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Date 1 March 2024  
Reference Better Delivery of Universal Service

Internet Australia appreciates the opportunity to provide input into this important inquiry into the universal service obligation. As we have argued in previous submissions to Government, the Universal Service Guarantee must be upgraded to reflect the communications services that should be available to all Australians in 2024 and beyond. The current arrangements for the universal service are a patchwork of legislative requirements, codes (self and co-regulatory) determinations and standards. The outcome is a patchwork of service provision, with regional, rural and remote areas often not having their communications met at all or met with lesser quality services.

What is needed is an upgraded definition of universal service to reflect the communications needs of all Australians. The Federal Government must coordinate the provision of the services now provided in varying degrees by Federal, State and Territory Governments. The Federal Government must also have the ability to oversee the quality and reach of the universal service nationally and to regularly oversight both the provision of service, and, as the technology develops, its upgrading.

### *About Internet Australia*

Internet Australia is the not-for-profit organisation representing all users of the Internet. Our mission – “Helping Shape Our Internet Future” – is to promote Internet developments for the benefit of the whole community, including business, educational, government and private Internet users. Our leaders and members are experts who hold significant roles in Internet-related organisations and enable us to provide education and high-level policy and technical information to Internet user groups, governments and regulatory authorities. We are the Australian chapter of the global Internet Society, where we contribute to the development of international Internet policy, governance, regulation and technical development for the global benefit.

Yours Sincerely

[Redacted signature]



# Submission by Internet Australia

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The obligation for universal service is to ensure that standard telephone services (defined as a service for voice telephony<sup>1</sup>) and payphones are ‘reasonably accessible to all people in Australia on an equitable basis, wherever they reside or carry on business’<sup>2</sup>

The issue is that most Australians no longer use basic voice telephony services. The ACMA’s latest report on how Australians communicate suggests that the communications service most used by Australians is mobile telephony.<sup>3</sup> Ninety-six per cent of Australians used mobile and messaging/calling apps as the main services for personal services. Usage of landline services is down to 18%: less than one in five Australians use a landline for calls at home.<sup>4</sup> The statistics cited in the ACMA’s Digital Services latest report underscore the highly significant role that access to the Internet and mobile telephony plays in the life of Australians. In January 2022 Australians spent close to six hours per day online; 81% of Australians had social media accounts; Australians spent close to five hours every day on their smart phones (mobiles).<sup>5</sup>

Further evidence of the use of services requiring broadband connectivity is the recent ACMA report on Australians’ overwhelming use of the Internet. Ninety-nine percent of Australians went online; as at June 2023, 98% had home access to the Internet, with the majority connected via the national broadband network (NBN). Mobile phones were the most used device to connect to the Internet (95%) with older Australians (75 years and older) moving from 33% in 2017 to 81% using their mobile phones to connect. As the Report highlights, Australians are online for news, information, the purchase of goods and services, access to health and education and other services.<sup>6</sup>

In fact, the provision of broadband services throughout Australia is technically possible now. The requirement for all Structural Infrastructure Providers (SIPs), whether providing broadband over landline services, fixed wireless or satellites, is to provide at a minimum, download transmission speed of 25 megabits per second and 5 megabits per second of upload speed.<sup>7</sup> Given that the NBN

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<sup>1</sup> *Telecommunications (Consumer Protection and Service Standards) Act 1997* s. 6

<sup>2</sup> *Ibid* s. 9

<sup>3</sup> ACMA, *Communications and Media in Australia: How We Communicate: Executive Summary and Key Findings*, December 2023

<sup>4</sup> *Ibid* p. 3

<sup>5</sup> ACCCC, *Digital Platform Services Inquiry Interim Report 7*, p. 3

<sup>6</sup> *Ibid* p. 1

<sup>7</sup> *Telecommunications Act* ss 360A and 360AA



(the SIP for the whole of Australia) has been declared as complete<sup>8</sup> there is no longer any justification for all Australians not having access to a broadband service .

**Recommendation 1: That the universal service guarantee should be for a transmission service, with a download transmission speed of 25 megabits per second and 5 megabits per second of upload speed that is accessible to all Australians**

The Universal service guarantee also includes the provision of payphones. The Discussion Paper suggests<sup>9</sup> that, while the use of public payphones is declining, their provision should continue as part of the Universal Service Guarantee. A Recent Report from Telstra’s Chief Customer Advocate highlights the continuing importance for payphones for many Australians. Two years ago, Telstra made all local and national calls on public payphones free. Since then, over 40 million calls have been made. The destination of the calls underscores their important to Australians: calls to the Salvo’s Assistance line, to emergency services, to banks, to Centrelink’s Indigenous call centre, to Headspace, to Lifeline, to Centrelink and most often to police.<sup>10</sup> Under its Universal Performance Agreement, Telstra is paid \$44 million per annum for providing the payphone services.<sup>11</sup>

**Recommendation 2: That the provision of free public payphones continue to be included in the Universal Service Guarantee**

High speed and high-quality broadband services are essential for people and businesses in regional and remote areas. Their remoteness and long distances required to be travelled physically means increasingly more importance is placed on interacting virtually – whether for education or health consultations, keeping in contact with family and friends, shopping and logistics planning ordering goods and services to be delivered. Farmers and other primary producers make extensive uses of real-time satellite observations and weather forecasts, as well as accessing markets to buy and sell produce.

Internet Australia has always recognised and supported measures and programs to improve availability and quality of communications services in regional and remote areas, and the Internet Society and its chapter around the world are actively engaged in connecting remote communities and indigenous communities across the globe.<sup>12</sup>

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<sup>8</sup> Department of Infrastructure, Transport, Regional Development and Communications, *Declaration that the NBN Should be Treated as built and fully Operational*, 11 December 2020

<sup>9</sup> Department of Infrastructure, Transport, Regional Development, Communications and the Arts, *Better Delivery of Universal Services: Discussion Paper*, October 2023 p. 3

<sup>10</sup> Chief Customer Advocate, *Report on Customer Vulnerability*, 2023, p. 11

<sup>11</sup> *Telstra Universal Service Obligation Performance Agreement* (Duration 1 July 2012 to 1 July 2032.)

<sup>12</sup> Tusheti, Georgia case-study, 2017 - <https://www.internetsociety.org/resources/doc/2017/tusheti-case-study/>



That said, we are concerned with what the most recent RTIRC Report calls the ‘patchwork’ of programs (Federal and State) to upgrade services in those areas. The latest report lists four headings for their recommendations:

- The ‘patchwork quilt’ of connectivity
- Reliability, resilience and redundancy
- The demand for data
- Connectivity literacy and digital inclusion

The ‘patchwork quilt’ refers to the mixture of Federal, State/Territory and local provision of services that are not well coordinated and consequently leave gaps in services provided. Two of the key findings under that heading are the need for ‘increased coordination and investment between Australian, state and territory governments, and the increasing role that local councils and ‘other regional stakeholders play in service delivery’.<sup>13</sup>

And, in spite of the declaration of completion of the NBN (see above), the Report highlights the concerns in regional and rural Australia for the need for ‘access to cost-effective, diverse and high-capacity fibre backhaul links to meet the needs of those communities.’<sup>14</sup> The report also highlights the need for an upgraded USO. The current USO service to much of regional and rural Australia is delivered on the copper network which Telstra must continue to provide until the end of the Telstra Performance Agreement with Government.<sup>15</sup> What the report documents is the call for any revisions in the universal service guarantee that ‘allow flexibility in service technologies’ should then ‘require that users have access to separate connectivity options for voice and data.’<sup>16</sup> Further:

The use of alternative technologies for USO voice delivery should also require the inclusion of backup power and stringent minimum availability and voice quality standards which are enforceable through significant penalties on the USO provider.<sup>17</sup>

There is also discussion on alternative delivery systems including the Sky Muster Plus Satellite system of NBN and the possibility of other satellite options including Low Earth Orbit satellites (LEOs). Both satellite systems have their issues. As the RTIRC reports keep highlighting, the Sky Muster system uses geostationary orbits, which raise latency problems for communications. The use of Low Earth Orbit satellites addresses that issue, but raises other issues of poor (or no) reception

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<sup>13</sup> Regional Telecommunications Review, *2021 Regional Telecommunications Review: A Step Change in Demand*, 2021 p. 19

<sup>14</sup> Ibid p. 30

<sup>15</sup> See Ftn 11

<sup>16</sup> Regional Telecommunications Review 2021 p. 35

<sup>17</sup> Ibid



particularly during heavy rain – a real issue for much of Australia. The expansion of land based communications must still be goal for communications in rural and remote Australia.<sup>18</sup>

The Report also dealt specifically telecommunications services for Aboriginal and Torres Strait Islanders. It recognised that there are ‘significant social, cultural and economic factors’ that limit Indigenous Australians’ digital patriation’.<sup>19</sup> These include issues such as infrastructure provision, low-income households, ability to control household usage and English literacy.

A recent ACCAN funded project also looked particularly at the communications needs of remote indigenous communities. In the report, Featherstone looked at both the Federal and state/territory programs to address the connectivity issues.<sup>20</sup> The paper discusses what must be described as a piecemeal approach to addressing the communications needs of those communities. The paper provides detail on the various Federal programs that have variously addressed (or not) communications needs of the communities. It also addresses what the various States have done, ranging from the many and effective strategies put in place by the West Australian Government to Featherstone’s observations about South Australia:

SA Government have not been visibly proactive in identifying or addressing the needs of remote SA communities beyond co-investment in mobile services in the APY Lands.<sup>21</sup>

Featherstone’s recommendations: start with a deeper understanding of what telecommunications services should be available to all Australians. The definition of that service or services ‘must be regularly reviewed to reflect both advances in technology and, much more importantly, changes in the services being used’. And avoid the ‘piecemeal approach’ of Federal, State and Territory Governments to ensure the requisite infrastructure is in place to underpin universal access for all Australians.<sup>22</sup>

What the many reports on telecommunications in regional, rural and remote Australia document is for need for the same services available in urban Australia: for highspeed broadband and mobile services. There are real difficulties in providing those services, particularly in rural and remote Australia. But as technology improves, and the costs of that service providing drops, there must be a continuing and coordinated upgrade to services outside of urban Australia.

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<sup>18</sup> Ibid p. 38

<sup>19</sup> Ibid p. 78

<sup>20</sup> Featherstone, Dr Daniel, *Remote Indigenous Communications Review: Telecommunications Programs and Current Needs for Remote Indigenous Communities*, October 2020.

<sup>21</sup> Ibid p. 89

<sup>22</sup> Ibid p 90 ff



### **Recommendation 3**

**The Government coordinate the local, state and territory provision of broadband services and, as the technology permits, portable broadband services to ensure that the required service goals for provision and quality are met and that as technology allows, those services are upgraded.**

The 'patchwork' regulatory framework – using the RTIRC description – must be addressed. There is one provider of copper transmission (under contract until 2032); there is one Structural Infrastructure Provider of broadband services for the whole of Australia, with 31 other providers of Infrastructure also providing broadband services in designated areas; there is one retail service provider of voice services for all Australians, using deteriorating copper infrastructure or infrastructure provided by the NBN. There is one provider of payphones, under separate contractual arrangements, for the provision of payphones. There is no provider of last resort for the retail provision of broadband services even though the infrastructure supporting such provision must be provided by a SIP.

The regulatory structures for the installation and provision of infrastructure and services are, at the Federal level, a mixture of technical standards, licence conditions, industry codes and industry standards some of which are registered and some of which are enforceable by the ACMA as communications regulator and/or by Government. There are also State and Territory policies on infrastructure provision that may or may not) be coordinated with Federal policy on communications.

### **Recommendation 4:**

**The Federal Government, under a revised universal service guarantee scheme, coordinate Federal, State, territory and local government programs to**

- **Ensure the provision of a broadband services are reasonably accessible to all Australians**
- **Ensure that the broadband service provided is of at least minimum quality standards**
- **Hold regular reviews of the universal service to be provided and, as technology is developed, upgrade what is the requirements of the Universal Service Guarantee**