19 January 2017

Commissioner Paul Lindwall

Productivity Commission

Telecommunications Universal Service Obligation Inquiry

GPO Box 1428

Canberra City ACT 2601

Sent by email to: telecommunications@pc.gov.au

Dear Commissioner Lindwall

**Telecommunications Universal Service Obligation Inquiry**

The Telecommunications Industry Ombudsman (TIO) welcomes the release of the Productivity Commission’s Draft Report *Telecommunications Universal Service Obligation (November 2016)* for comment.

Further to our submission to the Inquiry’s issues paper, we reiterate our support for a telecommunications universal service obligation, and not an ‘objective’ (as proposed by Draft Recommendation 5.1). This is because an ‘objective’ may be inadequate to provide an enforceable consumer remedy when a service is not provided.

A universal service obligation is an important part of the Australian telecommunications regulatory framework. We encourage a reframing of the obligation so it is technologically neutral and future-proofed. (See our August 2016 submission, recommendations 1 and 2.) We note the reference to our view at page 93 of the Draft Report does not reflect this view in its entirety because it only refers to recommendation 1.

We continue to have an interest in the progress of the Inquiry, particularly how proposed recommendations may be implemented.

If you have any queries regarding this submission, please feel free to contact me, or our Senior Policy Advisor, Ai-Lin Lee on (03) 8680 8403.

Yours sincerely

Judi Jones

**Ombudsman**

**Telecommunications Industry Ombudsman**