

ACTU Submission to Treasury Consultation on 'Fees for Paper Bills'

The ACTU welcomes the opportunity to make a submission to this consultation process. As the peak body for Trade Unions, the ACTU represents the interests of over 1.6 million union members and workers across the country.

The ACTU urges the Treasury to adopt option 2 as outlined in the consultation paper - the banning of charging of fees for paper bills. We believe that when the impact of these fees on vulnerable and disenfranchised Australians and workers is considered, including the disproportionate nature of these fees, option 2 is clearly the most equitable response.

A key part of any discussion about fees for paper bills must be a consideration of why many Australians still choose to receive their bills as physical paper. It is undeniable that there are most likely a significant number of people who don't know they could opt to receive digital bills or who simply are unwilling to make the effort to do so. However there are also large cohorts of Australians for whom receiving paper bills remains a necessity, a necessity for which they are currently being charged. These groups include:

- **Mature age Australians**

- While most older Australians have internet access, they tend to use the internet far less than younger Australians. Older Australians also make up the vast majority (71 per cent) of the one million adult Australians who have never accessed the internet.¹ Eleven per cent of those aged 65 to 69 have never accessed the internet, with the figure rising to 42 per cent for those aged over 80.²
- Older women also tend to use the internet less than older men.
- In terms of email specifically, 34 per cent of Australians aged 65+ do not list email as one of their 'main' online activities, compared to just 16 per cent of people aged 18+.³
- Older Australians therefore are much less likely than the average person to be able to access their bills online and therefore to require paper bills.
- Many older Australians also rely on the Government aged pension for their income, meaning that they have a low overall income and little disposable income. This means they are particularly disadvantaged by paper bill fees.

- **Indigenous Australians**

- According to an ABS study released in 2012, based on the 2011 census, only 60 per cent of Indigenous Australians live in household with internet access.⁴ This rate fell even lower

¹ Australian Communications and Media Authority, *The Digital Lives of Older Australians*, Australian Government. Accessed December 2017 <https://www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots/Digital-lives-of-older-Australians>

² Ibid

³ Ibid

⁴ Australian Bureau of Statistics, *Census of Population and Housing: Characteristics of Aboriginal and Torres Strait Islander Australians* Cat. 2076.0. Accessed December 2017.

<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/2076.0main+features702011>

for older Indigenous people, only 42 per cent of which had access to the internet in their house.⁵

- Internet access is particularly low for Indigenous people living in rural and remote communities, who are 76 times less likely to have internet access than non-indigenous metropolitan households.⁶
- Additionally, Indigenous Australians tend to earn significantly less than non-indigenous people. According to census data, only 13 per cent of Indigenous Australians aged 15 year or over report an income of \$1,000 or more a week.⁷ Fifty six per cent of Aboriginal and Torres Strait Islander people reported a weekly household income between \$200 and \$799.⁸
- Indigenous Australians then are another group who are often forced to receive paper bills due to a lack of other options and would then be charged money to do so – money they can ill afford.

- **People with a disability**

- People with a disability, much like the above groups, are much less likely to have access to the internet than the average Australian. A 2009 study showed that only 57 per cent of people with a disability used the internet⁹, while a more recent 2014 study showed only half of people with a disability aged 65 or older had internet access.¹⁰
- Yooralla has found that only 74.6 per cent of people with a disability use the internet at home, with that number falling to 35.8 per cent of people with a 'profound limitation'.¹¹ Overall, people with a disability are 5-15 per cent less likely to use the internet than people of a similar age without a disability.¹²
- People with a disability are also more likely to rely on government payments as their income source and to be unemployed than the general population. Like the other groups mentioned, fees for the paper bills are more burdensome for this group.

- **People living in rural and remote areas.**

- Australians living in regional and remote areas are also much less likely to have internet access than people living in metropolitan areas. Only 82 per cent of those living inner

⁵ Ibid

⁶ Australian Communications Consumer Action Network, *Home Internet for Remote Indigenous Communities*, 2011. Accessed December 2017 <https://accan.org.au/files/SWIN-CLC-CATHomeInternet.pdf>

⁷ Australian Bureau of Statistics, Op. Cit. Cat 2076.0

⁸ Ibid

⁹ Australian Bureau of Statistics, *Household Use of Information Technology 2010-11*, Cat 8146.0, Australian Government, Accessed December 2017

<http://www.abs.gov.au/ausstats/abs@.nsf/0/51518390AD522456CA25796600152CE8?opendocument>

¹⁰ Ibid

¹¹ Yooralla Australia, *Disability and Internet Use in Australia*, Accessed December 2017

<http://www.yooralla.com.au/news-and-media/statistics-and-infographics/accessibility/Disability-and-internet-use-in-Australia>

¹² Ibid

regional and 79% for those in outer regional and remote, or very remote, areas have internet access.¹³

- o People living in regional areas also tend to have lower incomes. In 2011-12 the median gross household income in the cities across Australia was 1.37 times higher than for the 'balance of state'.¹⁴

These groups of Australians, diverse though they are, all share a similar experience of fees for paper bills. Many of their members simply have no choice but to receive bills in paper form, due to social and economic inequality, and they are being charged fees for that 'privilege'. While businesses reap the benefit of the efficiencies of electronic commerce including electronic billing across the vast bulk of their client base, many are also expecting to be able to levy additional charges on those that can least afford them. That it is these groups that are hit hardest by these fees, when many have no other option, should be reason enough to prevent them being levied.

The impact on disadvantaged Australians is not the only reason the ACTU urges the Treasury to ban these fees. There are thousands of workers across Australia, from paper mill workers to posties who depend on the sending of paper bills for job security. Unfortunately these workers are seeing their jobs threatened by the significant reduction in post volume, some of which is due to the increased digitisation of bills. The reality is that as long as business are permitted to charge fees for paper bills, they will view it as an opportunity to create a new revenue stream and will therefore charge a fee disproportionate to the real cost of sending a paper bill. That disproportionate fee discourages many people who would have preferred to continue receiving paper bills from doing so, which in turn leads to reduced demand for paper, envelopes, printing and delivery – putting the livelihoods of the workers doing these jobs at risk. The fees charged for paper bills, which do not reflect the real cost of sending a bill through the mail, represent nothing less than one business creating a revenue stream by discouraging consumers from using the services of other, unrelated businesses. Australians who wish to receive digital bills should always have that option, but jobs should not be put at risk by unfair fees that are merely lining the pockets of big companies.

Finally, to anticipate an argument put forth in favour of these fees, some will defend them as a fundamentally an environmental move. We have already seen that many organisations charging these fees claim it is to encourage customers to make the 'environmental choice'. That the consultation paper seeks to explore the environmental impact of both digital and paper bills is pleasing, but more can be done to explore the environmental motivations of the large companies charging for paper bills. We propose that, if the Treasury were to decide not ban fees for paper bills despite the strong arguments in favour of that decision, serious consideration should be put to requiring that any money gathered by any company through these fees be spent directly on environmental remediation or donated to registered environmental organisations. After all, if the fee is environmentally motivated, and not merely a new revenue stream as these companies claim, why is it acceptable for the company to bank the fees as profit?

¹³ Ewing, Scott, *Australia's Digital Divide is Narrowing, But Getting Deeper*, The Conversation, 2016, Accessed December 2017 <https://theconversation.com/australias-digital-divide-is-narrowing-but-getting-deeper-55232>

¹⁴ National Rural Health Alliance, *Income inequality experience by the people of rural and remote Australia*, October 2015, Accessed December 2017 <http://ruralhealth.org.au/sites/default/files/documents/nrha-policy-document/submissions/sub-income-inequality-inquiry-15-oct-2014.pdf>

In summary, the ACTU believes that, in light of the significant detrimental effects that these fees have on workers and disadvantaged groups of Australians, fees for paper bills should be banned. They are an unnecessary burden on many Australians who have no choice but to receive paper bills and they needlessly imperil the jobs of thousands of Australian workers.

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