



# TelSoc

## Telecommunications & the Digital Economy

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### Submission to Minister Fletcher on Affordability



*Submitted by Tim Herring on Tue, 24/08/2021 - 12:06*

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**The Chairman of TelSoc sent the following email in August 2021 to the Minister, with the attachment text that is shown below.**

Dear Minister Fletcher,

TelSoc has been working on various aspects of broadband and the digital economy for the past two years. One of the key sets of issues that we have been seeking to better understand and to analyse over that time relate to inclusion and affordability of broadband services.

In the attached proposal to you, we set out the case for a Government-initiated review of inclusion and affordability of broadband services in Australia, and the specific issues that might be covered in appropriate terms of reference. TelSoc sincerely hopes that it can engage with you and gain your support for the proposal.

Earlier in the year, you referred TelSoc to members of your Office team to discuss TelSoc's work, and we have spoken with them on various occasions. I have copied them on this email as well and thank you for the referral.

I would be pleased to clarify or expand on any aspect of the proposal as required.

Yours sincerely, Jim Holmes, Chairman, Telecommunications Associated Inc. (TelSoc)

**Attachment Text:**

# **Review of Inclusion and Affordability of Broadband Services**

## **A. Background**

TelSoc has been working on various important policy aspects of broadband for well over two years, particularly through its Broadband Futures Group. In line with its overall aims for the development of the ICT industry in Australia, TelSoc has facilitated public discussion on the important technical, economic and social aspects of broadband through various subject-themed forums that it has run in 2019, 2020 and 2021 and through the publication, in November 2020, of its report, *Towards a National Broadband Strategy for Australia, 2020-2030*.

In the course of its work TelSoc has come to recognise many gaps in the various programs, projects and studies that provide the basic information needed for policy development and evolution. Recognition of these gaps will ensure that policy contention and uncertainty will reduce and evidence-based frameworks for policy development and policy implementation will develop.

TelSoc has particularly sought sufficient understanding of the fundamental issue of digital inclusion and the underlying factors of access, affordability and attitudes and skills development to be able to contribute to such policy development. The essential character of inclusion is well recognised, as the Digital Economy Strategy states:

Australia's prosperity relies on inclusion. This means all Australians being able to afford, access and benefit from digital technology, tailored to their needs. Australians should feel well-equipped to use digital technology confidently, safely and securely. A digitally inclusive and capable Australia will enhance workforce participation, community engagement and access to social assistance.

Important work has clearly been done to focus attention to this issue, including the development of a composite Australian Digital Inclusion Index, the Australian Digital Inclusion Alliance's proposals for a National Digital Inclusion Roadmap, the Australian Communications Consumer Action Network's advocacy for more affordable fixed broadband prices and the Bureau of Communications and Regional Research's focus on affordability of prepaid mobile broadband.

Nevertheless, at the most basic level for formation of public policy there is no apparent clear understanding of what constitutes inclusion and affordability and the magnitude of the problem. A commonly used measure for inclusion is that of use of the Internet in a recent period of time – a frequently quoted figure is the ABS 2016-17 statistic that 13.8%, or 2.58 million, adult Australians did not access the Internet in the last three months; a dramatically contrasting figure arises, however, from the recently-reported ACMA study of June 2020 which concludes that 1.17%, which translates to approximately 0.23 million, adult Australians were not accessing the Internet in the last six months. Questions about appropriate definitions, timeliness, and measurement methods clearly arise.

This is one representation of the gaps that TelSoc is referring to, which include:

1. A wide range of common but limited understandings that are typically attached to the notions of affordability and digital inclusion in social and economic terms, which result in systematic ambiguity about the problems and challenges that need to be addressed;
2. There seems to be a lack of agreement about functional descriptions of the capabilities that are required for effective and continuing participation in today's various digital activities so as to ensure effective inclusion;
3. Studies of varying methodology and scope from which researchers and policymakers might derive evidence to assist in their work seem to be absent or not readily accessible. This vacuum needs to be filled with a commitment to more comprehensive, methodologically consistent, time series studies reviewing experiences of broadband affordability and digital inclusion and of implementation programs;
4. Small-scale and essentially localised programs, often with financial and endorsement support from government at various levels have tried to address particular aspects of inclusion and affordability but without arrangements for systematic review of the results and effectiveness;
5. As a result, there has been no commitment to the development and/or refinement of standards for general use in the policy areas of affordability and inclusion; and
6. Also, no comprehensive or connected series of programs has been developed that will effectively address issues associated with broadband affordability and digital inclusion.

## **B. The Case for a Review**

The case for a review has many dimensions.

*Firstly*, the issues and areas of public policy that are touched by matters associated with broadband affordability and digital inclusion are so extensive, that they do not fall within the remit of one department, one area of government – or even of one level of government. They are matters of broader policy consequence and are therefore best addressed through a public inquiry process that encourages the contributions of a wide range of parties and interests, whose experiences, perspectives and proposals will add substantial value to the review.

*Secondly*, the Government has, through a public inquiry process, a unique ability to provide for the development of authoritative and, largely, agreed approaches to standards, methodologies and basic research that will underpin useful and effective policy and program development to address the issues of broadband affordability and digital inclusion, and to also enable effective monitoring and revision over time.

*Thirdly*, there have been no recent reviews of the issues relating to inclusion and affordability. Also, issues associated with digital capability, affordability and access are subject to continuing flux as the Digital Economy develops. The technologies and online services to which access is needed are changing at a dynamic rate, with impacts for effective participation. In addition, the COVID-19 pandemic has had a major impact on the perceptions of and use of online solutions both socially and economically. These impacts are likely to be permanent and continuing. There are clearly lessons to be learned.

*Fourthly*, and speculatively, the consequences for marginalised and other groups of not being able to afford to effectively participate in online society and the digital economy are greater than ever, potentially requiring other, more expensive assistance from public sources.

These are very good and compelling reasons why the public inquiry now being proposed by TelSoc should proceed, indeed be enthusiastically embraced, as a critical first step towards effective, long-term programs to address broadband affordability and digital inclusion.

### **C. The Review Process**

TelSoc recognises that the Government has undertaken many successful reviews into the aspects of telecommunications and the digital economy in the past such as the Review of Rural and Regional Telecommunications Services in 2018, and that format might be usefully considered here. Importantly, the review should be conducted with the greatest transparency and opportunity for public consultation.

The proposed terms of reference do not seek to limit the review in terms of any technology. This means that broadband access via both fixed and mobile services is intended to be covered.

### **D. Proposed Terms of Reference**

The Review shall study and report on the follow terms of reference:

#### **1. What is the nature and extent of broadband affordability and the concept of digital inclusion in Australia today?** In particular:

- What are practical definitions of digital inclusion and affordability that are required for contemporary broadband services in Australia?
- How are they best defined in terms for public policy purposes, such as, but not limited to standard setting, measurability and general administrability?
- Using the definitions arising from the review process, what standards or benchmarks can be set. And can they be readily re-set for the future?
- What measures or processes are available with regard to these practises or standards, to ensure ongoing maintenance?
- How do these measures compare to those used in overseas administrations to deliver and to then measure inclusion and affordability?
- What do these investigations indicate is the extent of the problem for the issues of broadband affordability and digital inclusion in Australia today?

#### **2.What are the factors contributing to broadband affordability and to digital inclusion and how can they be approached?**

- The Review will consider, inter alia:
  - The standard broadband service, via fixed and mobile means, that is considered appropriate when assessing affordability and effective digital inclusion;
  - the cost of such service and connecting devices; and
  - the skills and attitudes of users
- What current approaches to enhancing or facilitating inclusion and affordability are there in Australia and internationally and what evidence is there of their adequacy and effectiveness? This question will involve but not be limited to consideration of;
  - discounted product offerings for particular sectors of the population
  - targeted support such as the Centrelink Telephone Allowance and the Pension Supplement
  - engagement and skills development programs such as Be Connected, the Regional Tech Hub, GoDigi and others

**3.What approaches should be taken to resolve issues and challenges associated with broadband affordability and digital inclusion to the extent possible over the next five years?** In particular, the Review will consider, but not be limited to:

- Delivery of solutions by government, industry or community groups, including combinations of such approaches;
- Detail of the recommended support requirements from government, and
- Detail of the anticipated economic benefit to the Australian community

J R Holmes, Chairman, TelSoc

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