



Trying to connect

Telecommunications access
and affordability among people
experiencing financial hardship

With rapid changes in telecommunications technology comes concern about inequalities opening up between those who have access to the information and other benefits new telecommunications technology transfers and those who do not.

Anglicare Victoria's Hardship Survey 2013 focussed on the affordability and accessibility of telecommunication technology among its low-income sample. Early in 2013 a total of 325 clients were surveyed across 25 Emergency Relief and Financial Counseling services located right across metropolitan and non-metropolitan Victoria.

The findings show that

- telecommunications are not universally accessible
- deprivation of home Internet (49.2%) and mobile Internet (56.1%) were unacceptably high
- clients living with dependent children had better access to home Internet than other clients
- too many clients with home Internet relied on a dial-up/phone service, particularly in non-metropolitan areas
- the majority of clients see the benefits of home Internet access
- deprivation of home phone was high (38.2%), although clients prefer mobile phone to home phone
- mobile phone ownership is widespread and essential to client's lives
- almost half (45.2%) of clients with mobile phones used it as their only form of telecommunication
- monthly expenditure on mobile phone was low relative to other forms of telecommunications and the majority of users consider it somewhat or very affordable

- two-thirds (66.0%) of mobile phone users had difficulty paying their account and 61.7% of clients with a pre-paid account ran out of credit sooner than expected
- clients engaged in a range of meaningful strategies to try and manage their expenditure on, and increase their access to, telecommunications.

The findings bring home the message that although telecommunications access may be widespread, there are still many who are missing out.

Background

USE OF NEW TELECOMMUNICATION TECHNOLOGY

New telecommunication technology has advanced rapidly in the past few years and there has been a proliferation in the number of people in Australia who have direct access to a mobile phone, computer and Internet at home.

According to the most recent Australian Bureau of Statistics (ABS) survey *Household Use of Information Technology, Australia* (ABS, 2011), 79% of households had home Internet in 2010-11. Broadband¹ Internet access is also markedly increasing in Australia. Of all people with home Internet in 2010-11, 92% had broadband access.

With industry competition and falling prices, mobile phones have become the dominant technology in voice communication with the number of mobile subscribers overtaking the number of landline subscribers nationally (Eardley, Bruce & Goggin, 2009). Indeed, most respondents in the Australian Communications Consumer Action Network's (ACCAN) 2012 Consumer Perceptions Survey considered their smart phone to be their main communications service. Further, the proportion of people who were deprived² of a mobile phone in Saunders and Wong's 2010 nationally representative Poverty and Exclusion in Modern Australia (PEMA) survey was a low 2.9% (Saunders & Wong, 2012).

THE SOCIAL AND ECONOMIC IMPORTANCE OF TELECOMMUNICATION TECHNOLOGY

There are decided benefits to new telecommunication technology. The Internet transfers information and knowledge relevant to many spheres of life. Health information, information about employment as well as learning opportunities are increasingly available online. Options for social and political participation also open up to people who have access to computers and the Internet through communication with friends and participation in online discussion groups. Access to the Internet also provides a means for people to stay in touch with current affairs, pay bills and shop (see Eardley, Bruce & Goggin, 2009). E-learning is also becoming an increasingly utilised and important educational tool. Children under school age can also benefit from educational games, activities and books available online. Children who do not have access to a home computer with Internet connection to access online educational resources and complete homework can be disadvantaged.

Mobile connectivity – particularly through phone devices – is also fast becoming a necessity in modern Australia. Government agencies such as Medicare and Centrelink, for example, are moving to online and “app” based servicing (SACOSS, 2013). Users of mobile phones also report benefits of mobile connectivity including the ability to stay in touch with people, to plan, schedule, stay safe, access emergency services and to be more productive in general (Smith, 2010:16, Eardley, Bruce & Goggin, 2009). Research conducted in the US, for example, has shown that mobile phones can significantly boost the earning power and economic productivity of low income earners (Sullivan, 2008). Lower-income groups also often prefer to use mobile services (particularly pre-paid) either because the services do not have upfront connection costs or lock-in contracts, or because access to fixed line phone services may be more difficult for people without resources, secure accommodation and good credit records (SACOSS, 2013; Eardley, Bruce & Goggin, 2009).

The way in which new telecommunications technology has been woven into the fabric of Australian society is captured in the 2006 and 2010 PEMA surveys carried out by Professor Peter Saunders to identify the ‘essentials of life’ (Saunders, Naidoo & Griffiths, 2007). Items are defined as essential if a majority of respondents to the survey thought that they were essential. Between 2006 and 2010 community support increased markedly for a home computer, a mobile phone and access to the Internet at home being a basic need that no-one in Australia should be without and came close to attracting majority support for being essential (Saunders & Wong, 2012). At the same time, support for a public telephone and a home (fixed line) phone being essential declined. This reflects decreasing take-up figures for fixed home phone (Australian Communications and Media Authority, 2011).

¹ Broadband access means fixed access to DSL (Digital Subscriber Line), HFC (Hybrid Fibre-Coaxial) cable or fibre optic based high capacity broadband connection.

² People are considered to be deprived of an item are considered to be deprived of specific items if they do not have the item because they are unable to afford it.

THE TELECOMMUNICATIONS 'GAP'

With rapid changes in telecommunications technology comes concern about inequalities opening up between those who have access to the information and other benefits new telecommunications technology transfers and those who do not. While the Internet in particular can help promote social inclusion and empower disadvantaged people economically and politically (UNESCO, 2005), if it is not used equitably it could actually reinforce and deepen existing social inequalities. The 'digital divide' concerns access to the education, literacy and community and social resources that allow people to use technology well.

Although prices for telephone and Internet services have barely increased at all over the past 10 years, between 1993-94 and 2009-10, expenditure on telecommunications as a proportion of total household expenditure on all goods and services increased from 1.9% to 3.6% (SACOSS, 2013). Lower income households also spend proportionately more on telecommunications than higher income households. SACOSS (2013), for example, report households in the lowest income quartile spend 4.2% of their total household expenditure on telecommunications compared to 3.2% of total household expenditure among the highest income quartile.

The Federal Government provides a quarterly Telephone Allowance to a range of income support recipients to assist with the cost of maintaining (primarily) home phone services and Internet services (Centrelink 2013)³ and as part of Telstra's carrier licence condition it is required to offer products and arrangements to assist low income earners, called "Access for Everyone" (LIMAC, 2003). While there may have been some improvement in access and affordability of basic services over past years (LIMAC, 2007), there is good data to suggest that telecommunications expenditure may place a strain on household budgets. ACCAN's findings from its 2012 Consumer Perceptions Survey (ACCAN 2012), for example, showed that in the 12 months prior to the Survey, 17% of respondents had experienced a problem with an unexpectedly high bill, 9% had experienced hardship as a result of a telecommunications bill and 5% had had their service disconnected. Similarly, findings from the World Internet Project Australian Survey (2011) showed that 12% of those who had home Internet regarded it unaffordable or very unaffordable (Morsillo, 2012:3).

There is also data to suggest that telecommunications may be out of reach to some income groups. The uneven uptake of some forms of telecommunications across different income groups is telling. While significant increases have occurred in home Internet access among households in the lowest income quartile between 2005 and 2011, the latest ABS Census suggests that home Internet access is more common in households with higher incomes (2011). Further, in Saunders and Wong's 2010 survey, deprivation rates for home Internet was as high as 26.3% for people receiving a Parenting Payment (Saunders & Wong, 2012).

While there are a range of issues that can affect telecommunications access, such as geographic isolation⁴, disability, age and education and language skills, this report addresses the question of whether telecommunications access and affordability is an issue for Australian low income earners. It draws in findings from Anglicare Victoria's Hardship Survey 2013, which included a focus on telecommunications utilisation and expenditure among a sample of individuals experiencing financial hardship. What follows is a description of the Hardship Survey 2013 aims, sample and method and a detailed description of findings on telecommunications access and affordability.

³ The current standard rate of the allowance is \$25.60 per quarter, while there is a higher rate of \$38.40 per quarter available to those on Disability Support Pension and who are under 21 years old and with no children if they or their partner also have a home internet connection (Centrelink, 2013).

⁴ The low rate of Internet access in Indigenous communities in Central Australia and other remote areas is well documented (Rennie, Crouch, Wright & Thomas, 2011:9).

Hardship Survey 2013

Anglicare Victoria's Hardship Survey is conducted annually to monitor the extent to which people on low incomes are missing out on the essentials of life. It also highlights a new or emerging problem requiring clarification and attention. In 2013 the Hardship Survey focussed on the affordability and accessibility of telecommunication technology among its low-income sample. A number of items relating to telecommunications technology were included on the survey to address seven (7) key questions

- what proportion of people experiencing financial hardship are deprived of home phone, home Internet, mobile phone and mobile Internet?
- how does telecommunications deprivation differ by key demographic characteristics?
- how much do people experiencing financial hardship spend on different forms of telecommunications?
- what is the perceived affordability of different forms of telecommunications among people experiencing financial hardship?
- how does expenditure on different forms of telecommunications relate to deprivation of other essential items?
- what hardship do people on low-income face in paying telecommunications bills?
- how do people experiencing financial hardship control their expenditure on telecommunications?

METHOD

In 2011-12 Anglicare Victoria's Emergency Relief (ER) programs distributed essential items such as food, vouchers, clothing and toiletries to more than 34,714 people in need. Anglicare Victoria also provided Financial Counselling (FC) services to over 12,943 individuals and families struggling with debt (Anglicare Victoria, 2012).

Anglicare Victoria clients receiving ER and FC services between Monday 18 February and Friday 01 March 2013 were randomly selected to take part in the Hardship Survey 2013. ER services were delivered from ten (10) metropolitan service sites⁵ and six (6) non-metropolitan service sites⁶ and FC was delivered from five (5) metropolitan service sites⁷ and four (4) non-metropolitan service sites⁸, indicating a wide geographic sampling base.

In the metropolitan ER sites the survey was administered by trained interviewers engaged specifically for this purpose using Computer Assisted Personal Interviewing (CAPI) technology. ER coordinators/volunteers in non-metropolitan areas and all FC workers administered the surveys to clients on a paper version of the survey, which was later entered into the CAPI system.

Anglicare Victoria ER and FC staff were responsible for recruitment and secure storage of surveys completed on paper forms. Clients completed the survey after receiving an ER service during regular operating hours or a FC service either at a regional office or in the case of an outreach service in the client's home. Participants received a \$10 grocery voucher in recognition of the time taken to participate in the survey.

SAMPLE

The total sample achieved was $N = 325$. This includes 87(29.0%) clients from two high volume ER services located in Melbourne's inner city (Fitzroy), almost one-third (32.3%) of the total sample from ER and FC service sites in other metropolitan areas and approximately another one-third (36.0) of the sample from non-metropolitan ER and FC service sites. A more detailed description of the survey sample is provided in Table 1.

⁵ St Albans, Sydenham, Craigieburn, Preston, Lilydale, Clayton (Dixon House), Box Hill, Sunshine, Fitzroy (Mission House), Fitzroy (St Mark's).

⁶ Ballarat, Wangaratta, Warrnambool, Bright, Mt Beauty, Myrtleford.

⁷ Tarneit, Flemington/Kensington, Ascot Vale, Sunshine, Yarraville.

⁸ Leongatha, Warragul, Morwell, Benalla.

Table 1. Demographic characteristics of the survey sample

Sample characteristic	N(%)
Geographic location	
Inner city	87(29.0)
Other metro	105(35.0)
Non-metro	108(36.0)
Service type	
Emergency relief	259(86.3)
Financial counselling	41(13.7)
Disability/long-term health condition	194(62.8)
Income type	
Disability Support Pension	103(35.8)
Newstart Allowance	71(21.8)
Income Support Payment	261(90.7)
Has not completed Year 12 or equivalent	158(51.5)
Born in non-English speaking country	81(26.3)
Lives with dependent children	169(55.0)
Male	144(46.6)
Age	
<34 years	80(26.1)
35-64 years	193(63.1)
65+ years	33(10.8)
Accommodation type	
Public rental	76(24.5)
Private rental	107(34.5)
Boarding	33(10.6)
Supported accommodation	3(1.0)
Paying off mortgage	29(9.4)
Owns home	21(6.8)
Homeless	24(7.7)
Other	17(5.5)

Percentages exclude cases where sample characteristic was not stated.

MEASURES

Since 2009 Anglicare Victoria has used the same standardised measure of deprivation as a core module of the Hardship Survey. Deprivation conceptualises poverty as an inability to afford a standard of living that is consistent with community customs and norms of acceptability. The deprivation measure includes 24 items identified as those that a majority in the community regard as being things that no one in Australia should have to go without today (Saunders, Naidoo & Griffiths, 2008). Survey respondents are considered to be deprived of specific items if they do not have the item because they are unable to afford it.

Items measuring deprivation of different forms of telecommunications (home (fixed) phone, home Internet and mobile Internet) followed the same approach as other deprivation items; that is recording whether clients had the item, didn't have it and didn't want it or didn't have it and couldn't afford it. Other telecommunication items (expenditure, perceived affordability and so on) were developed specifically for the study.

Findings

Findings are reported across five areas

- deprivation of telecommunications services
- telecommunications access and standard of living
- monthly expenditure on telecommunications services
- telecommunications stress and
- managing telecommunications expenditure.

DEPRIVATION OF TELECOMMUNICATIONS SERVICES

Deprivation of home (fixed) phone, mobile phone, home Internet and mobile Internet are reported below, including differences across key demographic characteristics.

HOME PHONE

As shown in Table 2, deprivation of home phone was quite high (38.2%). There were no observed differences in deprivation of home phone according to presence of children in household, Newstart Allowance, Disability (as indicated by receipt of Disability Support Pension), geographic location and country of birth. There was a statistically significant difference in the mean age of those who were not deprived of a home phone ($M=47.12$) and those who were deprived of a home phone ($M=42.51$), $t=2.80$, $p = .01$ (Table 3). That is, older clients were less likely to be deprived of a home phone.

Table 2. Deprived of home (fixed) phone

	Has it N(%)	Don't have it and don't want it N(%)	Don't have it and can't afford it N(%)
Home phone	116(38.2)	72(23.7)	116(38.2)

Percentages exclude cases where access to a home (fixed) phone was not stated.

Table 3. Deprivation of home (fixed) phone by key sample characteristics

	N(%)	Chi-square	P-value
Newstart			
Newstart	45.6	2.05(1)	.15
Other income category	36.0		
Disability Support Pension			
Disability Support Pension	41.2	.60(1)	.44
Other income category	36.6		
Location		2.47(2)	.29
Inner city	44.8		
Other metro	35.0		
Non-metro	35.2		
Age			
Mean age has home phone	$M=47.12$	$t = 2.81$.01
Mean age deprived home phone	$M=42.51$		
CALD			
Born in English-speaking country	39.9	1.10(1)	.30
Born in non-English speaking country	33.3		
Presence of children			
No children in household	39.3	.12(1)	.73
Children in household	37.3		

Percentages exclude cases where response variables were not stated.

MOBILE PHONE

Deprivation of mobile phone was quite low (11.1%) (Table 4.). However, findings on differences in deprivation of mobile phone by demographic characteristics were interesting. Specifically, there were differences in the deprivation of a mobile phone according to the presence of dependent children in the household (deprivation was associated with not living with a dependent child) language spoken in country of origin (deprivation associated with born in a non-English country), geographic location of Anglicare Victoria service (deprivation associated with accessing services in metropolitan areas) and age (deprivation associated with older age). There was a trend towards a statistically significant association between Newstart Allowance and mobile phone deprivation (deprivation associated with other income category) and receipt of Disability Support Pension and mobile phone deprivation (deprivation associated with being in receipt of a Disability Support Pension) (Table 5).

Table 4. Deprived of mobile phone

	Has it N(%)	Don't have it and don't want it N(%)	Don't have it and can't afford it N(%)
Mobile phone	263(85.7)	10(3.3)	34(11.1)

Percentages exclude cases where access to a home (fixed) phone was not stated.

Table 5. Differences in mobile phone deprivation by key sample demographics

	(%)	Chi-square	P-value
Newstart			
Newstart	5.7	2.65	.10
Other income category	12.7		
Disability Support Pension			
Disability Support Pension	15.8	3.47	.06
Other income category	8.7		
Location			
Inner city	20.7	15.54(2)	.00
Other metro	12.5		
Non-metro	2.8		
Age			
Mean age has mobile phone	M=44.23	t = 3.96	.00
Mean age deprived mobile phone	M=54.21		
CALD			
Born in English-speaking country	8.4	6.47	.01
Born in non-English speaking country	18.8		
Presence of children			
No children in household	17.6	11.73	.00
Children in household	5.4		

Percentages exclude cases where response variables were not stated.

Use of smartphone

The majority of mobile phone users (57.4%) did not have a smartphone⁹. While there were differences across demographic groups in terms of deprivation of mobile phone, age was the only factor that distinguished those who had a smart phone and those who did not (mean age of clients with smart phone ($M=40.47$) was significantly younger than mean age of clients without a smart phone ($M=46.33$) (see Table 6).

Table 6. Differences in access to smart phone by key sample demographics

	(%)	Chi-square	P-value
Newstart			
Newstart	41.5	.04	.84
Other income category	43.0		
Disability Support Pension			
Disability Support Pension	36.6	1.80	.06
Other income category	45.5		
Location			
Inner city	40.3	2.9	.23
Other metro	50.6		
Non-metro	38.8		
Age			
Mean age has smart phone	$M=40.47$	$t = 3.64$.00
Mean age deprived smart phone	$M=46.33$		
CALD			
Born in English-speaking country	42.6	.00	.10
Born in non-English speaking country	42.6		
Presence of children			
No children in household	42.3	.01	.94
Children in household	42.8		

Percentages exclude cases where response variables were not stated.

HOME INTERNET

Deprivation of home Internet was high at 49.2%. Among those with home internet, 87.5% had a Broadband service and 12.5% had a dial-up/phone service. Among those with a dial-up/phone service, 72.7% received a service from a non-metropolitan location. A significantly lower proportion of clients who live with dependent children (39.4%) were deprived of home Internet compared to clients who do not live with dependent children (60.3%). Home Internet access also decreased with geographic remoteness (Table 8).

Table 7. Deprived of home Internet

	Has it N(%)	Don't have it and don't want it N(%)	Don't have it and can't afford it N(%)
Home Internet	100(33.4)	52(17.4)	147(49.2)

Percentages exclude cases where access to home Internet was not stated or not applicable.

⁹ The term mobile Internet is used here to mean access to the Internet by means of any mobile device that has Internet connection capability and is not a phone (eg. laptop, ipad/tablet). Types of mobile Internet include data card, USB stick or Wi-Fi modem

Table 8. Deprived of home Internet by key demographic characteristics

	(%)	Chi-square	P-value
Newstart			
Newstart	56.1	1.61	.20
Other income category	47.2		
Disability Support Pension			
Disability Support Pension	51.5	.33	.57
Other income category	40.8		
Location			
Inner city	63.2	9.73(2)	.01
Other metro	46.5		
Non-metro	41.2		
Age			
Mean age has home internet	46.77	1.79	.08
Mean age deprived home internet	43.86		
CALD			
Born in English-speaking country	50.9	.99	.32
Born in non-English speaking country	44.4		
Presence of children			
No children in household	60.3	12.78	.00
Children in household	39.4		
Rental arrangement			
Public housing	45.9	.13	.72
Private rental	43.3		

Percentages exclude cases where response variables were not stated.

MOBILE INTERNET

Deprivation of mobile Internet was high at 56.1% (Table 9).

Table 9. Deprivation of mobile Internet

	Has it N(%)	Don't have it and don't want it N(%)	Don't have it and can't afford it N(%)
Mobile Internet	55(18.2)	78(25.7)	170(56.1)

Percentages exclude cases where access to mobile Internet was not stated or not applicable.

DEPRIVATION OF TELECOMMUNICATIONS RELATIVE TO OTHER BASIC NEEDS

Telecommunications deprivation was compared to deprivation of other basic needs. As shown in Table 10, deprivation of home Internet and home phone were quite high compared to other basic needs, whereas deprivation of mobile phone was relatively low. For example, a higher proportion of clients were deprived of medical treatment than mobile phone.

Table 10. Deprivation of telecommunications relative to other basic needs

Item	% deprived
Up to \$500 in savings for an emergency	86.1
A week's holiday away from home each year	84.2
Home contents insurance	69.5
Mobile Internet	56.1
Dental treatment if needed	53.0
Home Internet	49.2
Comprehensive motor vehicle insurance	46.1
Presents for family or friends at least once a year	44.6
A hobby or leisure (out-of-school) activity for child/ren	39.6
Home phone	38.2
A separate bedroom for each child over 10 years	29.5
Computer skills	28.1
Able to buy medicines prescribed by a doctor	25.9
A washing machine	25.5
Up-to-date school books and new school clothes	22.7
A yearly dental check-up for child/ren	21.9
A telephone	21.6
A roof and gutters that do not leak	21.1
Secure locks on doors and windows	20.5
Children can participate in school activities and outings	20
Regular social contact with other people	19.8
Furniture in reasonable condition	16.2
A decent and secure home (place to live)	15
A substantial (good) meal each day	12.7
Heating in at least one room of the house	12.5
Medical treatment if needed	12.1
Mobile phone	11.1
A television	10.2
A separate bed for each child	10.0
Warm clothes and bedding, if it's cold	9.8

Percentages exclude cases where access to home Internet was not stated or not applicable.

NUMBER OF TELECOMMUNICATIONS

The number of telecommunications people had are presented in Table 11. Almost 6% of the sample did not have access to any form of telecommunications and almost half (45.3%) of the sample had access to only one form of telecommunication. Of the 116 people who had a home (fixed) phone, only 21(18.1%) used it as their only form of telecommunication. By contrast, of the 263 people with a mobile phone, 119(45.2%) used it as their only form of telecommunication. Everyone with home Internet or mobile internet had at least one other form of telecommunication.

Table 11. Number of telecommunications

Number of telecommunications	N(%)
Does not have any telecommunications	18(5.8)
Has 1 telecommunication	140(45.3)
Has 2 telecommunication	77(24.9)
Has 3 telecommunication	56(18.1)
Has 4 telecommunication	18(5.8)

Percentages exclude cases where response variables were not stated.

TELECOMMUNICATIONS ACCESS AND STANDARD OF LIVING

The impact that access to new telecommunications had on client's standard of living was measured by asking whether it had improved their standard of living extremely, moderately or not at all. The very large majority of clients reported that access to these new forms of telecommunications had improved their standard of living. More than half of clients with mobile Internet (55.1%) indicated that it had improved their standard of living extremely, 42.1% of mobile phone users said it had improved their standard of living extremely and 36.7% of home Internet users reported that this technology had improved their standard of living extremely (Table 12.).

Table 12. Actual impact of telecommunications on standard of living

	Extreme improvement (%)	Moderate improvement (%)	No improvement (%)
Mobile phone	42.1	41.7	16.2
Home Internet	36.7	46.7	16.7
Mobile Internet	55.1	38.3	10.6

Percentages exclude cases where impact of telecommunications on standard of living was not stated.

Among those deprived of mobile phone and home Internet, approximately one-third (35.3% and 33.7% respectively) indicated that access to these forms of telecommunication would improve their standard of living extremely. Conversely, only 16.4% of people deprived of home phone indicated that having it would improve their standard of living extremely (Table 13).

Table 13. Potential impact of telecommunications on standard of living

	Extreme improvement (%)	Moderate improvement (%)	No improvement (%)
Home (fixed) phone	16.4	37.7	45.6
Mobile phone	35.3	32.4	32.4
Home Internet	33.7	30.2	36.2

Percentages exclude cases where potential impact of telecommunications on standard of living was not stated.

MONTHLY EXPENDITURE ON TELECOMMUNICATIONS SERVICES

Table 14 below reports client's monthly expenditure on different forms of telecommunications. Of those clients who do not bundle services, a much lower proportion (17.7%) spend over \$50 per month on mobile phone compared to home phone (41.9%), home Internet (32.5%) and mobile Internet services (25.9%).

Table 14. Monthly expenditure on telecommunications

	Home phone N(%)	Home Internet N(%)	Mobile phone N(%)	Mobile Internet N(%)	Bundled services N(%)
LT \$30	14(22.6)	10(25.0)	85(36.6)	13(48.1)	3(7.0)
30-50	22(35.5)	17(42.5)	106(45.7)	7(25.9)	3(7.0)
51-99	18(29.0)	12(30.0)	31(13.4)	7(25.9)	16(37.2)
100-199	6(9.7)	1(2.5)	9(3.9)		13(30.2)
200-499	2(3.2)		1(.4)		8(18.6)
Total	62(100)	40(100)	232(100)	27(100)	43(100)

Percentages exclude cases where expenditure on telecommunications services was not stated.

TELECOMMUNICATIONS STRESS

A number of analyses were conducted to determine whether people who had different forms of telecommunications had difficulty paying for their service.

Almost one in five (18.0%) clients who had a home phone said it was 'very unaffordable'. Of those with home Internet, mobile phone and mobile Internet, 12.2%, 12.3% and 13.8% said their service was 'very unaffordable'. By contrast, only 4.7% of clients who bundle services reported that their service bundle was 'very unaffordable' (Table 15.). There was very little difference in perceived affordability of mobile phone among smartphone and non-smartphone users (60% of non-smartphone users and 64.9% of smartphone users said it was very or somewhat affordable).

Table 15. Perceived affordability of telecommunications

	Home phone N(%)	Home Internet N(%)	Mobile phone N(%)	Mobile Internet N(%)	Bundled services N(%)
Very affordable	17(27.9)	6(14.6)	55(23.4)	4(13.8)	4(9.3)
Somewhat affordable	22(36.1)	20(48.8)	90(38.3)	14(48.3)	26(60.5)
Somewhat unaffordable	11(18.0)	10(24.4)	61(26.0)	7(24.1)	11(25.6)
Very unaffordable	11(18.0)	5(12.2)	29(12.3)	4(13.8)	2(4.7)
Total	61(100)	41(100)	235(100)	29(100)	43(100)

Percentages exclude cases where response variables were not stated.

PRE-PAID MOBILE PHONE

Among clients who had a mobile phone, almost three-quarters (72.9%) had a pre-paid account. The only variable that distinguished clients who had a pre-paid mobile from those who did not was Disability Support Pension. A significantly higher proportion of clients receiving Disability Support Pension (87.8%) had a pre-paid mobile compared to clients in other income categories (65.9%) ($\chi^2 2(1)=13.6, p<.00$).

There was a positive association between pre-paid mobile phone and perceived affordability (Table 16.)

Table 16. Perceived affordability of mobile phone by method of payment

Mobile phone very/moderately affordable	N(%)	Chi-square	P-value
Pre-paid	65.0%	-.144	.03
Not pre-paid	48.0%		

Percentages exclude cases where response variables were not stated.

GOING WITHOUT OTHER BASIC NEEDS TO AFFORD TELECOMMUNICATIONS

Analyses were conducted to explore whether clients miss out on other basic needs in order to access telecommunications. Clients were compared on the total number of basic items they were deprived of and whether they had access to different forms of telecommunications or not. The findings show a positive association between deprivation of telecommunications and deprivation of other basic needs (Table 17.). The association was most strong in relation to home phone and least strong in relation to mobile phone.

Table 17. Access to telecommunications and deprivation of other basic needs

	Mean number deprived needs	t-value	P-value
Home phone access			
Has home phone	5.35	-7.98	.00
Deprived home phone	8.78		
Mobile phone access			
Has mobile phone	6.53	-1.74	.08
Deprived mobile phone	7.79		
Home Internet access			
Has home Internet	5.63	-4.62	.00
Deprived home Internet	7.69		
Mobile Internet access			
Has mobile Internet	5.23	-5.68	.00
Deprived mobile Internet	7.72		

Percentages exclude cases where response variables were not stated.

HARDSHIP PAYING BILLS

More than half (51.9%) of the sample had difficulty paying a telecommunications bill in the past 12 months because of financial hardship. Of those who had difficulty paying a bill, 54.7% had difficulty paying for their home phone, 32.4% had difficulty paying for their home Internet, 66.0% had difficulty paying for their mobile phone and 8.1% had difficulty paying for their mobile Internet. A higher proportion of clients who had difficulty paying for their home phone had their service disconnected, received financial counselling and were referred to debt collectors (Table 18).

Table 18. Hardship paying telecommunications bills in past 12 months

	Had difficulty paying bill N(%)	Had service suspended N(%)	Had service disconnected N(%)	Received financial counselling/ budgeting advice N(%)	Committed to payment plan N(%)	Referred to debt collectors N(%)
Home phone	82(54.7%)	48(60.0)	54(67.5)	56(69.1)	48(59.3)	67(83.8)
Home Internet	48(32.4%)	24(50.0)	17(35.4)	15(31.1)	20(41.7)	7(14.7)
Mobile phone	99(66.0%)	41(42.3)	32(33.3)	30(30.6)	41(41.8)	18(18.6)
Mobile Internet	12(8.1%)	3(27.3)	4(36.4)	5(41.7)	7(58.3)	1(9.1)

Percentages exclude cases where response variables were not stated.

RUNNING OUT OF MOBILE PHONE CREDIT

Among those with a pre-paid mobile phone, 124(61.7%) had run out of credit sooner than expected. More than one-third of clients to whom telecommunications access applied 92(34.5%) had received a telecommunications bill that was higher than expected.

MANAGING TELECOMMUNICATIONS EXPENDITURE

Bundling is one way of reducing the cost of telecommunications. Of the 151 clients with two or more telecommunications less than half (68(45.03%)) 'bundle' their services. The low rate of bundling mobile phone (16.1%) is relevant here, as the proportion of clients who bundle home phone (54.9%) and home Internet (57.6%) was considerably higher (Table 19.).

Table 19. Bundling services (clients with two or more telecommunications)

Services bundled	N(%)
Bundles home phone	50(54.9)
Bundles home Internet	53(57.6)
Bundles mobile phone	23(16.1)
Bundles mobile Internet	18(35.3)

Percentages exclude cases where bundling services was not stated.

Clients employed other strategies to manage their telecommunications expenditure. High on this list was restricting the time spent on mobile phone (64.0%) and restricting mobile phone services (39.4%) (Table 20).

Table 20. Strategies used to manage telecommunications expenditure

Strategy	N(%)
Restricted the time you spent on your mobile phone	158(64.0)
Restricted services (eg. incoming calls only, not downloading video content)	93(39.4)
Shared or swapped SIM cards	20(8.1)
Switched to a pre-paid mobile phone account	37(19.2)
Cancelled your home phone and went mobile only	31(16.8)
Accessed free Internet from a community services, such as a library or digital hub	84(32.4)
Accessed free Internet (Wi-Fi) from a café or other public place	48(19.4)

Percentages exclude cases where bundling services was not stated.

WHO IS ACCESSING PUBLIC INTERNET?

Almost one-third of clients to whom Internet applied accessed free Internet from a community services and almost one in five accessed free Internet from a café or other public place. As the statistics in Tables 21. and 22. show, age was the only key determinant, with significantly younger clients accessing free Internet.

Table 21. Accessed free Internet (Wi-Fi) from a community services, such as a library or digital hub.

	N(%)	Chi-square	P-value
Newstart			
Newstart	37.1	.81	.37
Other income category	31.0		
Disability Support Pension			
Disability Support Pension	27.1	1.67	.20
Other income category	35.1		
Location			
Inner city	25.0	2.88(2)	.24
Other metro	14.1		
Non-metro	18.1		
Age			
Accessed Internet from community service	M=39.36	t=-3.90	.00
Did not access Internet from community service	M=46.49		
CALD			
Born in English-speaking country	32.5	.00	.98
Born in non-English speaking country	32.3		
Presence of children			
No children in household	30.8	.15	.70
Children in household	33.1		

Percentages exclude cases where response variables were not stated.

Table 22. Accessed free Internet (Wi-Fi) from a café or other public place

	N(%)	Chi-square	P-value
Newstart			
Newstart	23.0	.64	.42
Other income category	18.3		
Disability Support Pension			
Disability Support Pension	14.5	1.73	.20
Other income category	21.6		
Location			
Inner city	25.0	2.88(2)	.24
Other metro	14.1		
Non-metro	18.1		
Age			
Accessed Internet from café or other public place	M=39.5	t=-2.52	.01
Did not access Internet from café or other public place	M=45.23		
CALD			
Born in English-speaking country	20.2	.28	.60
Born in non-English speaking country	17.2		
Presence of children			
No children in household	21.4	.38	.54
Children in household	18.2		

Percentages exclude cases where response variables were not stated.

Summary & Conclusion

The Hardship Survey 2013 is a window into the world of telecommunications access for people experiencing financial stress.

Overall, the findings show that telecommunications are not universally accessible. Almost 6% of clients were deprived of all forms of telecommunications and almost half 45.3% had only one form of telecommunication.

Deprivation of home Internet (49.2%) and mobile Internet (56.1%) were unacceptably high. Clients with home Internet also appeared to have a poorer quality service than most Australians (87.5% had a Broadband service). Almost three-quarters of clients with a dial-up/phone service had been recruited to the survey from a non-metropolitan service location. Clients accessing inner city services and clients living with dependent children had better access to home Internet than clients accessing outer-metropolitan and non-metropolitan services and clients without dependent children.

The data also suggested the actual and potential benefits of Internet access for this client group. Of those with home Internet and mobile Internet, 36.7% and 55.1% said that access to these forms of telecommunications had improved their standard of living extremely. Among those deprived of home Internet, approximately one-third (33.7%) thought access would improve their standard of living extremely. Younger clients in particular also made attempts to access free Internet services from community services (32.4%) and public places (19.4%). More than half of clients with home Internet and two or more telecommunications also bundled their home Internet account (57.6%). Against these findings, more than one-third of clients who did not have home Internet did not think that it would improve their standard of living at all (36.2%).

Over one-third of clients were deprived of a home phone (38.2%). While home phone access appeared important for an older subgroup, approximately one-quarter of clients (23.7%) did not want a home phone and 16.8% reported cancelling their home phone and going mobile only to reduce telecommunications expenditure. By contrast, deprivation of mobile phone was relatively low (11.1%) and only a very small proportion of clients did not have a mobile phone and did not want one (3.3%). Further, of the 263 clients with a mobile phone, almost half (45.2%) used it as their only form of telecommunication. A considerable 42.1% of clients who had a mobile phone indicated that it had improved their standard of living extremely. These findings point to the essential nature of mobile phone for the surveyed client group.

Earlier research has pointed to a myriad of reasons why mobile phone access might be preferable to home phone for lower-income users. This research suggests that prices are sufficiently low to allow widespread ownership. More than 80% of clients spent less than \$50 per month on their mobile phone (compared to home phone (41.9%), home Internet (32.5%) and mobile Internet (25.9%) services) and 61.7% of mobile phone users said it was very or somewhat affordable. An even higher proportion of mobile phone users who had a pre-paid mobile phone account said it was somewhat or very affordable. Clients also reported engaging in particular strategies to reduce their mobile phone expenditure, including restricting the time they spent on the mobile phone (64.0%), restricting services (39.4%), switching to a pre-paid mobile account (19.2%) and sharing or swapping SIM cards (8.1%).

Despite the relatively low price of mobile phone, three-quarters (66.0%) of users had difficulty paying their account in the previous 12 months. This was higher than the proportion of clients who struggled to pay for other telecommunications services. A similar proportion (61.7%) of clients with a pre-paid a mobile phone account had run out of credit sooner than expected. The fact that clients had a mobile phone even if it was a stretch for them to pay for it suggests (once again) its importance or essentiality. This argument is strengthened when results on deprivation of mobile phone is examined in relation to deprivation of other basic needs. For example, a higher proportion of clients were deprived of medical treatment than mobile phone.

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W anglicarevic.org.au
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