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Day 1, Wednesday 14th September

11:00-11:30am: Can't Pay, Can't Connect – Making Services Affordable

JULIE McCROSSIN: Ladies and gentlemen, if you could take your seats and just wave at me if you don't have a number.

I'm afraid if you're not seated, you can't win. I'm like one of these contracts with a clause that can change at any time! Anybody else? Because I'm about to draw the lucky-door prize. Everybody got a number?

Well, ladies and gentlemen, welcome back to the second part of our conference and just before we begin, I will draw my lucky-door prize and these are, sort of, wi-fi earplugs, you know, they're absolutely up to the minute. We're just at the stage, aren't we, with the iPhone 7 where we can't plug it in? So these don't plug in. So valued close to \$250. If the person's not here it's...

>> Re-draw!

JULIE McCROSSIN: Re-draw – a second chance at life. And the winner is purple C24. Purple C24. Great, thank you! Give her a round of applause, as if you care about her as much as yourself!

(APPLAUSE)

Do you mind telling us where you are from?

>> I'm from Conexu Foundation.

JULIE McCROSSIN: Congratulations. Give her another clap!

(APPLAUSE)

And could I just have Laurie for one second? Just nip out here. I'm hoping you're wondering why there is a cow up there. But this internet of things, if you come close to me, dear friend, tell me what's happening with cows?

>> Ah, well the internet of things, I think is an opportunity for Australia to be actually be leading in the field. One of the areas is with tags on cows that allow the owner to know whether they're actually putting on weight, whether they're losing weight and if they're out in the middle of nowhere, if there's a whole bunch of them losing weight, then there's obviously no feed.

JULIE McCROSSIN: So we need to tag every Australian – the biggest health risk is type two diabetes! Forget privacy, guys, this is a life-and-death situation. Can I have the next one? Oh no, don't go away, sir. It's Christian – Christian. There is a second image I gave you. Not that I don't love a cow. Come over this side because we're blocking the camera. Do you have my second, darling? One moment, please, a slight pause, and want you to guess what it is when it comes up. I will give you a clue, Georges River, small child, cut feet.

>> I grew up on the Georges River and the biggest thing you have to worry about is pollution – so you can put tags in the oyster beds and it will tell you in the middle of dinner when it's time to get the oysters out.

JULIE McCROSSIN: Too much pollution? Oysters up!

>> There you go.

JULIE McCROSSIN: Give him a round of applause. You look a bit startled, but I'm an emcee that's trying to keep you awake until the end with irrelevant bits of nonsense! If I can ask one of the gentlemen to take the microphone – Jeremy Riddle, if I'm saying it correctly – and I would like to introduce Jeremy Riddle, and Dr Greg Ogle, a senior research analyst with the South Australian Council of Social Service. Would you make them both welcome.

(APPLAUSE)

And what we're going to talk about in this session is Can't Pay, Can't Connect, making services affordable. Guys, if you are able to put the microphones really close to your mouths and the reproduction of the sound is on the top not the side, because volume is the key to advocacy. And the aim of this session is to talk about strategies to connect the poorest people in our community, which right now, we know there is a disproportionate number of in Tasmania. So we're wanting to focus particularly on some interesting research that goes to the question of what we can do to connect the poorest people. But I thought we would begin with Jeremy from our host organisation, just to get a sense of how significant an issue is affordability for ACCAN? I mean it is a big part of your work, isn't it? Can you just explain?

JEREMY RIDDLE: Sure, and I thought I would start off by saying I heard some comments at the back about the Kiwi accident earlier and the captioners having a bit of trouble with that. I'm from New Zealand, so just excuse me, guys!

(LAUGHTER)

So affordability is one of our top policy priorities, along with accessibility and availability of telecommunications. We've got lots of statistics around that, for instance last year ACA SS, which is the Australian Council of Social Service put out figures that said 2.2 million Australians were living in poverty or below the poverty line and 600,000 of those were children, which is about 20%. Which just gives you an idea of the size of the issue, I suppose. And also other research – we heard some before from Julian – shows that many people who live in poverty are struggling to afford to connect to telecommunication services and today, when data and being connected to the internet is getting more and more important for things like connecting to government services, getting education, banking, pretty much everything – um...

JULIE McCROSSIN: And do you have insight into which groups are struggling the most?

JEREMY RIDDLE: Yep, so one of the pieces of work that we've been doing this year is something that we've called the affordability map. The affordability map is a big document where we've tried to identify all the different groups in Australian society that face affordability issues, so those are groups like people with disability, immigrants, older people – there's many different groups in the report – and we've kind of taken information from ABS, all the reports that are available, and grouped these things together just to identify what are unique issues in terms of affordability for these groups and what issues are common. And hopefully this will help us to kind of work with industry and other groups to come up with better targeted low-income measures and products.

JULIE McCROSSIN: And what does this term 'poverty premium' mean?

JEREMY RIDDLE: So the way we view the poverty premium, it's a premium you pay for products or services by virtue of, or because of, the fact that you are in poverty. So in telecommunications, for example, we can see that people on lower incomes are more likely to – excuse me – are more likely to use pre-paid plans or low-cost plans. These plans often have lower inclusions and also the per unit price for data in calls is higher than they are for the more expensive plans, which they are less likely to access and afford. So in effect, they're paying more – a bigger proportion of their income and more for the same product and price of data and so on. And the

poverty premium – it's also imposed through the fees and charges that are imposed through late payments, missing bills and things like that, that are more likely to happen if you are struggling financially. So, yeah, I guess in effect the people who are struggling the most financially – they can end up paying more for the same service, or level of service, as people who don't struggle.

JULIE McCROSSIN: And could I ask you – is there government assistance to help people who are poor to connect?

JEREMY RIDDLE: Yeah, so that's kind of where this research project and our work with SACOSS began. At the moment, there's one specific government allowance for Centrelink beneficiaries and it's called the Centrelink telephone allowance. A lot of people really don't even know about it. That's believe because it's quite an outdated allowance – it's based on the cost of a home phone connection, really, and it's paid at very low rates. So we believe that in 2016, which is a very digital age, as we've discussed, it's really not adequate and doesn't reflect the way people use telecommunications now and the cost of telecommunications now.

JULIE McCROSSIN: So what are you advocating for?

JEREMY RIDDLE: So we have been advocating for the government to review the Centrelink telephone allowance to increase the rates and broaden the eligibility and just to target it better, really. We have had this policy proposal since the beginning of the year and we did take it to Parliament House to some politicians and their staffers in February and still pushing for it.

JULIE McCROSSIN: Can I ask you to raise your hand if you were aware of this Centrelink availability? So quite a few, but not even all in this room. I happen to go a little Uniting Church in Redfern and obviously, as you would imagine, the parishioners and the various outreach activities we do with the low-income population – and they're very proactive to help each other and I've never heard of it, so that's really interesting. Can you give Jeremy a clap of encouragement?

(APPLAUSE)

I'm not sure but it may be his first go in a chat pit of this kind and I think it's going well! I'd like to welcome again Dr Greg Ogle from the South Australian Council of Social Service. Can you tell us about this research? What was the purpose of it? What were you setting out to look for?

DR GREG OGLE: We were looking at affordability of telecommunications among low income earners and we did that primarily through – oh, and also particularly focused on the Centrelink telephone allowance and how useful and relevant that was. We did that primarily through a survey of, I think, 523 Centrelink recipients, spread evenly across the country, and then on top of that we did a series of focus groups, which looked at low income people's experience of the telecommunications market and the products that are available in the market and how some of them worked or didn't work for them.

JULIE McCROSSIN: Can you run us through your key findings?

DR GREG OGLE: Yeah, the, um – there were some surprises. There was obviously lots of findings but the quantitative data was sort of interesting overall. So two-thirds of the respondents said that telecommunications was one of the top five most important expenditures in the household budget. But 62% of respondents had either had difficulty in paying telecommunications bills or had cut back on at least one service during the past twelve months. And probably the – there were differences between different groups and those who were on Newstart, youth allowance and parenting payment, were those who were more likely to face difficulties with telecommunications affordability.

JULIE McCROSSIN: And did you have recommendations for change? Was that the idea? To develop policy options?

DR GREG OGLE: Yeah, in terms of looking at the Centrelink telephone allowance, we looked – and we tried to map whether it was actually making a difference, you know? \$27 a quarter is the base level.

JULIE McCROSSIN: A quarter of a year?

DR GREG OGLE: Yeah, so don't spend it all at once! And there is a higher allowance that gets rolled into the pensions settlement. So that was our initial focus on whether the recommendations that might come out of the report – but that was even difficult because the telephone allowance, (a) has this sort of really complex eligibility criteria, so a number of the recipients who we reckon should have been receiving it didn't think they were and a number who thought they were receiving it, I don't think they were. So it wasn't even clear – your Redfern group may not have heard of it. A lot of the income support recipients that we were talking to heard of it either.

JULIE McCROSSIN: But is it so small as to be meaningless?

DR GREG OGLE: Again, that's one of the things we were trying to test with the data but it's difficult because those who were on the higher levels of income support statements, so the aged pension, disability pension and carers' allowance, had the least difficulty in paying for telecommunications. But also got the highest rate of telephone allowance. But it is not clear whether that was the – the least difficulty in paying was because of the fact they were on a higher base income or whether the telephone allowance had something to do with that. Probably, though, one of the key things that came out of it was that overwhelmingly, the clearest indicator of somebody who was likely to have problems with telecommunications affordability was if you had kids. And if you think about it, you know, like, if – like kids just clearly add to the demand for telecommunications, and they do it – you know, medically, in a sense. If you think about if you are renting and you go from a two-bedroom place to a three-bedroom place, your rent doesn't go up 50% it's probably going to up 20% or something. Once kids get to a certain age there's expectations that they will have another device, and have unlimited access – homework is built around it and all their social networks are built around it – so for every kid you are actually looking at another whole block of demand. So having kids was overwhelmingly the key indicator of people who were going to struggle with telecommunications affordability.

JULIE McCROSSIN: My understanding is that the whole purpose of this conference is to talk about how we enable consumers to get access and these are obviously the most vulnerable consumers, and I know that you focused a lot on the Centrelink telephone allowance so I guess I will go to your recommendations of the report but also I guess I'm interested not just for the guys on the panel but from everyone in the audience is, what are likely to be the most effective strategies, particularly for those children? Because I'm afraid I'm not familiar with what's happening in public schools in low-income areas, where so many schools now are issuing tablets or some form of technology to pupils as an integral part of education. Whether families get assistance in that regard to cover the cost of that, or whether it is paid for by the school or children are encouraged to use the library – because in a way the children are critical, aren't they? Because breaking the cycle of poverty, you want them to have educational access. But can I hear first from you – what are your recommendations for action? And I will come to Jeremy, as well.

DR GREG OGLE: Yeah, look, because the data showed that kids were a key component, one of the things we said – well, if you're looking at the Centrelink telephone allowance, it should be based on the number of kids you get, not just on the type of allowance you get. So having kids is one of the eligibility criteria that actually qualifies you, but it makes no difference if you have one kid or five. But in fact, if you have five, probably your telecommunications demand is much, much bigger. So that's one area that could be addressed. Yeah, we didn't look so much at issues around access – in terms of – but, yeah, if you are given the tablet, do you actually have the access at home and who pays for that are pretty key issues but not so much looked at in the report.

JULIE McCROSSIN: Is there any other recommendation you would like to tell us about, or will I come to Jeremy?

DR GREG OGLE: I guess the last part of the research was the focus groups and what was happening in the market for people. And that had some pretty clear affordability issues, as well. Overwhelmingly, coming out of the focus groups, it was all about data and needing access to more and more data and mobile data being expensive and plans having very limited – and particularly mobile plans – having very limited data attached to them. That drove a whole bunch of things – not only excess data usage fees that came as bill shock, but also the focus group people were telling us, that's how they shop around for a plan, based on how much data they get. And unfortunately some of the plans that are on the market at the moment, the ones with the biggest data also have some other unfortunate features, like their 28-day billing cycles, rather than a calendar month, and

their direct debit – they're forced to have direct debit from your bank account. If you've got a combination of those two, you've got to remember when the hell is my telecommunications bill due, because it's not the first day of the month or the seventh day of the month, it's the seventh and then the fifth and then something else, and you have to have enough money in your account to cover that bill when it automatically gets taken out. So that robbed the focus group people, when they were talking to us, it robbed them of control of their bank accounts and their finances to an extent and they want to control their payments, but couldn't get it because of the need just to follow where the biggest data was. I guess the other thing that they focused on was around lock-in contracts. People on low incomes often renting, often in sort of shifting accommodation, they're saying, "We go to the telecommunications company and they want us to lock in a two-year contract for broadband at home and I've only got a one-year lease and I can't get more than a one-year lease and you want two years on this contract". So it doesn't fit.

JULIE McCROSSIN: Just before I come to Jeremy, you work at the South Australian Council of Social Service so you must be reflecting on the impact of poverty all the time. What was the thing that you will take away from being part of this project, that particularly stayed with you in terms of what you learnt about people who are really poor and their capacity to be part of the digital revolution?

DR GREG OGLE: Yeah, that is a good question. It was... I think the thing that jumped out at me most as a single thing was what I just mentioned about people being locked into two-year contracts when they only have a one-year lease. There's such a misbalance there. But I think just the – you know, I'm a stats nerd, the volume of stats just talking about the – you know, the numbers of people, the sheer volume of people, who are having trouble paying their bills, who are cutting back on bills, or cutting back on other things in order to pay, cutting back on food – food is actually one of the things – because we did a general context question and food was one of the things people cut back on most, because it's most easy to cut back on, in order to pay for other things. So when your telecommunications bills are driving stuff, you have to find the money from somewhere else. So that's... it's – you know, yes, I work in that area all the time but it's still stark when you see it coming through the data.

JULIE McCROSSIN: Look, thank you, would you give him also a clap, please, ladies and gentlemen?

(APPLAUSE)

I will just come back to Jeremy. So what are we going to do next? I was given some notes here that talks about the TCP Code. I don't know what that is – can you unpack? I love an acronym, as you know!

JEREMY RIDDLE: So it's recent research and it's looking really good so I guess what's next is really going into that research at a deeper level and working within our organisation and with SACOSS to see how we can refine the recommendations and how and in what ways we can take those forward. So of course we'll continue to push for our review of the telephone allowance. We'd like to see it paid at higher rates, more eligibility, targeted more effectively – all the things that Greg talked about. There's also the TCP Code.

JULIE McCROSSIN: So what is that?

JEREMY RIDDLE: It's the telecommunications consumer protection code. So the research makes a few recommendations about how that code can be strengthened and altered to increase consumer protections for telecommunications consumers, including low income consumers. There's a full review of that code coming up next year, so that's something that we can look at working with other people on, to submit on that, and get that strengthened a bit. Yeah, and I suppose the other way that we can kind of make a change is, we have been starting to work on a proposal for a cross-industry approach to providing low income measures, so we'd like to see the biggest telcos or the biggest players in the telco market working together to have a committee on creating better targeted low-income measures, so at the moment Telstra, I think, has the low income measures advisory committee, or LIMAC!

JULIE McCROSSIN: I was so worried because he was talking in English, rather than an acronym, and it has finally emerged – LIMAC, thank you.

JEREMY RIDDLE: So Telstra's regulations obligate them to have a committee and it is made up for community organisations and they meet throughout the year and discuss low income measures and products and they are also obligated to provide these low-income packages to low-income consumers. That obligation, we think, kind of derives from Telstra's more historical position as the most dominant player in the market, but nowadays we think it's more appropriate for all the biggest telcos to kind of work together. So we would like to put together a proposal for how that could look and how that could happen.

JULIE McCROSSIN: Thank you very much. If you could give them both a round of applause. Ms Robinson, could you come to the front? Nancy Lisa Telstra manager with digital inclusion so I thought that was an ideal time to bring you out. Can you just explain what your job is?

>> I guess my job is to look at who is sitting in the digital divide and what do they need to help them out of it. We're very concerned with the link between digital and social inclusion, so we think it's a really important thing to consider. But working very much to more targeted products and solutions and programs, because the needs are quite different, with different groups.

JULIE McCROSSIN: Obviously, this research has indicated that some people are cutting down on food in order to have data loads, so can you just give us a sense of the sort of initiatives, you are working on – that maybe exist now but also that you are considering?

>> Sure. I guess a recent example is that we've been working with The Smith Family who have a learning for life program for disadvantaged families with school-aged kids. So access to the internet, obviously really important for kids these days. So we're working with them to pilot a program with 1,000 families to access the internet and doing some research alongside that to see whether that works, and whether that might be something that can be rolled out to more families across Australia.

JULIE McCROSSIN: OK, so in a way it is a pilot study that could lead to more?

>> Yep.

JULIE McCROSSIN: Is there anything else that you could tell us about?

>> I could stand here all day and tell you about a bunch of things!

JULIE McCROSSIN: I guess I'm interested in that reference to LIMAC and of course I can't remember what it stands for. Can you grab your mic and tell me?

JEREMY RIDDLE: It is the low income measures advisory committee.

JULIE McCROSSIN: Are you aware of that?

>> I am and our group works to facilitate those meetings and I guess that is where we do discuss emerging issues and emerging challenges, because the more technology changes, the more we need to keep abreast and the more we need to look at what different groups need so they don't get left behind. So that's the forum where we do discuss that and I think, you know, if we really are serious about addressing digital inclusion, it needs to not just be Telstra having that conversation. So I agree with Jeremy's comments there.

JULIE McCROSSIN: Thank you so much, thank you. A round of applause, please.

(APPLAUSE)

Just opening up now to questions or comments. Did you want to come – I will just wiggle in if I may and if you could just introduce yourself.

>> I'm Bronwyn Holland from UTS – an newbie to this expertise here, but I'm really interested to know whether, in the work that you do, whether there are other countries in the OECD or... which actually do have a leading

edge policy of inclusion to generate markets for really good products and packages that are not marginal, but that are – that have worked and been effective?

JULIE McCROSSIN: That is a great question. And are you able to help us, either of you? Don't feel worried if you can't, because I will go to someone else in the audience. But would either of you wish to comment on that? Any international experience we can draw on to do better for our poorest people?

DR GREG OGLE: Um, the short answer is, between us, we don't have any knowledge, but there is one thing I would say that comes out of our research, which is, when we looked at the outcomes of the focus group and they were looking at the products on the market that were useful for them, it was clear that what they wanted simply wasn't on the market and what we drew in the reference before to the telecommunications consumer protection code, that's largely about providing information to people and then letting them go to it. It's sort of information and then caveat emptor, buyer beware. What we're saying is you probably need a far more interventionist approach, and intervening to say if you want to do more with telecommunications services you need to do X, Y and Z. Given that is a more democratic approach, probably looking to the social democracies of northern Europe would be a start.

JULIE McCROSSIN: Thank you. Is there anyone in the audience with knowledge of this? Is anyone aware of what's happening internationally to assist the poorest people? How interesting that we don't. Because that would be great for our next conference, eh? To have a speaker on that. I will just come to this gentleman at the back and then I will come to you, sir. Just introduce yourself?

>> Laurie Patton, from Internet Australia. I was going to say we are the Australian chapter of the global internet society and the global internet society runs a lot of campaigns to try and get infrastructure into a lot of developing countries as a start to that process.

>> Sorry, Julie, you like to hold the microphone. David Havyatt, once again, serial pest. The issue for me is – there's two issues that have been raised and I think they are two good and separate issues. One is the adequacy of the income support measure. The other is the design of products. And I have questions about both of those.

JULIE McCROSSIN: Do one at a time. But who are you, you can't call yourself a serial pest! He is from energy consumers Australia.

>> That is my day job but I'm a 30-year telco person so this is more me playing telco. The question about income support is actually across energy, as well. You know, I tweeted earlier that I don't think there's such a thing as energy poverty – there's poverty. There's not a digital divide – there is an opportunity divide. These are issues which actually go to the question of income and what we're trying to deal with is – talk about, is an income support program and how you put a top-up to the pension. Interesting this country has never gone down the food stamp path. We don't think that if people can't afford food you then create food stamps and you trade them in for food. I don't understand why we think that if the income isn't sufficient to buy telecommunication services we put these extra hoops in that say you have to actually bother to apply for the appliance. We've decided it is a universal service and everyone needs it, so surely everyone needs the allowance allowing are to the fact you need an extra allowance if you have children. So I suppose my question is, why is the argument about increasing the allowance you have to apply for, rather than just increasing the bloody benefits in the first place?

JULIE McCROSSIN: Can I just take that as a comment? I think his meaning was clear – unless you wish to comment?

>> But why isn't that the campaign? Why don't you make that the campaign?

JULIE McCROSSIN: Let me come to Greg, please, for South Australian Council of Social Service. Do you wish to comment on that?

DR GREG OGLE: It is an open question – certainly SACOSS and ACOSS at the national level have long campaigned around the inadequacy of income support payments. So we're always campaigning around that. I

would suggest this is a bit about walking and chewing gum at the same time – we campaign both for real, liveable income support payments, and we campaign for this. And if we get both of them in the long-term, all the better.

JULIE McCROSSIN: Do you want to comment, Jeremy? You don't have to. I might go to another question or comment. Thank you.

>> Tim Holborn. There is a difference in service-centric delivery versus human-centric delivery. So one looks at the human being as a customer or consumer, and gives them the money – else why connect them? The other is an economic enabler – so if they have broadband they can attain education or look at an online business. So I wonder your comments on what your perception is about human beings who are not economically privileged are considered in terms of their opportunities to contribute to our nation.

JULIE McCROSSIN: What exactly is the question?

>> Well, it's basically that, if you look at a consumer who doesn't have any money, so therefore they cannot buy the BMW, well the BMW salesperson doesn't want to sell them one. Whereas if you look at broadband as an enabler, much like electricity, which I think 1.5 billion people in the world don't have, then it's not about giving them electricity it's about what they can do with it. And how they can add value to, you know, the economic GDP, basically. So I wonder in some of the considerations, how much of it is about how companies can exploit citizens in terms of contract revenue or ARPU, average revenue per user, versus the dynamic of understanding that, by connecting people and by providing them broadband, you are enabling them to participate in an emerging global market?

JULIE McCROSSIN: Are you advocating one approach over the other as a strategy for improving access for poor people and, if so, what do you recommend?

>> I work at a very high level and so, in the fields of artificial intelligence and of data rights, which – most contracts (inaudible) California, I would advocate for a human-centric approach, however, I think the education level on that is very high, and it certainly cannot be described in a paragraph. So I think that there's emerging technology such as link data, and at the top of it, the IT managers who run our institutions don't understand some of these means to decentralise technology, so they can come out with unintended consequences. But I also think that some of the language around consumer, um... I think it's unfortunate, but I don't think the answer's very easy. I also think that, um, in terms of data rights, I notice would the New Zealand group, there was a consumer something-or-other. There's a whole field around – we have receipts that still fade. If you look at the qualities of our service, it's very much in the interest of the service provider, not in the citizen. So that diminishes our capacity to be able to support our rule of law.

JULIE McCROSSIN: Look, thank you. I'm going to take that as a comment. Guys, I'm over time. I'm so sorry. I have to move on to the next section. But I just note, as a facilitator new to your world, that that's the second time there's been a challenge to the use of the word "consumer" and a kind of acknowledgement that it's got both strengths and weaknesses. I find that quite an interesting comment in terms of the advocacy that you want to engage in. A quick final comment from either of you, if you'd like to make it before I finish?

JEREMY RIDDLE: Yeah, I guess just in response to the last comment – I think a lot of our policy positions begin with the approach or the position that a minimum level of connectedness to broadband and data is essential, and it's an essential service, and it's an essential service that is a key enabler to lifting people out of poverty. I suppose, in that way, we do take a human-centric approach to begin with.

JULIE McCROSSIN: Greg, do you think there's merit in thinking of people as "citizens" rather than consumers in the advocacy that you're doing?

GREG OGLE: Um... Probably, but I'm actually sufficiently un-postmodern. I think it's just about wielding political power and mobilising people, no matter what the labels are.

JULIE McCROSSIN: Tremendously interesting group of people in this room, ladies and gentlemen. Would you give Greg and Jeremy a warm round of applause?