

2013

# LIMAC

Low Income Measures Assessment Committee

REPORT TO THE MINISTER

## FROM THE CHAIR

### CHRIS DODDS (ACOSS)

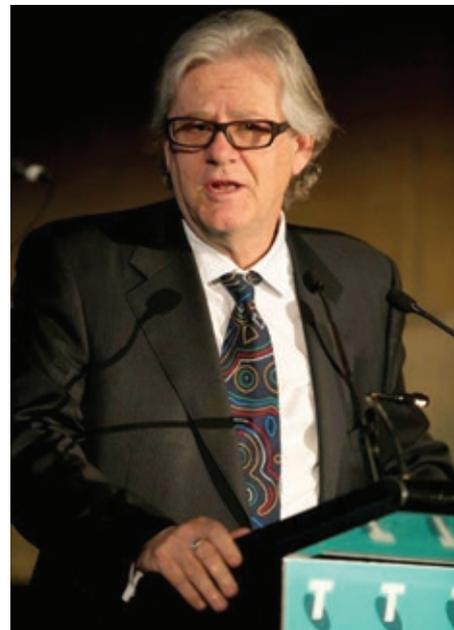
On behalf of my LIMAC colleagues, I am pleased to present our 11th annual report covering the 2013 calendar year on access to telecommunications for people on a low income in Australia.

Once again, LIMAC had a busy agenda through the year and formally met five times plus once by email discussing a significant pricing issue.

Major items this year were:

- A contribution to Telstra's Silent Line Fee exemption proposal for customers facing a personal safety threat;
- Revisions to the Bill Assistance Program, including the move to \$50 certificates and liaison with the Specialised Assistance (hardship) Team, to improve the efficiency and effectiveness of the program;
- The migration of the MessageBox program to the Telstra PhoneAway® calling card platform resulting in additional features for users;
- The Pensioner Discount validation project;
- Reviewing Telstra's proposal to simplify and consolidate InContact® eligibility criteria for new customers and to re-validate existing customers;
- The Telstra bundle offer (that includes a home phone and broadband internet service) specifically for low income Australians;
- Telstra home phone pricing proposals including a new Pensioner Discount;
- Impacts of the significant increase in the ACT Utilities (Network Facilities Tax) due to the ACT Government restructuring its taxation base;
- Supporting the "Homeless and Connected" research project by Sydney University;
- Commissioning a market research project on the changing needs of people on a low income, particularly in relation to mobile and home internet access;
- Telstra's proposal to have the Sponsored Access service amended to include it in regular business processes and customer account management;
- Considering the market segmentation findings from the *Review of Telstra's Low Income Package*.

LIMAC believes that the Low Income Package and Marketing Plan have remained effective in ensuring basic telecommunications affordability for all Australians. However, it expressed significant concern for the changes this year to the ACT Utilities (Network Facilities Tax) and the extra impost this would have on low income telecommunications customers in the ACT, given there was no Government concession available, unlike other utilities.



This year has seen some additional policy focus on affordability of communications through the Australian Communications Consumer Action Network (ACCAN) “telecommunications affordability” forum in March 2013 and a “Digital Equality: Narrowing the participation gap” workshop session at the Australian Internet Governance Forum (auIGF) in November 2013, which included representatives from Telstra, Infixchange, Anglicare Victoria, the Brotherhood of St Laurence and others.

It is clear that public policy discussions in telecommunications have moved substantially towards addressing the issues of digital exclusion and LIMAC is pleased to be part of those conversations with Telstra’s Digital Inclusion team.

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 again 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. I would 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.



**Chris Dodds**  
*LIMAC Chair*

## THE COMMITTEE

LIMAC met five times during 2013, three times by audio-conference. In addition, it discussed one specific matter by email. 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 | Jun (a) | Aug | Sep (a) | Dec (a) |
|----------------------------|-----|---------|-----|---------|---------|
| ACOSS                      | Y   | Y       | Y   | Y       | Y       |
| Jobs Australia             | Y   | Y       | Y   |         | Y       |
| The Smith Family           | Y   | Y       | Y   | Y       |         |
| FaHCSIA                    | Y   | Y       |     |         |         |
| Homelessness Australia     | Y   | Y       | Y   |         | Y       |
| The Salvation Army         | Y   |         | Y   | Y       | Y       |
| St Vincent de Paul Society | Y   | Y       | Y   | Y       | Y       |
| Anglicare Australia        |     | Y       | Y   |         | Y       |
| Council on the Ageing      | Y   | Y       | Y   | Y       |         |
| ACMA (o)                   | Y   | Y       | Y   | Y       | Y       |
| DBCDE (o)                  | 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 2013 and take-up of the products and services has remained relatively stable. The overall benefit provided to consumers through the package in 2012-2013 was about \$163m (see Figure 1). The decline over the past few years is attributable mainly to a reduction in customers receiving the Pensioner Discount (which is the largest program) through choosing Telstra bundle options as an alternative value proposition.



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

In 2013 the Telstra Disability Enquiry Hotline team expanded their service delivery to incorporate Access for Everyone by taking over day to day contact with community agencies and fulfilling the Phonecard/ PhoneAway, MessageBox, and Pre-Paid Mobile Recharge card orders from those agencies.

## INCONTACT®

The number of services in operation has been generally steady at about 76 000 at the end of 2013. LIMAC has worked with Telstra to implement new simplified and consolidated eligibility criteria early in 2014 for new customers applying for the InContact service.

## SPONSORED ACCESS

The number of services in operation has been relatively steady in about 1350 Supported Accommodation Assistance Program dwellings at the end of 2013.

## MESSAGEBOX

Only 10 or so community agencies utilised MessageBox in 2013 for use with clients who have no readily available communications service. This is again a large decrease from previous years and mainly attributable to the ready availability of mobile phones and the recently introduced Telstra Pre-Paid Mobile Recharge Program (see below). LIMAC has agreed to the migration of MessageBox to the PhoneAway calling card platform early in 2014, which will continue to provide a voice mailbox service for those who need it with the added benefit of the ability to make calls using the PhoneAway card.

## PHONECARD™/ PHONEAWAY®

In 2013 some \$704 000 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 increase in value in 2013 was mainly attributable to higher value cards being used as part of an interim arrangement during re-printing of the standard cards (see Figure 2).



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

## PENSIONER DISCOUNT

At the end of 2013 the number of customers receiving the Telstra Pensioner Discount on their HomeLine plan had slightly decreased to around 0.97 million, attributable mainly to the take-up of bundled plans.

## HOMELINE BUDGET

The number of services in operation decreased slightly to about 697 000 at the end of 2013 mainly due to customers choosing new bundle (voice and broadband) plans.

## BILL ASSISTANCE

Take-up of the program during 2013 was close to the long-term average. Around 2300 customers per month benefited from the program with just over \$4.2 million of relief provided (see Figure 3). A noticeable trend is that fewer customers are receiving larger amounts of assistance as more customers tend to have more than one telecommunications service on their bill. From July 2013 the minimum bill assistance amount was raised to \$50 with certificates now of that denomination thus providing some efficiencies for community agencies and for Telstra. Systems upgrades were implemented for Telstra stores to accept the new certificates and Telstra's Specialised Assistance (hardship) Team was added as a new national channel for this assistance.

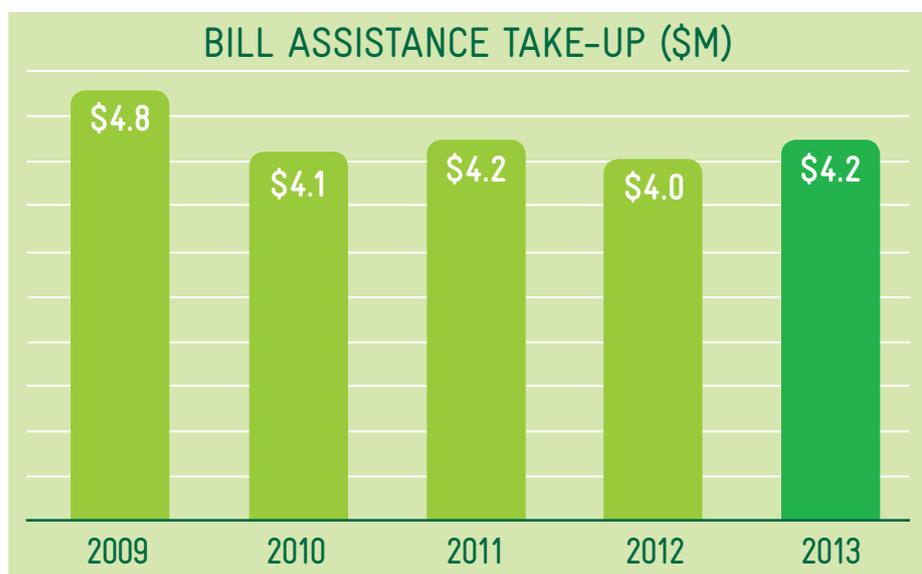


Figure 3. Value of the Bill Assistance Program over the last five years

## CENTREPAY

Use of Centrelink's Centrepay system to make regular payments against Telstra accounts has tracked slightly lower throughout 2013, averaging about 66 000 payments per month from about 32 000 customers. This represents about one percent of Telstra's total payment volumes.



*“A grandmother came in for assistance with her Telstra and electricity accounts, and with other needs such as clothing for her grandchildren. In conversation it came out that she had moved to Victoria to take custody of her grandchildren when her daughter was killed in a car accident. However, she found it to hard being away from family and friends so brought the children back to town. Through the assistance we were able to give to her, including for her Telstra bill, she is now standing on her own two feet and taking care of her grandchildren. Without that assistance she would now be homeless but we have been able to help this family to turn their life around.”*

The Smith Family, NSW

## OTHER TELSTRA SERVICES

### PRE-PAID MOBILE HANDSETS

Through 2013 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

Telstra's Specialised Assistance Team has been supporting on average over 700 customers per month in times of disaster, tragedy and financial hardship.

### PRE-PAID MOBILE RECHARGE PROGRAM

This program, which was launched in November 2012, provided about 5400 or \$108,700 in \$20 Telstra recharge cards for Telstra pre-paid mobile customers through eligible domestic violence and youth homelessness agencies across Australia.

### SILENT LINE FEE EXEMPTION

From 28 May 2013 Telstra established a new program to provide a concession to eligible Telstra customers facing a personal safety threat due to a risk of domestic violence who require the Silent Line service on their home phone. This service normally costs \$2.93 (incl. GST) per month but Telstra now provides an exemption to this fee for eligible customers.



Melbourne Citymission,  
Mobile Home exhibition 2009.

## RESEARCH

1. With LIMAC's encouragement, Telstra supported the "Homeless and Connected" research project being undertaken by Sydney University to understand the role of mobile phones and mobile internet in the lives of families and young people experiencing homelessness. The results of this research should become available by September 2014 and will also be made available to LIMAC.
2. With LIMAC's support, Telstra undertook a small survey of Bill Assistance agencies during September and October 2013. The survey gauged Bill Assistance usage for mobile phone accounts, whether Bill Assistance was the only form of emergency relief provided to clients and whether clients were now asking for Bill Assistance given the mature nature of the program. Over 500 Bill Assistance agencies responded to the survey and the results provided evidence that the program was operating as intended. For example, on only 20% of occasions was Bill Assistance the only relief provided to the clients, whereas on 80% of occasions it was provided in conjunction with other forms of emergency relief.
3. LIMAC also commissioned a major survey of Access for Everyone customers, undertaken by TNS, in regard to their current and future expectations about mobile and internet communications. Among other things, the research explored the willingness to pay of low income customers for mobile and internet connectivity. The results of the survey, available in 2014, will inform LIMAC and Telstra in their discussions about the future of the low income programs.

4. In March 2013 Telstra provided the venue and other support for the Australian Communications Consumer Action Network (ACCAN) to bring together academic, government, regulatory, industry and community representatives for a one day forum on telecommunications affordability in Melbourne. Seven research presentations were given, including by Telstra on the results of the LIMAC research projects since 2002. A number of the papers presented at the forum were published in the inaugural edition of the new *Australian Journal of Telecommunications and the Digital Economy*. (<http://telsoc.org/ajtde/2013-11-v1-n1>).

## MARKETING PLAN

The following items highlight some of the activities undertaken during 2013 to raise awareness of Telstra's Access for Everyone programs, including with our partner community organisations.

### MICK'S STORY – WHERE THERE IS CONNECTION THERE IS HOPE

This story about a homeless person assisted by The Salvation Army through Telstra's low income programs was placed in 106 Sensis® White Pages® directories across Australia and published nationally in major newspapers and popular magazines. The video of Mick's story is available at <http://telstra.com/a4evideo>

### THE SALVATION ARMY MONEYCARE CONFERENCE, APRIL 2013, SYDNEY

Telstra provided support for this conference which celebrated 20 years of this financial counselling program. Telstra representatives from the Chief Sustainability Office, Billing and Credit Management, and Enterprise and Government attended and spoke about Telstra's low income and financial hardship programs. (<http://my.salvos.org.au/news/2013/04/15/moneycare-celebrates-20-years/>).



Telstra's Tyrone Kondis (left) on the financial hardship panel at The Salvation Army MoneyCare conference, Sydney 2013.



#### 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/a4evideo](http://telstra.com/a4evideo)



Mick's story in published form, 2013.

## AUSTRALIAN COUNCIL OF SOCIAL SERVICE POST-BUDGET SECTOR LUNCH, MAY 2013, SYDNEY

Telstra provided support for this well-attended forum where welfare sector agencies had the opportunity to engage with the Australian Treasurer regarding federal budget announcements. (<http://acoss.org.au/events/view/1275/>).



ACOSS Treasurer's post-budget speech to the sector, Sydney 2013.

## TELSTRA CEO-ROUNDTABLE, JUNE AND DECEMBER 2013, SYDNEY

Telstra initiated a new bi-annual consumer engagement roundtable with the CEO, David Thodey, and other senior leaders. The chair of LIMAC attends the roundtable along with eight other peak consumer organisations and representatives. The focus to date has included major customer service initiatives particularly for disadvantaged customers.

## CONNECTING HUME PC AWARDS, JUNE 2013, MELBOURNE

Telstra supported these awards to outstanding young students in the City of Hume, Victoria, providing wireless internet connectivity for each of the award recipients. ([http://www.hume.vic.gov.au/Libraries\\_Learning/Learning\\_Programs\\_Events/Connecting\\_Hume\\_PC\\_Awards](http://www.hume.vic.gov.au/Libraries_Learning/Learning_Programs_Events/Connecting_Hume_PC_Awards)).



Telstra's Robert Morsillo (left) at the 2013 Hume Connecting PC Awards.

## ANGLICARE AUSTRALIA NATIONAL CONFERENCE, SEPTEMBER 2013, BRISBANE

Telstra supported Anglicare Australia's National Awards for Innovation and Excellence, which recognise human service delivery programs and individuals in the categories of excellence, innovation, partnership and volunteer achievement. ([http://www.anglicare.asn.au/site/2013\\_awards.php](http://www.anglicare.asn.au/site/2013_awards.php)).



Telstra's Sue McAleer (3rd from right) with the 2013 Anglicare Australia Innovation and Excellence award winners.

## NEWS AND MEDIA RESEARCH CENTRE CONFERENCE, NOVEMBER 2013, CANBERRA

Robert Morsillo presented a refereed paper "A shared value approach to digital inclusion", which sought to take lessons from the development of the Access for Everyone programs and apply it more generally to promoting digital inclusion for low income Australians. The paper has been published as part of the record of the conference. (<http://www.canberra.edu.au/faculties/arts-design/research/research-centres/news-and-media-research-centre/events/conference-2013>).

## ITU-MCMC CONTEST TO PROMOTE THE TRANSFORMATIONAL POWER OF BROADBAND, DECEMBER 2013

Telstra was named as one of the winners of this contest for its Connected Seniors program. The prize monies were used to provide 10 iPads to the Asylum Seeker Resource Centre in Melbourne for use by staff and for client communications. (<http://www.itu.int/en/ITU-D/Conferences/connect/Asia-Pacific/Pages/connect-at-the-roots.aspx>).



Telstra's Digital Inclusion Team with Bernie Franklin (front) at the Asylum Seeker Resource Centre Melbourne, December 2013.

## 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.

## CONTACTS

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 | 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

Email: [chrisd@ewon.com.au](mailto: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](mailto:consumer.affairs@team.telstra.com)

Phone: 1800 804 591  
Fax: 1800 659 416