



2012

LIMAC

Low Income Measures Assessment Committee

REPORT TO THE MINISTER

Suggested citation:

Low Income Measures Assessment Committee (2013), *Report to the Minister*, Melbourne: LIMAC,
www.telstra.com.au/accessforeveryone

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FROM THE CHAIR

CHRIS DODDS (ACOSS)

On behalf of my LIMAC colleagues, I am pleased to present our 10th annual report covering the 2012 calendar year on access to telecommunications for people on a low income in Australia.

This year was again a significant milestone for LIMAC, marking the 10th anniversary of the beginning of Access for Everyone in 2002. We celebrated the occasion in style with a splendid dinner in November, which was attended by the many people who have been involved over the 10 years, and who appreciated the opportunity to catch up again and contribute their stories, including through the Access for Everyone video.

Importantly, with evidence continuing to highlight the fact that people seeking emergency assistance from community agencies rely mostly on a pre-paid mobile phone, Gordon Ballantyne, Telstra's Chief Customer Officer, used the occasion to formally launch Telstra's new Pre-Paid Mobile Recharge Program. This is a great development for Telstra's digital inclusion programs, responding to LIMAC's research and deliberation, and is warmly welcomed.

Another outcome from recent LIMAC research is some planned changes to the Bill Assistance Program to reflect changes in people's use of telecommunications, and to work in more closely with Telstra's financial hardship processes, with a view to increasing the social impact of the program.

Our report notes that the Access for Everyone programs have continued to support low-income Australians in an effective, consistent and stable way. The latest research undertaken will update LIMAC on telecommunications affordability issues, particularly in regard to the new types of communications services now required for basic access and the range of differing circumstances of people who face affordability issues. The outcomes of this work will form a basis for LIMAC's deliberations in 2013.

I note that telecommunications affordability and digital inclusion are now issues being taken up more widely by organisations such as the Australian Communications Consumer Action Network (ACCAN) and The Swinburne Institute for Social Research. LIMAC welcomes this broader research conversation, particularly in an era where high-capacity broadband services are expected to make a significant difference to the lives of all Australians.

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 taking into account LIMAC's feedback. Also, for their willingness to invest in regular research on different aspects of telecommunications affordability in Australia to inform themselves, LIMAC and the wider community on current issues. 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 our meetings.



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

Chris Dodds
LIMAC Chair

THE COMMITTEE

Major items discussed by LIMAC in 2012 were:

- Researching the social impact of the Access for Everyone package.
- Pricing changes for Telstra HomeLine plans and the Late Payment Fee.
- Producing an Access for Everyone video and interviews of LIMAC members as part of the 10 year celebration dinner.
- Affordability policy and the future of Access for Everyone in a National Broadband Network world.

LIMAC met five times during 2012, three times 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.

Organisation	Feb	May (a)	Jul (a)	Oct (a)	Nov (b)
ACOSS			Y	Y	Y
Jobs Australia	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	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		Y	
DBCDE (o)	Y	Y	Y	Y	Y
Telstra (o)	Y	Y	Y	Y	Y

(a) Audio conference (b) 10 year anniversary (o) Observer



10 year anniversary at Chapter House, Melbourne

Roland Manderson (Anglicare Australia); Cristina Fica (The Smith Family), Ray Edwards (COTA), June Crawford (St Vincent de Paul Society); Tim O'Leary (Telstra Chief Sustainability Officer), David Thompson (Jobs Australia).

THE LOW-INCOME PACKAGE

There have been no major changes by Telstra to the package during 2012 and take-up of the products and services has remained relatively stable. The overall benefit provided to consumers through the package in 2011-2012 was approximately \$180m (see Figure 1). The slight decline overall is attributable mainly to Pensioner Discount customers choosing Telstra bundle options as an alternative value proposition.

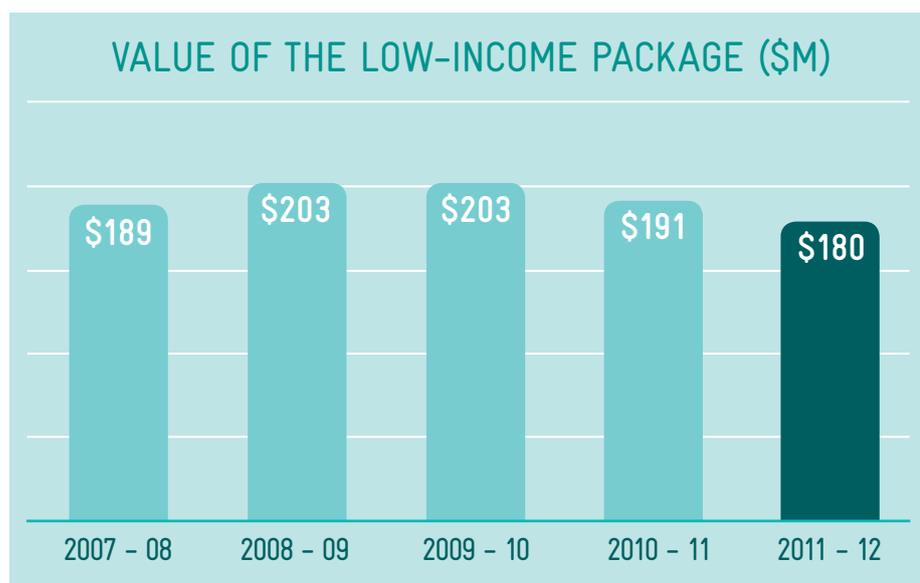


Figure 1. Value of the Low Income Package over the last five years

INCONTACT®

The number of services in operation has been generally steady at approximately 77 000 at the end of 2012.

SPONSORED ACCESS

The number of services in operation has been relatively steady with approximately 1490 Supported Accommodation Assistance Program dwellings at the end of 2012.

MESSAGEBOX

Some 530 services were provided to community agencies in 2012 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. LIMAC has agreed to review the MessageBox program in 2013.

PHONECARD/ PHONEAWAY®

In 2012 some \$550 000 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 2012 was mainly attributable to an extended re-printing and supply interruption outside Telstra's control (see Figure 2).

“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.

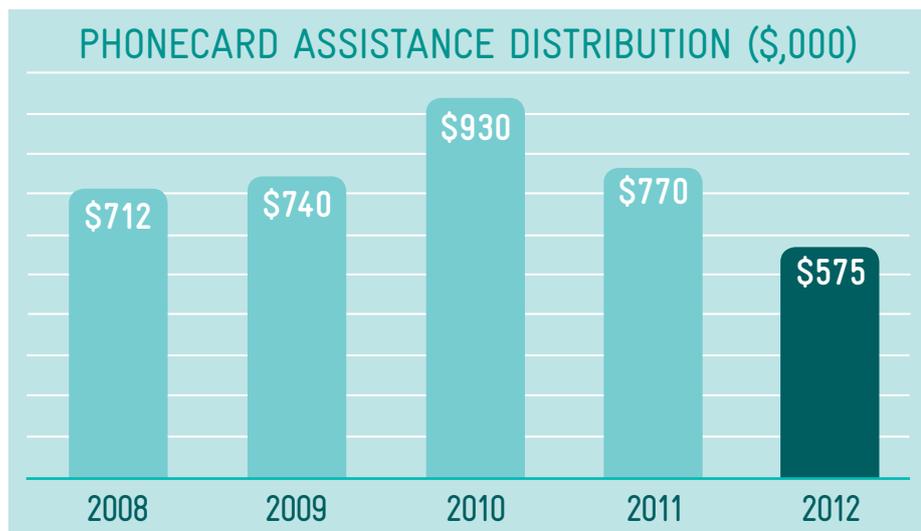


Figure 2. Value of the Phonecard/ PhoneAway Card Program over the last five years

PENSIONER DISCOUNT

During 2012 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.

HOMELINE BUDGET

The number of services in operation grew to approximately 768 000 towards the end of 2012 mainly due to it being Telstra's lowest monthly access charge HomeLine phone plan.

BILL ASSISTANCE

Take-up of the program during 2012 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 Figure 3). A noticeable trend is that somewhat fewer customers are receiving somewhat larger amounts of assistance as more customers tend to have more than one telecommunications service on their bill. LIMAC has endorsed some changes, based on research by the Centre for Social Impact, to improve the program.

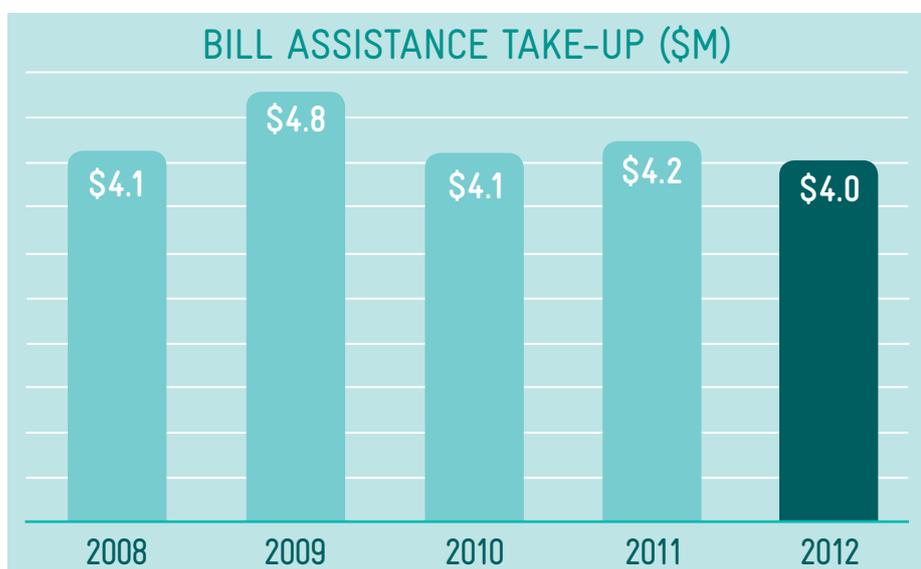


Figure 3. Value of the Bill Assistance Program over the last five years

“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 their 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 2012 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.

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 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 2012.

PRE-PAID MOBILE HANDSETS

Through 2012 Telstra again supported a number of domestic violence, youth homelessness and asylum seeker agencies with a limited number of pre-paid mobile handsets and starter kits.

FINANCIAL HARDSHIP

During 2012 Telstra's Specialised Assistance Team supported customers in times of disaster, tragedy and emerging economic problems. They have re-aligned their work to support the new Telecommunications Consumer Protection Code, assist a broader and more diverse group of customers and better support the role of community Financial Counsellors as their first point of call when assisting Telstra customers.

NEW! PRE-PAID MOBILE RECHARGE PROGRAM

This new program was officially launched 19th November 2012 by Telstra's Gordon Ballantyne, Chief Customer Officer, at Frontyard Youth Services, Melbourne Citymission, and then later at the Access for Everyone 10 year anniversary celebration event (see under Marketing Plan). The program provides quantities of \$20 Telstra recharge cards for Telstra Pre-Paid mobile customers through eligible domestic violence and youth homelessness agencies across Australia.



Rev Ric Holland, CEO Melbourne Citymission, and Gordon Ballantyne, Telstra's Chief Customer Officer, at the launch

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.



10 year anniversary at Chapter House, Melbourne

Gordon Ballantyne (Telstra Chief Customer Officer) Tim O'Leary (Telstra Chief Sustainability Officer) and Kasy Chambers (Anglicare Australia)

ACCESS FOR EVERYONE 10 YEAR CELEBRATION

On Monday 19th November 2012 approximately 100 people gathered in Melbourne to celebrate 10 years of the Access for Everyone programs, 2002-12. Guests included past and present LIMAC members, Government, regulatory and industry representatives, CEOs and senior staff from the community agencies who deliver our programs, CEOs and senior staff in the community welfare sector, consumer advocacy sector, select consumer affairs media as well as Telstra staff past and present.

Gordon Ballantyne, Telstra's Chief Customer Officer, hosted the evening, thanking all of the community partners and speaking about Telstra's commitment in connecting the Australian community. Chris Dodds, LIMAC Chairperson, Kasy Chambers, CEO Anglicare Australia, and Tim O'Leary, Telstra's Chief Sustainability Officer, also added their stories of appreciation and congratulations. Telstra formally recognised each member organisation of LIMAC for their long-standing service and partnership in developing and delivering the Access for Everyone programs.

ACCESS FOR EVERYONE VIDEO

In conjunction with the Gadget Group, Bengar Films and LIMAC members, Telstra has produced short videos 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. To view the video visit telstra.com/a4evideo

Telstra CEO, David Thodey, commented on the day:

We are committed to our work in this space because of our strong heritage and brand value of keeping people connected. For more than 100 years Telstra has been part of virtually every community, joining homesteads and towns and villages and cities and suburbs, initially by telegraph wire and today using technologies like fibre optic cables and satellites. It is this well-developed sense of community and connection that drives the very deep values that underpin and energise Telstra's sustainability strategy and our business as a whole. The key for us now is to put the customer – in their many guises – at the centre of everything we do and to work to make sure everyone is connected. We're proud of what Access for Everyone has been able to achieve over the past decade in helping those in need. I want to thank all our staff, as well as our community partners, who have helped us achieve this very important milestone.

CONFERENCES

ACOSS National Conference 2012, Sydney

Telstra provided support to this national conference (www.acoss.org.au), with the LIMAC Chairperson, Chris Dodds, profiling Access for Everyone, including playing the video for the first time, to approximately 450 community agencies in attendance from around Australia. Telstra was also involved in a conference panel session on Exploring New Frontiers in Social Service, presenting examples of social innovation with ICT in the community sector.

National Homelessness Conference 2012, Melbourne

Telstra provided support to this national conference (www.homelessnessaustralia.org.au), promoting the Access for Everyone programs, including with the video, to approximately 750 community agencies in attendance from around Australia.

Aboriginal Family Violence Prevention National Conference 2012, Melbourne

Telstra provided support to this inaugural national conference, organised by the Aboriginal Family Violence Prevention and Legal Service Victoria (www.fvpls.org), coinciding with its 10 year anniversary. The conference attracted around 300 Aboriginal and Torres Strait Islander community members, mainstream and Aboriginal and Torres Strait Islander service providers, policy makers, Magistrates, Judges and Lawyers, Government representatives and academics. The Access for Everyone programs were promoted to all conference delegates.

RESEARCH

LIMAC agreed to commission specific research into understanding the social impact of some of the Access for Everyone programs, particularly, 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).

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 communications 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 did not reach, which Telstra is now addressing through its new Mobile Pre-Paid Recharge Program (see under Other Telstra Services).

The research concluded that the Bill Assistance Program, in particular, had a positive social return on investment, particular in the majority of cases where it supported people to overcome a period of financial hardship. The conclusions will assist LIMAC and Telstra to improve the Access for Everyone programs, including better targeting Bill Assistance to areas of high deprivation in Australia.



MICK WAS LIVING ROUGH. HIS FAMILY DIDN'T KNOW WHERE HE WAS. THEN THE SALVOS GAVE HIM A PHONE.

Being homeless is hard enough. Losing touch with the people close to you makes it harder. That's where we can help. Telstra works with more than 2,000 community partners, including The Salvation Army, St Vincent de Paul, Anglicare Australia and The Smith Family. By providing them with our products and services, they can help disadvantaged Australians like Mick re-connect with people close to them. For over 10 years, Telstra's Access for Everyone programs have helped people in crisis let Mum know they're OK, follow up with Centrelink about a job, or just talk to a mate. As Mick says 'I don't feel so alone. I'm down and out but I can get there again.' It's amazing what a difference keeping in touch can make.

See more of Mick's story at telstra.com/4evideo

IT'S HOW WE CONNECT

CONTACTS

Information about the Access for Everyone package is available online at 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	9 am-9 pm
Mandarin	1800 678 876	9 am-9 pm
Italian	1800 649 013	9 am-5 pm
Greek	1800 189 129	9 am-5 pm
Indonesian	1800 429 432	9 am-5 pm
Korean	1800 773 421	9 am-5 pm
Arabic	1800 726 001	9 am-5 pm
Spanish	1800 726 002	9 am-5 pm
Vietnamese	1800 644 500	9 am-9 pm

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

LIMAC Chairperson

Mr Chris Dodds

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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.

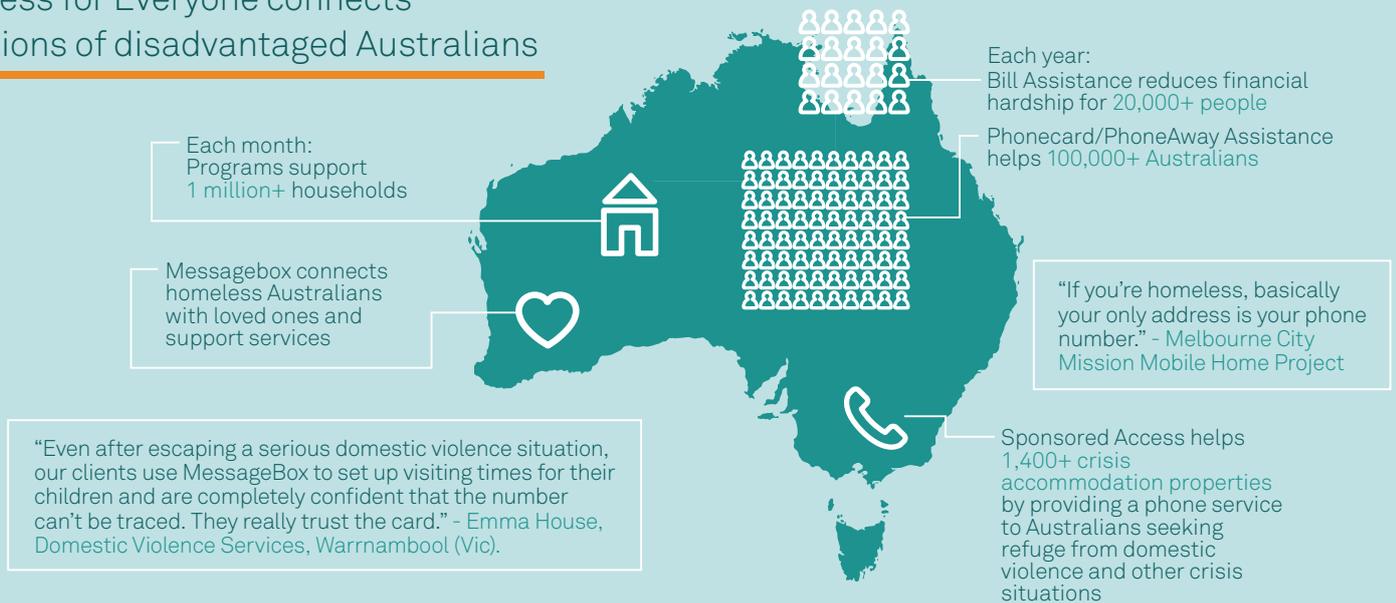
Note: It is intended that the licensee may make minor non-substantive changes to the low-income package (such as minor editorial or typographical corrections) without having to seek and consider the views of LIMAC.

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.

10 YEARS OF TELSTRA ACCESS FOR EVERYONE PROGRAMS

Access for Everyone connects millions of disadvantaged Australians



10 Years of Access for Everyone, and benefits to the value of \$2 billion dollars



Bill Assistance Program has provided more than **\$41 MILLION** in emergency relief support



“Through Telstra’s support, we can lessen a little of our client’s financial burdens after the news of a cancer diagnosis. Cancer sufferers like Anthony, who has advanced cancer that has spread to his brain, spine and lungs has received no income since his diagnosis and has exhausted his savings to pay for radiotherapy. I know how grateful clients are when we can help them, and what an impact it has on them at a time of real need”. - Cancer Council oncology social worker

THANK YOU FOR YOUR SUPPORT

Working in partnership with 2,000 community agencies to enable disadvantaged Australians to stay connected

