



Hot issues

Having a say on the USO (part three)

This is part three in our series of blogs looking at issues highlighted by ACCAN stakeholders at public hearings for the Productivity Commission's [Inquiry on the Universal Service Obligation](#) (USO).

This post looks at affordability concerns highlighted by the [South Australian Council of Social Service](#) (SACOSS) and issues raised by ACCAN member, Bruce Bebbington, at the public hearing held in Perth.

Our previous blogs covered the views of members of the [Regional, Rural and Remote Communications Coalition](#). [Part one](#) and [part two](#) can be accessed on the ACCAN website.

Affordability

ACCAN has worked closely with SACOSS on telecommunications affordability issues. The joint report, [Connectivity Costs](#), showed that many low-income consumers experience difficulty paying for telecommunications services or had to cut back or stop using services due to financial reasons. SACOSS CEO, Ross Womersley, and Senior Policy Officer, Dr Greg Ogle, appeared before the Productivity Commission at a hearing in Melbourne to discuss these issues.

“We were particularly keen to talk to you directly because of our concern for vulnerable and disadvantaged people,” said Mr Womersley. “[Our report] wasn’t published in time for consideration of the draft report, but we think that many of the insights are very important to the Commission and its inquiry at this stage. In particular, I suppose under the broader heading of affordability concerns, our research led us to different conclusions about affordability issues. Essentially, we don’t think the USO discussion can just be about access and broadband with affordability being seen as an issue for welfare systems.”

“One of the key findings from our survey was that two thirds of the survey recipients – and these are largely Centrelink recipients – two thirds of those people said that telecommunications expenditure was one of the top five factors in their household budgets, so we think that in itself flags the importance of affordability,” added Dr Ogle.

“The other part from our connectivity culture report that we published that wasn’t available to you at the time was market barriers that we heard when we did focus group work with low-income consumers. They were particularly concerned about the lack of affordability of mobile data, which really teased the use patterns, particularly as we know that a lot of low income people don’t – mobile is their whole way of engaging online. So there’s a range of inappropriate billing, hidden costs, lock-in contracts and it all takes place through the minimum retail market,” said Dr Ogle.

“My reading of the draft report was that it saw those as retail regulations rather than about universal service provision, but from the consumer’s point of view, for low income consumers, they’re all just other barriers before people access telecommunications.”

ACCAN and SACOSS’s [joint research](#) has highlighted the need for a review of the Centrelink Telephone Allowance to ensure that it is properly targeted and adequate to help low-income consumers get and stay connected.

Standards

ACCAN member, Bruce Bebbington, attended the Perth public hearing where he outlined issues with standards for data services.

“The standard must be ‘delivering 25 megabits a second,’ so that when there’s not, consumers can seek some recourse or improvement,” said Mr Bebbington. “If a consumer, however, elects to pay for 12/1, that’s their choice. Speed expectations worldwide would continue to increase, as will demand for data. The USO should stipulate a minimum speed now for satellite, fixed and fibre, plus set minimums for future dates to ensure Australia remains on par with the rest of the world.”

When asked about the proposal of using Sky Muster to deliver voice services, Mr Bebbington outlined some concerns.

“I’ve actually been involved with matters to do with the phones for a while, and did some early work with NBN on satellite about some issues, and it’s always been quite clear that it would not suit phone calls, and we’ve never tried. The big thing is when we were having reliability issues, we didn’t need that. Because of our circumstance of not working in town, we rely 100 per cent on what we’ve got on the farm. If we don’t have a landline, we’re done for, so we aren’t prepared to take the chance of not having a landline, because we need it for reliability, both for our communications – I’m involved with two volunteer fire brigades – and also communications in the event of a fire.”