



2011

# LIMAC

Low Income Measures Assessment Committee

REPORT TO THE MINISTER

## FROM THE CHAIR

Chris Dodds (ACOSS)

On behalf of my LIMAC colleagues, I am pleased to present our annual report for the 2011 calendar year on access to telecommunications for people on a low income in Australia.

This report marks the 10th anniversary of Access for Everyone. The first official meeting of LIMAC was held 20 May 2002 soon after the launch of the initial package on 23 April 2002 with an estimated benefit of \$150 million per annum to be provided to people on a low income.

Access for Everyone implemented an affordability safety-net for residential consumers at a time when prices for the home phone line were being significantly rebalanced from variable calling charges to fixed monthly access charges. While this pricing change would create a benefit for most consumers, people on a low income could be disadvantaged without targeted programs such as Access for Everyone.

After the first year, in October 2003, I wrote to the Minister for Communications about LIMAC's first report: "In general, we are reassured by the benchmark research which shows a positive reaction from both agencies and consumers towards the Access for Everyone initiatives, and a recognition that the initiatives satisfy a significant need within the community."

After five years of operation of the package, in 2007, it was pleasing to report that the LIMAC research found the perceived affordability of maintaining access to fixed phone, mobile and internet services had improved significantly compared to 2002. Today, Access for Everyone continues to effectively support over one million Australians each month to stay in touch.

Of course, over the last few years the telecommunications landscape has changed dramatically. We know that many people on a low income depend on their pre-paid mobile phone for keeping in touch, and we know that many community and Government services are now most efficiently accessed via the internet. From its beginnings in the home phone service Access for Everyone has gradually been extended to offer assistance for maintaining a post-paid mobile and home internet. While pre-paid mobiles and wireless broadband can provide affordable access, community agencies report that their clients are often out-of-credit and are reluctant to return calls or access their message service due to cost.

In 2011 LIMAC welcomed Telstra's initiative to set up a dedicated Chief Sustainability Office that has chosen digital inclusion as one of its priorities. This renewed focus on access to the internet for people on a low income is particularly welcomed.

After 10 years it is important to ask whether low income measures are still relevant for telecommunications access in Australia. We know in terms of digital exclusion that income, age, disability and geography still play a significant role. We know that over the last few years people on a low income have become relatively worse off in terms of their share of national income. We know that the cost of living, particularly for utilities, has risen markedly. It is clear to LIMAC, which particularly listens to agencies that provide support to people on a low income, that a continued focus is required on this area of public policy, particularly with important new services coming along such as the National Broadband Network and mobile applications.

I would again like to thank my colleagues on the Committee, particularly those agencies who partner with Telstra on a day-to-day basis to provide the Access for Everyone programs through face-to-face contact with people who seek assistance in their local communities.

I would also like to thank Telstra for their willingness to consult early on proposed initiatives that may impact people on a low income and to adjust their implementation based on LIMAC's feedback. Also, for their willingness to invest in regular research on different aspects of telecommunications affordability in Australia and make the results available to other social researchers. I would finally like to thank the Telstra staff for their continued commitment and support in keeping LIMAC very well informed on all matters of potential interest and ensuring the smooth running of the meetings.



### Other highlights over the 10 years include:

The development and trial of Country Calling as a more culturally relevant telephone service, which arose out of LIMAC discussions regarding communications access in remote Indigenous communities.

The establishment of what has become a popular Phonecard/PhoneAway Card program for people who depend on public telephone services.

The further development of the InContact home phone service to add features such as free access to many crisis numbers and the ability to make outgoing calls using a pre-paid PhoneAway Card.

The extension of the Bill Assistance Program to Telstra post-paid mobiles and/or internet services.

A handwritten signature in black ink, appearing to read 'Chris Dodds'. The signature is stylized and cursive.

Chris Dodds, LIMAC Chair

## FROM THE CEO

David Thodey (Telstra)

Technology continues to allow us all to interact with family, friends and our communities in more ways than ever before.

Over the past 10 years Telstra has provided around \$2 billion in assistance to Australians on low incomes to access our products and services, as well as dedicated teams to support these customers. We have also partnered with nearly 2,000 local community groups to distribute assistance when and where it is needed to people who are in financial hardship and in danger of having no communications services.

Of equal importance has been our ongoing dialogue with our customers and communities through the Low Income Measures Assessment Committee and the Telstra Disability Forum. These groups help ensure that we are delivering relevant support to the diverse and changing communications needs of our customers.

Telstra is proud of our ongoing commitment to digital inclusion, as it forms a key pillar of our wider sustainability program. Through our next generation networks, investments in emerging technologies, and our Access for Everyone initiative, we are helping more Australians stay connected in this digital era.

David Thodey, CEO Telstra



## THE COMMITTEE

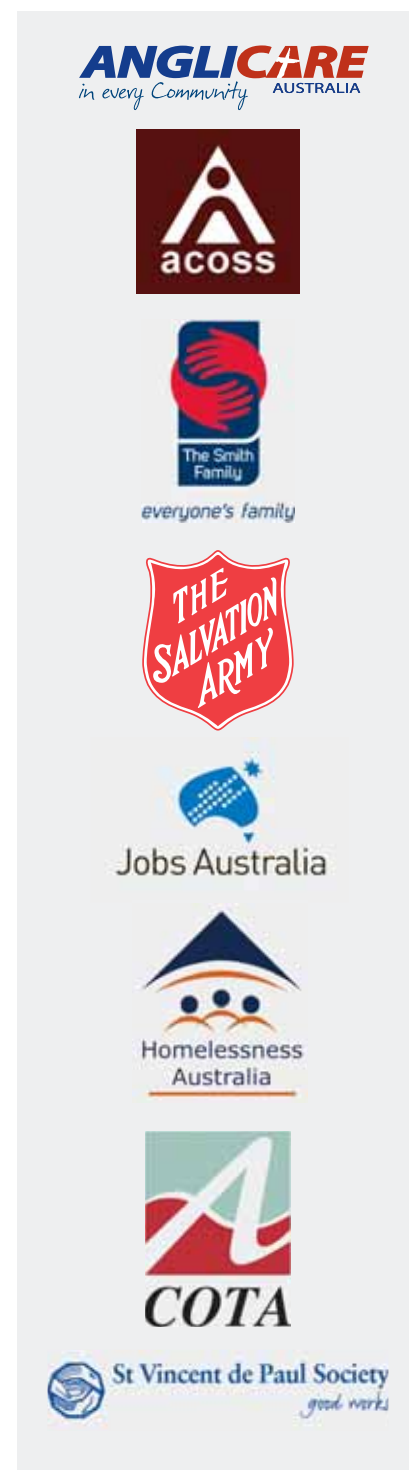
LIMAC met five times during 2011, twice by audio-conference. Committee meetings generally involve an update on the low-income package, the marketing plan, any new Telstra proposals that may impact customers on a low income and broader public policy issues of telecommunications and affordability. An operational sub-committee meets before the main meeting with a focus on managing the Bill Assistance Program.

### Major items discussed by LIMAC in 2011 were:

- New Telstra bill payment proposals for newly contracting customers to encourage use of online and email bill options.
- Affordability options for people relying on pre-paid phones, in particular the costs of calling 13/00 and 1800 numbers and important helplines.
- Impacts of the ACT Utilities Infrastructure Tax on low income telecommunications customers.
- Pricing changes for Telstra HomeLine plans and the Late Payment Fee.
- Researching the social impact of the Access for Everyone package.
- Producing an Access for Everyone video and interviews of LIMAC members as part of upcoming 10 year celebrations.
- Affordability policy and the future of Access for Everyone in a National Broadband Network world.

Organisation	Feb	May (a)	Jun (a)	Aug	Dec
ACOSS	Y	Y	Y	Y	Y
Jobs Australia	Y	Y	Y	Y	Y
The Smith Family	Y	Y	Y	Y	Y
FaHCSIA	Y		Y	Y	Y
Homelessness Australia	Y	Y		Y	Y
The Salvation Army		Y	Y	Y	Y
St Vincent de Paul Society	Y		Y	Y	Y
Anglicare Australia	Y	Y	Y		Y
Council on the Ageing	Y	Y		Y	Y
ACMA (o)		Y	Y		
DBCDE (o)	Y	Y	Y	Y	Y
Telstra (o)	Y	Y	Y	Y	Y

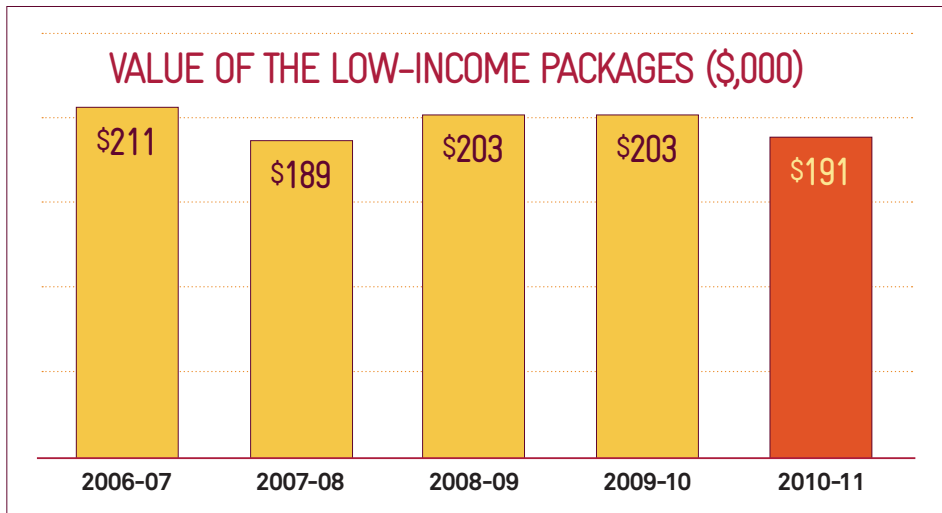
(a) Audio conference (o) Observer



## THE LOW-INCOME PACKAGE

There have been no major changes by Telstra to the package during 2011 and take-up of the products and services has remained relatively stable. The overall benefit provided to consumers through the package in 2011 was approximately \$191m (see chart). The slight decline overall is attributable mainly to Pensioner Discount customers choosing Telstra bundle options as an alternative value proposition.

**THE OVERALL  
BENEFIT PROVIDED  
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THROUGH THE  
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\$191M**



### INCONTACT®

The number of services in operation has been generally steady at approximately 77000 at the end of 2011.

### SPONSORED ACCESS

The number of services in operation has been relatively steady with approximately 1490 at the end of 2011 in Supported Accommodation Assistance Program dwellings.

### MESSAGEBOX

Some 530 services were provided to community agencies in 2011 for use with clients who have no readily available communications service. This is a large decrease from previous years, mainly attributable to the ready availability of mobile phones, and LIMAC has agreed to review the MessageBox program in 2012.

### PENSIONER DISCOUNT

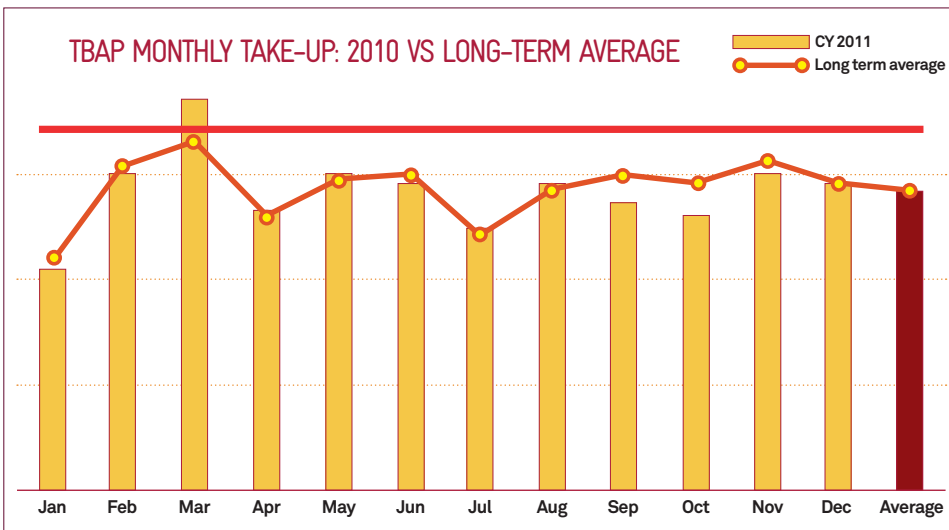
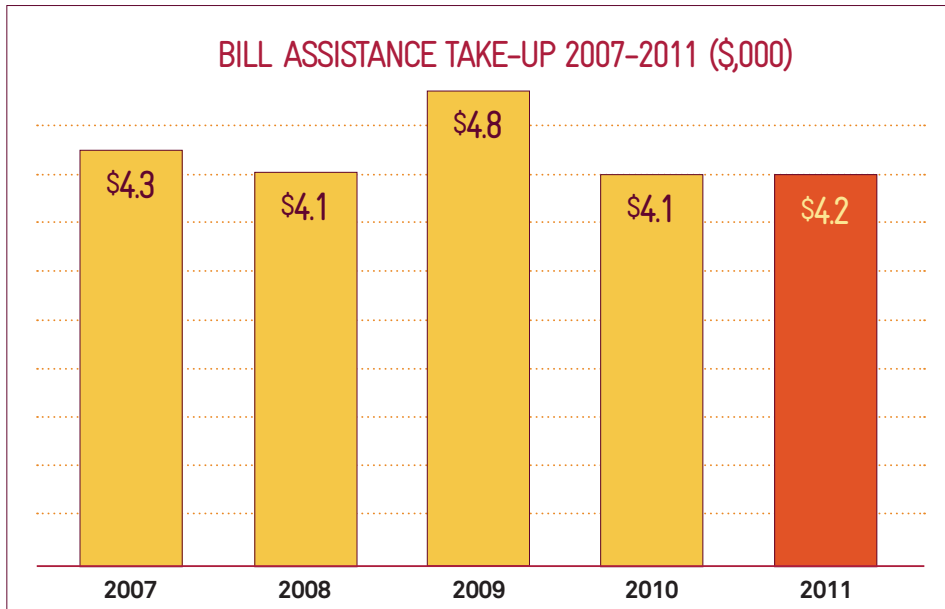
During 2011 the number of customers receiving the Telstra Pensioner Discount on their HomeLine plan decreased slightly to around 1.16 million, attributable mainly to the take-up of bundled plans. Telstra's Pensioner Discount provides up to \$12.25 discount per month on access charges and calls, as well as other concessional benefits.

### HOMELINE BUDGET

This is Telstra's lowest monthly access charge HomeLine phone plan. The number of services in operation grew to approximately 768 000 towards the end of 2011 mainly due to its inclusion in Telstra bundled service offerings.

## BILL ASSISTANCE

Take-up of the program during 2011 was close to the long-term average. Approximately 2770 customers per month benefited from the program with just over \$4 million of relief provided (see charts). A noticeable trend is that somewhat fewer customers are receiving somewhat larger amounts of assistance as more customers tend to have more than one telecoms service on their bill.



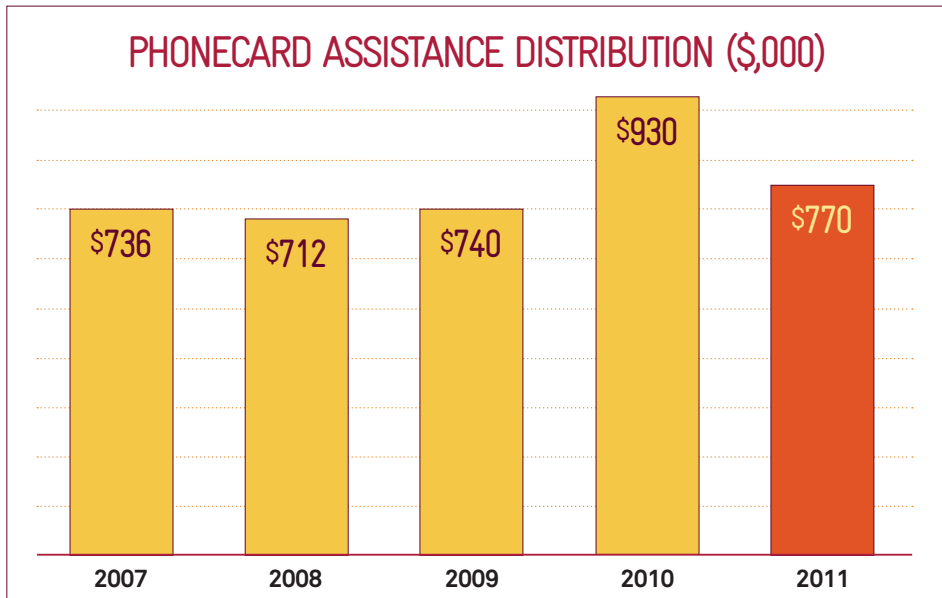
*“Emma” was 10yrs old when diagnosed with aggressive Acute Myeloid Leukaemia. She had to spend the next 12 months in the Children’s Hospital, an hour’s drive from home. Her mum, who was self employed, had to give up work to be with her as she battled her illness. “Emma’s” father, also self employed, juggled work and looking after the younger brother and making the evening two-hour return trip to hospital to visit. The family managed until the father was also diagnosed with cancer and struggled to continue working. The bills mounted and finally the family sought support from a community agency who provided Telstra Bill Assistance and other emergency relief . At a time when the world was falling apart, the support from Telstra and the community agency enabled the family to cope and stay connected to each other.*

## CENTREPAY

Use of Centrelink’s Centrepay system to make regular payments against Telstra accounts has been steady throughout 2011 and similar to the previous year, averaging nearly 70 000 payments per month from approximately 32 000 to 35 000 customers. This represents approximately one percent of Telstra’s total payment volumes.

## PHONECARD/ PHONEAWAY®

In 2011 some \$770 000 worth of cards (excluding distribution costs) were provided to agencies that are directly assisting clients in circumstances of domestic violence and homelessness, including young people and asylum seekers. The decline in distribution in 2011 was mainly attributable to an extended re-printing and supply interruption that was outside Telstra's control (see chart).



APPROXIMATELY  
2770 CUSTOMERS  
PER MONTH  
BENEFITED FROM  
THE BILL ASSISTANCE  
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RELIEF PROVIDED

## OTHER TELSTRA SERVICES

These included: Telstra Pre-paid Home; Internet Services; Disability Services; Payphones; Pre-paid calling options; Options for contacting Telstra; Multicultural service centres; Indigenous Communities Helpline; Billing flexibility; "Stay Connected®" campaign; Telstra's Hardship Program; Pre-paid mobile phones; Telstra Conferencing Special Rate Service; and charity and not-for-profit BusinessLine® discounts.

These services have all continued in a similar fashion except for the following notable changes and initiatives.

### PRE-PAID HOME

LIMAC agreed that this product could be exited due to its declining usage. Telstra began notifying customers from mid-2011 suggesting alternative options (such as InContact® with a PhoneAway® card) and offering an attractive discount for 12 months on a basic HomeLine™ Plan. Telstra Pre-paid Home was finally switched off at the end of March 2011.

### PRE-PAID MOBILE PHONES

Through 2011 Telstra again supported a number of domestic violence, youth homelessness and asylum seeker agencies with pre-paid mobile handsets and starter kits.

### FINANCIAL HARDSHIP

During 2011 Telstra's Financial Hardship team supported customers in times of disaster, tragedy and emerging economic problems. They have also re-aligned their work to support the proposed new Telecommunications Consumer Protection Code and assist a broader and more diverse group of customers.





## RESEARCH

LIMAC agreed to commission specific research into understanding the social impact of some of the Access for Everyone programs, specifically, the Bill Assistance Program. This work was undertaken by the Centre for Social Impact, which is based at the University of NSW ([www.csi.edu.au](http://www.csi.edu.au)).

Preliminary findings from the research re-confirmed the important role that access to telecommunications plays in “breaking the cycle” of emergency relief dependence through enabling the customer to take advantage of relevant referrals to other support services such as housing, health and financial counselling. The importance of such access to telecommunications was rated as highly as other necessities such as support with food and utility bills.

Another finding re-confirmed that many people rely on a pre-paid mobile phone for their telecommunications, and are often out-of-credit when presenting to community agencies for assistance. This is a customer group that the Access for Everyone programs do not currently address, something that Telstra is reviewing.

The final research report is due in early 2012 and will assist LIMAC and Telstra to improve the Access for Everyone programs, including better targeting Bill Assistance to areas of high deprivation in Australia.

## MARKETING PLAN

The following items highlight some of the activities undertaken to raise awareness of Telstra's Access for Everyone programs and benefits for specific customer groups, and to support partner community organisations.

### ACCESS FOR EVERYONE VIDEO

In conjunction with Gadget Group Productions and LIMAC members, we have produced a short video highlighting the Access for Everyone programs, which is being used to raise awareness among not-for-profit organisations, including at conferences and in customer engagements.

### CONFERENCES

#### ACOSS National Conference 2011, Melbourne

Telstra provided support to this national conference ([www.acoss.org.au](http://www.acoss.org.au)), profiling Access for Everyone to approximately 600 community agencies in attendance from around Australia. Telstra also participated in a conference panel session on overcoming the digital divide, presenting some of the opportunities that high capacity broadband might offer to the social service sector.

#### ACCAN National Conference 2011, Sydney

Telstra was the major sponsor ([www.accan.org.au](http://www.accan.org.au)), profiling Access for Everyone and other Sustainability programs to approximately 200 delegates.

#### NSW Financial Counsellors Conference, Sydney

Chris Dodds, LIMAC Chair, spoke to the 150 delegates about Access for Everyone and the options for assisting people who were homeless in particular.

*“Andrew” was diagnosed with HIV in the late 1980’s. Facing his mortality he decided to live what time he had left to the full using all his savings to buy gifts for his family and friends and go on a holiday. Fortunately he stayed alive long enough to see the introduction of antiviral therapies, however, side effects were debilitating and “Andrew”, unable to work, struggled financially. He decided he needed a change and moved to the country where his health improved markedly. But he now battled feelings of isolation and loneliness. “Andrew” contacted a local support agency who provided Telstra Bill Assistance, which enabled him to keep in touch with his dear friends and family and contributed greatly to his wellbeing.*



The Salvation Army's Major Paul Moulds, Director of Social Programs, appears in the Access for Everyone video.



“Imagine Sydney Olympic Stadium filled to capacity 12 times over...that’s how many people each month are assisted by Telstra’s Access For Everyone program”, says Peter ‘The GadgetGuy’ Blasina.



## DISABILITY SERVICES

### Christopher Newell Prize

In May 2011 Rhonda Galbally AM, representing Senator the Hon Jan McLucas MP, Parliamentary Secretary for Disabilities and Carers, was our guest in awarding the Telstra-Telecommunications Journal of Australia Christopher Newell Prize for Telecommunications and Disability. Five papers were published in total in the May 2011 edition of the TJA ([www.tja.org.au](http://www.tja.org.au)). Telstra has also sponsored the prize for 2012, which makes these papers freely available to read and reference.

### LINK Disability Magazine

Telstra is a major sponsor of LINK magazine, which reaches a wide cross-section of people in the disability sector. The December 2011 issue included an article: "The Future of communications" looks to the mainstream", which describes the Access for Everyone funded University of South Australia project that is investigating the use of iPads and relevant applications to "amplify the voice" of people with complex communications needs. The research is testing the use of mainstream devices and networks, with appropriate software development, to potentially offer better options than bespoke disability equipment solutions.



Christopher Newell



Link Disability Magazine

## ONLINE

Information about the Access for Everyone package is available online at [www.telstra.com.au/accessforeveryone](http://www.telstra.com.au/accessforeveryone).

## PHONE

- For enquiries about residential services, please call 13 2200.
- The TTY number for customers who use a teletypewriter is 1800 808 981.
- The Indigenous Communities Helpline to assist Indigenous consumers in rural and remote areas with specialised products and services which may assist them is available on 1800 444 403.
- Consumers from non-English speaking backgrounds can call the relevant Multicultural Call Centre line. The service is available in the following languages:

Language	Number	Hours of operation
Cantonese	1800 677 008	9am-9pm
Mandarin	1800 678 876	9am-9pm
Italian	1800 649 013	9am-5pm
Greek	1800 189 129	9am-5pm
Indonesian	1800 429 432	9am-5pm
Korean	1800 773 421	9am-5pm
Arabic	1800 726 001	9am-5pm
Spanish	1800 726 002	9am-5pm
Vietnamese	1800 644 500	9am-9pm

### LIMAC Chairperson

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## APPENDIX A: TELSTRA'S CARRIER LICENCE CONDITION 22

### LOW-INCOME MEASURES

- (1) By 1 July 2002, the licensee must offer, or have a plan for offering, products and arrangements to low-income customers (the low-income package) that has been:
  - (a) endorsed by low-income consumer advocacy groups; and
  - (b) notified in writing to the ACA.
- (2) The low-income package must include details of the dates by which products or arrangements not offered to low-income customers from 1 July 2002 will be offered to such customers.
- (3) The licensee must comply with the low-income package as in force or existing from time to time.
- (4) The licensee must maintain and adequately resource a Low income Measures Assessment Committee (LIMAC), comprising representatives of such organisations as are approved by the Minister in writing from time to time.
- (5) The role of LIMAC will be:
  - (a) to assess proposed changes to the low-income package or to the marketing plan for the low-income package; and
  - (b) to report annually to the Minister on the effectiveness of the low-income package and of its marketing by the licensee.
- (6) From 1 July 2002, the licensee must have in place a marketing plan for making low-income consumers aware of the low-income package, being a plan that has been approved by LIMAC.
- (7) The licensee must seek and consider the views of LIMAC before it makes any significant change to the low-income package.

Note: It is intended that the licensee may make minor non-substantive changes to the low-income package (such as minor editorial or typographical corrections) without having to seek and consider the views of LIMAC.

LIMAC is to be consulted on other proposed changes to the low-income package.
- (8) If the licensee makes a significant change to the low-income package, the licensee must give the ACA a revised version of the package incorporating the change.

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

