
Submission

8 March 2024

Better delivery of universal services

Submission by the Australian Communications Consumer Action Network (**ACCAN**) to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (**the Department**).

About ACCAN

The Australian Communications Consumer Action Network (**ACCAN**) is the peak body that represents all consumers on communications issues including telecommunications, broadband and emerging new services. ACCAN provides a strong unified voice to industry and government as consumers work towards communications services that are trusted, inclusive and available for all.

Consumers need ACCAN to promote better consumer protection outcomes ensuring speedy responses to complaints and issues. ACCAN aims to empower consumers so that they are well informed and can make good choices about products and services. As a peak body, ACCAN will represent the views of its broad and diverse membership base to policy makers, government and industry to get better outcomes for all communications consumers.

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Executive Summary

The Australian Communications Consumer Action Network (**ACCAN**) thanks the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (**the Department**) for the opportunity to comment on the *Better Delivery of Universal Services* discussion paper (**the Consultation**). This submission was developed in consultation with various external stakeholders and organisations (see **Appendix A**).

Communication services¹ play a vital role in various aspects of peoples' lives, such as work, education, and healthcare.² As the significance of communication services continues to grow, everyone must have equal access to their benefits, particularly in regional, rural, and remote areas of Australia, where online services are vital for these communities' social and economic opportunities.

The Universal Service Obligation (**USO**) is a consumer protection measure that guarantees everyone in Australia has access to a standard fixed landline phone and the provision of public payphones by Telstra.³ However, as society relies more on mobile and broadband services, the use of fixed voice services and payphones provided under the USO is decreasing.⁴ Independent reviews have found that the USO contract between the Commonwealth and Telstra is outdated, inflexible, and neither fit-for-purpose nor value for money.⁵ These reviews have unanimously recommended changes to these arrangements.

Within this context, ACCAN is supportive of updating the delivery of universal services that reflect contemporary consumer needs from and expectations towards communications services, and suggests the Department:

¹ For the purpose of the Consultation, ACCAN will use the term 'communication services' to collectively refer to data and voice services.

² Julian Thomas, Anthony McCosker, Sharon Parkinson, Kieran Hegarty, Daniel Featherstone, Jenny Kennedy, Indigo Holcombe-James, Lyndon Ormond-Parker and Lauren Ganley, *Measuring Australia's digital divide: Australian digital inclusion index: 2023* (Report, ARC Centre of Excellence for Automated Decision-Making and Society, RMIT University, Swinburne University of Technology, and Telstra, 2023).

³ ACCAN, 'Better delivery of universal services: having your say on the USO', *Hot issues blog* (Blog Post, 30 November 2023) <<https://accan.org.au/media-centre/hot-issues-blog/2259-uso-2024-consultation-faq>>.

⁴ ACMA, *How we communicate – executive summary and key findings* (Communications and media in Australia series, December 2023) 3; ACMA, *Trends and developments in telecommunications 2022-23* (Communications and media in Australia series, December 2023) 7; Department of Communications and the Arts, *Regulatory impact statement – establishing a telecommunications Universal Service Guarantee* (Report, November 2018) 3.

⁵ Department of Communications and the Arts, *Regulatory impact statement – establishing a telecommunications Universal Service Guarantee* (Report, 2018) 3; John De Ridder, *The future of the Universal Service Obligation (USO)* (ACCAN, 2015). Productivity Commission, *Telecommunications universal service obligation* (Productivity Commission Inquiry Report No 83, 28 April 2017); Regional Telecommunications Review, *A step change in demand* (2021 regional telecommunications review, 2021).

- Focus on the capabilities a USO should deliver, such as access to health services, education, economic opportunities, government services, and social connections.
- Adopt a technology-neutral approach to the delivery of a standard communication service.
- Develop a dynamic institutional framework⁶ that sets minimum standards for contemporary service needs and provides a framework for uplift in service capability and standards as technology and community expectations evolve.
- Establish fit-for-purpose governance arrangements that ensure the USO provider is accountable and transparent.

For more detailed feedback on specific questions regarding the Consultation, see section entitled 'Responses to the Consultation questions.'

We thank the Department for the opportunity to comment on the Consultation. Should you wish to discuss any of the issues raised in this submission further, please do not hesitate to contact me at

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⁶ For the purpose of this submission, ACCAN uses the term 'dynamic institutional framework' to denote frameworks that are adaptable and able to evolve with advancements in technologies and changing consumer expectations.

List of Recommendations

Recommendation 1: Focus on the capabilities a USO should deliver, such as access to health services, education, economic opportunities, government services, and social connections.

Recommendation 2: Adopt a technology-neutral approach to the delivery of a standard communication service.

Recommendation 3: Develop a dynamic institutional framework that sets minimum standards for contemporary service needs and provides a framework for uplift in service capability and standards as technology and community expectations evolve.

Recommendation 4: Establish fit-for-purpose governance arrangements that ensure the USO provider is accountable and transparent.

Responses to the Consultation questions

Response to question 1: What do you consider are the key outcomes that a modern universal service framework should deliver?

ACCAN recommends that a modern universal service framework ensures everyone in Australia can access a minimum set of communications services at an affordable price. A modern universal service framework should act as a safety net to consumers and households that do not have access to affordable and quality broadband and telephone services.⁷ Therefore, the key outcome of a modern universal service framework should be providing equitable access to affordable, accessible, and quality communications services irrespective of where a person lives or works in Australia.

To support this outcome, ACCAN suggests the Department considers:

- What minimum level of capabilities communications technologies should enable.
- How services can be tailored to ensure they empower consumers and are appropriate to their needs, in addition to being available, accessible, and affordable.
- How a dynamic institutional approach could support service uplift overtime.

Capabilities framework

ACCAN's approach to the USO has long utilised a capabilities framework, developed by Nobel Prize winning economist Amartya Sen.⁸ In communications policy, a capabilities framework allows for "an analysis of the barriers that stand in the way of people actualising the social potential communication both does and could make available."⁹ Therefore, a capabilities framework emphasises the idea of 'connectability', which aims to support social inclusion, improved economic livelihoods, and an increase in participation in social life, along with improved security and safety.¹⁰ This frames the purpose of a universal service framework as being based on the outcomes and capabilities that it can facilitate, underpinned by communications services and infrastructure.

In Australia, communications services are crucial for personal safety, social relations, education, completing online tasks, e-commerce, employment, running a business, well-being, health and leisure.¹¹ To achieve this, consumers and businesses require communications services which have a guaranteed minimum standard of availability, accessibility and affordability. By prioritising the capabilities that communications services can facilitate, the universal service framework can not

⁷ See also, Ofcom, 'Universal service obligations (broadband and telephony)', *Ofcom* (Web Page, 17 March 2023) <<https://www.ofcom.org.uk/phones-telecoms-and-internet/information-for-industry/telecoms-competition-regulation/general-conditions-of-entitlement/universal-service-obligation>>.

⁸ ACCAN, *Telecommunications universal service obligations* (Submission to the Productivity Commission, 2016); Amartya Sen, *Development as Freedom* (Oxford University Press, 1999).

⁹ Nicholas Garnham, 'Amartya Sen's capabilities approach to the evaluation of welfare: Its application to communications' (1997) 4(4) *The Public* 25, 34.

¹⁰ ACCAN, *Telecommunications universal service obligations* (Submission to the Productivity Commission, 2016) 4.

¹¹ *Ibid.*

only better meet consumers' needs today, but also become more adaptable and responsive to technological advancements and the resulting evolution of consumer expectations.¹²

To further support a capabilities framework in the development of a modern universal service framework, ACCAN recommends an emphasis on technological neutrality. A technology-neutral approach places the importance on *what* is delivered through communications services (i.e. access to data and voice, which enables communications, information sharing, and service delivery) instead of *how* communications services are delivered (i.e. payphones and landlines).¹³ ACCAN suggests that by focusing on capabilities will help to modernise Australia's current approach to the USO.

Importantly, a capabilities-led approach does not imply the premature withdrawal from existing technologies, such as the 184,000 voice services currently supplied over Telstra's copper network as part of the USO.¹⁴ Where existing technologies enable everyone to be connected, they may be utilised for the duration of their lifetime, until proven alternatives become available. Further, by prioritising the capabilities and outcomes consumers gain from communications services, ACCAN believes that these communities will benefit from services which better support their needs into the future.

Appropriateness and empowerment

In ACCAN's previous submissions on USO reform, we have supported the inclusion of appropriateness and empowerment as metrics for any new universal services framework, in addition to the objectives of availability, accessibility and affordability.¹⁵

When addressing market failures, ACCAN advocates solutions which are appropriate to consumers' needs and give them control and choice over the outcome. The level of benefit an individual gets from having access to communications depends on how they use the services. This is why ACCAN advocates for a technologically-neutral capabilities approach, through which consumers will be able to secure communications services that meet their needs and expectations.

There is a need for intervention to ensure that consumers can access the services, content and applications that they need, such as education and health.¹⁶ Enabling access to e-education, e-health, and e-government will support meeting these needs, as these services are crucial for universal digital inclusion and participation in society.¹⁷ Accenture notes there are substantial

¹² Rachel Thomas, 'Contact-ability framework for the delivery of universal services' (2015) 3(4) *Australian Journal of Telecommunications and the Digital Economy* 140.

¹³ Lucy Craddock 'Telecommunications Universal Service Obligation' (Submission to the Productivity Commission, 2016).

¹⁴ DITRDCA *Better delivery of universal services* (Discussion paper, 2023) 7; David Braue, 'Govt to 'modernise' Universal service obligation: As landlines fade, new technologies will be tested in 2024' *Information Age* (online, 2 November 2023) <<https://ia.acs.org.au/article/2023/govt-to--modernise--universal-service-obligation.html>>.

¹⁵ ACCAN, *Telecommunications universal service obligations* (Submission to the Productivity Commission, 2016) 10.

¹⁶ *Ibid.*

¹⁷ *Ibid.*

advantages to having a robust and fast NBN network, with implications spanning economic growth, workforce demographics, social inclusion, and personal well-being.¹⁸

Under the current model, the private sector is subsidised for providing standard telephone and payphone services. Carrier licence conditions or regulatory obligations are also employed to ensure accessibility and affordability. All of these options could be considered for delivering different elements of a USO, as appropriate for various consumers' needs. For example, a subsidy for consumers could address affordability and accessibility issues, while the broader public provision of services is likely to continue through the delivery of the NBN. Improved mobile coverage could also be supported by subsidising private sector development, or through imposing regulatory or licencing obligations.¹⁹

Dynamic approach that supports service uplift

The current USO reflects the needs of a past communications marketplace, when it was first established in the 1990s, namely fixed-line voice services and payphones.²⁰ Since then, there has been considerable advancement in communications technologies, including but not limited to, mobile voice, broadband internet, mobile internet and increasingly satellite internet. This leaves consumers living outside of metro areas, or with accessibility or affordability needs, at risk of poor connectivity or outright disconnection if they are not guaranteed access to today's communications services, such as broadband internet and mobile services.²¹

Crucially however, it is important to develop a new USO framework that is capable of being updated in real time, such that future users will be able to best take advantage of more advanced technologies as they rise. A modern universal service framework should have a dynamic contract to ensure its delivery can respond to changes in technology and consumer expectations.²² In keeping with the best practice of economic regulation of infrastructure, an oversight and review process administered by an external third party such as the Australian Competition and Consumer Commission (ACCC) would also help regulate and improve the framework over time.²³

Accordingly, ACCAN recommends that the Department emphasises a dynamic approach that supports service uplift over time, ensuring that the USO will remain consistently fit-for-purpose.

¹⁸ Accenture, *The economic and social impact of investment in the nbn network* (Key Insights Report, January 2024); Paul Budde, Enhanced NBN connectivity will provide economic and social benefits, *Independent Australia* (Web Page, 7 February 2024) <<https://independentaustralia.net/business/business-display/enhanced-nbn-connectivity-will-provide-economic-and-social-benefits,18304>>.

¹⁹ Ibid.

²⁰ Gerard Goggin, 'Realising Universal Communications' (Working paper, ACCAN conference, 2010).

²¹ Rachel Thomas, 'Contact-ability framework for the delivery of universal services' (2015) 3(4) *Australian Journal of Telecommunications and the Digital Economy* 140.

²² See the example of 'relational contracting' in Oliver E Williamson, 'Transaction-Cost Economics: The Governance of Contractual Relations' (1979) 22(2) *Journal of Law and Economics*.

²³ ACCAN considers the economic regulation processes undertaken in the energy sector and that unfolding with the National Broadband Networks' new Special Access Undertaking, to be useful guideposts.

Response to question 2: What safety-net services does a modern universal service framework need to address?

Governments impose USOs on providers of telecommunications services to create a consumer safety-net. This consumer safety-net ensures that everyone can receive adequate minimum services through the market.²⁴ There is a great need for such a safety-net in a geographically large country like Australia, which has a highly concentrated urban population and a smaller but widely dispersed rural, regional and remote populations. The USO ensures that consumers in more remote regions, or with accessibility or affordability needs, are able to access communications services for a fair and equitable price.

As the needs and expectations of consumers change over time, with economic and technological advancements however, it is expected that safety-net services should be adjusted as appropriate. Therefore, the type of safety-net services a modern universal service framework addresses should be dynamic and reflect changes in consumer expectations and communications technologies over time. ACCAN recommends the Department:

- Recognise the continued importance of traditional telephony technologies as a safety-net for many people in Australia and the essential role of data services.
- Ensure priority assistance continues to be embedded and updated in the modern universal service framework.
- Consider the role of unmetered access to online government services.

Traditional telephony technologies and data services as essential

ACCAN stakeholders note that some of their members still rely on traditional telephony technologies, such as landline telephones (including Teletypewriters (**TTY**) and payphones) for their communications services. Any changes to the safety-net of traditional telephony technologies needs to account for these consumers, especially those living in regional, rural, and remote Australia. For example, in January 2024 the National Relay Service (**NRS**) facilitated 1004 TTY calls, including calls to emergency services.²⁵ A modernised USO should continue to ensure the provision of TTY devices as a part of a mix of options available to people with disability.

ACCAN stakeholders also noted data services and broadband's profound role in accessing essential safety-net services in Australia. Incorporating data services and broadband facilitates a capabilities-led approach to establishing a modern USO. Therefore, ACCAN recommends that a modern universal service framework recognises the continued importance of traditional telephony technology while incorporating data services and broadband as vital safety-nets for many people in Australia.

²⁴ Internet Australia, *Response to the Productivity Commission, Telecommunications Universal Service Obligations: Issues Paper, June 2016* (Submission to the Productivity Commission, 2016).

²⁵ DITRDCA, *National Relay Service* (Monthly performance report, January 2024) 5.

Priority assistance

For people with disability and those living in regional, rural, and remote Australia, many people are increasingly accessing telehealth appointments, medical information and documents, the NRS, and government services using online services. For these reasons, priority assistance needs to be expanded to include priority restoration of an internet connection.

Furthermore, ACCAN has developed a policy position on Priority Assistance, in consultation with consumers and other stakeholders, which would see a new approach to Priority Assistance, which can offer consumer choice, provide robust service continuity requirements, reliable interim, or back-up services and expand eligibility with streamlined approval procedures (see Table 1).

Priority Assistance Feature	Current arrangements	ACCAN's proposed arrangements
Services covered	Fixed phone services.	Fixed phone and data services.
Availability through Retail Service Providers	Telstra is obligated to provide Priority Assistance and other Retail Service Providers may elect to do so (only 1 other does).	All Retail Service Providers would be required to provide Priority Assistance services.
Connection, reconnection or repair timeframes	Within 24 hours in urban and rural areas, within 48 hours in remote areas.	Within 24 hours in urban and rural areas, within 48 hours in remote areas.
Interim services	Must offer customers a service for voice telephone or equivalent service for consumers with disability where voice telephony is not practical.	Would offer as close to functional equivalence to existing services as possible; must work in the event of a power failure.
Cost to customer	No additional fee above and beyond what the consumer already pays for their existing service.	No additional fee above and beyond what the consumer already pays for their existing service.
Obligations	Telstra must provide Priority Assistance and other Retail Service Providers may choose to provide Priority Assistance.	Regulated obligations on wholesale network providers and Retail Service Providers.
Eligibility	People with life-threatening medical conditions (need to meet eligibility criteria).	People with a critical need for connectivity and voice and/or data services.
Registration process	Requires approval from a doctor or medical practitioner. Requires re-registration every three years.	Consumers would be able to apply for a temporary or permanent Priority Assistance service, with no re-registration required for permanent Priority Assistance customers. A broader range of professionals/community representatives would be able to certify the application form.

Table 1: ACCAN's Priority Assistance Position.²⁶*Unmetered access to online government services*

The aim of a universal service framework is to ensure that all Australians are able to access communications services. One of the key uses of communications services, particularly among those who are homeless or in other vulnerable groups, is to access online government services to meet reporting and compliance requirements. People in these groups are heavily reliant on communications technology, and particularly smartphones, in order to access essential government services.²⁷ Yet this technology is not free, and data can be a significant cost for those who need it most.²⁸ As governments continue to channel consumer engagement through apps and web portals, the amount of data needed to cover the cost of downloads and online interactions with these services is only expected to increase.

Eliminating the data cost through unmetered access to online government services would therefore be of significant assistance to many of Australia's most vulnerable people, and support the objectives of a modern universal service framework of availability, accessibility, and affordability by enhancing their connectivity. ACCAN recommends that the USO include the provision to adopt a zero rating for government websites, meaning that no data charges are incurred, to ensure that vulnerable and low-income groups have access to government and other essential services that are becoming increasingly digitised.²⁹ Allowing everyone in Australia to access online government services without incurring data charges will reduce the impact of a 'poverty premium' and enable vulnerable cohorts to benefit from the potential of communication technology fully.³⁰

Additional policies to support the implementation and outcomes of the USO

The need for training and development of digital skills and capabilities in Australia is important to ensure maximum take-up of communication services. It is crucial to provide consumers access to comprehensive training programmes that will enable them to navigate digital services competently and feel secure when online. For example, ACCAN's stakeholders have emphasised the importance of connectivity literacy for communications consumers in regional, rural, and remote Australia. Furthermore, ACCAN's stakeholders have emphasised that a place-based approach, built around existing community connections and co-designed by local communities, is essential to improving connectivity literacy in regional, rural, and remote Australia.

ACCAN's stakeholders have further raised a number of policies to be considered to support the outcomes of a modern USO. The current communications market can be complicated and difficult to

²⁶ ACCAN, *Priority assistance* (Policy position, August 2021).

²⁷ Justine Humphry, *Homelessness and mobile communication: precariously connected* (Palgrave Macmillan, 2022) 98-99.

²⁸ Ibid 99-102.

²⁹ ACCAN, *Telecommunications universal service obligations* (Submission to the Productivity Commission, 2016) 14-15.

³⁰ Brooke McKail, *The poverty premium: the high cost of poverty in Australia* (Australia Fair Series Volume 4, Anglicare Australia, 2023).

navigate especially for those who have previously lacked exposure, or who may have accessibility needs that are not being consistently met. This includes the risks of consumers being influenced by dishonest sales practices, experiencing unconscionable business conduct or risking their cyber security.

Therefore, as part of a dynamic and continually adapting universal service framework, ACCAN recommends the government to consider a range of initiatives to promote consumer welfare, including providing:

- Vital consumer and communication services information in a range of accessible formats (including Easy English, plain English, braille, large print and Auslan resources).
- Plain English information for consumers to help prevent being oversold unnecessary additions by unscrupulous operators.
- Information about safety-net services to access in case of natural or anthropogenic disasters.

Response to question 3: To what extent do you consider mobile services are important to complement fixed services supported under the existing framework?

Mobile services are essential to complement fixed services supported under the existing framework. ACCAN recommends the Department broaden the scope of the USO to include mobile infrastructure and services. We suggest that at a minimum, legislative arrangements should be put in place to recognise how advancements in technology may make it feasible to deliver a USO mobile service in the future due to interoperability from satellites.

ACCAN recommends that a modern universal service framework needs to reflect these changes in consumers usage of communications services by including mobile services within the USO, and further recommends the Department:

- Ensure mobile services are integrated into the existing framework.
- Facilitate a technology-neutral approach to the inclusion of mobile services.
- Consider how funding for mobile black spots supports a modern universal service framework.
- Support consumers ability to undertake mobile roaming during an outage of a network provider.

Mobile services are essential addition to a modern USO

In terms of personal communication, the Australian Communications and Media Authority (**ACMA**) notes that 97% of people living in Australia in June 2023 used mobile phones for calls, while 96% also used mobile phones for text messaging.³¹ This compares to only 2% of respondents who used a public payphone and 18% who used a landline (home) telephone for calls in June 2023.³²

Given this disparity of usage between services currently available under the USO and those that consumers most use, ACCAN considers that these changes in consumer expectations requires the inclusion of mobile services to complement fixed services under in any new framework.

Mobile services and technology neutrality

ACCAN recommends that legislative arrangements should use a technology-neutral approach that recognises how advancements in technology may facilitate a USO mobile service in the future. A growing body of research argues that mobile connectivity may play an increasing role in complementing and substituting for fixed voice and broadband.³³ This reflects initiatives undertaken

³¹ ACMA, *Communications and media in Australia: how we communicate* (Communications and media in Australia series, December 2023).

³² Ibid.

³³ Davide Quaglione, Nicola Matteucci, Donatella Furia, Alessandro Marra and Cesare Pozzi, 'Are Mobile and Fixed Broadband Substitutes or Complements? New Empirical Evidence from Italy and Implications for the

in the United States (US) such as the Universal Service Fund (USF) and the Connect America Fund (CAF). The USF is funded by a levy on telecommunications carriers that operate in the US. The CAF's goal is to preserve voice, extend broadband and advance mobile.³⁴ As mobile connectivity broadens it will increasingly substitute and complement fixed broadband connectivity.

Funding for mobile black spot coverage

ACCAN recommends that the Department allocate additional funds for expanding mobile coverage as part of the USO. It is preferable for publicly funded infrastructure to be based on open access networks, regulated national roaming, or subject to the condition that the service is resold to other providers to ensure that consumers have a choice of retail providers.³⁵ As none of these conditions are currently present in Australia's predominantly private sector owned mobile tower market, we therefore recommend for greater government action to ensure more competitive and equitable access to mobile coverage, especially in regional Australia.³⁶

Furthermore, ACCAN recommends that government funding should be focused on providing enduring benefits to the community. For example, if Low Earth Orbit Satellites (LEOSats) evolve to become the primary coverage extender over the next decade, then funding should focus on fixed infrastructure, reliability, resilience, and capacity in communities with high natural disaster risk and those with capacity constraints. Furthermore, ACCAN acknowledges that current approaches to the allocation of funding to reduce mobile black spots has resulted in a 'patchwork quilt' of solutions, which has historically led to inaccurate and unclear coverage maps.³⁷

Therefore, ACCAN recommends the Department adopt an open-access approach to the funding of mobile infrastructure in mobile black spots, with a greater focus on the long-term benefits, in addition to further supporting the development of accurate coverage maps for mobile connectivity.

Roaming during an outage

Ensuring the safety of communities during natural disasters and other emergencies is of utmost importance. Mobile services have a pivotal role to play in keeping communities connected during such situations. Therefore, it is crucial to take necessary steps to enhance the reliability and redundancy measures of mobile networks to ensure seamless connectivity during emergencies and unplanned network outages.³⁸

Digital Divide Policies' (2020) 71 *Socio-Economic Planning Sciences* 100823; Ingo Vogelsang, 'The Relationship between Mobile and Fixed-Line Communications: A Survey' (2010) 22(1) *Information Economics and Policy* 4; Pratompong Srinuan, Chalita Srinuan and Erik Bohlin, 'Fixed and Mobile Broadband Substitution in Sweden' (2012) 36(3) *Telecommunications Policy* 237.

³⁴ Federal Communications Commission, *Universal Service* (Web page, 12 February 2024) <<https://www.fcc.gov/general/universal-service>>.

³⁵ ACCAN, *Telecommunications universal service obligations* (Submission to the Productivity Commission, 2016) 14.

³⁶ ACCC, *Regional Mobile Infrastructure Inquiry 2022-23* (2023), Chapters 6-9.

³⁷ Regional Telecommunications Review, *2021 Regional telecommunications review: A step change in demand* (Regional Telecommunications Independent Review Committee, 2021) 46.

³⁸ ACCAN, *Regional Mobile Infrastructure Inquiry 2022-23* (Submission to the ACCC, 2022) 7.

As a demonstration of the necessity of a reliable network during natural disasters, governments across Australia are increasingly using apps on mobile devices to communicate about disasters, including bushfires and floods. An example of the uptake of this type of technology can be seen in the New South Wales (**NSW**) Government Hazards Near Me mobile application, which has surpassed four million downloads. This information is potentially lifesaving and should be available to any person regardless of carrier or cost.³⁹

ACCAN's stakeholders have emphasised the need for a contemporary universal service framework that incorporates the provision of domestic mobile roaming services in the event of a network outage. Given the increasing uptake of communications services as an integral feature of Australia's modern economy, more work is necessary to ensure that these essential services are unimpeded by network failures or natural disasters.⁴⁰ ACCAN has consistently endorsed measures to ensure the implementation of temporary roaming arrangements to mitigate the risk of network failures.⁴¹

³⁹ NSW Government, 'The Hazards Near Me NSW', *NSW Rural Fire Service* (Web Page) <<https://www.rfs.nsw.gov.au/news-and-media/stay-up-to-date>>.

⁴⁰ ACCAN, *Senate Inquiry on the Optus Network Outage* (Submission to the Senate Standing Committee on Environment and Communications on the Optus Network Outage, 2023).

⁴¹ ACCAN, *Regional Mobile Infrastructure Inquiry 2022-23* (Submission to the ACCC, 2022) 7.

Response to question 4: Which existing requirements under the current universal service framework should be retained, or changed?

ACCAN recommends the Department develops a dynamic institutional framework to inform their understanding of which existing requirements under the current universal service framework should be retained or changed. In particular, the Department should create a dynamic institutional framework that:

- Sets minimum standards for contemporary service needs.
- Establishes an institutional framework that can uplift service capability and standards.
- Reviews and updates benchmarks, sanctions, and incentives as appropriate.

Furthermore, ACCAN recommends any changes to the existing requirements under the current universal service framework should be done in consultation with a diversity of stakeholders and consumer representatives. ACCAN stakeholder engagement has revealed that the complexity of the current universal service framework makes it difficult for consumers to understand and exercise their rights.

Therefore, ACCAN recommends that a modern universal service framework should clarify, integrate, and simplify the overlapping layers of USO policy. For instance, concepts such as the Universal Service Guarantee (**USG**) – which guarantees consumers access to a minimum 25/5 megabits per second (**Mbps**) broadband internet connection – and the Statutory Infrastructure Provider (**SIP**) regime should be aligned within a common USO framework so as to streamline and clarify what communications services are available under Australia’s universal service framework.⁴²

Minimum standards for a modern universal service framework

The USO currently provides services as specified by a contract and underpinned by legislation. However, the current USO suffers from the long-term contracting problem because it cannot specify all relevant future terms due to information limitations and drafting costs. ACCAN recommends that a modern universal service framework uses a dynamic institutional framework to set minimum standards for contemporary service needs.

ACCAN suggests that robust and transparent datasets on digital connectivity across Australia would provide vital information to ensure minimum standards reflect contemporary service needs. Specifically, communications providers should be transparent around service availability, levels, and reliability in regional, rural, and remote Australia. Furthermore, we recommend that telecommunications companies should be required to provide a daily monitoring report of service outages, in addition to, the quality and affordability of communications services across Australia. To achieve this, ACCAN has previously recommended the Department ‘undertake an audit and develop

⁴² Department of Communications and the Arts, *Development of the Universal Service Guarantee* (Summary report, November 2018).

a visualisation tool of connectivity infrastructure to help identify gaps and strategically target investment to the most needed areas.⁴³

Institutional framework that allows for uplift in service capability and standards

To improve service delivery and standards, ACCAN recommends that the contractual terms are reviewed and renegotiated to allow for an uplift in service delivery and service standards. This process would formalise the review and improvement of specific service parameters. It also establishes a formal process for improving reliability standards. Additionally, it may provide a framework for reviewing funding adequacy to enable an increase in funding to support improvements in service parameters and reliability standards.

Such a renegotiated contractual process is commencing with regard to the NBN under the new Special Access Undertaking (SAU). The SAU is the mechanism through which the ACCC determines price and non-price terms and conditions for how retailers access NBN Co's wholesale networks and services.⁴⁴ Crucially, it acts as a dynamic contract, through which the economic settings underpinning can be renegotiated as the market evolves and new technologies are adopted, with the latest SAU variation being approved in October 2023.⁴⁵ This allows for incremental improvements and adjustments as the economic arrangement matures. In the case of the NBN's latest SAU, it even provides additional consumer engagement, with an active role established for consumer advocacy groups within its framework to reset key revenue, expenditure, and reliability requirements through expenditure proposals.⁴⁶

Benchmarks, sanctions, and incentives need to be consistently reviewed and updated.

To ensure that consumers can access quality and reliable communications services, a stronger and more effective regime of service standards and retail protections needs to be reviewed and enforced. As breaches of service standards are a threat to the universality of communications services, ACCAN recommends that appropriate sanctions and incentives to maintain and upgrade service quality and reliability should be retained and strengthened.

ACCAN stakeholders noted the importance of benchmarks being made subject to ongoing uplift and strengthened to reflect consumer expectations. Furthermore, there should be consistency between service providers around benchmarks, penalties and compensation, especially for consumers living in regional, rural, and remote Australia. ACCAN recommends a system of escalating penalties for non-compliant service providers, which serves to punish and disincentivise structural non-

⁴³ ACCAN, *Request for Information on the National Audit of Mobile Coverage* (Submission to the DITRDCA, 2023) 1.

⁴⁴ ACCC, 'NBN Co – Special Access Undertaking' *Project overview* (Web Page, 2013) <<https://www.accc.gov.au/by-industry/telecommunications-and-internet/national-broadband-network-nbn-access-regulation/nbn-co-special-access-undertaking>>.

⁴⁵ ACCC, 'NBN Co SAU Variation' *Project overview* (Web Page, 2023) <<https://www.accc.gov.au/by-industry/telecommunications-and-internet/national-broadband-network-nbn-access-regulation/nbn-co-sau-variation-august-2023>>.

⁴⁶ See NBN Co, *NBN Co Special Access Undertaking* (August 2023) Clauses 5.7(a), 5.7(b) and 2G.2.5(d) <<https://www.nbnco.com.au/content/dam/nbn/documents/sell/sau/accepted-sau-october-2023.pdf.coredownload.pdf>>.

compliance while reducing regulatory burden and further incentivising providers who are typically compliant.

Moreover, ACCAN recommends that datasets around compliance with the USO should be made publicly available to support uplift in the communities that are the most digitally excluded.

Response to question 5: What role do you consider payphones should play in a modern universal service framework?

Telstra is responsible for maintaining approximately 14,500 USO payphones across the country.⁴⁷ The ACMA notes that only 2% of Australian adults used a public payphone between December 2022 to June 2023, and this percentage has remained stable since 2017.⁴⁸ However, there has been an increase in the number of calls made from these public payphones during this time. This illustrates that while the proportion of people using public payphones has remained unchanged, the frequency of usage has increased.⁴⁹

This increase in frequency of use stems from Telstra's decision to make all local and national calls from these payphones free of charge in August 2021.⁵⁰ Since this change, the number of calls made from payphones has dramatically increased from around 7 million in the 2020-2021 financial year to approximately 23 million calls in the 2022-2023 financial year.⁵¹ Furthermore, in the 2022-2023 financial year, Telstra's USO payphones saw an increase in calls to Salvo's assistance line (up 15%), emergency services (up 15%), the major four banks (up 25%), Lifeline (up 30%), Centrelink reporting line (up 31%), and the police (up 34%).⁵²

ACCAN recognises the important role payphones play in many communities and for specific users who rely on them. Therefore, ACCAN recommends that public payphones continue to play an important role in a modern universal service framework. Furthermore, ACCAN suggests the Department:

- Consider payphones as a backup, rather than the primary point of access.
- Understand the economic benefits of public payphones for vulnerable and regional, rural and remote consumers.
- Prioritise expanding the USO to all public payphones and community phones in Australia.
- Ensure that all future payphone design and deployment is fully accessible for people with disability, including the payphone's physical space and its use of digital technology.

Payphones as a backup, not first point of access

Payphones should be considered as a backup, not as the primary point of access. By viewing payphones as a backup, the Department can ensure that they are available for those who truly need them. While payphones are an integral baseline service available to communities, especially those struggling with cost-of-living challenges, they are also not the most convenient, private, or reliable

⁴⁷ DITRDCA, *Better delivery of universal services* (Discussion paper, 2023) 5.

⁴⁸ ACMA, *Communications and media in Australia: how we communicate* (Communications and media in Australia series, December 2023).

⁴⁹ ACMA, *Communications and media in Australia: trends and developments in telecommunications 2022-23* (Communications and media in Australia series, December 2023). 8.

⁵⁰ Ibid.

⁵¹ DITRDCA, *Better delivery of universal services* (Discussion paper, 2023) 5.

⁵² Teresa Corbin, 'Free payphones have become a lifeline for Australians in need', *Telstra exchange* (Web Page, 10 August 2023) <<https://www.telstra.com.au/exchange/payphone-usage-is-surg-ing-with-nearly-two-million-free-calls-bei>>.

option for communication. This is especially the case when payphone users are discussing sensitive personal or community matters. Therefore, ACCAN recommends prioritising modern technologies and alternative methods of communication while keeping payphones as a reliable community lifeline for emergency situations.

On this basis, ACCAN recommends that communities heavily reliant on payphones for connectivity should be prioritised for investments and programmes to enhance access to communication services. For instance, stakeholder engagement noted that in the Northern Territory the public payphone is often the primary methods of reliable communications and sometimes the only reliable method of communications in communities. However, ACCAN considers this reliance on public payphones, while a demonstration of their importance as a community lifeline, also to be an indication of the digital and communications gaps experienced by these communities.

ACCAN therefore urges the government to continue to invest in less connected communities, particularly those in rural and remote areas, to ensure that everyone in Australia has access to modern communications services and technologies. In particular, those with high payphone usage should be prioritised for greater investment, as ACCAN considers these regions to likely be emblematic of a greater digital and communications divide.

Social and economic benefits of public payphones

As a communications service of last resort, payphones nonetheless play a crucial role in our society. They not only provide a means of communication for those who may lack any other method, but also offer an essential economic function. With the widespread adoption of communication technology in service delivery, including the digitisation of government services and the adoption of two-factor authentication, payphones offer both voice and data services which allow consumers to access these services. Payphones are available 24/7 and are often centrally located, which makes them accessible to people with affordability and accessibility issues. They act as a backup provider for people who cannot afford or access other means of communication services.⁵³ Therefore in keeping with a capabilities framework, there is a strong argument to retain public payphones for the foreseeable future.

Expand USO to encompass all public payphones in Australia

Stakeholder feedback has revealed that a significant proportion of payphones available in First Nations communities are not covered by the current USO. Community phones and payphones continue to play an important role in First Nations communities. Therefore, ACCAN recommends that all services of this nature should be covered under the universal services framework irrespective of provider.⁵⁴ Crucially, this should also extend into the provision of all future payphones to be fully accessible for people with disability, including their physical space and use of digital technology.

⁵³ Justine Humphry, *Homelessness and mobile communication: precariously connected* (Palgrave Macmillan, 2022).

⁵⁴ First Nations Media Australia, *Indigenous Digital Inclusion Plan: Response to the NIAA's Discussion Paper from First Nations Media Australia* (NIAA, October 2021) 9.

Response to question 6: How should affordability be considered?

ACCAN uses the term 'affordability' to refer to a consumer's capacity to pay for communication services without compromising their ability to pay for other essential services and items.⁵⁵ Research conducted by ACCAN has shown that, despite improvements in the quality and variety of communication services over time, it remains a challenge for many people to afford these services.⁵⁶ This is especially true for those with low incomes, as the cost of communication services can often contribute to financial difficulties and debt.⁵⁷ Therefore, ACCAN recommends that the Department should:

- Ensure the principle of geographic equality continues to underpin a modern universal service framework.
- Consider how a modern universal service framework can better support low-income consumers access to communications services.

Addressing geographic inequality

The USO plays a crucial role in ensuring that people living in regional, rural, and remote parts of Australia can access reliable and affordable communication services. Throughout Australia, the USO facilitates equitable access to essential communications infrastructure to people living in areas where it may not be commercially viable for service providers to invest in such infrastructure.

As such, the USO serves as a lifeline for many people in these areas, enabling them to stay connected to friends, family, and the wider world, and to access vital services such as healthcare and education. ACCAN recommends retaining the USO's focus on geographic equality while considering affordability under a modern universal service framework.

Addressing income inequality

In situations where individuals are unable to afford the market rates or even the cross-subsidised rates, government intervention becomes necessary. ACCAN has long advocated for the introduction of a broadly defined concessional NBN service to support low-income consumers.⁵⁸ In order to ensure equitable access to communications service, it may be necessary to provide additional financial and income support through the USO.

ACCAN recommends that a number of funding programmes be considered to expand access to those in precarious circumstances or are otherwise financially constrained. Consumers in vulnerable positions, such as who are homeless, in regions recovering from disasters, or fleeing domestic violence, could be supported through voucher programmes to fund their access to life-saving communications services. Other consumers, such as those who are unemployed, carers or low-

⁵⁵ ACCAN, *Telecommunications universal service obligations* (Submission to the Productivity Commission, 2016) 20.

⁵⁶ ACCAN, *ACCAN research snapshot: affordability* (Report, 2022) 1.

⁵⁷ Ibid.

⁵⁸ ACCAN, 'No Australian Left Offline' *ACCAN's Work* (Web Page, 2019) <<https://accan.org.au/accans-work/no-australian-left-offline>>.

income, could benefit from adjusting existing programmes to make them more effective. ACCAN supports further discussions on targeted support, while noting that broad-based concessions and easily accessible programmes are likely to have the highest take-up.

It is essential to address affordability to ensure that the USO in Australia is effective for everyone, particularly for those who may face financial constraints, which often leads them to choose a lower quality but more expensive communication service in the long run. The Productivity Commission has emphasised the importance of this issue by noting that:

Due to their circumstances, some user groups — especially people living in remote Indigenous communities and people who are homeless — rely on pre-paid mobile phones where the unit cost can be well above the contract rates on offer for post-paid mobile phones (the so-called ‘poverty premium’), although pre-paid prices have been falling.⁵⁹

ACCAN recommends that the Department consider the impact of income inequality when considering affordability for low-income consumers in a modern universal service framework, and develop appropriate policies to ensure these consumers can still access communications services.

⁵⁹ Productivity Commission, *Telecommunications Universal Service Obligation* (Report No 83, 2017) 14.

Response to question 7: How can a modern universal service framework deliver better outcomes and meet digital inclusion needs of First Nations Australians?

A modern universal service framework can help meet the digital inclusion needs of First Nations Australians and facilitate Target 17 of the National Agreement on Closing the Gap by enabling access to services and information and supporting informed decision-making.⁶⁰ To achieve this objective, ACCAN recommends as part of the modern universal framework the Department should:

- Require telecommunications providers to provide robust and transparent datasets on the service connectivity of First Nations communities.
- Adopt a place-based approach to understand the accessibility, affordability and availability challenges and opportunities within and between First Nations communities.

Robust and transparent datasets

Robust and transparent datasets are integral to delivering better outcomes and meeting the digital inclusion needs of First Nations Australians. Comprehensive datasets on digital connectivity in First Nations communities provide valuable information to ensure a modern universal service framework is operating effectively. ACCAN stakeholders emphasised that communications providers should be more transparent about service availability, levels, and reliability in First Nations communities.

ACCAN suggests that telecommunications companies publicly report on the daily monitoring of service outages as a requirement of the new framework,⁶¹ in addition to reporting on the quality and affordability of communications services in First Nations communities.

Place-based approach to connectivity

First Nations communities encounter particular challenges that can be mitigated through a modern universal service framework, such as distinctive linguistic barriers and mobility constraints.⁶² Furthermore, the costs and advantages of providing services to these communities may diverge from those of the wider community, due to factors such as their remoteness, population density, and potential revenue generation.⁶³

ACCAN has received feedback from stakeholders that terrestrial mobile infrastructure is still crucial in many First Nations communities, particularly in regions that experience monsoonal events which

⁶⁰ Department of the Prime Minister and Cabinet, '7B. Table B: Outcome 17' *Closing the Gap* (Web Page, 2024) <<https://www.closingthegap.gov.au/national-agreement/national-agreement-closing-the-gap/7-difference/b-targets/b17>>; Daniel Featherstone, Lyndon Ormond-Parker, Lauren Ganley, Julian Thomas, Sharon Parkinson, Kieran Hegarty, Jenny Kennedy, Indigo Holcombe-James, Lucy Valenta and Leah Hawkins, *Mapping the Digital Gap*, (Annual Report, ARC Centre of Excellence for Automated Decision-Making and Society, 2023).

⁶¹ First Nations Media Australia, *Indigenous Digital Inclusion Plan: Response to the NIAA's Discussion Paper from First Nations Media Australia* (NIAA, October 2021) 9.

⁶² ACCAN, *Telecommunications Universal Service Obligation* (Productivity Commission, 2017) 14.

⁶³ *Ibid.*

can disrupt satellite services. ACCAN supports the use of various technologies in these communities and advocates for a location-specific approach to determining which technologies will best serve each community. Therefore, ACCAN recommends that a place-based strategy for connectivity in First Nations communities should be integrated into a modern universal service framework.

Appendices

Appendix A: ACCAN's stakeholder engagement.

ACCAN's response to the Consultation was developed based on stakeholder engagement with the below organisations. However, ACCAN notes that the views and opinions expressed in the submission are those of ACCAN and do not necessarily reflect the views of all stakeholders.

- ACCAN's Affordability Policy quarterly.
- ACCAN's Indigenous Steering Committee.
- ACCAN's Individual members.
- Bidwill Uniting.
- Better Internet for Regional, Rural and Remote Australia.
- Consumers' Federation of Australia.
- Cotton Australia.
- Council of the Aging Australia.
- Eloquium (Australian Digital Inclusion Alliance).
- Good Things Foundation.
- Internet Australia.
- Isolated Children's Parent's Association (ICPA) Federal.
- ICPA Queensland.
- ICPA New South Wales.
- ICPA Western Australia.
- Macdonald Valley Association.
- National Farmers Federation.
- National Rural Health Alliance.
- People with Disability Australia.
- Regional Development Australia Northern Territory.
- South Australian Council of Social Service.
- State Library of Queensland.
- Tasmanian Council of Social Service.
- Wamboin Communications Action Group.
- WEStjustice.
- Women with Disability Australia.