



Consumer Studies

Ian R Wilson and Gerard Goggin, *Reforming Universal Service: the Future of Consumer Access and Equity In Australian Telecommunications*, Consumers' Telecommunications Network, December 1993.

Australian Council of Social Service, *Keeping the Contacts: Unemployed People and Telecommunications*, ACOSS February 1994.

These two important recent publications focus on issues raised for consumers by Australia's increasingly competitive telecommunications environment.

CTN's *Reforming Universal Service* provides a valuable historical overview of the concept of universal service from its origins in the United States to its latest - and the writers say, unsatisfactory - manifestation in Australia.

The writers identify five elements which they consider essential to deliver the goal of universal service. These are:

- Universal geographical availability
- Universal accessibility
- Universal affordability
- Universal technological standard
- Universal telecommunications and participation in society.

The study expands on each of these areas, highlighting many of the problems which have become apparent in the new environment. In the process, it provides the most detailed analysis yet of contemporary Australian telecommunications from the perspective of the average user, rather than that of government or business.

The writers conclude that universal service is not being delivered, and that 'the split in policy between geographical access and welfare concessions has caused a gridlock where consumers are the clear losers'. They make over 30 recommendations for reforming telecommunications, the starting point for which is a redefinition of the USO along the lines of their five elements, to provide a commitment to a broad concept of universal

service, and 'a publicly supported and enforceable mechanism for its achievement'.

The ACOSS study is more narrowly focussed but provides a useful case study of the way particular groups in society can be forgotten in the rush to reform public utilities. Over one quarter of all households with an unemployed head of house have no phone connected, compared with only around 6 per cent of Australian households overall.

This study, based on a sample of 122 unemployed people, found that it is during periods of unemployment that the home phone is most crucial, and the phone bill is a major expenditure item for unemployed people - the average quarterly phone bill amounted to about a week's income.

People without home phones were marginalised in the job search process; 'not having a home phone hampered the job search process.....and added yet another dimension of disadvantage to their lives'.

Confirming other studies by Telecom and AUSTEL, the cost of getting the phone connected or reconnected was found to be a major barrier.

Asked to make a choice between financial assistance (free phone cards, subsidised phone bills, cheap daytime calls) and a nearby centre where they could make free calls, send faxes and have a call answering facility, 71 per cent opted for the first.

This study makes a total of 17 recommendations. These include 'pay as you go' phones, available on request to any subscriber, which would be provided rent-free with the cost of each call slightly higher than the cost of standard home phone calls; concessions on the cost of connection for unemployed people; policies to minimise disconnection; abolition of security bonds; automatic connection for low income earners who have outstanding debts with Telecom regardless of whether the debt has been paid; and a centralised phone answering service for unemployed job seekers. □

Another Inquiry

Apparently dissatisfied with the scope of other current inquiries touching on telecommunications (the BTCE, BSEG and DITARD to name just three) Liberal Senators have initiated another inquiry into 'telecommunications developments'.

The inquiry, the brainchild of SA Liberal Alan Ferguson, was approved by the Government and will be conducted by the Senate Standing Committee on Industry, Science, Technology, Transport, Communications and Infrastructure. It will be chaired by NSW Left ALP Senator Bruce Childs.

CU was told that the intention is that this inquiry should be 'less of an expert inquiry', and will be particularly concerned with the social and cultural impact of new telecommunications technologies, for people in regional and remote areas as well as in the cities. Other issues of social relevance to be considered are the availability and affordability of telecommunications technologies for most Australians, and the effect on work practices and employment including working from home.

The Committee's terms of reference cover a wide range of issues related to the impact of telecommunications developments on industry, employment and the community. Another area of particular concern, CU understands, is whether Australian manufacturing industry has any role left to play in the brave new telecommunications world.

The inquiry will fall into several parts, beginning with a survey of technology currently available in Australia and overseas, and expected developments. The Committee is expected to take about a year to conduct its inquiry and current plans are for the release during that time of a number of short reports in quick session.

Submissions have been invited by 3 June. Contact details on Policy file, page 20.