

Media Release
Telstra Corporation Limited
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TELSTRA BOSS DROPS BILL PAYMENT FEE AFTER CUSTOMER FEEDBACK

Telstra CEO David Thodey today announced the company will drop a \$2.20 administration fee for bill payments made over-the-counter or by mail after listening to feedback from customers and shareholders.

Mr Thodey said the change would be implemented over the next few months and Telstra would automatically refund all of the bill payment administration fees paid by current customers during that time and since the new charge was first introduced on 14 September 2009.

He said Telstra would look for new ways to encourage customers to take advantage of electronic payments.

"I have listened to the community debate and believe that the way we introduced the fee did not align with our commitment to put customers back at the heart of our business," Mr Thodey said.

"It is now clear to me that introducing this fee across our existing plans was the wrong way to encourage customers to move to electronic payments.

"We designed the fee in a way that exempted more than a million elderly, pensioners and disadvantaged people but it was still unacceptable to many of our customers.

"We do still invite our customers to consider using electronic payments because it can save time and reduce costs."

Mr Thodey asked customers to be patient while the changes were implemented through the company's billing system. Telstra will credit current customer accounts, including any \$2.20 administration fees that appear on their bills during this period, so customers do not need to call.

"While others in our industry still charge for cash payments over the counter, Telstra will now look for other ways to encourage customers to move to electronic payments, possibly including the introduction of optional electronic-only plans."

Mr Thodey said Telstra would honour its commitment to a special offer of up to \$50 Cash Back through to the end of December 2009 on selected Telstra Shop product purchases for customers who continue to sign up for direct debit payment options.

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