

2008

Telstra's Access for Everyone low-income measures package

Report to the Minister for Broadband, Communications and the Digital Economy

LIMAC

Low Income Measures Assessment Committee

From the chair

On behalf of my colleagues, I am pleased to present this sixth annual report of the Low Income Measures Assessment Committee (LIMAC) on the effectiveness of Telstra's low-income package and marketing plan, covering the 12 months to 31 December 2008.

The main component of our report this year is the attached publication *Telecommunications and Community Wellbeing: A review of the literature on access and affordability for low-income and disadvantaged groups*. This major inquiry was commissioned by LIMAC and conducted by the Social Policy and Journalism and Media Research Centres at the University of NSW. It provides a significant contribution to the future of public policy on telecommunications affordability and I commend it to your consideration.

The report concludes that Telstra's Access for Everyone programs, and the work of LIMAC, continue to make a significant contribution to addressing telecommunications affordability for a range of low-income groups, and that Telstra's package compares relatively well with those variously available in the US and the UK.

LIMAC is pleased that Telstra is responding to the changing nature of telecommunications usage of low-income people through the Access for Everyone package and other programs such as the Telstra Connected Seniors® Program.

LIMAC therefore concludes that the package has been effective during 2008, with a total benefit provided to the community of over \$188m. Further, the marketing of the low-income package has been sufficient and the resources provided to LIMAC have also been adequate.

With the fast pace of telecommunications change and the growing reliance on mobiles and Internet, LIMAC notes that access to telecommunications has become more, not less, central to social participation, so its affordability has increasingly direct implications for social exclusion and inclusion.

As the research report recommends, this is an important time for the wider telecommunications industry, the community, government and the regulators to take up and debate more comprehensive policy measures in telecommunications affordability. It provides the opportunity to discuss key questions about how affordability policy should be structured to ensure

all consumers are better included in Australia's digital economy, namely:

1. Whether affordability becomes a wider industry responsibility (building on the LIMAC model);
2. Or whether affordability becomes a dedicated government program (as suggested by the US example).

As Chairperson, I wish to thank the Committee for their contributions throughout 2008, particularly the sub-committee for much behind-the-scenes work supporting the Bill Assistance Program.

On behalf of LIMAC I would like to thank Telstra staff for their dedication and empathy in supporting these worthwhile projects and in supporting the Committee.

The rest of this covering letter details the work of LIMAC, the implementation of the Access for Everyone low-income package and marketing plan during 2008, together with recommendations for further work in 2009.

I trust that you will find this sixth report of interest and the findings of the UNSW Consortium's published review of the literature on access and affordability for low-income and disadvantaged groups an important contribution to Australian public policy on these issues.

Yours sincerely



Chris Dodds
LIMAC Chairperson
11 May 2009



Chris Dodds, Chair of LIMAC

Research

LIMAC has commissioned research every year since 2002 to test the effectiveness of the Access for Everyone package. The research has from time-to-time focused on different aspects of the program:

- 2002 – general benchmarking survey of seven low-income customer segments;
- 2003 – general survey of seven low-income customer segments;
- 2004 – focus on Indigenous and homeless segments;
- 2005 – focus on customers and community agencies using or recommending the Access for Everyone programs;
- 2006 – survey of four low-income customer segments focussing on mobiles, Internet access, and communications and wellbeing, with an additional focus group of newly arrived asylum seekers in Australia;
- 2007 – focus on customers who are actual users of the Access for

Everyone products and services including community agencies who advise clients on these products and services.

In 2008 LIMAC agreed to a new research brief and commissioned a review of the literature on communications and wellbeing by a University of NSW Consortium, involving the Social Policy Research Centre and Journalism and Media Research Centre, as a contribution to further discussion and public policy development.

The report provides a "state of play" of academic and public policy findings in this area of interest, to give guidance to future deliberations by LIMAC or Government or the telecommunications industry.

It specifically investigates the Access for Everyone low-income market segments, viz. transient and homeless people; Indigenous Australians; unemployed persons; low-income families; aged pensioners; people with disability; and



culturally and linguistically diverse people. It also includes some international benchmarking of what businesses, governments and non-government organisations are doing or not doing in regard to communications and low income, including market innovations and responses (e.g. pre-paid mobiles). The report can be accessed at www.telstra.com.au/accessforeveryone.

Highlights from 2008

Telstra has extended its Bill Assistance Program to allow Certificates to be applied against Telstra mobile phone, BigPond® and home phone bills (including Single Bills) in recognition of the changing nature of communications usage among low-income Australians.

- Telstra specially designed and launched the EasyTouch® Discovery Next G™ mobile handset in conjunction with older people and people with disability, improving mobile phone accessibility for these groups.

- Through its Foundation, Telstra developed a specific program to help older Australians learn more about technology. The Telstra Connected Seniors® program offers individual self-teach guides, interactive workshops through T[Life]™ stores and funding to eligible community groups to run training courses in ICT skills.

- Telstra negotiated a new contract with Centrelink that allows the minimum Centrepay payment towards a Telstra bill to be \$10 per fortnight (down from \$20). Customers on Telstra's new billing system (recognised as those with 13 digit account numbers) can now use Centrepay to make regular budgeting payments not only to their home phone bill but also to mobile and Internet bills. The new contract also allows Telstra to directly offer Centrepay to its customers.

- Starting in the latter part of 2008, limited quantities of pre-paid mobile handsets and starter kits are being made available to community agencies to distribute to clients in a crisis situation who do not have access to a working phone.

- LIMAC made a submission to the Government's Homelessness Green Paper noting that despite high levels of access to

communications services generally in Australia, a significant proportion of people seeking assistance from welfare agencies do not have a personal communications service. LIMAC argued that access to communications is an essential prerequisite for social inclusion and that there was some evidence of the role of telecommunications in improving accommodation access and stability. Unfortunately, the resulting White Paper (Australian Government, 2008) barely hints at the role of telecommunications in helping to address issues of homelessness. This suggests to LIMAC a greater need for cross-departmental and cross-portfolio recognition of the role of telecommunications in social inclusion, a point also made by the UNSW Consortium in its review.

- While more relevant to 2009, Telstra's Access for Everyone programs assisted community agencies to respond to client and community needs brought on by the Victorian bush fires and Queensland floods. Supported by Telstra, community agencies operating in the affected areas were able to quickly provide Telstra Bill Assistance Certificates, Telstra Phonecards, and refer people for access to free mobile phones and relevant hardship assistance.

Programs

With LIMAC, Telstra continued to explore ways to improve telecommunications services for people on a low income. In particular, Telstra has been responding to LIMAC's evidence that mobile phone take-up by people on low income continues to grow in significance with a trend towards pre-paid services as a means of gaining affordable access and/ or controlling expenditure.

Emergency Relief

- Telstra extended its Bill Assistance Program to allow Certificates to be applied against Telstra mobile phone, BigPond® and home phone bills (including Single Bills).
- Through the Bill Assistance Program Telstra helped over 3000 Australians each month facing financial crisis to stay connected. Telstra partnered with approximately 1900 community agency outlets to ensure that the program was delivered throughout Australia.
- Telstra distributed approximately \$680 000 worth of Phonecards and PhoneAway cards for partnering community agencies to distribute to customers seeking emergency relief who do not have access to a working phone.
- Telstra surveyed community agencies about the Message-Box program given that usage is decreasing. It was clear that some agencies still viewed MessageBox as a valuable option however a combined calling card/ messaging service may prove even more useful.

Mobile Phones

- Telstra developed radio advertisements about Pre-Paid Next G™ mobiles specifically targeted to Indigenous groups. The advertisements were aired on Indigenous radio stations from May 2008.

- Telstra introduced its new Pre-Paid Mobile Telstra "Long Life" offer, which offers an extended expiry period benefiting low income or infrequent users.
- Over 100 Pre-Paid mobile handsets and starter kits were made available for community agencies to distribute to clients in a crisis situation who do not have access to a working phone.
- In conjunction with older people and people with a disability Telstra designed and launched the EasyTouch® Discovery Next G™ mobile handset, which was specifically designed for ease of use.

Broadband Internet

- On 22 September 2008 Telstra launched Pre-Paid Wireless Broadband on the Next G™ network giving customers access to broadband Internet with no fixed term contracts or commitments, benefiting low income or infrequent users.
- On 3 December 2008 Arnhem Land Traditional Owners celebrated the laying of the \$34m Arnhem Land fibre optic cable with Telstra, the NT Government and the Northern Land Council. As a result of this project, 8000 people in Arnhem Land will have access to high-speed broadband by the end of 2008, and a further 2000 people will have access at the end of the Dry in 2009.
- Telstra promoted the new Higher Rate Government Telephone Allowance increase for home Internet.

Staying Connected

- Over one million Australians continue to benefit from the Telstra Pensioner Discount.
- Telstra negotiated a new Centrepay contract with Centrelink that allows for the minimum payment towards a Telstra bill to now be \$10 per fortnight (down from a previous minimum of \$20 per fortnight).

- All customers on Telstra's new billing system (recognised as those with 13 digit account numbers) can now use Centrepay to make regular budgeting payments not only to their home phone bill but also to mobile and Internet bills.

Payphones

- Working with the Northern Territory and Commonwealth Governments, a further 20 Community Phones were installed by Telstra in very small Indigenous communities bringing the total to 238 such phones.
- The Telstra Phonocard/ PhoneAway Assistance Program was used in a targeted way to assist low-income communities to make the transition to card only Payphones in certain locations.

Education

- Through the Telstra Foundation, Telstra developed a specific program to help older Australians learn more about technology. The Telstra Connected Seniors® program offers individual self teach guides, interactive workshops through T[life]™ stores and also offers eligible community groups the opportunity of funding to run technology training courses.

Accessibility

- In 2007-08 Telstra supplied over 13 000 additional pieces of disability customer equipment including phones with large buttons, incoming and outgoing volume control for speech, audible and visual alerts, and teletypewriters.
- Telstra simplified its Disability Equipment Program (DEP) application process for many of its products and improved the overall experience for most DEP customers by reducing fulfilment times from between three to six weeks to between two to three days.

Recommendations and commitments from the LIMAC 2007 Report

R1: That Telstra review its internal processes regarding activation of Pre-Paid Home, Sponsored Access and InContact services for customers and agencies who make general inquiries to Telstra. **Completed.**

R2: That Telstra extend the Bill Assistance Program and Centrepay receipting, as soon as technically feasible, to include all Telstra products and services and inform community agency partners. **Completed.**

R3: That Telstra continue to seek ways to raise awareness among community agencies and their

clients of the full range of Access for Everyone products and services, as well as other options that may provide a benefit. **Ongoing.**

R4: That Telstra continue to consult broadly with LIMAC on the impacts and possible opportunities for Access for Everyone of its transformation program. **Ongoing.**

R5: That LIMAC continue to seek government and whole of industry responses to issues of access to modern communications, including mobile and broadband, for people on a low income. **Ongoing.**

Promotion

Mass Advertising

- Placement in Telstra's News You Can Use customer newsletter
- New section in Telstra's Your Bill brochure on Financial Hardship Assistance Program
- White Pages Directories includes advertisement on Telstra Disability Services.

Telstra MessageBox

- Letter to all participating agencies with survey.

Website Update

- Redesign and republishing of Access for Everyone web page
- Redesign and republishing of Disability Services web page
- Information on Telstra's Disability Equipment program is included in a number of Commonwealth, State and local government web sites as well as other related web sites.

Targeted Advertising

- Bill Banner Message (Higher Rate Government Telephone Allowance)
- Ponderings newsletter insert on the new Telstra EasyTouch® Discovery mobile phone
- Direct Mail on Higher Rate Government Telephone Allowance

- Indigenous community radio advertisements.

Telstra Bill Assistance Program

- Promotion to all participating agencies of: new business rule of \$500 (20 certificates) maximum benefit for any one bill; extension of TBAP to mobile and Internet bills; and updated Guidelines.

Training

- Call Centre briefings on Higher Rate Government Telephone Allowance for home Internet
- Development of additional Connected Seniors "How To" training materials.
- Applications for 4th round of Connected Seniors grant applications
- Ongoing Connected Seniors training workshops
- Commenced pilot of training coffee mornings in store through Connected Seniors.

Sponsorship & Presentations

- Guest speaker presentations on Access for Everyone and Disability Services to peak community organisation conferences and events throughout Australia
- Sponsorship of selected national conferences.

Future

The 2008 LIMAC research report from the UNSW Consortium evidences the growing importance of access to mobiles and Internet to promoting digital inclusion. The report recommends that LIMAC continue to examine these issues in the light of overseas examples. Also, that LIMAC examine how a further contribution could be made to fostering ICT skills amongst the disadvantaged customer segments that make up the Access for Everyone clientele.

However, the major recommendation from the report is for the wider telecommunications industry, the community, government and regulators to take up and debate more comprehensive policy measures in affordability and telecommunications.

LIMAC is well aware that reasonable access to communications underpins much of the social inclusion agenda, yet does not often form part of that agenda.

LIMAC will continue to encourage its member organisations to include telecommunications access

and affordability as an important element of their policy focus.

LIMAC also agrees with the conclusions of the researchers, that this is an opportune time for co-ordination to bring about a clearer focus on the key role that telecommunications now plays in social inclusion and the need for a comprehensive and effective overall approach to affordability.

Recommendations

R1: That Telstra continue to explore an option for emergency top-up for pre-paid mobile phone users.

R2: That Telstra reconsider the overall communications requirements of MessageBox users, including the need for a combined calling card/ messaging service.

R3: That LIMAC continue to explore how access to mobiles and broadband Internet can be improved for people on a low income, including relevant skills formation.

R4: That LIMAC continue to seek government and whole of industry responses to affordability issues to promote digital inclusion.

Committee

Representation of LIMAC members and observers 2008

Member/ Observer[^]

	Feb 11	May 12	Aug 11	Dec 8
Anglicare Australia				
Australian Council of Social Service				
Council on the Ageing				
Dept of Families, Housing, Community Services and Indigenous Affairs				
Homelessness Australia				
Jobs Australia				
St Vincent de Paul Society				
The Salvation Army				
The Smith Family				
Australian Communications & Media Authority [^]				
Dept of Broadband, Communications and the Digital Economy [^]				
Telstra [^]				

Telstra would like to thank all our community partners for supporting the Access for Everyone low-income package



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