



28 November 2011

By email: Numbering.Project@acma.gov.au

Manager, Numbering Project
Australian Communications and Media Authority
PO Box 13112
Law Courts
Melbourne VIC 8010

Dear Sir / Madam

Calls to Freephone and Local Rate Numbers: The Way Forward

The Consumer Action Law Centre (**Consumer Action**) welcomes the opportunity to comment on ACMA's discussion paper *Calls to Freephone and Local Rate Numbers: The Way Forward*¹ (**the discussion paper**).

About Consumer Action

Consumer Action is an independent, not-for-profit, campaign-focused casework and policy organisation. Consumer Action provides free legal advice and representation to vulnerable and disadvantaged consumers across Victoria, and is the largest specialist consumer legal practice in Australia. Consumer Action is also a nationally-recognised and influential policy and research body, pursuing a law reform agenda across a range of important consumer issues at a governmental level, in the media, and in the community directly.

Since September 2009 we have also operated a new service, MoneyHelp, a not-for-profit financial counselling service funded by the Victorian Government to provide free, confidential and independent financial advice to Victorians experiencing financial difficulty.

Response to ACMA's proposal

We strongly support ACMA's proposal to amend the numbering plan to provide that:

- mobile originated calls to freephone numbers are free to consumers; and
- mobile originated calls to local rate numbers are limited to the cost of a local call from a landline.

As the discussion paper notes, an increasing number of Australians now use their mobile phone as their primary or sole communication device, and this trend is more pronounced amongst people on low incomes. This demographic change is undermining the intent of the numbering plan and the relevant legislation of providing a basic minimum standard of communications. This

¹ Accessed from http://www.acma.gov.au/WEB/STANDARD/pc=PC_410184

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change is also reducing the transparency of the cost of basic telecommunications. 1800, 13 and 1300 numbers are widely understood to be 'freecall' and 'local call cost' services, though as mobile phone use increases, this understanding is increasingly incorrect.²

It is important that a freecall or fixed low cost option exists to allow people on low income to access essential services. This option does not exist for a significant and apparently growing number of people who are on low incomes and have a mobile phone as their sole communication device. Even where a service provider is willing to offer a free or low cost number, the current pricing regime means that number is still inaccessible to many.

To illustrate, Consumer Action provides a telephone legal advice line for consumers through a 1300 line and a financial counselling service, MoneyHelp, through a 1800 line.

In total, these two advice lines took nearly 11,000 calls in the last 12 months.³ Of those calls, 24 per cent originated from mobile phones and 43 per cent from landlines. The origin of the remaining 34 per cent is unknown (this is usually because the caller has blocked their number from appearing on caller ID systems). The average talk time was 8 minutes and 30 seconds, meaning a typical call to our service from a mobile will cost anything between \$1.87 to \$15.13 (plus flagfall) according to the price ranges cited in the discussion paper.⁴

Even at the lower end of this range, the cost of calling our service from a mobile would be significant for our typical client. As well as receiving a low income (where an income range was stated in our records, 62% of clients reported receiving less than \$26,000 per annum⁵), callers to our financial counselling practice are usually in serious financial difficulty. This suggests that the current pricing regime will make our advice services inaccessible for at least some consumers calling on mobile phones.

This finding is supported by anecdotal evidence from our financial counsellors who report that some clients say that the cost of calling our 1800 number from a mobile deters them from calling, particularly if they think they will have to wait on hold. Clients also tell our financial counsellors that they have been unable to contact a service provider (for example, their lender or utility company) because they have no mobile credit and cannot afford to recharge.

Anecdotal evidence from our financial counsellors is that it is common for low income clients to only have a mobile phone as they cannot afford to also have a landline. This is consistent with comments in the discussion paper that people with low incomes are more likely to have a mobile phone as their main or sole communications device, and that low income households with only one phone type are more likely to have a mobile than a landline.⁶ Experience of our financial counsellors also suggests that their clients typically have prepaid mobile plans which are useful when managing a low-income budget but often have higher call costs than post-paid plans.

² see discussion paper pp 6-8.

³ This number only includes calls with a talk time of 1 second or more. Calls without a talk time are usually calls where the caller had waited on hold and hung up before their call was answered.

⁴ See p 7. Costs range from 22c per minute to \$1.78 per minute (plus flagfall).

⁵ 44% of records did not list an income. 33% recorded low or no income (<\$26,000) 14% reported medium income (\$26,000-\$52,000) and 7% high income (anything over \$52,000).

⁶ Pages 6-7.

In our view, ACMA's proposal is the most sensible way to make free and low cost call options available. It is well understood in the community that (at least from landlines) 1800 numbers are intended to be free calls and 13 numbers the cost of a local call. Applying this pricing regime to mobiles will build on the existing community awareness and will improve price transparency.

Please contact David Leermakers on 03 9670 5088 or at david@consumeraction.org.au if you have any questions about this submission.

Yours sincerely

CONSUMER ACTION LAW CENTRE



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