

25 October 2019

Product Development Forum Manager
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To whom it may concern,

Re: RMID0821 Pricing Review Consultation Paper 2

The Regional, Rural and Remote Communications Coalition (RRRCC) is an alliance of 21 organisations and advocacy bodies formed to advocate for better connectivity in regional Australia. The RRRCC thanks NBN Co. for the opportunity to provide a submission to the current pricing review.

The RRRCC supports the Australian Communications Consumer Action Network (ACCAN) submission to the pricing review. We would like to take this opportunity to reiterate our support for the development of a targeted concessional broadband service to facilitate access to broadband services by households on limited incomes and ensure No Australian is Left Offline.¹

The NBN project has the potential to deliver a multitude of economic and social benefits. Access to communications services has been proven to increase average household income and employment.² Digital connectedness reduces costs,³ boosts productivity, and delivers better social engagement, health, and wellbeing. These benefits should be shared with all Australians.

However, we remain concerned that many Australians won't be able to afford the communications services they need. While the average household spends approximately 3.5% of its disposable income on communications, the bottom 10% of earners spends a little over 10%.⁴ In the 2016 census, over 15% of consumers in the lowest income quintile indicated they had been unable to pay their utility bills on time in the previous year.⁵ Rising communications costs will only widen the digital divide.

By introducing a truly affordable service offering, NBN Co. will increase take-up and facilitate more equitable access to broadband services. The development of a concessional broadband service model would deliver on one of the five policy goals articulated in the RRRCC's *Priorities for action*

¹ <http://accan.org.au/no-australian-left-offline>

² S Greenstein and R McDevitt, *Measuring the Broadband Bonus in Thirty OECD Countries* (OECD Digital Economy Papers No 197, 2012); NBN Co., *Connecting Australia* (2018).

³ Deloitte Access Economics, *Digital Government Transformation* (2015).

⁴ Bureau of Communications and Arts Research, *Trends and Drivers in the Affordability of Communications Services for Australian Households*, tr BCAR (Working Paper, 2017).

⁵ Australian Bureau of Statistics, *Government Benefits, Taxes and Household Income, Australia: Summary of Results 2015-16* (No 6537.0, 2018).

document⁶. Under the policy goal *Affordable communications services for regional, rural and remote Australia* the RRRCC has called for the creation of a targeted concessional broadband service to support low income residents of regional, rural and remote areas. Providing access to affordable communications supports individuals and families to access essential services and engage in education and training in place, strengthening local communities.

Accordingly we endorse ACCAN's submission to this review.

Yours sincerely

The Regional, Rural and Remote Communications Coalition



⁶ <https://www.nff.org.au/read/6550/rrrcc-media-bush-communications-coalition-in.html>