

APPENDIX 7

THE GOVERNMENT'S RESPONSE TO THE RECOMMENDATIONS OF THE REGIONAL TELECOMMUNICATIONS INQUIRY

The Government has responded comprehensively to all 39 recommendations of the Regional Telecommunications Inquiry.

Recommendation	Government response	Action
Fixed Telephones and Payphones (Chapter 2, Terms of Reference 1 and 2)		
<p>RECOMMENDATION 2.1</p> <p>Telstra should continue to work with representatives of people with disabilities to resolve any service concerns, and consider their practical suggestions for service improvements. The Government should consider any national policy issues raised with the Inquiry, relating to access to telecommunications for people with disabilities.</p>	Accept	<p>Telstra will work with representatives of people with disabilities to resolve any services concerns.</p> <p>The Department of Communications, Information Technology and the Arts (DCITA) will report to Government on the outcomes of work between Telstra and people with disabilities, and will consider the implications of that work for national policy settings.</p>
<p>RECOMMENDATION 2.2</p> <p>The Government should review arrangements for the costing and funding of the Universal Service Obligation. This should also include assessing whether current arrangements are impeding the development of competition in regional, rural and remote Australia.</p>	Accept	<p>The Government will undertake a review of the Universal Service Obligation as required by section 159A of the <i>Telecommunications (Consumer Protection and Service Standards) Act 1999</i>.</p>
RECOMMENDATION 2.3	Accept	The Government will

<p>Where extreme cases of Customer Service Guarantee (CSG) non-compliance arise (i.e. more than five working days late), they should receive direct priority attention by the service provider, and should be notified to the Australian Communications Authority and/or the Telecommunications Industry Ombudsman as technical breaches of the CSG.</p>		<p>ensure that service providers give direct priority attention to cases of extreme CSG non-compliance and that they are reported in a timely way to the Australian Communications Authority (ACA).</p>
<p>RECOMMENDATION 2.4</p> <p>Telstra should report publicly on the outcome of its trial with the National Farmers' Federation to reduce connection times in minor rural and remote areas where infrastructure is not readily available, and identify what follow-up commitments it will make. Should the Telstra trial not lead to a significant and ongoing improvement in service outcomes in this area, the Government should review regulatory arrangements, including CSG timeframes and interim service arrangements, to assess whether further changes to timeframes are appropriate.</p>	<p>Accept</p>	<p>Telstra has already made a voluntary commitment to reduce connection times in areas where infrastructure is available in minor rural areas from 15 to 10 working days, and in minor rural and remote areas where there is no cable infrastructure available from 130 working days to 20 working days. This commitment is already enforceable under the CSG.</p>
<p>RECOMMENDATION 2.5</p> <p>Telstra should report to the Government on the outcome of its project to improve the coordination of new service connections. The impact of any changes should be monitored with a view to determining the need for any further follow-up action.</p>	<p>Accept</p>	<p>Telstra will provide Government with a report on the outcomes of its project to improve coordination for new service connections. Monitoring arrangements will be established to determine the need for any follow-up action.</p>
<p>RECOMMENDATION 2.6</p> <p>The Government should examine the issue of network extension and trenching costs, to consider whether such costs should be removed from subscribers, and either borne by</p>	<p>Accept</p>	<p>The Government will undertake a review of network extension and trenching costs, including considering how such costs should be recovered.</p>

<p>Telstra as part of its Universal Service Obligation provision, or supported by the Government through subsidies.</p>		
<p>RECOMMENDATION 2.7</p> <p>Telstra should promptly confirm to the Government that it has an effective strategy for improving as soon as possible the quality of telephone services affected by the use of 6/16 and similar pair gain systems. Telstra should give a formal undertaking to the Government, including providing timeframes, in relation to any actions required to implement such a strategy. Progress in meeting this strategy should be monitored by the ACA and reported on publicly.</p>	<p>Accept</p>	<p>Telstra will provide the Government with a formal undertaking on its strategy, including timeframes, to improve, as soon as possible, phone services affected by the use of 6/16 and similar pair gain systems. Progress in meeting the strategy will be monitored by the ACA and reported publicly.</p>
<p>RECOMMENDATION 2.8</p> <p>Telstra should provide a formal undertaking to the Government to complete its upgrade of older radio concentrator systems (ARCSs and DRCSs) under its Remote Areas Telecommunications Enhancement (RATE) program, and according to a publicly available timetable.</p>	<p>Accept</p>	<p>Telstra will provide the Government with a formal undertaking on the timing of the completion of the upgrade of its remaining older radio concentrator systems under its RATE program. The timetable will be publicly available.</p>
<p>RECOMMENDATION 2.9</p> <p>To immediately target the worst performing Exchange Service Areas (ESAs) in regional, rural and remote Australia, the Government should require the ACA to identify these ESAs as soon as possible after the Network Reliability Framework commences in January 2003. Telstra should then be required to provide a formal undertaking to the Government on its strategy for raising the performance of these ESAs. Telstra's strategy should include specific timeframes and</p>	<p>Accept</p>	<p>The Government has written to the ACA asking it to identify the worst performing ESAs under the Network Reliability Framework, and ensure that Telstra improves the performance of these ESAs. Telstra will provide the Government with a formal undertaking on its strategy to improve the performance of these ESAs, including a timetable and funding commitments.</p>

<p>commitments of funding, and its implementation should be monitored and publicly reported by the ACA.</p>		
<p>RECOMMENDATION 2.10</p> <p>The Government should adjust and refine the Network Reliability Framework (NRF) as necessary over time to improve its operation. These refinements should include expanding the range of fault information provided under the NRF, and providing greater clarity for Telstra and regional, rural and remote consumers about strategies to improve reliability under the Framework.</p>	<p>Accept</p>	<p>The ACA will continue to refine the NRF as necessary to ensure that it provides an effective mechanism for improving the reliability of Telstra's telephone network.</p>
<p>RECOMMENDATION 2.11</p> <p>Telstra should be required to better inform the public about its policies for providing payphones, including ensuring that criteria for providing payphones are clearly and simply stated. Telstra's criteria and processes for payphone installation decisions should be reviewed by the Government. The Government should establish a clear policy on future payphone availability.</p>	<p>Accept</p>	<p>Telstra will take steps to better inform the public about its payphone policies.</p> <p>The Government will work with Telstra and the ACA to review payphone policy and ensure that the provision of payphones under the Universal Service Obligation (USO) continues to be effective and relevant.</p>
<p>RECOMMENDATION 2.12</p> <p>The sites of Telstra-operated payphones, together with the numbers of payphones at each site, should be made publicly and readily available. Consideration should be given to including payphone locations at least in local telephone directories in regional areas.</p>	<p>Accept</p>	<p>As in 2.11 above.</p>
<p>RECOMMENDATION 2.13</p> <p>Telstra should report as soon as possible to the Government on the causes of low levels of</p>	<p>Accept</p>	<p>As in 2.11 above.</p>

<p>performance in meeting payphone repair timeframes, and put forward a strategy for raising performance to an acceptable level, particularly in remote areas and Indigenous communities.</p>		
<p>RECOMMENDATION 2.14</p> <p>The Government should review the provision of payphone services to people with disabilities. In particular it should take steps to ensure that competition in the supply of payphones does not impact adversely on access to teletypewriter payphones.</p>	<p>Accept</p>	<p>As in 2.11 above.</p>
<p>Mobile phone services (Chapter 3, Term of Reference 1)</p>		
<p>RECOMMENDATION 3.1</p> <p>The Government, in conjunction with the carriers, should identify areas where extending terrestrial mobile phone service is still feasible through Government support for capital costs. The Government should consider providing funding support to such areas, which might include small population centres and key highways in regional areas.</p>	<p>Accept</p>	<p>The Government has allocated \$15.9 million over four years to extend terrestrial mobile phone services to smaller communities and regional highways where additional coverage is feasible with Government support for capital costs.</p>
<p>RECOMMENDATION 3.2</p> <p>The Government should consider extending the scope of its satellite phone subsidy scheme to cover all users with an appropriate need for a satellite service, and provide sufficient funds to meet full demand for the scheme.</p>	<p>Accept</p>	<p>The Government has allocated a further \$4.0 million over four years to extend the subsidy.</p> <p>The Government will undertake a review of the eligibility guidelines of the current satellite handset subsidy scheme.</p>
<p>RECOMMENDATION 3.3</p> <p>The Government and industry should inform consumers about</p>	<p>Accept</p>	<p>The Government will ensure that the ACA provides comprehensive and relevant information</p>

<p>mobile phone services, including technology and coverage limitations, fees and charges, mobile number portability, and contract issues. The ACA's Mobile [phone] Tool Kit has provided a valuable resource in this respect.</p>		<p>to consumers on mobile phone services, including technology and coverage limitations, fees and charges, mobile number portability and contract issues.</p>
<p>Internet services (Chapter 4, Term of Reference 1)</p>		
<p>RECOMMENDATION 4.1</p> <p>The benefits provided by the Internet Assistance Program for users of dial-up Internet services should be guaranteed into the future. A licence condition should be placed on Telstra that would require all Australians to be guaranteed dial-up Internet speeds, or equivalent throughput, over the Telstra fixed network of at least 19.2kbps. As part of the licence condition Telstra should be required to report on its compliance with the requirement, and more generally on the data speed performance of its regional network, which should be maintained at least at current levels.</p>	<p>Accept</p>	<p>The Government will impose a licence condition on Telstra to provide a minimum dial-up Internet speed for all Australians of 19.2kbps or equivalent throughput over its fixed line network.</p>
<p>RECOMMENDATION 4.2</p> <p>Telstra should be required to demonstrate that it has an effective strategy to address any dial-up data speed issues arising from poorly performing pair gain systems. Telstra should provide a formal undertaking to the Government in relation to any actions necessary to implement such a strategy.</p>	<p>Accept</p>	<p>Telstra will provide the Government with a formal undertaking on implementation of a strategy to address dial-up data speed issues arising from poorly performing pair gain systems.</p>
<p>Other key service issues (Chapter 5, Term of Reference 1)</p> <p>Remote Indigenous Communities</p>		

<p>RECOMMENDATION 5.1</p> <p>Telstra should place a high priority on the provision of payphones, or alternative community phone systems, in those remote Indigenous communities currently without access to telecommunications of any kind.</p>	<p>Accept</p>	<p>The Government will work with Telstra to ensure it adequately fulfils its obligation to provide payphones under the universal service obligation. Through the \$8.3 million Telecommunications Action Plan for Remote Indigenous Communities (TAPRIC) program the Government will offer community phones to remote Indigenous communities currently without access to telecommunications services.</p>
<p>RECOMMENDATION 5.2</p> <p>Telstra should commit to improving the delivery of appropriate Universal Service Obligation services to remote Indigenous communities, particularly through the deployment of specialised call centre staff and Indigenous liaison officers.</p>	<p>Accept</p>	<p>The Government will work with Telstra to improve delivery of USO services to remote Indigenous communities, including through the deployment of specialised call centre staff and Indigenous liaison officers.</p>
<p>RECOMMENDATION 5.3</p> <p>There should be more effective data collection and monitoring of telecommunications needs and services in remote Indigenous communities. The Australian Communications Authority should take a leading role in this area.</p>	<p>Accept</p>	<p>The Government will work with Telstra, the ACA and the Aboriginal and Torres Strait Islander Commission, under the TAPRIC program, to improve data collection on the telecommunications needs and services in remote Indigenous communities.</p>
<p>RECOMMENDATION 5.4</p> <p>The Government should consider providing ongoing support for IT training and support services in rural and remote areas of Australia, where there are not the same opportunities as in urban areas.</p>	<p>Accept</p>	<p>The Government has allocated \$10.1 million over four years for training and support in information technology skills for rural and remote communications users.</p>

<p>Further support should build on existing programs, such as Networking the Nation and State and Territory based initiatives.</p>		
<p>RECOMMENDATION 5.5</p> <p>All tiers of government should work together to support online access centres in regional, rural and remote Australia, and to enable these important community facilities to remain viable.</p>	<p>Accept</p>	<p>The Government will work with the Online Council on strategies to maintain the viability of online access centres, including those in remote Indigenous communities.</p>
<p>Higher bandwidth Internet services (Chapter 6, Terms of Reference 1 and 3)</p>		
<p>Recommendation 6.1</p> <p>The Government should investigate whether the timeframes for connection and repair of ISDN services that are required under the Digital Data Service Obligation should be more closely aligned with regulated timeframes applying to telephone services.</p>	<p>Accept</p>	<p>The Government will investigate the suitability of current timeframes for connection and repair of ISDN services.</p>
<p>RECOMMENDATION 6.2</p> <p>Some Telstra pricing arrangements for ISDN services seem discriminatory, and would appear to unduly favour Telstra over other providers. This should be brought to the attention of the Australian Competition & Consumer Commission (ACCC).</p>	<p>Accept</p>	<p>The Government will seek formal advice from the ACCC on ISDN pricing arrangements, and whether they unduly favour Telstra over other providers.</p>
<p>RECOMMENDATION 6.3</p> <p>The Government should establish an incentive scheme for the provision of higher bandwidth services to regional, rural and remote areas, to enable all Australians to have access to services at prices comparable to those prevailing in metropolitan areas. A</p>	<p>Accept</p>	<p>The Government has allocated \$107.8 million over four years for a Higher Bandwidth Incentive Scheme.</p>

<p>preferred model for the scheme is provided in this report.</p>		
<p>RECOMMENDATION 6.4</p> <p>The Government should provide further support to communities to undertake demand aggregation strategies, and other activities that would support the take-up of higher bandwidth services. Support should also be considered to assist consumers and small businesses to make effective use of higher bandwidth opportunities.</p>	<p>Accept</p>	<p>The Government will contribute \$8.4 million over four years to demand aggregation brokers to work with communities to aggregate regional demand for higher bandwidth services.</p>
<p>Legislated consumer safeguards (Chapter 7, Term of Reference 4)</p>		
<p>RECOMMENDATION 7.1</p> <p>Measures should be taken to provide telecommunications consumers with a simplified statement of their legislated rights, and to get the message to them more effectively. A one-page Summary of Telecommunications User's Rights is recommended. The Government should explore all relevant channels to ensure that information is provided to consumers where and when they most need it.</p>	<p>Accept</p>	<p>The ACA will provide further information to consumers on their legislated rights.</p>
<p>RECOMMENDATION 7.2</p> <p>Data on telecommunications compliance and performance should be collected at an appropriate level of disaggregation to allow ready assessment of relative performance levels. The ACA should put in place a data collection framework, to ensure comprehensive, disaggregated, standardised and meaningful collection of data on regional, rural and remote telecommunications services</p>	<p>Accept</p>	<p>The ACA will establish an integrated framework for the collection of data on telecommunications services and service performance.</p>

and service performance.		
<p>RECOMMENDATION 7.3</p> <p>The Australian Communications Authority should examine how it can best communicate to the public and consumer representatives its regulatory philosophy and approach, and examine whether and how it should provide greater clarity and certainty about its regulatory enforcement activities.</p>	Accept	The ACA will clarify its regulatory philosophy and approach for consumers.
<p>Telstra's local presence (Chapter 8, Term of Reference 5)</p>		
<p>RECOMMENDATION 8.1</p> <p>Telstra should be required to maintain an ongoing local presence in regional, rural and remote Australia. The requirement should only apply to Telstra consistent with its status as the primary universal service provider. The requirement should not be unduly prescriptive or burdensome, and should be broadly compatible with Telstra's commercial interests.</p>	Accept	The Government will impose a licence condition on Telstra to maintain a local presence in regional, rural and remote Australia, including through developing a local presence plan, and reporting publicly on its achievements against the plan.
<p>RECOMMENDATION 8.2</p> <p>Telstra should be required to develop and publish a local presence plan to set out the range of activities and strategies it would deploy in regional Australia to address the Government's broad objectives. Telstra would be required to regularly report on its achievements against the plan and to demonstrate to the Government, and to regional communities, that it was providing an effective and beneficial local presence.</p>	Accept	As for 8.1 above.

Sharing future benefits (Chapter 9, Term of Reference 6)		
<p>RECOMMENDATION 9.1</p> <p>The Government should put in place a process to regularly review telecommunications services in regional, rural and remote Australia, and to assess whether important new service advancements are being delivered equitably in those areas.</p> <p>The review process should be linked to a strategic plan for regional telecommunications, and underpinned by ongoing arrangements that provide a high degree of certainty that Government funds will be made available to support service improvements in regional, rural and remote Australia, where they will not be delivered commercially within a reasonable timeframe.</p>	<p>Accept</p>	<p>The Government will develop a strategic plan for regional telecommunications in consultation with key stakeholders.</p> <p>The Government will legislate to require regular reviews on the adequacy of services in regional, rural and remote Australia to be undertaken by an independent expert panel appointed by the Minister for Communications, Information Technology and the Arts. Reviews will be structured and carried out in line with RTI Recommendations 9.2, 9.3 and 9.4, and must be undertaken no later than five years apart.</p>
<p>RECOMMENDATION 9.2</p> <p>Establishing a structure for future reviews of regional, rural and remote telecommunications services should:</p> <ul style="list-style-type: none"> • provide certainty for regional, rural and remote communities; • ensure that reviews are independent from executive government; • allow for flexible and appropriate policy responses to meet the range of needs in regional, rural and remote Australia; and • promote competition and commercial service 	<p>Accept</p>	<p>The legislation referred to in 9.1 above will specify that the review must be conducted by a panel that is independent from Government.</p>

<p>delivery as the most effective and sustainable service outcome.</p>		
<p>RECOMMENDATION 9.3</p> <p>The scope of regular reviews of regional, rural and remote telecommunications services should be flexible, but there should be a core focus on assessing whether important new telecommunications services are available equitably across Australia.</p>	<p>Accept</p>	<p>As for 9.1 above.</p>
<p>RECOMMENDATION 9.4</p> <p>Future governments should be legally obliged to respond publicly to the recommendations of future reviews, and to justify responses that are not in accord with review recommendations.</p>	<p>Accept</p>	<p>The legislation referred to in 9.1 above, will specifically require the reports of the reviews to be tabled in Parliament and require the Government to prepare a formal, public response to the report's recommendations.</p>
<p>RECOMMENDATION 9.5</p> <p>The Government should provide funding for future service improvements in regional, rural and remote Australia, rather than imposing financial obligations on industry.</p>	<p>Accept in principle the intent of this recommendation</p>	<p>The Government accepts the principle that support for non-commercial service improvements in regional Australia should be provided transparently by Government, and should aim to promote competition and minimise market distortions.</p>
<p>RECOMMENDATION 9.6</p> <p>The Government should ensure that regular reviews of regional telecommunications services are supported by organisational arrangements that provide a strong focus on monitoring and assessing regional, rural and remote service levels. The ACA would be an appropriate body to undertake this function.</p>	<p>Accept</p>	<p>Both the DCITA and the ACA will continue to focus strongly on regional telecommunications issues, including through ongoing improvements to monitoring and assessing regional, rural and remote service levels.</p>