

Productivity Commission Hearing – Telecommunications Universal Service Obligation

Mayor Peter Slattery, The Flinders Ranges Council, Quorn, SA, 5433

We support the Commission's draft findings around the substantively changed nature of Australia's Telecommunications landscape and industry, the decreasing relevance of a fixed phone voice call service as the basis for the TUSO, and the need therefore to review the place of TUSO quite broadly. We nevertheless consider that the service inequality across the nation, and the ubiquitous role of telecommunications in modern society, mean that there remains need for a social-equity level acknowledgement of the need for an interventionist approach to supporting access where market forces do not provide affordable access to modern telecommunications services.

There are a number of assumptions underlying other draft findings – arguably much of the context of proposed future direction for the “new TUSO” – which we are much more hesitant about supporting:

- That the NBN can simply be relied on as the “safety net” service provision network to de-facto replace TUSO and that rollout of the NBN will deliver equitable standards of service – even as “baseline broadband connections” – to all regional and remote areas
- That the “baseline broadband connection” in a fixed service to a single point does in fact serve purpose as the new minimum service standard for the “new TUSO”
- That the TUSO can or should be removed rather than reframed – the same social equity imperatives which established the TUSO in it's current form still apply across Australia's large and diverse landmass, and complexity is not sufficient reason to abandon them

Whilst the provision of a minimum basic service to a fixed point is defensibly a more relevant standard now than the fixed voice line, it does not recognise the increasingly pervasive nature of telecommunications as utilised in practice, and we contend that improving access to mobile technologies in regional and rural areas – for the commercial, social and safety benefits of residents, mobile workers and the increasing numbers of travellers/tourists - remains a great challenge for Australia. Setting the minimum standard to what has arguably been available to most of the population for some time and falls significantly short of what is available to nearly all users at quite low cost by virtue of location and population density is setting the bar at ground level. As detailed in the draft report, the majority of the landmass is very sparsely populated and it is not economic for commercial providers to expand networks into these areas (or, at the very least, they are able to generate much greater returns on investment in augmenting their networks in more populated areas)

The Mobile Blackspot funding program is not seen by regional communities to be as effective in mitigating lack of coverage as seems to be accepted in the report, and indeed the competitive tendering process applied can compound and complicate the issues for isolated areas. (An example being recent funding for “pocket” coverage cells in the Flinders Ranges which were awarded to Optus on a non-share, older technology platform; when most residents would already have Telstra

4G network mobiles for use when travelling and away from home as only Telstra has network coverage in most places between these new cell areas and the rest of the mobile network in populated areas to the south.)

Though expanding the mobile network for voice and, increasingly, data into these regional areas is arguably difficult as the baseline service standard, we feel that the fixed baseline broadband service proposed is setting the line well behind current practice. Some mechanism for expansion of mobile technology to enable regional areas to compete more equitably with metropolitan and coastal areas -whose residents and visitors don't have to be sitting at home to make calls or use the internet, and can operate their businesses from wherever they are at the time- is required to allow all Australians the benefit of a modern and technologically advanced society.

The Mobile Blackspot Program does not fulfil this objective, and economic imperatives mean that commercial operations will not, so a mechanism along the lines of a recognised USO acknowledging the social equity aspect of access to basic utilities is required. Further, access to mobile as well as fixed satellite data for remote residents and business operators, travellers and workers seems a more appropriate objective if we are aspiring to provide all Australians with equitable access to modern telecommunications services. If NBN is to be assumed to be the safety net provider of last resort, this will have implications for their current programs of utilising satellite services where compact communities could otherwise and probably better be served by fixed wireless or a small investment in upgrading copper connectivity from local nodes. (We acknowledge that is a whole other argument, though!)

Funding for such a program will probably require a more considered approach than that outlined in the draft report where the "new TUSO" is much reduced and suggested to be drawn from Commonwealth Budget provisions.

As a relatively minor aside on payphones, I see personally that a significant number of visitors to our area who have mobile phones on networks other than Telstra and to a lesser extent Optus do in fact need access to public phones. Some members of our community also still require them from time to time. Until such time as mobile coverage in regional areas is more consistent and wider, there is still a need and a place for payphones and as such they need to be supported for a time yet. Exactly how that transpires in a revised TUSO is a matter for others, however I do see them used by people with limited other options and I'm sure that's why they fell within the ambit of the TUSO in the first place.