity is fundamental to building an inclusive community. Following many years of experience in telecommunications policy debates, I wanted to see if I could make a difference on the inside, particularly at a company like Telstra that has made a commitment to digital inclusion and responsible business practices.

As the largest telco in Australia, Telstra plays a vital role in keeping people connected with diverse needs, locations, abilities and personal circumstances. Getting this right makes an enormous difference to people's lives every day.

The primary focus for the Chief Customer Advocate is to provide a customer voice on products and services as well as relevant policies and processes. An important aspect of this position focuses on identifying weak signals that might otherwise get overlooked. Weak signals can provide insights that can be used to advise the business to make more informed decisions and get better outcomes for customers. The Chief Customer Advocate does not handle complaints directly but can assist with systemic issues and related escalations. The role regularly reports directly to the Board and CEO, and its independence is maintained by excluding it from Telstra's employee incentive structure.

Telstra Group's Chief Customer Advocate Strategy is guided by a framework of principles such as fairness, inclusion, independence, and customer-centricity. The strategy's main goal over the next two years is to elevate the voice of customers who Telstra does not otherwise hear from and get tangibly better outcomes for these customers. The perspective of the Chief Customer Advocate has already begun to open the door to a more effective two-way conversation with consumer representatives and the potential for more understanding on both sides.

1.2 Hearing the customer voice

Telstra has a long track record of listening to customer voices. In 1989, Telecom Australia (Telstra's predecessor prior to privatisation) established a consumer advisory council which provided funding and the secretariat for the Consumers' Telecommunications Network. This network eventually grew into the organisation now known as the Australian Communications Consumer Action Network (ACCAN) — the peak consumer advocacy body in the telecommunications sector (of which I was CEO for 10 years).

Over the years Telstra has established several advisory councils and forums to hear different consumer voices, including people with disability, regional, First Nations, and low-income customers. The timeline below sets out some of the highlights of this journey.

35 years listening to consumer voices at Telstra

1993 — TACC grows to incorporate eight Regional Consumer Councils (TRCC) with consumer representatives in every state and territory — extensive standing committees and ad hoc working groups on complaints handling, consumer information, credit management and accessibility

1989 — Telecom Advisory Consumer Council (TACC) established Consumers Telecommunications Network (CTN) to provide secretariat for TACC funded by Telecom

1988 — Financial counsellors raise issues with Telecom of access to telephone services for customers in vulnerable circumstances

1995 — Telecom Australian changes its name to Telstra — TACC becomes Telstra Consumer Consultative Council (TCCC). There are nearly 100 organisations and consumer representatives engaged in the process

1997 — With full competition introduced in the Australian telecommunications market TCCC secretariat restructured, CTN moves to have a cross-industry focus

2000 — Telstra Country Wide (TCW) extensive engagement replaces the Telstra Regional Consumer Committees

2001 — Telstra establishes a dedicated Telstra Disability Forum

2002 — Telstra establishes the Low-Income Assessment Committee (LIMAC) with representatives from welfare agencies to oversee a package of products and services specifically targeted at low-income consumers

2013 — Financial Assistance Forum commences

2013 — Telstra CEO David Thodey establishes the CEO Consumer Roundtable — a bi-annual forum supported by every CEO since

2016 — Telstra Regional Advisory Councils established in Qld, then established NSW, WA, Vic (2018)

2020 — First Nations Expert Advisory Committee established and Lauren Ganley starts as Chief First Nations Advocate

2021 — Teresa (ex-ACCAN CEO) commences first year at Telstra as Chief Customer Advocate

2022 — CEO holds first Consumer Advisory Council meeting

2023 — 2023 launch of Telstra Customer Advocate Strategy

Impact of Telstra listening to consumers

Customer feedback was a contributing factor to Telstra making the following changes:

- Telstra decided to offer alternative payment methods to direct debit (e.g. BPay)
- All Telstra branded retail stores are fully Telstra-owned after buying back licensee stores
- Telstra Upfront Plans no longer charge for excess data use and are not locked in, allowing customers to change their plan month-to-month to suit their needs
- Telstra does not sell its debts to third party companies
- Hardship support and link to the policy on website homepage
- Belong introduced a 1300 number and live messaging to support customers
- Calls from customers are now all answered in Australia

1.3 Building a Compliance Culture

Regulations are in place to protect customers. When companies focus on the best outcomes for customers, they are likely to be meeting compliance requirements. Customer advocacy and the customer voice go hand in hand with building an effective compliance culture.

Over the last five years Telstra has been the focus of several regulatory investigations across a range of issues which have impacted customers, including mis-selling to vulnerable customers. Some of these failures related to inadequate systems and others were due to poor process. Overall, there was an insufficiently strong culture of putting the customer first and operating in the customer's best interests.

Telstra has refocused its approach on compliance. There have been changes across the organisation to uplift accountability and training, with more focus on obligations and compliance controls as well as improved discipline with internal reporting. The investment in new digital systems, also provides an opportunity to review processes at a larger scale and introduce compliance controls that stop issues from occurring as opposed to detecting them after the event. Telstra has expanded its risk and compliance team to support this program of work. And importantly, it's bringing in the customer voice and encouraging staff to think more about what is in the customer's best interest. When Telstra finds a problem, it remediates any harm caused to customers, fixes the issue and where it has had a significant customer impact, notifies the regulator — self-reporting in the spirit of transparency.

Telstra is proactive in self-reporting because as a large company serving millions of customers, Telstra recognises that errors can impact many customers and, in some instances, have a significant impact on specific groups of customers. This is especially serious when customers in vulnerable circumstances are affected.

Where Telstra identifies a significant issue, it self-reports to regulators in line with community expectations and our obligations. For example, Telstra self-reported incorrect credit management actions it had identified. The ACMA later found that Telstra had not fully complied with clause 7.7 of the Telecommunications Consumer Protection (TCP) Code, requiring suppliers to suspend credit management actions for arrangements covered under financial hardship policies and in August 2022 issued Telstra with a direction to comply with this provision. Telstra continues to refine key processes as it uplifts its compliance, addresses issues as they are found and proactively report significant breaches.

The role of the Chief Customer Advocate has been set up to be a customer voice to assist in identifying issues early and bringing them to the attention of senior leadership. This supports the broader compliance culture. At a governance level, I work with the Chief Risk Officer and Chief Compliance Officer. I receive relevant Telstra Board and Audit and Risk Committee papers and attend meetings as an observer for relevant agenda items, so I am aware of issues. I can provide a point of view or perspective when required on matters that may significantly affect customers.

Following the investigation into mis-selling that occurred between 2016 and 2018 and the Enforceable Undertaking (EU) provided to the ACCC, Telstra introduced an extensive program of work specific to preventing any future re-occurrence of poor sales practices.

There is no question that Telstra is not the same organisation that it was when cases of mis-selling were first identified. This episode in Telstra's history has changed the company on a fundamental level and the impact has not just improved outcomes for one group of customers in vulnerable circumstances, it has improved the approach to sales and service provision for all customers. The work on improving sales practices is ongoing with a continuous improvement approach now well embedded.

Telstra improves sales practices following $50M ACCC fine

Telstra bought out its licensee stores so that all Telstra branded retail stores are now operated by Telstra employees and Telstra owned.

The last store was transitioned in June 2022, so this past financial year was the first full year of all stores being fully Telstra operated. Sales commissions were also restructured to move away from individual incentives to a store-based system applicable across the whole team with a balanced score card that relies on meeting compliance requirements, getting positive feedback directly from customers as well as sales. Sales trends are monitored closely for any unusual trends and stores are also regularly exposed to mystery shopping by an external company engaged to check compliance.

Telstra no longer sells debt to third parties, and it has changed the way it manages collections. Telstra transformed its products so that customers can change plans month-to-month to suit their needs, and plans are a monthly flat fee with no excess data charges that would lead to unexpected high bills. Devices can now only be purchased after a customer answers questions about income levels and all new customers for Upfront Plans and devices are credit checked. Existing customers who change plans have their billing history assessed.

Telstra's First Nations Connect hotline in Darwin is staffed with First Nations agents and Telstra has recently opened 2 micro call centres in Queensland, in Jumbun and Palm Island. These centres are locally owned and staffed with local First Nations people. All Telstra Staff undergo extensive cultural awareness training. Telstra has a new Reconciliation Action Plan following the revocation of Telstra's previous one after the ACCC fine (discussed in section 3.3 below).

Remediation is provided in cases where it is found that customers were mis-sold to. Remediation means Telstra refunds amounts paid with interest, waive any existing debts and allow customers to keep any devices sold to them. The Chief Customer Advocate role has assisted to amplify the voice of financial counsellors representing their clients.

The Chief Customer Advocate facilitated a Consumer Advisory Panel (CAP) with financial counsellors for the first 18 months of the EU and submitted independent reports to the ACCC about the number of customers remediated and other progress related to the EU. In response to a request from the CAP, Telstra has funded seven different financial counselling organisations to visit remote communities to help find any customers affected by mis-selling and ensure they are remediated.

There is ongoing engagement at Telstra with the financial counselling community who are working with First Nations customers to ensure that any customers affected by mis-selling are remediated. Importantly, this commitment has no time or geographic limit to it.

2. Product and service design at Telstra

Individuals don't often disclose what is going on in their lives that might affect their ability to choose, use and pay for telecommunications. As a result, there should be appropriate systems, processes, and products to support them so that they can make the best decision based on their individual needs.

The ACMA describes vulnerability in the telecommunications sector as a person experiencing or at risk of experiencing "barriers accessing, engaging with, or maintaining telecommunications products and services" and as a result "that person experiences economic and/or social exclusion or harm".[1]

Thriving Communities Partnership is a not for profit that works across industries to build collaborative approaches to support people experiencing vulnerability. It emphasises that vulnerability looks different to everyone and that individuals do not like identifying as vulnerable.[2]

Below I provide an overview of Telstra's understanding of vulnerability and the prevalence of various factors that can affect individuals' ability to choose, use and pay for their telecommunications service and explain how Telstra has tried to recognise different needs in its product and service design.

2.1 Telstra's understanding of vulnerability

Individual and community needs are not static but access to connectivity is an essential part of life. Vulnerability depends on the context. A consumer can experience vulnerability in one situation but not in others, and some consumers may be more vulnerable than others depending on the situation. Individuals can experience multiple vulnerabilities at once, with some being temporary and others being permanent. Vulnerability is therefore now understood more clearly as a continuum.

Most people will experience some kind of vulnerability during their lives, and this can impact on their access to services as fundamental as connectivity and this can then have many roll-on impacts. It is vital that telcos understand the complexity and multifaceted harms that can come from not addressing these factors adequately in their day-to-day service delivery. Where products and services are of a highly technical nature, such as telecommunications, they can be very confusing. Customers must navigate through jargon and marketing terms when signing up for a service or buying a device. For customers in vulnerable circumstances this can be overwhelming and for others, this technical complexity can lead to new kinds of vulnerability.

2.2 Challenges with equal access in Australia

Australia is classified as a high-income country, with a relatively well-performing economy. When it comes to household spending, telecommunications is considered a smaller share of spending compared to other costs, such as utilities and housing, yet it is of high significance for many customers, especially for those on lower incomes.

However, in 2022 the Australia Council of Social Services (ACOSS) found there are about 3.3 million people (13.4%) living below the poverty line of 50% median income which included 761,000 children.[3] People who are unemployed are most at risk of poverty with about 66% of households where the main household earner is unemployed living in poverty.

Living on a social support payment is the biggest determinant for household poverty. Poverty rates dropped during the COVID-19 pandemic because income support payments increased. They have now stopped, and the economy has experienced significant inflation such that even those employed are experiencing difficulties paying bills and buying food. For FY23, the Food Bank estimated that 3.7 million households experienced moderate to severe level food insecurity in the previous 12 months.[4] With mortgage and rental prices increasing, many households are also at risk of homelessness.

Between December 2022 and March 2023, the number of people using a homelessness service increased by 7.5%. In March 2023, three out of four people seeking housing assistance were women and children, with women under 44 the biggest group needing support.

> **Telstra provides free mobile calls to crisis lines and unmetered mobile data access to Ask Izzy, a mobile website that connects people in crisis with the support services they need. This is particularly targeted to assist people experiencing homelessness.**

Unfortunately, many people seeking housing assistance are turned away. In 2021-22, 71,962 people were turned away with 80% of them women and children, and 31% under 18.[5] In the 2021 census there were more than 122,000 people that were estimated to be homeless. About half of those (56%) were male, 21% were aged 25-34 and 20% were Aboriginal and Torres Strait Islander.[6]

People with a disability are at greater risk of poverty with Australia having the highest incidence of relative poverty for people with disability among similar countries in the OECD.[7] The Australian Institute of Health and Welfare reports that 1 in 6 people in Australia have a disability. Within that, 1 in 3 people with a disability have a severe or profound disability (defined as requiring assistance with daily life) and for 1 in 4 people with a disability their main form of disability is mental or behavioural.[8] First Nations people are 1.5 times as likely to be living with a disability as non-Indigenous Australians, and 2.5 times as likely to be living with severe or profound disability.[9]

Digital inclusion is closely linked with age. Australians aged 75 and over have an index score of 48.5 compared to the national index of 73.2. The biggest driver in the difference is in digital ability, with those over 75 scoring 41.6 points below the national average.[10] Digital inclusion in Australia can also be affected by whether they speak English, particularly for choosing and understanding telecommunications products and dealing with providers. In 2021, around 1 in 4 Australians spoke a language other than English at home.[11]

The Australian Institute of Health and Welfare reports that 1 in 6 women and 1 in 18 men have experienced physical and/or sexual violence by a current or previous cohabiting partner since the age of 15. It is estimated that of all Australian adults 11.3% (2.2 million) had experienced violence from a partner (current or previous cohabiting), 5.9% (1.1 million) had experienced violence from a boyfriend, girlfriend or date, and 7% (1.4 million) had experienced violence from another family member.[12] Australia's National Research Organisation for Women's Safety (ANROWS) found that one in two Australians reported having being victims of technology-facilitated abuse with the victims more likely women.[13]
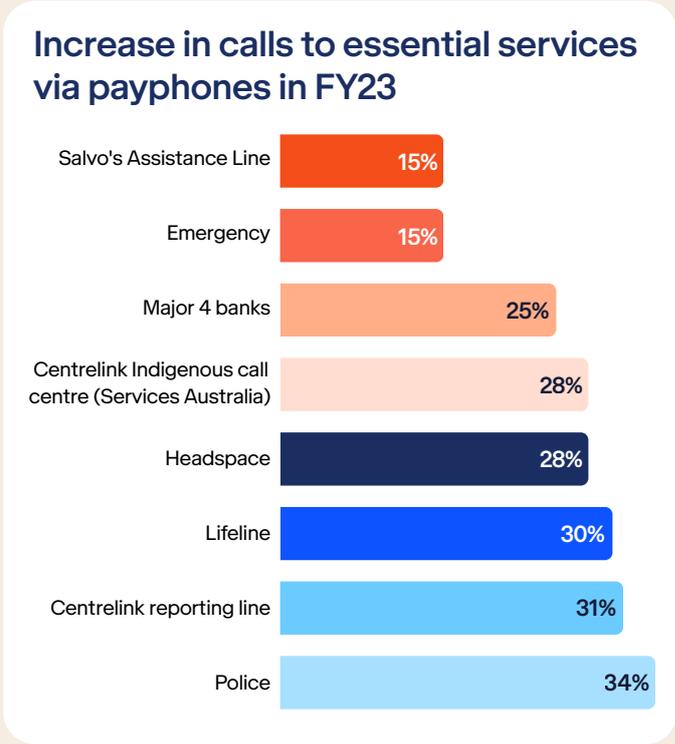
Payphones are a familiar sight on street corners throughout the country. But while most of us may walk past without giving them much thought, for Australians going through tough times, they provide a vital service. That's why two years ago, Telstra made all local and national calls on public payphones free and followed this with free Wi-Fi across select enabled payphones. Telstra provides payphones to meet its Universal Service Obligation and is compensated for doing so under a contract with the Government. Neither the obligation nor the contract require Telstra to offer free domestic calls from payphones.

Since then, there have been a staggering 40 million calls made, seeing demand more than double.

40m+
calls made since free payphone calls introduced

23m+
free calls made since July 2022, a 5m+ YoY increase

250k+
calls made to emergency services in last 12-months

50m+
minutes of talk time used in last 12-months

Across critical helplines is where there has been some of the sharpest rises in calls, with key increases over the past 12-months including:

- **12,000+ calls made to Lifeline**, up by more than 30% from the previous year.

- **12,000+ calls made to Headspace**, up by over 28% on the previous year.

- **85,000+ calls to Centrelink's reporting line**, up by over 30% on previous year.

- **250,000+ calls directed to emergency services**, up by 15% on previous year.

- **200,000+ calls to Triple Zero**, up by over 30,000 calls on previous year.

Increase in calls to essential services via payphones in FY23

Service	Increase
Salvo's Assistance Line	15%
Emergency	15%
Major 4 banks	25%
Centrelink Indigenous call centre (Services Australia)	28%
Headspace	28%
Lifeline	30%
Centrelink reporting line	31%
Police	34%

2.3 Addressing vulnerability in product and service design

Telstra designs its products and services with the intention of anticipating the needs that a customer may have based on the proposed user experiences of customers. This includes support for customers in vulnerable circumstances. This approach is often called 'customer journey mapping' by corporate bodies.

To do this, Telstra uses a customer experience design framework. The framework is a set of 16 principles that defines what 'good', 'better' and 'brilliant' experiences look like for Telstra customers and underpins key product experience investment decisions. The framework helps Telstra's teams design customer-centric products and services that are sustainable, inclusive, fair, and accessible.

Telstra embeds the framework in operations by utilising an assessment tool. The tool guides teams through a series of prompts where they answer questions about how their activity meets the principles. With a few exceptions, all activities that have an impact on our customers must complete this assessment. In September 2022, the framework was used to assess the experience of all Telstra's products currently in market and helped inform roadmaps for an improved customer experience.

All Telstra employees are also required to complete annual mandatory training in compliance. Employees that have customer facing or support roles, such as product designers, are required to complete additional, specific training on customers in vulnerable circumstances. Telstra is currently reviewing its training in light of the ACMA's consultation on a draft Financial Hardship Standard that includes training requirements for staff assisting customers in hardship. The standard is expected to be in place by March 2024.[14]

Telstra has a dedicated Enhanced Care and Complaints Centre that services customers in vulnerable circumstances for some of their key needs. Telstra also has a dedicated Enhanced Care and Complaints journey team who focus on continuous improvement of the processes and experiences of customers in vulnerable circumstances across stores, contact centres, and digital channels.

There are specific teams and processes that support customers in vulnerable circumstances.
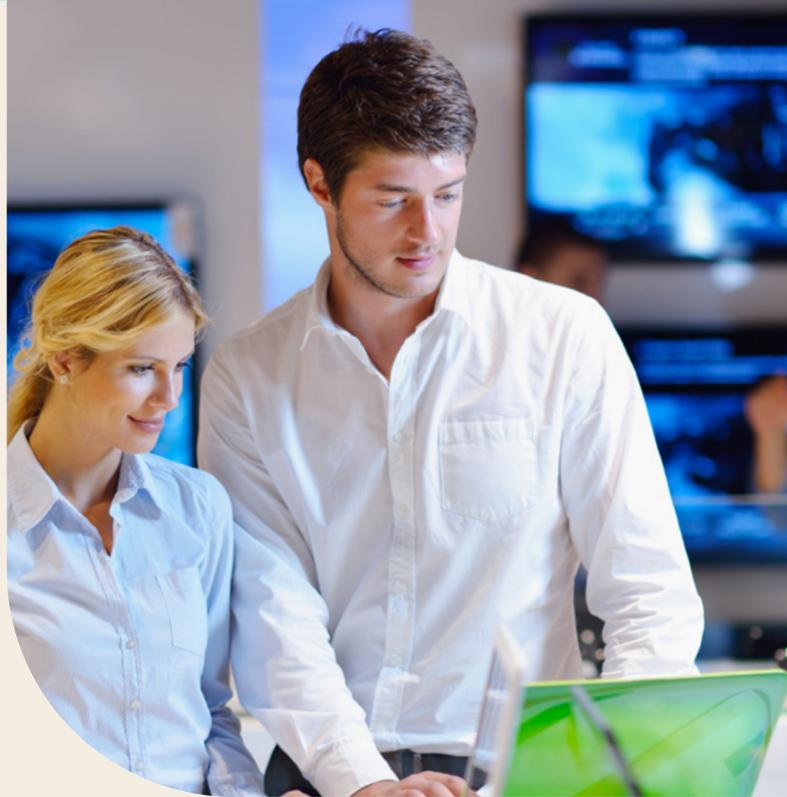
Mandatory Training at Telstra

Telstra staff, partners and agents are required to complete mandatory training on Telstra's Code of Conduct as part of their induction and on an ongoing basis.

The training includes information on key policies and legal requirements and how to report issues.

Frontline staff have a suite of training requirements, including training on customers in vulnerable circumstances, responsible business practices, First Nations cultural awareness, nbn speed expectations, priority assistance, complaint handling, financial hardship, and privacy. Some of this training is also required for staff that are responsible for product and service design.

The customers in vulnerable circumstances training provides background on the different circumstances that can cause vulnerability and how to identify customers that may be affected, as well as the knowledge and skills to provide an appropriate level of customer care.

2.3.1 Affordability

Customers must have a range of product options to choose from and they must be sold a product that they can afford.

Telstra's products now offer no lock-in contract or excess data (overage) charges, which means customers are less likely to experience bill shock and can also move to different plans as their circumstances change. However, Telstra also has a suite of products for customers on low incomes, as well as other assistance for those who need help paying their bills to stay connected.

Telstra's Access for Everyone program and Low-Income Measures Assessment Committee have been in place for over 20 years. These were introduced to comply with Telstra's carrier licence conditions, which require it to offer products and arrangements to address the needs of low-income customers. Other carriers are not subject to the same requirements. These were introduced in the early days of competition in recognition of Telstra's legacy as the previous government-owned monopoly telecommunications provider and that it has a responsibility to deliver certain community obligations.

The Low-Income Measures Assessment Committee is comprised of community organisation representatives. It provides advice to Telstra on the needs of the community and feedback on the package. Telstra is required to provide any changes to the low-income package to the committee for review.

In addition, Telstra uses an affordability tool to ensure that customers considering upfront plans and devices are not over-extended. The tool is used at the point-of-sale in all Telstra sales channels (online via the website, My Telstra app, by phone and in Telstra stores). This tool collects information about the customer's Identification (ID), income level, employment, and housing situation and collates this with credit assessments for new customers and billing history for existing customers. If the customer has asked for a product that is deemed via this tool to be outside their range of affordability, then they will be offered other options such as prepaid or BYO devices. Part payment for a device upfront may also be an option. Some of these system improvements are above the minimum requirements of the Telecommunications Consumer Protection Code.

There is also support available for customers that encounter difficulties paying their bills. Telstra provides self-serve options online and via its app, as well as access to dedicated teams to assist customers with the options available to manage their bills. Information on financial assistance is on Telstra's website with a prominent link from the main homepage.

Customers can reach the financial assistance and support team either through a form on the website or calling direct. Customers that call Telstra's general number can also get routed or transferred by an agent to the team. The team is trained and has the tools to have sensitive and compassionate conversations about the customer's situation to work out the best options for the customer. This may include changing the customer's plan or having the due date of a bill extended or referring the customer to community support services. For more complicated support, the team will transfer the matter to the specialised assistance team.

The specialised assistance team provides dedicated case management and support for customers in financial hardship. In addition to the support described above, this team can manage solutions that relate to device repayment contracts, as well as fee exemptions and waivers. This team also takes referrals directly from financial counsellors. As far as I'm aware, Telstra is the only telco to provide such a service to this sector.

The ACMA is currently consulting on a draft Financial Hardship Standard that will affect the requirements for Telstra's current hardship policy and how it provides information and assistance. Telstra is reviewing its processes in light of the standard which is expected to be in place by March 2024.

Telstra also has a dedicated Compassionate Care team with a direct hotline that supports customers with telco issues related to the loss of a loved one or where they or someone they know has a critical illness.

2.3.2 Accessibility

Telstra has a long history of supporting customers with disabilities. In 1996, Telstra formalised commitments to ensure Australians with disability have access to communications by becoming one of the first major Australian corporations to lodge a Disability Action Plan with the Australian Human Rights Commission. The current Accessibility and Inclusion Action Plan covers the years FY23 to FY25.

Telstra maintains a Disability Enquiry Hotline. Agents will assist customers with disabilities and choose products and services that have accessibility features. This includes the Telstra Disability Equipment Program, which offers specialist equipment such as teletypewriters. They will also refer customers to the Accessible Telecoms service.

Accessible Telecoms is a service run by ACCAN that provides consolidated, independent and up-to-date information about accessibility features of the telecommunications equipment available. It plays an important role in industry by empowering users, such as older Australians and people with disability, to make informed choices regarding the products and services that are best suited to their needs.

2.3.3 Inclusion

Telstra partners with the ARC Centre of Excellence for Automated Decision-Making and Society, RMIT University and Swinburne University of Technology to track and report on digital inclusion in Australia through the Australian Digital Inclusion Index (ADII).

This initiative helps identify where investment is needed to support those who are digitally excluded.

The Mapping the Digital Gap project is a supplementary ADII project and is the first comprehensive study of remote First Nations communities' participation in, and access to, the digital economy. This project provides critical data to track progress on remote digital inclusion and to inform evidence-based responses by government and industry to close the digital gap.

Digital exclusion is usually described as the result of one or more of a lack of affordability, access or ability. Affordability relates to whether the individual can pay for connectivity. Access relates to opportunities to gain a reliable internet connection, including use of the digital devices needed to connect to the internet. Ability relates to individual skills to use the internet or ability to understand the information if they are not confident understanding English.

Telstra's First Nations Connect hotline in Darwin is staffed with First Nations agents who provide culturally appropriate customer service for First Nations customers. Telstra has recently opened two new micro call centres in Queensland, in Jumbun and on Palm Island (QLD).

For customers that speak languages other than English, Telstra provides a free interpreter service. Customers can ring the Multilingual team. Customers can also have an interpreter connected when in store or calling Telstra directly.

2.3.4 Safety and security

Telstra's SAFE team is a specialist group trained to support customers affected by domestic and family violence. The team provides a direct point of contact through voice and messaging for victim survivors. They support them to make informed decisions about their accounts and services and to safely make changes to any existing account settings and services; changes of ownership and/or to activate new services. The team can refer customers to external support services such as Ask Izzy, 1800 RESPECT, or to a financial counsellor. Referrals are also made as participating partners of the *Thriving Communities One Stop One Story Hub*, which enables providers and other agencies to refer customers for assistance to other providers without the customer having to retell their stories.

Customers access the SAFE team through a dedicated phone number available on the website or are transferred from other agents if they identify as a victim survivor and they require specialist assistance. The website has a "quick exit" button as well that enables a victim survivor to immediately close the page if a perpetrator is nearby. I have observed that staff at our stores will assist customers on the spot to call the SAFE team when required to get immediate help. The SAFE team also plays a key role in the Safe Connections program in partnership with the Women's Services network (WESNET).

Customers that have been victims of fraud or suspect there has been unauthorised changes made to their account, can get immediate support and protection from the Fraud Triage frontline team. Their individual case will be escalated to the Fraud Customer Care specialists, who investigate the root cause and remediate all changes to the account, before offering the customer additional levels of security via Telstra's Account Lock capability. Account Lock restricts Telstra agents from performing any transactions for a customer but leaves self-service options available for customers to manage their own account moving forward. Telstra also maintains fraud, scam, and cyber security resources on its website as well to assist customers.

Another final area where Telstra provides for the safety and security of its customers is when there is a natural disaster. At these times Telstra notifies affected customers as well as setting up a dedicated hotline for information and support.

The Safe Connections program addresses the critical issue of technology-facilitated abuse and provides essential support to survivors of domestic and family violence.

Delivered in partnership with WESNET, the program provides:

- **Smartphones with pre-paid credit:** the phones are donated by Telstra and distributed by WESNET in collaboration with participating frontline agencies to survivors who urgently need access to a safer phone.

- **Specially trained frontline workers:** WESNET offers comprehensive training and resources to frontline workers. This means that frontline workers that work with victims of domestic and family violence are equipped with the knowledge and tools to support women experiencing technology-facilitated abuse. The training covers various aspects of smartphone misuse by perpetrators, strategies to enhance women's safety in the digital realm, and how to document abuse for future legal action.

- **Pre-paid service activation:** Telstra's SAFE team create a brand new account and safely activate the service. In certain circumstances the SAFE team can activate the prepaid service while the survivor is in the process of replacing their ID documentation.

On two occasions the SAFE Connections program has been showcased as best practice at the United Nations Commission on the Status of Women annual forum. The program also won an Australia Crime and Violence Prevention Award in 2016. The award recognises good practice in the prevention or reduction of violence and other types of crime in Australia.

The Safe Connections program has supported more than 38,000 women since it began in 2014.

3. Telstra support for customers in vulnerable circumstances in FY23 and recent commitments to improve

Over FY23 Telstra provided a range of support for customers in vulnerable circumstances. These were provided by specialist teams to support customers experiencing vulnerability.

Telstra has also made significant shifts in response to feedback since I joined the company as Chief Customer Advocate, improving services and support for customers in vulnerable circumstances.

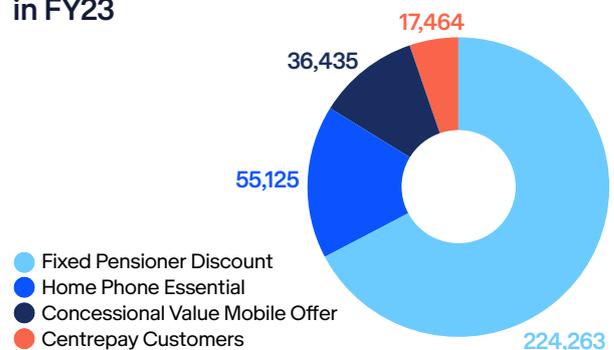## 3.1 Keeping customers connected with affordability measures

Access for Everyone ensures affordable pricing for certain low-income consumers. The support from the 20-year program has shifted as technology has, and Telstra has extended its concession available for some plans to all healthcare card holders. Moreover, the percentage of the concession remains unchanged through recent price rises.

A range of discounted products are available for customers with seniors cards, healthcare or Department of Veterans Affairs cards including the Home Phone Essential or discounted plans like the Mobile Starter Plan.

Centrepay allows eligible customers to pay for Telstra services by having the fees deducted directly from their Centrelink account. Telstra pays any transaction fees, and Centrepay continues to be an important payment method for some customers.

In FY23, Telstra continued to support customers with the following products in the Access for Everyone program.

Access for Everyone program products in FY23

- Fixed Pensioner Discount
- Home Phone Essential
- Concessional Value Mobile Offer
- Centrepay Customers

17,464
36,435
55,125
224,263

A key aspect of getting assistance has been knowing it exists. Many low-income customers may be referred to Telstra through community organisations and financial counsellors, but many customers may not know about assistance that is available.

Telstra had received feedback that although information was available, it wasn't easy to find.

As a result, during FY23 Telstra updated its homepage to include more prominent links to its financial assistance page. The webpage also includes information about how to reach out for support, and the concession offers described above.

The help Telstra provides includes bill assistance for customers having difficulties paying their bills and seeking emergency relief from charities and through financial counsellors. Customers that speak with financial counsellors and other community organisations can get credits or waivers by contacting the specialist assistance team, and in FY23 Telstra provided bill assistance to 2,866 customers.
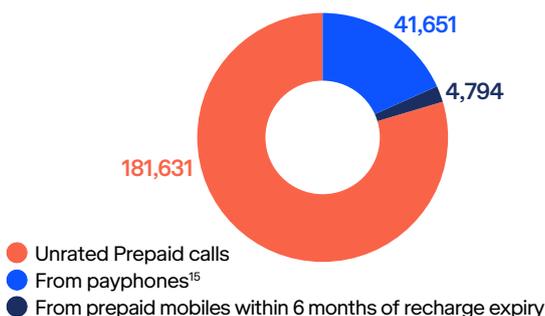
In FY23, 30,747 customers had bills put on hold — charges ceased accumulating while the customer was still able to use the service, enabling them to resolve a short-term issue affecting their ability to pay. For 494,006 customers, the billing date was changed in the form of a 'promise to pay', varying in length from a few days to a few months based on the needs of the customer. For customers who need more complex assistance, the specialist assistance team can provide more tailored approaches; in FY23, the specialist assistance team assisted 5,336 customers.

For many low-income customers, an upfront or post-paid service is simply not an option. These customers rely on prepaid services. In FY23, Telstra provided 10,668 customers with $40 top ups to their prepaid services to keep them connected.

This year Telstra announced it expanded its Top Up Program for prepaid to cover those in need of financial assistance, or facing food insecurity, mental health challenges, a disability or refugee status. The value of recharges has expanded from three $40 28-day recharges to one $160 six-month recharge with 70GB of data, and is available through community agencies and providers that use Infoxchange.

Free calling is also available to customers when they are in crisis. Customers can use their active pre-paid service within 6 months of their last credit, if credit has run out. They can also use a payphone to receive support.

Free calls to crisis lines in FY23

41,651

4,794

181,631

- ● Unrated Prepaid calls
- ● From payphones[15]
- ● From prepaid mobiles within 6 months of recharge expiry

3.2 Increasing payment flexibility

Multiple payment options also affects the overall affordability of products. Consumer representatives also gave Telstra very strong feedback that customers in vulnerable circumstances were being adversely impacted by the approach to direct debit and the lack of flexibility with payment methods. As the Chief Customer Advocate, I supported these concerns.

Telstra listened and based on this and other feedback, has made the decision to no longer require customers to have a direct debit arrangement for Upfront Mobile and Internet plans.

Upfront plans are a subscription service, so the customer pays a monthly charge, currently requiring a direct debit facility. It is expected that by July 2024, Telstra customers will be able to choose to have a direct debit facility, or receive a bill and pay via debit/credit card, real-time bank account payment, BPay, or cash, as well as make part payments, including using Centrepay.

More choice on Telstra Upfront Plans

- New customers taking up a Telstra Upfront Plan will have the choice of AutoPay (direct debit) or bill.
- Existing customers on Telstra Upfront Plans will have the option to change from AutoPay to bill.
- As Telstra migrates customers from legacy plans onto Upfront Plans, any customer who is currently not paying via direct debit will continue to receive a bill and be able to pay via their choice of payment methods.

Telstra also made a number of decisions that will provide further flexibility that are expected to be deployed before the end of 2023.

- Enabling customers to move their AutoPay payment date by up to 10 days, providing customers with the flexibility to control the date of the direct debit.
- Extending the payment cycle from 30 days to 60 days — meaning if a customer does miss a payment, they have up to 60 days before their service will be disconnected.
- Enabling reconnection of a device repayment option if a customer is disconnected — currently the customer is issued with an invoice for the full remaining balance of the device.

3.3 Bolstering support to improve digital inclusion

During FY23, Telstra completed all 12 commitments from its Disability Action Plan. This included both the MyTelstra app and website receiving WCAG certification levels A and AA, and all emails and notifications sent to customers becoming accessible. Customers that use screen readers and other assistive technologies are now able to use Telstra's app, website and read correspondence from Telstra such as emails and bills.

However, some customers prefer paper bills and request them in a different format for accessibility. Customers are not charged to receive their bills in this alternative format, and in FY23, Telstra provided 163 customers with their bills in Braille and 4,597 in A3 format.

Telstra's Disability Equipment Program provides specialised phones and accessories to make calling easier including teletypewriters. The equipment can be rented to eligible customers for the same cost as standard equipment. In FY23, Telstra assisted 2,675 customers with disability equipment and services.

In FY23, Telstra also delivered 40 online modules and facilitated training sessions to up-skill designers, developers and staff in other product design roles in general disability awareness and role-specific skills.

The Australian government has partnered with telecommunications providers to address affordability as a barrier to digital inclusion. The School Student Broadband Initiative provides free broadband for a year to families that have not yet connected to the nbn. Belong started participating in this program in April 2023 and since has connected 1000 families — 21% of connections under this scheme.

Customers that have access but have not taken up an internet service may be facing affordability or ability barriers. Telstra initiated Project Better to provide free basic internet capability for customers that are fixed line telephone users. And in FY23, Telstra continued to support 73,206 customers with this program. Telstra also supports these customers by providing skills building content — in FY23, the content was refreshed and Telstra introduced phone training sessions and increased in-store support.

Telstra aims to support older Australians getting online by providing discounted connections as well as training. In FY23, Telstra provided a $10 monthly discount to 205,435 seniors for the Starter Internet bundle and 7,185 free professional installations. Telstra also delivers the Tech Savvy Seniors digital skills program through NSW libraries and community colleges, in partnership with the NSW Department of Communities and Justice.

In FY23, Telstra provided 15,287 face-to-face and virtual digital literacy training places for older Australians in English, Auslan, Tamil, Vietnamese, Hindi, Mandarin, Cantonese and more.

Telstra provides customers that speak a language other than English access to a translation service, and in FY23 it was used by 5,761 customers. In the Northern Territory, First Nations customers have access to the NT Interpreter Service.

The 2023 Australian Digital Inclusion Index measured the digital gap as 7.5 points between First Nations people and other Australians, widening for First Nations people living in remote (21.6 points) and very remote (23.5 points) locations. Access was noted as a critical issue in remote communities. Expanded research into mapping digital inclusion in remote communities is included in Telstra's Reconciliation Action Plan.

Telstra's Stretch Reconciliation Action Plan for July 2022–July 2025 includes actions that focus on improving digital inclusion, such as more connectivity in regional and remote areas, and programs to increase digital literacy. Telstra also maintains the First Nations Connect hotline, which answered 8,577 calls in FY23.

3.4 Changes to customer service

In July 2022, Telstra decided to answer calls for Consumer and Small Business customers in Australia. Telstra achieved this by bringing on board 2,000 people to create a better customer experience, mostly working remotely in towns and cities around Australia. I understand that Telstra made this decision in response to customer feedback.

Telstra is making further improvements to its customer service. After suggestions from advocates, Telstra has trialled call-backs and appointments in stores, and built options for interactions online or through the MyTelstra App for customers that prefer to make changes themselves. This has reduced contact volumes and wait times and it has meant more agents are available to help customers. Some of these changes will also provide greater payment flexibility for customers to manage their bills, and are expected to reduce call volumes and wait times.

Currently Telstra has a network of 288 retail stores and since June 2022 they are all Telstra owned. During COVID lockdowns Telstra stores operated under the emergency provisions using appointments to avoid queues. Telstra has since maintained its appointment system to manage demand. This has not always been communicated well to the customer base and there has been some frustration from customers who have not been able to get help quickly.

Some customers appreciate the ability to book appointments while others have found it difficult, especially if they have travelled long distances to get to a store. Telstra has been working on improving the user experience for customers wanting to book appointments online. At stores Telstra has been improving its triage approach for walk-in customers. Telstra has gradually increased staff numbers and delivered programs to improve staff retention, knowledge and capability.

Telstra is also making it easier to switch to and from prepaid, with this functionality expected in 2024. This is particularly relevant following the price increases for prepaid plans which took effect in July 2023 — the price change provides better value per gigabyte, however some low-income customers recharge on lower plans more frequently. Telstra is currently undertaking a trial to assess the best approach to improving affordability when a customer's mobile device is the only device used for connectivity.

Over the last couple of years Telstra has embarked on a change management program in its collections team, including retraining teams and providing tools to steer conversations towards financial support. This is a big shift in the culture and purpose of the team, and as a result it was renamed in July 2022 from "credit management" to "financial assistance and support".

There is a continued focus on training to have ongoing conversations about customers' situations sensitively in order to find the best flexible approach to assist.

In addition, as part of improving how Telstra supports customers in vulnerable circumstances, it is piloting a new needs-based servicing experience. The new experience uses a human-centred approach to inform all aspects of the strategy, including recruitment and support for employees in these teams. Telstra is piloting this approach with two contact centre teams (approximately 25 individuals) with agents with backgrounds in counselling, allied health, disability and other support services, or extensive experience demonstrating that they have the mindsets, behaviours, and resilience required to support customers who require extra care.

The teams capture specific customer needs so that assistance options can be tailored for them. Customers will be able to contact Telstra through the channel of their choice — by calling or messaging — resulting in fewer handoffs and less repetition especially in a crisis situation.

So far in FY24, Telstra has published translated versions of its Financial Hardship Policy in the five most commonly spoken languages other than English (using ACMA data), as well as Plain English. Telstra has also added translations of its complaints handling process into 9 languages other than English.

3.5 Better compassionate care

In the last year, Telstra has worked to improve its support to customers during a bereavement. Alongside changes to customer service teams in Australia described above, Telstra retrained its dedicated Compassionate Care team supporting bereaved customers and expanded the support to those with a family member in palliative care. This team supports around 1000 customers each week and has received specialist training in supporting customers during a very difficult time.

However, earlier this year, unresolved complaints from bereaved customers were escalated through the media. In July, the ABC reported on a case from a grieving partner which they had tried to resolve for nearly a decade. In August, the ABC reported that it heard from 20 other families that had also experienced repeated contacts.

Telstra acknowledged and unreservedly apologised for the mistakes and distress caused to families and customers. While these matters are currently under investigation, in my view the customer impact was that grieving family members felt distressed about repeated contact. They were triggered each time.

As a result of the customer feedback, Telstra introduced a dedicated phone number to directly connect customers and their representatives to the compassionate care team. Telstra also improved how customers can access information about the support available during a bereavement. Telstra is continuing to review and investigate its process and is committed to further improvements.

3.6 Stepping up with Priority Assistance

Telstra recognises how important fixed voice services are to customers when they, or a person living at their home, have a diagnosed life-threatening medical condition and that individual's life may be at risk without access to a working voice telephone service to call emergency services.

Telstra is the only telecommunications provider required to offer Priority Assistance, and of Telstra's about 3 million fixed voice customers, 184,000 receive this service. As part of its carrier licence, Telstra is required to develop, implement and maintain processes, systems and practices to ensure that these customers can be identified and given priority assistance. Ultimately, Telstra must have adequate systems in place to ensure these obligations are met so vulnerable customers and their families can depend on their phone lines. In FY23, Telstra attended 65,519 call-outs to fix faults or connect Priority Assistance customers within required timeframes.

Last year, Telstra self-reported to the ACMA after it was found that it had not followed aspects of its Priority Assistance Policy. Following the ACMA's investigation of the issue, it accepted a court Enforceable Undertaking from Telstra to rectify the failings, which related to the provision of information about Priority Assistance to eligible customers.

Under the court Enforceable Undertaking, Telstra is implementing new systems and processes to replace the existing procedures and ensure customers receive the required information about Priority Assistance. Telstra has also increased the monitoring of staff who handle enquiries from Priority Assistance customers to ensure compliance with the correct steps. Throughout the 12-month Undertaking, Telstra continues to report regularly to the ACMA on its progress.

Since joining Telstra as Chief Customer Advocate, I have also visited the Assurance team's contact centre and observed in person how the team supports customers who are registered for Priority Assistance. I have also spent several days riding along with field services technicians and seen how they can proactively recommend customers they feel may be vulnerable to the customer support team. Customer service agents then contact the customer and explain Priority Assistance to them and can organise a temporary Priority Assistance status allowing time to confirm their eligibility.

3.7 Expanding leading edge support for safety and security

In FY23, the SAFE team supported 11,555 customers. Customers contacted the SAFE team in FY23 by the channels in the chart below.

Telstra is the only telecommunications provider in the Thriving Communities Partnership's One Stop One Story Hub, which began operations supporting customers for domestic and family violence but has expanded to support those experiencing hardship and vulnerability. In FY23 Telstra referred 614 customers.
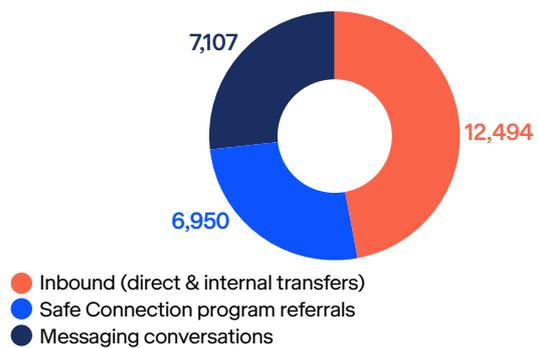
Telstra is a founding partner of this world-first, wrap-around support service. Telstra is expanding the partnership to refer more customers, including those that may be experiencing other vulnerabilities, which will provide support to more customers without the added stress of retelling their story.

Throughout FY23, Telstra activated disaster relief in 101 postcodes following severe weather events and provided support to 11,739 customers. Telstra provides a range of assistance both during and after a disaster, such as extra data, call diversion, connection costs and billing support.

Telstra has also recently announced new initiatives to support customers affected by natural disasters, including extra data for postpaid mobile customers, the upgrade of 1000 payphones in disaster prone-areas with free Wi-Fi, USB charging and backup power, and the launch of the Telstra Response Team. Telstra has also reaffirmed its commitment to emergency roaming and intends to conduct a simulation within its own network to demonstrate its feasibility.

Contacts with the SAFE team in FY23

7,107

12,494

6,950

- Inbound (direct & internal transfers)
- Safe Connection program referrals
- Messaging conversations

4. Perspectives from the Chief Customer Advocate

The following section outlines my perspective on a few current issues under discussion in consumer and telecommunications policy, some insight into what is being implemented at Telstra, and where there may be more opportunities.

In the interest of further transparency and accountability, next year I will report on what more has been achieved. This and future reports should make it clearer what Telstra is reviewing and adjusting to provide better care and support for customers.

In the past two years, there have been changes made across Telstra, including as a result of regulatory enforcement. Consumer representatives continue to make strong representations about customer expectations. There will be more opportunities to co-design with consumer groups to deliver better services and support.

Before I joined Telstra, I saw the start of improvement and a renewed focus on responsible business practices. Now on the inside, I am pleased to be able to contribute to work on better compliance through Telstra's uplift program as well as influence the broader programs of work that support customers.

In this section I focus on three key priority areas – improving financial support, ensuring effective complaints handling, and providing corporate leadership. But first I provide further context for the need for these ongoing improvements.

4.1 Changing face of vulnerability

Charities and frontline services are seeing consistent, sizeable increases in people seeking support for financial assistance, family violence support and food insecurity. Those who haven't previously required assistance, such as families traditionally seen as middle income, are struggling to make housing payments and other financial demands, and these households are often inexperienced with hardship support.

The emerging picture is that there are many Australians struggling to pay their utility bills including telco. Some customers that have never struggled to afford telco services before are now making tough choices with their limited funds. Without connectivity people face even greater disadvantages in today's information dominated economy.

Access to telecommunications is now as essential as electricity and water but not regulated the same way. For these reasons, the Communications Minister, the ACMA and consumer representatives argue that the telecommunications industry should do more to support customers in vulnerable circumstances stay connected.

4.2 Improving financial support for customers

4.2.1 Better analytics and data

Recent ACMA survey data indicated that a quarter of Australian households were in need of financial assistance in FY22 (about 2.5 million), yet the top 11 providers reported less than 1% were in hardship programs (4,388 customers). In the telecommunications sector there has been much commentary that the full number of customers in financial hardship is not reflected in data.

It may be the case that many customers access some of the account management options offered by telcos but are not reported in formal hardship programs. **It may also be the case that customers will prioritise paying telco bills to stay connected, but respond to surveys that they were worried about paying bills.** The ACMA found there was a lack of awareness of support available, but it could also include customers' differing perception of being "in hardship" or requiring "charity".

At the same time, the number and circumstances for disconnections are high. In May, the ACMA stated that "the primary reason reported by telcos for disconnecting customers is non-payment. During 2021-22, a total of 237,166 residential customers had their services disconnected due to non-payment." It also noted that 169,262 customers were disconnected because they were unable to be contacted.[16] It is not apparent the number of times or methods that were used to attempt contact or how many of the customers for non-payment were offered hardship assistance, since disconnections of hardship customers were reported separately.

Many customers now choose to have a prepaid service so that they do not accumulate debts, but under-consumption (buying less data than needed) is not being measured. Some customers live in a state of "data poverty" because they do not have enough prepaid data to meet their needs and forgo other necessities to keep their phone connected.

It is important to define the data that can best reflect trends, while prioritising the best interests of the customer. Isolating metrics that quantify the full scale of "hardship" faced by customers in the telco sector is challenging. An informed debate on this is necessary for the telco industry to improve and learn from existing practices and data.

A data point I believe would be useful is to understand how many customers lapse into hardship within a financial year after being assisted. To do this there needs to be a consistent industry-wide definition.

This would help highlight whether the options in the new Standard are effective and whether customers in hardship were appropriately assisted.

It is also worth considering whether outcomes-based measurement could add value by assessing the effectiveness of the interventions. This could be the focus of further exploration and co-design with consumer organisations.

4.2.2 Effective financial assistance programs

The availability and prominence of financial assistance programs must be improved so that customers know they can seek support. I am pleased that, based on my advice, **Telstra highlights its Financial Hardship Policy on the front page of the website together with a highly visible link to cost of living support.** I support the draft Financial Hardship Standard which if implemented, will make it a requirement for all telcos to include links on their homepages.

Earlier this year in response to increasing concern at how many Australians were going through tough times, Telstra's CEO asked me to undertake a review of Telstra's financial hardship supports. The project team interviewed community champions working across multiple sectors. The review found that while Telstra provides extensive financial support with some good programs, there are examples of companies in energy, water and financial services that are doing more when it is required.

Consequently, the team defined a roadmap for improvement over the next two years taking into account the expectations and feedback from the published regulator statements, the TIO reports and community champions.

The plan includes a focus on prevention of structural barriers by building on the suite of affordable options and making sure customers get the right service that meets their needs and means. This work will require collaboration with the community to understand who is using existing *Access for Everyone* supports, and how those need to evolve. It also outlines how Telstra communicates about its financial support and how this can be improved – with some changes already implemented.

Some Telstra programs that offer relief from hardship have since been enhanced, such as the prepaid Top Up Program which now has more data and wider eligibility.

Telstra has also begun to consider how to identify customers who need support sooner, using the analytics and data available. I plan to work proactively with customer advocates so that outreach is not dismissed as a scam, or customers do not feel Telstra is chasing them for payment but instead is offering support.

4.2.3 Affordability at the heart

Telstra implemented price rises across mobile, prepaid mobile, broadband and fixed phone services earlier this year. This prompted the Financial Hardship Review to consider better promotion of Telstra's partner brands Boost and Belong. Telstra is considering how to offer these options to a customer experiencing hardship or requesting affordable services. A link to Belong services can now be found on the cost-of-living support page.

However, more needs to be done to help keep everyone connected affordably. This can only be achieved with co-ordination across industry, government and regulators. Telstra is currently the only telco with a requirement to offer a low -income suite like *Access for Everyone*.

The Government is providing 30,000 families without internet at home with free nbn broadband. The School Student Broadband Initiative is supported by nbn retailers that will provide eligible students with connectivity at home to help with their education. The peak consumer communications group, ACCAN, proposed an nbn wholesale broadband product for those receiving government income support. This proposal was backed by Telstra. The Government has tasked nbn's Low Income Forum to further investigate options for supporting consumers to be connected.

Availability of affordable products is key to ensuring customers on limited incomes stay connected and do not need to seek financial assistance. Sometimes assistance through a waiver or payment holiday is what the customer requires, but providing a service that is affordable is fundamental.

4.2.4 Benefits of a strengths-based approach

Strengths-based language focuses on positive aspects of the approach rather than a negative, or deficit model. This is relevant when discussing assistance options – focusing on the positive outcomes of assistance rather than why it is required.

The Minister for Communications has focused more specifically on people experiencing hardship and she has now directed the ACMA to implement an Industry Standard on Financial Hardship. The Draft Financial Hardship Standard has been for consultation and will be in place by March 2024.

As the regulator moves to implement it, my preference would be to have a requirement for a "Financial Assistance Policy" rather than the proposal by the regulator that it be called a "Financial Hardship Policy." Most customers do not understand this terminology – and it can be a barrier to accessing the support available.

Using the term "financial hardship" as opposed to "financial support" stigmatises customers and can unintentionally foster feelings of shame. Telstra is moving towards a strength-based model, elevating the terms "support" and "assistance" and "enhanced care" instead of "hardship" "collections" and "vulnerability" when referring to policies, collateral and programs.

There is more to learn about how this can be done well by providers so customers feel more confident to access the support that is available.

4.3 Effective complaints handling

An effective complaints handling process is fundamental to a thriving competitive industry. For providers, complaints provide information about gaps or failings in processes or training and are vital intelligence about customer experience and expectations. For regulators, complaints can provide insights into the effectiveness of regulations.

Telecommunications providers are required to have complaint processes in place and be members of the external dispute resolution body, the TIO. It publishes information about the complaints it receives from individual providers. This allows comparison between providers. And because the TIO receives complaints that the provider has attempted to resolve, it is an indicator of the effectiveness of providers' complaint processes.

ACMA releases FY23 telco complaint data

New figures from the ACMA show that Australian telcos received over a million complaints in FY23. The 1,037,823 complaints represented an increase of 2.3% compared to complaints received in FY22.

However, the number of complaints per 10,000 services remained steady at 58 as the number of telco services also increased at the same rate over the period.

Providers are also required to report to the regulator about the complaints they receive. The regulator publishes aggregated data about the volume, type and resolution time of complaints.

The ACMA reported over 1 million complaints in FY23[17], but does not report the data for individual providers. Draft legislation currently being considered would enable the ACMA to release data from individual providers[18], and I agree this is a good outcome for consumers. There are inevitable challenges with comparing providers, however a transparent complaint handling regime would provide information about the quality of complaint resolution.

4.3.1 Promising trends

A key indicator of how far Telstra and the industry have come is reflected in complaint data. Telstra has the most telecommunications customers, so it's no surprise that the TIO receives the most complaints from Telstra customers. However, it is pleasing to see that **the number of complaints referred to the TIO from Telstra customers dropped nearly 36% compared to the year prior.** In FY22 just over 50% of the total TIO complaints related to Telstra, whereas in FY23 it was 40%.[19]

The TIO also reported that industry-wide, complaints related to small business declined 25% — Telstra's analysis indicated that it experienced an even bigger reduction. And whilst mobile complaints represented nearly half of the total complaints, Telstra's remained stable at about 38% of total volume in FY23. Unfortunately, the TIO has highlighted an increase of 1.2% in Financial Hardship cases across the industry — with less than 6% being small business customers, the vast majority are individual consumers experiencing hardship. Telstra is reviewing its hardship practices in light of the current draft Financial Hardship Standard.

In 2010, the TIO received 197,682 complaints — this year's total of 66,388 is one third of the 2010 volume. In my previous role as a consumer representative, I asked for complaints to be reduced by at least 50%. To my great surprise, this has not only been achieved but exceeded — significant given that telecommunications have an even more central role in our lives today. It shows how much industry has improved complaint processes and the importance of these processes for further improvement.

Notwithstanding these improvements Telstra cannot take the focus off aggressively driving complaint numbers down, especially for easy to address issues that should not have to be escalated to an external dispute resolution scheme to get resolved.

Belong substantially reduces TIO complaints

The TIO publishes complaint volumes per 10,000 services in operation (SIO) by provider as a way to compare the proportion of complaints based on size.

In December 2020 during the COVID pandemic, Belong's TIO complaint volumes were 4.8 per 10,000 services. The following year they dropped to 1.02, and in mid-2022 Belong introduced its voice customer service — volumes of TIO complaints had dropped to 0.65 per 10,000 by the end of 2022. In October 2023, TIO complaint volumes were 0.51 per 10,000.

4.3.2 Failure to act

One issue that remains persistent across complaints is the failure to respond to or follow up on an action. It is the largest category of common complaints, and indicates there must be improvement in the processes to track and follow through on actions raised by customers. It should not take an escalation to the TIO or visibility through the media to spur action on a complaint.

Telstra should actively work to ensure non-complex complaint numbers go down. While this area of complaint has been persistent it is arguably easier to shift than complex complaints. Telstra uses a metric for its training and operational focus called Once and Done to get issues resolved for customers on the first contact. There is also more functionality on the My Telstra App for issues to be resolved without contacting an agent. This will likely be a factor in complaints data going forward.

While in my role as Chief Customer Advocate, I have been able to listen to calls taken by our customer service agents and observe the complaints processes from an independent perspective. It has given me a better appreciation for the complexity of the issues raised and the systems and processes Telstra uses. I have been impressed with the focus on root cause analysis, and continuous work to improve complaint handling across the Telstra Contact Centres team.

4.3.3 Metrics that drive better outcomes

In New Zealand, the regulator is implementing a new comparative reporting regime that publishes customer service metrics which includes complaint handling.[20] The expectations are that consumers can make informed choices about providers based on their responsiveness and effectiveness with respect to its customer service including complaint processes.

In Australia, the proposals have some similarities with the energy sector. The Australian Energy Regulator publishes individual providers' data with respect to hardship and disconnection rates.

There is an expectation of more data in the public domain, given the draft legislation that would enable the ACMA to publish it. More transparency is welcomed so customers and advocates have more information to make decisions and call out where improvements can be made.

I believe that the metric that matters most to customers is not the number of complaints, but the time for resolution — and in tandem ensuring those complainants do not come straight back into the system because the resolution was not effective and only short lived. But no matter what, there cannot be any disincentive for customer service agents to record issues such as complaints nor should there

be uncertainty about whether and how a customer has expressed dissatisfaction. There should be a low bar for the threshold defining an expression of dissatisfaction and recording an issue as a complaint.

The more data collected from customers about their experience, the more likely telcos will be able to identify root causes of any systemic issues and address them. In my view, it is more important to seek out metrics that highlight the effectiveness with which complaints are addressed. **Useful metrics will focus on better quality complaints handling and improving customer experiences and service quality.**

4.4 Corporate leadership

4.4.1 Going beyond the minimum

Telstra has made many commitments described in this report to support customers in vulnerable circumstances — including responding to the Draft Financial Hardship Standard. This is only one part of the uplift required to support a more customer-centric culture.

Telecommunications plays a vital role in helping those facing disadvantages overcome barriers.

Leadership in social responsibility is evident through Telstra's track record of providing financial assistance programs. There are some exciting pilot initiatives experimenting with a needs-based, proactive model for customer service. My view is that Telstra needs to stay focused on continuous improvement - incubating innovations that improve support for our customer base also makes good business sense.

4.4.2 Disrupting technology-facilitated abuse

Telstra has been a leader in looking at what more could be done to support customers experiencing domestic and family violence. Initially this focused on ensuring safety through access to services and new devices, but the work quickly expanded into addressing technology facilitated abuse (TFA). Since then, an industry guideline on supporting those experiencing domestic and family violence has been introduced, and options for enforceable standards are being considered as part of the TCP Code review.

The Government has adopted an ambitious National Plan to end violence against women and children in one generation. It has called on corporations to be a key part of a multi-sector response to ensure the success of the National Plan. Service providers, advocates and victim-survivors are now driving the adoption of a new approach for technology companies that focuses on prevention not retrofitting.

Telcos are in a unique position to prevent TFA and to stop it when it occurs. A study by domestic violence research organization ANROWS found TFA was very common and that one in two Australian adults reported having experienced at least one abusive behaviour. It also found that industry and legislative response was lacking, and that there was significant capacity-building work required.

I recommend that Telstra should continue to encourage the industry towards a goal of ending technology-facilitated abuse in Australia, starting with a review of where Telstra already aligns with Safety by Design principles and where more can be done. This would ensure that as a leading technology company Telstra works to proactively prevent and minimise online threats by anticipating, detecting and eliminating online harms before they occur.

The e-Safety Commission promotes the need for Safety by Design to help make digital spaces safer and more inclusive — an approach that protects all users including children. Telstra is in a very good position to play a leading role in Safety by Design as Artificial Intelligence (AI) and the metaverse continue to proliferate.

In playing a leadership role, Telstra should also invest in community programs, co-designed with victim-survivors to prevent and raise awareness about TFA in Australia. In particular, education co-designed with young people on respectful relationships online would go a long way towards reversing the trend in young peoples' views regarding gender equality which underpin domestic violence. By investing in safety by design, community programs, technology solutions and awareness raising campaigns, Telstra could help change the story for all Australians.

4.4.3 Support for financial counselling

Telstra supports the financial counselling industry voluntary funding scheme.

Annually Telstra provides sponsorships for financial counselling conferences and events and sends a team of staff to answer concerns and resolve issues in person. Financial counsellors provide feedback to me in my role on a regular basis. Sometimes the feedback received amounts to weak signals about issues which may warrant further investigation.

This engagement is supplementary to Telstra's dedicated hotline for financial counsellors. Overall, financial counsellors reported to me at these events that they appreciate the assistance from Telstra's specialised team that saves financial counsellors and their clients time by looking into unresolved issues.

When there are significant issues impacting customers, Financial Counsellors see the impact on their clients directly. For our mutual benefit Telstra needs to continue to work with financial counsellors through their conferences, our ongoing direct engagement strategies, and the voluntary funding scheme.

Feedback from Financial Counsellors

At the Financial Counselling Australia national conference in Canberra this year, I ran a survey that asked about hardship support and what Telstra can do better and what other providers are doing that Telstra should do. From the responses I received, the main themes were that Telstra's customer service has improved, including faster answer times, but more improvement was requested. Many comments related to wanting more listening, understanding and flexibility to help customers, as well as more in-store support for financial assistance.

5. Concluding remarks

Telstra has a long tradition and a deeply felt duty of care for customers, dating back to its origins in a government department and as the only telecommunications provider in Australia.

There is a strong imperative to look after customers in vulnerable circumstances because anyone can find themselves going through tough times — nowadays including those who are employed and have a mortgage.

Over the past three years, Telstra has renewed its focus on doing business responsibly, being more customer-centric and looking after customers in vulnerable circumstances.

While Telstra has much more to do to improve how it supports customers, it can improve and is doing so. I have seen that there is an enormous transition underway.

While there are more challenges ahead, so long as Telstra stays on its path there will be shared benefits for customers and the business.

Telstra's commitment to more transparency and accountability by employing the independent voice of a Chief Customer Advocate inside the company is an example of this commitment and should be commended.

I am looking forward to the year ahead despite the clear challenges with cost-of-living pressures. I remain committed to getting good outcomes for all of Telstra's customers but especially those in vulnerable circumstances. I look forward to demonstrating further improvements in the next report.

Endnotes

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2   Thriving Communities Partnership, Understanding Vulnerability, October 2019, p.4.

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4   Foodbank Australia, *Foodbank Hunger Report 2023*, October 2023

5   Homelessness Australia, Overstretched and overwhelmed: the strain on homelessness services, August 2023, see HA-Overstretched-and-overwhelmed-report-v03-1.pdf (homelessnessaustralia.org.au)

6   People with disability in Australia, web report, last updated 5 July 2022, see https://www.aihw.gov.au/reports/disability/people-with-disability-in-australia/contents/people-with-disability/prevalence-of-disability

7   PWDA, *Disability and Poverty: submission to the Community Affairs References Committee inquiry in the extent and nature of poverty in Australia*, February 2023, see PWDASB-2023-Extent-and-Nature-of-Poverty.pdf

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11   AIHW, Culturally and linguistically diverse Australians, last updated 25 October 2023, see https://www.aihw.gov.au/reports-data/population-groups/cald-australians/overview

12   AIHW, Family, domestic and sexual violence, last updated 23 November 2023, see https://www.aihw.gov.au/reports-data/behaviours-risk-factors/domestic-violence/overview

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14   ACMA, Proposed Telecommunications Financial Hardship Industry Standard, see https://www.acma.gov.au/consultations/2023-10/proposed-telecommunications-financial-hardship-industry-standard

15   Calls to Crisis Lines from Payphones can't be linked to unique customer numbers so an 80% discount to the count was applied based on guidance from Lifeline on repeat callers

16   ACMA, *Financial hardship in the telco sector: Keeping the customer connected*, May 2023

17   ACMA, Telco complaints-handling performance, last updated 10 October 2023, see Telco complaints-handling performance | ACMA

18   Australian Parliament, Exposure Draft, Telecommunications Legislation Amendment (Statutory Infrastructure Providers and Other Measures) Bill 2022

19   TIO, *Annual Report 2023*, 11 October 2023, see Annual Report 2023 | The Telecommunications Industry Ombudsman

20   NZ Commerce Commission, *Improving Retail Service Quality — Customer Service Update*, 7 September 2023

Contacts for specialist support

Support	About	Hours of operation	Contact
Financial Assistance service team	Assistance for customers finding it hard to pay for their services.	**Phone:** Monday to Friday 8am-6.30pm AEST	**1800 531 951**
		Messaging: Monday to Friday 7.30am-9pm AEST Saturday & Sunday 9am-7pm AEST	Link available on T.com or in app
First Nations Connect	Australian-based phone line dedicated to helping Aboriginal and Torres Strait Islander customers, respecting culture and community. Access to interpreter services for approximately 50 different First Nations languages and dialects.	Monday to Friday 9am-5pm (anywhere in Australia)	**1800 444 403**
Compassionate Care	Dedicated team to assist when experiencing bereavement or a loved one has a critical illness.	Monday to Friday: 8am to 8pm AEDT Saturday & Sunday: 8am to 5pm AEDT	**1800 775 932**
Multilingual Service	Translation service for assistance in languages other than English	Monday to Friday 8am-6pm AEST	**1800 241 600**
Disability Enquiry Hotline	Assistance with specialised equipment and services for customers with a disability.	Monday to Friday 8am to 5pm AEDT	**1800 068 424**