



INFORMATION FOR YOUR COMMUNITY ORGANISATION

Changes to Telstra billing and payments – April 2021

Background

Telstra has been working to greatly simplify its products and services. Major initiatives include:

- Simplifying our mobile plans to make them inclusive of all standard domestic calls and texts with no excess data charges, thus having a consistent, known monthly payment. Similarly, simplifying our internet and home phone bundles, and our home phone plans.
- No lock-in contracts for our service plans, which are now month-to-month. Customers can easily cancel their plan or change their plan once a month. Longer term contracts only apply to device purchases, such as mobile handsets, which are separate from the service plans, and to internet gateways, which are provided at no extra cost so long as a customer stays connected for 24 months.
- Introduction of a new concessional \$30 Value Mobile Offer for eligible customers, alongside our traditional assistance for customers in vulnerable circumstances such as the Pensioner Discount and other programs to enable all Australians to remain connected.

What's next?

The next phase of our simplification journey is to encourage new and recontracting customers, where possible, to utilise direct debit (we call it "AutoPay" for our new Upfront plans, to distinguish it from direct debit arrangements on our older plans) for payment of their Telstra mobile services. This is based on the subscription-priced nature of our new plans meaning there will be no unexpected call or data charges in addition to the regular monthly plan cost. It also means there will be no late payment or payment processing fees and there will be no debt arising for customers from these Upfront plans.

Telstra recognises that setting up direct debit/AutoPay may not be possible for everyone, such as for customers who are financially excluded and/or in vulnerable circumstances. Telstra has alternatives to offer these customers (for example, a pre-paid service or a billing account with alternative payment options) and our staff undergo training to appropriately assist customers in vulnerable circumstances.

Below are some further details on how we are making this next move, which may be useful for case workers and/or your clients with Telstra services.

Why is Telstra moving to direct debit/AutoPay?

AutoPay is a simpler way to pay and it helps customers stay on top of their bills without risk of late payment fees, and without having to remember to pay their bill each month to avoid having their service restricted, suspended or disconnected. AutoPay is contactless and we do not charge a payment processing fee.

With Telstra's new Upfront plans, there is now month-to-month price certainty. Mobile plans feature unlimited standard domestic talk and text calls and no excess data charges. The Upfront plans also include 30 minutes of international calls from Australia. If extra features are required, e.g. additional international calling or sports streaming apps, customers can choose to add these to their service and pay the associated set monthly charges, but must choose to do so before they can use them, and can cancel them at any time.

Customers will be able to see upcoming payments via the My Telstra app (which does not incur data charges on the Telstra network) with the ability to cancel their services at any time or change their plans once a month. This means that a customer can change their plan as their needs change.

When does this happen?

When purchasing a new mobile plan, customers will need to nominate their preferred AutoPay payment method which can include a credit card, debit card or bank account. Additional AutoPay options may be introduced in the future. The first payment is made up-front and then a reoccurring payment is automatically debited on the same date each month, with customers able to cancel their service at any time.

Are there exceptions?

There will be some exceptions including for those customers who are financially excluded (e.g. without a bank account or credit/debit card); managed by a trustee or carer; impacted by financial hardship; impacted by situations such as domestic and family violence; those customers on a Centrepay arrangement or who have used the Telstra Bill Assistance Program.

Customers in these circumstances are encouraged to mention their situation to the sales agent and can be offered a mobile plan that continues to receive a bill, with a range of alternative payment options.

What happens if I can't make a payment or my payment fails for my Upfront plan?

If a customer's direct debit fails, we will email and/or SMS the customer to let them know. They will be able to make a one-off payment using their stored payment details or an alternative payment method in the My Telstra app, by calling 13 22 00 or visiting a Telstra store. We will send a reminder after five business days. If payment is not made within 10 business days, the service will be suspended and then eventually disconnected on their next payment anniversary date (i.e. one month after the failed payment).

We have measures in place to continue supporting customers who are experiencing financial hardship, including the ability to pause payment while still using the service. Telstra customers can call 1800 531 951 and we will arrange for a flexible payment arrangement to help the customer get back on track with their bills. We will inform the customer of the existence of these measures in communications relating to the potential suspension and disconnection of their service for non-payment. Alternatively, customers can use the My Telstra app or visit telstra.com/hardship.

Can I still use the Telstra Bill Assistance Program?

The Telstra Bill Assistance Program can be used for accounts where there is a Telstra bill produced (either paper or electronic bill). Our new Upfront Mobile plans with AutoPay do not have a bill and TBAP is not currently applicable. Customers that have used TBAP should mention this when speaking to Telstra and may be given an exception if they do not wish to use direct debit/ AutoPay. If in doubt, case workers can email the Telstra Specialised Assistance Team, or customers can ring Telstra directly for assistance, as above.

If my Telstra direct debit payment fails will I be charged a dishonour fee by my bank?

This will depend on your bank or card issuer's terms and conditions. You may be charged a dishonour fee by your bank or card issuer if your direct debit fails (or after a set number of attempts), e.g. if you have insufficient funds or your account becomes overdrawn. Note that under the Australian Banking Association Banking Code of Practice, "basic" accounts for people with a low income do not incur dishonour fees on direct debits.

How do I update my direct debit details if my credit card expires or changes?

You can easily update your details online through My Telstra or through the My Telstra app.

How does this impact customers such as the elderly and others who prefer to pay in person?

We know that there will always be customers who prefer to pay in person. To enable those customers to continue do so as we progress with a move to our Upfront plans, we are working with Australia Post on a "digital wallet" solution that will enable elderly and more vulnerable customers to continue to pay over the counter at Australia Post stores. This should be available by July 2021. This will also provide a means to cater for customers who do not have ready access to a bank account or credit or debit card.

Post-paid mobile customers can also choose to move to a pre-paid mobile plan and use cash over the counter for purchasing recharge vouchers at a wide range of retail outlets, including Telstra shops.

What about customers with existing services that receive a bill?

Telstra is no longer accepting cheque payments at Australia Post. Customers can still pay by cheque either at a Telstra store or by posting to Telstra. Other than that, for the time being (see Next Steps below), existing payment methods continue for existing services.

Next steps

We will keep you up to date with further information regarding additional changes to Telstra's products and services for our consumer customers. Soon, we will be only selling our new Upfront Mobile plans, which use our new digital technology platform to offer much quicker ordering and activation, improved digital tools for managing the plan and service, data sharing between upfront plans, helping customers to make better use of included data, greater certainty over the monthly plan cost, paying by AutoPay and the removal of bills. You can preview these plans at <https://www.telstra.com.au/mobile-phones/sim-only-plans#upfront>

More questions?

Please email us at consumer.affairs@team.telstra.com and we will get back to you promptly. ■