



Affordability Map

A resource to inform the development of targeted affordability measures in the Australian telecommunications environment

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About ACCAN

The Australian Communications Consumer Action Network (ACCAN) is the peak body that represents all consumers on communications issues including telecommunications, broadband and emerging new services. ACCAN provides a strong unified voice to industry and government as consumers work towards availability, accessibility and affordability of communications services for all Australians.

Consumers need ACCAN to promote better consumer protection outcomes ensuring speedy responses to complaints and issues. ACCAN aims to empower consumers so that they are well informed and can make good choices about products and services. As a peak body, ACCAN will represent the views of its broad and diverse membership base to policy makers, government and industry to get better outcomes for all communications consumers.

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Background and Purpose

As our communications market continues to develop and the essential nature of network connectivity increases, issues of affordability for many Australians are creating barriers to our communications networks. Overcoming these barriers is increasingly important as government services and information become 'digital by default'. Ensuring that all Australians are able to afford to connect to communications networks and services suitable to their specific needs will increase economic, social and community participation.

The purpose of this paper is to identify the different groups in Australian society that face affordability issues. A better understanding of how affordability issues differ between - or are common to - groups will enable us to make more informed recommendations to industry and government. It will also help us to work with industry to develop more appropriate targeted low-income measures, to reach and benefit more Australians.

The paper will define what affordability means and give a general introduction to telecommunications affordability in Australia. It will then set out the different groups in Australian society that face unique affordability issues and attempt to identify what these issues are.

The groups ACCAN has identified as facing unique barriers to telecommunications affordability are: people facing homelessness; low-income families; people with disability; students; older people; people receiving the lowest government income support payments (Youth Allowance and Newstart Allowance); migrants and asylum seekers; Aboriginal Australians and Torres Strait Islanders; the unemployed; prisoners; and people who live in social housing. Evidently this list is not exhaustive and the document will continue to grow as more information becomes available.

This report is intended to be a living document, to be updated as new data and surveys are released. It must also be noted that some Australian Bureau of Statistics (ABS) reports cited, although released recently, base their analysis on census data from 2011.

"...People are not all the same. Some come from disadvantaged backgrounds, some have long-term illnesses or disabilities, others were once well-off but a family crisis or illness changed their lives for the worse. One thing that unites people who do not have access to a decent standard of living is that they aspire to a 'normal' life where income is secure, they are respected, and they have a place in society."

ACOSS 'Poverty in Australia' 2014 report¹

¹ P Saunders, B Bradbury & M Wong (ACOSS, Sydney, 2014), 'Poverty in Australia 2014', at 12.

Determining affordability²

ACCAN understands affordability as a consumers' ability to pay for and use telecommunications without sacrificing expenditure on other essential services and items.³ Ofcom, the United Kingdom's telecommunications regulator, has stated that "a good service is considered to be affordable for a consumer if the consumer is able to purchase it without suffering undue hardship".⁴ An alternative way to measure telecommunications affordability is to examine the average proportion of disposable income spent on essential items. If this proportion is substantially higher for lower-income households, telecommunications costs are considered to be less affordable for lower income earners.⁵ This paper does not examine the costs of telecommunications services in detail but rather focuses on identifying the groups that might struggle to meet such costs.

Affordability of telecommunications

The International Telecommunications Union's (ITU) 'Measuring the Information Society' Report⁶ compared the cost of ICT in different countries. It found that Australia generally had relatively high fixed telephone and broadband costs and relatively lower mobile costs; ranking 26th for fixed telephone prices, 25th for fixed broadband prices, and 10th for mobile prices.

The report also looked at the proportion of disposable income spent on telecommunications services, which paints a better picture of affordability and the level of equity for services. As with other utilities, telecommunications costs are regressive, meaning that lower-income households spend a higher percentage of their income than higher-income households. Australia appears to be more regressive than other countries, and spends more on services. Fixed broadband is on average 0.83% of disposable income in Australia, but for those in the lowest 20% of disposable income category it is 2.29% of disposable income.

² We are referring to 'telecommunications affordability' here as opposed to affordability generally (as in other parts of this document) as ACCAN's conceptions of affordability are drawn from reports and studies in the telecommunications sphere.

³ D Lewin & C Milne (2010) 'Are telecommunications services universally affordable across the EU? An independent assessment for Vodafone',

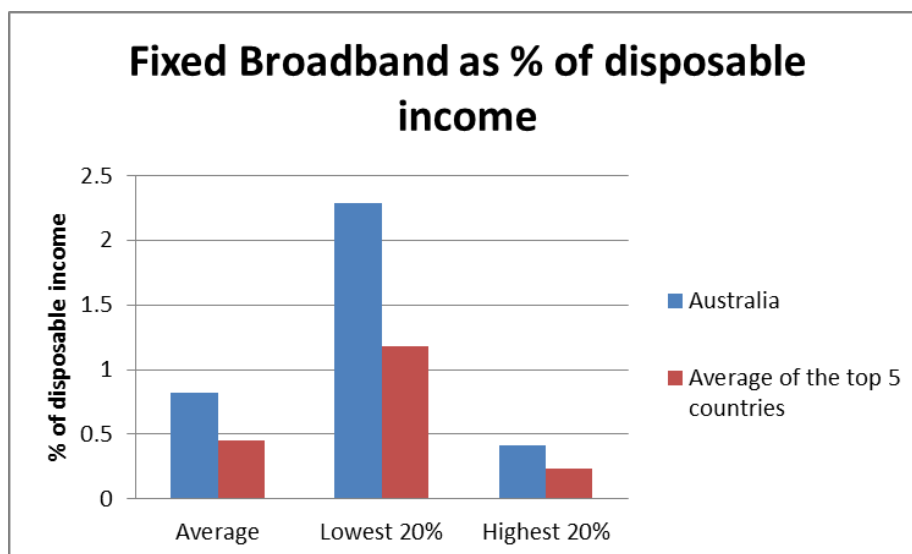
http://www.vodafone.com/content/dam/vodafone/about/public_policy/affordability_plum.pdf.

⁴ Ofcom. 2014. 'Results of research into consumer views on the importance of communications services and their affordability', http://stakeholders.ofcom.org.uk/binaries/research/affordability/affordability_report.pdf

⁵ Dr Justine Humphry (ACCAN, Sydney, 2014) 'Homeless and Connected: Mobile phones and the Internet in the lives of Homeless Australians.

⁶ ITU, 'Measuring the Information Society (2014), http://www.itu.int/en/ITU-D/Statistics/Documents/publications/mis2014/MIS2014_without_Annex_4.pdf.

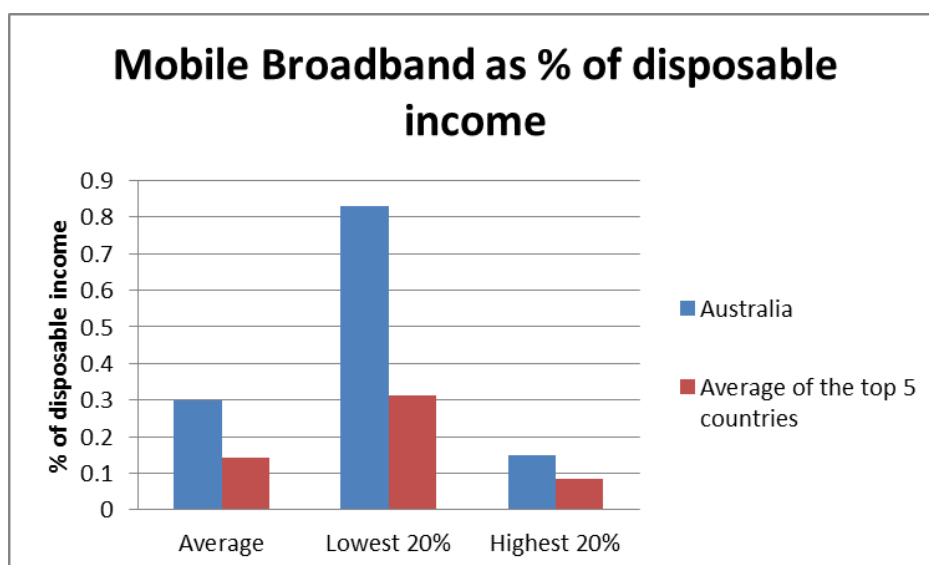
Figure 1: ITU Percentage of disposable income spend on fixed broadband



Source 1: ITU, calculation of top 5 countries (Ireland, UK, Switzerland, Luxembourg, Japan) by Rachel Thomas, ACCAN

The same goes for mobile broadband, with the average amount of disposable income spent on the service being 0.3%. The lowest 20% income groups spend nearly six times more of their disposable income on mobile broadband than the highest 20% income groups.⁷

Figure 2: Mobile Broadband as percentage of disposable income



Source 2: ITU, calculation of top 5 countries (Norway, Austria, Iceland, Sweden, and Finland) by Rachel Thomas, ACCAN

It is important to note however, that affordability is about more than just the monthly cost of a service. It is a multi-dimensional issue influenced by other aspects such as terms and conditions, payment methods, and up-front costs.

⁷ Analysis of ITU report above n 6, by Rachel Thomas, Policy Officer, ACCAN, in 'Vision 2030' Report.

Affordability measures

Under its contract with the Government the Universal Service Provider (currently Telstra) is required to have low-income measures. However, this does not provide consumers with choice of providers offering low-income products. Furthermore some welfare beneficiaries can claim the Centrelink Telephone Allowance for a telephone service, however, “most curiously, it is not available to those on the poorest payments such as Newstart and Youth Allowance unless they have dependent children, are over 60 or have limited capacity to work”.⁸ John De Ridder has estimated that about a million households currently face issues of affordability and are in need of support but not all qualify for it.⁹ The allowance also only provides for ongoing costs and not the, sometimes hefty, upfront costs of getting connected and devices used.¹⁰

Low-income impact & the poverty line

The ABS measures the economic wellbeing of households by reference to a relative poverty line, which “...identifies the proportion of people with an income below a certain fraction of median equivalised disposable household income.” Equivalised means the amount is standardised according to household composition (for example, it will be higher for a household with children than for one without). The line for relative poverty has been drawn at 40%, 50% and 60% of median income, but 50% is used most often.¹¹ According to De Ridder, in 2013-14, at 60% of the median income the relative poverty line in Australia was \$506 per week and at 50% it was \$422 per week. This shows that significantly more people would be classed as living in relative poverty if using the 60% measure.

The Australian Council of Social Services (ACOSS) 2014 *Poverty in Australia* report indicates that significant numbers of Australians are living below the poverty line. By their analysis, the poverty line for a single adult is estimated at \$358 per week, or \$752 per week for a couple with two children (50% of median income).¹²

In 2012, 2.55 million people (13.9%) and 603,000 children (17.7%) lived in households below the poverty line.¹³ Recent Australian research indicates that many people living in poverty struggle to maintain telecommunications connectivity. A 2013 survey by Anglicare Victoria found that 66% of low-income respondents found it difficult to pay for a mobile phone service in the previous 12

⁸ SACOSS, Cost of Living update no.22 March 2015.

https://www.sacoss.org.au/sites/default/files/public/documents/Reports/Cost%20of%20Living%20Reports/150520_CoL%20Update%20No22_Telecommunications_final.pdf

⁹ De Ridder, John, 2015, ‘The future of the USO’, <https://accan.org.au/our-work/research/1132-the-future-of-the-uso>.

¹⁰ There is more information about the Centrelink Telephone Allowance at the end of this document and at <https://www.humanservices.gov.au/customer/services/centrelink/telephone-allowance>

¹¹ De Ridder, above n 9 at 15.

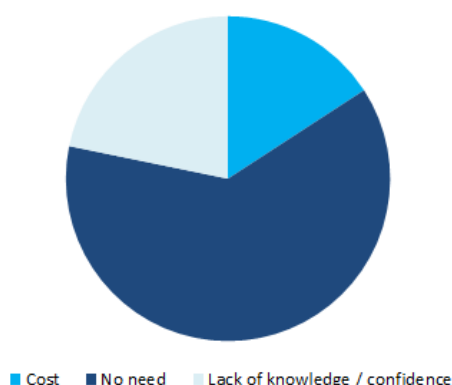
¹² The ABS release ‘average weekly earnings’ figures regularly, however median income figures are from the 2011 census and as such this paper still refers to the poverty lines at determined by ACOSS in 2014.

¹³ P Saunders, B Bradbury & M Wong (ACOSS, Sydney, 2014), ‘Poverty in Australia 2014’, http://www.acoss.org.au/images/uploads/ACOSS_Poverty_in_Australia_2014.pdf.

months. The same survey found that half of all people on low-incomes cannot afford internet access.¹⁴

Many Australian households still do not have an internet connection

The ABS' 2016 report *Household Use of Information Technology* found that 1.3 million homes in Australia do not have an internet connection (14%). The reasons respondents gave for not having a connection were that: it was not needed (63%); they lacked the knowledge or confidence to use it (22%); and cost (16%):



The main reason for not having internet was also shown to differ depending on whether or not there are children in the house: for households with children and no internet, 43% identified the reason as cost, and for households with no children 64% identified the main reason as not having a need for it. The percentage of households with an internet connection increased from 83% in 2012-13 to 86% in 2014-15.¹⁵

Diverse challenges for a diverse society

This section attempts to set out characteristics of different groups of Australian society that face affordability challenges.

People with Disability

People with disability face many unique affordability challenges. These challenges may arise because they only have a partial or no capacity to work, and so depend on social security, or because they require specialised and expensive equipment to carry out day-to-day activities. In 2015 the ABS Survey of Disability, Ageing and Carers, identified there were 4.3 million Australians with disability (18.3% of total population).¹⁶ ACOSS found that 27.4% of people with disability were living in poverty, not taking into account the additional costs associated with disability, such as housing, transport, communications, and medical costs.¹⁷

¹⁴ Dr Sarah Wise (Anglicare Victoria & ACCAN, 2013) 'Trying to connect: Telecommunications access and affordability among people experiencing financial hardship'

¹⁵ ABS, *Household Use of Information Technology* (18 February 2016), <http://www.abs.gov.au/ausstats/abs@.nsf/mf/8146.0>

¹⁶ ABS, *Survey of Disability, Ageing, and Carers* (2015), <http://www.abs.gov.au/AUSSTATS/abs@.nsf/ProductsbyReleaseDate/56C41FE7A67110C8CA257FA3001D080B?OpenDocument>

¹⁷ ACOSS, above n 1 at 27.

Government support

As at December 2015, 797,212 people were receiving the Disability Support Pension, and 661,169 of these people (83%) were on the full payment rate (currently \$397.40 per week for a single or \$599.10 for a couple).¹⁸ The Disability Support Pension is available to people between the ages of 16 and pension age and is income and asset tested, so the large proportion of people on the full rate likely reflects the relatively low wealth of many people with disability.

Labour force participation

In 2015, people with disability aged between 15 and 64 had a labour force participation rate of 53.4% (compared to 83.2% for people without disability). People with disability were also less likely to be employed full time than people without disability (27% compared to 53.8%). 10% of Australians with disability are unemployed compared to 5.3% of those without disability.¹⁹

Unique issues

The ABS released the summary results of the 2014 General Social Survey (GSS) in June 2015. The purpose of the survey is “to provide an understanding of the multi-dimensional nature of relative advantage and disadvantage across the population.”²⁰ The GSS observes that disability is likely to affect people’s access to services and social and community participation, and that about three in 10 people with disability had difficulty accessing service providers in 2014 (vs. two in 10 for people without disability). People with disability were much more likely to experience barriers to accessing healthcare (11% vs. 2.8%), with the main reasons identified as cost and waiting times. The GSS also found that people with disability are more likely to be in the lowest four deciles (of ten) of relative socio-economic disadvantage than people without disability.

People with disability may also face higher up-front connection costs for telecommunications services if they require specialist equipment or software for people who have a vision or hearing impairment.

Intersection: Disability and Ageing

The ABS’ Survey of Disability, Ageing, and Carers, presents key information about disability prevalence in Australia as well as about older Australians (aged over 65).

The survey found that the prevalence of disability increases with age. There were over two million people with disability among the 15.4 million Australians of working age (15-64), and over half (50.7%) of older Australians reported living with disability. The rate of people reporting disability increased from 12.1% of 35-44 year olds to 85.4% of people aged over 90.

States and territories with older populations reported higher disability prevalence rates: South Australia and Tasmania have the oldest populations and reported disability rates of 25% and 22% respectively. By contrast, Northern Territory, Western Australia, and Australian Capital Territory have the youngest populations and reported disability rates of 11%, 14%, and 16% respectively.

¹⁸ Department of Human Services, Disability Support Pension, <https://www.humanservices.gov.au/customer/services/centrelink/disability-support-pension>

¹⁹ ABS, above n 16.

²⁰ ABS, *General Social Survey: Summary Results, Australia 2014* (released 29 June 2015), <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4159.0>, (accessed 9 May 2016).

Older People²¹

In 2015 there were 3.5 million Australians aged over 65 years (15.1% of the total population).²² Australia's population is ageing: between 1994 and 2015, the proportion of people aged over 65 grew from 11.8% to 15.1%. In the same time period, the proportion of the population under the age of 15 decreased. Between 1994 and 2014, the number of persons aged 85 years and over (the 'older old') increased by 153%, and the number of people aged over 100 grew by 263% (compared to overall population growth of 32%).²³

Government support and income

In 2015, 2,514,853 older people were receiving the Age Pension, 167,259 were receiving a Carer Allowance, and 43,867 were receiving a Disability Support Pension.²⁴ There are a range of other benefit supplements available for older people with different needs.

According to the ARC Centre of Excellence in Population Ageing Research (CEPAR) older people have lower and less heterogeneous incomes than the total population. In 2014 CEPAR found that just over half of older people had personal incomes between \$200 and \$400 per week (compared to just over a fifth of Australians older than 15). Older people generally had a household income of between \$400 and \$600,²⁵ compared to between \$1,500 and \$2,000 for all Australians.

However, in a majority of cases the housing costs of older Australians are lower, with CEPAR stating that 74% of older Australians own their homes, while 10% have a mortgage, and 13% are renting. Older renters pay a median \$162 per week compared to \$300 per week for all Australians.²⁶

Labour force participation

As at March 2016 there were 456,500 older Australians participating in the labour force (13% older people). Of these, 196,100 were working full-time, and 260,400 were working part-time.²⁷ The lower proportion of older Australians participating in the workforce could be attributed to many factors, including: caring responsibilities, disability and poor health, and the fact that the Australian Age Pension is both means and assets tested. Older people are also more likely to be involved in the volunteering sector. Unfortunately the latest ABS labour force data does not break down the '65 and older' category into smaller age groups, however we might assume that most older Australians in the workforce are closer to 65 years old.

Unique issues

It's important to remember that people aged over 65 are not one homogenous group – they have a range of different needs and financial standing just like any other age group.

²¹ See also the section on the intersection of disability and ageing.

²² ABS *Survey of Disability, Ageing, and Carers*, above n 16.

²³ ABS, *Australian Demographic Statistics* (June 2014),

<http://www.abs.gov.au/ausstats/abs@.nsf/0/1CD2B1952AFC5E7ACA257298000F2E76?OpenDocument>

²⁴ Data.gov.au, *DSS Demographics December 2015*, https://data.gov.au/dataset/dss-payment-demographic-data/resource/6b3fba11-2f71-4df9-963d-fce31a7e59e3?inner_span=True

²⁵ Not adjusted for household size.

²⁶ CEPAR, *A Statistical Portrait of the Older Australian*,

http://www.cepar.edu.au/media/136772/statistical_portrait_average_older_australian.pdf

²⁷ ABS, *Labour Force, Australia, Detailed – Electronic Delivery* (March 2016),

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6291.0.55.001Mar%202016?OpenDocument>

Ageing can have significant effects on health and health spending can impact on the affordability of other goods and services. However, according to the ABS' Australian Health Survey, in 2011-12 70% of people over the age of 65 rated their health as good, very good, or excellent.²⁸

At the 2016 ACCAN Members' Advisory Forum, the Council on the Ageing discussed how affordability issues can sometimes differ for different age groups of older Australians. It was noted that many 'younger' older Australians are much more inclined to purchase and use telecommunications technology, and therefore face more telecommunications affordability barriers than 'older' older Australians, who are less likely to engage with telecommunications technology.

A subset of the older population that faces unique affordability issues are those people who live in retirement homes or in care. These older people are more likely to spend a large proportion of their pension on the cost of their care and accommodation, and therefore may struggle to afford the costs associated with mobile technology and communications.

Based on figures released by the ABS in 2016, almost a third of older Australians in low-income households are asset rich and income poor. While one third of older low income households had available liquid assets of more than \$50,000, another third only had \$5,000.²⁹

As older people are more likely to have a disability, up-front connection costs may be higher if specialist accessibility equipment or software is required.

People Experiencing Homelessness

Homelessness can have a variety of impacts on individuals and communities, including reduced opportunities for employment, education, and social and community participation.

The 2014 ABS General Social Survey does provide some insights into people who have experienced homelessness, however it does not go into much detail on issues of affordability. The GSS observes that the most common reason for experiencing homelessness in the past 10 years was family, friend, or relationship problems (44% or 622,000 people). A tight housing or rental market and financial problems were the most common reason for 14% and 13% of people who had experienced homelessness, respectively.³⁰

In 2014, 2.5 million people over the age of 15 had experienced homelessness. This includes 1.4 million people in the last 10 years, and 0.351 million in the last 12 months. Of these people, 68% had stayed with a relative, 52% with a friend, 13% had slept rough or in an abandoned building, and 7.7% had slept in a shelter or refuge. Approximately 28% of people who experienced homelessness in the

²⁸ Australian Institute of Health and Welfare, <http://www.aihw.gov.au/ageing/>

²⁹ ABS, Media Release: 'Many older Australian households asset rich, income poor', [http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/6523.0~2013-14~Media%20Release~Many%20older%20Australian%20households%20asset%20rich,%20income%20poor%20\(Media%20Release\)~40](http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/6523.0~2013-14~Media%20Release~Many%20older%20Australian%20households%20asset%20rich,%20income%20poor%20(Media%20Release)~40)

³⁰ ABS, *General Social Survey: Summary Results, Australia 2014* (released 29 June 2015), <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4159.0>, (accessed 9 May 2016).

past 10 years had been homeless for six months or more in their most recent experience; 15% had been homeless for between three and six months; and 23% for between one and three months.³¹

Homelessness Australia provides a statistical breakdown of people living in homelessness. It should be noted that the following is based on ABS census results from 2011 (updated statistics will be available in mid-2017).³² The Homelessness Australia breakdown sets out that:

- On any given night 1 in 200 people are homeless.
- 105,237 people are homeless, which equates to 0.5% of the total population.
- Of these, 56% are male and 44% are female
- 6% are sleeping rough, 67.6% of whom are male and 32.4% of whom are female.
- 25% of people experiencing homelessness are Aboriginal Australians or Torres Strait Islanders, and 30% are born overseas.
- 20% are staying in supported accommodation for the homeless, and 17% are staying in other forms of temporary lodging. 39% are staying in severely crowded dwellings.
- 27% of people experiencing homelessness are aged under 18 (17% under 12 years), while only 14% are aged over 55.³³

Homeless and Connected

The affordability barriers faced by homeless people were canvassed by the joint ACCAN and University of Sydney report 'Homeless and Connected: Mobile phones and internet in the lives of homeless Australians'.³⁴ That report found that staying connected to a mobile phone is a significant cost in the lives of those experiencing homelessness, with the average costs of a post-paid and pre-paid services being \$72 and \$53 per month, respectively. Of those who took part in the research, 45% said that paying their bill was sometimes difficult, while 8% said it was difficult, and 4% said it was very difficult. Making monthly payments to stay connected to a mobile service presents a large challenge for homeless people and those receiving benefits, as the amount they need to pay is a higher proportion of monthly income than for a person receiving an average salary. In fact, the report found that many people presenting to homelessness services do not have any income – of 193,551 clients over the age of 15 in 2012-13, 10,779 had no source of income.³⁵

The Homeless and Connected report also identified the burdensome cost of accessing government services using a mobile, with the main frustration being the cost of 1800 and 13/1300 numbers (although note that calls to 1800 numbers from pre-paid mobiles have been free since 2015, and calls to 13/1300 numbers are increasingly included incorporated in 'included value'). This is an issue for homeless Australians as mobile calls to Centrelink's 13/1300 numbers erode included value call minutes, whereas calls from a landline are charged as local calls. In addition to the cost of making calls to access government services, options for accessing services online are becoming more and more common. This means that for people who are already struggling to make payments, the extra

³¹ Ibid.

³² ABS, information about the 2016 Census, <http://www.abs.gov.au/websitedbs/censushome.nsf/home/2016>

³³ Homelessness Australia, Homelessness Statistics, <http://www.homelessnessaustralia.org.au/index.php/about-homelessness/homeless-statistics>

³⁴ Humphry, above n 5.

³⁵ Ibid, at 36-37.

costs of data makes their financial situation even more difficult (and could have the opposite effect of what government intends as people will revert to phone and in-person transactions).³⁶ An associated risk is that service providers are not able to contact homeless clients if they have their service cut off, or are unable to afford to check voicemail. These issues are likely to be common to many low-income Australians.

28% of respondents to the Homeless and Connected survey reported having encountered mobile phone debt. 38% of families who took part reported mobile phone debt, compared to 19% of young people and 24% of adults. A higher proportion of people reporting debt had a smartphone (86%), which is likely related to the cost of data and higher handset repayment amounts or prices. Homeless Australians are also likely to have overlapping support needs, with 57% of respondents reporting a mobile phone debt also reporting having or having had a mental illness, and 33% reporting a physical disability.³⁷

Indigenous Australians

The National Aboriginal and Torres Strait Islander Social Survey, 2014-15,³⁸ was released by the ABS in April 2016. In 2014 the total Aboriginal and Torres Strait Islander population was 686,800 representing 3% of the total population, and almost half of this population was aged under 20 years old. 35% were living in major cities, 44% in regional areas, and 21% in remote areas.

Employment

The ABS survey showed that Aboriginal and Torres Strait Islander males are more likely to have a full-time job than females (38% compared to 18%), and females are more likely to be in part-time employment (23% compared to 14%). 49% of Aboriginal and Torres Strait Islander people aged over 15 in non-remote areas were working compared to 36% in remote areas.

ACOSS' 2014 *Poverty in Australia* report estimates that Indigenous Australians are three times as likely as other Australians to be unemployed. In 2012-13, the unemployment rate for Aboriginal and Torres Strait Islander people of working age was 21%.³⁹ The unemployment rate for the total population was 5.7% in July 2013 and 5.8% as at March 2016.

Income and social security

The rate of poverty among Indigenous Australians is also higher than that of the total population (19.3% compared to 12.4%).⁴⁰ Indigenous Australians are also more likely to receive a government benefit. ABS demographics from 2015 show that although Indigenous Australians represent about 3% of the total population, they represent 9.7% of all Newstart Allowance recipients and 16.4% of all people on Youth Allowance (Other).⁴¹ In contrast, Indigenous Australians only represent 0.7% of

³⁶ Ibid, at 38-39.

³⁷ Ibid, at 42-3.

³⁸ ABS, *National Aboriginal and Torres Strait Islander Social Survey, 2014-15*, [http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4714.0~2014-15~Media%20Release~Key%20Aboriginal%20&%20Torres%20Strait%20Islander%20data%20released%20\(Media%20Release\)~1](http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4714.0~2014-15~Media%20Release~Key%20Aboriginal%20&%20Torres%20Strait%20Islander%20data%20released%20(Media%20Release)~1)

³⁹ ABS 2014, *Australian Aboriginal and Torres Strait Islander Health Survey: Updated Results, 2012-13*, in ACOSS above n 1 at 25.

⁴⁰ ACOSS, above n 1 at 25.

⁴¹ Data.gov.au, *DSS Demographics December 2015*, above n 24.

people accessing the Age Pension. This is partly due to a shorter life expectancy, which sits at 69.1 years for males and 73.7 for females.⁴²

Housing and homelessness

ABS research shows that in 2014, 67% of Aboriginal and Torres Strait Islander people were living in rental properties, 19% in properties owned with a mortgage, and 9% in properties without a mortgage. 18% were living in a property that was over-crowded and 28% in houses with major structural issues.⁴³

An additional factor that contributes to affordability issues for Indigenous Australians is the relatively high rate of homelessness. As identified in the ACCAN and University of Sydney report *Homeless and Connected*, 25% of all people experiencing homelessness are Aboriginal Australians or Torres Strait Islanders.⁴⁴ The most recent ABS survey found that 29% of Aboriginal and Torres Strait Islander people had experienced homelessness at some point.⁴⁵

Unique issues

ACCAN has been made aware of instances in Indigenous communities where community members are experiencing financial hardship as a result of a sharing culture. In one such case, a woman received a very large phone bill as members of her community were helping themselves to her landline to place tolled calls.

Migrants and Asylum Seekers

Poverty rates are higher for adults who are born in countries where the main language is not English compared to adults who are born in Australia (18.8% versus 11.6%) or in an English speaking country (11.4%). 29% of adults below the poverty line are from a non-English speaking country. The primary causes for the higher incidence of poverty were identified by ACOSS as language barriers, non-recognised skills and qualifications, and discrimination.⁴⁶ In Australia, around 30% of all people experiencing homelessness were born in another country.⁴⁷ Based on 2011 Census figures, half of all migrants in Australia live in Sydney and Melbourne.⁴⁸

Median income of migrants by age and gender⁴⁹

The median income of male migrants is considerably higher than the median income of female migrants.⁵⁰

⁴² AIHW, Aboriginal Life Expectancy, <http://www.aihw.gov.au/deaths/life-expectancy/#indigenous>

⁴³ ABS, *National Aboriginal and Torres Strait Islander Survey*, above n 38.

⁴⁴ Humphries, above n 5.

⁴⁵ ABS, *National Aboriginal and Torres Strait Islander Survey*, above n 38.

⁴⁶ ACOSS, above n 1 at 10.

⁴⁷ Homelessness Australia, Homelessness Statistics, <http://www.homelessnessaustralia.org.au/index.php/about-homelessness/homeless-statistics>.

⁴⁸ ABS Media Release, *Half of All Migrants Live in Sydney or Melbourne*, (ABS, March 2014), <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/4102.0Media%20Release12014?opendocument&tabname=Summary&prodno=4102.0&issue=2014&num=&view=>

⁴⁹ ABS, *Personal Income of Migrants, Australia, Experimental, 2010-11*, <http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/3418.0Main%20Features92010-11?opendocument&tabname=Summary&prodno=3418.0&issue=2010-11&num=&view=>

Age	Male median income (\$)	Female median income (\$)
18-24	24,977	21,022
25-34	47,803	36,003
35-44	64,018	37,607
45-54	60,894	36,483
55+	32,496	18,889

Median income and number of migrants by visa stream⁵¹

Skilled Visa holders tend to have a higher median income than holders of other visa types. The median income of Family, Humanitarian, and Provisional Visas increases over time whereas the Skilled Visa median income remains about the same.

Visa Stream	Persons	Median total income ⁵²
Skilled Visa	542,096	47,700
Family Visa	245,853	32,714
Humanitarian Visa	37,911	24,506
Provisional Visa	42,959	25,978

13,799 Humanitarian Visas were granted in 2010-11. 44% were Refugee visas, 22% were Special Humanitarian Programme visas, and 34% were onshore migrants under protection and other visas. 40% of Humanitarian migrants were participating in the labour force at that time. The majority of Humanitarian taxpayers were aged between 18 and 44, and there were over twice as many males as females.⁵³

Detention and refugee statistics as of 29 February 2016⁵⁴

There appears to be a gap in information on affordability and telecommunications barriers faced by people living in detention. It would be useful to know, among other things: how people in detention use telecommunications; what types of services they use the most and what they use them for; issues with topping up and charging mobile phones; and the type of internet access available to them.

	Children	All people
Immigration Detention (mainland and territory)	65	1,753
Nauru offshore detention centre	50	470
Manus Island detention centre		909
Community detention	289	576
All forms of detention	404	3,708
People living in community on BVE⁵⁵		28,738

⁵⁰ The latest issue of the ABS' report on the Personal Income of Migrants was issued on 3 December 2015, however the data it is based on is from the year 2010-11.

⁵¹ ABS, *Personal Income of Migrants, Australia, Experimental, 2010-11*, above n 49.

⁵² Excluding government pensions and benefits.

⁵³ ABS, Humanitarian Migrants, <http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/3418.0Main%20Features92010-11?opendocument&tabname=Summary&prodno=3418.0&issue=2010-11&num=&view=>

⁵⁴ Asylum Seeker Resource Centre, Detention and Refugee Statistics, <http://www.asrc.org.au/resources/statistics/detention-and-refugee-statistics/>.

Unique issues for asylum seekers in detention

The Asylum Seeker Resource Centre in Melbourne states that people who are in detention can only access mobile phones and credit by donation. For many people in detention access to a mobile phone is vital to maintaining contact with family and with representatives and advocates about their applications for asylum.⁵⁶

Unemployed Australians and recipients of Youth Allowance and Newstart Allowance

The ACOSS *Poverty in Australia* report identified that the people most likely to be living in poverty are people who are unemployed or who live in a household where the primary source of income is social security. 61.2% of unemployed people and 40.1% of people in households that rely on social security live below the poverty line. 55.1% of people in households that rely mainly on the Newstart Allowance, and 50.6% of those who rely on Youth Allowance live below the poverty line. ACOSS found that the maximum rates of payment for benefits such as Newstart and Youth Allowance, including Rent Assistance and Family Tax Benefit if applicable, were less than the poverty line.^{57,58}

Payments do not keep up with the cost of living

A particular affordability issue associated with social security payments such as Youth Allowance and Newstart Allowance is that they are indexed to CPI rather than wages (as the Age Pension is). This means that they do not increase relative to community living standards, resulting in increased rates of poverty over time.

A high representation of Indigenous Australians

Based on recent data, in December 2015, there were 753,291 recipients of the Newstart Allowance and 108,643 recipients of the Youth Allowance. 9.7% of Newstart recipients and 16.4% of Youth Allowance recipients were Indigenous (approximately 3% of the total population is Indigenous).⁵⁹

Employment status and internet use

The ABS identified in a 2016 survey that 93% of employed respondents were internet users (using the internet at least once a week for personal use) while only 70% of unemployed respondents were internet users. It also identified that 97% of people in the highest equivalised household income quintile were internet users, as opposed to 67% of those in the lowest quintile.⁶⁰

⁵⁵ BVE is Bridging Visa E, which allows people to stay in Australia after the expiry of a visa while immigration matters are finalised or while deportation is organised. How long the visa lasts and whether the holder is allowed to work are determined on a case-by-case basis.

⁵⁶ Asylum Seeker Resource Centre, Melbourne, 24 May 2016, via email.

⁵⁷ ACOSS, above n 1 at 10

⁵⁸ The maximum payment rates of the Parenting Payment Single and Pension Payment were also below the poverty line.

⁵⁹ Data.gov.au, DSS Demographics December 2015, above n 24.

⁶⁰ ABS, *Household Use of Information Technology*, above n 15.

The 2016 ABS *Household Income and Wealth* report found that 49% of the 4 million people in low-income households live in a house with no-one in the labour force. It also found that government pensions and allowances are the main source of income for two thirds of these households.⁶¹

Low-income and lone-parent households

Low-income families are another group of society that face significant affordability challenges. Using ACOSS' measure of 50% median income, the poverty line for a couple with two children is \$752 per week. ACOSS has identified that 50% of Australians have a gross income of \$77,000, and that one in eight families with dependent children is jobless. 17.7% of all children in Australia are living below the poverty line, and the risk of a family living below the poverty line is 33.5%.⁶² The reason that low-income families are more likely to struggle with affordability is that the associated costs of raising a family are high.

The 2016 ABS *Household Use of Information Technology* survey found that for households with children and no internet connection, the main reason for not having internet access was cost (43% of respondents). For households without children the main reason for not having internet was a lack of need.⁶³

Lone-parent families at high risk

Another group at high risk of living in poverty and therefore facing affordability issues are lone-parent families. In 2012 33% of sole parents fell below the 50% poverty line and 36.8% of children in poverty were living in sole parent households, compared to 13.9% in coupled households. Sole parent households face unique affordability issues as sole parents tend to have lower rates of employment and receive lower rates of social security.⁶⁴ The challenges faced by single parents have increased since 2006 when the Government passed its Welfare to Work initiative, which has moved sole parents with a youngest child over eight years old from the Parenting Allowance to the lower Newstart Allowance.⁶⁵

The ABS General Social Survey (GSS) found that in 2014, lone parent families with children were at a higher risk of being disadvantaged. For example, people in these families were over twice as likely as people in couple families to have experienced homelessness (25% compared to 10%). The GSS also found that people in lone-parent families faced more barriers to social services. More than half who said that they could not access healthcare when they needed it said the main reason was cost (56%). They also cited barriers to accessing services like Centrelink (54%) and to telecommunications services (22%).⁶⁶

⁶¹ ABS, *6523.0 – Household Income and Wealth, Australia, 2013-14*, <http://www.abs.gov.au/ausstats/abs@.nsf/0/5F4BB49C975C64C9CA256D6B00827ADB?Opendocument>

⁶² ACOSS, above n 1 at 18.

⁶³ ABS *Household Use of Information Technology*, above n 15.

⁶⁴ ACOSS, above n 1 at 10.

⁶⁵ ACOSS, above n 1 at 20.

⁶⁶ ABS, *General Social Survey: Summary Results, Australia 2014* (released 29 June 2015), above n 30.

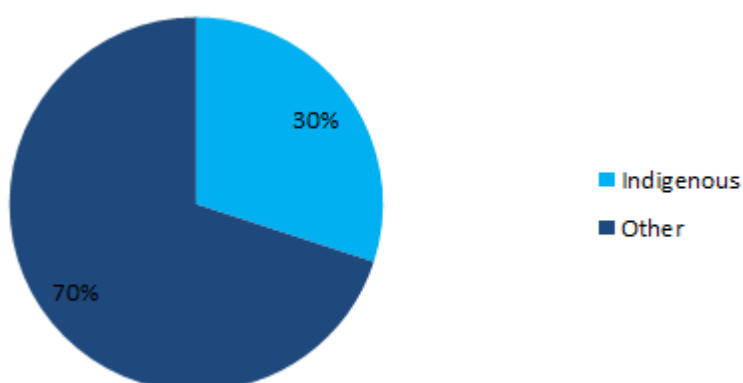
Government support and labour force participation

In September 2015 the ABS released its *Household Income and Wealth, Australia 2013-14* findings.⁶⁷ It found that there are four million people living in low-income households in Australia, 830,000 of which are under 15 and 1.2 million of which are over 64. Government pensions and allowances are the main source of income for two out of three people in low-income households, and 49% live in a household with no one in the labour force. The report found that a higher proportion of younger (under 65) low-income households are at risk of economic hardship – 65% are in the lowest two wealth quintiles and less than 20% own a house outright. Low-income households with low levels of assets and high levels of debt are at a higher risk of experiencing financial hardship.

People in Prison

As at 30 June 2015, the number of adult prisoners was 36,134 and the national imprisonment rate was 196 prisoners per 100,000 adults. 92% of prisoners were male, and 8% were female. 27% of prisoners were Aboriginal or Torres Strait Islanders, even though Aboriginal and Torres Strait Islander peoples make up only 2% of the adult population. At least half of all prisoners in all states and territories except South Australia had been in prison before (49% in SA).⁶⁸

An overrepresentation of Indigenous Australians



Unique issues

A review of the websites of state and territory correctional services departments confirms that prisoners do not have access to the internet or mobile phones. Inmates may nominate a limited number of personal phone numbers, and numbers for lawyers and professional services. Calls usually last between six and ten minutes and are monitored. Inmates use the money in their prisoner accounts to top up their phone accounts.

Calls to mobiles from prison phones are charged at a higher rate than calls to landlines. This presents affordability issues for inmates and the people who provide them with money to top up their accounts. It may be that the inmate's family do not have or cannot afford a landline and therefore the inmate has to spend extra money on mobile calls just to stay in touch. This could be said to be unfair as the communications choices prisoners are offered are limited to phone calls, in-person

⁶⁷ ABS, 6523.0 – *Household Income and Wealth, Australia, 2013-14*, above n 62.

⁶⁸ ABS, 4517.0 – *Prisoners in Australia, 2015*,

<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4517.0~2015~Main%20Features~Prisoner%20characteristics,%20Australia~28>

visits, and letter writing. Prisoners who cannot afford to call mobile numbers are also limited to calling at times when the person they are contacted is near a nominated landline phone.

Some of the affordability challenges that inmates and their loved ones are faced with, and the ways they try to work around them are demonstrated by the following post and subsequent comments from inmates' partners in an online forum.⁶⁹ The comments demonstrate the sometimes prohibitive costs of calling mobiles from prison. It appears that a common solution is to have calls redirected to a mobile, or to sign up for a VOIP number where calls are charged at local rates, however these options could cost inmates their visitation rights.

Emylovestreyy posted: "so my man has been callin me on my mobile used to be every day but now its every 2-3 days as its so expensive, he wants me to get Skype on my phone, but I went to sign up and its like 80dollars for a Skype number for a year, how does everyone else deal with phone calls, is there any alternatives? I don't want a home phone. I heard someone did Skype but does it have to cost so much?"

Vicuser commented: "I'm in the same position as you., apparently there is a way of "hiring" a landline number and having it diverted to your mobile without actually having the home phone."

Number8 commented: "First check out about redirecting calls. Many institutions do not allow that and you could lose your calls altogether. I know calls are expensive, but please - stay within the rules...Find out how much a land line plus the cost for calls, it might work out cheaper than a cell phone, but you'd have to be at home..."

Renee commented: "Please be aware that many facilities consider third party programs like Skype and especially GoogleVoice as "against the rules." the least the facility will do is block calls. The facility could go as far as writing the inmate up and taking away visitation."

Vicuser commented: "there is no landline connected to my house and I cannot afford to pay to have one connected. I can't keep going days not hearing from my partner because calling my mobile costs too much... And I can't afford to send him any extra money."

People in social housing

'Social housing' is an umbrella term used to describe all housing provided by government and the community sector, to assist people who are unable to access suitable accommodation otherwise. There are currently over 400,000 social housing dwellings available in Australia.⁷⁰

Preference for those with greatest need

Preference for social housing is given to those with greatest need (such as members of the Indigenous community or those at risk of homelessness) or people who have special needs (such as

⁶⁹From an online forum for relatives of prisoners to discuss cost-cutting measures for communicating with inmates. Comments were posted between 2013 and 2015. Comments from US and New Zealand not included in example: <http://www.prisontalk.com/forums/archive/index.php/t-647161.html>

⁷⁰Steering Committee for the Review of Government Service Provision 2015, Report on Government Services 2015, Vol. G, Housing and homelessness, Productivity Commission, Canberra, <http://www.pc.gov.au/research/recurring/report-on-government-services/2015/housing-and-homelessness/download-the-volume/rogs-2015-volumeg-housing-and-homelessness.pdf>

health conditions or disability). Much of the most recently allocated housing went to households that fell into multiple special needs categories. While historically the focus of social housing in Australia has been to provide affordable housing to low-income families, scarce public housing resources have been increasingly targeted towards the most disadvantaged in the community.⁷¹ This is demonstrated by the fact that in June 2015 40% of new social housing households had a member with a disability.

Income and education levels

Residents of social housing are also likely to be in receipt of benefits. Disability support pension and age pension were the most common primary source of household income in 2015.⁷² The majority are low-income with ABS estimating that over 70% are in the lowest group for disposable income.⁷³ Therefore residents of social housing likely face similar issues to those identified for people with disability, older people, and people receiving government benefits.

Education levels are lower than general population. In 2012 half of public housing tenants over 15 years age indication that their highest level of education was Year 10 or its equivalent. This may impact on the level of understanding of terms and conditions, and lower financial literacy overall, resulting in an increased risk of financial hardship.

Unique issues

Social housing residents may face unique issues with the dwellings that they are given. Residents are often responsible for arranging and paying for the utilities that they require. Some premises may not have services already installed and may require the tenant to arrange and pay upfront connection costs or modifications to the premise to ensure services function. For most jurisdictions, it would appear that residents seeking to arrange a connection to the broadband network must comply with the provisions dealing with requests to make “alterations” to the home. This includes:

- obtaining written permission for alterations to be made to the home, like adding a satellite dish,
- making payment for those changes and any ongoing costs including damage to the house and associated repair costs; and,
- Obtaining any relevant council permits that may be needed.

These extra hurdles to becoming connected often result in added upfront costs, making telecommunications connectivity less affordable for social housing tenants.

Current targeted low-income measures

Most telecommunications service providers have measures in place to support people in financial hardship. More details can be found on the ACCAN Hardship page at accan.org.au/hardship-home. As examples of current initiatives, the Telstra LIMAC and Access for Everyone program, as well as the

⁷¹ Australian Institute of Health and Welfare 2010. A profile of social housing in Australia. Cat. no. HOU 232. Canberra: AIHW.

⁷² Ibid.

⁷³ Australian Bureau of Statistics 2013, *Housing Occupancy and Costs 2011-2012*, [http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/F7B1C824CA185E15CA257BD40015751E/\\$File/41300_2011-12.pdf](http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/F7B1C824CA185E15CA257BD40015751E/$File/41300_2011-12.pdf),

Government's Centrelink Telephone Allowance are discussed in more detail in the following paragraphs.

Telstra Access for Everyone

Telstra currently offers targeted assistance to low-income and other groups facing financial hardship through its 'Access for Everyone' program. The program includes a range of measures including the InContact service, the Pensioner Discount Scheme, and improved billing and pricing options. Telstra also provides targeted affordability assistance for people with disability and for remote Indigenous communities.

Telstra established the independent Low Income Measures Assistance Committee (LIMAC) to advise on providing services for people on low incomes. LIMAC is made up of representatives from community welfare agencies and published its most recent Report to the Minister in 2013. The report details the uptake of Telstra's various low-income measures, listed below.

As well as alternative billing and pricing measures, Telstra offers the InContact service. InContact is a fixed home service that allows incoming calls but restricts outgoing calls to some numbers. In 2013 there were 76,000 of these services in operation. It would be interesting to enquire about the current uptake of InContact as the popularity and accessibility of mobile phone services has increased. Telstra Voice Budget is a service with a lower line rental fee and higher call charges, targeted at people who do not make many calls. Telstra also offers bill payment and pricing plans, options for managing data use, and the Telstra Home Phone Pensioner Discount. Telstra also allows customers who receive Centrelink benefits to nominate an amount of their benefit to be regularly deducted and credited to a Telstra account.⁷⁴

In 2013, \$704,000 worth of phone cards were given to agencies that work with domestic violence victims and homeless people, including asylum seekers and youth. The number of older Australians receiving the Pensioner Discount was 970,000, and around 2,300 people per month benefited from the Bill Assistance program.⁷⁵

Telstra Safe Connections

Safe Connections is a partnership between Telstra and the Women's Services Network (WESNET) that aims to help victims of domestic violence to stay connected. The initiative involves Telstra providing smartphones, prepaid credit, and information resources on the safe use of technology to WESNET, which distributes them to partner agencies working with clients affected by domestic violence.⁷⁶ Domestic violence victims often face hardship as they have been in relationships where they have no control over relationship finances.

The Centrelink Telephone Allowance

The Commonwealth Government pays the Centrelink Telephone Allowance (CTA) at a basic rate of \$27.80 and at a higher rate of \$41.40 per quarter, depending on the beneficiary's circumstances.

⁷⁴ Telstra, <https://www.telstra.com.au/aboutus/community-environment/community-programs/access-for-everyone>

⁷⁵ Telstra LIMAC, 2013 LIMAC Report to the Minister, <https://www.telstra.com.au/content/dam/tcom/about-us/community-environment/pdf/2013-report-minister.pdf>

⁷⁶ Telstra, <https://www.telstra.com.au/aboutus/community-environment/community-programs/access-for-everyone/community-agencies>

This is roughly \$6.95 or \$10.35 per month respectively. People on the lowest welfare payments (e.g. Newstart and Youth Allowance) are eligible only if they have dependent children, are over 60, or have a partial capacity to work.⁷⁷

ACCAN has engaged the South Australian Council of Social Services (SACOSS) to research the adequacy of the CTA and suggest alternatives. The results of this research will be available in a separate report in July 2016.

⁷⁷ Australian Department of Human Services, Telephone Allowance, <https://www.humanservices.gov.au/customer/services/centrelink/telephone-allowance> .