

12.2 TELECOM NEW ZEALAND

12.2.1 Telecom Accord

- 12.2.1.1 Accords were originally negotiated with Telecom South (1990) and Telecom Auckland, whilst an agreement was in place with Telecom Central. When Telecom New Zealand Ltd. came into being the Federation immediately renegotiated these Accords and a national Accord was put in place in 1995.
- 12.2.1.2 The Accord is negotiated with Telecom Credit Management Staff and has been rolled over annually.
- 12.2.1.3 The aim of the Accord is to offer to clients of affiliated budget services a workable time frame and repayment schedule for Telecom debts.
- 12.2.1.4 The main components of the Accord are that:
- (a) the contents of the accord are confidential to personnel of affiliated budgeting services.
 - (b) the accord is only applicable to clients of affiliated budgeting services who have signed the Federation's Budgeting Agreement and are receiving regular, ongoing support. Clients who request one-off advice from the budgeting service should be referred directly to Telecom for extended credit. In these circumstances, Telecom's usual arrangements will apply.
 - (c) current accounts must be paid by their due date and should not become overdue.
 - (d) extended credit may be given to all clients for a four-month period. This can be extended to six months for Telecom customers who owe more than \$400.00 but if the account is not paid within this timeframe there will be an immediate disconnection. Telecom may agree extended credit arrangements for a final account. However, customers will not be reconnected until such time as the account is paid in full.
 - (e) for clients under an affiliated budgeting service total money management programmes who require more than six months extended credit, the advisers will recommend the time required in writing to the Telecom New Zealand Total Management Co-ordinator. Telecom will confirm the payment arrangement is acceptable within 24 hours of receipt.
 - (f) the affiliated budgeting services' advisers will telephone Telecom Credit Management on 0800 10 10 44 to establish the amount owed by the client. Confirmation of the adviser's status will be made by Telecom staff requesting the name of the adviser's service and identification number. The adviser will ensure the privacy agreement is in place with its client, prior to this initial phone call.
 - (g) the affiliated budgeting service will then recommend a payment schedule (including frequency and amount to be paid in each instalment) by letter (ref. BUD 104). A budget worksheet is not required by Telecom. The date for first payment must also be advised in this letter.
 - (h) customers who are pending disconnection for non payment will receive a 72 hour grace period to enable the budgeting service to assess their financial position and recommend extended credit arrangements.
 - (i) for all extended credit arrangements, a toll bar will be applied at no cost to the customer. The toll bar will not be removed by Telecom Credit Management until such time as the extended credit is repaid. At that time, it will only be removed at the customer's request and at no cost to the client.

- (j) for those customers who wish to place a toll bar on their telephone line to manage their telephone charges, and who approach an affiliated budgeting service for budgetary advice, Telecom will apply a toll bar at no charge on the recommendation of the budget adviser. Advisers should contact Telecom Credit Management staff to arrange this on 0800 10 10 44.
- (k) if the extended credit arrangement is not honoured the arrangement will be cancelled immediately and telephone service will be disconnected.
- (l) if a deliberately false statement is made in either the agreement between the client and budgeting service or the agreement with Telecom, these terms may be cancelled. The budgeting service will be responsible for informing Telecom of any such breach.
- (m) when the client leaves the budgeting service, or is asked to leave by the service, Telecom will be informed by the adviser and will manage the extended credit arrangement directly.
- (n) Telecom reserves the right not to provide extended credit in some circumstances.
- (o) Telecom has Automatic Payments and Direct Debit services available. The budgeting service clients are to be encouraged to pay by these methods.

12.2.1.5 This agreement will apply throughout New Zealand shall be reviewed after 12 months from the date of this agreements.

12.2.2 Telecom Budget Link Scheme

12.2.2.1 This scheme was set up in 1995 as a direct result of community agencies talking with Telecom about ways that low-income families could be helped to have, or keep, the use of a telephone. The result was a partnership arrangement between the Federation and Telecom. It allows customers to have a telephone at half the normal line rental and unlimited local calling access and 0800 numbers but with some restrictions to other services.

12.2.2.2 The restrictions include:

Internet services	Mobile phone access	Other smartphone services
Toll calls	Home 0800	International 0800
Calling Card Services	Call Minder	Caller Display
60s Plus Option	Favourite Place	Neighbouring Area
0900	Calls to cellular phones	Calls to pages
Calls to other networks		

12.2.2.3 The terms of the Budget Link Scheme are detailed fully in the **Telecom Budget Link Manual** copies of which are held by every affiliated budgeting service. The main points of the scheme are that:

- a) the customer must have been a client of an affiliated budget service for at least six weeks and receive regular budget advice,
- b) the client has no telephone service from their home **or** are at risk of losing their phone service (for reasons of genuine financial difficulty),
- c) the debt to Telecom is no more than \$400 and the client can meet the repayment terms, agreed with Telecom Credit Management (the client is ineligible if the Telecom debt is already with a collection agency),
- d) the client continues to receive regular budget advice while on Budget Link.
- (e) the client must be a genuine applicant for whom the Budget Link scheme was intended.

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- 12.2.2.4 Budget Link should be considered for all clients. If they would benefit from it and qualify, the scheme should be recommended to them.
- 12.2.2.5 To connect to the Budget Link Scheme the affiliated budgeting service:
- (a) makes sure the client is eligible;
 - (b) explains Budget Link to the client including the Telecom Budget Link Agreement and conditions, payment options and responsibilities of the client;
 - (c) calls 0800 001 128 and give the PIN number, let the client give personal details if present, otherwise relay info rmation on Telecom Budget Link Agreement.
- 12.2.2.6 The client must have signed both the Telecom Budget Link Agreement and the Federation Budgeting Agreement Form (Stationery Item BUD 109). The Federation Agreement Form must be signed at least six weeks prior to application for Budget Link. The client must also understand and agree:
- (a) to continue to receive ongoing, regular budget advice whilst they are on the scheme.
 - (b) to pay the Telecom phone bill in full by the due date.
- 12.2.2.7 The client's situation must be reviewed every six months and Telecom must be advised if circumstances change.
- 12.2.2.8 The client can stay with the Budget Link scheme for a maximum of two years only unless there are very extenuating circumstances. To negotiate an extension beyond two years, the adviser, supported by the Budgeting Service Co-ordinator, must make a written case and send this with a completed budget worksheet to the Executive Officer at the Federation's national office.
- 12.2.2.9 Budget Link is designed for people in need of budgeting assistance and it should be an exception rather than the rule for personnel currently involved with budgetng services to be receiving Budget Link. The National Committee has decided ¹ that to ensure the integrity of the scheme, all cases involving current personnel of budget services must receive prior approval of the Executive Officer of the Federation.
- 12.2.2.10 The National Committee decided ² that it would suspend the access to the Budget Link scheme for any affiliated member that disregarded the Budget Link Scheme criteria in order to safeguard this scheme for the majority of clients.
- 12.2.2.11 It is the responsibility of the originating budgeting service to cancel a client's access to Budget Link when that client leaves the budgeting service's influence.

12.2.3 Telecom Connect Assist

- 12.2.3.1 The Federation in December 2002 contracted with Telecom to provide an independent appraisal of the financial circumstances of a person or persons seeking a new telephone connection in Low and Medium Density Housing areas. Part of the contract requires that after examining the applicant's financial circumstances the certificated budget advisor will make a recommendation that Telecom New Zealand Ltd either:
- (a) reduce the new connection fee to \$95.00, or

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¹ National Committee meeting 23/24 February 2001

² National Committee meeting 23/24 February 2001

- (b) agree to repayment over up to three monthly instalments following the new connection, or
 - (c) confirm its quoted connection fee.
- 12.2.3.2 The reduced fee applies only to new telephone connections where either a \$250 or \$500 new connection fee applies. Where there is already a telephone connection on the property and the reduced fee application is for a second or subsequent connection, no reduced fee is available and the budget advisor should refer the person back to Telecom. If there was previously a telephone connection on the property which had been disconnected then this is not a new connection and the reduced fee is not available. Again in these circumstances the person should be referred back to Telecom. The reduction applies to the connection fee only. There may also be installation costs which are not eligible for rebate.
- 12.2.3.3 Participating budgeting services agree to have the first meeting with the customer within two (2) working days of the customer first making contact with them, unless the customer's unavailability is a barrier to this target being met.
- 12.2.3.4 Before commencing the appraisal, and preferably when the customer first contacts the budgeting service for an appointment, the customer is to be asked to complete the standard *Application For Appraisal Under Telecom New Zealand Connect Assist* which is held by all participating budgeting services. Further copies of this Application Form can be obtained on request to the Federation national office.
- 12.2.3.5 The applicant is not charged a fee for this appraisal. The Federation will pay the affiliated budgeting service for each qualifying appraisal done and will be reimbursed by Telecom. Payment is made on receipt of a claim form at the rate of:
 - (a) \$ 168.75 (including GST) for each completed appraisal for an applicant allocated an appointment, or
 - (b) \$ 56.25 (including GST) for the first unkept appointment for an applicant allocated an appointment.
 - (c) If an unkept appointment later completes the appraisal interview then the remaining balance of the amount referred to in the first bullet point only may be claimed.
- 12.2.3.6 In order for the budgeting service to qualify for re-imbursement for carrying out this appraisal the budget advisor must be satisfied before doing the appraisal that the reduced fee is for a new Telecom connection and that it is not an extra connection or a reconnection. In order to be satisfied, the budget advisor should contact Telecom on 123 to verify that this is a qualifying connection with the appropriate address details. The budget advisor should:
 - (a) identify themselves as a NZFFBS certificated budget advisor and
 - (b) should request what the connection price would be, and
 - (c) confirm that this is a new connection (not a second or subsequent connection or a reconnection of a disconnected line).
- 12.2.3.7 Participating budgeting services agree that the appraisal will be completed in no more than ten (10) working days from the first appointment. In completing the Application Form the applicant is informed exactly what documentation to bring to the initial interview and the completion timeframe assumes that the applicant is compliant in producing this information. That documentation includes:
 - (a) Documentation of the applicant's and if applicable the partner's current assets. This includes bank statements, certificates, rates notices, insurance papers, etc.

- (b) Written confirmation of the applicant's and if applicable the partner's income. If these are not shown as items on bank statements then produce evidence of the last wage/salary payment, business income, board, child support, etc.
- (c) Copies of all your accounts and demands for outgoings and debts. If regular outgoings are paid by Automatic Payment or Direct Debit then use the bank statements showing these. Otherwise produce recent accounts.
- (d) Documentation showing partners and dependents living in family home. Use Family Assistance, Department of Work & Income or other notice showing the number of dependants and/or marriage and birth certificates.

12.2.3.8 The appraisal will consist of:

- (a) An assessment of the applicant's current assets and current liabilities.
- (b) If the surplus is insufficient to pay the full connection fee, an assessment of the applicant's current income and outgoings

12.2.3.9

- (a) Current Assets mean all property owned by the applicant and applicant's partner but do not include equity in the house occupied by the applicant and value of any superannuation schemes,
- (b) Current liabilities mean all debts that are due for payment at the date of the assessment but do not include balance of mortgage not due for payment, any other debt balance not yet due for payment, outstanding credit & store card debts beyond the minimum payment due and any debt owing on investment property or investment schemes.
- (c) Current income means all actual earnings and other income listed on the Federation budget work sheet BUD 103.
- (d) Current outgoings mean all actual and reasonable amounts for all items listed on the Federation budget work sheet but do not include
 - (i) weekly groceries and all household items in excess of
 - (a) \$70.00 for each adult aged 21 years and over
 - (b) \$85.00 for each dependant aged 11-20 years
 - (c) \$35.00 for each dependant aged 0-10 years
 - (ii) the total of any personal cash, entertainment or giving in excess of 25% of the weekly sum allowed for weekly groceries and all household items.
 - (iii) any outgoings on investments and savings.

12.2.3.10 The appraisal is completed by interviewing the applicant and using the Assessment Sheet copies of which have been supplied to all affiliated and selected transitional budgeting services. Extra copies can be obtained on request to the Federation national office. The Budget Work Sheet (BUD 103) should be used as the basis for including all items of income and expenditure.

12.2.3.11 On completion of the appraisal the budget advisor will within two (2) working days fax to Telecom New Zealand Ltd at 0800 10 10 85 the recommendation on the standard notification form and will supply a copy of this advice to the applicant at the address recorded on the Application Form. The assessment and other personal information are **not** to be sent to Telecom.

12.2.3.12 The budget adviser will

- (a) Recommend Confirm Quoted Connection Fee if
 - (i) the Surplus of Current Assets over Current Liabilities equals or is more than the quoted connection fee, or
 - (ii) the surplus of weekly income over outgoings is sufficient to pay the quoted connection fee in full

- (b) Recommend repayment in instalments over up to the next three months after connection if
 - (i) the surplus of current assets over current liabilities is less than the connection fee, and
 - (ii) the surplus income over outgoings is sufficient to pay the connection fee in three or less monthly instalments
- (c) Recommend rebating the connection fee to \$95.00 if
 - (i) there is a deficit of current liabilities over current assets and there is a deficit in the weekly income, or
 - (ii) there is insufficient surplus in the income to pay the full connection fee within three months

12.2.3.13 The notification to Telecom must include a number at which Telecom can contact the person who sought the reduced fee. If that person does not have a current telephone number they must nominate a telephone number and times that they can be contacted or a message left. This could be the telephone number of a friend, neighbour or relative or be a cell phone number.

12.2.3.14 The notification to the person will explain the process if they are unhappy with the result of the appraisal. The budget adviser is responsible to tell the client the recommendation made and the reasons for the decision. It is not the budget adviser's responsibility to justify that decision. That is part of the review process undertaken in NZFFBS National Office. In signing the application form the applicant has consented to the personal information being retained for the purpose of a review by the Federation. Because time is often of essence for the person wanting the connection, it is preferable that the advice to the applicant of the budget adviser's recommendation be oral in the first instance, followed up by the written notification.

12.2.3.15 The Budgeting Service will submit the Claim Form for all completed and broken appointments after each appointment but at least three monthly intervals to the Executive Officer, NZFFBS Inc. PO Box 2261, Wellington. The Executive Officer undertakes to make payments due under the claim within 7 working days of receipt of the claim.

12.2.3.16 Participating budgeting services agree to allow the Federation representatives to conduct an audit of ten percent (10%) of all assessments in order to meet the Federation's contractual obligations to Telecom. The Federation must audit a minimum of twenty (20) appraisals a year in order to satisfy Telecom that these guidelines for Connect Assist are being complied with. For this purpose the budgeting service must retain all papers relating to each assessment for a period of twelve months from the date the assessment was completed. In signing the application form the applicant has consented to the personal information being retained for this purpose.