

25 January 2017

Commissioner Paul Lindwall
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Dear Mr Lindwall,

Re: Productivity Commission draft report on the Telecommunications Universal Service Obligations

Sensis welcomes the opportunity to make a submission to the Productivity Commission's draft report on the Telecommunications Universal Service Obligation (TUSO).

Sensis is Australia's leading marketing services business and the owner and publisher of the White Pages®. The White Pages® is the most trusted, accurate way for Australians to find contact details to connect with each other, with businesses and with Government. Sensis provides a comprehensive digital directory at www.whitepages.com.au, data for telecommunications companies' directory assistance services, and print and distribute annually a Business and Government White Pages® directory for every capital city and region across Australia. We also print a Residential White Pages® phone book for every capital city and region, which is available to the community upon request. In all, the White Pages® makes some 12 million listings updates annually with data from all major carriers.

In addition to its own publication activities, Sensis has an agreement with Telstra Corporation Limited to publish the White Pages® to enable Telstra to meet its Carrier Licence Condition to produce, publish and distribute an alphabetical public number directory.

As a business, Sensis has seen dramatic changes since the development of the TUSO in the 1990's, and has transitioned from being a print-dominated business to that of a predominately digital marketing services and online directory business.

There are some specific comments we wish to make in relation to selected findings and recommendations in the Productivity Commission's draft report on the Telecommunications Universal Service Obligations.

Draft finding 3.2

Despite the well documented dramatic change in the telecommunications industry, the standard telephone service (STS) is still in use in the community, and of the 12 million updates we process annually, the vast majority are for STS regulated telephone services. In Sensis' view, the ongoing access to STS products by the Australian community makes its withdrawal without a corresponding substitute an unnecessary disruption to the community and business users.

Draft recommendation 3.1

Sensis submits that the listing entry of the STS product description should be seamlessly migrated into any new universal telecommunications service.

Draft recommendation 5.1

Sensis supports the recommendation that the Australian Government should reframe the objective for universal telecommunications services to provide a *baseline* broadband (including voice) service to all premises in Australia. Sensis also believes this should continue to include a directory entry as a continuing part of the universal telecommunication service.

From your Issues Paper in Section 5 – Universal Service: objectives and scope (Productivity Commission 2016 *Issues Paper – Telecommunications Universal Services Obligation*, p20), overseas comparisons are utilised. More specifically the provision of a directory entry should continue to be explicitly detailed in the service description of the STS. Australia is not alone in making a directory entry part of the overseas equivalent to our Standard Telephone Service due to a recognised public benefit.

In New Zealand, a directory entry is specifically detailed in the USO equivalent being the “*Telecommunications Service Obligations (TSO) Deed for Local Residential Telephone Service*.”

It is found in the Schedule to the above deed at Part 1 – Service Definitions.

“Local residential voice telephone service

2 “Local residential voice telephone service” means (subject to clause 3 of this Schedule) the services set out in clauses 2.1 to 2.5 of this Schedule provided by Telecom to a Telecom residential customer in accordance with Telecom’s usual terms and conditions:

2.1 local free-calling for standard calls for voice which are dialled by the Telecom residential customer to a local number and which: (a) originate from the demarcation point at the physical premises of a Telecom residential customer; and (b) terminate at the demarcation point of other physical premises; where the points described in each of clauses 2.1(a) and 2.

2.2 a single standard listing of the Telecom residential customer’s local telephone number in *The Telephone Book*”

In the European Union, a directory entry is specifically detailed in the USO equivalent their *Universal Service Directive (DIRECTIVE 2002/22/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 7 March 2002 on universal service and users’ rights relating to electronic communications networks and services (Universal Service Directive)* in Article 25 (1):

“Member States shall ensure that subscribers to publicly available telephone services have the right to have an entry in the publicly available directory...”

It has been acknowledged that telecommunications can support economic growth, and the ready availability of an online directory entry and a widely available phone book builds on this. It is worth expanding how it builds in several distinct ways.

Any business with a directory entry automatically has an online presence with www.whitepages.com.au, making it available to the broader internet user through search engine optimisation.

Regional economic development is supported by the distinct regional directories produced by Sensis. Businesses have a listing in the White Pages® to ensure potential and existing customers can locate them. This helps drives sales and therefore economic benefit back to that community.

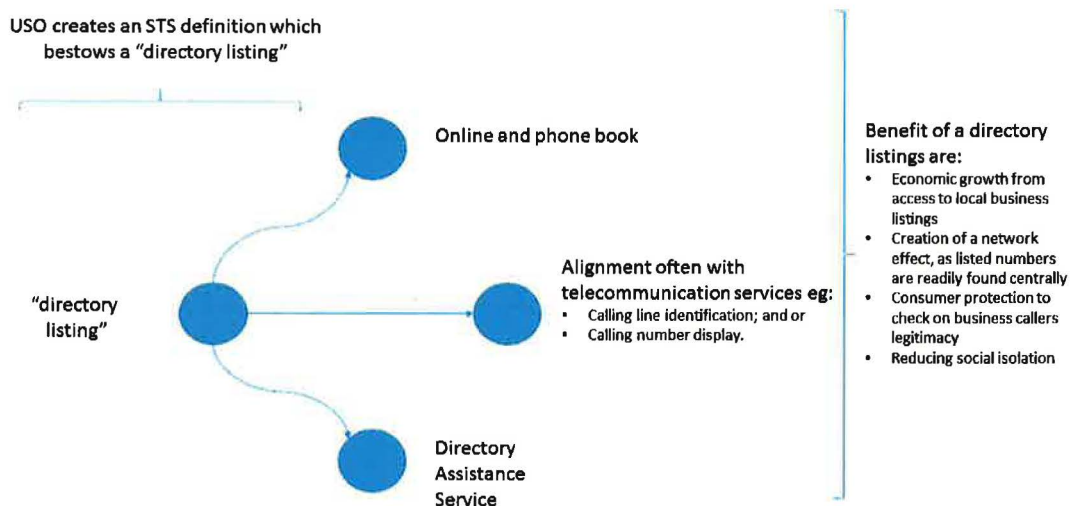
The automatic inclusion of telephone numbers into a freely available directory provides a network effect that the Issues Paper accurately describes. (Productivity Commission. 2016 *Issues Paper – Telecommunications Universal Services Obligation*. p17). This benefits both businesses and consumers.

There are also benefits to the social fabric of local communities, particularly those in more isolated regions of Australia or comprising an older demographic.

A freely available public directory provides a significant benefit to members of the community; consumers can readily check the bona fides of a physical or online cold-caller by undertaking a simple check against a directory like the White Pages®. As a security measure they can use the phone book to see if the caller's business actually exists, that it has a phone number or an Australian business address. This also readily allows users of a directory to confirm if a business is located locally.

From a social perspective, the general availability of a phone listing (whether print or online) can help people find their friends or services and potentially reduces social isolation.

The following diagram summarise up the inter-dependency between the standard telephone service and the benefit of a directory listing.



It is for these reasons that we support the finding 5.1 of the draft report to retain the directory listing as part of the universal telecommunications service.

Sensis would be willing to provide additional information as needed to support your deliberations and to discuss our views should you wish to contact me on 8653 5000.

Yours sincerely,


Stephen Palmer
Executive General Manager White Pages