



Australia's peak body for communications consumers



THIS EDITION:  
**Equipping consumers  
to stay connected**

USO needs  
to guarantee  
essential services

Affordability is a  
barrier to getting  
connected

**PLUS:** Should I insure my smartphone | NBN – not just about internet services!

ACCAN is the peak organisation representing all consumers on communications issues including telecommunications, broadband and emerging new services. Our mission is to ensure the availability, accessibility and affordability of communications services for all Australians.

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## Our CEO: Teresa Corbin

**T**his issue of the ACCAN Magazine ties into the theme of ACCAN's 2016 Conference, ACCANect:

Equipping Consumers to Stay Connected. All of us at ACCAN have worked hard to put together an interesting program that emphasizes the practical tools to help consumers get and stay connected to communications services. Once again we're excited to welcome high profile speakers including our keynote speaker, Consumer NZ CEO, Sue Chetwin and the new Telecommunications Industry Ombudsman, Judi Jones.

For this edition, the Feature looks at the Universal Service Obligation (USO). In our submission to the Productivity Commission review we called for a USO with an expanded scope to include data services and essential content. The article also highlights proposed changes to affordability measures and changes to ensure greater inclusion for people with a disability.

In the Grants section we preview the recently announced 2016 projects. The list includes exciting projects that cover mental health apps, security implications for Internet of Things devices and ways to assist victims of identity theft.

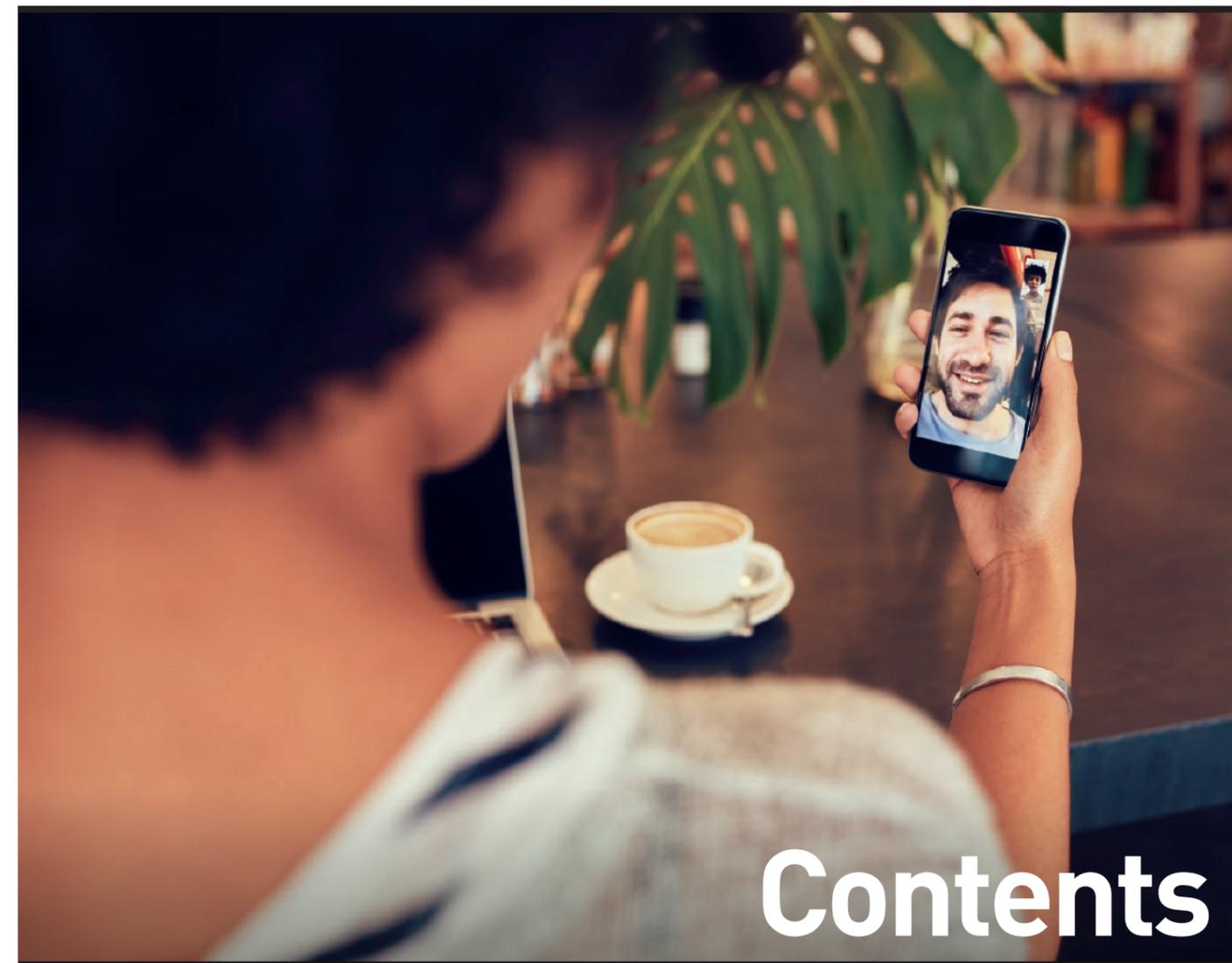
The Policy section covers ACCAN's

work with SACOSS on the affordability of telecommunications services. We engaged SACOSS to complete a survey of Centrelink beneficiaries to support our call for a review of the Centrelink Telephone Allowance. The results showed that many of these consumers struggle to get and stay connected to services.

No doubt many consumers have heard of the National Broadband Network (NBN), but not everyone knows that the network isn't just about internet. The Spotlight article outlines the many services that will be affected by the rollout of the NBN from fixed-line phone services to medical alarms and fire and lift phones.

For all the latest ACCAN updates, follow us on Facebook ([facebook.com/accanau](http://facebook.com/accanau)) or Twitter ([twitter.com/ACCAN\\_AU](http://twitter.com/ACCAN_AU)). Our smartphone app, My Phone Rights, is full of useful information for communications consumers and is available on Android and Apple smartphones. As always, if you have any comments, suggestions or feedback, please email [ceo@accan.org.au](mailto:ceo@accan.org.au) or call me on 02 9288 4000.

Warm regards  
**Teresa Corbin**  
ACCAN CEO



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## The future of consumer focused communication services

ACCAN's new policy position, *The Connected Consumer*, explores the future of communications services to emphasize a focus on consumer needs.

As telecommunication services rapidly evolve, ACCAN believes the enhancements to quality of life and economic opportunities from being connected should be available to all consumers.

The policy position explores a consumer focus and reveals a number of policy gaps that need to be addressed now.

As communication services are an enabler for consumers to perform a variety of functions, they should be judged on how well they are utilised for the capabilities that they deliver.

In applying a connect-ability approach and examining issues in the market, ACCAN identified six key principles for connected consumers:

1. Available essential telecommunication services for all.
  2. Affordable telecommunication services and targeted measures for low income consumers.
  3. Service standards applicable on essential services.
  4. Accessible essential services.
  5. Ensure all consumers can engage and benefit from online services.
  6. Increased digital literacy and empowerment.
- To download the policy position, go to: [www.accan.org.au/our-work/policy](http://www.accan.org.au/our-work/policy).



## Indigenous and remote consumer engagement

ACCAN along with our member organisation, the Indigenous Remote Communications Association (IRCA) hosted an Indigenous Focus Day that was attended by 64 delegates from around the country. The event was held in conjunction with the Broadband for the Bush Forum in June 2016.

This was an opportunity for Indigenous peoples to engage and collaborate with their peers to talk about their digital inclusion needs and challenges. It was an interactive event, facilitated primarily by Aboriginal and Torres Strait Islander peoples and organisations.

ACCAN's Director of Policy, Una Lawrence, also participated in the Broadband for the Bush Forum in a panel session to discuss communications services for rural and remote consumers.

We were able to further engage with Indigenous consumers at our Indigenous Advisory Forum held in early

August. The attendees at the Forum represented organisations including: the National Centre for Indigenous Excellence, Queensland Remote Aboriginal Media and IRCA.

We engaged with rural and remote consumers with a stall at the NSW Farmers Conference where we distributed information on consumer rights, nbn satellite and mobile coverage.



ACCAN Indigenous Advisory Forum

## ACCAN around the world

Over the past few months ACCAN has been invited and supported to attend international events on consumer issues in Wellington, Washington DC and Geneva.

### Death and the Internet

ACCAN's Deputy CEO, Narelle Clark, travelled to Wellington, New Zealand in June to deliver an interactive session on the ACCAN Grants research – Death and the Internet.

Hosted by InternetNZ, the session featured a panel that included tech and legal experts discussing what happens to a person's digital assets after they die.

### International Procurement Forum and M-Enabling Summit

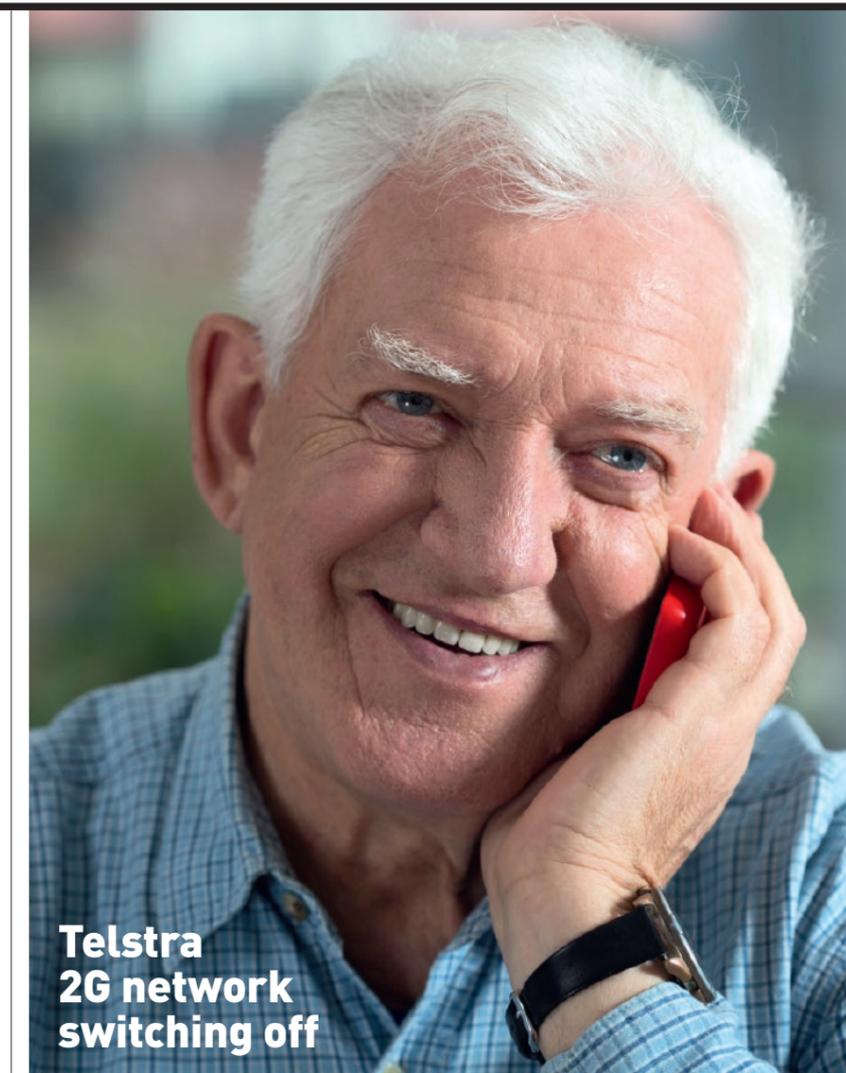
ACCAN's Disability Policy Advisor, Wayne Hawkins, travelled to Washington to attend two accessibility focused events in June.

At the International Procurement Forum, Wayne participated in a panel discussion on the implementation of public procurement policies for accessible ICT. The Forum was held to discuss the public procurement of accessible ICT being implemented in the US, Europe and developing countries.

Wayne presented on ACCAN's involvement in progressing public procurement of accessible ICT in Australia at the sixth annual M-Enabling Summit which was also held in Washington DC.

### ISO Workshop on Global Services

In May 2016, ACCAN's CEO, Teresa Corbin, was nominated to attend a workshop held by the International Standards Organisation on service standards held in Geneva, Switzerland alongside the Consumer Policy Committee annual meeting. The event explored how best to design, assess and measure service excellence for the benefit of both businesses and consumers.



## Telstra 2G network switching off

On 1 December, 2016, Telstra's 2G network will be switched off. This means that Telstra customers who are still using a 2G mobile device or SIM will need to take action before this date to continue using the Telstra Mobile Network.

Telstra has advised customers that they will need to do one or more of the following if they are using a 2G service:

- Change the settings on their device
- Upgrade their SIM card
- Upgrade their mobile device

In some instances, they may need to upgrade both their device and SIM card.

It's important that consumers using a 2G service make the upgrade as after 1 December, they will no longer be able to get a service and making an emergency call will not be possible unless the customer is within the network coverage of another carrier that supports 2G.

For tips on what to do and how to tell if you are affected by the switch off, go to the Telstra Crowd Support website ([crowdsupport.telstra.com.au](http://crowdsupport.telstra.com.au)). If you're still unsure you can also visit a Telstra store or call the contact centre on 1800 718 650.



## USO needs to guarantee essential communications services

In our submission to the Productivity Commission's review of the Universal Service Obligation (USO), we made a number of recommendations for an updated USO.

The main recommendations included an expanded scope, strengthened guarantees on service delivery, broader affordability measures and changes to ensure greater inclusion for people with a disability.

ACCAN believes that a future USO needs to guarantee essential

communications services for all consumers. Implementing these recommendations will help ensure that we have a USO that covers all communications services we use today.

### Expanding the USO scope

The current USO only guarantees supply of a standard telephone voice service. ACCAN asserts that the scope of a future USO must be broadened to also guarantee data services and essential content (for education and

government services). Data service guarantees should meet a minimum standard and ensure access to required amounts of data. The guarantee should be adapted to our growing data consumption needs.

These changes are important as communications services are now essential for consumers to access government services, education and more. In today's digital age the USO should take into account the breadth of services we are using.

### Service guarantees

Quality of services should also be covered by the USO. A future USO needs to guarantee timeframes around getting connected and fault rectification of voice and data services and also, service reliability so that consumers can reliably access essential services.

Through our interactions with consumers we have heard anecdotal evidence of connection delays and delays in fault rectification that adversely affect

some consumers. One example is a consumer and small business owner in Mullaley, NSW, whose Telstra mobile broadband plan is regularly unusable despite the fact that they live just one kilometre from a mobile tower. Faults are often experienced across a number of days which makes it difficult to conduct business.

Earlier this year, consumers on the Gold Coast, QLD, also voiced complaints about the lack of reliability and guarantees for internet services.

Residents in the area were frustrated over unreliable internet services, unexplained issues and rescheduled appointments to fix faults.

An updated USO needs to take into account these consumer issues and put in place guarantees for timeframes around fault rectification and connection for voice and data services.

### Affordability measures

Our submission identified inadequacies in current low income support arrangements, and proposed that these be reviewed to overcome communications affordability barriers.

Our affordability research with SACOSS released in June 2016 found that many low income consumers are struggling to pay their telecommunications costs with 62 per cent of respondents either experiencing difficulty paying, having to cut back or stop using one or more telecommunications services for financial reasons in the last 12 months.

The research shows that low-income consumers do struggle to get and stay connected to telecommunications services. These affordability issues could be addressed through a revised Centrelink Telephone Allowance or through the expansion of carrier licence conditions so that all retail service providers are required to offer low-income support and services.

Another alternative could see NBN provide eligible end users with a coupon or voucher for discounted services to be redeemed from their choice of service provider.

A further consideration is that affordability measures going forward should be retail service provider independent to give consumers choice in their provider.

### Accessibility

ACCAN's USO submission outlined two recommendations related to greater accessibility for people with a disability.



The first recommendation is that a Disability Telecommunication Service be established to provide communications information, equipment provision, training and support to people with a disability.

A disability equipment program that is flexible and reflects the current communications technologies and consumer trends is needed under the USO. People with disability have diverse communications needs and therefore an updated USO must move away from a one-size-fits-all equipment program. Establishing a Disability Telecommunication Service would assist people with disability to obtain the communications equipment they need.

The second recommendation is that the National Relay Service (NRS) should be expanded to include services for Deafblind and multilingual consumers, with all services offered 24 hours per day.

The NRS provides consumers who are Deaf, hearing-impaired or speech-impaired with functionally equivalent access to the standard telephone service available to general consumers. However, at the moment the video relay service is only provided on a limited basis which excludes Auslan users from accessing services. ACCAN asserts that video relay needs to be provided on a 24/7 basis.

**Further recommendations**  
**Voice services**

Consumers need continued guaranteed access to voice services. Where voice services over the NBN network meet the required standard, voice service can be provided over the network with no additional financial support for retailers. In areas where the NBN network cannot meet this standard the current obligation should ensure access to voice services.



**Payphones**

Further study should be carried out on the use of payphones and the potential for alternative services to meet and improve the utility delivered by this service.

**Retail provider of last resort**

A retail provider of last resort obligation for data and voice over NBN should be created to ensure that consumers are not left without a service if a provider no longer operates.

**Funding, costs and implementation**

Funding, sourced from industry and Government, should be used and delivered through public provision, subsidising the private sector and subsidising consumers and carrier licence conditions.

Implementation should be on a rolling basis as and when the infrastructure becomes available, with everyone guaranteed access by 2021.

# Introducing the 2016 ACCAN Grants projects

The 2016 Grants round has delivered a range of exciting new projects. This year's projects look at vital and contemporary communications consumer issues including the ballooning market of mental health apps, the security implications of smart home Internet of Things devices, and ways to assist victims of identity theft.

We congratulate all of the recipients and look forward to working with them on these exciting projects.

**University of Sydney, Charles Perkins Centre**

*Finding peace of mind: Navigating the marketplace of mental health apps*  
The market for apps targeted at mental health is booming, yet completely unregulated. This project will develop a toolkit that will allow consumers to identify and mitigate risks related to privacy, predatory or deceptive advertising, and commercial biases.

**Financial and Consumer Rights Council (FCRC)**

*Rank the Telco 2017*  
FCRC will publish a 'Rank the Telco' report, similar to its 'Rank the Bank' report, documenting the views and experiences of Victorian financial counsellors regarding the financial hardship practices of telecommunications service providers.

**Australian National University, Research School of Management**

*Understanding Consumer Identity Theft Risks Across Communications Media*  
One in five Australians have been victims of identity theft and this number is growing. This project will develop consumer-oriented preventative information, and a series



of interventions that can be applied to assist victims directly.

**Queensland University of Technology, Digital Media Research Centre**

*Australian consumer access to digital media content*  
This project assesses the relative availability of digital media content to Australian consumers, focusing on download and streaming services. An ongoing comparison tool between the Australian and US media markets will be developed, helping Australian consumers to make informed choices about digital media content.

**University of New South Wales, School of Electrical Engineering and Telecommunications**

*Increasing Public Awareness in Australia on Security and Privacy Threats for Smart-Home IoT Devices*  
Consumers are increasingly buying Internet of Things (IoT) appliances for

their homes. These devices can pose huge risks to consumers' privacy and security. This project will profile these threats using real devices available in the market, and develop materials to educate consumers and inform policy-makers on the risk associated with widespread adoption of IoT.

**The Association of Hazaras in Victoria**

*Telecommunications Education*  
This project will better inform the Afghan community on telecommunication issues by providing linguistically and culturally appropriate information sessions, brochures and other material on topics such as internet plans, mobile phone data usage, phone bills and where to go for help.

For more information on the projects, visit the ACCAN website: [www.accan.org.au/grants/current-grants](http://www.accan.org.au/grants/current-grants).

# Affordability is a barrier to getting connected

**A** COSS' Poverty in Australia 2014 research shows that significant numbers of Australians are living in poverty, and that many of these people struggle to meet the costs of maintaining telecommunications connectivity.

Increasingly, it is data connectivity that provides access to employment opportunities, government services and information, education, and social interaction, all of which are key enablers to lift people out of poverty.

As the essential nature of connectivity increases, issues of affordability for many low-income Australians are creating barriers to our communications networks.

This is why one of ACCAN's 2016 communications consumer priorities is a call for the Federal Government to review the Centrelink Telephone Allowance (CTA). The CTA is a quarterly allowance designed to help consumers on income support payments to stay connected to telecommunications services.

Encouraging the uptake of telecommunications services among low-income consumers by reviewing the allowance will increase digital literacy, thereby generating a higher level of return on the Government's investment in the NBN and the digital transformation of government services. It will also equip low-

income Australians with the tools to achieve social and economic success.

## Is the CTA adequate?

ACCAN commissioned the South Australian Council of Social Service (SACOSS) to conduct a two-part joint research project on the affordability of telecommunications for low-income consumers. Phase One of the project, which examined the adequacy of the CTA, is now complete.

Phase Two will look at the suitability and impacts of payment plans, billing methods, and the value for money of telecommunications products used by low-income consumers.

In Phase One, SACOSS engaged a private research firm to undertake a survey of a random sample of 523 low-income Centrelink beneficiaries to explore their experiences of telecommunications and the adequacy of the CTA.

It came as no surprise that the preliminary results of the survey provide a strong evidence base to support ACCAN's calls for a review of the CTA. The survey confirmed that many low-income consumers are struggling to pay their telecommunications costs and that the CTA is not adequate to alleviate their financial difficulty.

## Centrelink Telephone Allowance

- The CTA is the main government concession paid to certain income-support recipients to help with the costs of maintaining a fixed telephone connection, and in some cases an internet connection.
- It is paid at two rates – \$27.80 or \$41.40 per quarter – depending on the beneficiary's circumstances. This is roughly \$6.95 or \$10.35 per week.
- These rates are out of touch and do not reflect the cost of maintaining connectivity in the digital age.
- People on the lowest welfare payments (Newstart and Youth Allowance) are only eligible if they have dependent children, are over 60, or have a partial capacity to work.
- The allowance does not reflect that telephone and data connectivity are essential to low-income Australians' social, economic, and community participation.

The preliminary report highlighted the exclusion from telecommunications experienced by people on the lowest income support payments (Newstart and Youth Allowance) and low-income families with dependent children.

It also found that the CTA fails to provide all recipients with assistance for the cost of an internet connection, an essential service for social, civic, and economic participation in the digital age.

The preliminary report on Phase One is available on the ACCAN website: [www.accan.org.au/our-work/research](http://www.accan.org.au/our-work/research).

Work on Phase Two will continue with a full report with analysis of both phases and recommendations for Government expected to be launched later this year.

## ACCAN's Affordability Map

ACCAN has developed an

'Affordability Map' to identify the different groups in Australian society that face affordability issues, and the unique issues each group faces.

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 as many Australians as possible.

The Affordability Map is a 'living' document that will be updated as new information is released. ACCAN welcomes all organisations and individuals to make use of this resource, and to contribute to it where they perceive a gap. You can access

# Should I insure my smartphone?

Some people seem to have a perpetually broken smartphone. To avoid expensive repair jobs you might consider taking out insurance. But are these policies worth the money? We've waded through the legal fine print to crunch the numbers on three of the major insurance plans from Optus, Vodafone and JB Hi-Fi.

For this article we looked at insurance offers for devices valued over \$600. We don't recommend insurance for devices that are cheaper than this because the value of insurance compared to paying for repairs or replacement yourself is marginal.

## The cost

- **Optus** - \$13/month premium (\$156/year). Plus \$50 excess for damage or \$150 for replacement.
  - **Vodafone** - \$15/month premium (\$180/year). Plus \$125 excess for damage or \$200-\$300 for replacement.
  - **JB Hi-Fi** - \$15/month premium (\$180/year). Plus \$75 excess for damage or \$175 for replacement.
- You get sluggish with large excess fees when you make each claim, so you need to take this into account when deciding whether it is worth buying insurance.

## Cracked screens

One of the more common repairs on a smartphone is for a cracked screen. One way to compare the value of policies is to look at the cost of repairing your device without insurance versus with insurance. As an example we looked at the cost of repairing a broken iPhone 6 screen with Apple compared with the three plans above.

Apple currently charges \$188.95 to fix a broken iPhone 6 screen. The excess for a similar repair on the three insurance policies ranges from \$50 to \$125. Vodafone at \$125 with a \$15/month premium would require you to make a claim every 4 months to 'breakeven'. The Optus breakeven point is better at 10 months and JB Hi-Fi's is 8 months. If you don't think you would make a claim to repair a broken screen more frequently than these breakeven points, then insurance might not be for you.

## Full replacement

The cost of replacement if your phone is lost or stolen can be a real hit to the wallet and if this is a concern then insurance might be a good option.

Keep in mind excess charges are much higher for a replacement and could set you back anywhere from \$150-\$300.

So what are the odds of losing or having a phone stolen? According to industry figures around 120,000 devices are blocked after being reported lost or stolen each year. To put this in context there are about 32 million mobile services connected in Australia, so that's about a 1 in 266 chance of having a lost or stolen phone.

## The exclusions

Going through the fine print we found some doozies that could bar you from making a claim. For example, JB Hi-Fi and Vodafone prevent claims if you don't have your 'nominated' or 'usual' SIM card present in the device. Given it is not uncommon to swap in different SIMs, especially when travelling, you could end up voiding your insurance without realising it.

The Optus plan requires you to show proof of purchase for the device when you make a claim. This is despite the

fact you can only take out the insurance policy if you purchase the device from Optus. If you don't hold on to your proof of purchase you might find your insurance policy is void.

Non-citizens not welcome. That's right; the Vodafone policy bars you from making a claim if you are not a citizen or resident of Australia. This is despite one of the key terms advertising it as 'worldwide cover.'

The JB Hi-Fi policy bars you from making a claim if you can claim under another policy. Double insurance is a contentious issue given its association with people trying to defraud insurance companies, but the way this clause is worded takes it beyond what would be reasonable to prevent fraud. If the other insurance policy had a similar term you could end up in a Catch 22 nightmare of simultaneously being able to claim under both policies and neither.

All three contracts also stop you from claiming if you can't explain the event that led to the disappearance, damage or malfunction of your phone.

## Overall

Insurance is often compared to gambling, except in gambling you usually know the odds of winning. You need to weigh up your own costs of repairing or replacing your phone if it gets lost or damaged.

You may also find that your phone is already covered by your home and contents or travel insurance.

Make sure you fully understand what you're being offered before signing up. If you're looking at purchasing a new phone from a provider and thinking about getting phone insurance, it's a good idea to research what the insurance offers beforehand, rather than making a decision on the spot.



The cost of replacement if your phone is lost or stolen can be a real hit to the wallet and if this is a concern then insurance might be a good option.



# NBN – not just about internet services!

**M**any vital services and equipment use telecommunications infrastructure to work, such as telephone and voice services, internet, disability equipment (tele-typewriters), fax machines, medical alarms, security alarms, EFTPOS machines and emergency elevator phones.

These services and equipment may be affected in the switch over to the National Broadband Network (NBN).

When considering switching over to the NBN, it is important to check:

- If the devices you use will work over the network - the provider or manufacturer of the device will be able to advise you on this.
- If your services will work with your chosen plan - ask if there are any changes required to your devices or in-house wiring.

In this article we look at some of the most used services and devices that will be affected by the NBN.

### Power outages

With the NBN network the devices and services in your house will need power to work. If the power goes out your services and devices are unlikely to work. While it may be possible to have a battery backup, it is best to consider if you need an alternative option. For example, this might be a charged mobile phone that you can use during a power outage.

### Telephone services

Telephone services are important for many consumers. When switching to the NBN you may consider a telephone service from a service provider or if you still need a fixed

telephone service you may prefer to use a mobile service instead.

There are a few important things to consider:

- It is unlikely that voice services over the NBN will work in power outages. If you need access to services in a blackout you may need an alternative service such as a charged mobile phone.
- Your current handset(s) may need an adapter (called an Analogue Telephone Adapter) for it to work over the NBN. Check if this is supplied by your service provider and if there are additional costs to have it.
- If you have multiple handsets plugged in throughout your house ask if they will all still work. Additional wiring may be required to keep all the sockets working.
- Consumers who will receive NBN satellite and fixed wireless can continue to use any current fixed line telephone services that they use.

### Medical alarms

Medical alarms and alert devices are vital peace of mind devices to keep loved ones safe. It is important that you ensure the device will work over the NBN and that the service can be delivered even during power outages.

To do this, consumers should contact the provider of the medical alarm to ensure that the alarm is compatible with the NBN and the switch over to the network will be smooth.

It may be that an alternative solution that does not run over the NBN network is available and meets your needs better.

Medical alarm users should list their device on nbn's National

Medical Alarm Register, by calling 1800 227 300 or completing the online form at: [www.nbnco.com.au/medicalregister](http://www.nbnco.com.au/medicalregister).

### Monitored fire and security alarm system

Is your house or apartment protected by a monitored fire or security alarm system?

If so, you will need to check with your service provider that the equipment will still work after the switch over to the NBN and that no additional wiring or devices are needed.

It is also important to ask what will happen in case of a power outage after you switch to the NBN.

### Fire and lift phones

Emergency fire alarm and lift phones in your apartment may need to be switched to the NBN network to continue working.

Ask your strata manager if they have arranged for this.

You can register these services with nbn by calling 1800 687 626 or going online: [www2.nbnco.com.au/fireandlift](http://www2.nbnco.com.au/fireandlift).

### Tele-typewriters, fax and EFTPOS devices

Communication equipment such as tele-typewriters (TTYs), fax machines and EFTPOS devices need the telecommunications network to function.

These devices may need to be updated to work over the NBN network.

It is important to ask the device provider if they will work and your service provider if your NBN plan will support the equipment.