

RMID0916 Connecting Older Australians February 2020

Request for Expressions of Interest

nbn co limited

24 February 2020

Commercial in Confidence





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1. Purpose

nbn is committed to lifting the digital capability of Australia, ensuring all Australians have an opportunity to access fast, reliable broadband.

In June 2019, **nbn** invited Product Development Forum (**PDF**) participants to comment on how **nbn**'s current pricing portfolio may be evolved to improve customer experience and increase take-up. Section three of the *Wholesale Pricing Review 2019 Consultation Paper* focused specifically on lifting take-up and introduced a question about the development of initiatives targeted at underserved customers, to which we received various RSP feedback. (For details about that consultation, please refer to the Appendix).

In the feedback **nbn** received, several respondents highlighted the need for additional support to address the needs of less digitally included customers, with a focus on connecting the unconnected. Based on this feedback, **nbn** is seeking Expressions of Interest (**EOI**) from interested stakeholders to co-design innovative solutions to address barriers to digital inclusion among certain underserved segments, with the older Australians' segment (customers aged 65 and over) proposed as the initial focus.

2. Background

The *Australian Digital Inclusion Index (ADII)* report¹ in conjunction with industry feedback and **nbn**'s own research highlighted that while digital inclusion is improving (with evidence that the **nbn** rollout is addressing access barriers), 2.5 million Australians are still not online. After considering the data in detail, **nbn** has determined that given the diverse needs and barriers among those that are less digitally included, solving this challenge requires targeting specific customer segments rather than the launch of a 'one size fits all' approach.

nbn has analysed the customer segments that make up the unconnected and, consistent with industry feedback, proposes to address the segment of Australians aged 65 years and over, which the ADII report finds to be the least digitally included. According to ABS data, from June 2019, 15.9% of Australians are aged 65 and over², equating to approximately 4.1 million individuals. The *Department of Social Services Payment Demographic* data currently shows 2.5 million Australians receive an Age Pension (equating to approximately 1.8 million Age Pension households)³.

Industry feedback and **nbn** research has identified that some of these older Australians are not connecting due to barriers of accessibility, affordability and digital ability, including a lack of connection confidence, perceived need, digital confidence, knowledge and/or awareness, device availability and use including security, and variations in discretionary income. The *Connecting Australia Report*⁴ emphasises the social and economic benefits that home connectivity can bring to the lives of older Australians once they feel empowered to get online. For example, **nbn** research has shown that older Australians with fixed line broadband are twice as likely to participate in online learning programs⁵.

While currently focusing on lifting the digital inclusion of older Australians, **nbn** will continue to work on lifting the digital capability of other less digitally included groups as well. We will seek feedback on the future rollout of these initiatives as they develop.

¹ Australian Digital Inclusion Index (2019)

² 3101.0 - Australian Demographic Statistics - June (2019)

³ DSS Payment Demographic Data - June (2019)

⁴ Connecting Australia Report, Alpha Beta (2018)

⁵ **nbn** internal data (2019)



More broadly, **nbn** appreciates the detailed feedback provided by RSPs during the *Wholesale Pricing Review 2019 Consultation*. This feedback is likely to generate positive outcomes for customers, including those in the 65+ age group. Benefits to customers include improvements to wholesale bundle discounts for key entry level services, annual increases in data capacity inclusions for most discount bundles, a modified Entry Level Bundle and national CVC pooling. **nbn** also plans to introduce an overhead allowance for the downstream component of most fixed line wholesale speed tiers to accommodate protocol overhead.

3. Proposal

3.1 Connecting Older Australians' Solution Development

As part of the *Wholesale Pricing Review 2019*, **nbn** captured feedback from individual RSPs on suggested options for encouraging greater take-up among underserved segments including, but not limited to, older Australians. We have used this feedback to help shape the EOI so we can advance discussions with interested RSPs and consumer groups.

As part of this EOI Request and Connecting Older Australians consultation process, **nbn** would like to meet with each interested stakeholder individually to ascertain how we can develop new propositions to provide support for collective and individual efforts to better address the unique needs of older Australians. We are interested in conducting a co-design process through engaging in commercial in confidence discussions to explore your business insights and understand how we may work together to connect and more effectively serve greater numbers of older Australians.

nbn is inviting respondents to collaborate with **nbn** on co-development of comprehensive solutions that encourage connection to and ongoing use of fixed internet services. It is expected this activity will involve face to face co-design workshops to inform **nbn's** consultation process (through existing PDF processes). All such activity and consultation shall be governed by the Product Development Forum Terms.

It is anticipated that solutions developed in this collaboration process may be the subject of broader industry consultation in accordance with **nbn's** consultation requirements. Following the collaboration activities and any required product development and consultation processes, the solutions will be launched to the broader market for all RSPs to access. Trial activities, joint marketing activities and incentive programs may also be developed to complement the new solutions and assist RSPs to drive take-up of the new solutions to older Australians.

This invitation to participate in this EOI will go to all PDF registered stakeholders. Where an RSP decides not to apply to participate in this co-design process, that will not prevent that RSP from participating in our consultation process, offering resultant solutions to the older Australians' segment or any joint marketing and incentive programs.

3.2 Connecting Older Australians' Solution

Based on industry feedback to date and **nbn** research, the solution(s) should address older Australians' needs, which may include some or all of the following:

- An **nbn**[™] internet connection at a speed tier, and with data inclusion, based on actual and projected older Australians' use cases. Having received a range of responses from RSPs through the *Wholesale Pricing Review 2019*, we would be interested in understanding more about these customers' needs, including for voice as well as internet, broadband speeds and data inclusions, optimum pricing structures and peace of mind measures that are likely to drive greater uptake among older Australians, based on RSPs' experience and supported by relevant data.



- Suitable support for the installation and connection of this **nbn** service. We received a lot of feedback that this segment values readily available and easily accessed support in terms of all aspects of their service, its connection and subsequent use of the internet, including in home set up of modems and Wi-Fi devices.
- Provision of affordable devices such as tablets and laptops, allowing digital participation.
- Adequate digital education, training and support initiatives suitable for this segment, including device management, security and appropriate account and service management options. Submissions received in our pricing consultation were almost unanimous that education was key to this segment's take up and use of the internet.

3.3 Potential benefits of this initiative

nbn believes this initiative will have the following benefits:

- The possibility of generating additional revenue streams for RSPs by growing and improving access and use of the internet for older Australians.
- Improving RSPs' ability to serve the older Australian segment.
- Addressing and providing a solution to maximise older Australians' participation in today's increasingly digital world.
- Learnings to help inform solutions for other underserved segments.

4. How to express interest

nbn invites all interested PDF participants to express interest to participate and welcomes any feedback and questions on this EOI request or project by sending an email to _pdf@nbnco.com.au.

If your organisation is interested in participating in this project, please:

1. Submit an EOI by email to [pdf@nbnco.com.au](mailto:_pdf@nbnco.com.au) (using the subject line "Connecting Older Australians' Expression of Interest") by **5:00 pm on 9 March 2020**.
2. Include the following in the EOI:
 - a. a completed copy of the Respondent Template set out in Attachment A;
 - b. any other relevant information.

Please note: All EOI submissions will be treated as commercial in confidence.

This EOI Request is non-binding and is not an offer to supply the **nbn**TM Products, or any initiative, product or service it refers to. This document is not a Standard Form of Access Agreement for the purposes of Part XIC of the *Competition and Consumer Act 2010* and does not form part of an access agreement.

Respondents to this EOI Request, and any selected respondents, will bear their own costs in respect of their EOI response and any participation in this Connecting Older Australians' solution development initiative.



Attachment A: Respondent Template

Respondent name and ACN/ABN	
Respondent Representative Name	
Respondent Representative Email Address	
Respondent Representative Contact Number	
On behalf of the Respondent named above as its nominated representative, I confirm our organisation's interest in participating in the Connecting Older Australians solution co-design process as described in this EOI request. (Please provide signature)	
Date	



Appendix

RMID0821 Pricing Review 2019 Consultation Paper 1

In June 2019, nbn released a consultation paper titled "RMID0821 Pricing Review". Section 3 of that consultation paper contained the following text:

Lifting take-up

While the focus on 50 campaign and **nbn** bundles have significantly improved the average speed and performance of residential services, a significant opportunity still exists to improve **nbn** take-up.

This section aims to ask for RSP feedback on how the **nbn** product and pricing structure may be evolved to enable RSPs to target currently underserved segments of the market.

Connecting the unconnected

nbn's goal is to ensure that all Australians have access to fast, reliable and affordable broadband regardless of location. The [Connecting Australia Report](#) shows that households connected to the nbn have improved social and economic outcomes.

nbn research indicates that elderly, low socioeconomic, renters and single person households are connected to the **nbn** less regularly than other segments. This means these segments are missing out on the digital benefits derived from the **nbn** such as access to social, financial, health and educational platforms.

nbn is seeking feedback from RSPs on what product or pricing changes may allow us to better serve these unconnected segments.

Question 3.1: Does your organisation have any general feedback on unconnected household demographics and recommendations on how **nbn** could better support take-up in these households?

Question 3.1.1: Does your organisation believe the development of a solution with conditional availability targeted specifically at price-sensitive customers would positively impact take-up? If yes, does your organisation have any recommendations for determining customer eligibility?

Question 3.1.2: Is there any additional support (such as assisting with Set-up of the in-home environment, laptop or email, or providing training) that your organisation believes may positively impact take-up if it was offered to customers? If yes, what support would your organisation recommend?

Question 3.1.3: Does your organisation believe the development of geographically targeted incentives would positively impact take-up?

Question 3.1.4: Does your organisation believe the development of solutions targeted specifically at renters and/or students would positively impact take-up?

Question 3.1.5: How would your organisation use a Marketing Development Fund (MDF) program targeted at customers that remain unconnected after the disconnection date?

Question 3.1.6: Does your organisation see a material difference between incentive payments provided up-front and incentive payments provided via monthly discounts?