

Consumer Safeguards Review
Department of Infrastructure,
Transport, Regional Development
and Communications
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The Consumer Safeguards Review, Part C Choice and Fairness: Consultation paper touches on a range of key issues. It also specifically asks a question in relation to the regulatory obligations on Telstra related to Low Income Measures. The paper describes the Low Income Measures (with the notable exception of a key measure the Telstra Bill Assistance Program) and its origins. It identifies that the focus of the measures is in providing protections for copper line customers. It then asks the following question.

Is it appropriate for Telstra to continue to provide low income measures in relation to fixed line phone services for the duration of its contract as the USO provider?

I would like to respond to that question.

Australia is in a process of rapid technological change in telecommunications as well as major structural change. When the Low Income Measures were introduced Telstra was the major retailer and the monopoly network owner. The landline was the dominant form of connection. Since then NBN has become the monopoly network for fixed lines and mobile has more and more become the primary form of connection for low income customers. More importantly voice only calls have receded in importance and 'connection' is now primarily related to data.

The most important measure to assist low-income customers is cheap reliable data and the key for this is obligations on NBN to make available a wholesale package which retailers can then implement with eligible customers. As an addition to this, relevant mobile plans aimed at low-income customers should also be required from all major retailers as a product offering. To a certain extent competition is providing such products however these can be limited by geography and coverage and also by product targeting which can see key demographic groups not knowing about the cheapest offers.

In relation to the current Low Income Measures package it is clear that they remain relevant to a core base of customers who primarily continue to be traditional land line users. They are also relevant to customers who, because of the failure of competition to service regional areas, remain dependent on Telstra as their only viable provider.

Therefore, I believe that the Low Income Measures should remain in place. Thought should be given for how long this will be required. The USO obligations of Telstra remain in place until 2032. Given the changing nature of communications to retain such low income protections until that time seems to retain measures that may well be redundant. Therefore a more appropriate response may well be to call for a retention of the measures in the short to medium term and for the Department to hold a specific review of what measures are needed for low-income consumers and who should have responsibility to deliver such measures.

Such a review would be timely given the current circumstances. There is likely to be a long economic downturn as a result of COVID-19. Requirements around working and or studying from home will

not finish for the foreseeable future. There is current research which identifies who in Australia are being left on the wrong side of the digital divide. A specific review into the communication needs of vulnerable Australians and how those needs can be met is long overdue. As NBN is completed now is the time to explore how Government, industry and the community can combine to ensure that all Australians remain connected.

Chris Dodds

Chair of the Telstra's Low Income Measures Advisory Committee (LIMAC)

