

# Affordable communications

---

## Problem

- The Centrelink Telephone Allowance is no longer fit for purpose. It does not reflect the actual cost of getting and staying connected to both broadband and telephone services.
- Many low-income consumers depend primarily on mobile connectivity.
- There are limited solutions available to assist low-income consumers with the affordability of telecommunications access.

## Background and Issues

- The ACOSS *Poverty in Australia 2014* report indicates that an estimated 2.55 million (13.9%) of Australians are living in poverty.<sup>1</sup>
- Current Australian research indicates that many low-income consumers are facing financial barriers in getting connected and staying connected to essential telephony and broadband services. Research also indicates that low-income consumers are spending a significantly higher proportion of their income for telecommunications access.
- Increasingly essential services are accessed online, and government information and services are going 'digital by default'.
- Supporting more low-income consumers to become connected will increase return on the Government's investment in the NBN and the digital transformation of government services.
- Ensuring telecommunications affordability will increase economic, social, and community participation.
- Data connectivity provides access to employment opportunities, government services, and education.

## Proposed Solution

ACCAN is proposing the Government implement a review of the Centrelink Telephone Allowance that delivers the following outcomes:

1. The allowance reflects the reality that mobile, internet and telephone connectivity are all essential to the social, economic, and community participation of low-income Australians.
2. Broadened eligibility to include all people on the lowest income support payments, for example Newstart recipients whose ability to engage in the labour market is dependent on communications connectivity.
3. Increased allowance rates to ensure barriers of affordability do not lead to ongoing lack of connection or maintenance. Recipients should be able to maintain their service without sacrificing other essential goods or services.

In addition, the allowance should continue to allow consumers to choose their service provider to encourage a competitive market.

---

<sup>1</sup> As at 2012. P Saunders, B Bradbury & M Wong (ACOSS, Sydney, 2014), *Poverty in Australia 2014*, [http://www.acoss.org.au/images/uploads/ACOSS\\_Poverty\\_in\\_Australia\\_2014.pdf](http://www.acoss.org.au/images/uploads/ACOSS_Poverty_in_Australia_2014.pdf), p8.