

The cover features a collage of four images. Top left: A person with grey hair sits on a red rock ledge, working on a laptop. Top right: A vibrant rainbow arches across a blue sky. Middle right: A river flows through a landscape with trees and a fallen log. Bottom: A large, open-sided wooden house is visible through a rustic wooden fence. The background is a vast, flat landscape under a cloudy sky.

# REGIONAL TELECOMMUNICATIONS REVIEW

FRAMEWORK FOR THE FUTURE

REGIONAL TELECOMMUNICATIONS  
INDEPENDENT REVIEW COMMITTEE REPORT  
2008

FRAMEWORK FOR THE FUTURE

SEPTEMBER 2008

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# REGIONAL TELECOMMUNICATIONS REVIEW

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Senator the Hon Stephen Conroy  
Minister for Broadband, Communications and the Digital Economy  
Parliament House  
CANBERRA ACT 2600

Dear Minister

Together with my colleagues, Alexandra Gartmann, Mark Needham, Bruce Scott and Josephine Stone, I have pleasure in submitting to you the first report of the Regional Telecommunications Independent Review Committee.

In conducting our review we undertook extensive consultations, visiting 20 locations in regional, rural and remote areas between February and May 2008. During this process the Committee was able to hear and discuss the telecommunications issues facing people who live and work in regional Australia. This included individuals, consumer representative groups, diverse industries as well as local, state and territory governments.

The substantial growth in significance of mobile and broadband communication services to regional Australians, along with the impact of the Government's National Broadband Network proposal, provides an exciting opportunity for bold changes to telecommunications policy and legislation to secure equitable access to telecommunications services.

In view of this opportunity, our report recommends a new framework, which will, if adopted by the Government, include mobile, broadband and voice services in universal service arrangements for the first time.

The Committee understands the Government has allocated funds in the Budget to implement its response to our Report. Part 1 of our Report includes a number of recommendations which will make a call on funding. The Committee considers that a figure of 10–15 per cent of the available funding may be an appropriate starting point to implement those recommendations. Beyond this investment in the maintenance and better use of existing services, the Committee recommends that funding be allocated for the implementation of the new framework, which it believes will result in major benefits for regional Australians

We commend our report to you.



Yours sincerely  
Dr William J Glasson AO  
Chair, Regional Telecommunications Independent Review Committee  
5 September 2008



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## EXECUTIVE SUMMARY

In this first report of the Regional Telecommunications Independent Review Committee we recommend bold changes to telecommunications policy and legislation. The changes we propose are to ensure ongoing equitable access to broadband, mobile and fixed voice telephony and payphones across the country, and particularly for individuals and businesses in regional, rural and remote parts of Australia.

The existing legislative and regulatory arrangements for universal service are increasingly strained by the importance of mobile telephony and broadband services, the privatisation of Telstra, and the ongoing development of a competitive telecommunications market. With the significant changes likely to occur from the Australian Government's proposed National Broadband Network (NBN) there is now an opportunity to revolutionise the availability and quality of telecommunications services in this country, including all of regional Australia.

Our proposals are based on the belief that competitive markets are best able to deliver telecommunications services. Government interventions should be limited to where this is necessary to ensure service availability.

Advances in technology, the expansion of the variety of telecommunications services available and the ongoing development of services supplied using telecommunications are resulting in more benefits and increased demands and expectations of consumers. As any program to address gaps in adequacy is implemented or further commercial investment is completed, new gaps emerge. Ten years ago the internet was barely on the horizon. Now the internet is essential for business and social use. People in regional Australia are using Facebook to maintain relationships with family and friends no matter where they are located. Workers at remote mines are able to maintain regular contact with their children in town.

The importance of regional Australia and its industries to our overall national wellbeing underscores the importance of adequate telecommunications services to regional, rural and remote parts of Australia. Increasingly, telecommunications services are not only an end in themselves for achievement of equity, but also critical enablers in the equitable availability of other services. We therefore support a policy and regulatory environment that promotes competition,

innovation, and investment in telecommunications for regional areas, supported by effective measures to protect consumers. The ultimate aim of any such approach is to establish fairness or equity for all Australians.

The Committee held public consultations in 20 locations across regional Australia, as well as stakeholder meetings in all state and territory capitals. We also considered more than 220 submissions. The overwhelming majority of these submissions were about mobile voice services and broadband.

In accordance with the terms of reference, we reviewed the adequacy of telecommunications services in regional, rural and remote parts of Australia having regard to whether people in these areas have equitable access to significant telecommunications services that are also available in urban areas. For the purposes of this review, we consider that:

- services are significant if they are likely to have a major impact on people, their communities and businesses in regional, rural and remote areas
- services are equitable if they are available at a standard that is sufficient to meet people's economic, social and cultural communication needs when compared with urban areas, and
- services are adequate when there is equitable access to significant services at reasonable cost, and those services deliver quality and functionality that is fit for purpose, timely, and reliable.

There have been dramatic improvements in telecommunications services in regional Australia in recent years. However, we have found that these services, specifically mobile services and the availability of broadband internet access, are still inadequate.

We sometimes found the task of determining adequacy difficult due to a lack of reliable data. Where feasible, we have identified the need for more robust and more transparent data collection to support future assessments.

The Committee is composed of individuals whose lives thread between remote, rural, regional and urban communities. Consultations reinforced our own experience of the importance of telecommunications services for integrated and fully effective regional, rural and remote communities.

We have taken a two-step approach in our considerations to assess the adequacy of telecommunications services. In the first step, Part One of the report, we assess the significance of telecommunications to the delivery of key services and industries in regional Australia — such as health, education and primary production.

In the second step, Part Two of the report, we consider the current availability of telecommunications in regional areas and assess the adequacy of those services that are significant. We also consider whether people have equitable access to those services compared with urban areas.

The boundaries between different telecommunications technologies and services are blurring, and the relative importance of different services is rapidly changing. To many people, from a young backpacker to a ‘grey nomad’, the internet café may be more important than the payphone.

We discuss backhaul infrastructure and issues surrounding regulation, competition, and consumer protection as they affect the adequacy of services in regional areas.

The third part of the report puts forward a bold new framework that aims to ensure equitable access to telecommunications services for mobiles, broadband, voice and payphones in regional Australia.

## **SIGNIFICANCE OF TELECOMMUNICATIONS SERVICES TO EVERYDAY LIFE**

Consumer expectations are increasing more rapidly than the availability of telecommunications in many areas. Telecommunications, especially mobile and broadband services, now play an important part in everyday life of most people. These services are also critical for enabling access to key services that facilitate the social, economic and cultural wellbeing of people and enable the growth and development of communities and regions as a whole. These services will assist the sustainability of regional areas and provide choice and opportunity to people in regional areas.

Whether a person lives in regional Australia or in urban Australia, services like mobile telephony provide one of the main forms of communications. The importance is reflected in the fact that on average, people spend more than \$600 per person per annum on mobile telephony. Much of this communications activity is simply people engaging and coordinating with family members and friends. The growth of short message services (SMS) as the primary electronic communications for many young people is an example. The growth of the use of broadband internet for news and current affairs is another. This everyday use of telecommunications makes these services very significant. People in regional Australia expect to have the same opportunities as their urban counterparts to use telecommunications services.

Telecommunications play a key role in underpinning social and cultural wellbeing by facilitating greater social inclusion and interactivity. Isolation and displacement are key issues for regional Australia, impacting on the capacity of some regional areas to retain people and, in turn, their future viability.

Broadband infrastructure and the skills to use it have become very important tools for social cohesion and effective participation in the broader economy. Telecommunications at reasonable prices can help address the 'tyranny of distance'.

Broadband internet is a fundamental tool in the delivery of education today. A high level of connectivity is important for regional education applications such as remote two-way visual and audio learning. We are concerned that schools in more rural and remote communities will not have the same access to educational opportunities as other schools.

These connectivity issues affect schools, TAFE institutions and universities. Teachers also increasingly rely on modern telecommunications to learn, keep up to date with teaching methods, and pass on the skills necessary for effective education.

High-speed broadband telecommunications infrastructure and access is also important to effective regional health care delivery. The roll-out of the Government's proposed NBN has the potential to facilitate greater access to e-health applications. These are particularly valuable for remote communities, where high-speed bandwidth can be used to support remote consultations, diagnosis and treatment.

Mobile services enable more effective health care for patients away from health centres. These tools help skilled health professionals deliver high quality care and ease their sense of isolation. Access to appropriate telecommunications is important in attracting and retaining skilled health professionals in regional Australia.

Australians in regional areas place significant importance on effective emergency services. Developments in telecommunications provide great potential to improve emergency response planning, prevention strategies and service responsiveness to emergency situations in regional Australia.

We found some impediments to efficient emergency response in regional areas. Some of these stem from a lack of traveller awareness and preparation when travelling in these regions, but there are also opportunities to enhance emergency response capacity for communities through greater availability of telecommunications and more effective coordination. As with other sectors, there are also opportunities to ensure emergency service providers can obtain training and are supported with appropriate technology in the field.

Indigenous communities need access to culturally-appropriate services to enhance their overall welfare, including community payphones and increased pre-paid telephony options. Education and health outcomes are drivers for 'closing the gap' in these communities and for fostering economic and social development. The use of telecommunications to support these services is particularly important for Indigenous communities.

Governments and communities benefit from the use of telecommunications for improved service delivery. Help and advice can be delivered both faster and cheaper, but adequate rural bandwidth is critical to realising these benefits. In some areas, local governments have difficulty retaining and attracting skilled staff. In many cases, there is potential for the aggregation of demand for infrastructure to support better delivery of government services.

Regional businesses, including primary industry, need access to telecommunications infrastructure and services to compete effectively with urban-based businesses. Isolation from others businesses, consumers and markets, the increasing costs of doing business and other factors such as extreme weather events and climate change are all impacting on the ongoing competitiveness of regionally-based industries. Agriculture and allied businesses are becoming more

reliant on technology, as increased capacity and new applications contribute to business efficiency and opportunities.

Road transport is a significant supply corridor for regional Australia. Telecommunications access has implications for the efficiency of all forms of land transport including road transport in regional areas. The impact of tourism and itinerant workers on regions means decisions on the telecommunications needs of specific regions cannot be based on residential population alone. The resources boom is changing the face of many regional areas. However, it is critical for local communities that they are able to channel some of the benefits from this 'boom' into sustainable outcomes for their region.

We consider there is further potential for increased collaboration between resources industries, local communities and service providers to facilitate shared planning and improved telecommunications infrastructure and services in regional areas.

We conclude that a range of telecommunications services play a crucial role in maintaining and improving the social and economic fabric of society in regional Australia.

## ADEQUACY OF TELECOMMUNICATION SERVICES

Mobile services are significant to regional Australians. Terrestrial mobile services are available over nearly all urban areas and usually from multiple providers. This is not the case in regional areas. The management by Telstra of the switch-over from CDMA to a 3G network was a significant issue raised with the Committee. This in itself underscored the importance of mobile telecommunication services to regional Australia and the fact that a lack of infrastructure competition exposes regional Australians to substantial risks that are not faced by people in urban Australia. We welcome the recent announcements of Optus and Vodafone to extend coverage of their terrestrial networks further into regional Australia. We also welcome the entry of mobile satellite provider Thuraya to the regional mobile phone market.

In our view, mobile telecommunications services are not equitably available in many parts of regional Australia. We identified the following issues:

- a lack of any ongoing assurance of service availability — the current Australian Government initiatives addressing inequitable access tend to be short term
- a limited geographic terrestrial mobile phone coverage in regional areas, in particular for hand-held mobile phones — an issue exacerbated by aspects of the promotion of the extent of coverage, and
- high prices and service difficulties with mobile satellite services — mobile satellite services do provide Australia-wide coverage, but there is a question whether this service is currently adequate.

Broadband is significant to people and businesses in regional parts of Australia. Broadband services are available in nearly all urban areas through commercial provision without government intervention. We note the substantial changes in the market and take-up of broadband, and the positive impact of Australian Government programs like the Australian Broadband Guarantee (ABG). As a result of these programs hundreds of thousands of people in regional Australia have been able to purchase a broadband service. The NBN announced by the Australian Government will also have a significant impact on future adequacy.

Despite the discernible benefit of Australian Government programs, we consider that broadband services remain inadequate in that:

- there is no ongoing assurance of access to broadband services on an equitable basis, and
- the threshold services available under programs like the ABG will need to be consistently reviewed to ensure they keep pace with service improvements in urban areas.

Voice services remain significant. Generally there is equitable access, although there are concerns regarding service restoration following faults, and the relative lack of competition.

Payphones also remain significant to people in regional parts of Australia, although the relative importance of payphones is declining (along with their use). However, there are opportunities to improve current arrangements by involving local communities, particularly local governments, and fostering increased competition by enabling all providers to bid for the public subsidies currently paid to support payphone services.

The availability of adequate backhaul, and its price, impacts on the availability, type and price of telecommunications services, such as terrestrial mobile services and broadband, that can be delivered to a community. Some providers that are willing to service the local access needs of a community are unable to do so because backhaul prices inhibit competition for retail services. Providers do not have access to sufficient information about aggregate demand, for example, from all levels of government. Similarly, the Australian Government does not have readily available information on where or how much backhaul transmission is available. This makes it difficult for network builders to effectively plan backhaul investment.

Competition in telecommunications services in regional markets is not as intense as in urban areas. Regulatory decisions about urban markets can have far-reaching impacts on regional markets.

There is limited consumer awareness of alternative telecommunications providers or complaint processes in regional Australia. The current regulatory arrangements are fragmented and do not support transparency and consumer understanding.

## **NEED FOR A NEW FRAMEWORK**

The transition from a regulatory regime focused on voice telephony to one covering a wide range of possible services, including text, images, video and Voice Over Internet Protocol (VOIP) raises a number of key policy and regulatory issues. These issues were raised in regional consultations, and they clearly have national relevance. Current arrangements often confuse consumers and frustrate industry. There is a need for a balanced approach that will promote industry innovation while maintaining consumer safeguards.

In particular, we found that the current Universal Service Obligation (USO) arrangements are not working well. Nearly all stakeholders are dissatisfied with them and they are neither practical nor functional for modern telecommunications.

Despite the success of market reforms, there remains a need for certainty and assurance of ongoing future access to telecommunications services. This need for certainty now applies not only to fixed voice and payphone services but increasingly to mobile and broadband services. A new approach is needed.

We recommend an ongoing commitment by the Australian Government to a set of standards that specify the services that should be available to all Australians — the ‘Communications Services Standard’ (CSS).

The CSS would allow many consumer protection measures to be incorporated into a simpler framework that provides both industry and consumers with a secure footing for their investments and expectations.

The Australian Government’s primary device for ensuring this equitable delivery of telecommunications services since Federation was its ownership of the national telecommunications network. Competition reforms and privatisation have changed the way the Australian Government can and should act to make this assurance.

The Australian Government has relied upon a mix of obligations placed on the carriers and various programs to meet identified shortfalls in service availability.

The NBN is a very welcome initiative, but some communities will not be served by the NBN, and many communities will remain inadequately served with hand-held mobile coverage.

The Committee’s bold new approach requires significant policy changes such as:

- implementing the CSS framework for all Australia including, for the first time, mobiles and broadband services
- make and encourage the necessary investments to support the successful implementation of the CSS
- improve market information and consumer awareness, and
- ongoing development of applications and peoples’ skills to better utilise telecommunications.

## THE FUTURE

Telecommunications are essential for the wellbeing of all Australians, and particularly for those in regional areas. In our view, advances in telecommunications technologies and market conditions have realised substantial benefits for regional areas. However, more work needs to be done if regional Australia is to continue to be a competitive and attractive place to live and work, and if our nation is to continue to grow and prosper.

Individuals, businesses and communities in regional Australia should be able to access the equivalent telecommunications services and prices as their urban counterparts, on prices and terms that meet their current and future needs.

Infrastructure is critical in supporting adequate telecommunications services into the future. However, infrastructure alone will not deliver the outcome. We have identified initiatives to facilitate effective use of infrastructure and services, to ensure the human and community capacity to leverage the facilities available, now and into the future.

There is an opportunity to improve infrastructure in conjunction with the Australian Government's NBN initiative and in the lead up to the implementation of the new framework proposed in this Report which will ensure services are available on an equitable basis to all Australians.

We note the Minister for Broadband, Communications and the Digital Economy joined other Organisation for Economic Co-operation and Development (OECD) information and communications technology (ICT) Ministers in Seoul in June 2008 to declare their determination to work together to promote ubiquitous access to ICT networks and services, enabling widespread participation in the internet economy. They declared a shared vision that the internet economy, supported by related communications technologies will strengthen our capacity to improve the quality of life for all citizens.

We share these views.

We commend our report to the Australian Government.

*William Glasson AO*

*Alexandra Gartmann, Mark Needham, Bruce Scott and Josephine Stone AM*

*5 September 2008*

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## SUMMARY OF RECOMMENDATIONS

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The Committee recommends that:

- 1.1.1: The Australian Government fund initiatives to make training, support and appropriate applications available to people in regional Australia to ensure equitable access.
- 1.2.1: The Australian Government work with state, territory and local governments to ensure that schools in regional Australia have the same access to broadband and information and communications technology services that will be delivered by the Digital Education Revolution and the Fibre Connections to Schools Initiative to urban based schools.
- 1.2.2: The Australian Government facilitate greater access to educational bandwidth for regional tertiary institutions. This could include promoting access for Technical and Further Education institutions to networks such as the Australia's Academic and Research Network.
- 1.2.3: The Australian Government work with state, territory and local governments to:
  - a. address the higher costs of telecommunications for students in regional areas, and
  - b. promote initiatives that support the innovative use of broadband for specific education and training purposes.
- 1.3.1: The Australian Government work with state and territory government health sectors, as well as the private health sector, to maximise the opportunities for improved access to enhanced health services arising from initiatives.
- 1.3.2: The Australian Government broaden the scope of the current Satellite Phone Subsidy Scheme to make it more accessible to community-based and not-for-profit health care workers and emergency service volunteers.
- 1.4.1: The Australian Government fund initiatives and seek matching contributions from state and territory governments, to:
  - a. improve telecommunications facilities for emergency service organisations
  - b. train and support emergency service personnel, including volunteers, in the use of telecommunications, and
  - c. facilitate awareness raising for the general population and travellers in particular (including domestic and foreign tourists) on the limitations of terrestrial mobile phone services and the most effective means to call for help in an emergency.

- 1.5.1: The Australian Government expand the implementation and maintenance of community phones, including pre-paid options for people in remote Indigenous communities.
- 1.5.2: The Australian Government work with state, territory and local governments to implement identified telecommunications solutions to deliver services of significance to remote Indigenous communities. These services include appropriate culturally targeted awareness initiatives, education initiatives and technology support to improve broadband take-up and usage.
- 1.6.1: The Australian Government facilitate greater involvement of local governments in the design and delivery of initiatives to promote greater access to telecommunications infrastructure in their area.
- 1.6.2: The Australian Government work with state, territory and local governments on promoting greater access to training in information and telecommunications technologies for people in regional and remote areas.
- 1.7.1: The Australian Government work with state and territory governments to ensure that infrastructure is capable of supporting adequate services for business use in rural and remote areas.
- 1.8.1: The Australian Government work with state, territory and local governments to better incorporate the roll-out of telecommunications infrastructure, such as the roll-out of optical fibre during railway extensions, and upgrades to services and the planning of other major infrastructure developments in regional areas.
- 1.9.1: The Australian Government work with state, territory and local governments to better coordinate the activities of resource companies and telecommunication service providers to facilitate shared planning and provision of telecommunications and services in regional areas.
- 2.1.1: Australian Government programs to improve mobile services in regional parts of Australia should incorporate:
- a. if necessary, once the new framework is implemented, hand-held coverage in community service centres and towns and well-used roads and industries or regions specifically targeted according to the criteria in Table 3.1.1,
  - b. a reduction to the effective price of mobile satellite phone services to that similar to terrestrial mobile phones (i.e. the current satellite phone subsidy scheme should continue and be expanded at least until the implementation of the new framework described in Chapter 3.1, and probably continue beyond that), and
  - c. where necessary, actions to encourage the use of external antennae.

- 2.1.2: The Australian Government request the Australian Competition and Consumer Commission inquire into the merits of mandated terrestrial inter-carrier roaming in single carrier coverage areas in Australia to enable consumers to have a choice of provider.
- 2.1.3: The Australian Government take the necessary action to improve consumer understanding of hand-held mobile coverage. At a minimum, this must include a requirement for the telecommunications provider to consistently, clearly and accurately inform consumers, at time of purchase, of hand-held land mass or geographic coverage.
- 2.2.1: In accordance with the arrangements and criteria set out in Chapter 3.1 — A New Framework, the Australian Government:
- a. introduce measures to provide enhanced broadband services to premises that will not be served by the National Broadband Network (NBN) and these be delivered in an equitable timeframe, and certainly prior to the completion of the NBN, and
  - b. provide interim solutions until the NBN is accessible in regional areas. The solutions provided should maintain, and improve on, the contemporary comparisons with urban areas.
- 2.2.2: The Australian Government work with industry to:
- a. make service provider offerings to consumers easily comparable and easy to understand, and
  - b. assist in the development, availability, and awareness of applications for broadband provided over satellite.
- 2.2.3: The Australian Government monitor the availability of public internet access services and explore the opportunities in future frameworks for public internet access services.
- 2.2.4: The Australian Government engage providers and other relevant parties to improve the quality and provision of statistics on broadband usage, service availability, and needs in regional, rural and remote areas.
- 2.3.1: The Australian Government should, until the Competition Service Standard (CSS) is implemented:
- a. strengthen the Customer Service Guarantee (CSG) for repairs to fixed services in rural and remote areas, including replacing ‘working days’ with calendar days in the CSG repair timeframes, and
  - b. tighten the Mass Service Disruption (MSD) declaration criteria to ensure the exemption only applies when specified objective criteria, such as are used for meteorological, insurance industry and emergency declaration standards, are met.

2.4.1:	The Australian Government, in conjunction with the CSS implementation, consider a payphone subsidy program which allows all payphone providers to bid for funding on an open and transparent basis.
2.4.2:	The Australian Government encourage and enable local councils to play a stronger role with regard to the location and removal of payphones in their area.
2.5.1:	The Australian Government should ensure effective open access arrangements to backhaul services, including to backhaul services rolled out as part of Australian Government funding programs.
2.5.2:	In ensuring open access to backhaul services funded through Australian Government programs, the Australian Government require the provision of undertakings on the terms and conditions for third party access to backhaul, rather than solely relying upon commercial negotiation and dispute resolution.
2.5.3:	The Australian Government <ul style="list-style-type: none"> <li>a. regularly collect and prepare records of backhaul infrastructure for use by other Australian Government agencies for public policy purposes, and</li> <li>b. assess the costs and benefits of making this information available to relevant market participants.</li> </ul>
2.5.4:	The Australian Government explore with state, territory and local government opportunities for greater coordination of their telecommunications purchases in regional locations that result in additional backhaul infrastructure to regional communities.
2.5.5:	The Australian Government work with state, territory and local governments and commercial entities to facilitate access to backhaul transmission not currently utilised, for the benefit of local communities.
2.5.6:	In accordance with the arrangements proposed in Chapter 3.1, the Australian Government identify locations without sufficient backhaul infrastructure to meet the needs of communities. Following the principles proposed by the Committee in Chapter 3.1 the Australian Government, where necessary, develop suitable policies or programs to facilitate investment in new or enhanced open access backhaul infrastructure.

2.6.1:	The Australian Government require the Australian Competition and Consumer Commission (ACCC), in making a declaration, revocation or exemption determination for a defined geographic area, have regard to the impact in regional Australia of its decisions.
2.6.2:	In conducting future spectrum auctions, the Australian Government give consideration to: <ul style="list-style-type: none"> <li>a. adding 'use it or lose it' provisions in the licences in regional areas, or</li> <li>b. including providing for access to radio-communications spectrum in appropriate legislation.</li> </ul>
2.6.3:	The Australian Government consider industry structure, including the costs and benefits to regional consumers of requiring a greater degree of separation between network and retail operations of telecommunications providers.
2.6.4:	The Australian Government, in any consideration of industry structure, inquire into the merits of legislation to provide for court ordered divestiture of market participants where this is in the public interest as a means of improving access to telecommunications services at reasonable prices and improving choice.
2.7.1:	The Australian Government must include appropriate strategies to communicate relevant information to people in regional Australia when considering new consumer protection or regulatory initiatives.
2.7.2:	The Australian Government encourage and, if necessary, require industry to prepare and consider community impact statements: <ul style="list-style-type: none"> <li>a. prior to the withdrawal of existing services, or</li> <li>b. with the introduction of new technologies or services which result in a transition to new services, and</li> <li>c. for rural and remote users in particular, those in the Extended Zones.</li> </ul>
2.7.3:	The Australian Government undertake and publish evaluations of the impact and effectiveness of consumer awareness programs for telecommunications.

3.1.1: The Australian Government develop a new framework to provide an assurance of ongoing access to voice, mobile, broadband and payphone services to replace the existing USO legislation. The legislative framework provide for:

- a. The Minister to determine the relevant standards — CSS. The CSS is to include standards for voice, broadband, mobile phone and payphone services.
  - (i) The voice standard must include internationally recognised voice quality measures.
  - (ii) The broadband standard must be equitable with services delivered by the NBN.
  - (iii) The mobile standard must be for hand-held mobile phones.
  - (iv) The payphone standard must include objective criteria for access to payphones and, in developing this standard, consideration needs to be given to whether a standard is needed for public internet access.
- b. The RTIRC to be consulted on proposed changes to the standards.
- c. The Australian Government to develop, publish and implement a ‘plan of measures’ to ensure that all individuals and all small businesses can purchase services that meet the CSS, wherever they live or work in Australia, on an equitable basis.
- d. An independent body, not subject to Ministerial direction, be required to conduct an audit at least every three years on the effectiveness of the Australian Government’s ‘plan of measures’ in ensuring communications services meeting the standards are available to be purchased by all, and this audit be tabled in Parliament.

3.1.2: The new framework is to be in place on or before 30 June 2013.

3.1.3: The Australian Government implement suitable arrangements ensuring people in the Extended Zones are able to continue to access services on at least the same conditions applying under the Extended Zones Agreement from the time that Agreement ends until the implementation of the CSS.

3.1.4: The Australian Government provide a mechanism, simple for individuals and small businesses to use, to address and resolve service inadequacy issues that may arise under the new framework. At a minimum, the mechanism provide that:

- a. If consumers have been unable to obtain access to services that meet the standards, then the prospective consumer should receive advice of services available. If no services are available, for the Minister to be informed.
- b. If individual instances of failure to access a service that meets the standards are found and not resolved, then a report detailing those instances is to be prepared and published annually and within the first quarter of the following year.
- c. If a consumer is refused access to a subsidy or other schemes that are part of the Australian Government's 'implementation plan' for the CSS, and the consumer disputes that decision, then that decision should be reviewable.

3.1.5: The Australian Government restructure the Telecommunications Industry Ombudsman (TIO) scheme to provide for the TIO to appropriately undertake the consumer complaint mechanism for the new framework.

3.1.6: The Australian Government provide adequate funding to ensure the outcomes of the recommendations in Part One are achieved.

3.1.7: The Australian Government, in the lead up to the introduction and implementation of the CSS:

- a.
  - (i) obtain the necessary information on infrastructure needed to support services to be available under the CSS
  - (ii) engage in a consultative process to develop the initial standards for the CSS as defined in recommendation 3.1.1(a)
  - (iii) obtain information on the likely utilisation or demand for infrastructure, and
  - (iv) obtain estimates of costs
- b. by 30 June 2013, take the necessary action for infrastructure improvements to occur in regional Australia to support the CSS with a holistic approach, and that any expenditure of funds is in accordance with the priorities and criteria set out in table 3.1.1, and
- c. ensures the process outlined in 3.1.7(a) begins within three months of the Government's response to this Report, or within three months from the date the NBN contract has been awarded, whichever is the earlier.

- 3.2.1: The Australian Government provide continuing support to the Committee to:
- a. enable it to effectively conduct its review processes
  - b. consult the Government on the implementation of the Government's response to the Committee's previous report, and
  - c. meet at least bi-annually with the Department and other agencies to ensure information requirements for the next review are achieved.