

HANSARD: TELSTRA - EXTRA ADMINISTRATION CHARGES

[6.35 p.m.]

Mrs BUTLER (Lyons) - I rise this evening to raise an issue that affects Tasmanians all over the State, especially those on low incomes. Telstra announced last month that from 14 September it will charge a \$2.20 administration fee for bills paid by mail or in person at a Telstra shop or Australia Post. The telco's credit card payment processing fee will also rise to 1 per cent of the payment amount for Mastercard, Visa and American Express cards, and 2 per cent for Diners Club cards. Pensioners and disability cardholders will be exempt from this impost.

Telstra will be charging customers to pay their own bills. Only seven weeks' notice of the new charges has been given. It is a bill on a bill, no matter which way one looks at it. Many people in the electorate of Lyons pay their bills by mail and I want to alert them to this change. They need to change to a direct debit payment system or regular fixed payments if they are to avoid the extra charge of \$2.20 when they pay their bill by mail. These changes came at a time of increased profit for Telstra. On 13 August CEO David Thodey said:

'In the past fiscal year Telstra's attributable net profit grew by 10.3 per cent to \$4.1 billion and the company generated free cash flow of \$4.4 billion, a 13 per cent increase on the prior year. At a time when many companies have had to ask for money from their shareholders, we are pleased that Telstra shareholders will continue to benefit from our fully-franked dividend of 28 cents per share for the year.'

He also described a 5.3 EBIT growth higher than expectations. Surely these results would indicate a healthy bottom line, but payphones are being removed all over the electorate of Lyons according to their usage figures. I have made cases to retain these facilities in areas where there are mainly older people, for example, widows who do not drive, and areas where tourists who are not with Telstra but with other telco providers find they have no mobile coverage, such as the east coast. I wish to stand up for those people who will be disadvantaged by these changes.

People who have direct debit with automatic direct payments and who pay online will be the winners, with no extra charges for this service. Operationally, Telstra's business performed well across all segments and products. Wireless broadband revenue grew by 69.2 per cent to \$587 million, with customer numbers almost doubling to more than 1 million. Fixed-line retail broadband revenue grew 15.9 per cent to \$1.533 million. Telstra's retail business had a strong year, achieving 3.4 per cent revenue growth. In spite of these elements of corporate growth, Telstra reduced its total work force by nearly 3 000, with the total reduction in

worker numbers since 2005 being 112 665 people, an astounding number given the increase in services available. A total of 97 T stores and 22 Telstra business centres have been opened but will be impacted by the new costs, as bills paid there will cost more.

World-class communications infrastructure is what Tasmania and Australia need for development. I hope that competitive forces will apply and that Telstra sees service delivery and value to customers as priorities rather than seeing EBIT growth and protecting Telstra shareholders as their first priority. Tasmanians are very dependent on telecommunication as we are the most diverse and spread population of any State. We also have the oldest population. I appeal to Telstra to rethink these extra charges. Telstra enjoys almost a monopoly position in this State, certainly a prominent position. They appear to be abusing this situation and disadvantaging the Tasmanian people and this is a shameful situation. I call on Telstra management to show a heightened level of social conscience and to immediately address this issue.