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NBN seeks price rise as low income households struggle

Home broadband services have become increasingly expensive and are out of reach for many households facing cost of living pressures. Furthermore, issues with reliability remain a key frustration for many Australians. The experience of the pandemic has taught us that broadband is an essential service which should be available and reliable to all.

The Australian Communications Consumer Action Network (ACCAN) is urging the Australian Competition & Consumer Commission (ACCC) to reject the NBN's latest proposal to vary its Special Access Undertaking (SAU) due to concerns with pricing, along with a lack of service quality framework. The SAU is a key part of NBN's regulatory framework that governs the prices NBN is allowed to charge for the services it supplies to phone and internet retailers.

"A nationally representative survey carried out by ACCAN in April 2022 of nearly 1000 respondents found that 27% of people considered their phone and internet costs to be unaffordable. The percentage of people who found their phone and internet costs unaffordable increased with lower levels of gross household income," said ACCAN CEO, Andrew Williams.

While internet costs are only one component of the overall costs of telecommunications to consumers, feedback from ACCAN members and consumers on low incomes alike indicates that the cost of the NBN, an essential service provided by a monopoly government-owned provider, contributes to the financial hardships some households face.

NBN has proposed to meet to discuss affordability once a year for the first two years of the SAU. In addition to the lack of cost certainty for the entry-level service, ACCAN does not consider that this commitment goes nearly far enough to address the issue of affordability.

"It's our view that there ought to be a broad obligation over the lifetime of the SAU for NBN to introduce targeted services which improves the affordability of its services for low income consumers. Additionally, the services NBN introduces should be approved by a low income committee, made up of consumer representatives and representatives of organisations working directly with those households, similar to Telstra's legacy obligations," said Mr. Williams.

"In the absence of a robust service reliability framework, it's unclear to consumers what expectations they should have about NBN's performance over multiple technologies, at a time when we are increasingly dependent on internet services to keep us connected," said Mr. Williams.

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.
