

Submission
to
Telecommunications Universal Service Obligation Draft Report

COVER PAGE

The Commission now seeks further information and feedback on the draft report. Submissions are due by **Friday 20 January 2017**.

To:

**Telecommunications Universal Service Obligation Inquiry
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601**

www.pc.gov.au/inquiries/current/telecommunications/draft

Submission made on behalf of:

Yaraka Isisford Branch of the Isolated Children's Parents' Association.

<http://www.icpa.com.au/branches/view/65/yaraka-isisford-qld>

Submission written by:

Mary Killeen (Branch President)

(Assisted by Branch Members who wished to contribute)

Navarra

ISISFORD Q 4731

ICPA (Aust) is a voluntary, non-profit, apolitical parent body dedicated to ensuring that all rural and remote students have equity of access to a continuing and appropriate education. ICPA members work together for equity of access to education for all students who live in rural and remote Australia

It is essential that geographically isolated students and their families are provided with a terrestrial telephone service that works, works all the time, and, if it fails, is repaired promptly. The focus of this submission to the **Telecommunications Universal Service Obligation Draft Report** will be on the importance of the continuing provision of a terrestrial telecommunications service under-pinned by a USO and a CSG.

**This submission contains no material supplied in confidence and may be placed on the
Productivity Commission's website**

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Public hearings: The Commission will be holding public hearings in Cairns, Sydney, Dubbo, Port Augusta, Launceston and Melbourne in late January and early February 2017. Details regarding dates and venues will be made available on the Commission's website in due course. (1)

Why has only one public hearing been scheduled for Queensland and why in a location such as Cairns? Surely at least one public hearing should have been scheduled in a rural and remote location somewhere in outback Queensland, given that these are the very people who stand to lose the most, should the recommendations of the Draft Report be adopted.

Are there no public hearings scheduled ANYWHERE for Western Australia and The Northern Territory? These two locations contain some of the most geographically isolated and remote terrain in Australia. Surely it would only be fair and reasonable to expect that this cohort of the population should be able to attend at least one public hearing in their home state?

People's preferences for ubiquitous connectivity, their seemingly insatiable appetite for data and the high value of digital data to businesses and governments generally provide a strong case to revise Australia's universal service policies. (2)

Given that there is no such thing as "ubiquitous connectivity" for many residents of rural and remote Australia (including members of the Yaraka/Isisford Branch of ICPA) the intent of this statement is questionable. There is certainly need for revision of Australian's universal service policies but not in the way intended by this review.

Change to Australian's universal service policies should include and mandate:

- The right to a standard fixed line telephone service. Over 70% of the land mass of the Australian continent has NO MOBILE SERVICE FOOT PRINT.
- Subscribers who have a disability or impairment should be guaranteed the right to the provision of a telephone service which will meet their needs.
- Any persons wishing to become new subscribers should be guaranteed a telephone connection
- Reinforcement of the USO in relation to fault restoration times.
- Provision needs to be made for appropriate increases in CSG payments made when services are interrupted.
- CSG payments should increase exponentially with fault duration or recurrences of the same fault.
- A stipulated minimum data speed which adequately meets the needs of education delivery should be mandated and such a mandate should be enforced.

The existence of the NBN means that the objective of universal service can be reframed to provide a *baseline* (or minimum) broadband service to all premises in Australia, having

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regard to its *accessibility* and *affordability*, once NBN infrastructure is fully rolled out. This encapsulates access to both the internet *and* voice services as the internet will increasingly be the medium for voice communication. (3)

This is alarming. The existence of the NBN means that the objective of universal service can be reframed to provide a *baseline* (or minimum) broadband service to all premises in Australia, having regard to its *accessibility* and *affordability*, once NBN infrastructure is fully rolled out.

In the very next paragraph, acknowledgement is made of the fact that is a “question about the adequacy of NBN services as a *baseline* service in pockets of the satellite footprint, particularly given the high dependency on the network in areas where there is no mobile coverage (affecting up to 90 000 premises).”

Surely it is very premature to make the above statement, given that the roll out of the infrastructure is far from complete and already questions are being raised as to the adequacy of the NBN service as a baseline.

While NBN infrastructure will deliver a high quality voice service over fixed-line and fixed wireless networks, there is a question about the adequacy of NBN services as a *baseline* service in pockets of the satellite footprint, particularly given the high dependency on the network in areas where there is no mobile coverage (affecting up to 90 000 premises). (4)

“I don't know enough personally about it only know that we need to have a reliable service which will keep pace with our city counterparts.” (5)

The telecommunications universal service obligation (TUSO) is one of several policy instruments used in Australia to meet universal service objectives. It was introduced in the 1990s as the sector was being deregulated to ensure ‘reasonable access’ to a *standard telephone service* and payphones to all Australians on an ‘equitable’ basis, regardless of where people reside or work. At that time, telecommunications centred on basic telephones and the TUSO was enacted to benefit consumers by affording them a ‘provider of last resort’ for voice telephony. (6)

The residents of the 90,000 premises located in areas where there is still no mobile telephone coverage still require “reasonable accesses to a *standard telephone service* and payphones to all Australians on an ‘equitable’ basis, regardless of where people reside or work.” These consumers still have a vital need for a ‘provider of last resort’ for voice telephony. It is essential that this voice telephony is NOT provided via the Sky Muster Satellite Service.

This service needs to be underpinned by a CSG / USO which mandates acceptable guaranteed repair times and equitable voice transmission quality.

“We really need fixed line phones due to the fact that the mobile and internet service is not always available to us in this remote area.” (7)

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Today, it is nearly impossible for most people to imagine life without smartphones, tablets and messaging. Connectivity has pervaded homes and businesses, allowing almost instant access to information, services and people globally. (8)

It is nearly impossible to imagine that those who compiled this USO Draft review document appear to have complete disregard for the inhabitants of the 90,000 premises located in some of the most geographically isolated and remote terrain in Australia who have NEVER had access to a service which will allow them to use smartphones, tablets and messaging unless they are away from their homes, family and businesses.

Even though universal access to a minimum level of telecommunications services remains important, the weight of evidence suggests that the TUSO is no longer fit for purpose. While Telstra may have acted with goodwill in fulfilling its contractual obligations, these arrangements no longer serve the best interests of the Australian community. The Commission therefore recommends that the TUSO be phased out as soon as practicable. (9)

Is the Draft Report therefore suggesting that the residents of these 90,000 premises which have no mobile telephone access are not part of the “Australian community?” Who is going to serve the best interests of these people?

NBN infrastructure will enable the provision of wholesale broadband (including voice) services to all premises within Australia. The Commission’s assessment is that the service level provided by NBN infrastructure will be more than adequate to meet a *baseline* level of broadband (including voice) service *availability* for the vast majority of premises across Australia — specifically for at least the 97 per cent of premises that fall within the NBN’s fixed-line and fixed wireless footprints. (10)

So what **appropriate** provision is planned for the remaining 3% of the population who does not fall within the NBN’s fixed-line and fixed wireless footprints? Given the well documented issues which people have been experiencing with the installation of the NBN Sky Muster service, **our branch members are not filled with confidence.**

Branch member C provided the following information re dealings with the installation of the nbn long term satellite service. Obviously all names have been removed.

“The first time was scheduled 27th May and they let us know the afternoon before that it would not happen. This is **after** we rearranged my dentist appointment in Brisbane so we could be at home.

Read through the emails that I have keep to get the picture.

Our first bill is dated 6th Sept I can’t remember if that was the date that we could finally use nbn but I think it was.

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On Sun Aug 28 07:54:36 2016, XXXXX wrote:

Hi, I am wondering what is happening with our satellite connection? It was installed 2 weeks ago next Tuesday. I have contacted you a couple of times and have got a different answer each time. I find this rather frustrating and feel like I am being fobbed off with any old story. I hope this is not a sign of the service we should expect in the future. Regards XXXXXX

From: ZZZZZ

Sent: Monday, 29 August 2016 11:12 AM

To: XXXXXXXXX

Subject: VVVVVVV

Hi XXX

NBN seem to believe that the appointment was re-targeted to this morning, between 8am and 12pm. Was the appointment rescheduled with you?

If not, NBN have asked us to provide information on when the appointment was completed. Could I please confirm the date of the installation, and roughly when the technician arrived? Kind Regards, ZZZZZZ

On Mon Aug 29 14:02:32 2016, XXXXX wrote:

Hi ZZZZ,

The installer arrived here about 08.00 on Tuesday 16th August after 2 confirmation calls from XXX and completed the installation by 10.15 (excellent service by the installer, prompt, professional and neat). He said the internet should come on line by the time he packed up, if it didn't give it a couple of hours and contact XXXX, which I did. He also stated that the last week or so of installs came on line almost immediately. I contacted XXXX twice more after that and got a different answer each time. This was the 4th attempt to have the NBN installed. The first time we gave up a dentists appointment in Brisbane (1200km away) only to be told the day before installation that it would not be happening, similar happened on the 2nd attempt, on the 3rd attempt we had three calls on the day prior saying it was defiantly all go then about 16.30 that afternoon someone else calls and says it is not happening again!!!. I can't remember when I have come across anything with such a lack of organisation and communication. Maybe my expectations are different to others. Regards ZZZZ

From: XXXXXXX

Sent: Tuesday, 30 August 2016 11:10 AM

To: ZZZZZZ

Hi XXX

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Thank you for your email. It sounds as though there is still work required to have your service come online if there has been multiple appointments booked since the original appointment. I have requested NBN provide us with an update on the current status of the appointment.

In regards to the installation, unfortunately we don't have anything to do with the installation of the service. We place your order with NBN, who then assign either XXX or ZZZ to complete the installation for you. Obviously this means we don't have a lot of influence over the technicians and their reliability. Hopefully the installation will be completed on the next appointment.

Kind Regards, ZZZZZ

On Tue Aug 30 16:02:09 2016, XXXX wrote:

Hi ZZZZ

To my knowledge the installation was completed on 16th of August at about 10.15 on that morning. The sat dish and coax was installed as was the modem, the sticker on it which I take is the serial number is XXXXXXXXX. I can take a photo if that helps. Regards XXX

From: ZZZZ

Sent: Wednesday, 31 August 2016 9:32 AM

To: XXXX

Hi XXX

I have passed along the information you have provided to NBN, and they will let me know if they can do anything with that shortly.

They have also advised that they have escalated your order, so we should get an update in the next couple of days in any case.

Kind Regards,

ZZZZ

On Wed Aug 31 16:33:23 2016, XXXX wrote:

Hi XXX,

Thanks for that.

Regards

ZZZ

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From: XXXXX

Sent: Thursday, 1 September 2016 9:16 AM

To:

Hi XXXX

Thank you for your email. It looks as though NBN has completed your order, so you should now be able to use your service. You would just need to plug your device into the modem.

Kind Regards,

ZZZZZ

On Thu Sep 01 17:01:36 2016, XXXX wrote:

Hi ZZZZZ,

Thanks once again and it is working.

Just a question or two, is there a data usage meter with this and how do you set up an account?

Regards

XXX

From: ZZZZZ

Sent: Friday, 2 September 2016 10:23 AM

To:

Good Morning XXX,

Thanks for your email. There is a data usage tracker in your XXXXXt, however it has not been set up for you yet because we are still waiting on nbn to update us with the information that your service has been installed.

Once that has been done, you will receive a notification to state your log in details and you will be able to view the information in there.

Kind regards

XXXX" (11)

This includes ten retailers offering services over nbn's *Sky Muster* satellites, which targets remote Australia or the 'last three per cent'. (12)

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The issue is the reliability (or lack thereof) of the services being offered. There is not a day goes by that an nbn service outage is not reported by someone, usually many more than one subscriber.

<https://www.facebook.com/groups/BIRRR/>

At the 2015 ICPA Qld Inc State Conference, representatives of NBN advised delegates that the nbn Sky Muster satellite service would be adversely affected by some weather conditions and that anyone relying on this service could expect service failure or severe degradation of more than ten days a year especially in locations above the Tropic of Capricorn.

Given the central universal service role to be played by nbn, the Government's stated intention for nbn to be the statutory infrastructure provider of last resort should be legislated as soon as possible to provide the community with confidence about the ongoing delivery of services, especially if nbn is privatised in the future. (13)

The USO Review has already noted that residents of remote Australia have little "confidence about the ongoing delivery of services" ³ The Commission's consultations in remote Australia showed a level of distrust and scepticism among these communities partly based on their poor experience with the interim satellite, but also partly based on transitional problems with the rollout of the new *Sky Muster* satellites. (14)

This legislation could also provide more formal (and certain) backing to the quality of service to be provided by nbn over its networks. nbn's impact on the economic efficiency of the telecommunications market once the NBN rollout is complete should also be reviewed, and this planned review should not be conditional — as it currently is now — on the timing of any Government consideration of the privatisation of nbn. (15)

No legislation in the world can provide "more formal (and certain) backing to the quality of service to be provided by nbn over its networks" unless it can overcome issues caused by degradation to service by adverse weather conditions and latency issues inherent with a satellite based service.

"For residents of the tropics, nbn has estimated service outages or significantly diminished performance of at least ten days per year because of weather conditions. This satellite does not have the ability for telephony without significant time delay (latency) which would impede all calls, but particularly degrade communications in a school of distance education class environment." (16)

... with targeted intervention to address specific market gaps

While the NBN is expected to fully deliver a *baseline* broadband (including voice) service within its fixed-line and fixed wireless footprints, there is a question as to whether further government intervention may be warranted for the retail provision of voice services in pockets of nbn's satellite footprint. Because of the nature of geostationary satellite communications, there is a small but noticeable lag or latency,⁴ when communicating via *Sky*

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Muster to another satellite service, compared to the TUSO *standard telephone service*, although the sound is of a very high clarity. (17)

Yes, government intervention is absolutely warranted for the retail provision of voice services in pockets of nbn's satellite footprint.

In effect, there is a tradeoff — premises within the NBN satellite footprint benefit from vastly improved internet access with modestly increased latency. Of the 400 000 premises within the NBN satellite footprint, at least 310 000 premises are estimated to be able to use their mobile phones, thus providing a low-latency alternative to the NBN satellite service. (18)

So these subscribers have an alternative communication service in the event of a life threatening emergency.

There are thus up to 90 000 premises in the NBN satellite footprint that do not have mobile phone coverage. In the absence of the TUSO, they would receive a higher latency voice service compared to other technology platforms (copper, fixed wireless, fibre and mobile). (19)

There are two major issues:

1. No alternative service – this immediately becomes a SAFETY OF LIFE issue. If there is no access to mobile phone coverage and the modem which delivers both voice and email service fails then there is NO SERVICE at all. Power supply issues also need to be noted – at present fixed line services are mostly not compromised by power outages. A number of rural and remote subscribers rely on generators for power and do not need to have a generator running to use the telephone. This will not be the case if subscribers are relying on the nbn modem to provide BOTH internet and voice communication services.
2. High latency voice services are not suitable for the provision of Distance Education lessons. Give that almost all those residing in the areas which do not have access to mobile telephone coverage rely on distance education to educate their children this is simply unacceptable. Given that it is mandatory to educate one's children, irrespective of location, the government has an obligation to provide a telecommunications service which allows for the best possible delivery of lessons via distance education.

Prima facie, this does not necessarily justify further government subsidies. The crux of the matter is whether the quality of voice services over the *Sky Muster* satellites is an acceptable *baseline* for the purpose of a universal voice service or not. Also relevant is the level of reliability offered by these services. (20)

As previously specified, the latency issue which compromises the delivery of quality of voice service is not acceptable. The level of reliability (based on current experiences) is also far from acceptable.

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“Not long ago we had a power failure in which the mobile phones all went out. In case of emergency this is a disgrace so to lose the fixed line phones would be a disaster. At the time we were all very worried about bushfires as no decent rainfall had been received in this area, without some sort of communication this could have been a disaster. Luckily there was no lightning strikes but it can happen. It should be noted that about three years back we went out to fight ten fires in the season. There must be good communication in times of distress, not to mention if an accident had occurred or an elderly person had had some sort of mishap. The distance is one great barrier that we live with, we should not have to live without good communication in this day and age.” (21)

Is a 99.7 per cent reliability target (compared to 99.9 per cent for NBN fixed-line and fixed wireless networks) acceptable to the Australian community, particularly for emergency situations where private or public safety may be at risk and there is no back-up service, as rare as these events may be? (22)

Of course it should not be acceptable. Will there need to be a death before people will listen?

The issue is “no back up service.”

Additionally this is only a proposed reliability “target.” What will happen in reality??

No one can predict the weather – nbn clearly state that Sky Muster will be subject to weather related outages. A good wet season may see much of far North Queensland and possibly other areas as well, spend weeks with no communication system. Given the absolute necessity to be able to communicate during times of cyclones and floods, the prospect is little more than frightening.

Sky Muster is a limited capacity service. The issue of congestion has not been adequately (if indeed at all) addressed. Data usage in Australia is increasing at an average of 22% per year. The capacity limitations to nbn satellite services were highlighted in the 2011 – 2012 Regional Telecommunications review. This review stated that the Sky Muster satellites will become congested before all projected customers are connected.

Members of our branch hold grave concerns that in reality the proposed 99.7% reliability target is little more than a pipe dream. Unfortunately when it turns into a nightmare, it will be our branch members (along with the other 90,000 unfortunate rural and remote residents) whose lives are impacted.

“I am currently undergoing six months of chemotherapy as part of my treatment plan for Breast Cancer. If we were on this proposed satellite phone which is supposed to run through the same modem as the internet and I wanted to try and go home during some of my treatment (with for example Angel Flight) it would not be possible at all in case the telephone / internet went down and we could not communicate with the outside world. I have to take my temperature three times per day and if it rises to 38 C I have to speak to my oncology

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team IMMEDIATELY. (This is due to possible infection). So if the phone and email systems are both down because they both run off the same modem then too bad. There is no medical priority (as can be arranged with Telstra now) available on this proposed new system. The anticipated repair times for our area is 90 days. So realistically if we were on this system at home now, I would not be able to safely go home at any time during the duration of my treatment (which is six months) in case both the phone and internet went down” (23)

No service can achieve 100 per cent reliability. (24)

However at least on the existing system, a “medical priority” can be registered with Telstra which ensures priority of service restoration. The existing system is not dependent on power to work.

Signal attenuation (or rain fade), for example, may be more prevalent in parts of Australia that are more prone to heavy rain. That said, the rollout of NBN infrastructure is still progressing and actual levels of reliability are as yet unknown. (25)

So surely this whole review is somewhat premature and hasty. Surely it would have been sensible to delay such a review until AFTER the roll out of nbn infrastructure is complete and the actual levels of reliability are known.

4 The latency of an NBN satellite call to a fixed-line, fixed wireless or mobile service (a ‘single hop’) is around 260 to 300 milliseconds, and around 520 to 600 milliseconds to another satellite service (a ‘double hop’). (26)

“This is unsuitable for the provision of Distance Education lessons. “Information and Technologies Branch, Department of Education, Training and Employment, Queensland, senior staff have advised ICPA (Qld) Inc. latency issues have resulted in a recommendation to Schools of Distance Education that satellite VOIP not be considered suitable for students for lower primary years (Kindergarten to year 3).” (27)

While there will always be some level of fiscal and political risk associated with budget-funded measures, the Commission’s assessment is that the measures recommended in this inquiry should be funded principally through general government revenue. (28)

Members of our branch concur with this suggestion. However further clarification is sort. If funding is to be principally through general government revenue, where is the shortfall to come from? It is essential that rural, remote and geographically isolated consumers are NOT expected to fund the balance of funding which does not come principally through general government revenue.

Option 2: Remove the *standard telephone service* USO in all areas once the NBN rollout is complete. This option would see the *standard telephone service* USO removed (both the contractual and legislative mechanisms) once NBN infrastructure is deployed. This option

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acknowledges the role that nbn would play as the statutory infrastructure provider, and would neatly tie the timing of reforms to the NBN rollout. (29)

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“Suggestions that the USO is no longer necessary because of mobile phone availability, advanced technology and the nbn ignore the reality of the technological chasm experienced by residents of isolated areas. Together with the aging population, the increased percentage of Australian students living with a disability or impairment only enhances the need for the provision of a guaranteed telecommunications service suitable for their needs.” (30) ICPA Qld Inc. USO Position Summary.pdf

<https://dl.dropboxusercontent.com/u/80766382/Special%20Mail%20Outs/ICPA%20Qld%20Inc%20USO%20Position%20Summary.pdf>

DRAFT RECOMMENDATION 3.1

The Australian Government should phase out the existing telecommunications universal service obligation as soon as practicable. (31)

“Suggestions that the USO is no longer necessary because of mobile phone availability, advanced technology and the nbn ignore the reality of the technological chasm experienced by residents of isolated areas. Together with the aging population, the increased percentage of Australian students living with a disability or impairment only enhances the need for the provision of a guaranteed telecommunications service suitable for their needs.” (32) ICPA Qld Inc. USO Position Summary.pdf

<https://dl.dropboxusercontent.com/u/80766382/Special%20Mail%20Outs/ICPA%20Qld%20Inc%20USO%20Position%20Summary.pdf>

DRAFT RECOMMENDATION 5.1

The Australian Government should reframe the objective for universal telecommunications services to provide a *baseline* broadband (including voice) service to all premises in Australia, having regard to its accessibility and affordability, once NBN infrastructure is fully rolled out. (33)

“Certainly we do not all enjoy mobile coverage out in the bush and as for the nbn unless they are going to do something more to improve it, it seems too unreliable especially if there was an emergency situation.” (34)

DRAFT FINDING 6.2

- Voice services offered to premises in the NBN satellite footprint will be of an adequate quality for most purposes, but will fall short of the quality of those offered under the current TUSO in terms of latency and service repair timeframes. Up to 90 000 premises may be solely dependent on nbn’s *Sky Muster* satellites for voice calls.
- Whether further government support for some alternative voice service for these premises is warranted is contingent on

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whether the quality of nbn's services is below the *baseline* that the broader community would regard as acceptable for a universal service. (35)

For the 90 000 premises which may be solely dependent on nbn's *Sky Muster* satellites for voice calls (such voice services offered to premises in the NBN satellite footprint will fall short of the quality of those offered under the current TUSO in terms of latency and service repair timeframes.) it is essential that further government support for some alternative voice service for these premises is provided. It should be quite obvious that the broader community will not regard as acceptable for a universal service the quality of nbn's services.

Can I use Voice over IP (VoIP) services on an nbn™ Satellite service?

"Unlike older satellite technologies, the new NBN™ Satellite connections should be capable of supporting VoIP services, however we expect that some latency issues may occur (e.g. delayed audio, sound quality issues, call dropouts) particularly with VoIP-to-VoIP calls. For this reason, we do not recommend you disconnect your landline phone in favour of VoIP as landline will always be your most reliable option." (36)

https://iihelp.iinet.net.au/NBN_Satellite_FAQ#toc_4

INFORMATION REQUEST 6.1

Participants are invited to provide evidence on the adequacy of NBN's satellite voice services in relation to defining an acceptable baseline for a universal service. Information on practical and cost effective alternatives to NBN's satellite voice services in areas that currently have no mobile coverage, and their relative merits and costs is also sought.(37)

To date, evidence contained throughout this submission strongly suggests that NBN's satellite voice services are currently inadequate in relation to defining an acceptable baseline for a universal service.

"Only high latency nbn services supplied by satellite will be available in regional & remote areas. These high latency services are unsuitable for Public Switched telephony services." (38)

The fact that Information on practical and cost effective alternatives to NBN's satellite voice services in areas that currently have no mobile coverage, and their relative merits and costs is currently being sought is VERY ALARMING. It suggest that there has been an abdication of responsibility on the part of government to ensure that ALL Australians, regardless of their geographic location have access to a terrestrial standard telephone service. Such fixed telephone service to any permanent location in Australia is currently at a cost that does not exclude subscribers who reside in that area from accessing the service.

"In my opinion, the Government has been very poor at ensuring Telstra meet their contractual obligation to maintain our current phones. However, they should not just use this as an

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excuse to do away with the USO, which is largely funded by a levy on phone companies.”
(39)

Nowhere in the Australian Constitution is this cohort of citizens excluded and nor should they be, especially when it comes to telecommunications. Reliable telecommunications comes back to three words: “**SAFETY OF LIFE.**” telecommunications users in regional and remote locations pay income tax using the same structures and provisions as the rest of the Australian population, are expected to abide by the same laws and statutes and should not be discriminated against when it comes to the provision of appropriate telecommunications services.

The majority of Yaraka/Isisford ICPA branch members do not reside within a mobile telephone service footprint and rely on such service: education, business and personal communications all rely on a standard telephone service.

Safety of life is of paramount importance and it seems that the government has given little thought to this issue (not to mention Education, business and personal communication issues) over past years. It appears that Nero is fiddling while Rome is burning.

DRAFT RECOMMENDATION 7.1

The Australian Government should introduce legislation as soon as possible to make explicit the role of nbn as a universal service provider of wholesale broadband services. The legislation should be in place before any decision by the Australian Government to privatise nbn. (40)

Draft Recommendation 7.1 is not acceptable to members of the Yaraka/Isisford Branch of ICPA for all reasons outlined in this submission.

DRAFT FINDING 4.1

A number of consumer safeguards apply to the provision of the *standard telephone service*. These safeguards do not apply consistently across all providers and all telecommunications services. The declining reliance on the *standard telephone service* and the increasing proportion of consumers agreeing to waive these safeguards (in particular, the Customer Service Guarantee) make the relevance of these safeguards questionable. (41)

Some consumers may have had little choice but to agree to waive these safeguards (in particular, the Customer Service Guarantee). “Telstra have provided a service to many customers by Next G Wireless Local Link (WLL over the mobile network) technology. These customers have been required to sign a waiver of their USO CSG rights as a condition of connection.” (42)

The relevance of these safeguards is indeed questionable but not for the reasons outlined in this draft review document. Such safeguard in fact need to be strengthened and reinforced, not removed completely.

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“The service for landline faults was very slack in September and it took 4 attempts over a 6 week period for the problem to be sorted. Admittedly it was a difficult fault to find but I had to threaten all sorts of action to get an Australian speaking authority on to it. They would give me a repair date and I’d wait around on that date only to receive a message around lunch time or the next day to say “we are due to fix your phone service by Changed to several days later” this happened 3 times in a row until I cracked up. They did give me a \$500 reimbursement on my phone bill.” (43)

INFORMATION REQUEST 9.1

Participants are invited to comment on the relative merits of the following (or other feasible) transition options for the standard telephone service USO module of the Telstra USO Performance (TUSOP) Agreement.

- *Option 1: Amend the Telecommunications (Consumer Protection and Service Standards) Act 1999 (Cth) to change the scope of the current standard telephone service USO, thereby forcing the parties to negotiate a payment adjustment under the Agreement.*

- *Option 2: Remove the standard telephone service USO in all areas once the NBN rollout is complete.*

- *Option 3: Commence a staged wind-back of the standard telephone service USO in NBN-connected areas as soon as practicable. (44)*

None of the above options are acceptable to members of the Yaraka/Isisford Branch of ICPA.

“Extreme opposition to wiping the USO.” (45)

“The report has recommended that the USO be abolished, which in simple terms means there will be no entitlement for homes to have a fixed landline. ICPA Qld holds grave concerns for their constituents if such a thing were to happen.

Immediate Past President, Andrew Pegler expressed his disappointment today, “This draft report totally ignores the needs of people in rural and remote communities, it ignores the effects that it could have on children’s education and is a real concern in regards to having an ability to contact emergency services at all times.”

The recommendations are that the USO be abolished due to high costs. The draft review states it can be too expensive to provide a home phone, too expensive to repair these landlines. Too expensive to keep the people of rural and remote Australia connected to basic services like emergency services and education facilities.

The alternative suggested is the use of mobile phones – unfortunately over 70% of Australia doesn’t have mobile phone coverage. Where there’s no mobile phone coverage, it is

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suggested that nbn satellite would be the phone provider. This suggestion ignores any weather related or power supply problems that interrupt satellite communications, a common occurrence in rural areas.

This draft report quotes 99.7% satellite reliability, much higher than what the actual provider, nbn, have quoted, and is totally out of touch with the experiences of people who are using it. Exacerbating this is nbn's target times for repairs in isolated areas of 90 days.

The 2015 Australian government Regional Telecommunications Infrastructure Review Committee report acknowledged that the current nbn Skymuster satellites would not meet the future needs of consumers.

The question needs to be asked then, why would standard telephones be abolished if there are no reliable alternatives?" (46)

The on-going neglect of and discrimination against those who live and work in rural, remote and geographically isolated areas is again apparent in this Telecommunications Universal Service Obligation - Productivity Commission Draft Report *Overview* November 2016.

It seems that every effort is being made to provide more densely populated areas of Australia with a variety of telecommunications options and choices, while we appear to be being left with none at all.

Members of our branch are busy and need a reliable, appropriate telecommunications service in order to connect and communicate on a daily basis. It seems that our "city cousins" do not have to spend valuable time responding to reviews to enable them to have access to a basic telecommunications service.

One of our members (a woman on a large property) simply did not have time to respond to my call for input into this submission.

"I wish I had time to read this and contribute but I have been absolutely FLAT OUT!!! XXX is away in SA for 3 weeks (and uncontactable/out of phone range); YYY is away mustering the last of our cattle out of the mulga and is also mostly uncontactable; ZZZ arrived home yesterday late after being away with YYY & co....I have MMM here digging out dams and house turkey nest and I have had numerous water issues (no water to the house since last Thursday!!!!) so I have absolutely no time to respond – sorry but that's the way it is right now..." (47)

When it comes to "safely of life" the majority of the Australian population have a number of service choices available to them. Little thought has been spared for the 90,000 residents who do not have such choices.

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Disclaimer: “Comments made by Branch members are based on individual experiences and therefore may not necessarily reflect ICPA Australia Inc. policy. Issues raised by members are based on the experiences and views of individual end users.”

References

- 1 Telecommunications Universal Service Obligation - Productivity Commission Draft Report *Overview* November 2016 Page 3 (please note = all pages references noted hereafter refer to this document)
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