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Productivity Commission
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Telecommunications Universal Service Obligations

Carers NSW welcomes the release of the Productivity Commission's draft report on telecommunications universal service obligations. This submission will focus on the importance of considering carers as a target group for assistance.

A carer is anyone who provides informal care and support to a family member or friend who has a disability, mental illness, drug or alcohol dependency, chronic condition, terminal illness or who is frail aged. Carers NSW is the peak non-government organisation for carers in NSW and a member of the National Network of Carers Associations. Our vision is an Australia that values and supports all carers, and our goals are to work with carers to improve their health, wellbeing, resilience and financial security; and to have caring recognised as a shared responsibility of family, community, and government.

Carers NSW commends the Productivity Commission on the comprehensiveness of this draft report for its focus on disadvantaged households. However, we believe that carers should be considered an additional target group for assistance due to the difficulties they are likely to face in affording and accessing telecommunications.

Carers are more likely to be aged over 55 than non-carers (44 percent and 24 percent respectively).ⁱ At least one third of carers live in low income households¹ and approximately 45 percent of all carers are not in the labour force.ⁱⁱ Carers are also more likely to be Aboriginal and Torres Strait Islanders or have a CALD background. In addition, around one third of carers in Australia live outside of major cities.ⁱⁱⁱ

The draft report states that telecommunications technologies are increasingly affordable for the majority of Australians. However, research has shown that Australians are increasingly spending a greater proportion of household income on internet and digital devices.^{iv} For many low-income households – particularly those that are renting their accommodation – ongoing internet subscriptions or the cost of a computer may be too expensive to afford.^v

A recent survey of low income households found that approximately 65% of respondents who were receiving the Centrelink Carer Payment experienced issues affording telecommunications technologies. This was higher than those receiving the Disability Support Pension or the Age Pension.^{vi} An older study of 3000 carers in the UK found that

¹ Low income households are defined as households within the lowest two quintiles of equivalised household income.

those who were over 55 years, renting, not in paid employment or caring for more than 20 hours a week were less likely to have ever used the internet.^{vii}

The Productivity Commission recommends that telecommunications subsidies to disadvantaged groups continue to be transferred through the tax-welfare system. At the moment, the telephone allowance is contained within the Pension Supplement, which recipients of the Carer Payment receive. However, Carers NSW emphasise that maintaining subsidies via the tax-welfare system will only be appropriate with continued government commitment for the Telephone Allowance to remain amidst ongoing moves to create 'budget savings' by abolishing supplements and allowances, like the Energy Supplement in the *Budget Savings (Omnibus) Bill 2016*. Furthermore, recent research has shown that less than half of respondents believed that the Telephone Allowance was sufficient to cover their telecommunications costs.^{viii} Additionally, while the Telephone Allowance may assist with the ongoing costs of an internet or mobile subscription, this allowance may not be sufficient for out-right purchases of digital technologies. Therefore while people may have access to broadband via the National Broadband Network, they may not have complete 'accessibility' without the devices to use these technologies. Thus in order for the 'equity' principle to be achieved, there should also be focus on affordability of telecommunications technologies, particularly for low-income households.

Carers NSW is supportive of a Universal Service Obligation which promotes innovation and supports the use of a wide range of technologies rather than fixed voice technology alone. Under this obligation Carers NSW believes there should be enhanced transparency and accountability for providers. Furthermore, we believe there should be a minimum standard to reduce the digital exclusion that currently exists, particularly for those living in rural and remote areas of Australia.

In light of the increasing digitisation of government services, Carers NSW believes there should be increased commitment to reducing data charges associated with using these services. This is particularly imperative for people without the financial means to purchase data who purchase pre-paid mobiles. *Ask Izzy* is one example of an app which connects homeless youth with services without incurring any data charges for those with a Telstra phone.

Carers NSW thanks the Productivity Commission for the opportunity to comment on this draft report. We believe that this report presents a valuable opportunity to enhance the availability, accessibility and affordability of telecommunications to disadvantaged groups while stimulating innovation and competition.

Thank you for accepting our submission. For further information regarding this submission, please contact Freya Saich, Policy and Development Officer,

Yours sincerely

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ⁱ Australian Bureau of Statistics (2017), *Disability, Ageing and Carers: Summary of Findings, 2015*, Catalogue no. 4430.0, New South Wales, available online at: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4430.02015?OpenDocument>, viewed 13 January 2017.

ⁱⁱ Ibid.

ⁱⁱⁱ Ibid.

^{iv} Thomas, J., Barraket, J., Ewing, S., MacDonald, T., Mundell, M. and Tucker, J. (2016), *Measuring Australia's Digital Divide: The Australian Digital Inclusion Index 2016*, Swinburne University of Technology, Melbourne, for Telstra.

^v Morris, A. (2016), *The Australian Dream: Housing Experiences of Older Australians*, CSIRO Publishing, Victoria; Sharam, A., Ralston, L. and Parkinson, S. (2016), 'Security in retirement: The impact of housing and key critical life events', Swinburne University of Technology: Melbourne; McFerran, L. (2010), *It could be you: single, older and homeless*, Homelessness NSW, Woolloomooloo, New South Wales; Newman, L., Biedrzycki, K., and Baum, F. (2010) 'Digital Technology Access and Use among Socially and Economically Disadvantaged Groups in South Australia', *The Journal of Community Informatics*, vol. 6, no. 2.

^{vi} Ogle, G. and Musolino, V. (2016), *Connectivity Costs: Telecommunications affordability for low income Australians*, South Australian Council of Social Services and Australian Communications Consumer Action Network, Sydney.

^{vii} Blackburn, C., Read, J. and Hughes, N. (2005), 'Carers and the digital divide: factors affecting Internet use among carers in the UK', *Health and Social Care in the Community*, vol. 13, no. 3, pp. 201-210.

^{viii} Ogle and Musolino (2016).