

August 2022

ACCAN Research Snapshot: Consumer expectations – reliability and fairness

In today's day and age, telecommunications is an essential service, and everyone should have reliable access to the services they need to stay connected. Our communities and small businesses are more reliant on telecommunications than ever before. COVID-19 lockdowns have accelerated our reliance on broadband services and our need to be online for work, education, and to provide and receive health and other government services. Natural disasters across Australia have also highlighted the need for more reliable and resilient forms of connectivity.

In addition to having reliable services, everyone deserves to be treated fairly when interacting with telecommunications providers. Despite this, poor customer service, unfair treatment of vulnerable consumers and information asymmetry persists in the telecommunications market, causing harm to communications consumers.

Given the essentiality of communications, it is important to ensure that all consumers have fair and reliable access to the goods and services that will help keep them connected.

ACCAN has long advocated for more reliable products and services for communications consumers. We have also routinely called for a fairer telecommunications market for communications consumers. To better represent the consumer voice, ACCAN recently conducted a survey to find out more about what people think about the importance and reliability of telco services, and how easily they are able to find and compare products in the telco market. We would like to share three key findings:

1. Consumers expect their phone and internet services to be reliable and work in emergency situations.
2. Mobile phone and home internet connections are deemed to be the most essential connection types.
3. People would like it to be easier to compare information about different phone and internet plans.

Consumers expect their phone and internet services to be reliable and work in emergency situations

Reliable and fit for purpose telecommunications services mean that consumers can utilise services with minimal disruptions and during emergency situations. The survey asked respondents whether they thought that the speed of their home internet and mobile coverage allowed them to do everything they needed to do, whether their mobile phone and internet services were high quality

and reliable, and whether they expected their phone and internet services to work during emergencies.

The graph below shows the level of agreement with various statements, where the majority of people (88%) agreed that they expect their phone and internet services to work during emergencies such as bushfires and floods. Overall, the results indicate that the majority of respondents (between 74% - 79%) felt that their telecommunications services were of high quality and allowed them to do the things they need to.

That said, 22% of respondents considered that their internet service is not high quality and reliable, and 20% said that the speed of their home internet doesn't allow them to do everything they need to do.

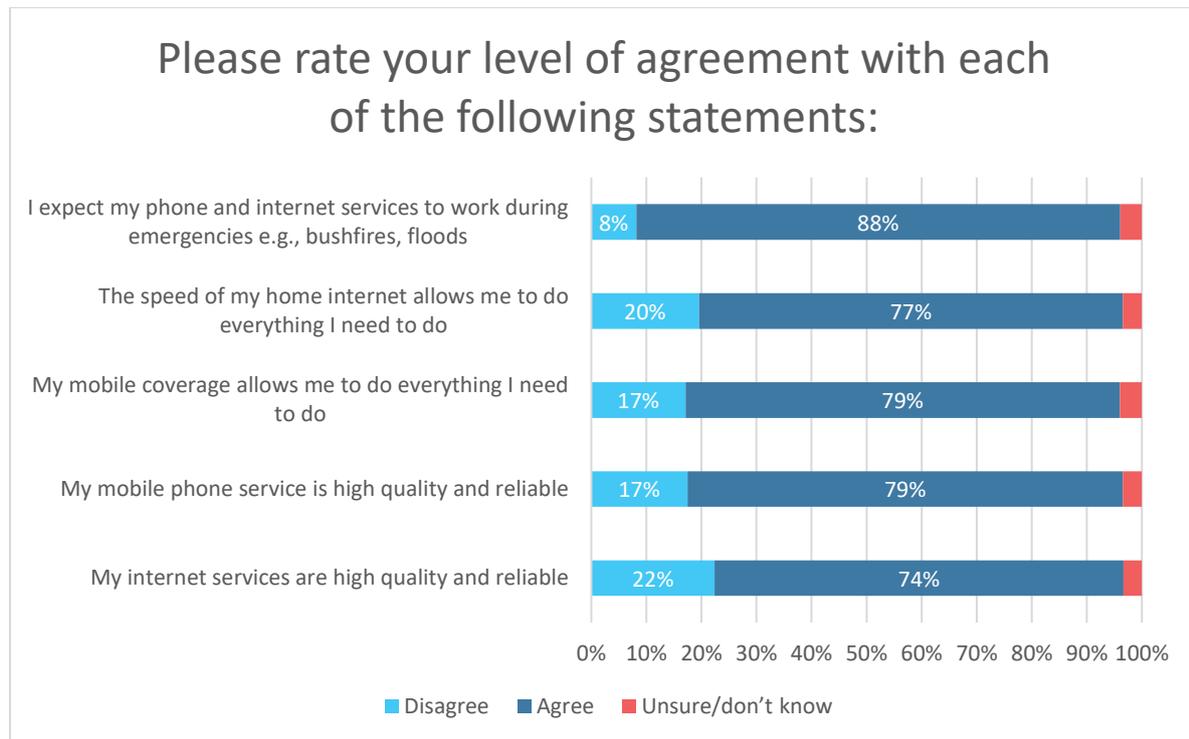


Figure 1. 79% of respondents reported that their mobile coverage allows them to do everything they need to do, and 79% of respondents also reported that their mobile phone service is high quality and reliable. 77% of respondents reported that the speed of their home internet allows them to do everything they need to do, while 74% reported that their internet service is high quality and reliable. Source: Ipsos 2022.

When looking at agreement with these statements disaggregated by geographic area, it is clear that those living furthest from capital cities or major regional centres agreed least with the statements around the quality and reliability of telecommunications services. For instance, 71% of respondents in regional and remote areas of Australia agreed that their mobile coverage allowed them to do everything they needed to do, compared to 80% of respondents living in capital cities and 81% living in major regional centres who agreed with that statement. Given a higher proportion of respondents living in regional and remote areas disagree with the statements regarding the quality and reliability of their telecommunications services, it is clear that more needs to be done to improve the reliability and quality of services in these areas.

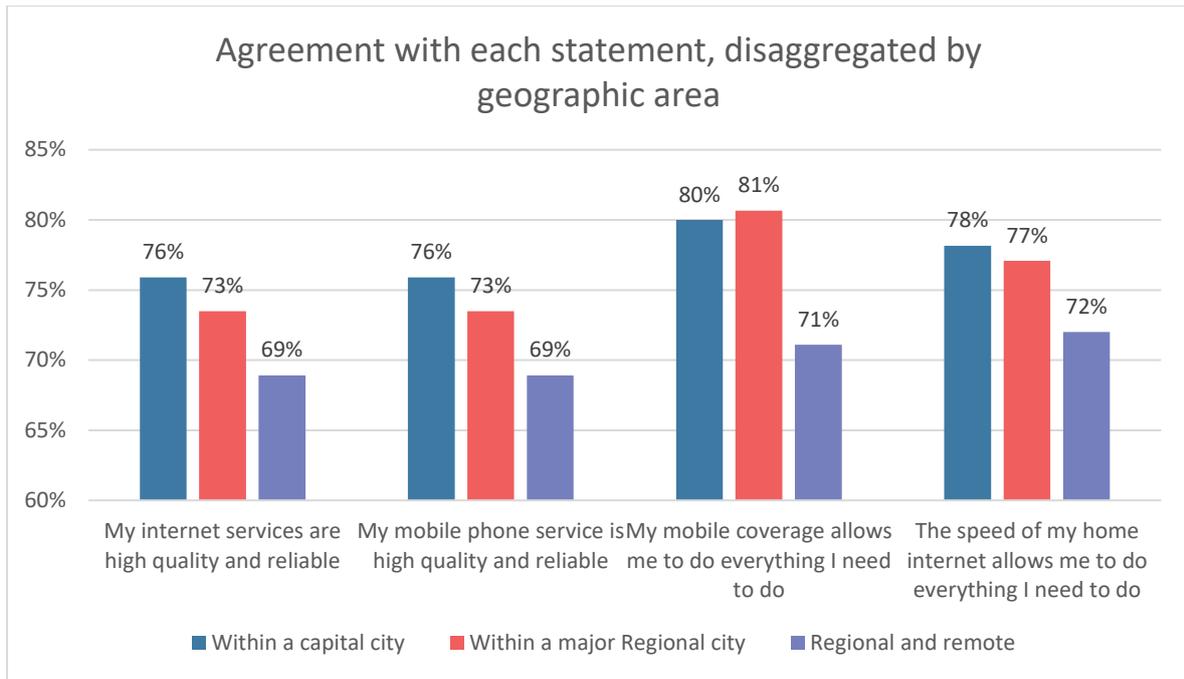


Figure 2. Respondents living in regional and remote parts of Australia agreed with all statements regarding the quality, reliability and speed of their services less than those living in capital cities or major regional cities. Source: Ipsos 2022.

When disaggregating responses to these reliability related questions according to age, the graph below shows that those aged between 18 and 29 agreed with these statements less than people aged between 30 and 49, who in turn agreed with these statements less than those aged over 50. It is interesting to consider how these responses may relate to the type of services people have, and how these might differ by age.

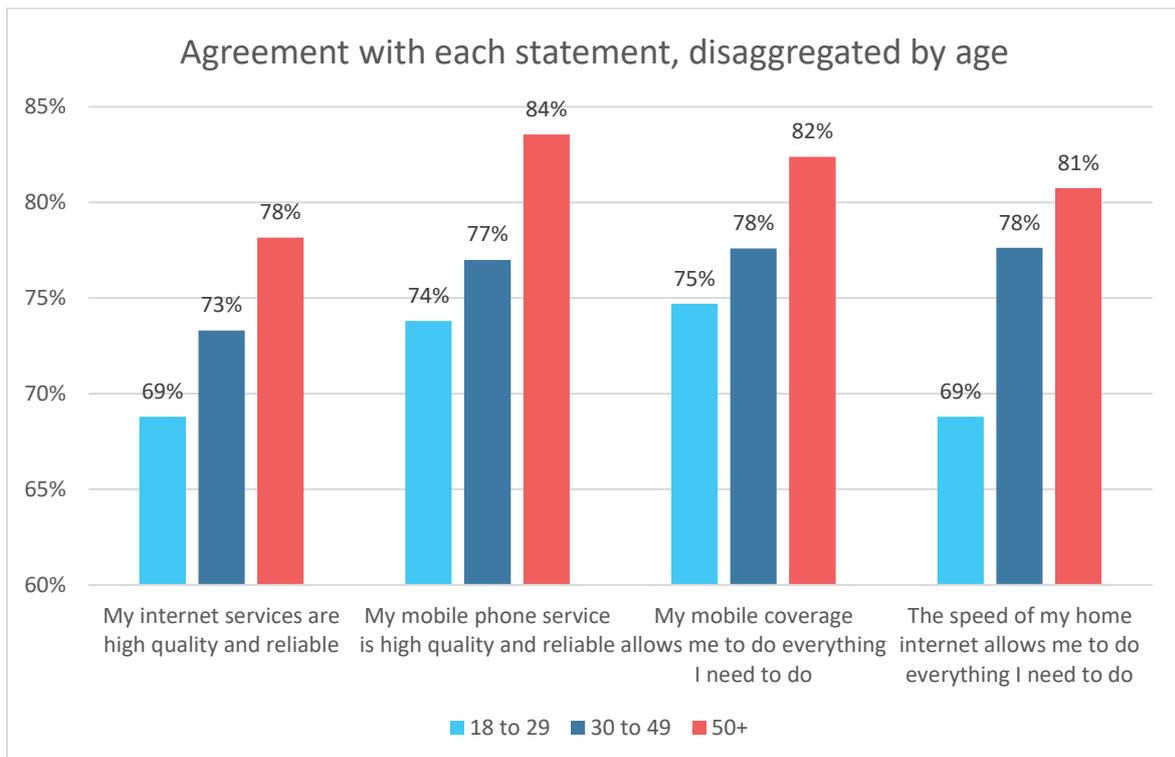


Figure 3. Respondents aged over 50 agreed with all statements regarding the quality, reliability and speed of their services more than those aged below 50. Source: Ipsos 2022.

There are some differences when disaggregating answers by gross annual household income, with those earning below \$35,000 reporting slightly lower levels of agreement than other income brackets for three out of the four reliability and quality of service questions. In particular, respondents reporting a gross annual household income of less than \$35,000 agreed least that their internet services were high quality and reliable (68%) compared to those earning between \$75,000 and \$100,000 (74% agreement) and those earning between \$35,000 and \$75,000 (76%).

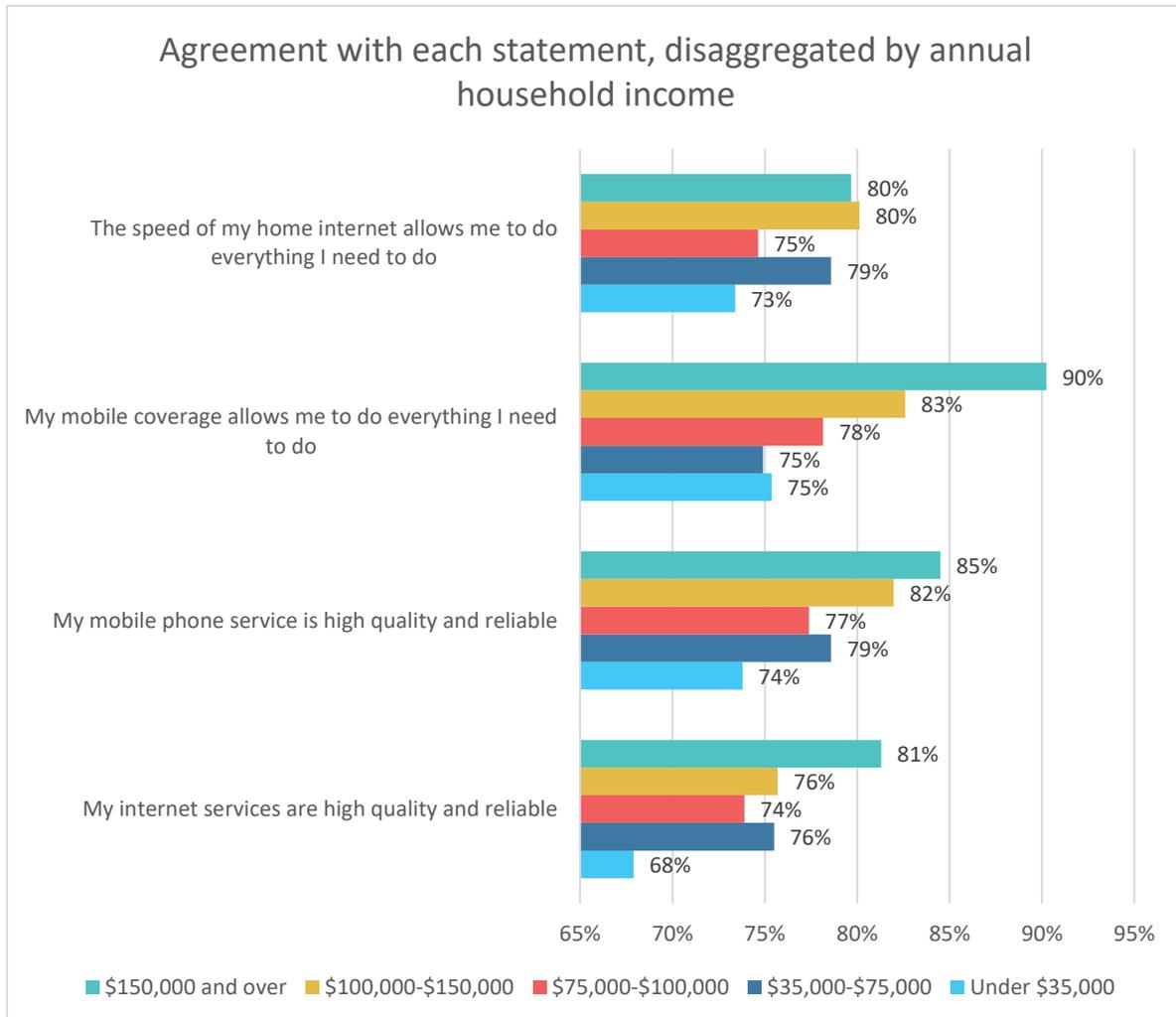


Figure 4. Respondents earning below \$35,000 agree least that their internet services are high quality and reliable. Respondents earning above \$150,000 agree most that their mobile coverage allows them to do everything they need to do, and also agree most that their mobile phone and internet services are high quality and reliable. Source: Ipsos 2022.

As mentioned above, the majority of respondents (88%) agreed that they expect their phone and internet services to work during emergencies such as bushfires and floods. Responses differed slightly by age, with a smaller proportion of respondents aged between 18 and 29 reporting that they would expect their phone or internet services to work in emergency situations (75%, compared to 90% of people aged between 30 and 49 and 93% of those aged over 50).

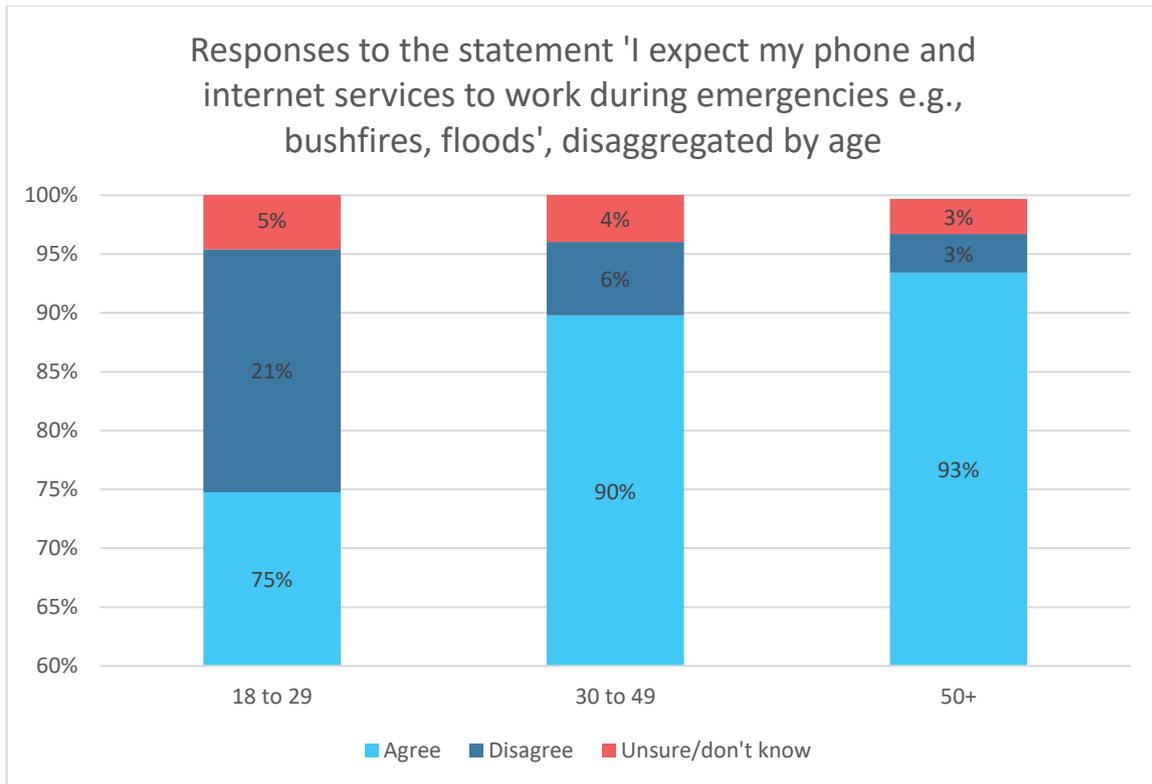


Figure 5. 93% of respondents aged over 50 agree that they expect their phone and internet services to work during emergencies, compared to 90% of those aged between 30 to 49 and 75% of those aged between 18 and 29 who agree with that statement. Source: Ipsos 2022.

In a similar vein to the questions relating to the quality and reliability of telco services, those living furthest from capital cities or major regional centres agreed least that they expected their services to work during emergencies. Nonetheless, agreement was still high amongst this group, with 86% of respondents living in regional and remote areas of Australia stating that they expect their phone and internet services to work during emergencies, compared to 87% of those living in capital cities and 90% living in major regional centres who agreed with that statement.

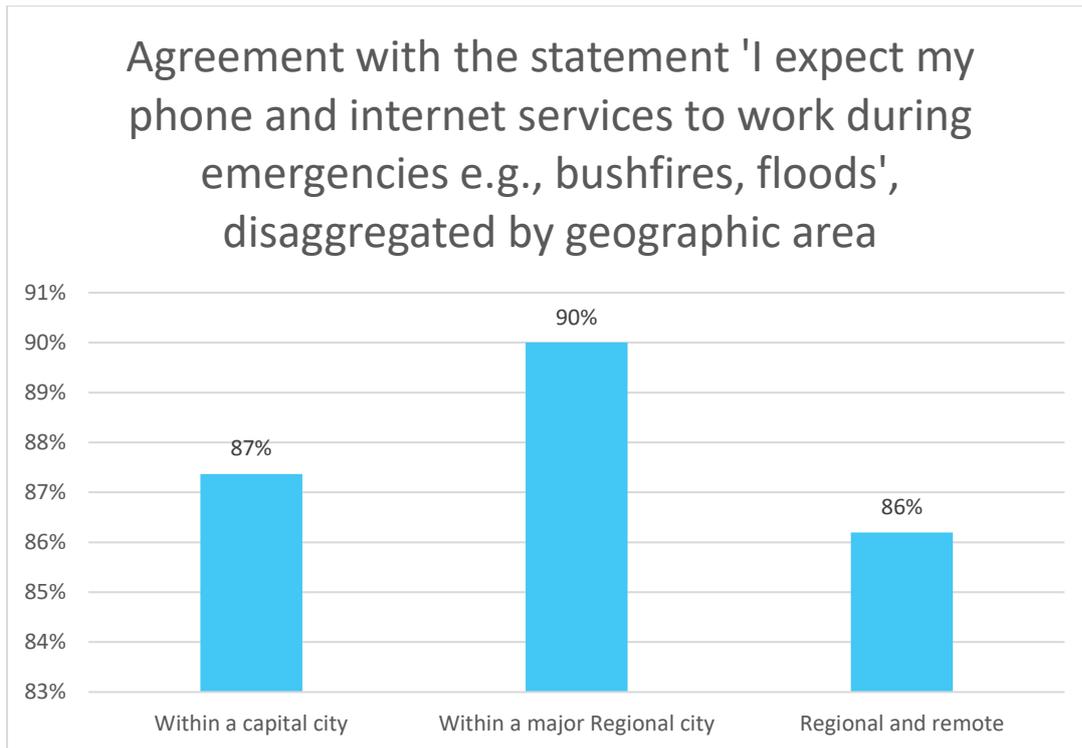


Figure 6. 90% of respondents living in major regional cities agreed that they expect their phone and internet services to work during emergencies, followed by 87% of respondents living in capital cities and 86% of those living in regional and remote areas who agreed with that statement. Source: Ipsos 2022.

Finally, when the results are disaggregated by gross annual household income, a higher proportion of respondents on higher household incomes agreed that they expect their phone and internet services to work during emergencies like bushfires and floods, compared to those on lower incomes.

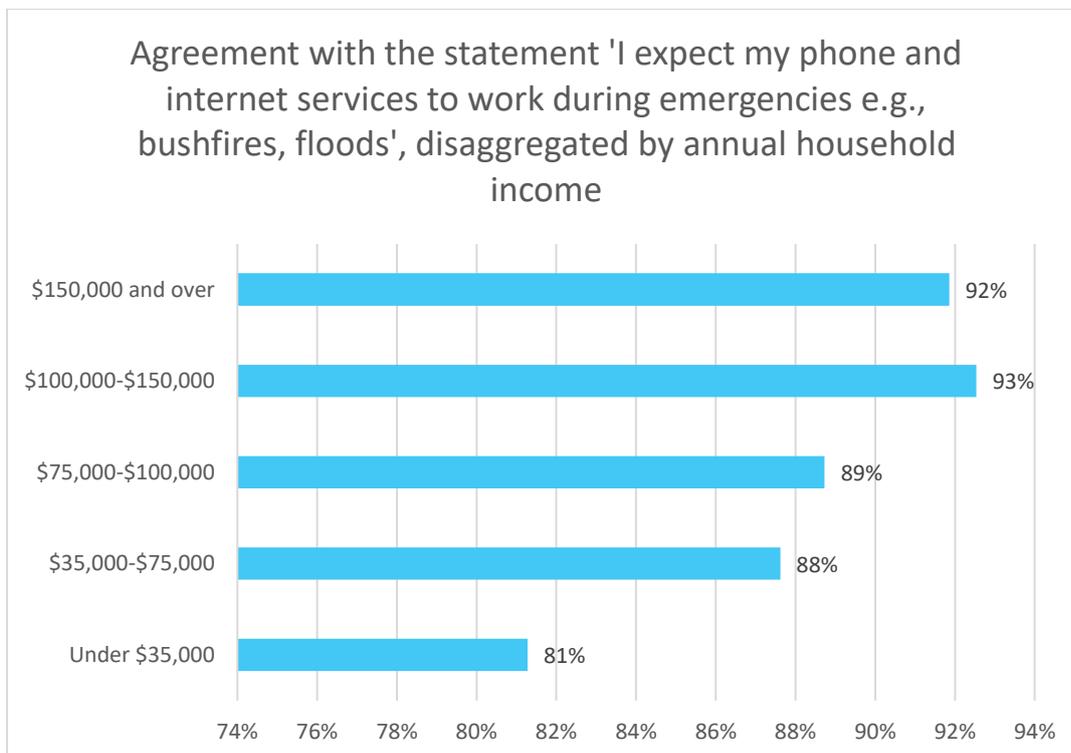


Figure 7. 81% of respondents earning under \$35,000 reported that they expect their phone and internet services to work during emergencies. By contrast, 93% of those earning between \$100,000-\$150,000 and 92% of those earning above \$150,000 expect their services to work during emergencies. Source: Ipsos 2022.

What is ACCAN doing about it?

Given some of these research findings, more needs to be done to improve the reliability and quality of services, particularly in regional and remote parts of Australia. ACCAN is continuing to engage with members, industry, government, and regulators around the reliability and resiliency of communications goods and services. In 2021 ACCAN focused on issues relating to reliability in many submissions, including in our response to the Regional Telecommunications Review¹ and in our various contributions to the NBN Special Access Undertaking Variation process.

ACCAN will continue calling for improvements to the reliability of NBN and other broadband services,² including advocating for the need for standards, rules and benchmarks to address reliability issues on networks that provide wholesale broadband services. More needs to be done to safeguard the delivery of high-quality, reliable telecommunications services. Accordingly, ACCAN will call upon the ACMA to set retail service commitments, in addition to the wholesale service standards that need to be finalised following last year's consultation on the Draft Determination for Standards, Rules and Benchmarks for Statutory Infrastructure Providers (SIPs).

In addition, ACCAN has also been monitoring implementation of the Strengthening Telecommunications Against Natural Disasters (STAND) program,³ which was designed to improve the resilience of telecommunications networks in disaster-prone areas. We will continue to monitor this program's progress and will also progress work on a policy position regarding the essentiality of communications services. This involves a consideration of the responsibilities of different levels of government during natural disasters and other emergency situations.

Mobile phone and home internet connections are deemed to be the most essential connection types

Recent experiences of COVID-19 related lockdowns and natural disasters have meant that telecommunications services are more essential than ever. ACCAN's research asked respondents whether they considered landline, mobile internet, mobile phone and home internet services to be services that no one in Australia should have to go without today. Mobile phone was considered the most essential, with 84% of respondents considering it essential, followed closely by home internet (82%).

¹ Available: <https://accan.org.au/accans-work/submissions/1921-2021-regional-telecommunications-review>

² More information available in ACCAN's Future of Broadband policy position, available: <https://accan.org.au/accans-work/policy-positions/1999-the-future-of-broadband>

³ More information available: <https://www.infrastructure.gov.au/media-technology-communications/phone/communications-emergencies/strengthen-resilience>

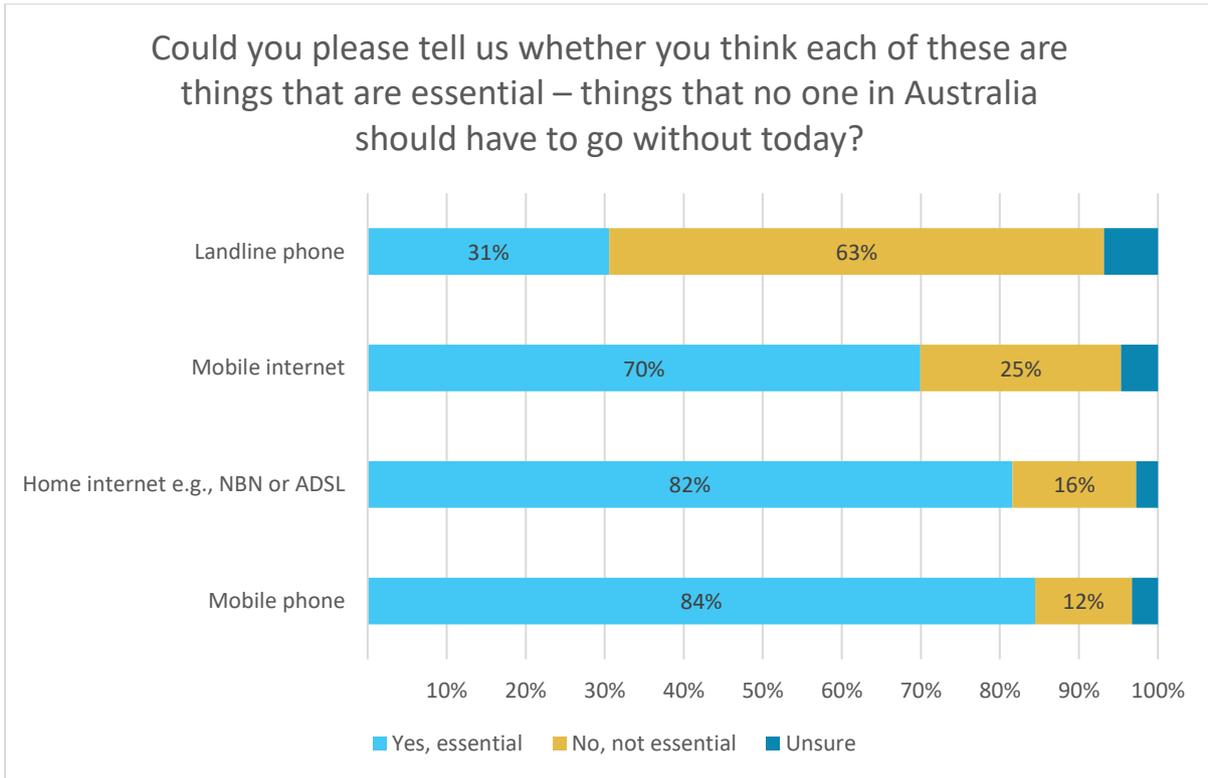


Figure 8. 84% of respondents reported that mobile phone services are essential; 82% of respondents reported that home internet services are essential; and 70% of respondents reported that mobile internet services are essential. Only 31% of respondents reported that landline phone services are essential, with the majority (63%) reporting that landline phone services are not essential. Source: Ipsos 2022.

When disaggregating these responses by age, the graph below shows that there is little difference between what services different age groups deem to be essential in today’s day and age. However, of note, people aged between 18 and 29 felt that home internet and mobile phone services were less essential (74% and 78% respectively) than people aged between 30 and 49 (83% and 88%) and those over the age of 50 (84% and 85%). People over the age of 50 considered mobile internet to be slightly less essential than people aged between 18 and 29, and those aged between 30 and 49. All age groups were aligned in their position that landline phones are less essential than other connectivity types.

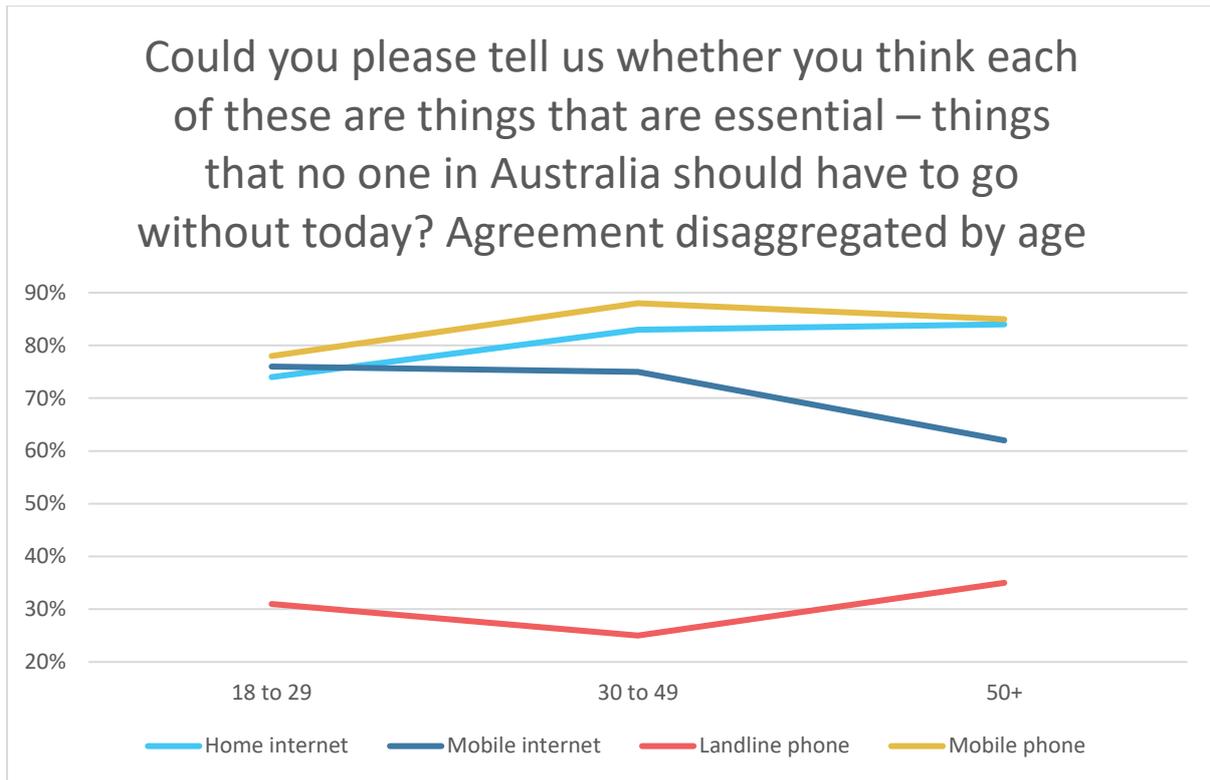


Figure 9. Regardless of age, respondents considered landline phone services to be less essential than other types of connectivity. Agreement was highest amongst all age groups that mobile phone services are the most essential type of connection. Source: Ipsos 2022.

When disaggregating responses regarding the essentiality of different services by gross household income level, it is again clear that landline phones are considered less essential than other connectivity types. However, interestingly, a higher proportion of those earning less than \$75,000 rated landlines as essential when compared to those earning above \$75,000.

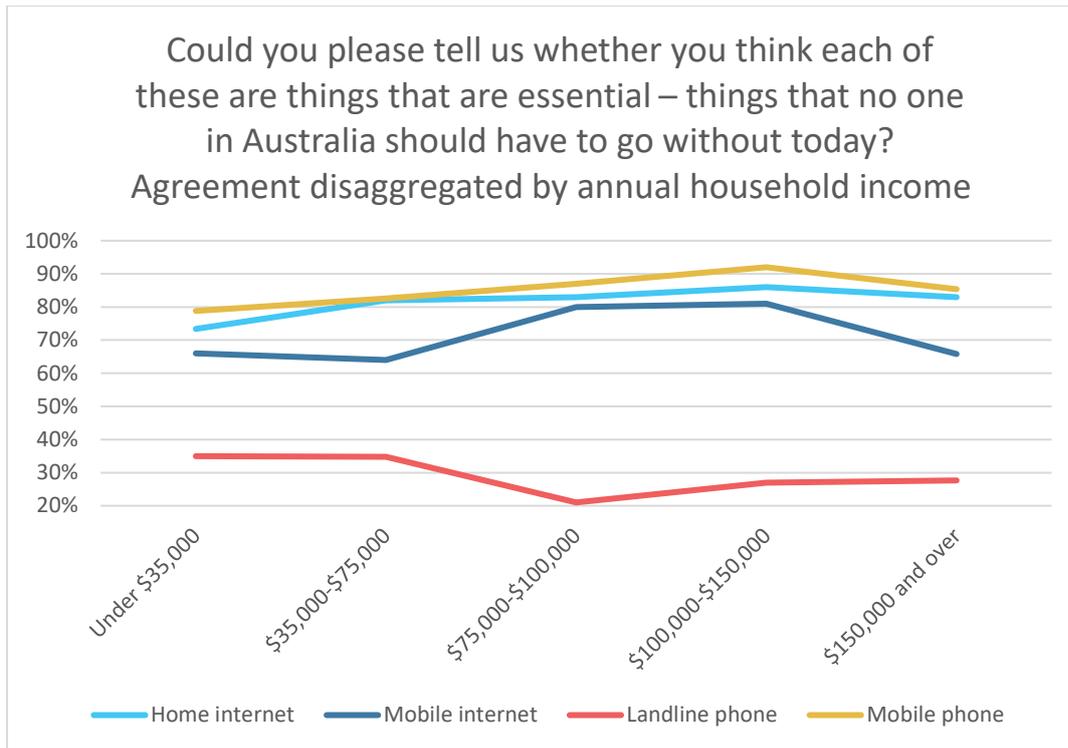


Figure 10. A higher proportion of respondents earning less than \$75,000 rated landline phone as essential. In addition, a higher proportion (83%) of respondents earning more than \$35,000 rated home internet as essential, with only 73% of those earning below \$35,000 agreeing home internet services are essential. Source: Ipsos 2022.

Interestingly, when it came to assessing the essentiality of different connection types, there were no significant differences between respondents in capital cities, regional cities and regional and remote parts of Australia.

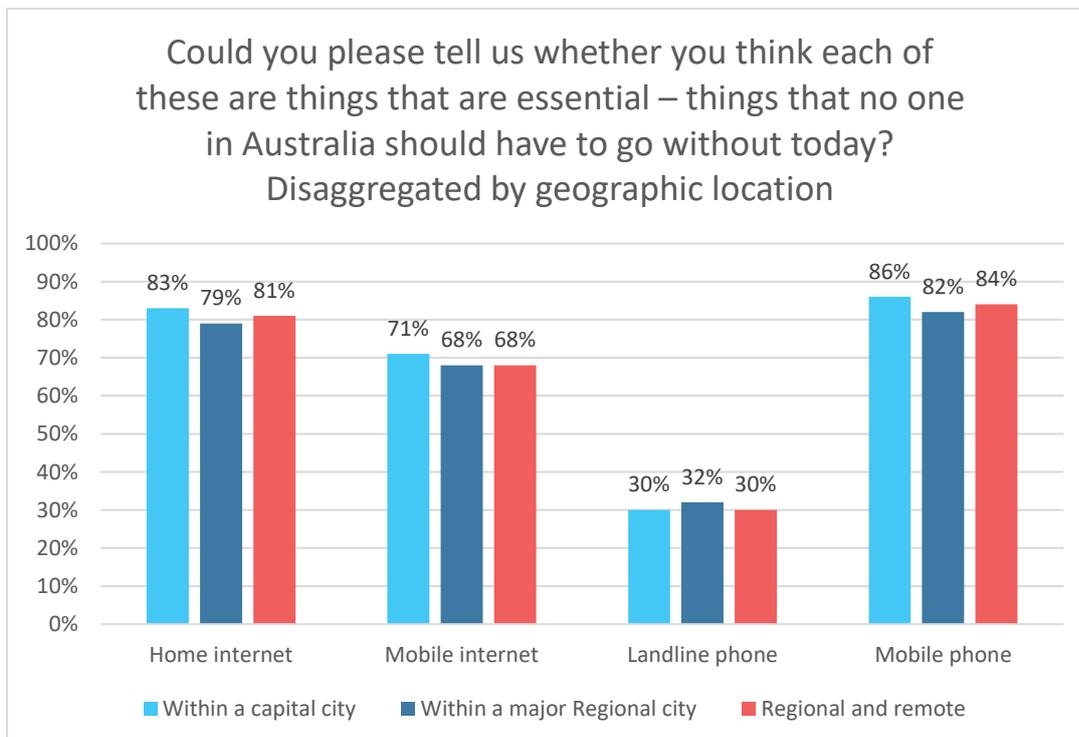


Figure 11. Regardless of geographic location, the majority of respondents considered landline phone services to be less essential than other types of connectivity. Source: Ipsos 2022.

ACCAN's research also asked respondents whether all telecommunications companies should provide a priority assistance service, that is, a service that keeps people with life threatening illnesses connected to their phone and internet services. 87% of respondents agreed that all telcos should be providing this type of service.

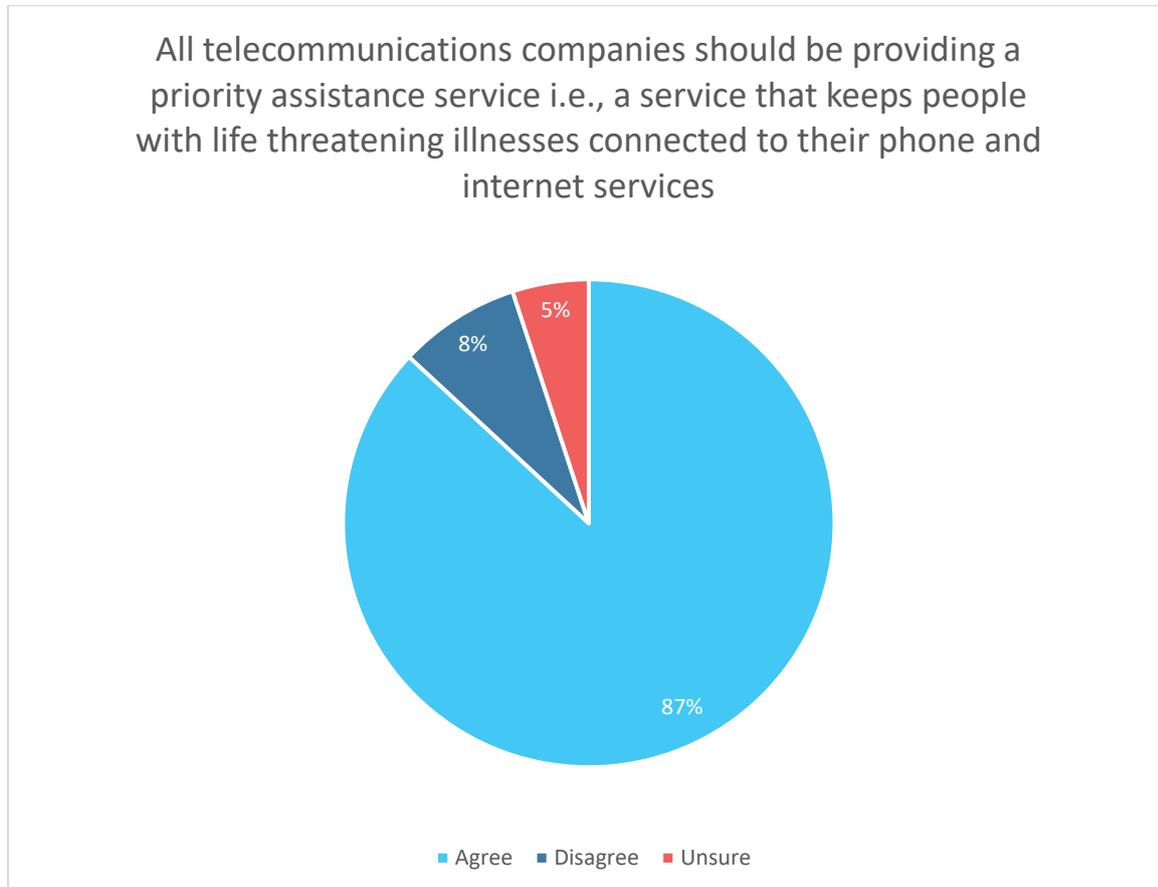


Figure 12. 87% of respondents agreed that all telcos should be providing a priority assistance service to keep people connected, followed by 8% who disagreed with this statement. 5% of respondents were unsure whether all telcos should offer priority assistance services. Source: Ipsos 2022.

When considering agreement with this statement regarding priority assistance in different locations, we can see that there is slightly less agreement in capital cities (85%), compared to regional cities (88%) and other regional and remote parts of Australia (90%).

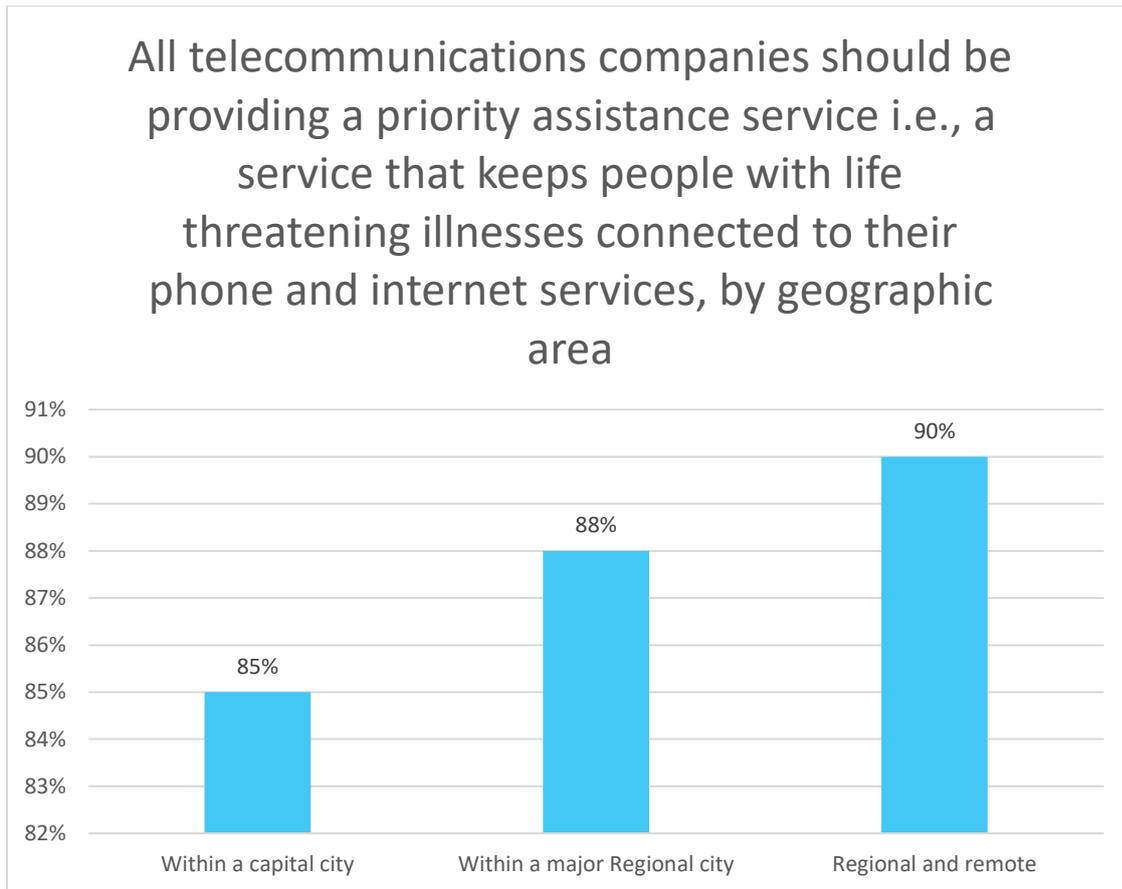


Figure 13. 90% of respondents in regional and remote parts of Australia agreed that all telcos should provide a priority assistance service to consumers, followed by 88% of respondents living in regional cities, and 85% of those living in capital cities who agreed with this statement. Source: Ipsos 2022.

When disaggregating via age, people aged between 18 and 29 agreed with the statement least, with only 73% agreeing that all telcos should provide a priority assistance service, compared to 85% of people aged between 30 to 49 and 95% of respondents over the age of 50.

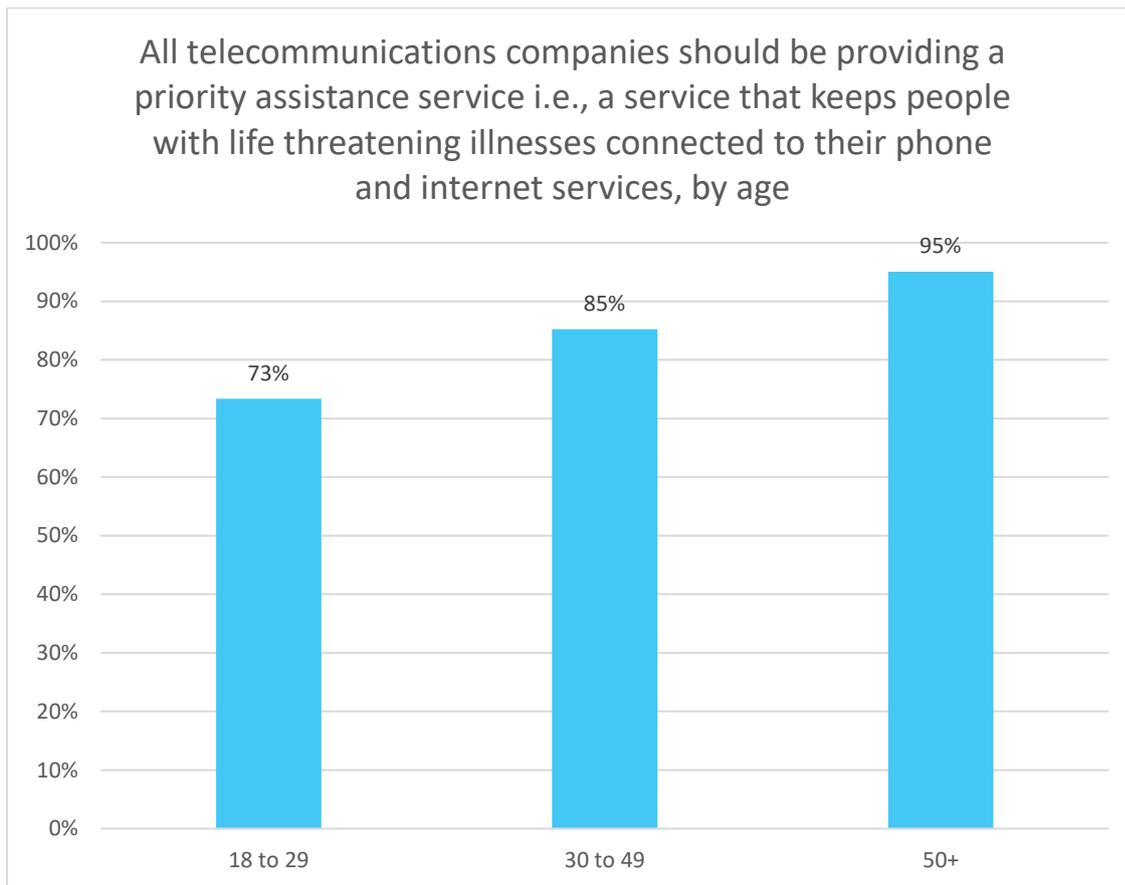


Figure 14. 95% of respondents over the age of 50 agreed that all telcos should provide a priority assistance service to consumers, followed by 85% of respondents aged between 30-49, and 73% of those aged between 18-29 who agreed with this statement. Source: Ipsos 2022.

What is ACCAN doing about it?

These research findings illustrate the connectivity preferences of current communications consumers and will be used by ACCAN to prioritise our advocacy to ensure consumers have access to essential communications services. ACCAN has long advocated that telecommunications goods and services are essential, and we have also argued that the current patchwork of communications consumer protections is not robust enough to reflect the essentiality of communications services. ACCAN will continue to call for improvements to consumer protections and for changes to the contents, development and enforcement of communications related rules. We will continue pushing for reforms to support improved choice and fairness for consumers in the communications sector.

Furthermore, these research findings relate not only to access and fairness, but also to the need for these essential services to be affordable for all consumers across Australia. ACCAN will use these research findings in our ongoing work in relation to the affordability of home internet, landline and mobile services.

In relation to priority assistance arrangements, ACCAN launched our Priority Assistance policy position in 2021.⁴ This position outlines the changes that would be required for existing priority assistance arrangements to better meet consumer expectations and the changing communications landscape. The findings of this research, including a higher proportion of respondents in regional and remote,

⁴ Available: <https://accan.org.au/accans-work/policy-positions/1909-accan-priority-assistance-communique-august-2021>

and regional cities agreeing that priority assistance should be provided by all telcos, supports ACCAN’s policy position. In particular, the research supports our recommendation that existing priority assistance eligibility criteria should be expanded to cover those who have a critical need for connectivity, including those who face increased risks due to living on rural properties. ACCAN will continue to advocate for the adoption of refreshed priority assistance arrangements as articulated in our policy position.

People would like it to be easier to compare information about different phone and internet plans

Survey respondents overwhelmingly agreed that it should be easier to find and compare information about phone and/or internet plans. 82% of respondents agreed that it should be easier to find information about phone and internet plans, and 87% agreed it should be easier to compare information about phone and internet plans. These results, with a slightly higher proportion of respondents wanting to be able to more easily compare plan information, may speak to the complexity of the current telecommunications market, consumer confusion, and the need for consumers to have access to clear and easily comparable information about different phone and internet plans.

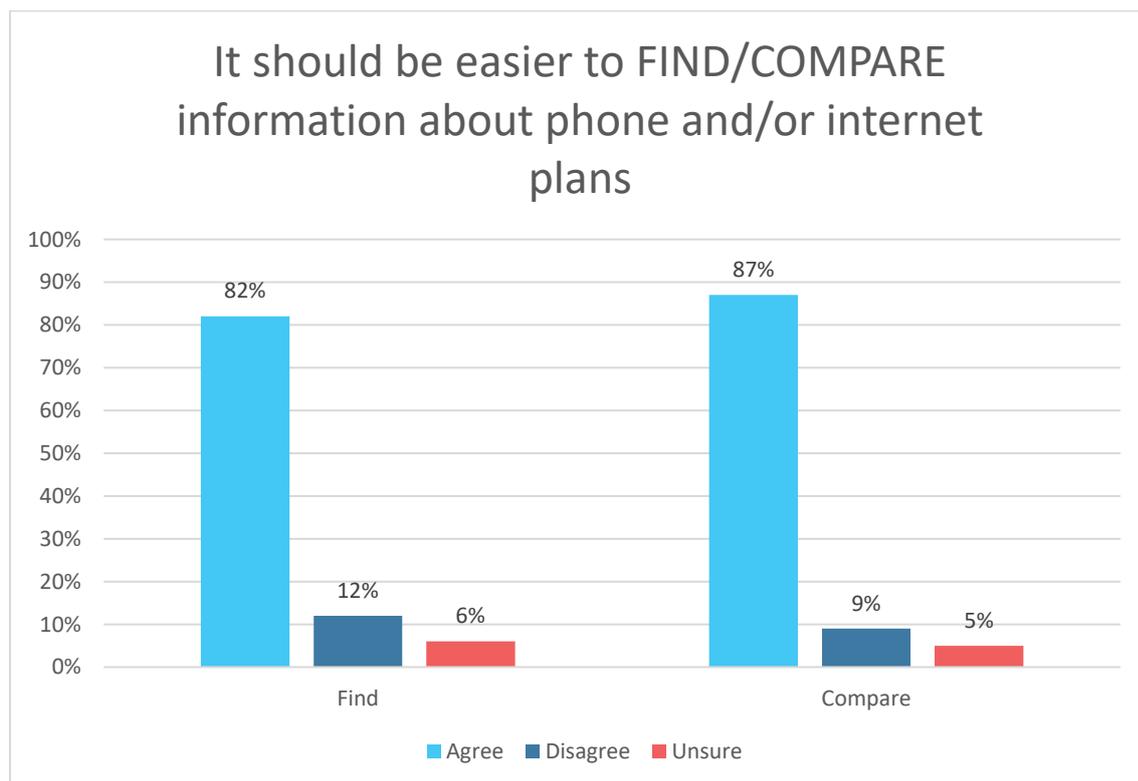


Figure 15. 87% of respondents agreed that it should be easier to compare information about phone and internet plans, and 85% of respondents agreed that it should be easier to find information about phone and internet plans. Source: Ipsos 2022.

When disaggregating these findings by age, it is interesting to note that people aged between 18 and 29 agreed with these statements at lower rates than those aged between 30 and 49, who in turn agreed with these statements slightly less than those aged over 50 years of age. There may be many reasons for these age-based differences, however one possible explanation is that younger

respondents might be more familiar with changing providers and comparing information to make sure they get the best deal.

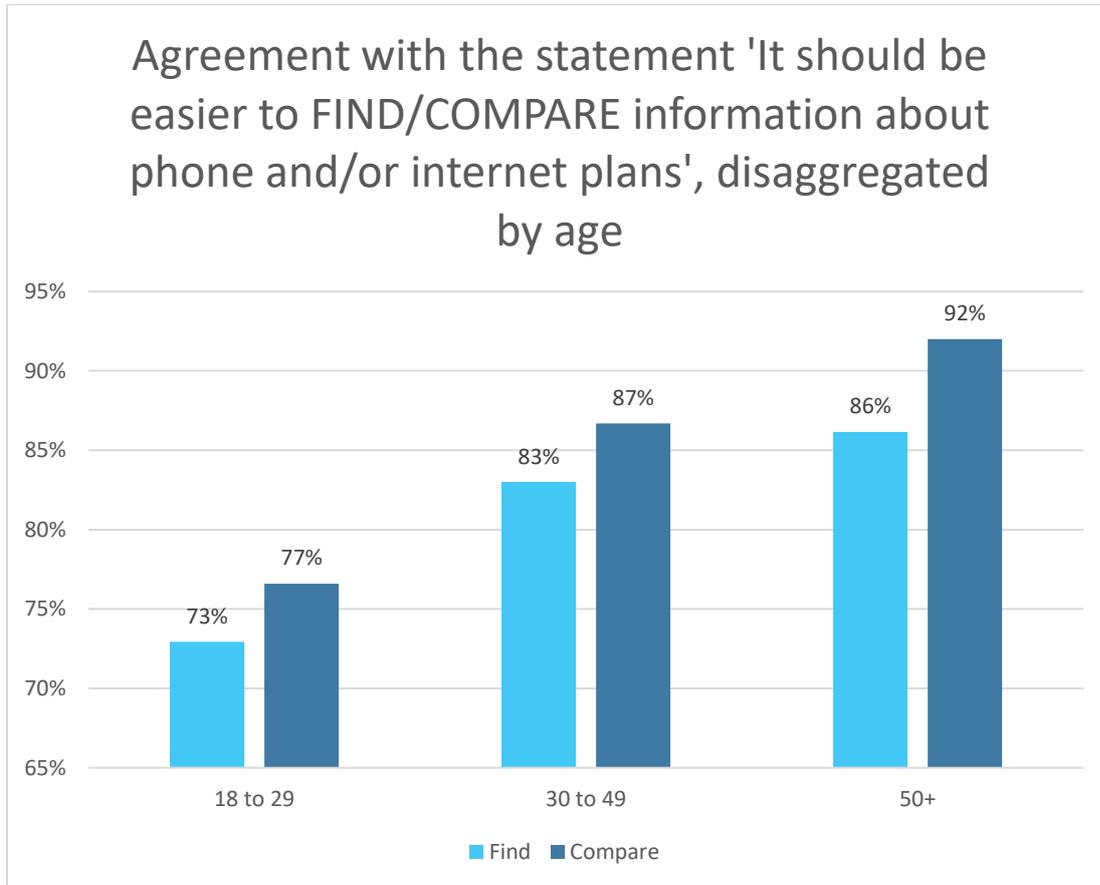


Figure 16. Respondents aged between 18 and 29 had the lowest levels of agreeing that it should be easier to find and compare information about phone and internet plans (at 73% for find and 77% for compare), compared to respondents aged between 30 and 49 (83% and 87%) and those over the age of 50 (86% and 92%). Source: Ipsos 2022.

Agreement was spread fairly evenly across respondents regardless of the level of education they reported having. In terms of finding information about phone and/or internet plans, agreement with the statement was highest amongst those who did not complete the highest level of school (88%), followed by those who received a skilled vocational education (85%) and those with associate diplomas (84%). In terms of comparing information about phone and/or internet plans, agreement with the statement was highest amongst those who had completed the highest level of school (90%), followed by those who did not complete the highest level of school (88%) and those with associate diplomas (88%).

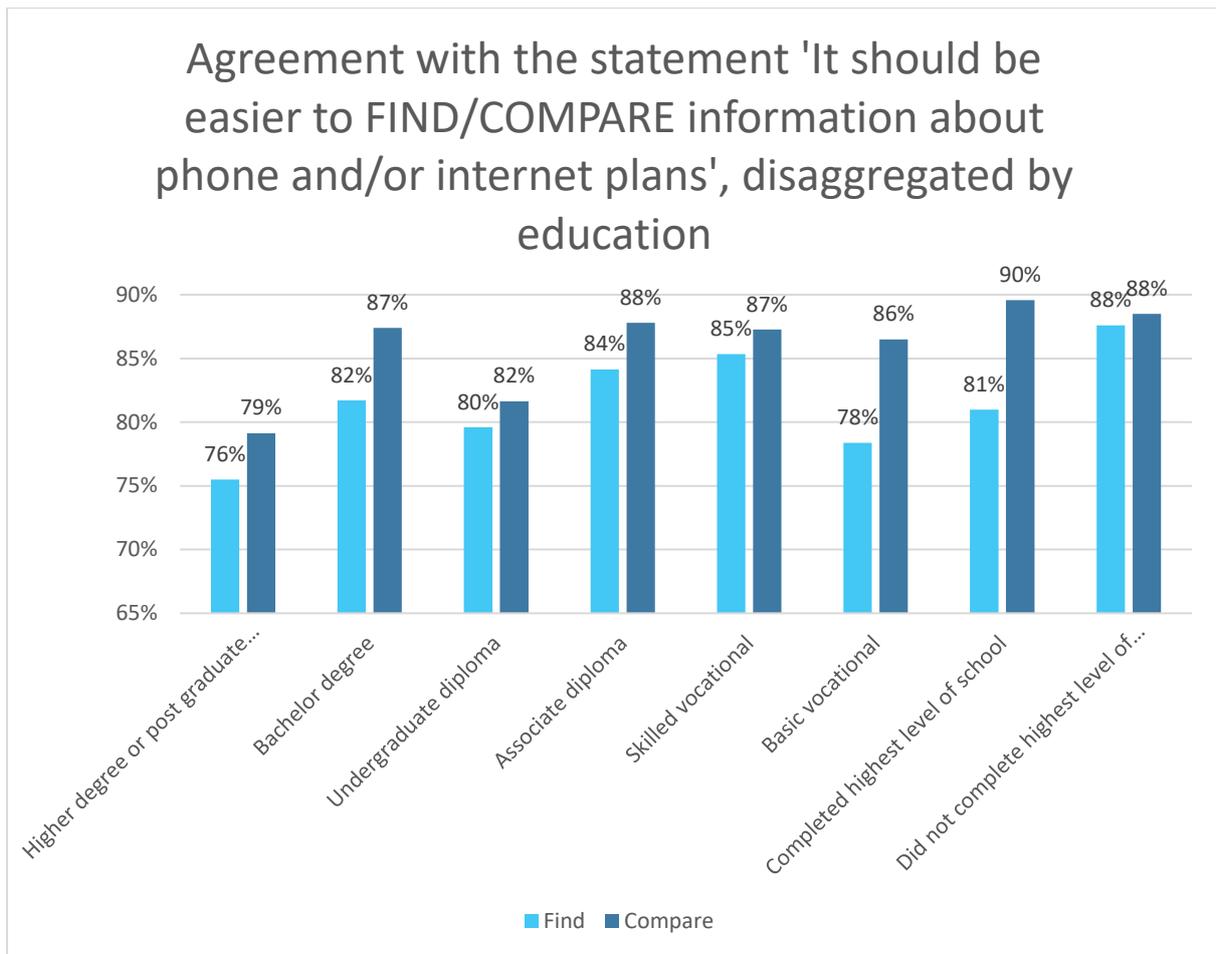


Figure 17. Regardless of education level, the majority of respondents agreed that it should be easier to find and compare information about phone and internet plans, with more respondents agreeing irrespective of education level that it should be easier to compare information. Source: Ipsos 2022.

What is ACCAN doing about it?

ACCAN has been advocating for an independent plan comparison tool to reduce the information asymmetry currently experienced by communications consumers. Consumers often have less information and knowledge about communications products and services during their interactions with telcos, leaving them unable to exercise full choice and control over their purchases.

The findings of this research support ACCAN's advocacy on this issue and reflects the need for an independent comparison tool to address consumer knowledge gaps and provide accurate and customisable information about the availability and price of different phone and internet services. As such, ACCAN will continue calling for the creation of an independent information and plan comparison tool for phone and internet products and services so consumers can find the best deal for them.

Furthermore, in January 2022 the Government designated telecommunications as the third sector for the rollout of the Consumer Data Right (CDR). ACCAN is in principle supportive of the introduction of the CDR regime across the telecommunications sector to enable consumers to make more informed choices and encourage market competition. The data sharing enabled by the CDR has the potential to reduce information asymmetry between consumers and telecommunications providers and may help reduce barriers to switching providers. However, the benefits associated with the CDR regime will only be available if the system is readily accessible and affordable for consumers. ACCAN will continue

working to ensure the rollout of the CDR regime to telecommunications is responsive to the needs of communications consumers.

Conclusion

ACCAN's research found that while most respondents reported that their services were high quality, reliable and of appropriate speed to allow them to do what they needed to do, some consumers, particularly in regional and remote areas, are still struggling with the reliability, quality and speed of their internet and mobile phone services. More work is required to ensure that consumer needs are met when it comes to the speed and reliability of home internet services in particular.

Another interesting finding emerging from this research relates to the experiences of consumers on different levels of gross annual household income. For instance, those on lower incomes agreed with some of the reliability and quality of service questions less than respondents from other income brackets, and a higher proportion of respondents on higher incomes expected their phone and internet services to work during emergencies compared to those on lower incomes. There was also some slight difference between income brackets when considering what communications services are thought essential. This speaks to the interconnectedness of communications issues, and the fact that the availability and reliability of services cannot be separated from issues relating to affordability. Indeed, given the research findings in relation to essentiality, and the current cost of living pressures facing consumers in Australia, it is more crucial than ever that essential communications goods and services are affordable for all. Furthermore, consumers must be able to easily compare between different offerings to ensure the communications services they're purchasing will deliver what they want and need.

Finally, given the survey indicated widespread support for priority assistance services to be offered by all telcos, it is important that ACCAN's Priority Assistance policy position be carefully considered by Government and telcos alike. Current priority assistance arrangements do not meet consumer needs nor expectations, in more ways than one, and a reassessment of the existing rules must be prioritised.

ACCAN will continue to engage with reliability, choice and fairness issues to ensure that contemporary consumer experiences and expectations are reflected in reliability standards, rules and benchmarks, programs to improve communications resiliency, and consumer protections rules.

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.
