

## SECTION 11—DISCOUNTS

**11.1 Criteria for Voluntary Welfare Organisations Requesting Telephone Concessions**

Telecom invites applications from organisations of a purely charitable or welfare nature for a reduction of their business tariff rate to the residential tariff rate for telephone services.

In order to qualify for this concession the organisation shall as a minimum meet the following criteria:

1. The organisation has been exempted from liability to pay income tax by the New Zealand Inland Revenue Department because its charitable purpose and in the course of its activities there shall be no provision for the organisation to distribute money or assets to its members;
2. Any telephone service subscribed for by the organisation shall be used only for its charitable or welfare purposes;
3. If the telephone number is advertised it must only be for the purpose of informing the public about the organisation's charitable or welfare services;
4. The organisation shall not be involved in any commercial or trading activity as its primary function and any such activity shall be incidental to its charitable or welfare purposes;
5. The organisation shall not be, or be under the authority of:
  - a department or branch of central government
  - a regional or local authority (such as school, hospital or library)

Notes:

- (A) In this section "welfare" means
  - (a) The supply of the wants of the disabled, victims of crime, destitute, poor or helpless persons, non residential care of the aged and residential care of children;
  - (b) The education of the disabled
  - (c) The reformation of offenders, alcoholics, or drug addicts;
  - (d) The employment and care of discharged offenders.
- (B) Upon request from Telecom, the organisation shall supply a statement certifying that the above criteria continue to be met together with supporting information as requested.
- (C) If granted by Telecom, the concession will apply for an initial period of one year. It may be terminated at any time if Telecom is not satisfied on reasonable grounds that the above criteria are being met.
- (D) The line(s) for which the concession is sought shall be only used for telephone voice transmission, unless the organisation operates one telephone line only and uses it for both voice and fax transmissions.
- (E) Data or fax transmission shall be charged at business rate.

**11.2 National Account Services**

Certain customers who meet certain criteria may qualify to receive price consideration (discounts) as part of the National Account customer service.

1. The customer makes not less than \$1 million annual billing for all products and services;
2. There is a 10% minimum potential increase in billing in each calendar year (over and above increases in value equal to the percentage increase in the Consumer Price Index for that calendar year) over that of the previous year;
3. There is agreement by the customer to develop and support TCNZ's national sales and service strategy;
4. There is evidence that the customer's senior management accept the mutual benefits of the National Account Service;
5. The customer makes a firm commitment to pay accounts on time, every time;
6. The customer agrees that in the event of a disputed account, only the precise amount in dispute will be withheld;
7. There is agreement by the customer to develop any tenders for communication services with the full knowledge and participation of Telecom;
8. The customer agrees to keep Telecom fully informed of any changes to the customer's policies that might have a material effect on the National Account Service as it relates to the customer;
9. There is a single point of contact for the reporting of faults to be nominated by the customer;
10. There is agreement by the customer to provide a coordinated and centralised decision making process for telecommunication purchases.

Such arrangements are the subject of formal agreements between Telecom and the customers concerned.

National Account customers, as is the case with other Telecom customers, are provided with maintenance services at an appropriate level for their particular network service.

The rebate which may be provided under a National Account agreement in no case exceeds 10% of the whole of the value of the services provided by Telecom to that customer. Rebates are provided 12 months or more in arrears.

The customer if qualifying for the National Account Service would enter into an agreement as follows:

In consideration of being provided with National Account Service and of the benefit such status brings to the customer, the customer agrees with Telecom that it will:

1. Agree to accept National Account Status and work closely with Telecom;
2. Keep Telecom fully informed of any changes to the customer's policies that might have a material affect on the customer's National Account Status;
3. Permit Telecom reasonable access to appropriate personnel and information to facilitate Telecom meeting its obligations to the customer;
4. Commit to holding regular meetings of its senior management with Telecom to ensure effective operation and implementation of National Account Service;
5. Develop any tenders for telecommunication services with the full knowledge and participation of Telecom;
6. Pay all accounts received from Telecom on time, every time. In the event of a disputed account, the customer shall only withhold payment of the precise amount in dispute;
7. Designate a point of contact for the reporting of faults to Telecom;
8. Provide, as far as is practicable, a coordinated and centralised decision making process for the purchase of Telecom's telecommunications services;