Submission to the

Department of Communications, Information Technology & the Arts

TELECOMMUNICATIONS UNIVERSAL SERVICE OBLIGATION (USO) REVIEW

Women With Disabilities Australia (WWDA)
About Women With Disabilities Australia (WWDA)

Women With Disabilities Australia (WWDA) is the peak organisation for women with all types of disabilities in Australia. It is a federating body of individuals and networks in each State and Territory of Australia and is made up of women with disabilities and associated organisations. The national secretariat is located in Tasmania. WWDA is run by women with disabilities, for women with disabilities. It is the only organisation of its kind in Australia and one of only a very small number internationally. WWDA is inclusive and does not discriminate against any disability. WWDA seeks to ensure opportunities in all walks of life for all women with disabilities. In this it aims to increase awareness of, and address issues faced by, women with disabilities in the community. WWDA seeks to ensure the advancement of education of society to the status and needs of women with disabilities in order to promote equity, reduce suffering, poverty, discrimination and exploitation of women with disabilities. WWDA is unique, in that it operates as a national disability organisation; a national women’s organisation; and a national human rights organisation.

WWDA addresses disability within a social model, which identifies the barriers and restrictions facing women with disabilities as the focus for reform. The aim of Women With Disabilities Australia (WWDA) is to be a national voice for the needs and rights of women with disabilities and a national force to improve the lives and life chances of women with disabilities. The objectives of Women With Disabilities Australia (WWDA) are:

- to actively promote the participation of women with disabilities in all aspects of social, economic, political and cultural life;
- to advocate on issues of concern to women with disabilities in Australia; and
- to seek to be the national representative organisation for women with disabilities in Australia by: undertaking systemic advocacy; providing policy advice; undertaking research; and providing support, information and education.

WWDA is managed by a National Management Committee, which is elected each year at the Annual General Meeting. All members of the Management Committee are women with disabilities. WWDA has two paid staff members: an Executive Director, and a Business Manager. WWDA receives a small amount of operational funding annually from the Commonwealth Government, and is required to re-apply for funds each year.

More information about Women With Disabilities Australia (WWDA) can be found on WWDA’s website at: [www.wwda.org.au](http://www.wwda.org.au)

WWDA is supported by the Australian Government to represent it constituents in communications matters, through the *Telecommunications Consumer Representation Grants* Program of the Department of Communication, Information Technology and the Arts.
Recommendations

1. That there should be a new legal mechanism which ensures that Australian women with disabilities have equitable access to communication services irrespective of the technologies which are in use. This mechanism should be enshrined in law and its implementation effectively and stringently monitored.

2. That all carriers/CSPs contribute by levy to an expanded USO which has expanded functions to apply across all communication networks.

3. That the definition of basic phone services be expanded to include fixed line terrestrial services, broadband services (which enable the full range of Communications over Internet Protocol services [Voice over IP, Text over IP and Video over IP]), wireless and mobile services.

4. That, as a minimum, the USO deliver broadband speeds which are sufficient in each direction to enable VideoIP communication for the Deaf and hearing impaired.

5. That a free Directory Assistance be expanded to include all networks, with its development and operation funded from an expanded USO levy; and that a free operator-assisted Directory Assistance service be retained for eligible women with disabilities.

6. That in the long term Priority Assistance be linked to optic fibre/broadband services for eligible women with disabilities.

7. That the service standards need to include the Customer Service Guarantee, operator assisted services, pre-selection capability, free emergency services access, directory assistance services, itemised billing, number portability, and access to an independent Disability Equipment Programme for eligible women with disabilities. In addition, they need to include minimum data speeds in both directions, and need to be applied across all networks, and include a component to enable upgrade of technologies.

8. That a charging system be developed whereby a ‘local call’ equivalent is put in place for Communications over Internet Protocol, and that in particular a Video IP equivalent be developed for eligible women with disabilities.

9. That an independent, upgraded Disability Equipment Programme be developed.

10. That the continuing importance of payphones be recognised, and that the USO fund be used to subsidise their installation and maintenance.

11. That applications for accessible payphones should be positively considered for areas where there are congregations of women with disabilities, e.g. in institutions and group homes; and that all payphone providers should be
subject to the same licence, Standard Marketing Plan and Customer Service Guarantee conditions.

12. That the expanded USO fund be used to provide incentive to enable competing carriers/Carriage Service Providers to tender for supply of basic phone services to remote Indigenous communities. The type of phone service to be supplied should be decided in collaboration with the local community prior to drawing up tenders.

13. That the universal service should be a set of minimum standards related to the service delivered, including services for payphones, and apply to terrestrial, broadband, wireless and mobile networks, and to all carriers/Carriage Service Providers. The term ‘Service’ should include end-user assistive equipment needed by women with disabilities. The Universal Service Regime needs to be a benchmark set by ACMA for all carriers/Carriage Service Providers.

14. That the USO fund should be built up by requiring all carriers/Carriage Service Providers to pay an (annual) levy. The total amount needed should be pre-set, and individual carriers’/Carriage Service Providers’ level of contribution determined from their audited annual incomes.

15. That, as a result of this Review, and a requirement under a new USO, carriers/Carriages Service Providers should provide information about their contribution to, and engagement in USO-type activity, should be made widely available to consumers, including in accessible formats.
The questions proposed in the Department of Communications, Information Technology & the Arts Telecommunications Universal Service Obligation (USO) Review Issues Paper are addressed chapter by chapter in numerical order. In some cases questions have been grouped together where there is overlap between responses. In some cases, where the question bears no direct relevance to women with disabilities, ‘NIL response’ has been entered.

In this submission, the term Communications over Internet Protocol (CoIP) is used to encompass Voice over Internet Protocol (VoIP); Video over Internet Protocol (Video IP) and Text over Internet Protocol (ToIP).

Members of the WWDA Telecommunications Group have had input to this submission. In addition consultation has been undertaken with TEDICORE, where WWDA has a representative on its Project Advisory Body.

WWDA addresses the questions from the perspective of its constituents – women with disabilities. In some communications areas, such as requirements for assistive equipment, there is little differentiation between the outcomes for women with disabilities versus men with disabilities. Great disparities are apparent in the area of affordability, because women with disabilities have lower incomes and fewer opportunities for training than their male counterparts or non-disabled women. In addition, women with disabilities experience high levels of violence, and a mobile phone is a vital tool for improving personal safety. The internet provides women with disabilities an unprecedented level of independence in every day life, and is used to maintain contact with family and friends; for a wide range of local and overseas shopping applications, as well as for research and study. Most importantly, the internet provides a gender neutral space for women with disabilities.

There undeniable need for equitable access to communications goes beyond a consumer right. For women with disabilities is it a human right that “All human beings are born free and equal in dignity and rights…” (Universal Declaration of Human Rights, 1948). Further, the importance of communications is recognized with specific mention in the United Nations Convention on the Rights of Persons with a Disability.

The United Nations Convention on the Rights of Persons with a Disability (CRPD) (adopted by the UN on December 13, 2006) recognises the inalienable rights of people with disabilities with respect to communications. The CPRD contains specific articles on access to communications and information about it.
Among some of these clauses are: Article 4 (g) which specifically notes the promotion of the use of new information and communication technologies (ICTs) “suitable for persons with disabilities, giving priority to technologies at an affordable cost”; and Article 9 which is concerned with enabling “persons with disabilities to live independently and participate fully in all aspects of life” with equitable access to “information and communications (including information and communications technologies and systems) and to other facilities and services open or provided to the public, both in urban and in rural areas”.

The USO is the enabling mechanism for all people in Australia to have equitable access to basic telephony services. It is the mechanism by which Australia will be able to meet its Human Rights obligations to people with disabilities as outlined in these international Conventions.

In this paper the term ‘women with disabilities’ will be used, rather than the more generalist ‘people with disabilities’.

Review Questions

Chapter 1: The USO in a changing telecommunications environment

Q. 1.1. Should the USO continue to operate as an obligation on service providers to serve all customers, or should it be recast as a consumer right or guarantee (in tandem with commercial service delivery)?

WWDA considers that there is not a clear distinction in outcomes for women with disabilities between what is endowed through a consumer right or guarantee and what is mandated through a provider obligation. The essence of our concern is that there should be a mechanism which ensures that Australian women with disabilities have equitable access to communication services irrespective of the technologies which are in use. This mechanism should be enshrined in law and its implementation effectively and stringently monitored.

WWDA further believes that the ambiguity of a term such as ‘Service’ has enabled a conceptual gap to develop between the delivery of a ‘service’ and the supply of ‘equipment’.

In the Issues Paper, there are 3 communication services networks under discussion: fixed line, broadband (including wireless) and mobile. Yet the ‘Obligation’ component of the USO must extend beyond technical and geographic boundaries and encompass a ‘service’ where end-user equipment is also considered. For women with disabilities the equipment must include a range of assistive equipment which enables equitable access.
Q. 1.2. Is it still appropriate to have a single provider solely responsible for providing all Australians with a safety net voice service?

No.

Recommendation 1

That there should be a new legal mechanism which ensures that Australian women with disabilities have equitable access to communication services irrespective of the technologies which are in use. This mechanism should be enshrined in law and its implementation effectively and stringently monitored.

Recommendation 2

That all carriers/CSPs contribute by levy to an expanded USO which has expanded functions to apply across all communication networks.

Chapter 2: The nature of basic phone services

Q.2.1. Should the defined legislated service linked to the USO, the STS, continue to be the benchmark service for the universal service providers?

The currently defined “legislative service”, the STS, in the Telecommunications (Consumer Protection and Service Standards Act 1999 has itself become outmoded by technological changes and needs to be upgraded. Women with disabilities need a Standard Telecommunication Service, or Standard Communication Service to be legislated, rather than a Standard Telephone Service.

Q.2.2. Which feature of the current STS should be provided as part of universal access to basic phone services, and which features could be optional?

All the features of the STS as currently defined should remain. However its definition needs to be expanded to apply to all communication technologies, both those currently operating, and be flexible enough to adapt for those which may be available in the future. In the current context this would include broadband services (which enable the full range of Communications over Internet Protocol services [Voice over IP, Text over IP and Video over IP]), wireless and mobile services.
Recommendation 3

That the definition of basic phone services be expanded to include fixed line terrestrial services, broadband services (which enable the full range of Communications over Internet Protocol services [Voice over IP, Text over IP and Video over IP]), wireless and mobile services.

Q.2.3. What types of network technologies are suitable for the delivery of basic phone services? For example, could universal service be delivered by mobile networks or over a broadband data network using VoIP?

The use of broadband, wireless and mobile networks for CoIP technologies is widespread, such that they are rapidly becoming basic phone services for all people. There is increasing use of video, with requirement for uploading of information as well as downloading becoming more widespread in the non-disabled community. At the same time, it use by women with disabilities is increasing where network capacity and individual affordability permits.

It is essential that IP networks be developed with the capability to support all CoIP services – voice, text and video (with similar upload and download speeds). Provision of Emergency Services must be an integral inclusion in the development of networks.

Q.2.4. In what ways does the existing regulatory framework constrain technologically feasible options for the delivery of basic phone services?

WWDA considers that the existing regulatory framework is constrained by the shortcomings of the AS/ACIF 040:2001 technical standard, currently under review, which mandates for only for a raised ‘pip’ on the 5-keyboard button and for a hearing loop coupler.

Further, the regulatory framework administered through self regulation and overseen by the Communications Alliance, is democratic but cumbersome and slow to encompass effective regulation of new technologies. For example, the headlong expansion of VoIP services without regulation for provision for Video IP services is resulting in discriminatory exclusion of women who are Deaf or have hearing or speech impairment.

Recommendation 4

That, as a minimum, the USO deliver broadband speeds which are sufficient in each direction to enable VideoIP communication for the Deaf and hearing impaired.
Q.2.5. What service standards should apply to basic phone services delivered by the universal service provider?

Attachment C of the Issues Paper outlines service standards to be considered for discussion. WWDA believes the following to be important for women with disabilities:

(i) **Any-to-any connectivity** must be preserved between services irrespective of provider, and irrespective of the type of network used;
(ii) **Interim Services** must be such that it can be used by a woman with disabilities, and call rates must be able to be made without cost disadvantage to the user;
(iii) **ACMA** must be appropriately staffed and funded to play a role in data collection, and the collection, monitoring and disbursement of levies;
(iv) a CSG needs to be developed to apply to all networks. Levels of compensation need to reflect the cost to the consumer of the loss of a service;
(v) **Directory Assistance.** This should be a free service irrespective of the SP used. WWDA proposes that a directory which includes subscriber numbers across all networks should be developed and operated using funds from an expanded USO levy also proposed. Automated voice responses may be used to reduce costs.

A free operator-assisted directory assistance service must be retained for eligible women with disabilities who are unable to use a hardcopy directory, or who do not have access to the internet.

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**Recommendation 5**

That a free Directory Assistance be expanded to include all networks, with its development and operation funded from an expanded USO levy; and that a free operator-assisted Directory Assistance service be retained for eligible women with disabilities.

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(vi) **Priority Assistance.** In the long term Priority Assistance Services (PAS) will need to be linked to optic fibre/broadband services and to be part of the USO rather than a licence obligation on Telstra.

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**Recommendation 6**

That in the long term Priority Assistance be linked to optic fibre/broadband services for eligible women with disabilities.
(vii) **Payphones** remain essential services, especially for women with disabilities and those on low income;

(viii) **STS.** The retention of a redefined Standard Telecommunications Service/Standard Communication Service is essential (see Q 2.2 above);

(ix) **TIO** must be retained as an independent monitoring body, with expanded Terms of Reference to enable it to monitor any redefined components of telecommunications legislation.

(x) **USO funding and costing.** The current arrangement whereby all the levies collected ($145 million for 2007-08) are provided for Telstra’s implementation of the USO is no longer tenable. The government is already supplementing USO subsidies with direct funding of a number of other schemes.

(xi) **USO providers.** The definition of Universal Service Provider needs to include both carriers and Carriage Service Providers. The situation whereby there is an ability for competing USPs to be appointed, but where no position has been applied for or awarded is untenable.

Legal definitions of the USO and the USP need to be changed to better fit the current situation of many providers competing in the sector and needing to provide a voice service or equivalent as needed by women with disabilities.

**Recommendation 7**

That the service standards need to include the Customer Service Guarantee, operator assisted services, pre-selection capability, free emergency services access, directory assistance services, itemised billing, number portability, and access to an independent Disability Equipment Programme for eligible women with disabilities. In addition, they need to include minimum data speeds in both directions, and need to be applied across all networks, and include a component to enable upgrade of technologies.

**Q.2.6. What interim or alternative arrangement, or associated compensation, should be available to consumers when a universal service provider does not connect or repair their basic phone service on time?**

Interim arrangements need to be continued as part of the CSG. A review of the compensation amounts is needed, with increases needed especially for small business, and the time frames for fault repair decreased. For CoIP service providers and mobile network providers, the final provider in contact with the consumer needs to have responsibility for payment of compensation and meeting the time line.

Currently repairs can be delayed because a carrier delays repairing a service for its wholesale customer. This detrimentally impacts on the consumer. The CSG must be
altered so that there is no conflict between carrier and CSP as to responsibility for repairs, and no buck-passing as to who is responsible to the consumer.

Q.2.7. What aspects of the current universal service arrangements for basic phone services work well and should be maintained?

The aspects of the current USO arrangements which need to be preserved are:

* CSG (upgraded)
* operator assisted services (upgraded)
* pre-selection capability
* itemised billing
* number portability
* DEP (upgraded and independent)
* free emergency services access

Q.2.8. What aspects should be changed?

(i) Different systems will need to be put in place to be equivalent to the untimed local calls (including Local Area Zone calls) which are available under the current USO. Untimed local calls need to be replaced with a ‘data packet’ cap for VoIP, including perhaps a ‘free zone’ for an initial download. This arrangement needs to include a VideoIP equivalent for eligible women with disabilities, since more data/time is needed for an equivalent conversation. This would apply only to calls initiated by the registered consumer.

Affordability is a huge issue for women with disabilities, and there is a need for consideration of a Communications Allowance, which would enable equitable access to appropriate services for women who require more costly service and equipment options in order to have equitable access to communications.

Recommendation 8

That a charging system be developed whereby a ‘local call’ equivalent is put in place for Communications over Internet Protocol, and that in particular a Video IP equivalent be developed for eligible women with disabilities.

(ii) An independent DEP is needed in the multi-network environment. This should be independent of any particular network or service provider so that it can be staffed by people with some expertise in both the communications and disability sectors; so that the equipment and software it carries can be obtained from a variety of sources; and so that information about the programme can be widely disseminated to women with disabilities.
Recommendation 9

That an independent, upgraded Disability Equipment Programme be developed.

(iv) Competing Universal Service Providers must be designated and able to operate in order for a competitive environment to function.

Q.2.9. What would be the ideal approach to providing universal service for basic phone services?

WWDA is concerned that the term ‘basic phone service’ not be regarded as applying only to a fixed line terrestrial service. The communications sector is so diverse that both carriers and CSPs need to have responsibility for the USO delivery. The provider in contact with the end-user must take some oversight responsibility for the delivery of an ‘equivalent’ service to women with disabilities, with connection to adequate broadband service capable of any-to-any connectivity and interoperability with assistive equipment. A scheme needs to be set up to enable women with disabilities to equitably purchase services and/or equipment form the independent DEP.

There must be an ‘upgrade of service’ clause in the USO so that new technologies can be added.

Q.2.10. Is the level of service standards that applies to Telstra USO services (as set out in the Standard Marketing Plan [SMP]) reasonable? Is it too flexible and lenient on Telstra? Or is it overly prescriptive in an environment where consumers are choosing other feature and functionality as more valuable to them in the new telecommunications environment?

Q.2.11. Does the concept of a SMP provide an effective regulatory mechanism? What alternatives exist?

WWDA believes that a Standard Marketing Plan is a reasonable mechanism for the delivery of a set of Service Standards. The current Telstra SMP is adequate for the legal definitions under which it currently operates. An SMP only provides an effective regulatory mechanism to the extent that it is followed, that adherence to the SMP is monitored and that there is a penalty for any breaches. The current SMP is limited because it only applies to Telstra and not other carriers/CSPs, and does not apply to mobile or broadband suppliers.

Q.2.12. What, if any obligations should apply to all providers?

A Service Obligation needs to apply to all carriers/CSPs as a condition of a licence to operate. The term ‘service’ needs to include both equipment and service as outlined in Q 1.1 above.

Q.2.13 Does the very high take up of mobile services mean that service standards can be altered?
The high uptake of mobile services means that it is imperative that service standards be applied more widely to all services – fixed line, IP and mobile. The escalating number of complaints to the TIO attests to the urgency of these changes for the protection of all consumers.

**Chapter 3: Payphones in a changing telecommunications environment**

Q.3.1. With the widespread uptake of mobile phones, in what circumstances should there be a requirement to provide a public payphone?

Q.3.2. What aspects of the current payphone arrangements work well and should be maintained?

Q.3.3. From a community perspective, what should be changed?

Payphones are an important means of communication for women with disabilities irrespective of where they live. In research conducted by WWDA in 1999\(^1\) it was found that women with disabilities place an extremely high value on payphone for use in emergencies, especially escaping situations of domestic violence. Further research in 2001\(^2\) showed that low income restricts women with disabilities from having access to basic phone services and the internet. Payphones are of great importance for women with disabilities when they travel, in all settings for women with disabilities on low income who cannot afford a mobile or broadband and use low income measures for their fixed line phone.

WWDA believes that some form of CSG should also apply to providers of private payphones. The siting of a private payphone in a private location, which is nevertheless accessed by the public, needs to be subject to the same set of service standards as any other payphone. Otherwise women with disabilities are precluded from making calls from the private location, e.g. a shopping centre, hospital, sports facility, place of work.

All payphone providers need to adhere to, at least, the conditions set out in ACIF Payphone Guideline (G630:2006 *Accessibility of Payphones*).

From a community perspective, extra consideration should be given to areas of low socio-economic status (stated in the SMP as locations with low access to home phones). In addition the number of phones with TTYs should be increased, and upgrading of payphones to include Video facility promoted through some USO/SMP incentive.

\(^{1}\) Cooper, M & Salthouse, S *Telecommunications and Women with Disabilities*, WWDA 1999

\(^{2}\) Salthouse, S *Telecommunications Use by Women With Disabilities in remote, rural and regional Australia*, WWDA 2001
Recommendation 10

That the continuing importance of payphones be recognised, and that the USO fund be used to subsidise their installation and maintenance.

Recommendation 11

That applications for accessible payphones should be positively considered for areas where there are congregations of women with disabilities, e.g. in institutions and group homes; and that all payphone providers should be subject to the same licence, Standard Marketing Plan and Customer Service Guarantee conditions.

Q.3.4. From an industry perspective, what should be changed?

USO/SMP conditions need to be applied to all payphone providers.

Q.3.5. What would be the best approach to providing universal access to payphones?

The current practices should be continued, with the USO fund used to subsidise the installation and maintenance of non profitable installations in areas of low mobile service coverage. The USO/SMP should be widened to include other payphone SPs. The USO should be used to provide incentives for upgrading to new technologies, and to ensure interoperability with all other telecommunications networks.

Removal of existing payphones should be closely monitored. Women with disabilities have an ongoing need for access to publicly available communications, irrespective of where they live.

Chapter 4: Service for remote indigenous communities

Q.4.1. What parts of the current universal service arrangements work well for remote Indigenous communities and should be maintained?

Q.4.2. From a community perspective, what should be changed?

Q.4.3. From an industry perspective, what should be changed?

Q.4.4. What would be the best approach to providing universal service in remote Indigenous communities? Should universal service providers offer customised payphone services in requesting Indigenous communities, along the lines of the community phone model?
Q.4.5. What is the best way to ensure the ongoing maintenance of community phones in remote Indigenous communities?

WWDA believes it is imperative that pro-active, innovative arrangements involving community consultation and ownership be continued to assist Indigenous communities in remote locations to have reasonable access to communications. Because the incidence of disabilities is high with Indigenous Australians, all services must include provision of equipment suitable for women with disabilities, for example, phones with hearing aid couplers, incoming voice volume control, etc. Women with disabilities in Indigenous communities experience extremely high levels of violence and payphones need to have maximum accessibility.

Whilst payphones continue to have great importance, research shows that there is reasonable uptake of CDMA mobile phone ownership by Indigenous people regardless of the low coverage in remote areas. Therefore the flexibility providers are allowed in the selection of alternative, appropriate services works well for remote communities and should be continued.

Ongoing maintenance should be the responsibility of trained technicians drawn from the local community. WWDA does not deny the ongoing challenges of maintaining high levels of payphone accessibility in remote communities.

**Recommendation 12**

That the expanded USO fund be used to provide incentive to enable competing carriers/Carriage Service Providers to tender for supply of basic phone services to remote Indigenous communities. The type of phone service to be supplied should be decided in collaboration with the local community prior to drawing up tenders.

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**Chapter 5: Delivery of Services under the universal services regime.**

Q.5.1. How should universal service be provided in areas with several competing telecommunications networks?

Q.5.2. How should universal service be provided in new housing estates?

Q.5.3. What obligations, if any, should apply to a provider who rolls out telecommunications infrastructure in a new housing estate?

Q.5.4. What should be the role of a universal service regime in a competitive environment?

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3 ‘accessibility’ in this context means the percentage time the payphone unit is operational, rather than the degree to which it is accessible to women with disabilities.
Q.5.5. What would be the best approach to providing universal access to basic phone services?

Q.5.6. What would be the best approach to providing universal access to payphones?

Universal service should be a set of minimum standards or requirements and be related to the service delivered to end-users not the carrier/CSP. Therefore any carrier/CSP which provides a service must do so in terms of the set criteria. As previously stated, the definition of the STS supplied needs to be expanded to apply to all networks.

Presumably contracts let for the rollout of telecommunications infrastructure in a new housing estate will be deemed to be commercially viable. In cases where this is not so, the following also need to be considered:

- An Communications Allowance for eligible women with disabilities for assistive equipment and/or purchase of adequate broadband services; and
- Operation of an independent DEP which is funded through a levy on all SPs.

The universal service regime should be a benchmark which all SPs need to provide. Where SPs provide unprofitable services, they need to put a business case to ACMA to claim for subsidy through the USO levies fund. Consumers also need to be able to approach ACMA for redress where they believe they are not getting equitable access to telecommunications services.

Universal access would be an outcome from having a universal service regime which applies to all carriers/CSPs. A similar set of minimum service standards needs to be set for all providers of payphone services, Telstra, TriTel and any other provider.

**Recommendation 13**

That the universal service should be a set of minimum standards related to the service delivered, including services for payphones, and apply to terrestrial, broadband, wireless and mobile networks, and to all carriers/Carriage Service Providers. The term ‘Service’ should include end-user assistive equipment needed by women with disabilities. The Universal Service Regime needs to be a benchmark set by ACMA for all carriers/Carriage Service Providers.

Q.5.7. What should be the role of a universal service provider? For example, should a universal service provider be required to deliver a service to any customer who requests a phone connection, or should this requirement only come into effect if the customer cannot otherwise get a connection on a commercial basis?

Q.5.8. What would make competitive delivery of the universal service regime attractive to service providers?
WWDA believes that there should not be a sole USP. Instead a carrier/CSP should accept, consider and respond to all requests from any person in Australia for a basic phone service. It should then make all reasonable efforts to assess the reasonableness of the request. Not all requests for services will be in a profitable area. In such cases a scheme similar to the Australian Broadband Guarantee should be in place to determine the level of subsidy which can be awarded to the carrier/CSP to enable the service to be installed. For women with disabilities, there may also be a need for Communications Allowance which will defray the assessed commercial cost of the installation.

WWDA believes that ‘attractiveness’ to SPs should not be the main consideration. Once licences are issued, carriers and CSPs are committed to the provision of a network or service. The level of subsidy which would ‘attract’ providers into provision of an unprofitable service needs to be set at appropriate levels.

Q.5.9. What information would need to be available to interested providers to make competitive delivery of universal service feasible?

When considering the delivery of services to women with disabilities, it would be helpful for all SPs if the provision of assistive equipment was to be handled via an independent DEP, and if women with disabilities could have access to a Communications Allowance to enable them to access a provided service more equitably.

Q.5.10. Is there a rural deficit?

It is logical, given the population distribution in Australia, that there is a rural deficit and that this is likely to remain the case. Under current arrangements, it is in the interests of the USP to report on the high end of estimated costs, and for the converse to be true for non-USP providers. This phenomenon would be minimised if a number of CSPs could tender for the right to operate in remote locations using the allocated subsidy to defray un-recoupable costs.

Q.5.11. How can there be an assurance that services will be provided to metropolitan, rural and remote customers on an equitable bases?

The high degree of urbanisation along the coastal fringe in Australia makes it feasible to levy the larger number of urban carriers/CSPs to provide funding for cross subsidy to non profitable areas.

Q.5.12. What approaches to costing the USO could be adopted to overcome the inherent problems of costing models?

It is regrettable that cost modeling was not undertaken in 2004. Although technologies have changed, the issues for which a USO is needed have not – people with disabilities and remote unprofitable locations remain challenges.

Currently there are many subsidy and incentive schemes. A combination of these is needed; in particular the use of contestability arrangements similar to the current ones, and use of an ABG approach or measure to provide an incentive to deliver services in unprofitable areas.
Q.5.13. When considering the cost of providing universal services, what elements should be factored in?

In addition to the services standards already in place, the levies should also provide for research and development/innovation component (for the upgrading of services with new technologies) and a set of Service Zones defined within which charges are for ‘local’ calls, and the same Zones used to define subsidy levels for provision of services.

Q.5.14. What arguments are there for subsidising the cost of delivering the USO through a cross subsidy?

Q.5.15. What would be the best approach to funding universal service subsidies?

In a competitive marketplace, asking SPs to voluntarily cross subsidise operations is not valid. Nor is it tenable to have a single USP. Levies on all carriers and CSPs are needed to create a viable fund for the delivery of equitable services.

Participation as a carrier or CSP, from any network or platform, in the communications marketplace should be dependent on paying a licence fee in order to operate. The licence fee needs to have components which would fund the licence plus the USO, NRS and TIO.

Q.5.16. How could the existing arrangements for the assessment, levying, collection and distribution of universal service contributions be improved?

Q.5.17. For the purposes of the USO, what threshold level, if any, should be applied to eligible revenue? What impact would this have on administrative costs for ACMA and small carriers? What financial impact would this have on the remaining eligible carriers?

The definition of CSP needs to be expanded to include SPs on broadband internet and mobile networks as well as terrestrial. This would give a large CSP base from which to draw levies, so that the burden on even the smallest CSPs would not be great. If a threshold is used, it should be set at much less than the current $10 million minimum.

Q.5.18. On what basis would carriage service providers be required to directly contribute to USO subsidies?

WWDA does not comment on the threshold level which should be applied to eligible revenue of carriers/CSPs. Our proposal is that some level of levy be imposed on all carriers/CSPs. Provision for the annual collection of fees would minimise the burden on small carriers, since a triennial payment could cause financial hardship. A proportional or sliding scale levy would have a similar financial impact on all carriers/CSPs irrespective of size of operation.

Q.5.19. What is the most efficient and effective way to monitor and ensure compliance with the universal service regime?

Q.5.20. How could the administrative burden associated with the universal service regime be streamlined or reduced, while still maintaining adequate oversight and compliance?
Annual audited financial reports could be used to enable calculation of licence fee for the following year. Similarly, annual reports should contain a section, for monitoring purposes, which details any activities the CSP has undertaken using money from the USO fund. Access to this money will be by tender for specific activities outlined by ACMA in tender documents.

One method of setting the levies would be to determine the amount of funds needed, and then apply a pre-set formula which would enable the calculation of levy based on size of business (straight percentage or some established sliding scale) to charge each CSP in order to collect the desired sum. That is, the pre-set formula would remain constant, whereas the amount of the levy would vary according to how much money was needed in the USO fund.

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<th>Recommendation 14</th>
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<td>That the USO fund should be built up by requiring all carriers/Carriage Service Providers to pay an (annual) levy. The total amount needed should be pre-set, and individual carriers’/Carriage Service Providers’ level of contribution determined from their audited annual incomes.</td>
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Q.5.21. How can consumers be made more aware of the respective roles of organisations involved in oversight and compliance of the universal service regime?

Information for women with disabilities can be disseminated via disability advocacy and disability service organizations, as well as through mainstream media and community radio, including Radio Print Handicapped. In addition, CSPs should be obliged to inform customers of the amount of their annual levy, and give information as to how the USO fund is used. They should also be obliged to report to customers on any specific activities they have undertaken or are in the process of undertaking funded from the USO fund. The information could be an insert with bill, or online.

The Human Rights and Equal Opportunity Commission (HREOC) could similarly report on any USO-type activities undertaken which support people with disabilities or indigenous Australians.

ACMA could undertake its own publicity with more engagement with media, similar to the exposure currently given to activities of the Australian Competition and Consumer Commission (ACCC).
Recommendation 15

That, as a result of this Review, and a requirement under a new USO, carriers/ Carriages Service Providers should provide information about their contribution to, and engagement in USO-type activity, should be made widely available to consumers, including in accessible formats.

Q.5.22. In what ways could the respective functions of regulatory organisations be improved and/or clarified?

The Communications Alliance has made an excellent start with the appointment of a Compliance Officer and monitoring of compliance with Standards, Codes and Guidelines. This needs to be strengthened and a compliance brand developed and put into use, with information about it promoted with industry and consumers.

The ToR of the TIO need to be expanded, and staff levels increased so that they can deal more effectively with complaints and follow-up with industry. The TIO needs to be able to make judgments of greater than $10,000 in favour of consumers and suggested rulings of great than $50,000. More realistic levels would be $500,000 and $1,000,000 respectively. Information about the role of the TIO needs to be promoted with industry and consumers.

Formal liaison between all regulatory and monitoring organisations needs to be undertaken on a regular basis.

Conclusion

WWDA believes that the legislated definitions of the USO, USP, the STS and the CSG all need to be upgraded to encompass all communication networks. The delivery of an ‘equivalent’ service for women with disabilities needs to include access to an independent DEP, and a Communication Allowance to enable appropriate broadband, wireless and mobile services to be equitably accessed.

Sue Salthouse
for WWDA
1 November 2007