

NSW Government submission

Better delivery of universal services February 2024

The NSW Government thanks the Department of Infrastructure, Transport, Regional Development, Communications and the Arts for the opportunity to provide input to this consultation investigating better delivery of telecommunications universal voice services.

The NSW Telco Authority has led a NSW Government submission with input from the Department of Regional NSW, the Department of Customer Service Aboriginal Outcomes Unit and Accessibility NSW. In general, we have commented that it is no longer relevant to separate voice-only services from data services, given the evolution of the telecommunications technology landscape.

We understand that some newer technological solutions that will provide data as well as voice services are not adequately tested to meet universal service requirements and that testing is planned for early 2024. However, we assert that a revised framework must evolve with technology to represent the real application of modern telecommunications solutions.

Below we have provided input in response to the consultation questions.

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

The key outcomes that a modern universal services framework should deliver are:

- accessible and affordable voice and data services for all Australians
- resilient and reliable services
- strengthened governance and transparency

Accessible and affordable voice and data services for all Australians

In our current data-driven environment, the modern universal service framework should continue to ensure that voice services are available to anyone upon request, yet this should be coupled with a requirement to provide minimum data speeds that are aligned to the data speed requirements of Statutory Infrastructure Providers. Once voice-only copper network services are replaced with data enabled services through mobile networks and broadband services, either provided via fibre or satellite, a new requirement for minimum data speeds should accompany the requirement for voice services.

Access to the internet is the gateway to information, education, job opportunities and essential services. It has become an integral part of our daily lives, transforming how we work, communicate, and conduct transactions. Without it, people are at risk of being excluded from critical aspects of our modern digital society.

NSW still has numerous areas with poor or no digital connectivity. Around 15% of major roads do not have mobile coverage and around 30% of the rail network has poor or no coverage. There are 4,000 reported mobile black spots in NSW that affect around 10,000 premises, while Sydney ranks 24 out of 30 global peers for resident

satisfaction with internet speed and reliability. Similar digital connectivity challenges are faced across Australia.

Everyone should be able to access and use digital services, regardless of their ability, background, or circumstance. Accessibility is a right under the United Nations Convention on the Rights of Persons with Disabilities, and is also required by law under the *Disability Discrimination Act 1992* (Cth) and the *Disability Inclusion Act 2014* (NSW).

Some First Nations communities have particular accessibility concerns and special consideration should be given to those communities. Actions and targets could be introduced to a revised universal services obligation (USO) or similar, including further subsidised services, that address accessibility and affordability for First Nations communities that have poor service availability and/or low uptake of available services.

As the Discussion Paper notes, outside of the NBN footprint, Telstra's legacy networks are unable to provide the type and quality of services that consumers expect. Consumers already largely rely on mobile and high-speed broadband services as their primary telecommunications services, with voice services often provided over broadband networks. The universal service obligation should therefore be expanded to include the provision of digital connectivity in areas outside of the NBN footprint regardless of any consumers choosing to only use voice services.

The NSW Government has developed the NSW Connectivity Strategy to align and optimise state-wide programs and opportunities to ensure modern, high speed digital networks offering meaningful connectivity are available to all regardless of their postcode. One key initiative of the Strategy is the NSW Digital Connectivity Index, a visualisation tool that measures the quality of digital connectivity across NSW through three key elements: access, affordability, and demographics. Data from the Index allows government to make informed decisions on digital connectivity infrastructure investments within the state.

The Australian Government should leverage and build on this approach in NSW to expand the universal service obligation to include digital connectivity across Australia.

Aging, copper wired networks are expensive to maintain and do not deliver data services. The copper continuity obligation under the Telstra Universal Service Obligation Performance Agreement (TUSOPA) should be amended or replaced. A revised obligation should be introduced under the framework to ensure that used copper wired networks are maintained until a reliable alternative is available. With the NBN footprint expanding and new technologies arising that will provide both voice and data services potentially to all Australians, the copper networks should be considered at the end of life as we work to deliver replacement solutions.

New technologies used to provide connectivity to areas outside of the NBN footprint, such as low earth orbit (LEO) satellite and direct to device (D2D) services, will provide both voice services and data. A minimum data obligation added to the requirement for voice services and aligned with the obligations imposed on Statutory Infrastructure

Providers (SIPs), would ensure that many more communities and businesses in regional and remote areas receive the connectivity they need.

The capacity of satellite services to provide digital connectivity to all locations across Australia reduces the requirement for copper wire networks. If it is possible to provide good digital connectivity to all Australians at a reasonable price, then it should be an obligation on relevant carriers.

It is pleasing to see that technical trials for alternative technologies will commence early in 2024. Testing of LEO and other technologies has been underway for some time in Australia and internationally and the Government could make use of data from other trials to supplement the planned trials.

Resilient and reliable services

Satellite services are available now and the Government should urgently test the suitability of these services for a new USO or similar. Testing of new services should consider resilience and reliability of service and ensure that adequate redundancy measures can be taken to provide uninterrupted service.

A new Network Reliability Framework should be developed and applied to fixed and mobile voice and broadband services, rather than just to voice services, and should include a required level of service availability. The framework should include requirements for redundancy measures to keep services operational for a number of days during power outages, for example.

Customers should be made aware of any changes to the network providing their service, with at least a week of notice to all customers affected by planned outages. It is also important to note the value of effective engagement with regional communities during infrastructure changes and upgrades, especially in relation to communities that are serviced by a single tower.

Streamlined governance and transparency

In the near future, all voice services will be provided via data-enabled networks such as mobile networks and broadband services, and consideration should be given to consolidate USO obligations and Statutory Infrastructure Provider obligations into a single governance framework.

The Discussion Paper states that Telstra service availability is generally between 99.6 per cent and 99.9 per cent nationally. However, by reporting data in averages, this does not truly reflect the challenges regional communities face with regular outages, drop-outs and faults. Data should be provided in a more meaningful way that informs customers, particularly in regional communities, of service availability in their areas.

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

A new Customer Service Guarantee (CSG) should be developed retaining many of the existing principles, with a new guarantee to also cover data services outside of the NBN footprint as soon as new services are approved and available. The CSG should

ensure that customers are resilient to cyber-attacks and that customers are properly enabled to successfully block scam messages or calls.

Priority Assistance (Part 6, Sch2 *Telecommunications Act 1997*) measures will need to continue to ensure the safety of vulnerable people.

Following testing of new technologies for their suitability and a subsequent Commonwealth decision regarding the future of the USO, it would be prudent for the Communications Alliance to prepare a new industry code to set standards for related voice and data services, in place of the code for STS performance (C519:2004). However, we acknowledge this is outside of the jurisdiction of the Commonwealth Government.

As noted in Recommendation 2 of the inquiry into co-investment in multi-carrier regional mobile infrastructure final report in November 2023, 'Connecting the country: Mission critical', the Commonwealth is seriously considering mandating open access and active sharing for mobile network operators. This consideration could be leveraged to support improved redundancy measures for providers of fixed services to switch to another available service if an outage occurs. Although this would only work where multiple providers are operating, it could support providers to maintain service availability standards.

Further resilience measures should be mandated in relation to both the capacity of the infrastructure to withstand severe weather conditions and for backup power, such as generators, solar power and batteries, particularly at vulnerable sites. Such resilience and redundancy obligations would give communities a better chance of being able to communicate and keep each other safe during natural disasters.

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

Mobile services are very important to personal consumers and businesses as demonstrated by high usage rates in areas where mobile services are accessible.

Consumers should be given the right to voice and data services upon reasonable request. The type of service used to achieve this should not be stipulated if the service meets prescribed standards. That is, beyond the NBN footprint, a revised framework could provide for any type of voice service and minimum data requirements, regardless of whether it is a mobile or fixed service.

This sentiment is echoed in Recommendation 16 of the paper 'Connecting the country: Mission critical', released as part of the Parliamentary inquiry into co-investment in multi-carrier regional mobile infrastructure.

4.138 The Committee recommends the Australian Government develop and implement a practical universal service obligation for mobile telecommunications service providers.

With the capacity of new technology such as satellite services to provide mobile connectivity in all locations, a revised governance framework should ensure that greater coverage is provided to reduce the digital divide and enable all Australians to benefit from digital services.

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

In general, most aspects of the framework should be amended to align with customer expectations in the evolving technological landscape.

Retained:

- Maintenance of the copper networks should continue, only until tested alternatives are available.
- Provision of payphones should continue in areas where there is a need.
- The carrier licence condition for Telstra to provide a suite of products and services for people on low incomes should continue.
- The *Telecommunications Consumer Protections Code* and *Telecommunications (Customer Complaints Handling) Industry Standard 2018*, supported by the Telecommunications Industry Ombudsman offers adequate support for consumers.

Changed:

Significant changes to the USO are required to accommodate the evolution of telecommunications technology, with particular reference to data-enabled services. Future telecommunications services will not provide only for voice and consumers should be given access to voice and data services upon reasonable request. The type of service used to achieve this should not be specified if the service meets prescribed standards.

This would mean that the requirement to provide fixed voice services is replaced with an obligation to provide reliable voice services along with a minimum requirement for data.

Given that the nature of providing voice services is changing from copper-wired networks to data-enabled services, a new USO (or similar) should provide for regulated pricing in a manner comparable to the Special Access Undertaking for NBN. The framework should ensure that consumers in regional and more remote areas pay the same price for equivalent services provided in metropolitan areas.

The principles of the CSG should be retained while revising its effectiveness, particularly for people in more remote locations where restoration of services can take more than two weeks. The CSG should be linked to resilience requirements, particularly in relation to power outages.

Noting that USO funding arrangements will be investigated following technology trials, we suggest that it would be beneficial for revised arrangements to support services in areas of low population and low financial returns for carrier investments.

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

Payphones should remain within the universal service framework because there is demonstrated continued value to many Australians. The use of voice services from payphones has increased since Telstra introduced free of charge calls. Telstra reports

that the most used free payphone in Australia is found at the Sacred Heart Mission in Melbourne, where people experiencing issues such as homelessness and domestic violence can receive support. The next five most used payphones are in the Northern Territory and are mostly used by regional and First Nations communities. This indicates that payphones provide a valuable service for more vulnerable customers needing to stay connected.

Particular consideration should be given to remote First Nations communities that experience poor connectivity. In communities with poor or no access to, or low uptake of digital services, the revised framework should ensure that payphones have wi-fi enabled hubs. Funding to enable this could be integrated into the revised USO funding arrangements.

How should affordability be considered?

As previously mentioned, a new framework should incorporate data provision priced in a manner comparable to the Special Access Undertaking for NBN. People in regional and remote areas should pay the same as customers in the city for similar services, including for voice only services.

In some communities where affordability is of particular concern, a revised framework should ensure that payphones continue to be provided, with the addition of free wi-fi to customers of any carrier where possible.

As noted above, the carrier licence condition for Telstra to provide a suite of products and services for people on low incomes should continue. Consideration should also be given to extend this obligation to other providers.

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

Delivery of reliable connectivity, including data and voice services, whether delivered via mobile or fixed services, should be made available to all Australians, including First Nations Communities.

Actions and targets could be introduced to a revised framework, including further subsidised services, that address accessibility and affordability for First Nations communities that have poor service availability and/or low uptake of available services.

When the Commonwealth's trials of new technologies are complete, there is obvious scope for satellite services to provide connectivity to First Nations communities that are beyond the NBN footprint.

The Australian Digital Inclusion Index 2023 Report found that First Nations Peoples in remote and very remote communities tend to access the internet via pre-paid mobile. Low-income families may also rely more on mobile rather than fixed broadband data due to a range of barriers such as housing instability, not wanting to enter contracts or to incur another household bill.

In addition, provision of payphones to First Nations communities should be accompanied by free wi-fi, available to be used regardless of which providers' SIM card a device uses.

Consulting First Nations Australians on how the modern universal service framework can deliver better outcomes and meet digital inclusion needs of First Nations Australians is essential. A revised framework should be co-designed and tested with First Nations groups.

The approach to First Nations communities should be considered holistically, with multiple community complexities addressed with a range of initiatives. For example, improved access to digital connectivity can be provided to communities, however, several community members might not access digital services because they are unaware of them, unsure about how to use them and/or struggle to afford them.

There are several initiatives that could provide access to digital connectivity for First Nations communities if they do not have it already. However, additional outreach services might be required to support community members to better understand what digital services are available and how to use them.

In some areas of relatively high populations of First Nations peoples, there might be adequate connectivity that is not affordable for many. While a simple solution might be to provide subsidised connectivity, devices and services, a more holistic approach might consider longer term community needs and development through education and employment opportunities.