

2006

Telstra's *Access for Everyone*
low-income measures package

Report to the Minister
for Communications
Information Technology
and the Arts

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Highlights of 2006

- The 2006 market research provides positive evidence that access and affordability of communications services has improved significantly for low-income Australians since the beginning of the Access for Everyone programs in 2002.
- The past year saw significant work on implementing the distribution networks for the Phonecard™ Assistance Program ... This program has now become quite popular with good take-up.
- At the end of 2006 there were some 3600 community agencies delivering Access for Everyone programs.
- LIMAC has again worked extremely well during 2006. The Committee was able to respond to a request from the Minister to review Telstra's public payphone removal consultation process, to ensure that it took into consideration the needs of people on a low income.
- Telstra sponsored the participation of *The Big Issue* vendors at the Melbourne 2006 Commonwealth Games.
- Telstra was the principal sponsor of "Don't DIS my ABILITY", the NSW awareness campaign that celebrated the 2006 International Day of People with a Disability.
- LIMAC made submissions to the Department of Communications, Information Technology and the Arts concerning the draft guidelines of the Government's Broadband Connect programs.
- LIMAC made representations to the Minister for Communications on the changing nature of telecommunications usage by people on a low income.

From the chair

“
This year has seen a change of focus from just monitoring the effectiveness of Access for Everyone to discussing the future of communications for people on a low income.
”

On behalf of my colleagues, I am pleased to present this fourth annual report of the Low Income Measures Assessment Committee (LIMAC) covering the 12 months to 31 December 2006.

The report details the work of LIMAC, the results of the commissioned market research among low-income Australians, our assessment of the effectiveness of the low-income programs, together with recommendations for further work in 2007.

The past year saw significant work on implementing the distribution networks for the Phonecard™ Assistance Program, in particular through agencies supporting young people and homeless persons. This program has now become quite popular with good take-up.

LIMAC also reviewed with Telstra its new HomeLine® “subscription based” phone plans to ensure that flexible options remained for people on a low income who often manage their costs through managing their calling.

During the year Telstra discussed with the Committee some of the implications of its transformation program on the Access for Everyone package. While it is still too early to know what the final outcomes will be, Telstra's transformation program is expected to provide opportunities to overcome limitations in some Access for Everyone services such as the Bill Assistance Program, but may also require some lesser programs to be reviewed.



Chris Dodds, LIMAC Chair

The 2006 market research commissioned by LIMAC focussed on the use of mobile phones and Internet by people on a low income. The results confirmed the increasing anecdotal evidence to the Committee that the use of these new communications services is highly preferred by some low-income groups. This raises a number of public policy issues that test the boundaries of the Committee's role.

In January 2006 the Committee took up the issue of affordable Internet services through submissions on the draft Broadband Connect program guidelines. This and other matters were taken up directly with the Minister's office in December 2006 and are subject to ongoing consultation.

The 2006 market research provides positive evidence that access and affordability of communications services has improved significantly for low-income Australians since the beginning of the Access for Everyone programs in 2002.

Telstra has provided regular briefings to LIMAC on the take-up of each of the programs, promotional activities, and specific initiatives undertaken in response to recommendations, actions and commitments contained in the 2005 report, all of which were either completed in 2006 or are in progress.

Telstra provides LIMAC with regular financial reports on its low-income package, with the latest report for 2005-06 showing the value of Telstra's low-income package again exceeding \$200 million.

LIMAC has again worked extremely well during 2006. The Committee was able to respond to a request from the Minister to review Telstra's public payphone removal consultation process, to ensure that it took into consideration the needs of people on a low income.

As Chairperson I wish to communicate my appreciation of the Committee members who have contributed so well. Further, on behalf of the Committee, I would like to indicate our appreciation to the Telstra staff who have consistently met our requests and needs.

This fourth report is in a more concise and accessible format to those previously prepared by LIMAC so that it can be more widely published. I trust that you will find it of interest, and the findings of the independent market research useful in pointing to emerging needs and evaluating the effectiveness of consumer protections for low-income Australians.

Yours sincerely

A handwritten signature in black ink, appearing to read "Chris Dodds".

Chris Dodds
LIMAC Chair
30 April 2007

Telstra Carrier Licence Condition 22

Low-income measures

22. (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:
- endorsed by low-income consumer advocacy groups; and
 - 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:
- to assess proposed changes to the low-income package or to the marketing plan for the low-income package; and
 - 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.

Committee

“
LIMAC made representations to the Minister concerning the changing nature of communications usage by people on a low income and the consequent implications for consumer protections.
”



The Low-Income Measures Assessment Committee (LIMAC) comprises representatives of community organisations who are approved by the Minister for Communications, Information Technology and the Arts, as well as a representative from the Department of Families, Community Services and Indigenous Affairs.

LIMAC is comprised of the following members:

- Anglicare Australia
- Australian Council of Social Service
- Australian Federation of Homelessness Organisations
- Council on the Ageing
- Jobs Australia
- The Salvation Army
- The Smith Family
- Department of Families, Community Services and Indigenous Affairs

There are also a number of representatives who attend the LIMAC meetings who have observer status. These include representatives of the Department of Communications, Information Technology and the Arts (DCITA), the Australian Communications and Media Authority (ACMA), St Vincent de Paul Society and Telstra.

LIMAC is resourced by a secretariat maintained within Telstra Consumer Affairs in the Public Policy & Communications Business Unit. The committee met four times in person and twice by audio-conference in 2006. The table on the following page shows representation at each meeting.

Role and activities

LIMAC's role, as set out in its governing rules is:

- To produce a report annually which:
 - assesses whether the resources committed under the low-income package by Telstra are best allocated to the needs of low-income consumers;
 - evaluates the effectiveness of the low-income package in making telecommunications services available to the disadvantaged and those on low-incomes;
 - advises on the effectiveness of the promotion of the low-income package; and
 - makes recommendations on how Telstra can improve the utilisation of resources committed under the low-income package to maximise the benefits to low-income telecommunications consumers.
- To assess proposed changes to the low-income package or to the marketing plan for the low-income package.

Access for Everyone monitoring

LIMAC receives regular briefings from Telstra on the development and rollout of its low-income programs, both formally at meetings and informally by email from the LIMAC Secretariat. During 2006 the following significant items from the Access for Everyone package were discussed:

- Telstra's Pensioner Discount Scheme and the intention to carry out a validation campaign;

L–R: Andrew Walther, Cherry Parker, Ray Edwards, Sue Leppert, Sue McAleer, Chris Dodds, Cristina Fica, David Thompson, Marina Randall, Robert Morsillo, Jenni Barbour

- The successful migration of HomeLine® Low-Income Health Care Card Phone Plan customers after the cease sale of the product in September 2005;
- The impact of Telstra's transformation program and new billing platform on BudgetPay. LIMAC agreed that other customer options becoming available from the transformation program, such as the ability to more generally utilise Centrepay, will provide effective alternatives to BudgetPay;
- HomeLine Budget market trends; and
- The impact of Telstra's transformation program on Homelink® 1800. LIMAC agreed on an adjustment to the Sponsored Access program to cover off a particular impact.

TBAP & TPCAP monitoring

LIMAC appointed a sub-committee to oversee the operational aspects of the Bill Assistance and Phonocard Assistance Programs. It generally meets before each LIMAC meeting with representatives from the following organisations: Anglicare Australia, Australian Council of Social Service, St Vincent de Paul Society, The Salvation Army, The Smith Family and Telstra.

Committee

continued

At each meeting detailed data is presented on the customer take-up of the programs, the number of community agencies that have joined the programs, and the relative distribution across Australia of the benefits of the programs compared to Commonwealth Emergency Relief Program benchmarks. The sub-committee also discusses awareness raising, optimising distribution and resolves any policy and process problems that arise.

During 2006 the sub-committee was pleased to note the increasing take-up in Queensland and Northern Territory, which historically had lower than expected rates of usage. In response to a recommendation in the LIMAC 2005 Report, relevant product information and hints for case-workers is now included on the TBAP Certificate books. The issue of increasing mobile phone usage by people presenting to community agencies for assistance was again highlighted by the sub-committee.

Telstra initiatives

Telstra regularly consults LIMAC on proposed pricing and process changes that affect residential customers. During 2006 this included the following matters:

- changes to new service connection fees where cabling work is required;
- change to the flag-fall for timed calls on HomeLine® plans;

- introduction of new “subscription based” HomeLine plans such as HomeLine Ultimate and changes to bill formatting for these plans;
- changes to HomeLine Budget pricing;
- changes to HomeLine Part pricing;
- migration of HomeLine Low Income Health Care Card customers due to the withdrawal of this phone plan, as per the recommendation in the LIMAC 2005 Report;
- introduction of Telstra’s Financial Assistance Hardship Policy;
- Telstra’s Pensioner Discount.

Reporting

LIMAC submitted its third report to the Minister on 24 March 2006 covering the 12 months ended 31 December 2005.

Payphones consultation process

LIMAC responded to a request from the Minister for Communications to review Telstra’s public payphone removal consultation process, to ensure that it took into consideration the needs of and impacts on people on a low income who may rely on public payphones.

LIMAC met with Telstra on two occasions to discuss Telstra’s processes and how socio-demographic factors including low income and cultural diversity might be taken into account. As a result, Telstra changed its notification processes to the relevant local government authority to cover these issues.

Representation of LIMAC members and observers 2006						
Member/ Observer	Feb 06	May 06	Jul 06*	Aug 06	Oct 06*	Dec 06
Anglicare						
ACOSS (Chair)						
AFHO						
COTA						
FaCSIA						
Jobs Australia						
Salvation Army						
Smith Family						
ACMA ¥						
DCITA ¥						
St Vincent de Paul Society						
Telstra ¥						
* Meeting held via audio-conference			¥ Attended as an observer			

Research

LIMAC commissioned its fifth round of market research on the Access for Everyone package. The research also focussed on the use of mobile phones and the Internet by people on a low income.

A special effort was made to include a focus group of asylum seekers recently arrived in Australia on Temporary Protection Visas to ascertain if their communications needs were being met. The assistance of the Asylum Seeker Resource Centre in Melbourne is gratefully acknowledged.

The results confirmed the anecdotal evidence to the Committee that the use of mobile phones and the Internet is highly preferred by some low-income groups. The research gave a very positive result showing that access to and the affordability of communications services were up significantly compared to five years ago. See next section “Research” for more detail.

Public Policy

Following its recommendation in the LIMAC 2005 Report, LIMAC made submissions to the Department of Communications, Information Technology and the Arts concerning the draft guidelines of the Government’s Broadband Connect programs. The Committee’s view was that the draft guidelines did not address a range of known barriers to broadband take-up such as affordability, access to computers and relevant training.

LIMAC made representations to the Minister for Communications on the changing nature of telecommunications usage by people on a low income. LIMAC notes that the development of competitive markets for mobile and Internet services and Telstra’s relatively smaller share of those markets means that the Access for Everyone package may have decreasing relevance in reaching all low-income Australians and assisting them with these new communications and information needs.

The above public policy issues have implications for the role of LIMAC, for Telstra, the telecommunications industry and Government and discussions are continuing with the Minister’s office.

Research

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People on a low income are increasingly using mobile phones as their basic communications service, which has implications for affordability and for access to the Internet. These issues require wider public policy discussion and consideration.

”

LIMAC again commissioned market research to test the effectiveness of the Access for Everyone package and inform discussion on improvements. This was the fifth wave of such research, which each year has focused on a different aspect of the program.

- 2002 – general benchmark survey over seven low-income customer segments
- 2003 – general survey over seven low-income customer segments
- 2004 – focus on Indigenous and Homeless segments
- 2005 – focus on customers actually using the Access for Everyone programs
- 2006 – general survey over four low-income customer segments; focus on asylum seekers with Temporary Protection Visas; focus on communications and social connectedness; focus on mobiles and Internet; focus on Aboriginal people and mobile phones (separate research project).

The 2006 research showed a high level of consistency between the qualitative and quantitative results. Key findings include:

- The majority of respondents have both a fixed line and a mobile phone service;
 - A large proportion have a fixed line, mobile phone, and Internet;
 - There was an even mix of dial-up and broadband Internet – broadband is preferred but many still regard dial-up as the only affordable option;
- Core telecommunications include both mobiles and fixed line services:

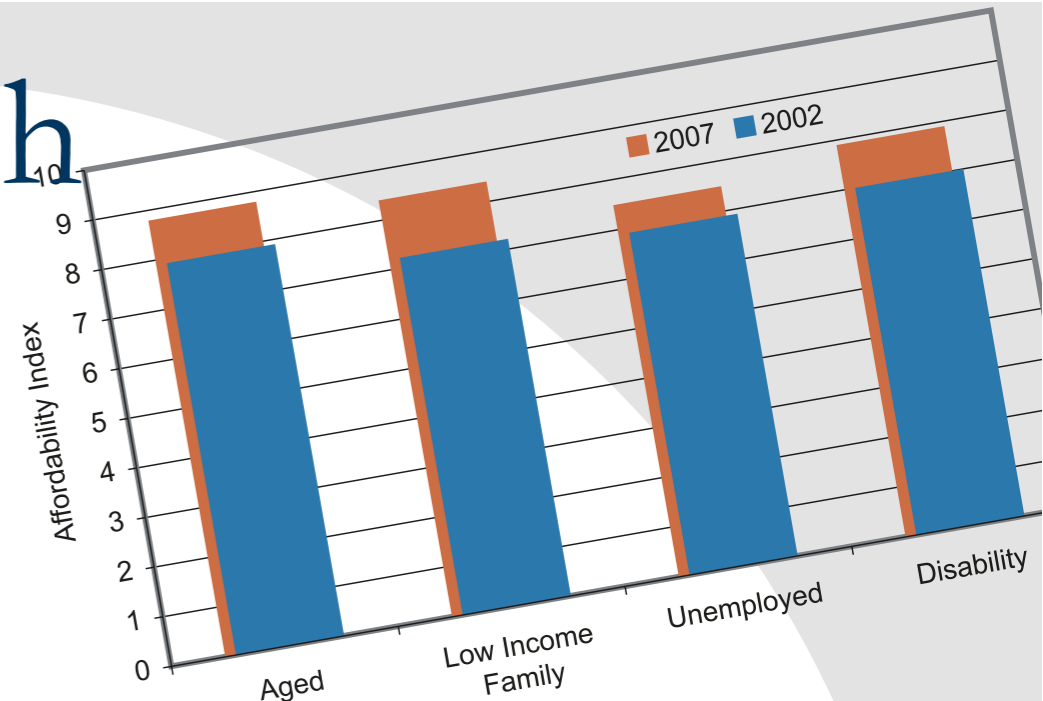


Chart 1: Increase in perceived access to communications services 2002 & 2007

- Fixed lines are still used for most calls (local and long distance) when at home;
- Mobile phones are continually updated to take advantage of emerging technology, and they accompany people whenever they leave the home. Telecommunications is seen as an essential means of establishing and maintaining connections with others;
- Many have large social networks that are geographically diverse and so require telecommunications to remain in contact;
- Some are house-bound (Aged Pensioners and People with Disabilities) – telecommunications is the prime means of communicating with the outside world;
- The use of mobile phones is now habitual and part of the fabric of modern social exchange;
- Some use Mobile for SMS and calls to ‘fill in the gaps’ between appointments, meetings, and social gatherings. In regard to Access for Everyone services themselves, some common themes emerged:
- It is a good concept – respondents felt these services are needed; however,
- Most thought such services were for people in more serious difficulty than themselves;
- There was a general low awareness of the available products and services;
- Access for Everyone is geared around

fixed line services but it is mobile services that are increasingly becoming the more important communications tool.

For LIMAC, there are three main conclusions coming out of this 2006 research. The first is that access and affordability of telecommunications has improved generally over the last five years for fixed, mobile and Internet services. This could be due to factors such as improving economic conditions, declining rates of unemployment and increased competition. However, the substantial increases in the Telstra Pensioner Discount over that period has also most likely contributed to the general perception of affordability for that group. Other programs such as HomeLine® Budget and InContact® (and Telstra Pre-Paid Home) have played an important but secondary role. This is a generally positive result for the program.

Secondly, mobile phones and Internet access are becoming communications services of choice and/ or need, even for people on a low income. Access and affordability of these services is still a significant issue for this group. The Smith Family have put it in stark terms when talking to Telstra about Internet access, “When offering an ICT package of a computer, Internet access and training to our Learning for Life families, who are on a low income, we often find that they do not

Research

continued

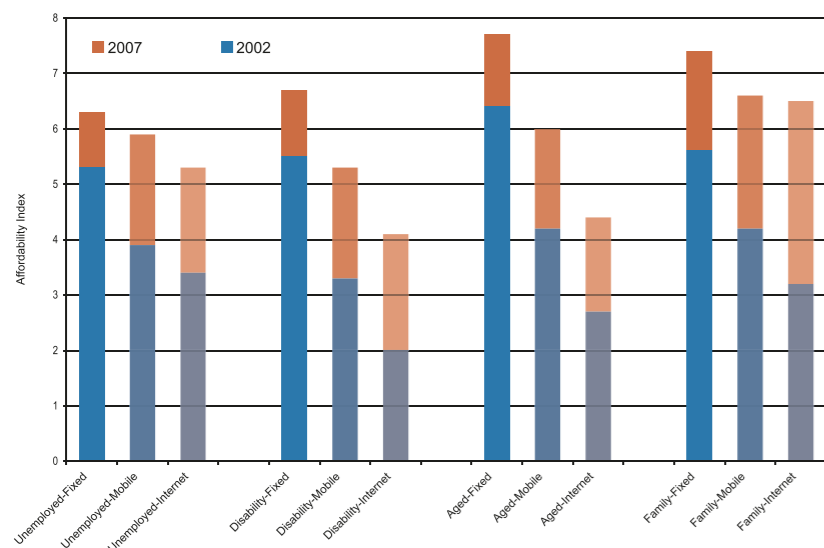
have a landline, but rely on mobile phones, and are not able to take up the offer.” This result, while not unexpected, does call into question the continuing relevance of the Access for Everyone programs, which are presently targeted towards fixed line services.

Thirdly and finally, the research reveals some disconnect between the public perception of “Access for Everyone” and its applicability. There was a strong awareness that people’s situations in life can change quite rapidly and that the programs may be useful for people who were “doing it tough”. This confirms the need to continue to work with community welfare agencies that assist people during those changes in life circumstances, but may also provide some direction for the overall positioning of the package in the public sphere.

Asylum Seekers

LIMAC requested a specific survey of the needs of asylum seekers recently arrived in Australia on Temporary Protection Visas or similar to ascertain if their communications needs were being met. These people do not obtain assistance from mainstream immigration and resettlement programs but rely on informal support through agencies such as the Asylum Seeker

Chart 3: Increase in perceived affordability of communications services 2002 & 2007



Resource Centre in Melbourne.

The survey found that the key needs of newly arrived refugees are more fundamental than telecommunications and include:

- Obtaining permanent residency and securing housing/accommodation (some live with friends and family, others are “homeless”);
 - Bringing family from their home countries to Australia so they are safe;
 - Changing visa status so that employment can be secured and they can support themselves and their family.
- While telecommunications was not a critical need relative to these more fundamental needs, it was a key facilitator of fulfilling these needs. Unanimously, this group indicated that their core telecommunications need is access to a mobile phone.
- Fixed line services are seen as necessary for international calls to family overseas because it is cheaper than using a mobile for this, but for everyday use mobiles are the number one priority.
 - Mobiles are portable – because many refugees only have temporary dwellings or none at all.
 - Mobiles are cost effective – the prepaid options of mobile services with free included calls (on-net) means that mobiles are considered relatively affordable.

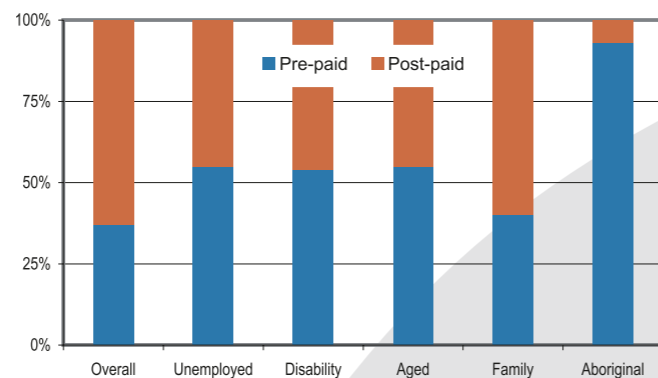


Chart 2: Post-paid versus pre-paid mobile services by customer segment

- Mobile functionality – for some, the ability to use SMS and more sophisticated features such as mobile Internet are also important features.
- For LIMAC, these results highlight the current limitations of the Bill Assistance Program and lack of affordability options for mobile phones (including pre-paid) but also the general applicability of the Phonocard Assistance Program. Since overseas calling is a primary requirement, an ability to offer calling cards such as PhoneAway® would also be useful.

Poverty as deprivation and exclusion

Professor Peter Saunders (Social Policy Research Centre, University of NSW) is conducting new poverty research that seeks to identify Australian views about the types of services that are considered essential. In this survey, the telephone was ranked number 37 out of 48 essentials as rated by more than 50% of respondents. It was rated as number 16 out of 25 of those essentials that were not publicly or freely available.

Some 16% of the welfare client sample said they did not have a telephone, compared to approximately 2% in the general population sample. His initial conclusions were that “the welfare client sample is experiencing high levels of deprivation, across many areas, and multiple deprivation is highest among: young people; sole parent families; the disabled; and ATSL.” (Presentation to ACOSS National Congress, Sydney, November 2006).

For LIMAC, these results indicate that Telstra should continue to primarily target welfare agencies in regard to information

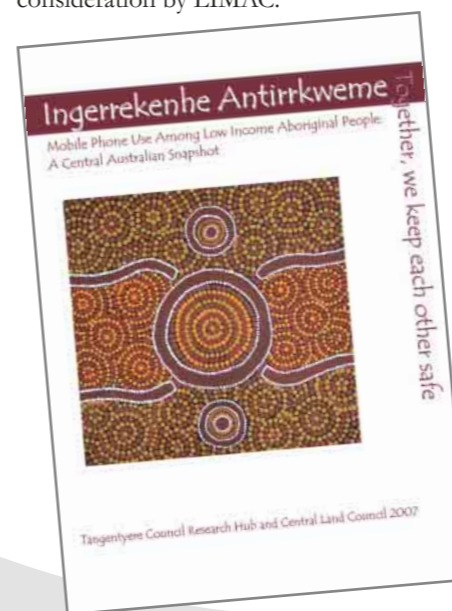
about telephone service options for people who are having trouble obtaining or maintaining a service. A number of Access for Everyone programs are targeted to this circumstance, such as Bill Assistance, Phonocard™ Assistance and MessageBox.

Aboriginal people and mobile phones

The Telstra Consumer Consultative Council (TCCC) is another forum where issues of consumer protection are discussed with Telstra senior management. From time to time it commissions consumer research and funds were provided to undertake a survey of *Mobile phone use among low income Aboriginal people: A central Australian snapshot*, Tangentyere Council and the Central Land Council, Alice Springs, 2007.

The report indicates that Aboriginal people in central Australia are increasingly opting to use pre-paid mobile phones; the main uses are to keep in touch with family and friends and for use in emergencies; and owning a mobile phone is a significant expense for most Aboriginal people who are on low incomes.

For LIMAC, these results are consistent with those from the general research, confirming that people on a low income are increasingly using (pre-paid) mobile phone services as their basic communications service, which has implications for affordability and for access to the Internet (if the household has no fixed line service). These issues require wider public policy discussion and are subject to ongoing consideration by LIMAC.



Package

“ A highlight for 2006 was the implementation of the Phonocard Assistance Program, with significant distribution taking place through agencies that support young people and homeless persons.

” The initial Access for Everyone package was formally documented in a Marketing Plan endorsed by LIMAC on 3 June 2002. In 2006 the low-income package comprised 11 products and services:

1. HomeLine® Budget phone plan
2. Telstra Pensioner Discount Scheme
3. InContact®
4. Bill Assistance Program
5. MessageBox
6. Homelink® 1800
7. Sponsored Access
8. Multiple Number
9. BudgetPay
10. Access to Centrelink’s Centrepay service for Telstra customers
11. Phonocard™ Assistance Program

A highlight for 2006 was the implementation of the Phonocard Assistance Program, with significant distribution taking place through agencies that support young people and homeless persons.

Another significant achievement was the completion of work to establish a validation process for recipients of the Telstra Pensioner Discount, to ensure that only customers who are eligible receive the discount. This will be implemented in 2007.

Finally, Telstra’s transformation is likely to impact BudgetPay and Homelink 1800 and LIMAC is working with Telstra on suitable strategies for affected customers.

The following provides a brief description of each product or service, any changes that occurred through 2006



and conclusions. More information on these programs can be found at www.telstra.com.au/accessforeveryone.

1. HomeLine Budget

The HomeLine Budget phone plan offers a lower monthly rental than the standard HomeLine plan, but with higher than standard per-call costs. HomeLine Budget is tariffed such that the average customer using this service will not experience price movement above CPI. It is targeted to residential customers with just one fixed line service who make very few calls, including low-income families and age pensioners.

Customer take-up of HomeLine Budget has been gradual and sustained. Services in operation grew substantially in calendar year 2006. Telstra undertook its annual monitoring campaign in October 2006 contacting approximately 19 000 HomeLine Budget customers to ensure they were taking up the most appropriate HomeLine plan.

However, LIMAC noted with Telstra that many HomeLine Budget customers are using the service as a basis for ADSL Broadband Internet access, which was not planned for in its original specification as a service for people on a low income and may require a response in 2007.

Package

continued

2. Telstra Pensioner Discount Scheme

Telstra's Pensioner Discount was first introduced in 1992 and then substantially improved under Access for Everyone from 2002. It provides a monthly concession on a range of calls and access charges. It also provides a concession on the cost of a telephone connection and provides free access to Telstra's Call Control feature. It is targeted to eligible pensioners.

Customer take-up has increased steadily during 2006 to more than 1.5 million households. In early 2007 Telstra intends to revalidate existing Pensioner Discount recipients to ensure the correct targeting of the program, as was recommended by LIMAC in its 2005 Report.

3. InContact®

Telstra launched InContact in June 1995 as a limited telephone service free of ongoing monthly access charges. It was significantly upgraded under Access for Everyone and is targeted to low-income families and job seekers. InContact allows incoming calls, limited outgoing calls, eg. to the emergency number, and calls to most numbers using a pre-paid PhoneAway card. InContact is available to people who have an eligible Centrelink or Department of Veterans' Affairs concession card or who are Telstra credit management customers.

The overall number of InContact customers remained steady during 2006. However, approximately 45 000 customers took up InContact throughout the year and a similar number of customers moved off InContact during the same period, indicating significant usage of the service during temporary periods of financial crisis.

In March 2006 Telstra was awarded "Recognition for Service Provider Innovation Consumer Protection" for 10 years of the InContact service by Consumers' Telecommunications Network.

4. Bill Assistance Program

The \$5m per annum Telstra Bill Assistance Program (TBAP) was launched in August 2002 and provides relief to Telstra customers who have difficulty paying their home phone bill through the provision of one or more \$25 certificates. Four lead agencies assist Telstra to implement the program throughout Australia: The Smith Family, The Salvation Army, St Vincent de Paul Society and Anglicare Australia. In addition to those agencies, their sub-agencies, branches and parishes, over 230 other community agencies have joined the program to provide widespread geographic and cultural accessibility.

One recent agency addition to the program is Redkite, an Australian charity that supports children with cancer and their families. They reported in 2005 that 20% of assistance given went towards phone



Sue Pamplin presents Robert Morsillo with the CAN award for a beneficial corporate partnership with Telstra

bills so the Bill Assistance Program will significantly help them to help families stay in touch as they cope with the dislocation and expenses of cancer treatment.

In 2006 \$4.1 million of Bill Assistance Certificates were utilised by customers compared to \$4.2 million in 2005. The distribution among the States and Territories closely matched that of the Commonwealth Emergency Relief Program, thus ensuring equitable targeting of the program. On average over 3000 Telstra customers are being assisted each month.

The role of the Bill Assistance Program in supporting people doing it tough was recognised by the Country Awareness Network (CAN) in Bendigo, Victoria, who presented their 2006 corporate partnership award to Telstra.

Under Telstra's transformation, the ability to apply TBAP to bills other than fixed line bills will be improved, which will provide an opportunity to broaden the applicability of the program in 2008.

5. MessageBox

MessageBox was launched in December 2002 and is a free messaging service for people who do not have access to a working or secure telephone service and who are homeless, experiencing financial hardship or are in a crisis (e.g. domestic violence situations). Distribution of MessageBox services is via community agencies that are

in contact with eligible people including Supported Accommodation and Assistance Program (SAAP) agencies, Domestic Violence outreach services and Job Network and other employment services agencies.

Telstra has distributed MessageBox cards to more than 730 agencies supporting this program. Once registered, agencies are able to directly order cards and other related materials from the Access for Everyone website.

The number of cards used remained steady during 2006 at around 100 per month, with up to 1000 messages per month being recorded. Where clients are using the service, they do so regularly.

6. Homelink® 1800

Homelink 1800 is a cashless calling service designed to help families maintain communication. It provides a 1800 phone number that is linked to a fixed Telstra phone service. It was launched by Telstra in late 1997 and was improved under Access for Everyone from 2002. It is targeted to low-income families, Indigenous communities, people who are transient, not-for-profit community organisations who need to maintain contact with clients and InContact customers.

The number of Homelink 1800 services has been declining, consistent with a product in the late phase of its life. LIMAC has been discussing the impact of Telstra's transformation on Homelink 1800 and is working with Telstra on suitable strategies for affected customers in 2007.

7. Sponsored Access

Since 1 July 2002 Sponsored Access has offered an InContact telephone service in Crisis Accommodation Program (CAP) properties. In this circumstance, InContact offers a relatively secure telephone service, free of ongoing charges, for use by residents. It is targeted to people in need of emergency housing.

The take-up of Sponsored Access continues at a steady rate with approximately 1200 crisis accommodation properties across Australia utilising the service at the end of 2006.

8. Multiple Number

This service provides the ability to have a split account on the one telephone line service by dialling a short account code before calling the desired phone numbers. It enables different people in the household to take responsibility for their own calling costs. An individual sharing a house can charge their calls to their own 'number' and recognise when an incoming call is for them via a different ring tone. It is targeted to independent youth still living at home within low-income families.

Multiple Number is an established product and monitoring is not undertaken.

9. BudgetPay

Telstra launched its BudgetPay service in June 2005. The service allows customers to plan their expenses by spreading the estimated total cost of their yearly phone bill across equal monthly or fortnightly instalments. Customers arrange for regular fixed payments via Telstra EasyPay or Centrelink Centrepay service. It is targeted to low-income customers who want the ability to budget for a regular fixed amount to pay for their telephone service.

Take-up of the BudgetPay service has been very slow, however, this could be due to the popularity of Telstra's EasyPay service which also allows for fixed payments. Feedback from case-workers also indicates that low-income clients preferred the latter. LIMAC has been discussing the impact of Telstra's transformation on BudgetPay and is working with Telstra on suitable strategies for affected customers in 2007.

10. Access to Centrepay

Centrepay is a service offered by Centrelink that provides the ability to direct government payments, in this case, towards Telstra accounts. Telstra began offering this payment option in April 2003. It is targeted to recipients of government payments made by Centrelink.

The number of payments received through Centrelink's Centrepay service each month has been increasing steadily during 2006 to approximately 40 000 customers using the service each month.



11. Phonecard™ Assistance Program

This new program was launched in February 2006 with Telstra providing \$5 Phonecards for use in its public payphones. Up to \$1 million worth of cards per annum is available for distribution by community agencies to their clients. It is targeted to people who might rely on public payphones for their communications, including people who are homeless or in a crisis situation.

During 2006 nearly 80% of the available cards were distributed through some 100 agencies across Australia with a usage snapshot showing they were quickly "hitting the streets". Feedback from agencies indicates that it is a very popular program.

The distribution among the States and Territories reasonably matched that of the Bill Assistance Program, thus ensuring equitable targeting of the program.

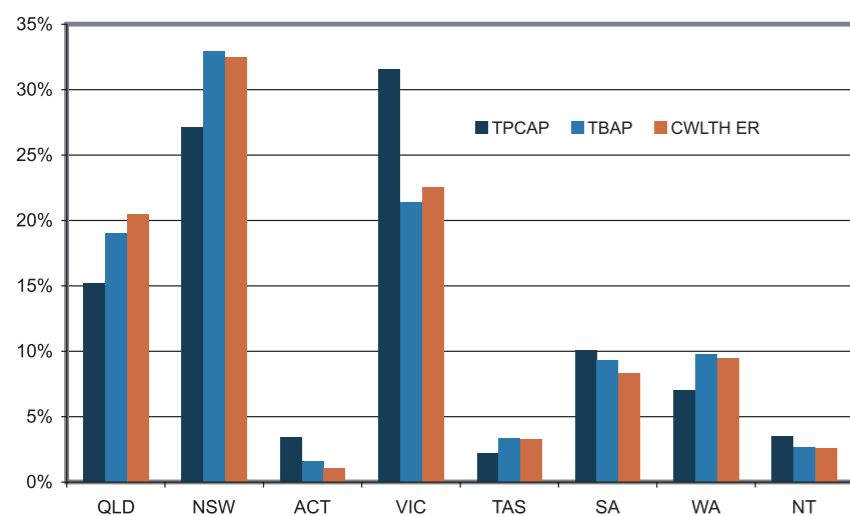
12. Other products and services

Telstra provides a range of other services of relevance for low-income customers, which are not part of the Access for Everyone package. These include:

- Disability Services, including the Disability Equipment Program.
- Telstra Pre-Paid Home and Telstra Pre-Paid Plus (mobile phone) services
- Multicultural Service Centres
- Country Calling trial
- Indigenous Communities Helpline
- Financial Hardship Assistance Policy

More information about these products and services is available at www.telstra.com.au/accessforeveryone.

Chart 4: Comparison of Phonecard Assistance distribution, Bill Assistance take-up and Commonwealth Emergency Relief distribution for 2006



Promotion

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This would be a great legacy of the partnership between *The Big Issue* Australia, Telstra and Melbourne 2006 Organising Committee and will benefit homeless and marginalised people in other Commonwealth cities.

”

Telstra undertakes various activities to promote Access for Everyone based on a Marketing Plan developed in consultation with LIMAC. There are three overall target groups for awareness activities:

- General public
- Community agencies
- Customers

The following provides a description of the major activities undertaken during 2006.

Public awareness

- Telstra sponsored the participation of *The Big Issue* vendors at the Melbourne 2006 Commonwealth Games. The vendors, who are generally homeless people, were then able to sell copies of *The Big Issue* around the Games venues, which contained a full page Access for Everyone advertisement. The same issue was sold around Australia, with an estimated readership of 160 000.

An evaluation of this project concluded: “Having the resources and staffing to fully train and support the project and vendors involved has enabled this to be a success, without it there would have been no capacity to be

involved. The success of the initiative in Melbourne has meant that the Melbourne 2006 Organising Committee are now advocating to continue this initiative in all the host cities of all Commonwealth Games in the future. This would be a great legacy of the partnership between *The Big Issue* Australia, Telstra and Melbourne 2006 Organising Committee and will benefit homeless and marginalised people in other Commonwealth cities.”

- Telstra participated as an exhibitor at the Deafness Expo, Melbourne Town Hall, September 2006, promoting accessibility and affordability options for the Deaf community.
- Telstra was the principal sponsor of “Don’t DIS my ABILITY”, the NSW awareness campaign that celebrated the 2006 International Day of People with a Disability. Messages about Telstra’s disability services were included in a

Don't DIS
my ABILITY

INTERNATIONAL DAY OF PEOPLE WITH A DISABILITY
3 DECEMBER



The Big Issue, N° 249, 13-28 Mar'06

media release and the program booklet. This campaign reached a very wide audience in NSW utilising road and rail billboards, a website, posters, program of events, postcards and special events.

- Telstra has developed a series of radio advertisements about Access for Everyone and Disability Services specifically targeted to Indigenous communities. These are being aired on selected Indigenous radio stations nationwide from November 2006 to July 2007.
- Telstra maintains a 1800 353 652 number for general inquiries about Access for Everyone, referred to in most promotions. Calls to this number peaked at over 3700 in February 2006 after a specific promotion and averaged around 1400 calls per month over the year.
- Telstra maintains a website at www.telstra.com.au/accessforeveryone, which is referred to in most promotions. The website averaged over 8000 hits per month during 2006 with noticeable peaks occurring after specific Access for Everyone promotions.

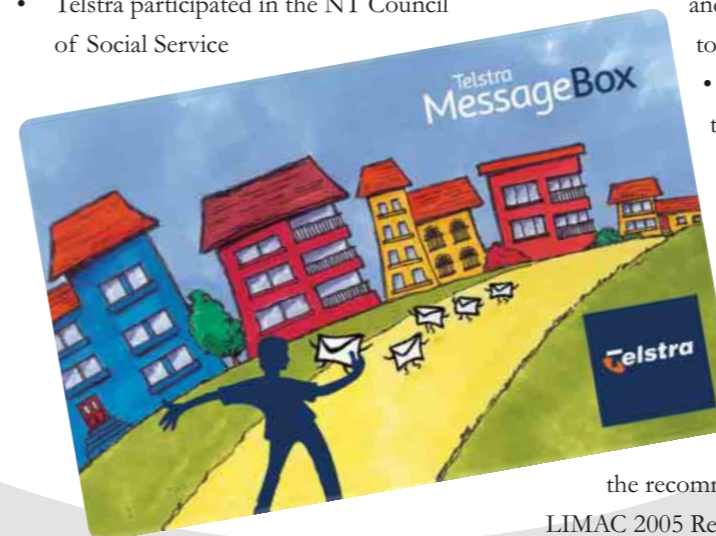


Bert Ciavarra, Susan Shannon, Leena Bal and Robert Morsillo at the 2006 Deafness Expo, Melbourne

- Access for Everyone brochures and other materials are maintained and distributed on request. They can be ordered directly from the website and are sent to all new partnering agencies.

Community agency awareness

- With the assistance of the Youth Affairs Council of Victoria, Telstra contacted a range of community agencies supporting young people and homeless persons regarding the new Phonecard Assistance Program, which resulted in all States and Territories coming on board with the program.
- A direct mail piece was sent to all 1200 or so Supported Accommodation and Assistance Program (SAAP) agencies in April 2006, reminding them of the availability of the Sponsored Access telephone service for their Crisis Accommodation Properties.
- Telstra participated in the NT Council of Social Service



(NTCOSS) bi-annual conference in Alice Springs in September 2006, which brings together most agencies in the Territory. Chris Dodds presented at a session and Telstra hosted an information stand over the two days.

- Telstra participated in the Jobs Australia annual conference, with Phil Burgess speaking about the social

importance of technology and Access for Everyone information provided to all delegates.

- Telstra participated in the Australian Council of Social Service (ACOSS) annual conference in November 2006, hosting a stand with relevant information over the two days and hosting a table at the 50th anniversary dinner.

Customer awareness

- Three bill messages were run on some six million residential fixed line customer bills: one on Access for Everyone and affordability during February to April 2006; one on payment options during June to September 2006; and another on the 5th anniversary of the Bill Assistance Program during December 2006 to March 2007.
- Telstra includes a newsletter with its bills to some six million residential fixed line customers called News You Can Use. Two of these newsletters contained Access for Everyone articles, during October 2005 to January 2006 and during January 2006 to April 2006.

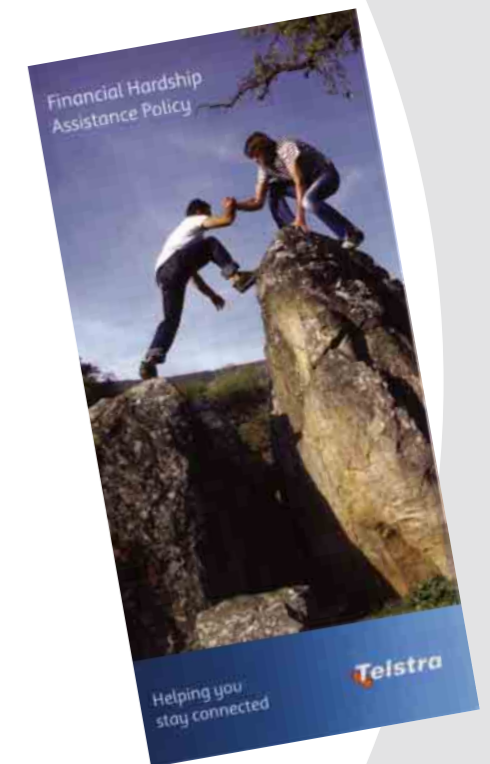
- A letter was sent to all InContact and Sponsored Access customers notifying them of the new functionality of their service using a PhoneAway pre-paid calling card following

the recommendation in the LIMAC 2005 Report.

- When customers ring Telstra and are put on hold they hear a variety of messages, one of which was about Access for Everyone and Disability Services during October 2006.
- Telstra contacted some 19 000 HomeLine Budget customers with a letter in their bill to ensure they were satisfied with their choice of phone plan.

Conclusion

Raising public awareness about Access for Everyone has always been a challenge given the specific nature of the programs and the difficulty in finding appropriate targeted means of reaching eligible groups.



However, as recommended in its 2005 Report, LIMAC believes that raising the awareness of community agencies is the most important strategy in addressing the needs of people who do not have reasonable access to personal communications.

At the end of 2006 there were some 3600 community agencies delivering Access for Everyone programs. Building up such an extensive network of grass-roots community contact points for Access for Everyone has been one of the most successful outcomes of the promotional work.

Telstra and LIMAC express their appreciation for these community-business partnerships that make the programs effective.

Contacts

- Information about the Access for Everyone package is available online at www.telstra.com.au/accessforeveryone.
- For enquiries about residential services, please call 13 2200 between 7 am and 6 pm Monday-Friday and between 9 am and 5 pm Saturday (Eastern Standard Time).
- 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 Service Centre, available in the following languages:

Language	Number
Cantonese	1800 677 008
Mandarin	1800 678 876
Italian	1800 649 013
Greek	1800 189 129
Indonesian	1800 429 432
Korean	1800 773 421
Arabic	1800 726 001
Spanish	1800 726 002
Vietnamese	1800 644 500

- For other languages, the Australian Government's Translating and Interpreting Service offers a translation service via 13 1450.

LIMAC Chairperson
Mr Chris Dodds
Email: chrisd@ewon.com.au
Phone: 0418 249 998

LIMAC Secretariat
c/- Telstra Consumer Affairs
Locked Bag 4960
Melbourne VIC 3001
Email: consumer.affairs@team.telstra.com
Phone: 03 9634 5508
Fax: 03 9663 1218

This report written and compiled by Robert Morsillo on behalf of the Low Income Measures Assessment Committee. Approved by LIMAC 30 April 2007.

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Future

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With the rapid changes in communications needs and increased competition in telecommunications markets it is clear that Telstra and its Access for Everyone package can now only form part of the solution.

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The focus for LIMAC during 2006 shifted to the future communications needs of people on a low income. This work will continue in 2007 and respond to three main drivers.

1. Changing communication needs

LIMAC's research confirms that access to mobile phones and information via the Internet are essential requirements for many people on a low income, particularly low-income families and job-seekers.

LIMAC believes that changes in job markets (such as increases in part-time and casual work), in job-seeking (such as needing to be always contactable), in Government policy (greater focus on moving from “welfare to work”) and in educational practices (greater emphasis on access to electronic media) are driving this need.

While highly competitive markets operate for mobile and Internet services in Australia and there is vigorous price competition, LIMAC believes that there is more that needs to be done for people on a low income. For example, meeting the needs of regional and remote Indigenous communities, for whom mobile coverage is a key consideration, and meeting the needs of asylum seekers who are in Australia on Temporary Protection Visas.

R1. That Telstra continue to explore ways in which it can provide a benefit to people on a low income using a mobile phone and/ or Internet access that takes into account their distinctive needs and usage.



R2. That Telstra promote Access for Everyone specifically through all Asylum Seeker Resource Centre type agencies.

R3. That Telstra consider a PhoneAway® card program for asylum seeker support agencies.

2. Telstra's transformation

In November 2005 Sol Trujillo, Telstra CEO, announced a five-year transformation program for Telstra's whole business, including networks, and business and operational support systems, which will provide a better and simpler customer experience.

LIMAC will continue to liaise with Telstra on any impacts of transformation for the current Access for Everyone package and will look for opportunities and benefits that new customer systems, such as billing and credit management, might offer to people on a low income.

R4. That Telstra extend the Bill Assistance Program, as soon as technically feasible, to include mobile phone accounts.

R5. That Telstra ensure wherever technically feasible that Centrepay receipting is available as a payment/ budgeting/ top-up option for all products and services.

R6. That Telstra continue to actively target community welfare agencies with relevant information for them to assist their clients, who do not have a basic telephone service, with suitable options.

David Moffatt (Group Managing Director Consumer Marketing and Channels, Telstra) and Chris Dodds (LIMAC Chair) with Senator the Hon Helen Coonan (Minister for Communications)

3. Current limits of consumer protections for people on a low income

With rapid changes in communications needs and increased competition in these markets it is clear that Telstra and its Access for Everyone package can now only form part of the solution.

LIMAC believes there is an urgency in seeking discussions at least at an industry level on meeting the needs of people on a low income.

LIMAC is aware of the development through industry forums of credit management provisions for people who suffer financial hardship. LIMAC believes this offers a useful model in which to discuss and develop broader options for people on a low income. It has taken this up with the Minister and is awaiting consideration.

The above discussion tests the boundaries of LIMAC's role and responsibilities, which are primarily Telstra facing. It has also taken this matter up with the Minister and is awaiting further consideration.

R7. That LIMAC continue to seek whole of industry responses to issues of access to communications for people on a low income.



LIMAC

Low Income Measures Assessment Committee
Telstra Secretariat
Locked Bag 4960, MELBOURNE VIC 3001
Tel 03 9634 5508 Fax 03 9663 1218
Email consumer.affairs@team.telstra.com
www.telstra.com.au/accessforeveryone