

**COMMUNICATIONS  
ALLIANCE LTD**



**BETTER DELIVERY OF UNIVERSAL SERVICES**  
COMMUNICATIONS ALLIANCE SUBMISSION  
FEBRUARY 2024

## CONTENTS

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<b>INTRODUCTION</b>	<b>2</b>
<b>SUMMARY</b>	<b>3</b>
<b>GENERAL</b>	<b>4</b>
CA supports the review of universal service	4
The industry continues to have a range of views on the USO and the USG	4
<b>RESPONSES TO 'KEY QUESTIONS FOR STAKEHOLDERS'</b>	<b>5</b>
1. What do you consider are the key outcomes that a modern universal service framework should deliver?	5
2. What safety-net services does a modern universal service framework need to address?	7
3. To what extent do you consider mobile services are important to complement fixed services supported under the existing framework?	7
4. Which existing requirements under the current universal service framework should be retained, or changed?	7
5. What role do you consider payphones should play in a modern universal service framework?	8
6. How should affordability be considered?	8
7. How can a modern universal service framework deliver better outcomes and meet digital inclusion needs of First Nations Australians?	8

## INTRODUCTION

Communications Alliance welcomes the opportunity to provide this submission in response to the Government discussion paper on *Better delivery of universal services* (the discussion paper).

### **Communications Alliance**

Communications Alliance is the primary communications industry body in Australia. Its membership is drawn from a wide cross-section of the communications industry, including carriers, carriage and internet service providers, content providers, platform providers, equipment vendors, IT companies, consultants and business groups.

Its vision is to be the most influential association in Australian communications, co-operatively initiating programs that promote sustainable industry development, innovation and growth, while generating positive outcomes for customers and society.

The prime mission of Communications Alliance is to create a co-operative stakeholder environment that allows the industry to take the lead on initiatives which grow the Australian communications industry, enhance the connectivity of all Australians and foster the highest standards of business behaviour.

For more details about Communications Alliance, see <https://www.commsalliance.com.au>

## Summary

Key points from the Communications Alliance (CA) submission are:

- Industry supports target outcomes of technology neutrality, cost effectiveness, reliable service, clear eligibility criteria and being available in non-commercial locations.
- The existing Statutory Infrastructure Provider (SIP) obligations, network capability and competitive supply of retail voice services suggest a universal voice service obligation may not be required within the NBN fixed line and fixed wireless footprints.
- To the extent that there is an ongoing need for safety net voice service obligations in the modern telecommunications environment, CA expects these will be focussed on areas where reliable voice services cannot be accessed via SIP obligations.
- The delivery of the existing voice services components of the Universal Service Guarantee (USG)<sup>1</sup> via copper twisted pairs is based on outdated technology.
- CA supports the Government undertaking trials of emerging technologies to determine whether these technologies can now be relied upon to provide voice services.
- Learnings from these trials and anticipated advances in service availability could see new options for the delivery of services that meet universal service policy objectives emerge in a relatively short-term timeframe.

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<sup>1</sup> <https://www.infrastructure.gov.au/media-technology-communications/phone/phone-services/universal-service-guarantee-telecommunications>

## **General**

### **CA supports the review of universal service**

CA members agree it is worthwhile investigating how to update arrangements for universal services given the advances over recent years in both:

- end user expectations of telecommunications services; and
- the technology options to deliver these services.

CA welcomes the exploratory tone of the discussion paper and it being open to consider alternative approaches.

### **The industry continues to have a range of views on the USO and the USG**

CA members have previously made public statements about their respective views on the existing arrangements for the Universal Service Obligation (USO) and USG. These statements present a range of views, reflecting their different perspectives as industry participants.

This range of views means that CA is not able to comment on some of the questions posed in the discussion paper. CA understands its members will comment further on these questions in their respective, individual submissions.

CA understands, from Table 1 in the discussion paper, that USO funding arrangements will be the subject of a separate, subsequent consultation process.

## **Responses to 'Key Questions for Stakeholders'**

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

#### **Technology Neutrality**

CA supports the principle of technology neutrality for a modernised universal service framework, noting it is a longstanding principle in telecommunications legislation.

#### **Cost Effective**

CA believes a modern universal service framework should be cost effective. An implicit assumption in this is that a modernised universal service framework should only support the delivery of services that cannot be supplied by a competitive, commercial market.

Where a service supplied by a SIP can support a voice service and there are retail service providers in the market that deliver reliable, reasonably priced retail voice services on demand from consumers, then there is no need for a USO.

CA notes Table 1 in the discussion paper indicates there will be a separate consultation on funding arrangements for the delivery of universal services.

Many CA members view the funding of universal services as an inherent part of the discussion about a universal service framework and will welcome the opportunity to contribute to this upcoming consultation.

#### **Reliable Service**

CA believes a modernised universal service framework should deliver a reliable service at a reasonable price in geographic areas where this requirement may not be met by a competitive, commercial market.

CA notes there are Government programs directed towards improving mobile service reliability (e.g. the mobile network hardening program) that may reduce the need for USO telephone services at some locations.

At a wholesale level, NBN Co's updated Special Access Undertaking (SAU) delivers improved levels of service assurance across the NBN footprint.

In terms of service assurance at a retail level, retail service providers in a commercial, competitive market are motivated to improve service levels to compete and continue as a viable business. The discipline of a competitive market negates the need for regulation on service assurance at a retail level.

#### **Clear Eligibility Criteria**

CA believes a modernised universal service framework should have clear eligibility criteria, typically based on geography and the absence of a commercial, competitive market (see below with more information on this).

## Available in Non-Commercial Locations

CA believes a modernised universal service framework should only support service delivery where a competitive, commercial market may not reasonably be expected to deliver reliable voice services.

A reliable voice service is available now across the NBN fixed line footprint, on a commercial basis, due to a combination of:

- **Existing obligations** – The discussion paper includes that “All SIPs have obligations to connect premises to their networks and supply wholesale services that allow retail providers to provide broadband services with peak download and upload speeds of at least 25/5 Mbps”.
- **Network capability** – The discussion paper includes that “NBN Co’s fixed line network, which can service around 11.5 million premises nationally....supports quality voice calls.”
- **Competitive supply of services** – The ACCC Communications market report 2022-23<sup>2</sup> notes that for the NBN Co network “At the end of June 2023, all 121 POIs had at least 18 NBN access seekers”, with most of these access seekers understood to offer a voice service.

It is CA’s view that a reliable voice service is generally available now across the NBN fixed wireless footprint, noting the above comments along with the discussion paper mentioning that “on fixed line and fixed wireless networks, wholesale services supplied by SIPs must be able to support retail voice services”.

The above suggests a universal voice service obligation may not be required within the NBN fixed line and fixed wireless footprints. Therefore, one boundary for candidates for universal service is a subset of SIP services supplied via a geostationary satellite network that has not been sufficiently optimised for voice calls.

CA notes the “Review of rules about reasonable requests for Universal Standard Obligation standard telephone services”<sup>3</sup> in 2023 included:

- “A possible alternative approach could be based on the Statutory Infrastructure Provider (SIP) regime for broadband”; and
- “This approach is more streamlined but would need to be adapted for USO purposes. For example, the USO is a retail obligation while the SIP obligations are wholesale.”

CA notes the discussion paper includes “emerging technologies such as Low Earth Orbit satellite (LEOSat) networks are already providing new opportunities, with further developments expected in coming years”.

CA notes the discussion paper includes that the Government has both:

- undertaken technical trials “to test acceptable alternatives for rural and remote consumers” through the Alternative Voice Services Trials Program<sup>4</sup>; and

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<sup>2</sup> <https://www.accc.gov.au/system/files/communications-market-report-2022-23.pdf>

<sup>3</sup> <https://www.infrastructure.gov.au/have-your-say/review-rules-about-reasonable-requests-universal-standard-obligation-standard-telephone-services>

<sup>4</sup> <https://www.infrastructure.gov.au/media-technology-communications/phone/phone-services/universal-service-guarantee-telecommunications/alternative-voice-services-trial>

- “will also progress work to undertake further technical trials in 2024, drawing on stakeholder views on how these trials can be best structured”.

Learnings from the Government's emerging technologies trials and the anticipated advances in options for service delivery could see new options for the delivery of services that meet universal service policy objectives emerge in a relatively short-term timeframe. A possible outcome from this is it could further shrink the necessary geographic footprint for universal service.

CA understands several of its members will make individual submissions regarding the potential impact of LEOsat services on universal service arrangements.

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

To the extent that there is an ongoing need for safety net voice service obligations in the modern telecommunications environment, CA expects these will be focussed on areas where reliable voice services cannot be accessed via SIP obligations.

For example, CA notes the *Telecommunications Legislation Amendment (Enhancing Consumer Safeguards and Other Measures) Bill 2023*<sup>5</sup> before Parliament would amend the SIP regime to enhance consumer safeguards e.g. to “*deliver greater certainty to customers where their current SIP chooses to stop offering services*”<sup>6</sup>.

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

CA invites consideration of the extent to which the availability of competitive, commercial mobile services and emerging satellite services may be considered to satisfy the service availability, service assurance and/or network resilience objectives of a modernised universal framework.

CA understands its members will comment further on this question in their respective, individual submissions.

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

There is agreement among CA members that the existing obligation to meet the USO for many regional premises by using copper twisted pair cables may have been suitable at the start of the Universal Service Obligation (USO), but it is now an outdated dependence on a specific technology.

CA understands its members will comment further in their respective, individual submissions on what existing requirements should be retained or changed.

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[https://www.aph.gov.au/Parliamentary\\_Business/Bills\\_Legislation/Bills\\_Search\\_Results/Result?bId=r7116](https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r7116)

<sup>6</sup> <https://minister.infrastructure.gov.au/rowland/media-release/new-telco-consumer-safeguards-bill-introduced-parliament>



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

There is a range of views among CA members on the role of payphones.

CA understands its members will comment further on this in their respective, individual submissions.

## 6. How should affordability be considered?

CA recognises that affordability of services is fundamentally important, especially for community members who are vulnerable or financially disadvantaged. However affordability is a related but separate component of service delivery, which could be addressed by programs that are part of other assistance measures.

CA notes that:

- A competitive, commercial market should be able to deliver affordable services for most people, with the discussion paper including that “*competition drives prices down*”.
- The NBN Co SAU also has a forum to promote the interests of low income and disadvantaged customers to allow interests to be considered in NBN pricing and products.
- The recent making by ACMA of the *Telecommunications (Financial Hardship) Industry Standard 2024*<sup>7</sup> is a regulatory measure separate to the universal service framework designed to protect vulnerable community members.
- Further regulation of service pricing is unnecessary in areas with commercial services given:
  - The existing arrangements to regulate wholesale offerings e.g. the ACCC oversight of the SAU; and
  - A competitive retail market can deliver end users a choice of retail offerings (e.g. ACCC retail price controls were removed ten years ago as market forces kept prices below controlled levels).

The above range of existing measures suggests affordability is related to, but does not need to be a part of, a modernised universal service framework. Separate, targeted Government programs could support those most in need of assistance on the affordability of services.

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

A modernised universal service framework should, by definition, be universal and meet the digital inclusion needs of all Australians, including First Nations Australians.

The digital inclusion needs that are specific to First Nations Australians can be met by appropriate measures that are separate from, but are consistent with, and complement, the objectives of a modernised universal service framework.

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<sup>7</sup> <https://www.legislation.gov.au/F2024L00133/asmade/text>

For example, CA notes the *Connecting the country: Mission critical report*<sup>8</sup> included as 'Recommendation 20' that:

*"The Committee recommends the Australian Government investigate and, where appropriate, fund targeted, place-based solutions for providing reliable and secure access to telecommunications services in remote Indigenous communities, including, but not limited to:*

- *deployment of wi-fi mesh networks or wi-fi hotspots, and*
- *use of Low Earth Orbit satellite services."*

CA suggests such Government investigation and funding of solutions under Recommendation 20 could help meet the digital inclusion needs of First Nations Australians, but this might not necessarily be done via a modernised universal service framework.

The CA Satellite Services Working Group has presented to the Government's LEOsat working group about adopting an 'ecosystem of systems' approach and not focusing on a single technology. This approach could lead to solutions that use a combination of technologies from different satellite orbits and terrestrial systems. It could also broaden the options for the Government to address Target 17 of the National Agreement on Closing the Gap<sup>9</sup>.

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[https://www.aph.gov.au/Parliamentary\\_Business/Committees/House/Communications/Mobil-eco-investment/Report](https://www.aph.gov.au/Parliamentary_Business/Committees/House/Communications/Mobil-eco-investment/Report)

<sup>9</sup> <https://www.closingthegap.gov.au/national-agreement>



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