

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Budget Estimates May 2017**

**Communications Portfolio**

**Department of Communications and the Arts**

**Question No: 15**

**Program 1.1**

**Hansard Ref: Page 48-49, 24/05/2017**

**Topic: USO delivery – Technologies used**

**Senator Chisholm, Anthony asked:**

**Senator CHISHOLM:** In terms of technological change, are you able to detail to me what different technologies Telstra uses to deliver its USO than probably it once did when it was first agreed upon?

**Ms Silleri:** That is something that I would like to take on notice, but traditionally they use whatever they need to use to deliver a service in an area. It is often depending on the topography of an area, the technology that is available and how remote that area is. I am happy to take that on notice and get you a more detailed answer.

**Senator CHISHOLM:** How many premises receive a standard telephone service supported by a USO subsidy?

**Ms Silleri:** Again, that is something that I would need to take on notice.

**Senator CHISHOLM:** Following on from that, does the department know where these homes are and how they are distributed or is it just one figure covering the whole of the country?

**Ms Silleri:** We would not have specific geographical information. We would have a broad understanding of pockets, but we would not have that specific information.

**Senator CHISHOLM:** Does the department have any insight as to what the premise cost of maintaining each of these technologies is?

**Mr Robinson:** We would have to take that on notice. There was some information in the draft Productivity Commission inquiry report. I just cannot recall what it was. I believe there is information on that in the final report for when it is released.

**Senator CHISHOLM:** I understand that you might not have the geographic information, but can that be obtained?

**Ms Silleri:** I am not sure it could be obtained on a premises-by-premises basis. We will take that on notice and I will find what detail we are able to get to you.

**Senator CHISHOLM:** What is the respective network reliability of each of those technologies that are in place in terms of uptime?

**Mr Robinson:** I would have to take that on notice.

**Senator CHISHOLM:** Is access to these USO voice services currently the same price across the different technologies?

**Ms Silleri:** My understanding is on the whole, yes. There may be some situations where quite difficult circumstances are encountered and there may be additional costs to deliver a specific type of adjunct to a service, but on the whole it would be the same price. That is the nature of the USO.

**Senator CHISHOLM:** I understand the definition of what constitutes a standard telephone service is currently set out in the *Telecommunications (Consumer Protection and Service Standards) Act 1999* (TCPSS Act). Can you explain to me how that definition interacts with the USO contracts that are currently in place?

**Ms Silleri:** I do not have the definition to hand. I would prefer to take that on notice. I can come back to you later.

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**Senator CHISHOLM:** If this definition were changed, what impact would that have on the current contractual arrangements?

**Ms Sillieri:** We will take that on notice for you.

**Answer:**

- (a) Telstra may use any technology, or combination thereof, in supplying a standard telephone service under the Universal Service Obligation, including its copper, radio, fibre and satellite networks and infrastructure.
- (b) While Telstra records information in relation to its fixed-line service activities (in particular, service connection, fault repair and appointment-keeping) under the Telstra Universal Service Obligation Performance Agreement, it is not required to record whether an activity is provided specifically on a fixed-line standard telephone service under the Universal Service Obligation. As at March 2017, Telstra had a total of 6,555,020 active service addresses; the number of standard telephone services provided under the USO is a subset of this total.
- (c) USO services are not delivered according to specific geographic area, rather they are provided Australia-wide. Section 9 of the *Telecommunications (Consumer Protection and Service Standards) Act 1999*, states that, under the USO, standard telephone services are “reasonably accessible to all people in Australia, on an equitable basis, wherever they reside or carry on business.”
- (d) The Productivity Commission USO inquiry final report was tabled on 19 June 2017. It estimates that the USO [costs] “*could imply an annual standard telephone service subsidy ranging anywhere between \$250 and \$2800 per USO service*” (page 8).
- (e) Information about the technology type used to provide a standard telephone service on a premises by premises basis or by area is not available, and is not required to be provided under regulatory requirements of the TCPSS Act, or the Telstra Universal Service Obligation Performance Agreement.
- (f) Regardless of the technology used, a standard telephone service provided by Telstra under the USO must meet minimum performance requirements in relation to service connection and fault repair timeframes. These are set out in the *Telecommunications (Customer Service Guarantee Standard) 2011*.

Telstra’s copper network upon which it supplies Customer Service Guarantee, including USO, services is subject to a Network Reliability Framework set out in the *Carrier Licence Conditions (Telstra Corporation Limited) Declaration 1997*.

- (g) Yes; while Telstra can choose to provide a USO voice service using any technology, or combination thereof, it cannot charge different prices according to USO technology delivery.
- (h) The definition of the standard telephone service (STS) applies in respect to the delivery of the USO under the Telstra Universal Service Obligation Performance Agreement. The

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Agreement utilises the regulatory STS performance, reporting and related requirements by way of reference to relevant legislation, principally the *Telecommunications (Consumer Protection and Service Standards) Act 1999*.

- (i) Any changes to the definition or application of the standard telephone service (STS) under the TCPSS Act would flow through to the contractual delivery of the STS under the Telstra Universal Service Obligation Performance Agreement.