Broadband for the Bush speech

Una Lawrence, ACCAN – 9 June, 2016

Thank you for inviting ACCAN to talk today about our work for policy outcomes to improve communications services and products for Australian consumers.

First, a bit about ACCAN. The Australian Communications Consumers Action Network is the peak consumer representative body for communications consumers. We represent a wide range of community sector member organisations, including those representing regional and remote Australia, such as BB4B. Our priority is to work for improved availability, accessibility and affordability of communications services.

Today I'm going to talk about our approach to our policy work, outline some gaps that need to be addressed, and flag what we are currently working on.

How do we go about our policy work?

Our approach to our work is inclusive. As a peak member organisation, we closely engage with our members (including Broadband for the Bush, the ICPA, the Centre for Applied Technology and IRCA) on their issues of concern both via formal consultation, and working together to achieve positive outcomes.

We prioritise our focus by identifying issues where change has the greatest positive impact for the highest number of consumers, or in areas where disadvantage is profound.

We look at case studies and supporting complaints data from the Telecommunications Industry Ombudsman, and other organisations such as the ACMA. We look at research for evidence to build our policy positions, and commission research where there is a gap. We consult with our members and independent experts to make sure that our approach is representative and sound, and finally we submit or publish our policy positions, and advocate for change.

So what are our current policy priorities?

Fast broadband, improved mobile coverage and the advances in information and communications technology are bringing massive benefits to Australian consumers.

But there are many areas where change is needed if consumers are to realise the potential of 21st century communications services.

As some of you are aware, we've been working on reform of the Universal Service Obligation for the last 18 months, amongst other things. This is a huge and complex area. We've decided that the best approach is to broadly map out what consumers need to be capable and connected. This map has identified 6 areas where the current policy settings are not delivering for consumers.

These headline areas are:

1. Service availability
2. Affordability of services
3. Service standards and guarantees
4. Access to services by people of all abilities
5. Inclusive online delivery to support maximum uptake, and
6. Digital literacy and empowerment.

I'll briefly talk about each of these areas to explain where the gaps are.

Availability of services

Firstly, data services.

NBN will deliver **data services** to all Australians, but:

- There is no minimum level of data service guaranteed to consumers, and yet data services are becoming increasingly essential. Currently, the only minimum guarantee applies to the supply of a standard telephone service. Nbn will provide a network that can deliver services at up to 25mbps, but this does ensure that consumers are going to get this consistent level of performance.

A further issue is that:

- o Consumers waiting for nbn services have no guaranteed access to data – some areas are under-served now, and an estimated 450,000 + premises will not be connected to the NBN until after 2018. We hear from consumers on a weekly basis about their struggles to connect, often due to no available data ports at exchanges, or due to their distance from the local exchange. There is **no** recourse for people experiencing these problems, other than expensive mobile data, if coverage permits.

Secondly, mobile services

Consumers who prefer mobile products have no guarantees or standards to protect their services. We welcome the promise of an additional $60 million in Commonwealth subsidy to the Mobile Black Spots Program by both Labor and the Coalition in the last few weeks, but there is no guarantee that mobile coverage will continue beyond current funding commitments.

Affordability of services for all, especially low income consumers

Here we have identified 4 gaps:

- o Firstly, there are indications that broadband affordability will become an increasing concern. The cost of NBN services has increased since it began, whereas other internet services have decreased multiple percentage points year on year. We are concerned that this, combined with the pricing model for nbn, may slow the take up of NBN services. If so, reduced take up may result in either further increases in the cost of services, or result in lower quality services to consumers.
- o Secondly, for rural and remote consumers there is an inequity, as they are paying **more** for equivalent internet services, as well as paying for **2 service connections** – the standard telephone service as well as data. But I'm not telling you anything that you don't know here, as the recent BIRR survey results attest.
- o Thirdly, the current Centrelink telecommunications allowance is of little assistance to low income consumers. Fixed broadband and telephone costs

are relatively high here by international standards, and low income consumers are spending proportionately more of their income on telecoms.

- o Fourthly, there are no industry-wide measures to assist low income consumers. Currently Telstra is the only provider with a program of low income products and services, and it is doing some very good work. But a broader response is needed.

Turning now to:

Services standards and guarantees

- o There are no guarantees for connection and repair timeframes for broadband services. Nor are there any independent reliability performance benchmarks. There is ample evidence of the need for reform.

  Complaints to the TIO about internet services have increased by 11.5% year on year – the top new internet issues complained about in the March 2016 quarter were slow data speeds, unusable services and connection delays. The Regional Telecommunications Review found existing consumer safeguards are increasingly ineffective, and the Department of Communications is currently working on proposals in this space.

- o Secondly, there is no independent, easy to use information to give consumers visibility of what level of performance they can expect from their broadband service. Yet this information is critically important. ACCAN research found that **70%** of respondents were unhappy about how their service performs. The lack of performance information makes it hard to make the right choice and get a suitable service.

The next significant area is…

Accessibility of essential services for people of all abilities

- o The NDIS potentially may provide communications equipment for approximately 460,000 eligible people with profound and severe disability. It will **not** provide funding for people who acquire a disability over the age of 65, nor for the other approximately 3.5 million people who identify as having a less profound disability.

- ICT is a great enabler for people with who are deaf or hearing impaired, blind or with physical and cognitive differences and disability. But the additional equipment needed for these consumers to stay connected comes with a hefty price tag. Support is needed through a new and expanded Disability Equipment Program, so that, for example, there is equitable pricing between standard and specialised handsets.

The fifth area we have identified is …

Inclusive online service delivery by governments and businesses

- There are huge savings to government in delivering services online. A 2015 Deloitte report estimated these at potentially $17.9 billion over 10 years if 20% more government transactions shifted online. There are obvious benefits for consumers as well – these are estimated at $8.7 billion.
- **BUT** product and service design can be limiting – for example, the size of files causing download delays and data usage blow-outs.
- Government and business products and services must be designed to facilitate and maximise target audience take up and engagement.

The 6th area where our capability approach identifies gaps is in…

Digital literacy and empowerment

It is important that as many consumers who can, realise the benefits of communication services. Lack of confidence, low ability or fear of technology is one of the main barriers to use. It was cited as the top reason (22%) for not connecting to the internet in recent ABS figures.

So, what is ACCAN doing about the gaps?

There is a lot of work ahead, but we've made a start. The things we're working on at the moment to bring about reforms and change are:

- In the area of **availability**, we're developing a map of under-served areas so we have a solid evidence base of the geography and size of the problem, and can work towards interim solutions for areas waiting for improved services in the longer term.

- o Under the **affordability banner**, we are advocating for a review of the Centrelink Telecommunications Allowance so it meets the needs of low income consumers today, and working with SACOSS on an evidence base for the most effective design.
- o Last week we published our Affordability Map to identify demographics of consumers who struggle to afford communications services. This will inform our liaison with telecommunications providers on industry wide low income measures.
- o On **service standards and guarantees** we are
  - Advocating for the adoption of our Future Consumer Protections policy which includes timeframes for connection, repair, appointment keeping, and meaningful service reliability benchmarks for data services.
  - Advocating for funding by the Federal Government for independent broadband performance benchmarks so consumer know which provider will best suit their needs.
- o AND we are starting to engage with the Productivity Commission Inquiry into the Universal Service Obligation, with the PC issues paper due to be released this month. We are also engaging with the Department of Communications and the Arts in its work on the framework for future consumer safeguards.

We're looking forward to continuing our work with you all to bring these issues to the forefront and achieve better outcomes for Australian consumers.