

New report highlights need for government and industry action on telco affordability

Households struggling with the cost of connectivity would benefit from the introduction of new rules that would make it mandatory for telcos to offer a low-income product, according to the Australian Communications Consumer Action Network (ACCAN). The recommendation for new regulatory requirements comes as the peak body for communications consumers releases new research which examines the effectiveness of the telecommunication industry's programs and offers aimed at assisting people on low incomes to stay connected.

9 of the 10 community organisations interviewed for the *Addressing Telecommunications Affordability: Evaluating Support for Low Income Consumers* report considered that telcos could do more to support the needs of low income groups with their connectivity and telecommunications needs. Given their role in supporting people on low incomes or in crisis, community organisations are well placed to understand the connectivity needs of these groups.

"*Addressing Telecommunications Affordability* shows that affordability is a key issue for many low income households when it comes to their phone and internet needs," said outgoing ACCAN CEO Teresa Corbin.

The need to address the affordability of telco services echoes the findings of the 2021 Australian Digital Inclusion Index (ADII) and the 2021 Australian Infrastructure Plan.

Survey results collected as part of the research highlighted that 57% of low income consumers experienced some difficulty paying for NBN or other broadband services, and 59% of respondents experienced some difficulty paying for a mobile phone service with data.

"This is not news to the telecommunications industry," said Ms Corbin.

"We have been publicly and privately advocating for affordable phone and internet services for over a decade. The fact is that the market is not delivering to assist lower income households to connect to this modern essential service, so it's time for the government to act."

ACCAN is calling on the Federal Government to review the affordability measures offered by telcos to determine to new ways to deliver affordable services to people on low incomes. This review should then inform new regulatory requirements on telecommunications providers to offer affordable services targeted to people on low incomes, including a concessional NBN home broadband service.

"With more and more government services moving online, it is only fair that the government take steps to ensure that the people who use these services are able to get connected," said Ms Corbin.

Currently, only Telstra is required to offer a product targeted at low income households under Carriage Service Provider rules.

"Given that our research shows that these sort of supports can play an important role in addressing the needs of low income households, we'd like to see this become an industry-wide obligation."



The majority of low income individuals surveyed for *Addressing Telecommunications Affordability* said a discounted service would be the most helpful support for them (87%), followed by hardware/device affordability support (69%) or access to free public Wi-Fi (62%).

Another key issue identified in ACCAN's research is the lack of awareness about the assistance offers that are available from telcos. Optus' Donate Your Data program was the most well-known, but only a quarter of low income individuals surveyed knew about that program.

"While it's great to see that Optus has recently announced it is expanding its Donate Your Data program, our research shows that all telcos need to do more to educate people in need that these programs actually exist.

"They should be more broadly advertising programs on their websites and through program partners and community organisations in plain language and accessible formats."

The peak body for communications consumers also recommends that the government establish an independent phone and internet plan comparison tool so consumers can easily search and compare affordable plans

"These programs and offers are useless if they're not being used by the people who need them. Making it easy to find the assistance you need is an important piece of the puzzle," said Ms Corbin.

"We would hope that telcos use this research to evaluate their current approach to delivering support to people on low incomes. This really is an opportunity for retailers to up their game and deliver support that corresponds to what consumers say will help them the most."