

**National Farmers'
Federation**

**Senate
Environment,
Communications,
Information
Technology and the
Arts**

References Committee

**Inquiry into
the performance of the Australian
telecommunications regulatory
regime**

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The National Farmers' Federation (NFF) welcomes the opportunity to provide comment on current issues relating to the Senate Environment, Communications, Information Technology and the Arts References Committee Inquiry into the performance of the Australian telecommunications regulatory regime.

NFF considers the following issues relevant to the ongoing delivery of tangible equitable telecommunications service outcomes to Australian farmers and rural communities.

Government Guaranteed Services

NFF continues to emphasise that access to equitable telecommunications services is of vital importance to farmers and rural communities, and is fundamental to the sustainability of regional Australia.

NFF believes that the extent of any Government's ownership of any particular service provider is not the major factor inhibiting the process of providing all Australians, wherever they reside or carry on business, ongoing affordable, equitable and timely access to quality telecommunications products and services.

This equitable service requirement should not be reliant on the actions of any particular provider. It is the responsibility of Government to implement appropriate legislative and regulatory mechanisms to guarantee ongoing equitable telecommunications services and service quality for all Australians in an appropriate competitive environment.

Farmers and communities in rural Australia do not receive the same level of telecommunications service or services as urban Australians. NFF acknowledges that significant progress continues to be made to rectify these inequities; however the opportunity exists to provide greater equity and certainty to the marketplace and consumers.

Farmers continue to strive for best farming practice and rural communities for the variety of day to day business and social requirements. Consequently they require access to a variety current and new telecommunications technologies, but more importantly the services they can deliver to be available on an equitable and timely basis.

A Competitive Telecommunications Marketplace

NFF Policy is that the long term telecommunications interests of farmers and rural communities is best served by the combination of legislation and an efficient national telecommunications Industry. To this end, it is essential that a competitive telecommunications marketplace continues to flourish. To ensure this greater focus must be applied by Government on market transparency outcomes of the ACCC's regulatory regime.

The Regional Telecommunications Inquiry series 9 recommendations relating to regular reviews and "future funding" commit Government to some form of service gap funding when market failure occurs.

Minimum Service Standard Improvement Opportunities

NFF continues to pursue the "same level of service" for farmers and rural communities. It is recognised that significant progress is being made in delivering the same service connection timeframes for rural and regional Australia as those experienced in urban areas.

However, the current telecommunications Customer Service Guarantee (CSG) continues to enshrine inequality into service level standards for a significant number of non-metropolitan residents.

An opportunity exists for the current community size based criteria for the CSG to be replaced with non-discriminatory, non-population based criteria that apply to a revised CSG or service provider Customer Service Level Agreement (CSLA) standard. Any new criteria must better reflect access by the provider to the necessary resources rather than continuing with the current outmoded parameters.

New service level timeframe criteria are applicable to both USO and DDSO services. Service providers may wish to offer improved timeframes as a market differentiator.

Service providers should take advantage of the current and proposed deployment of wireless technologies to further supplement their options to implement new "same level of service" timeframes for new installations and restoration of both telephone and Internet services.

The Telecommunications Act 1997 Objects include the following:

Part 1 s3 (2) (b) to provide a framework under which a carriage service that provides digital data capability comparable to an ISDN channel is to become available to all people in Australia:

- (i) by 1 January 2000; or
- (ii) by another date having regard to the findings of the review into the timing of the availability of that service.

Despite the above requirement, an equitable 64 kilobit per second symmetrical (both way) service is still not available to all farmers and to more than one thousand rural exchange areas. Changes are required to Part 2 of the *T-CPSS Act* to reflect the entitlement to a digital data capability comparable to an ISDN channel on an equitable basis to all people in Australia.

Currently there is no technology inhibitor preventing the supply of an appropriate service from multiple service providers to facilitate this symmetrical service requirement.

An upgraded Special Digital Data Service should guarantee an equitable service comparable to the current residential ISDN service is available on demand to all rural locations.

The Telecommunications Act 1997 Objects also include:

Part 1 s3 (2) (a) to ensure that standard telephone services, payphones and other carriage services of social importance are:

- (iii) are supplied at performance standards that reasonably meet the social, industrial and commercial needs of the Australian community

This mandatory requirement for Government-guaranteed minimum service performance standards does not seem to be adequately reflected in the *T-CPSS Act*.

It is essential that all necessary minimum quality of service standards for USO and DDSO services are implemented by the ACA as Industry Standards. The adoption of existing international standards for some aspects of service quality may be more appropriate and timely than relying just on Australian developed standards.

NFF has identified a number of issues relating to the restoration of customer services involving lead-in cables, particularly in remote areas.

The Primary Universal Service Provider (PUSP) should be responsible for the restoration of services to the customers "first socket" including all costs involved with the supply, installation and trenching for lead-in cabling, irrespective of length.

This responsibility should apply to all types of technologies used to supply a USO/CSG service. This issues has also highlighted that terminology used in the *Telecommunications Act 1997* differs from that used by the ACA, which in turn differs from that used by the PUSP in respect to customer cabling and equipment boundary of the telecommunications network.

The *Telecommunications Act 1997* and the *T-CPSS Act* should be amended to better reflect the responsibility of the PUSP and other providers and to ensure standardised terminology is used by regulators and providers.

Even with the ongoing implementation of the RTI recommendations and possible marketplace reforms, other issues relating to affordable, equitable services for rural and regional remain. A number of these issues were highlighted in the NFF response to the USO/CSG Inquiry in February 2004.

Some of these issues are detailed in Appendix A

Appendix "A"

Extracts from NFF USO/CSG Submission February 2004

1. A **modified and strengthened** Part 10 (Independent Reviews of Regional Telecommunications) of the *Telstra (Transition to Full Private Ownership) Bill 2003* be incorporated into to the *Telecommunications (Consumer Protection and Service Standards) Act 1999* (T-CPSS) forthwith.
2. The current community size based criteria for the CSG to be replaced with non-discriminatory, non-population based criteria that apply to a revised CSG or service provider Customer Service Level Agreement (CSLA).
3. New service level timeframe criteria are applicable to both USO and DDSO services.
4. Changes are required to Part 2 of the *T-CPSS Act* to reflect the entitlement to a digital data capability comparable to an ISDN channel on an equitable basis to all people in Australia
5. It is essential that the all necessary minimum quality of service standards for USO and DDSO services are implemented by the ACA as Industry Standards. The adoption of existing international standards for some aspects of service quality may be more appropriate and timely.
6. The PUSP should be responsible for the restoration of services to the customers "first socket" including all costs involved with the supply, installation and trenching for lead-in cabling, irrespective of length.
7. The *Telecommunications Act 1997* and the *T-CPSS Act* should be amended to better reflect the responsibility of the PUSP and other providers and to ensure standardised terminology is used by regulators and providers.
8. The PUSP or other provider should minimise any trenching for supply of individual USO and DDSO services by the use of other technologies. There should be no additional customer charges for the supply of individual USO and DDSO services that do not use "trenched" technologies.
9. More opportunities should be provided to recipients of Commonwealth or supplemental State funds to facilitate the provision of an ATS or STS to the wider community in areas designated for service under the negotiated funding arrangements.
10. A provision of services under the Digital Data Service Obligation should be a requirement for the receipt of any competitively tendered Government funding related to mobile, fixed, narrow and higher bandwidth data or voice provision.

11. To date, the *T-CPSS Act* policy principle that the USO and DDSO should generally be open to competition among carriers and carriage service providers would seem to have had very few outcomes. Stronger measures to facilitate more meaningful results from this important long term objective should be considered by Government.
12. A greater obligation should be placed on those who share in the benefits of this minimum universal service to actually provide such a service.
13. All providers must contribute to the provision of services, infrastructure and the costs related to the fulfilment of the USO, recognising the benefits, both tangible and intangible that all providers receive from the existence of the USO.