

2025–26 Pre-Budget Submission

11 December 2024

Recommendations

This submission recommends the Australian Government:

- > Allocate funding to establish a concessional broadband service for households receiving Commonwealth financial support.
- > Allocate funding to establish an independent plan comparison tool for the telecommunications market to assist consumers in finding an affordable telecommunications service.
- > Establish a National Device Bank to provide free refurbished internet devices to a wide range of consumers.
- > Resource and expand the Telecommunications Industry Ombudsman to become a Digital Communications Industry Ombudsman Scheme.
- > Allocate funding to a consumer voice for digital communications policy matters.
- > Continue and expand co-designed community Wi-Fi programs to support remote First Nations communities.
- > Expand the Peri-Urban Mobile Program and Mobile Black Spot Program to support more regions and communities.
- > Establish direct regulation for telecommunications sales practices.
- > Develop a long-term funding arrangement for the Accessible Telecoms service.
- > Allocate funding to ensure government websites are compliant with the WCAG 2.1 AA and successor standards.

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**Australian Communications
Consumer Action Network**

Australian Communications Consumer Action Network

ACCAN is the peak national consumer advocacy organisation for communications working to achieve trusted, accessible, inclusive, affordable and available communications and digital services for all Australians.

About this submission

The Australian Communications Consumer Action Network (**ACCAN**) is pleased to provide this submission to the Treasury in response to the Treasury's call for 2025–26 Pre-Budget submissions.

Introduction

ACCAN thanks the Treasury for the opportunity to submit to the 2025-26 Pre-Budget consultation. Communications consumers are presently facing barriers to accessing affordable, quality and reliable communications. The affordability challenges faced by communications consumers can limit their ability to productively engage in the economic and social opportunities offered by the digital economy. ACCAN's submission addresses the difficulties experienced by communications consumers, including consumers of digital platforms. Communications access has become an essential service, and consumers should be supported to engage in a fair and competitive communications market which caters to their needs.

Action on communications affordability

To address the persistent affordability challenges faced by communications consumers, ACCAN recommends the Australian Government:

- Allocate funding to establish a concessional broadband service to improve the affordability of NBN services for consumers receiving Commonwealth financial support.
- Allocate funding to establish an independent plan comparison tool for the telecommunications market to assist consumers in finding an affordable telecommunications service.
- Establish and fund a National Device Bank to provide free refurbished internet devices to a wide range of consumers, including consumers on low-incomes, consumers experiencing vulnerability and students.

Establishing a concessional broadband product

In Australia, 27.6% of households spend over 5% of their income on a standard internet bundle, while 48% spend 2-5% of their household income on internet connectivity.¹

Australian consumers have expressed that they feel the pressure of broadband affordability.

- 26% of communications consumers find their phone and internet costs are not affordable.²
- 57% of low-income households and individuals struggle to pay for an NBN service.³
- 92% of communications consumers believe that all telecommunications companies should offer an affordable (base level) internet plan.⁴

¹ Julian Thomas, Anthony McCosker, Sharon Parkinson, Kieran Hegarty, Daniel Featherstone, Jenny Kennedy, Indigo Holcombe-James, Lyndon Ormond-Parker and Lauren Ganley, *Measuring Australia's digital divide: Australian digital inclusion index: 2023* (Report, ARC Centre of Excellence for Automated Decision-Making and Society, RMIT University, Swinburne University of Technology, and Telstra, 2023) 19.

² ACCAN, *ACCAN research snapshot: affordability* (Report, ACCAN, 2023) 1 <<https://accan.org.au/accans-work/research/2251-affordability-snapshot-2023>>.

³ Ibid 5.

⁴ Ibid 1.

Consumer prices for NBN services have increased materially in recent years, compounding the cost-of-living pressures experienced by consumers. According to the Australian Competition and Consumer Commission (ACCC), the cost of median price point and higher priced broadband plans have increased, while entry level NBN plans remain at \$75 per month.⁵ There is a persistent lack of affordable entry level NBN offerings to households experiencing financial stress.

ACCAN proposes the Australian Government create a concessional broadband product to improve educational and economic outcomes for low-income households. To achieve this, we propose a subsidy to NBN Co to allow them to develop an unlimited 50/20Mbps service price capped at \$20 per month for households that are receiving Commonwealth financial support.⁶

ACCAN recommends focusing on providing a concessional low-income product to support:

- **Single Parents and Low-income families** (including those receiving Parenting Payment Partnered and Parenting Payment Single).
- **Carers** (including those receiving Carer Allowance, Carer Allowance (Child Health Care Card), and Carer Payment).
- **Students attending tertiary education** (including those receiving Youth Allowance (other), Youth Allowance (student and apprentice), ABSTUDY (living allowance), ABSTUDY (non-living allowance), and AUSTUDY).
- **Adults receiving the JobSeeker Payment.**
- **Consumers receiving the Disability Support Pension.**

Eligible households would then only have to pay approximately \$30 per month retail to access a concessional broadband product. Introducing a concessional broadband product will improve the economic and social outcomes of low-income households and provide direct cost-of-living relief to consumers.

Improving the affordability of broadband by implementing a concessional broadband product will:

- Directly contribute to relieving cost-of-living pressures for vulnerable consumer cohorts.
- Ensure greater take up and use of broadband services by low-income households, extending the already identified benefits of the NBN.⁷
- Improve the digital ability of Australians by addressing persistent affordability challenges.

For example, according to research conducted by the Good Things Foundation Australia, the estimated annual economic benefit of closing the digital divide for highly digitally excluded Australians is \$467.2 million per year.⁸

⁵ ACCC, *Communications Market Report 2022-2023* (Report, 2023) Vii <<https://www.accc.gov.au/about-us/publications/serial-publications/acc-communications-market-reports/acc-communications-market-report-2022-23>>.

⁶ ACCAN, 'No Australian Left Offline' (Web Page, 2019) <<https://accan.org.au/accans-work/no-australian-left-offline>>.

⁷ Accenture, *The economic and social impact of investment in the nbn network* (Report, 2024) 3 <<https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/reports-and-publications/accenture-2024-economic-and-social-impact-insight-report.pdf.coredownload.pdf>>.

⁸ Nicki Hutley, *The economic benefits of overcoming digital exclusion* (Report, Good Things Australia, 2024) 19.

The estimated investment

To capture what an effective programme uptake would resemble, ACCAN has estimated that 70% of payment recipients (per household) would take up the concessional product. ACCAN estimates a concessional 50 Mbps broadband product would deliver an annual reduction in the cost of living of \$432 per household, or \$180 for a 25 Mbps plan.

ACCAN estimates that the required government expenditure would be between \$118 million - \$380 million, depending on how broadly the government defines eligibility. ACCAN recommends the Australian Government prioritise a broader eligibility over a deeper individual subsidy, to ensure as many Australians are connected as possible.

ACCAN considers this option is consistent with the goals of existing programs such as the School Student Broadband Initiative in connecting students and young people, while providing more consistent and ongoing support for a broader section of the Australian community who are facing cost-of-living pressures and other difficulties in maintaining a consistent broadband connection.

Establishing an independent plan comparison tool for the telecommunications sector

Competition in the telecommunications market should be facilitated through the establishment of an independent plan comparison tool (IPCT). Consumers overwhelmingly agree that it should be easier to find and compare information about phone and internet plans.⁹ As it stands, consumers are not appropriately supported to easily find and compare information about phone and internet plans.

This is reflected in the 50% of surveyed consumers that have not switched their telecommunications provider in the last 5 years, with almost 68% of surveyed consumers not having switched their provider in the last 3 years.¹⁰ As consumers are most commonly motivated by price when it comes to switching providers, it is critical to facilitate effective customer churning to address the persistent affordability challenges experienced by communications consumers.¹¹

An IPCT would help reduce existing information asymmetries by empowering consumers with reliable and impartial information about which plan would best suit their needs. It would encourage consumers to more frequently change providers, preventing the build-up of incumbency bias and rewarding providers who compete on price.

An IPCT would offer consumers an effective way to reduce the cost of telecommunications plans, encourage service providers to offer more affordable plans, and help reduce inflationary pressures by lowering the economic costs of connectivity.

⁹ ACCAN, *Independent Plan Comparison Tool Policy Position* (Policy Position, 2022) <<https://accan.org.au/accans-work/policy-positions/2123-independent-plan-comparison-tool>>.

¹⁰ EFTM, *Unhappy Optus customers ditching the telco as eftm survey shows we're all paying for too much data*. (Report, 2022) <<https://eftm.com/2022/10/unhappy-optus-customers-ditching-the-telco-as-eftm-survey-shows-were-all-paying-for-too-much-data-229055>>.

¹¹ Finder, *Consumer Data Right Sectoral Assessment: Telecommunications*. (Submission, 2021) 6 <<https://treasury.gov.au/sites/default/files/2021-11/c2021-198050-tc-finder.pdf>>.

The estimated investment

ACCAN considers that Energy Made Easy (EME) serves as a useful baseline to model the costs related to implementing an IPCT.¹² In FY23-24, EME facilitated approximately 1,444,000 consumer searches for energy plans and 154,000 people switched retailers after completing a search on EME.¹³

ACCAN notes that since 2020, EME has facilitated over 4,335,000 plan searches and approximately 302,000 consumers switched retailers after completing a search on EME.¹⁴ Should an IPCT be developed and resourced appropriately, many consumers will be facilitated to make savings on their telecommunications bills.

For example, a consumer switching an equivalent telecommunications service from a larger market participant to a smaller market participant (assuming an average data usage of 24.4GB per month) may save approximately \$200 per year on mobile data bills and approximately \$150 per year on NBN or equivalent broadband services. These potential savings are material to communications consumers currently experiencing a cost-of-living crisis.

Using the above figures as a basis for extrapolation, should 150,000 consumers switch their broadband and mobile telecommunications provider with each consumer saving a total of \$300 per year, ACCAN expects the benefit to communications consumers nationwide to exceed \$45 million p.a. ACCAN expects that consumers may experience fewer barriers switching telecommunications providers than energy providers, improving the uptake of the IPCT.

Establishing a national device bank to assist a broad range of consumer cohorts

Access to the devices required for connectivity is critical for all communications consumers to effectively engage in economic and social activity. Vulnerable consumers, consumers on low incomes and students often have difficulty accessing suitable internet devices.

- '51.6% of lower income families reported their children could miss out on the digital devices needed for schoolwork because they won't be able to afford them'.¹⁵
- 'Two in five (44%) year 6 students and a quarter (25%) of Year 10 students in Australia do not have access to a computer outside of school'.¹⁶
- 49% of surveyed parents with children under 12 were unable to provide regular access to devices required for their children's education.¹⁷
- '1 in 7 [parents] with children aren't able to provide access to a computer or tablet when their kids need them for school'.¹⁸

¹² Australian Government, Energy Made Easy (Webpage, 2024) <<https://www.energymadeeasy.gov.au/>>

¹³ ACCC and AER, *Annual Report 2023-24* (Report, 2024) 129

<<https://www.aer.gov.au/publications/reports/corporate/accc-and-aer-annual-report-2023-24>>.

¹⁴ Ibid.

¹⁵ WorkVentures, 'Bridging the digital divide for Australia's disadvantaged school students' (Media Release, 24 January 2024) <<https://catalog.workventures.com.au/flip-book/366501/850282/page/1>>.

¹⁶ Ibid.

¹⁷ Finder, *The digital divide: 49% of kids lack access to tech for school* (Report, 2022) <<https://www.finder.com.au/news/digital-divide-49-percent-of-kids-lack-tech-access>>.

¹⁸ Ibid.

A lack of access to the devices necessary to facilitate quality connectivity has detrimental effects. For example, '84% students with inadequate access to a computer had trouble finishing class work and assignments'.¹⁹ Additionally, 'without a functional mobile, laptop or home computer, households are at risk of being digitally excluded, even if they are within range of mobile and broadband services'.²⁰

ACCAN recommends the Australian Government develop and fund a National Device Bank (**NDB**) to provide free refurbished internet devices to a wide range of consumers, including consumers on low-incomes, consumers experiencing vulnerability and students. This initiative should ensure all communications consumers can access reliable internet devices when they need them.

A NDB would refurbish internet devices including mobile phones, tablets, laptop and desktop computers donated by corporate and government organisations once they have reached their initial end of life.²¹ These devices would be distributed to consumers who have been referred to the NDB by community organisations, consumer advocates, financial counsellors or by applying individually. It is critical that there are no consumer costs associated with accessing devices through the NDB.

ACCAN considers that a NDB developed should:

- Sell a portion of refurbished devices at a profit to fund its core operations.²²
- Provide appropriate devices that suit the needs of consumers with accessibility requirements.
- Provide for an easy return pathway for malfunctioning or faulty devices.
- Provide accessible and easy to understand information to consumers on the expected usable lifespan of the devices provided to them through the NDB.

A NDB in Australia may be realised through appropriating aspects of the NDB currently operated in the United Kingdom by the Good Things Foundation. Under this model, donated devices are securely refurbished by an accredited refurbisher and then paired with free data packages and distributed to consumers who are unable to access devices.²³

Ensuring that a wide variety of consumers can have access to the devices they need to facilitate quality connectivity will facilitate significant economic, social and educational benefits. For example, a study conducted by KPMG identified that '83% of surveyed students provided with laptops reported an uplift in their educational results' and the majority (97%) indicated that their new laptop supported them in completing their homework and assignments.²⁴

¹⁹ WorkVentures, 'Bridging the digital divide for Australia's disadvantaged school students' (Media Release, 24 January 2024) <<https://catalog.workventures.com.au/flip-book/366501/850282/page/1>>.

²⁰ First Nations Digital Inclusion Advisory Group, *Initial Report* (Report, 2023) 30 <<https://www.digitalinclusion.gov.au/sites/default/files/documents/first-nations-digital-inclusion-advisory-group-initial-report.pdf>>.

²¹ NBN, *Low-Income and Digital Inclusion Forum Annual Report* (Report, 2024) 12. <<https://www.nbnco.com.au/content/dam/nbn/documents/sell/industry-consultation/LIDIF-annual-report.pdf.coredownload.pdf>>.

²² Ibid.

²³ Good Things Foundation, What is the National Device Bank? (Webpage, 2024) <<https://www.goodthingsfoundation.org/our-services/national-device-bank>>.

²⁴ WorkVentures, 2024, National Device Bank (Webpage, 2024) <<https://workventures.com.au/national-device-bank/>>.

Expand the TIO to become a Digital Communications Industry Ombudsman Scheme

To address persistent consumer harms on digital platforms, ACCAN recommends the Australian Government resource and expand the Telecommunications Industry Ombudsman (TIO) to become a Digital Communications Industry Ombudsman Scheme. It is estimated that in 2020 the costs of 'issues, complaints and disputes in Australia each year' to users and businesses on digital platforms is \$3.7 billion.²⁵ Australia's lack of external dispute resolution (EDR) for digital communications services has significant social and economic harms.

For example, a lack of effective dispute resolution processes can reduce trust and confidence in digital platform services, preventing Australians from taking full advantage of the benefits provided by digital platforms. Accenture estimates that 2020 saw:

- 2.4 million complaints to platforms.
- 880,000 internal disputes, where users challenge the platform's decision.
- 190,000 external disputes, where users approached external bodies like the ACCC, state-based consumer affairs or the small business ombudsman to resolve their dispute.²⁶

Consumers of digital platforms services continue to face uncertain avenues to raising and resolving disputes.²⁷ Effective internal dispute resolution (IDR) is necessary to provide consumers with clear and cost-effective means to seek redress when resolving disputes with platforms. In the absence of effective IDR, consumers have limited avenues to resolve issues in the first instance and at least cost. This results in unnecessary harm to consumers and platforms who see consumers disengage from their platforms and public trust continue to fall.²⁸

Expanding the TIO to the Digital Communications Industry Ombudsman (DCIO) Scheme is the most expedient and cost-effective mechanism to Australia's lack of EDR body for digital communications services. Independent research by the Centre for Media Transition at the University of Technology Sydney found that rather than setting up an entirely new body, existing bodies such as the TIO could be expanded to take on parts of the role. The researchers noted that because the TIO currently administers a resolution scheme based on consumer complaints about telecommunications service providers, complaints about digital platforms are a natural fit for an expanded TIO.²⁹

ACCAN considers that expanding the TIO into a DCIO is the solution to the current gap in consumer protection and regulation of digital platforms that offers:

- Expedited solution to an outstanding problem.
- Economic benefits through cost recovery and industry membership.
- Social benefits by reducing enormous amounts of complaints and fostering trust in digital communications.

²⁵ Accenture, *Mapping dispute resolution on digital platforms* (Report, 2023) 3. <<https://www.infrastructure.gov.au/sites/default/files/documents/foi--23-037.pdf>>.

²⁶ Accenture, *Mapping dispute resolution on digital platforms* (Report, 2023) 2 <<https://www.infrastructure.gov.au/sites/default/files/documents/foi--23-037.pdf>>

²⁷ ACCAN, *ACCAN Submission to ACCC DPSI Final Report 2024* (Submission, 2024) 2 <<https://accan.org.au/files/Submissions/2024/ACCAN%20Submission%20to%20ACCC%20DPSI%20Final%20Report%202024.pdf>>.

²⁸ Ibid.

²⁹ Holly Raiche, Derek Wilding, Karen Lee and Anita Stuhmcke, *Digital Platform Complaint Handling: Options for an External Dispute Resolution Scheme* (Report, 2022) 5 <<https://www.uts.edu.au/sites/default/files/2022-08/CMT%20DPCH%20Report%20-%20Electronic%20version.pdf>>.

Supporting consumer representation in digital platforms policy

Digital communications are fundamental to how Australians communicate and live their daily lives, with 95% of Australians using a communication or social media website or app for personal purposes.³⁰ ACCAN supports the provision of funding for a consumer voice to represent consumers on digital platforms policy and have previously raised concerns that there is no dedicated Australian consumer organisation representing the interests of consumers in the ever-expanding digital platform environment. ACCAN recommends that the Australian Government allocate funding to co-invest with the digital platforms industry to support a consumer organisation to represent the interests of the Australian community in decision-making for digital platform policy.³¹

The estimated investment

ACCAN has relevant expertise on digital communications policy and would be well suited to representing consumers on these policy matters going forward. As Australia's peak communications consumer body, we consider it to be an appropriate evolution of our remit to expand into digital communications. This would be a natural progression to reflect the development from telecommunications to digital communications that has occurred in the economy.

Resourcing ACCAN to engage on digital communications matters would empower Australia's peak communications consumer body to continue to evolve alongside the communications sector. Effective, best practice engagement on digital communications issues would place consumer preferences at the heart of policy and regulatory design and facilitate the development of sound regulatory and policy settings. This would materially reduce the risk of poor consumer outcomes in digital communications markets, improving the experiences of consumers on digital platforms.

Accordingly, we are proposing that:

- ACCAN's remit be revised to include 'digital communications services'.
- ACCAN's core funding be expanded by \$2.45m p.a. (indexed to inflation) for a contract period of five years.

ACCAN has previously submitted that the Telecommunications Industry Levy (TIL) should be expanded to ensure that it is technology-neutral and accounts for digital platforms including social media.³² ACCAN considers that an expansion and modernization of the TIL could contribute to the funding of consumer representation on digital communications matters.

Consumers need fit-for-purpose and reliable communications

Communications services are essential in Regional, Rural, and Remote (RRR) Australia. They facilitate individuals' and communities' social connections, employment and economic opportunities, information access, and critical services engagement.³³

³⁰ ACMA, *How we communicate: Executive summary and key findings* (Report, 2023) 1 <<https://www.acma.gov.au/publications/2023-12/report/communications-and-media-australia-how-we-communicate>>.

³¹ ACCAN, *Influence of International Digital Platforms* (Submission, 2023) 2 <<https://accan.org.au/accans-work/submissions/2074-influence-of-international-digital-platforms>>.

³² ACCAN, *Joint Select Committee on Social Media and Australian Society* (Submission, 2024) <<https://accan.org.au/accans-work/submissions/2315-joint-select-committee-on-social-media-and-australian-society>>

³³ ACCAN, *2024 Regional Telecommunications Review* (Submission, 2024) 4 <<https://accan.org.au/accans-work/submissions/2331-2024-regional-telecommunications-review>>.

To address the challenges faced by communications consumers, ACCAN recommends the Australian Government:

- Expand and continue the Peri-Urban Mobile Program to improve mobile connectivity in natural disaster-prone areas at the edges of Australia's major cities.³⁴
- Expand the Mobile Black Spot Program (**MBSP**) to support more regions and communities.³⁵
- Continue and expand the funding of community Wi-Fi initiatives in remote First Nations communities.
- Transfer the Universal Service Obligation to NBN Co and establish fit-for-purpose governance arrangements that ensure NBN Co is accountable and transparent.³⁶
- Establish minimum communications and broadband standards that reflect contemporary service needs and establish a framework that provides for uplift in service capability and standards as technology and community expectations evolve.³⁷
- Establish a live national database on communications outages that retains information on past communications outages to improve consumer visibility over the outages impacting consumers living in RRR areas.

Improving communications resilience

Issues of mobile communications resiliency are especially prevalent in RRR communities where communities are particularly vulnerable to power outages impacting access to communications. In addressing this issue, ACCAN supports the government providing 'RRR communities with access to 24 hours of backup power through Stand Alone Power Systems (**SAPS**)'.³⁸

Provisioning backup SAPS would further ensure resilience and reliability of communications infrastructure in RRR communities.³⁹ In improving mobile connectivity, ACCAN welcomes the Minister for Communications' announcement of \$40.9 million to improve mobile phone infrastructure at the edges of Australia's major cities.⁴⁰

To improve the resilience of the communications sector, ACCAN considers that the Australian Government should establish a 'reliability and resilience working group between the energy and communications Ministries, Departments, industry regulators, and consumer groups'.⁴¹

Expansions to the MBSP should prioritise projects that enable neutral hosting, allowing multiple providers to co-locate on the same site to address the persistent issue of consumers being restricted to a single provider in a given area.⁴² 'Furthermore, future funding must be adaptable to local community needs' and evolving technologies with the potential for nationwide LEOSat mobile coverage via device-to-device technology.⁴³

³⁴ DITRDCA, Peri-Urban Mobile Program (Webpage, 2024) <<https://www.infrastructure.gov.au/media-communications-arts/phone/mobile-services-and-coverage/peri-urban-mobile-program>>.

³⁵ ACCAN, 2024 Regional Telecommunications Review (Submission, 2024) 24 <<https://accan.org.au/accans-work/submissions/2331-2024-regional-telecommunications-review>>.

³⁶ Ibid.

³⁷ Ibid.

³⁸ ACCAN, 2024 Regional Telecommunications Review (Submission, 2024) 38 <<https://accan.org.au/accans-work/submissions/2331-2024-regional-telecommunications-review>>.

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ ACCAN, 2024 Regional Telecommunications Review (Submission, 2024) 36 <<https://accan.org.au/accans-work/submissions/2331-2024-regional-telecommunications-review>>.

⁴² Ibid 25.

⁴³ Ibid 25.

The estimated investment

ACCAN considers that these investments are incremental and procedural costs associated with extending the benefits of access to communications services to consumers in RRR areas. Ensuring that communications services in RRR areas are effective and reliable will facilitate significant economic and digital inclusion related benefits to many communications consumers.

Supporting remote First Nations communities

ACCAN supports the Australian Government's existing budget commitment to co-design free community Wi-Fi for remote First Nations communities.⁴⁴ ACCAN supports the continuation and expansion of this initiative into the 2025-26 Federal Budget in addition to the establishment of the First Nations Digital Support Hub.⁴⁵ Additionally, ACCAN 'supports the First Nations Digital Inclusion Advisory Group's initial report recommendation to increase the Telephone Allowance, administered by the Department of Social Services, to reflect the current costs of communications services'.⁴⁶

Direct regulation for telecommunications sales practices will provide savings and benefits for consumers and telcos

Establishing direct regulation for sales practices in the telecommunications sector will mitigate significant consumer harm, ensuring that consumers are sold products that fit their needs and provide benefits to consumers and telecommunications providers. ACCAN considers that this reform will not impose undue financial and administrative burdens on participants in the telecommunications industry.

Sales practices are currently regulated under section 4.5 of the Telecommunications Consumer Protections Code (**TCP Code**) with an accompanying industry guideline.⁴⁷ The TCP Code and industry guideline does not provide appropriate community safeguards, nor a comprehensive sales practice framework for industry. These regulatory settings have resulted in significant harm experience by vulnerable consumers. For example, research commissioned by the ACCC 'found that reliance on commission-based remuneration schemes drives aggressive sales behaviour and encourages agents to adopt tactics that are not fully compliant in order to secure more sales'.⁴⁸

Misleading sales practices are an underreported source of consumer harm and financial hardship

As a result of irresponsible and unconscionable sales practices enabled by the absence of direct regulation, vulnerable consumers have experienced significant consumer harm. On 31 October 2024, the ACCC commenced proceedings in the Federal Court against Optus alleging the company acted unconscionably in its dealings with 429 consumers, many of whom were experiencing vulnerability including people with disability, low-income, First Nations, and those with limited financial literacy.⁴⁹

⁴⁴ National Indigenous Australians Agency (NIAA), 'Budget 2024-25: Delivering better outcomes for First Nations people' (Media Release, 14 May 2024) <<https://www.niaa.gov.au/our-work/closing-gap/roll-out-community-wi-fi-remote-communities>>.

⁴⁵ ACCAN, *A roadmap for First Nations digital inclusion* (Submission, 2024) 4 <<https://accan.org.au/accans-work/submissions/2316-a-roadmap-for-first-nations-digital-inclusion>>.

⁴⁶ ACCAN, *2024 Regional Telecommunications Review* (Submission, 2024) 11 <<https://accan.org.au/accans-work/submissions/2331-2024-regional-telecommunications-review>>.

⁴⁷ Communications Alliance, TCP Code (Industry code C628:2019 Incorporating Variation No.1/2022, June 2022) <https://www.commsalliance.com.au/data/assets/pdf_file/0011/64784/TCP-C628_2019-incorporating-variation-no.1-2022.pdf>.

⁴⁸ ACCC, *ACCC submission to the 2024 Telecommunications Consumer Protections Code Review* (Submission, 2023) 7

<<https://www.accc.gov.au/inquiries-and-consultations/accc-submissions-to-external-consultations#toc-communications>>.

⁴⁹ ACCC, 'Optus in court for alleged unconscionable sales and debt collection' (Media Release 126/24, 31 October 2024).

The alleged conduct reflects a concerning pattern of unconscionable behaviour in the telecommunications sector.⁵⁰ The TIO's 2022-2023 Annual report noted that for the period of 2022-2023, there were 1,909 instances of misleading conduct when making a contract for mobile services, a 16.3% increase from 2021-2022. The 2024 Consumer Policy Research Centre (CPRC) report into 'Barriers to Effective Dispute Resolution in the Telecommunications Industry' noted that only 10% of consumers escalated their complaints to the TIO.⁵¹ This demonstrates that only a small amount of complaints made with respect to misleading sales conduct in mobile services may have been reported to the TIO.

Estimating from the figures above, the actual number of consumer complaints with respect to misleading conduct may exceed 19,000 complaints within a one-year period to telecommunications providers. The CPRC report additionally noted that 'close to half of Australians who experienced a telco challenge in the past 12 months did not lodge a complaint (46%)'.⁵² Utilising the above as a basis for extrapolation, ACCAN estimates that the number of consumers who may be experiencing issues related to misleading conduct when making a contract may exceed 35,000.

Projected benefits from direct regulation for telecommunications sales practices

ACCAN considers that should direct regulation be established for sales practices, only a small number of telecommunications providers would experience costs adapting to the new regulation. Telecommunications providers with physical stores are likely to be larger market participants and proportionately better placed to bear the costs of adapting to direct regulation.

ACCAN notes that for large, medium and small telecommunications providers, the estimated cost of adaptation to direct regulation in the form of the Telecommunications (Financial Hardship) Industry Standard 2024 (**the financial hardship standard**) was approximately \$1 million for the first year of the financial hardship standard's adaptation and \$300,000 for subsequent years.⁵³ This is significantly less than the costs estimated for very small telecommunications providers adapting to the financial hardship standard.

ACCAN considers that appropriate industry implementation costs relating to a future industry standard concerning sales practices would be similar to the costs experienced by large, medium and small industry participants adapting to the financial hardship standard. Very small providers, which account for the majority of adaptation costs to the financial hardship standard are unlikely to be materially impacted by a sales practices industry standard due to their lack of physical stores and sales staff interacting with customers.

The projected benefits from the adaptation to direct regulation regarding the financial hardship standard were noted as producing a benefit-cost ratio of 1.63, in addition to decreasing 'costs for industry as well as the predicted reduction in costs for individuals'.⁵⁴ Introducing direct regulation for sales incentives and practices would present numerous monetary and reputational savings and benefits to consumers, telecommunications providers, and regulators.

⁵⁰ ACCC, 'Telstra to pay \$50m penalty for unconscionable sales to Indigenous consumers' (Media Release, 13 May 2021) <<https://www.accc.gov.au/media-release/telstra-to-pay-50m-penalty-for-unconscionable-sales-to-indigenous-consumers>>.

⁵¹ CPRC, *Barriers to effective dispute resolution in the telecommunications industry* (Report, 2024) 16 <<https://cprc.org.au/report/barriers-telco-dispute-resolution>>.

⁵² *Ibid* 13.

⁵³ ACMA, *Financial hardship in the telco sector – enhancing consumer protections impact analysis* (Report, 2023) 27 <https://oia.pmc.gov.au/sites/default/files/posts/2024/02/Impact%20Analysis_0.pdf>.

⁵⁴ *Ibid*.

These savings include:

- Savings experienced by consumers, telecommunications providers and the TIO from reductions in complaint activity and associated administrative and operational processes.⁵⁵
- Fewer consumers entering into telecommunications debt as a result of irresponsible sales.⁵⁶

As a result of the direct regulation of sales practices, telecommunications providers would experience savings through:

- Fewer instances of credit action taken against consumers.
- Decreased consumer engagement with dedicated financial hardship support teams as a result of consumers being less likely to enter into financial hardship.
- Improved consumer engagement and retention as a result of improved consumer trust stemming from more positive in-store interactions.

Supporting accessible and inclusive communications

Accessible Telecoms

Accessible Telecoms is a free and independent services which provides consumers with up-to-date information on telecommunication products and services that are suitable for seniors and people with disability.⁵⁷ This free service helps to address the lack of consolidated, independent and up-to-date information about accessibility, particularly for people with disability and seniors.

The Accessible Telecoms website:

- Receives more than 10,100 unique users per month.
- Received more than 15,500 unique website views per month.

The estimated investment

ACCAN's existing funding has enabled ACCAN to strengthen Accessible Telecoms to better meet consumer demand. ACCAN considers that continued funding for the Accessible Telecoms project will support digital inclusion for communications consumers living with a disability in line with state and federal digital inclusion and transformation strategies. Inaccessible communications technologies exclude people with disability from accessing education, employment, health, and social opportunities that exist in the digital economy.

Accessible online services

Online information and services, especially those provided by government agencies, need to be presented in a variety of accessible formats (Auslan, Braille, Plain Language, different community languages).⁵⁸ We consider that these information sources should be compliant with the highest Web Content Accessibility Guidelines (**WCAG**).

⁵⁵ ACMA, *Financial hardship in the telco sector – enhancing consumer protections impact analysis* (Report, 2023) 26 <https://oia.pmc.gov.au/sites/default/files/posts/2024/02/Impact%20Analysis_0.pdf>.

⁵⁶ Ibid 38.

⁵⁷ Accessible Telecoms (Webpage, 2024) <<https://www.accessibletelecoms.org.au/>>.

⁵⁸ ACCAN, *Pre-Budget Submission 2024-2025* (Submission, 2024) 25 <<https://accan.org.au/accans-work/submissions/2269-pre-budget-submission-2024-2025>>.

ACCAN considers that every government website must be presented in a variety of accessible formats to meet the expectations of Australians living with a disability. To achieve this, ACCAN considers that the Australian Government should allocate funding to ensure government websites are compliant with the WCAG 2.1 AA and successor standards.⁵⁹

Additionally, ACCAN considers that the Federal Government should allocate funding towards the development of a national plan to promote accessible information and communications.⁶⁰ ACCAN notes that at present there are no formally recognised qualifications or education pathways to develop expertise in developing and auditing accessible websites, documents and services.⁶¹ To address this, ACCAN previously recommended the Australian Government encourage activities that evaluate, inform and guide the accessibility workforce to be appropriately prepared for an increase in the demand for accessibility specialists as Australia continues to undergo a digital transformation and potential legislative reform.⁶²

Conclusion

ACCAN urges the Treasury to act on our recommendations to address the challenges faced by communications consumers in Australia. Addressing these challenges will improve the affordability and reliability of communications in Australia.

The Australian Communications Consumer Action Network (ACCAN) is Australia's peak communication consumer organisation. The operation of ACCAN is made possible by funding provided by the Commonwealth of Australia under section 593 of the Telecommunications Act 1997. This funding is recovered from charges on telecommunications carriers. ACCAN is committed to reconciliation that acknowledges Australia's past and values the unique culture and heritage of Aboriginal and Torres Strait Islander peoples. [Read our RAP.](#)

⁵⁹ ACCAN, *Pre-Budget Submission 2024-2025* (Submission, 2024) 25 <<https://accan.org.au/accans-work/submissions/2269-pre-budget-submission-2024-2025>>.

⁶⁰ Ibid.

⁶¹ ACCAN, *Review of Australia's Disability Strategy* (Submission, 2024) 4 <<https://accan.org.au/accans-work/submissions/2339-review-of-australia-s-disability-strategy>>.

⁶² Ibid 5.