



Better delivery of universal services

February 2024

29 February 2024

**Re: Regional Mobile Infrastructure Inquiry**

Field Solutions Group (FSG) welcomes the opportunity to submit a response to this enquiry.

The inquiry raises some timely questions and challenging topics to which FSG has responded in the following document.

With due respect to the inquiry, it should be noted that dating back as far as 2015 (and the resultant report published in 2017), many of the recommendations made and repeated in subsequent inquiries are yet to be enacted e.g. “The TUSO is deficient and should be wound up.”<sup>1</sup> This is a time for change to ensure that people located in rural, regional and remote Australia are not disadvantaged and have access to technologies that allow them to communicate with others as and when required.

The Universal Service Guarantee (USG) which is intended to replace the existing Universal Service Obligation (USO) should remain apolitical and be supported by long term strategic thinking as and when the available technology changes. Annual performance reviews should be completed to determine if any changes to the USG are required (immediately) to meet expected outcomes.

It is time for action which acknowledges that legislative decisions of the past, have had a negative impact on those covered by the USO in that it drives a monopoly directly, and without transparency in its application, indirectly.

We welcome any queries or clarification on our submission and look forward to working collaboratively with the industry and Government.

Yours Sincerely,

[Redacted signature]

[Redacted contact information]

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<sup>1</sup> <https://www.pc.gov.au/inquiries/completed/telecommunications/report/telecommunications-overview.pdf>

## KEY QUESTIONS FOR STAKEHOLDERS:

### What do you consider are the key outcomes that a modern universal service framework should deliver?

Complete transparency for all USG service providers and a suitable method of reporting to be put in place by the Commonwealth and/or ACMA. There have been consistent calls for such transparency in previous reviews. Is USO funding being used to simply fund the recipient's applications to other government grant programs which further monopolise regional Australia?

Funding contributions should be managed by an independent body, for example, the ACMA.

Funding contributions by government and industry can only be determined upon the outcomes of the review.

A user-friendly complaints system that provides the appropriate level of support when service provision levels fall below acceptable standards.

Agreement on a "baseline" level of service provision to all parts of Australia which is monitored through a "Service Availability" mechanism available to all service providers.

Sovereignty – ensuring that all service providers have an Australian base of operation that meets the regulatory requirements of the Australian telecommunications industry.

The ability to make voice calls (including emergency calling) via an available medium e.g. mobile network. If there is no mobile network, the use of "small cell" technology by carriers can provide an environment that allows for voice calls. FSG cautions against the reliance on LEO satellite technology due to sovereignty issues and the lack of SLAs – if satellite is the only option, at this stage, it would need to be SkyMuster until the Australian Government has its own LEO satellite system in place or has a contractual agreement in place with a LEOsat provider to supply enterprise grade services with guaranteed SLAs in place for the customers. Voice calls can also be achieved via the use of a broadband connection in the form of VOIP, VOLTE or wi-fi calling.

NBN Co as the default wholesale provider of broadband services nationally, using fixed line, fixed wireless, and satellite technologies and a tender process to provide services to the remaining people who cannot receive acceptable voice services over the existing networks."<sup>2</sup>

Creation of a "price point" (with NBN) that encourages service providers to offer the services to people in less populated and/or remote areas.

Where NBN infrastructure is not available, engage with alternate service providers and incentivise them to build the required infrastructure that supports the provision of broadband e.g. capital contribution that includes provision for operational expenses up to 10 years with open wholesale access on mandated commercial terms.

The fact that NBN CO is a full wholesale network ensures that market competition can thrive provided the costs to the retail providers are representative of the USO objective.

Neutrality - strongly encourages the carriers, MNIPs and towercos to adopt the "Active Share/Neutral Host" approach i.e. one set of electronics to provide mobile voice and data calls to customers of the respective networks.

- The result = the strategic placement of towers across Australia to achieve improved coverage (from all the carriers) to their customers.

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<sup>2</sup> <https://www.pc.gov.au/inquiries/completed/telecommunications/report/telecommunications-overview.pdf>

- No duplication of infrastructure i.e. no “overbuilding”.
- An expectation that when changes/upgrades are made to the technology associated with the towers, that the service provision is improved, and a mechanism is put in place to demonstrate the improved service.

Competition – ensure that the “nexus” of domination by any one carrier is “broken”, thus allowing all carriers and service providers to offer competitively priced products and services.

From an SLA perspective (for people located in rural, regional and remote Australia), contracts are in place with regionally based service providers (on behalf of carriers and service providers) to provide the necessary technical support as and when required.

- Appropriate performance measures must be put in place with the carriers to ensure the quality-of-service provision, including restoration timeframes.
- Appropriate penalties must be identified and stated for the carriers and the associated compensation for each scenario on a case-by-case basis.
- Depending on a range of metrics e.g. distance from a “major” regional centre, “compensation” be paid to the carriers and service providers to offset the cost-of-service provision.

“Purpose built” communication networks for various areas and parts of the population e.g. 1<sup>st</sup> Nations communities may benefit more (from a functional and financial perspective) from a low cost public wi-fi solution that is part funded by the carriers and by respective state/territory and Australian governments.

Phone boxes strategically placed across Australia – tender for the delivery of voice services (which are free to the customers) via the phone boxes with 50% of the cost to be provided by the Commonwealth.

#### **What safety-net services does a modern universal service framework need to address?**

Foreign ownership - service provision:

- All service providers (voice and data) must be able to demonstrate a significant base of operation in Australia.
- The current LEOsat offerings are foreign owned and therefore not accountable to their customers and the Commonwealth.
- There is currently no regulatory framework governing LEOsats in Australia. Major issues for consideration are sovereignty; provision of Service Level Agreements (SLAs); guaranteed capacity for service provision; and high cost of services which are unaffordable to many people.
- There is no price “cap” in place with costs expected to rise as demand increases.

Appropriate SLAs that are based on a realistic foundation i.e. engage with groupings of regional local governments to provide the necessary support required for service provision. If LGs do not have the required expertise, allow them to engage (via a tender process) with suitably qualified contractors (based in those regions) that can provide the service provision required.

It is well known that contractors sourced outside the regions they are supposed to serve do not have the knowledge and contacts required to provide an efficient and effective service.

Resilience (from a power perspective) – FSG encourages the use of renewable energy options over “grid” power (wherever possible). All sites must have access to solar, batteries and in some cases, diesel generators (noting that in some cases, wind turbine power may provide an alternative to a generator).

- The “Dual Battery” system should also be considered as it replaces the need for a diesel generator thus reducing the carbon footprint for the tower. It should be noted that this option is more expensive than the “traditional” approach but will result in a more environmentally beneficial outcome. This system is also advantageous when faced with the threat of a bushfire given its design provides for 48-hour battery backup and can be used by first responders as an additional power source.
- A sprinkler system should also be considered for towers in bushfire prone areas as a method of mitigation against the fires.

Redundancy – FSG recommends (where possible) that satellite services (due to atmospheric interference and intermittent “black outs”), be used as a “back up” to fixed line and/or mobile services.

Customer Support – put in place a standardised system for all service providers that allows for easy analysis and critique of the performance of the providers by the relevant governing authority.

### **To what extent do you consider mobile services are important to complement fixed services supported under the existing framework?**

Whilst mobile networks can absolutely play a part in achieving a USO, it must be on a basis that it is holistic and ensures that MNOs offer services to all their wholesale partners to drive competitive outcomes. Given the significant advantage that the incumbent has in footprint, the review should consider how to limit further monopolisation under any legislative change.

There have been multiple “trials” of capability in this regard, yet still no outcomes. Using mobile networks to offer “Fixed” line capability has been possible for years. Making voice calls and emergency calls over mobile networks happen every day.

Applying SLAs to mobile networks resilience and restoration timeframes, whilst more complicated than “landlines”, is not something that can be addressed with the appropriate level of funding both in terms of capex and opex subsidisation.

Where MNO networks are used as part of the solution, it should be on a multi-carrier basis i.e. at least two separate mobile networks providing coverage to the targeted user.

### **Which existing requirements under the current universal service framework should be retained, or changed?**

Abolish the existing agreement with Telstra.

Retire the copper network and replace the services with Broadband that allows for wi-fi calling, VOIP and/or VOLTE.

Conduct a tender process for the provision of fixed voice services which includes incentives for carriers and service providers at large.

Award the payphone service provision contract to NBN Co which in turn should engage with regional contractors to service and maintain the payphones.

Continue with the Statutory Infrastructure Provider (SIP) Regime with NBN Co to remain the default SIP whilst allowing other providers to supply services where there is no NBN Co infrastructure. Under this scenario,

provide government incentives to ensure there is competition for delivery of services and service provision. This includes the provider offering appropriate commercial terms for wholesale access.

### **What role do you consider payphones should play in a modern universal service framework?**

Payphones are essential for those people unable to afford modern day telecommunication services (voice and data) and should be 100% subsidized by the Commonwealth, with NBN Co to take responsibility for the maintenance and service delivery of such.

- NBN Co should work with subcontractors to manage service restorations.
- Remove all advertising from the payphones other than the recognition of NBN Co.

The fact they are free now should not impact the SLA for restoration.

### **How should affordability be considered?**

The cost-of-service provision for customers should be the same regardless of a person's geographic location (will require government incentives for service providers to supply the necessary services).

Low-income earners and pensioners should receive subsidies from the Commonwealth to access required services i.e. voice and data.

The point of the USO it is to ensure the same cost structure for people, regardless of where they live in Australia.

### **How can a modern universal service framework deliver better outcomes and meet digital inclusion needs of First Nations Australians?**

It's vital that First Nations Communities are not beholden to a monopoly service to ensure the market delivers performance outcomes and or very rigorous restoration and resilient SLAs.

Services provided should be "fit for purpose" and recognise the needs of the communities e.g. public wi-fi (that allows for wi-fi calling) may be the best option for voice and data services.