Staying connected: the impact of digital exclusion on people living on low-incomes and the community organisations that support them

1. Background

Information and communications technology is developing at a rapid rate, with more everyday interaction, communication and activity exercised digitally than ever before. In particular, the internet is increasingly regarded as a basic utility much like electricity, gas and water. Consequently, there is a broad and growing public interest in ensuring access to the internet for all and to ensuring that the evolution of digital technology does not exacerbate the deprivation of people experiencing poverty and inequality.

Under a range of Commonwealth's initiatives, the Australian government is directing government service provision to the online space.[1] Given the frequency with which many people living on low incomes engage with government services, they are a critical stakeholder group to be included in policy initiatives such as digital transformation, particularly in terms of ensuring knowledge about how services may be transformed and how best to access them.

Similarly, there are a range of industry areas that may need to be supported to ensure their digital capacity and capability. The community sector is one such industry, given that its most intensive resource base is its people (paid workforce and volunteers); and, as a nonprofit sector, has limited funds for investment in technological infrastructure or digital upgrades. To date, efforts to address this need have been primarily industry-led and, while important, are not sufficient to ensure industry-wide transformation at the pace required to keep up (see for example http://www.improveit.org/).[2]

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[1] See for example Department of Broadband, Communications and the Digital Economy (2013) 'Advancing Australia as a Digital Economy: an Update to the National Digital Economy Strategy', Commonwealth Australia, Canberra.
[2] Through the Commonwealth's Digital Enterprise Program (under the Digital First Initiative) ACOSS, in partnership with Infoxchange, has developed free, industry specific resources that assist community sector organisations engage with digital technology. This 'digital business kit' is available at http://www.improveit.org/.

2. Purpose of this Policy Briefing

This Briefing considers the prospects of a 'digital divide' in Australia, where people and communities experiencing poverty or inequality, and the community organisations that support them, may be left behind unless actively engaged in digital transformation. It explores a series of key questions including,

- How does the digital divide affect people on low incomes in Australia?
- How does the digital divide affect community services in Australia?
- Are there any policy initiatives or other efforts to address this divide?
- What policy actions can be taken to improve the digital inclusion of people on low incomes and the community organisations that support them?

3. How does the digital divide affect people on low incomes in Australia?

    i. Inclusion

Inclusion is often measured by participation or engagement in areas such as paid employment, social interaction, access to services (especially government) and educational outcomes. The work of community organisations like Infoxchange, among others, points to how these are all vital elements of individuals maintaining wellbeing and participating in modern society (Walton et al. 2013). However, many people living on low incomes or experiencing inequality already face significant barriers to full participation in these areas. As the Dropping off the Edge research into disadvantage indicates, low internet access is correlated strongly to low family income, disability, long term unemployment and unemployment (Vinson et al 2015). Moreover, many of these areas are increasingly becoming heavily reliant on digital forms of communication and technology, for instance through key resources for support or employment opportunities being put online (Pavlidis & Gadir 2013).

> ICT now lies at the heart of most of the activities which are seen to constitute 'social inclusion' (Walton et al 2013:9.4).

Access to and knowledgeable use of technology is crucial for everyone living in Australia. Yet the extent of poverty and inequality already means that not only are many people likely to start from a position of disadvantage when it comes to digital inclusion; but there is a real risk that the changing digital environment may exacerbate the lived experience of poverty and the trend towards greater inequality.

With digital transformation increasing rapidly, there is a very real risk that families and households living on low incomes who are already experiencing exclusion will be 'left behind altogether' (Mason et al. 2014:6.13). This risk is particularly present where building skills, acquiring equipment or access networks incurs greater costs for households already living in poverty in Australia.

While the concept of 'inclusion' has an ever-changing meaning socially, culturally and economically, digital engagement is increasingly seen as a key vehicle to social and economic inclusion. Policies designed to ensure income adequacy and alleviate poverty, and programs that address deprivation and hardship, need to incorporate digital inclusion and core elements of infrastructure (for example through access to the internet).

ii. Digital Literacy/skills

A lack of digital literacy and skills is one of the barriers to engagement for people living on low incomes. With the continually changing nature of the digital environment, building skills and understanding technology is a necessary and ongoing process to maintaining economic as well as social engagement (Walton et al. 2013:9.13).

As technology advances, it impacts directly on organisational operations. This can be a significant barrier to accessing and maintaining employment. For example, people who have been out of the workforce for some time, or who have had limited educational opportunity, may find it extremely difficult to adapt to the level of technological sophistication increasingly expected in many jobs (Mason et al 2014). This moves the digital divide beyond a notion of social or economic inclusion (based on access and availability of basic infrastructure like the internet), highlighting the direct need for support and training through these transformative advances.

For example, one study investigating the potential risks and opportunities of next generation broadband examined participants' views on current digital literacy programs in Australia, revealing that investment in the National Broadband Network (NBN) has entailed minimal initiatives to build digital literacy (Mason et al. 2014:6.18). There is a clear role for governments to further evaluate the effectiveness of existing, and target new initiatives, to various user groups to ensure digital literacy remains on a par with technological innovation.

Affordability

Although important, a lack of digital literacy and skills are not the only drivers of the digital divide for people relying on low incomes or experiencing inequality. Research particularly points to affordability, specifically the affordability of internet access, hardware and software. Anglicare's Hardship Survey (Wise 2013) focused on telecommunications access and affordability for people facing hardship and accessing emergency relief and financial counselling within Anglicare's Victoria services. The survey identified that a high number of people were not engaging with telecommunications because they could not afford to, with almost 50% stating that they did not have home internet due to affordability. Similarly, SACOSS (2015:27) has found that people living on lower incomes spend a significantly higher proportion of their overall incomes on telecommunications than most people in Australia. Continuing this trend, Australian households with high incomes have twice the internet connectivity of those with low incomesw (Harkness 2010:408). Australia has ranked low internationally too, with the World Economic Forum's scoring of ICT capability reporting Australia as the lowest scoring country in the category of affordability (Pavlidis & Hawkins 2015:29).

The National Broadband Network (NBN) has been a key example of digital transformation in Australia and is often regarded as an innovative solution to affordability problems. However NBN prices have continued to rise to reflect more inclusions. At the same time advocates have pushed for more targeted initiatives from both government and industry to ensure there are packages and prices accommodating the needs of people who struggle to afford current telecommunications plans. The ensuing debate about affordability, suggesting that these inclusions should be optional to provide consumers with avenues to opt-out to reduce costs (Pavlidis & Hawkins 2015:29), sets an implicit expectation that retail markets will be adjusted to ensure a minimum, basic level of telecommunications access that is affordable and relative to all Australians (Pavlidis & Gadir 2013; Goggin undated).

The 'multifaceted' nature of affordability (Pavlidis & Hawkins 2015:29) requires policy solutions beyond the expected development of digital markets, if we are to achieve an inclusive society in Australia.

4. How does the digital divide affect community services in Australia?

The community sector makes a significant contribution to Australia both social and economically. Most community services are either charitable or nonprofit. As such, they are part of a sector that incorporates more than $1.3 billion in income, expenditure of more than $95 billion annually, employs over 1 million staff and benefits from over $17.3 billion of unpaid labour through volunteering (ACNC 2015). Charities also attract more than $42 billion in government funding, with community services constituting the majority of those charities that rely heavily on government funding (including legal, social, aged care, mental health, crisis and other services).

A 2015 survey by Infoxchange investigating the ICT engagement in the not-for-profit sector in Australia (predominantly) and New Zealand measured digital engagement and correlating trends and opinions around levels of that engagement. Key organisational priorities identified included advancing organisational websites and social media presence. Infoxchange concluded that the desire to strengthen external platforms correlated with pressures on the sector to secure funding; and with organisations realising that online presence is a key tool to fundraising. However the survey also found that only 11% of organisations said they currently use their websites to receive donations.

Another component of the survey was to understand the adoption of 'cloud use' for organisations, which is a key component of the Commonwealth Department of Communications strategy for Digital Initiatives (2015). The survey showed that a majority of organisations (54%) do not want to move to cloud-based operating systems for a range of reasons, including 'data security concerns', 'no time to learn', 'costs of moving' and 'expensive or insufficient internet' (Infoxchange et al. 2015:15). This indicates the need for resourcing of funding, technological security training, service improvement and timely measures to allow organisations to engage with the cloud.

In a reflection of where community organisations sit in comparison to other industries, the ABS found that nine out of every ten businesses had internet access, yet only 45% of them reported having an online presence (Mason et al 2014).

5. What policies exist to address the digital divide?

- **Government initiatives**

The national framework concerned with Australia's digital economy is called Advancing Australia as a Digital Economy. An update to this national digital economy strategy outlined 24 actions to be undertaken by the year 2020, of which the Digital First Initiative was the headline strategy under the policy. For further information, visit: [Advancing Australia as a Digital Economy: an Update to the National Digital Economy Strategy](#)

- **Industry-based initiatives**

Telstra's Digital Inclusion Index is a joint project between the Swinburne Institute, Telstra and the Centre for Social Impact to create a national index to measure digital inclusion. The index intends to be a tool to inform 'policies, products and programs'. The website and opportunity for contribution opened on the 28th September 2015 with the objective to produce the first index by mid 2016. For further information, visit: [Telstra Digital Inclusion Index](#)

[Go Digi](#) is a joint initiative by Infoxchange and Australia Post to focus on digital literacy in Australia. It is a national, four-year digital literacy program with the goal of supporting more than 300,000 Australians to improve their digital skills. Target audiences include ageing community members, regional and remote communities, culturally and linguistically diverse communities, Aboriginal and Torres Strait Islander communities and small businesses.

- **Universal Service Obligations**

'The universal service obligation (USO) is the obligation placed on universal service providers to ensure that standard telephone services, payphones and prescribed carriage services are reasonably accessible to all people in Australia on an equitable basis, wherever they reside or carry on business. This includes services for people with a disability, as covered under the Disability Discrimination Act 1992. As the primary universal service provider (PUSP) Telstra is responsible for the USO in Australia' (ACMA 2015).

6. Policy directions

The importance and relevance of the internet in modern society is so significant that it is now regarded as a basic utility, with advocates arguing that access to it should be a universal right for all. The Australian government has demonstrated the value it places on increased digitisation through current policy initiatives such as the Digital First Initiative and the roll out of the NBN.

Notwithstanding this significant focus from government, there are still multi-dimensional barriers to digital access and engagement for people living on low incomes. These include a significant affordability and capability issues, with an identified need for skills and training development as part of a multi-faceted approach to digital inclusion. Moreover, the community sector itself faces challenges with the use of information technology and adopting new digital processes that are being increasingly encouraged by the government (e.g. cloud computing).

A number of initiatives to date have attempted to support people on low incomes maintain their connectivity with telecommunications and digital technology, in line with the USO. However some of these programs have been criticised for being outdated with the rapid changing environment of ICT use both in Australia and internationally (Pavlidis and Hawkins 2015). Moreover, many of the programs previously assisting people in Australia with affordability have been largely focused on fixed line services and have failed to keep up with the increasing reliance on (and arguably necessity of) mobile phone and broadband use among Australians.

The need to address the gaps to access, affordability and digital literacy/skill building are crucial to achieving inclusion both for individuals and within the community service sector. ACOSS will work with members and Government on key areas of policy reform to ensure this, including:

- **Digital literacy**, looking at the effectiveness of existing programs for people on low incomes and targeting greater initiatives to user groups who may be socially, economically or geographically disadvantaged when it comes to digital inclusion.
- **Affordability**, recognising that low, declining and unreliable incomes are a key driver of digital exclusion; and that the relying solely on the development of digital markets will likely be insufficient to achieve a digitally inclusive society in Australia.
- **Industry transition**, incorporating community and nonprofit organisations within the policy, planning, funding and delivery arrangements that will ensure that critical social infrastructure remains best able to meet the challenges and needs of Australian communities.

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