

23 November 2023

By Electronic Submission

The Manager
Telecommunications Performance and Regulation Section
Australian Communications and Media Authority
PO Box 13112
Law Courts
Melbourne VIC 8110

**Re: Draft Telecommunications (Financial Hardship) Industry Standard 2024
Comments of Starlink Internet Services Pte. Ltd.**

Dear Sir/Madam

Starlink welcomes the opportunity to comment on the draft *Telecommunications (Financial Hardship) Industry Standard 2024 (draft Standard)* and the “Proposal to make the Telecommunications (Financial Hardship) Industry Standard 2024” Consultation paper (**Consultation paper**) issued by the Australian Communications and Media Authority (**ACMA**).

Below is a general overview of Starlink and its services in Australia, together with a summary of Starlink’s position on the draft Standard and our specific comments on certain provisions in the draft Standard.

Background on Starlink

Starlink’s parent company, Space Exploration Technologies Corp. (**SpaceX**), has been providing non-geostationary, low-earth orbit satellite internet services — branded as “Starlink” — to residential, commercial and government customers since late 2020. Today, just three years later, there are over 2 million Starlink customers on all seven continents using Starlink as a broadband connectivity solution for homes and offices, recreational vehicles, offshore and maritime vessels and private and commercial aircraft.

As a global provider of high-speed, low-latency internet services to regions that until now have been unserved or underserved, Starlink takes its responsibility to serve consumers in these areas seriously. Starlink customer premises equipment, known as Starlink Kits, are simple to deploy, install and use, with no professional experience or formal training needed. Starlink’s residential service plan has no data rate limits. For business and government use, Starlink also offers Priority service plans, which provide higher tiers of service intended for high-demand use cases that require in-motion use, open ocean coverage, network priority and priority support features. Starlink customers are not locked into a minimum contract term and may cancel their service at any time.

A full description of the Starlink service plans currently offered in Australia can be found at <https://www.starlink.com/service-plans>.

Summary of Arguments

SpaceX has made significant investments in its satellite constellation and ground network to serve areas in Australia and around the world that historically have not had access to high-speed internet. Starlink therefore recognises the importance of working with customers in Australia experiencing financial hardship so they can continue receiving service. Indeed, a provider operating in a competitive market will naturally want to make reasonable accommodations in order to retain customers. Extending payment deadlines and offering short-term waivers of debt or pre-paid service plans are things any rational provider would do without regulatory prompting. This is perhaps why none of the other 90+ markets in which Starlink is currently licensed, that we are aware of, have rules that prescribe how telecommunications providers must respond to customer claims of financial hardship.

We believe any regulation that is imposed in relation to financial hardship in Australia should be drafted in such a way that it:

- is clear and easy to understand for both providers and customers;
- does not incentivise providers to restrict availability of services to people without good credit histories by imposing unreasonable burdens in respect of customers who experience financial hardship;
- is flexible enough to accommodate providers with different service models and to allow providers to tailor financial hardship assistance to meet the unique requirements of each customer; and
- does not require providers to serve a customer at a loss.

Based on these principles, and as discussed in more detail below, Starlink encourages the ACMA to consider making the following changes to the draft Standard:

- lower the financial threshold for businesses to be included in the definition of “consumer”;
- allow global providers to place the link to their financial hardship policy on an Australia-specific webpage and not require providers to have a duplicative summary of their already concise financial hardship policy;
- modernise and streamline the requirements relating to contact methods provided to customers;
- streamline the timing requirements for financial hardship decisions;
- ensure providers are not required to supply services at a loss to customers and that the options to keep customers connected include referral to another provider with products capable of supporting the customer on a long-term basis; and
- eliminate certain requirements related to training of staff.

Issues for comment

1. *Definition of “consumer”*

Section 5

Starlink acknowledges that the Telecommunications (Financial Hardship Industry Standard) Direction 2023 requires the draft Standard to apply to providers in their dealings with residential, small business and not-for-profit customers. However, the \$100,000 financial threshold used in paragraph

(c)(ii) of the definition of “consumer” in Section 5 expands the scope of the draft Standard far beyond genuine small business customers. Using such an excessively high threshold will extend the scope of the draft Standard to apply to a significant number of medium and larger businesses, which are inherently more sophisticated buyers and are capable of making their own evaluations about their spend on such services.

For this reason, the \$100,000 financial threshold in paragraph (c)(ii) of the definition of consumer should be reduced significantly to reflect ordinary annual spend on telecommunications products and services by small businesses.

2. *Accessibility and promotion of financial hardship policies*

Sections 8 and 13

The requirement to include a link to the financial hardship policy on a home page is practicable for providers doing business only in Australia. However, it is not practicable for the Starlink home page, which is global in nature. Starlink has a specific webpage for each jurisdiction in which our services are available, with legal and regulatory information applicable to that jurisdiction. Starlink currently provides its financial hardship policy on the Starlink legal webpage for Australia.¹ This removes the risk of customers from other countries having to navigate around a link to the Australian financial hardship policy, which is not relevant to them; and it similarly prevents Australian customers from potentially accessing irrelevant information for customers in a different country.

Accordingly, Starlink requests that the draft Standard be amended to remove the reference to “home page” in section 8(1)(g)(i).

Starlink considers the requirement to provide a summary of the financial hardship policy in section 13, and the requirement in section 8(1)(g)(ii) for this summary to be at the same location that the provider’s application form and financial hardship policy are kept, to be unnecessary. The financial hardship policy must already conform to the obligations under section 8(a)–(d), which require the policy be set out in writing, using clear and plain language that is easily understandable. An obligation to include a concise summary of an already concise financial hardship policy would be superfluous.

Accordingly, the draft Standard should be amended to remove sections 8(1)(g)(ii) and 13.

3. *Requirement to provide email, phone numbers and a distinct contact point*

Sections 9, 10, 15 and 16

All Starlink customers must create a Starlink account, which they can log into online or through the Starlink app. This allows customers to raise a trouble ticket directly through their account, which facilitates an easy and expedient communication process with the Starlink customer support team — including team members authorised to handle financial hardship matters.

¹ Starlink has communicated with the Telecommunications Industry Ombudsman (**TIO**) about the location of the link to the financial hardship policy on its website. We understand the TIO is satisfied with the current location due to Starlink being a global provider.

Since these existing arrangements for customers to contact Starlink work well, Starlink does not agree that additional measures in the draft Standard such as providing an email address and telephone number are necessary. Establishing a separate process for customers to contact Starlink about financial hardship (compared with the normal way of contacting Starlink online or through the app) is excessively burdensome and likely to lead to confusion.

Further, Starlink notes the ACMA's finding that certain customers experiencing financial hardship reported they "often preferred to contact their provider online, as ... negative feelings were exacerbated when talking to a person over the phone ...".² This is supported by the TIO's findings regarding the barriers for consumers seeking help, including financial hardship assistance.³

Accordingly, Starlink requests that the ACMA replace section 15(1)(d) with a requirement for providers to include a minimum of one method of contact that is reliable and efficient, and remove the requirement for this contact to be via email address or telephone number. Amendments will also be needed in sections 9(f) and 10(b) to remove the references to "speak with personnel" and "including by telephone" respectively, and to remove section 15(4)(c) and (5). Additionally, section 16(4)(a) and (b) should be amended to allow existing points of contact to be used for the purposes of offering financial hardship assistance.

4. *Timing for assessments and advice on outcomes*

Section 17

Starlink agrees with the ACMA's timeframe for providers to assess a customer's eligibility for financial hardship assistance within five business days and inform the customer of the provider's assessment outcome within two business days after completing the assessment. However, Starlink proposes implementing a consolidated requirement that providers must both assess eligibility and notify the customer of the provider's decision within a total of seven business days from the day it receives a complete application. Starlink believes that an overall seven business day timeframe is simpler and more reasonable to administer.

Accordingly, sections 17(b) and (c) should be drafted to allow for both steps to be consolidated into a single step to be completed within seven business days.

Additionally, Starlink considers the requirement in section 17(d) that providers advise a customer immediately of the provider's decision against providing financial hardship assistance to be overly prescriptive. A consolidated seven business day timeframe would be sufficient, and section 17(d) should be removed for simplicity.

5. *Financial assistance options for eligible customers*

Section 18

Starlink agrees with the ACMA that a minimum set of options should be utilised by providers for customers eligible for financial hardship assistance. However, the prescribed options do not

² ACMA, [Consumers' experiences with telco financial hardship: Qualitative research](#) (May 2023), p. 18.

³ TIO, [A time for change – Three years of systemic investigations in review: Systemic Investigation Report](#) (June 2023), pp. 11–13.

appropriately account for non-traditional providers, such as Starlink, and should be revised to avoid requirements that could result in providers having to serve customers at a loss — something that is both unsustainable and unreasonable.

a. *Options to help with payments*

Section 18(1)(a) requires providers to make the following two options available to customers facing financial hardship (from the definition of “options to help with payments” in section 5):

- “temporarily postponing, extending or deferring the time for paying a bill”; and
- “payment plans which are tailored to meet a customer’s ability to pay”.

Providers must also offer one of the following three options:

- “discounting a bill charge”;
- “waiving a debt”; or
- “establishing an arrangement whereby the provider matches payments ...”.

It is unclear from the draft Standard whether the provider should decide, for each given customer, which of these options to offer or if the provider is required to offer all options to all customers, with each customer deciding which to accept. It seems obvious that customers will have an incentive to choose whichever of the last three options above the provider offers — discounting or waiving the charge or matching payments — because it involves free service from the provider. This would be the case even where a less costly form of financial hardship relief (such as extending the time for paying a bill) would achieve the objectives of the draft Standard.

While it should certainly be within a provider’s rights to discount charges or waive debt temporarily for financial hardship customers, it should not be required. Consistent with the emphasis in the Consultation paper on providers offering tailored solutions to customers facing financial difficulty, the provider should be free to determine the appropriate option to offer to each customer having regard to each customer’s individual circumstances.

Starlink therefore suggests that the ACMA amend section 18(1) to clarify that the provider, not the customer, may choose from the options available in the definition of “options to help with payments”. Making this change will also allow section 18(1) to be simplified by striking “paragraphs (a) and (d) of” and “, and one other option referred to in that definition” in section 18(1)(a).

Additionally, section 18 should make it clear that providers do not have to offer permanent discounts or other “options to help with payments” on a long-term basis to customers or any type of accommodation to customers making more than one claim of short-term hardship. In those cases it should be appropriate for the provider to provide a discounted service to the customer for a month while they find a provider with a plan they can afford.

These changes to section 18(1) are made all the more important by the language in section 16 of the draft Standard prohibiting a provider from requesting proof of financial hardship from the customer unless it is for long-term assistance. If any customer can claim to be facing short-term financial hardship and not have to provide any evidence to substantiate that claim — and the provider is required to discount a charge, waive debt or match payments — then any customer can make up a

financial hardship and, as long as it is short term, get free or discounted service for two billing cycles. Starlink's proposed changes for section 18(1) would address this concern.

b. Options to keep the customer connected

Section 18(1)(b) requires providers to offer three of five "options to keep the customer connected" from the definition in section 5. None of the options are feasible for Starlink. The draft Standard appears to be designed for traditional telcos and mobile operators that have both post-paid and pre-paid plans with highly differentiated data and other allowances, enabling these operators to move customers between these plans in a manner contemplated by section 18.

This contrasts with the Starlink service plans, which involve only internet access (not voice) and are far simpler. The simplicity of Starlink's plans has made them very popular and easy to use for Australian consumers. The Starlink plans, all of which are pre-paid,⁴ are limited to the following:

- Standard (residential services) – includes unlimited standard data on a monthly plan;
- Mobile (roaming) – includes unlimited standard data for inland use with either regional portability (i.e. within Australia) or global portability;
- Priority (enterprise services/high-demand users) – includes unlimited standard data with one of three tiers of prioritised data allotments per month (i.e. 1TB, 2TB, 6TB); and
- Mobile Priority – includes unlimited mobile data for inland and maritime mobility with one of three tiers of prioritised data allotments per month (i.e. 50GB, 1TB, 5TB).

Starlink believes that residential customers, including those who may face financial hardship, benefit from the simplicity of its plans — particularly the Standard residential and Mobile plans, which are pre-paid, have unlimited standard data and may be cancelled at any time. Indeed, consumers have said that the service plans offered by other providers in the telecommunications market are often viewed as rigid and inflexible.⁵ It would be contrary to this consumer feedback to require Starlink to fundamentally restructure its product suite to create post-paid residential plans with optional data charges for which Starlink can restrict usage only to meet the "options to keep the customer connected".

Starlink therefore requests that the definition of "options to keep the customer connected" be expanded to allow for an option for a provider such as Starlink to refer customers to another provider who may be able to provide service to the customer in its circumstances.

6. Financial hardship training for provider personnel

Section 27

Starlink considers the requirements for providers to enforce detailed timeframes and testing measures for training of customer support staff to be overly prescriptive. A requirement that all staff who manage financial hardship customers receive appropriate training should be sufficient, and section 27(2)(a) should be simplified to this effect.

⁴ Only charges for priority data usage above the subscribed tiers for the Priority and Mobile Priority plans are post-paid.

⁵ ACMA, [Consumers' experiences with telco financial hardship: Qualitative research](#) (May 2023), pp. 26–28.

Starlink appreciates the opportunity to provide these comments in response to the Consultation paper. Please do not hesitate to contact the undersigned with any questions.

Yours sincerely

/s/ Ted Price

Ted Price