

1 March 2024

Universal Services Branch
Department of Infrastructure, Transport, Regional Development,
Communications and the Arts
GPO Box 594
Canberra ACT 2601

By email: usb@infrastructure.gov.au

Dear Universal Services Branch,

TIO submission to the consultation on the Better delivery of universal services

Thank you for the opportunity to contribute to the Department's consultation on the *Better delivery of universal services*. We welcome the renewed focus on the delivery of baseline universal telecommunications (telco) services, particularly around the Universal Service Obligation (USO), which serves as an important consumer protection for landline consumers and payphone users.

Our case handling experience highlights that there is a cohort of consumers who continue to rely on fixed-line telephone services over mobile or internet-based services. As such, we support the retention and modernisation of the USO. The USO scheme is crucial to ensure consumers have access to essential phone services, regardless of where they are located within Australia. To ensure the USO remains fit for purpose in the evolving telco landscape, we also recommend aligning or consolidating the USO with the surrounding obligations for fixed broadband services under the SIP regime to reduce the overall complexity for providers and consumers.

Our submission offers feedback and provides practical observations on the operation of the current USO scheme, based on our unique complaints handling perspective. We have included case studies to illustrate the types of complaints we receive from consumers about their landline services. While some of the case studies may not directly relate to obligations arising under the USO, the cases highlight how consumers can be significantly impacted from a lack of access to an essential telco service and the type of issues that a modernised USO may seek to address.

1. We support the retention and modernisation of the USO scheme

The USO scheme is an important safeguard for consumers who use landline services instead of, or in addition to, mobile services. We handle complaints from consumers who rely on landline services and payphones. Our complaints show that not all consumers have access to mobile services to use on a daily basis. Some consumers live in rural and remote areas with inadequate mobile coverage, and may rely solely on fixed-line services for safety or business purposes. Some consumers are also limited in what telco services they can purchase due to affordability factors.

While we have seen a year-on-year decline in complaints solely about landline services, the issues we continue to see in our complaints indicate that landlines remain an essential service for many

consumers. In our [2022-23 Annual Report](#), we highlighted the following top 10 complaint issues for landline services: No or delayed action by provider (58.4% of complaints); No phone or internet service (26.7%); Service and equipment fees (20.2%); Resolution agreed but not met (8.7%); and Delay establishing a service (8.6%).¹

For landline services, the impact of delays in connecting services can be significant, especially for consumers who live outside of urban areas. We occasionally see complaints from consumers living in rural or remote areas who request a fixed-line landline service and then wait months for the service to be connected. Similarly, we see complaints from consumers who have faulty landline services, and who must wait significant periods of time for those services to be restored. It is through the operation of the USO and its accompanying rules, like the Customer Service Guarantee (CSG) Standard, that telcos can be required to complete these connections or repairs. These obligations also assist us in helping parties to agree on appropriate remedies for these delays.

Case study – Richard’s* family was at risk with no landline service

Richard lives in a rural, high fire risk area and has an InContact landline service with his telco provider. Since Richard’s wife has a serious medical condition, he also has a Priority Assistance service on the landline. Living in a mobile blackspot area meant that when his landline stopped working, he had to travel over 1km from home to call emergency services.

Richard had experienced continual intermittent issues on his landline service for the last 10 years and often reported these faults to his telco. One day, the landline stopped working entirely. Richard’s telco sent a technician out who laid a cable on the ground so the landline would work, but this was only a temporary fix. The technician told Richard they only completed a temporary fix and that they needed to permanently fix the line through additional works. Soon after, the service stopped working again, and Richard came to our office for assistance.

Through our investigation we discovered that the telco was aware of the need to permanently replace the lead-in in 2014 but did not replace it until 2022. Despite Richard having no mobile coverage at his address, his telco did not supply an interim service during the fault period, even when Richard requested it. After some time, the parties were able to reach an agreement to resolve the complaint, and Richard’s telco paid him a settlement amount over \$2,000.

* Names of all parties have been changed.

Case study – Ellie’s* family was at risk with no landline service**

Ellie lives in a regional area with no mobile or satellite reception. Her landline service is her only way to communicate externally when at home. Ellie lives with her mother, who has a serious medical condition and needs reliable access to a landline service at all times.

One day, Ellie’s landline service stopped working. Her telco made multiple attempts to repair the service, but could not find a permanent solution for the outage. Ellie then contacted our office for help.

During our complaints process, Ellie’s provider offered her an interim satellite phone service. Ellie declined the offer as it was not suitable for her mother and it would not get reception in her location.

¹ [TIO Annual Report 2022-23](#), page 85.

After several months and multiple fault reports, Ellie's provider restored her landline service. As a result of the delays, Ellie's provider found she was entitled to over \$1,000 in CSG compensation, and offered a further credit to her account.

* Names of all parties have been changed.

** This case study first appeared in our submission to the 2023 Thematic review of the Customer Service Guarantee (CSG).

2. Potential avenues for updating the USO scheme

2.1 We support greater consolidation of industry regulation

While the USO is a key consumer protection, we recognise the scheme has gradually become outdated as the telco industry has evolved, with NBN and mobile services becoming more prominent than landlines among consumers.

The Department could consider modernising the USO by consolidating relevant schemes such as the USO scheme, the SIP regime and the CSG scheme into one coherent, robust and modern regulatory framework. As noted in the discussion paper, a network of different codes and standards has emerged to cover different connection types since the original development of the USO, and there is an opportunity for a modern USO to consolidate these various regulations to reduce the overall complexity for providers and consumers, and to ensure no technology types are left behind by changes in the regulations. Clearer and more consistent obligations across all service types could, in turn, reduce the number of issues experienced by consumers and the number of complaints received by our office.

However, if the Department does not proceed with a single consolidated ruleset, then we recommend that the obligations in the USO should align with those in the SIP regime and CSG scheme, and all schemes should have similar timeframes, quality standards, and financial remedies.

2.2 We support the expansion of the USO scheme to include internet services

The USO should be updated to reflect contemporary views and usage of telco services in the community. As times have changed since the USO was originally introduced, telco regulation should also evolve to ensure it is fit for purpose and reflects community use and expectations.

In the evolving telco landscape, the internet has become an increasingly essential service, which consumers rely on for access to work, study, healthcare, social services, and banking. In this context, the USO should be modernised by expanding it to cover internet services, in addition to telephone services. Internet should be covered under the USO because in current times, where 30.8% of our complaints in FY23 were about internet services (including prevalent issues of intermittent faults, slow speeds, and connection delays),² a delay in receiving an internet service can be as restricting as a lack of access to telephone services.

Our [Submission on the Thematic Review of the Customer Service Guarantee \(CSG\)](#) also supported the modernisation of the CSG scheme by recommending that the CSG scheme should enable consumers to receive appropriate compensation for both internet and landline service delivery delays. Our submission recognised that many consumers expect their fixed-line internet services to be connected or repaired within a timely manner, or to be compensated if this does not occur. However, the CSG scheme has not been updated to reflect these modern telco usages or expectations.

² [TIO Annual Report 2022-23](#), page 80.

In considering the modernisation and consolidation of key industry regulation, the Department should ensure contemporary views and community expectations are taken into account to ensure a fit for purpose model moving forward.

3. Updates to the USO scheme must prioritise and promote accessibility

In addition to the 'standard' uses for landline services by residential consumers, many consumers experiencing vulnerability rely on landline services in different ways, and a modernised USO scheme should be flexible enough to accommodate these different uses and connection types. We encourage the Department to consider ways to support these use cases when updating the USO scheme.

3.1 We support greater measures to ensure accessibility to phone services during power outages

It is crucial that consumers can access reliable telephone services, especially during events such as power outages and other emergencies. In these circumstances, we recognise that some technology options may not be suitable, especially in natural disasters.

Our [Submission to the 2021 Regional Telecommunications Review](#)³ highlighted that the consequences of poor service reliability can be greater for regional consumers. Many regional communities are at a greater risk of natural disasters like bushfires and floods, and reliable access to telco services plays a critical role in coordinating disaster response and recovery.

Every consumer should have reliable access to emergency service calls. The recent Optus Outage⁴ highlighted the importance of consumers having continual access to emergency service calls, and the potential consequences when consumers are unable to call emergency services. Access to emergency services via telephone is crucial, and consumers should have certainty and confidence that these important calls will work when needed.

The USO scheme should clearly safeguard and protect continuous and uninterrupted access to emergency service calls. The USO scheme should also ensure telephone voice services are still required to be available during power outages. Clear obligations for telcos under the USO scheme about keeping landlines connected during power outages would promote greater accessibility to telephone services for all consumers. This is especially important for:

- Consumers located in rural and remote areas who may solely rely on their landline service in an emergency, and
- Consumers with medical conditions that mean they need access to a reliable phone service, including when there is a power outage.

³ TIO Submission to the 2021 Regional Telecommunications Review, pages 8, 10.

⁴ See, for example, [ACMA statement on Optus outage](#), January 2024.

Case study – John* relies on a landline due to no mobile coverage**

John lives in a remote area without mobile coverage. He has a medical condition and needs access to a landline service in case of an emergency.

Following an electrical storm, John's landline service stopped working.

John contacted his telco, who offered to send him a mobile handset, which did not work at his home address. His telco later offered to send him a satellite interim phone service, which never arrived. This meant John was without a service for several weeks.

After we investigated John's complaint, John's telco sent out technicians to repair the landline. However, the technicians were unable to find John's house and because there was no mobile coverage, they were not able to call him for directions.

After two months without a service and several rescheduled technician appointments, John's landline service was finally restored. John's telco agreed to pay him \$470 in compensation.

* Names of all parties have been changed.

** This case study first appeared in our submission to the 2021 Regional Telecommunications Review.

3.2 We support an increased focus on accessibility for First Nations consumers

As part of a modernisation project for the USO, we recommend the Department consult with First Nations groups to identify the most appropriate access methods, technologies, and affordable plans to suit those communities.

Our office handles complaints from consumers who live in regional or remote First Nations communities, and who must sometimes rely on prepaid mobile services and payphones, rather than expensive or less-accessible fixed-line services. In our [Submission on the Indigenous Digital Inclusion Plan](#),⁵ we noted that our complaints reveal complexities around providing effective telco services to remote indigenous communities, which are some of the most under-served communities. To be effective, solutions must be tailored to the practical needs of individual communities.

3.3 We support the continued role of payphones in the USO

Payphones remain an important and fundamental aspect of the USO framework and are an essential service for consumers who may not have access to their own personal telco services. Payphones enable consumers to make free outbound calls in the event of emergencies, and Telstra's decision to make most non-emergency payphone calls free of charge⁶ assists consumers who struggle financially or may otherwise be experiencing vulnerability.

We infrequently receive complaints about payphones, with consumers typically contacting us to report their local payphone is not working. While these complaint numbers are low, we encourage the Department to ensure payphones remain a key part of the USO framework.

⁵ TIO [Submission on the Indigenous Digital Inclusion Plan](#), pages 1-2.

⁶ Telstra [Why we're making payphones free for calls around Australia](#), September 2022.

3.4 We support the role of mobile services

Mobile services are an important essential telco service, and while not currently covered under the USO scheme, they can act as a valuable interim or alternative phone service. Our systemic report [Investigating complaints about essential mobile services](#)⁷ found that consumers who reported losing access to landline and internet services when their home lost power said mobile access was critical to receive emergency alerts and update family members about their movements.

While mobile service can be a substitute for a fixed service, consumers can still experience reliability issues and limitations. Certain locations lack adequate mobile coverage, and some consumers may not know how to operate a mobile device or may have affordability concerns.

Although mobile can be an effective interim service and there may be further opportunities for its use in regional areas, events like natural disasters can put significant pressure on mobile networks, particularly in rural and regional areas. They can quickly disrupt mobile networks and consumers' services, often when consumers need them most.⁸

We often handle complaints from consumers who experience poor mobile reception. Our [2022-23 Annual Report](#) featured poor mobile coverage (8.2% of complaints) in our top five complaint issues for mobile services.⁹ We recognise further opportunities for improved mobile infrastructure in regional and remote areas to further support the availability and reliability of mobile connectivity for consumers as an alternate option to fixed-line telephone services.

4. The USO scheme should ensure minimum service quality standards

Quality and reliability standards are key to ensuring that residential and small business consumers benefit from the USO. We handle complaints where landline service quality can fall short of consumer expectations and cause concern for consumers in regional and remote locations.

While we regularly receive complaints about connection delays,¹⁰ we often handle complaints where consumers experience landline fault and connection issues. Our [2022-23 Annual Report](#) shows landline fault and connection complaints by network, with 1,711 complaints about services delivered over the NBN and 991 complaints about services delivered over other networks.¹¹

Within these complaints, consumers report that their landline service:

- takes a significantly long amount of time to connect
- cannot make or receive calls of any kind
- occasionally loses the ability to make calls, such as when it rains or during natural disasters
- can make or receive calls, but the quality of the call is poor, or
- repeatedly experiences faults, and their provider can only offer temporary repairs for the service.

⁷ TIO Systemic Investigation Report, [Investigating complaints about essential mobile services](#), July 2022, page 20.

⁸ TIO Systemic Investigation Report, [Investigating complaints about essential mobile services](#), July 2022, page 20.

⁹ [TIO Annual Report 2022-23](#), page 84.

¹⁰ [TIO Annual Report 2022-23](#), page 85.

¹¹ [TIO Annual Report 2022-23](#), page 112.

A modern USO must have a strong focus on service quality, regardless of technology types. Landlines must be usable for consumers, and service standards for voice services must ensure minimum and appropriate benchmarks.

Another opportunity for improvement involves the supply of equivalent services. Some technology types may not be suitable as equivalent services and lack reliability, for instance, a satellite service may not be reliable if it stops working in a storm or is heavily affected by weather or nearby trees.

We recommend the Department introduce new service standards into the current regime to ensure that regardless of the technology type used, landline services must be required to meet minimum criteria to make sure they are both usable and reliable. These service standards could be similar in principle to those we recommended for superfast fixed broadband services in 2020.¹² Minimum service quality requirements could assist in determining whether certain service issues are classified as faults, for example, low-level noise distortions, and aid in the technical restoration and resolution of disputes relating to those faults. In turn, this would also reduce the number of complaints our office receives about service quality.

Case study – Frank* was affected by lengthy delays in the repair of his landline service**

Frank has a landline service with his telco provider. One day, he experienced a total service outage, which was quickly restored. However, after his service was restored, he noticed ongoing issues with the quality of his service. His calls would randomly drop out, and he would begin to hear heavy static on the line during longer calls.

Frank reported the landline fault to his telco provider, who worked with him and then nbn co ltd to attempt to repair the service. They tested and replaced Frank's handset and parts of the network without success, and the quality of Frank's service worsened over time. Frank then approached our office for assistance. We helped coordinate responses between Frank, his provider, and the NBN technicians.

The landline service was eventually repaired over six months after Frank first reported the issue to his provider. As no exemptions applied to Frank's circumstances, the provider agreed to pay over \$7,000 in CSG compensation.

* Names of all parties have been changed.

** This case study first appeared in our submission to the 2023 Thematic review of the Customer Service Guarantee (CSG).

Case study – A service fault left Carmella* vulnerable for months**

Carmella lives on a rural property in the Northern Territory. There is no mobile reception on her property, and she relies on her landline service for all her communication needs.

Carmella began experiencing drop-outs on her landline service. She was concerned she might have no service in the event of emergency, and so contacted her telco several times to report a fault. Each time, Carmella had to wait weeks before a technician could come out to her property. Because the fault was intermittent, when a technician did come out, the landline would be working and the technician would then report that there was no fault. Other times technicians would cancel appointments without letting Carmella know.

¹² TIO [Submission on the ACMA's proposed service standards for superfast fixed broadband services: Consumer remedies for missed service levels.](#)

After making a complaint to our office, Carmella's service got worse. The next month, her landline became unusable for long periods of time, making it difficult to report faults. It took another three months for Carmella's service to be repaired.

* Names of all parties have been changed.

** This case study first appeared in our submission to the 2021 Regional Telecommunications Review.

We look forward to the outcome of this consultation.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Cynthia Gebert', followed by a long, sweeping horizontal flourish.

Cynthia Gebert
Telecommunications Industry Ombudsman