

Media release

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No such thing as a free call for millions of mobile phone users

Three peak consumer groups have joined forces to lodge Australia's first ever super-complaint" with the ACMA over the cost of calling 1800 and 1300 numbers for mobile phones users, saying that an eight-minute "freecall" on a mobile actually costs around \$7.50.

In Australia the number of mobile phones now outnumber the population with 24 million, compared to just 10 million landlines. But consumers who use a mobile phone to call any 13/1800 number – including vital government agencies, telecommunication and utility providers – are stung with a per-minute rate.

ACCAN, AFCCRA and ACOSS say that the regulation surrounding 1800 freecall and 13 numbers, which are free or the cost of a local call from a land line respectively, needs to be updated to reflect the growing number of people who only have access to a mobile phone.

The groups have united to produce a detailed "super complaint" on the issue which they have lodged with the Australian Communications and Media Authority, asking the regulator to thoroughly investigate and respond within 90 days.

"There is tremendous confusion among consumers as to how much these calls actually cost, because people wrongly assume that all calls to a 1300 or 1800 number are free," said Acting ACCAN CEO Teresa Corbin.

"We know landlines are in steep decline. The very reason that freecall numbers were introduced in 1997 was to remove the financial barrier for those contacting essential services. The equity it was meant to create has largely been eroded by regulation that hasn't kept up with technology."

Financial counselling body AFCCRA agrees, saying call charges from mobile phones impacts the most on people who are least able to afford it.

"We see many people with financial troubles whose problems are made worse because a call to Centrelink or their telco uses up all of their pre-paid phone credit – especially when there can be such long on-hold wait times," said AFCCRA Executive Director Fiona Guthrie.

ACOSS CEO Dr Cassandra Goldie says that indigenous consumers subject to income management under the NT intervention are further disadvantaged as they have to call a "freecall" number to find out how much credit they have left available on their Basics Card used to purchase essential goods.

"When money is tight every cent counts and if you're on a low income, a mobile phone is a real lifeline," said ACOSS CEO Dr Cassandra Goldie. "ACOSS is concerned that the cost of calling freecall numbers may be deterring people from contacting vital government services."

The groups have made a number of recommendations in their super-complaint, including changes to the Numbering Plan to include mobiles, changes to billing processes by the telcos or a technological change whereby a new number range could be created exclusively for mobiles, so people are still able to connect with essential and important services.

Background for journalists

The Numbering Plan – “freecall” numbers:

1800 telephone numbers provide an important public service. They allow the receiver to pay for incoming calls, as opposed to the standard default practice of the caller paying for their outgoing calls. These services are known as ‘freephone’ services. Since the inception of these numbers in the *Telecommunications Numbering Plan 1997* more than a decade ago countless vital public services have taken up the option of removing a financial barrier to connecting with people.

Super-complaints explained:

A super-complaint is a complaint about any feature, or combination of features, of a market for goods or services that harms, or appears to be significantly harming the interests of consumers. This concept originated in the United Kingdom and is enshrined there in law in the *Enterprise Act 2002*. Under this framework, an organisation may be eligible to make a super-complaint if it appears to represent the interests of consumers of any description.

In Australia no legislation exists requiring a regulator to respond to a super-complaint. However, the coalition of consumer groups believes that the investigation process for this super-complaint should take the lead from the UK process. This includes but is not limited to ensuring that the ACMA:

- publicise the fact that it is investigating a super-complaint about the cost of a accessing 1800 and 13/1300 services from mobile phones;
- consult widely with stakeholders, including all relevant telecommunications providers, consumer groups, and government bodies;
- provide clear explanation and reasoning for the investigations process, as well as any recommendations it makes; and
- consider using all appropriate powers in its investigation of the super-complaint, including the information gather powers under s521 of *Telecommunications Act 1997*.

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About ACCAN

The Australian Communications Consumer Action Network is Australia's new communications consumer watchdog. ACCAN's purpose is to improve consumer advocacy, undertake research and analysis from a consumer perspective and make the market work for communications consumers. The operation of ACCAN is made possible by funding provided by the Australian government.

About ACOSS

The Australian Council of Social Service is the peak body of the community services and welfare sector and the national voice for the needs of people affected by poverty and inequality. ACOSS' vision is for a fair, inclusive and sustainable Australia where all individuals and communities can participate in and benefit from social and economic life.

About AFCCRA

The Australian Financial Counselling and Credit Reform Association is the peak body for financial counsellors in Australia. Financial counsellors assist people in financial difficulty, providing information, support and advocacy. They work in community agencies and their services are free, confidential and independent.