



Australian Government

**Department of Broadband,
Communications and the Digital Economy**

Regional Telecommunications Review

Government Statement of Response

March 2009

Regional Telecommunications Review

Government Statement of Response

The Government is committed to a prosperous and sustainable regional Australia; one that enables families, businesses and schools in regional communities to actively participate in Australian society. The Government recognises the importance of access to an appropriate level of telecommunications services in facilitating this commitment.

The Regional Telecommunications Independent Review Committee, headed by Dr Bill Glasson AO, has provided an excellent opportunity to examine and review the adequacy of telecommunications in regional, rural and remote parts of Australia. The terms of reference of the Glasson Review required the Committee to conduct a review of the adequacy of telecommunications services in regional, rural and remote parts of Australia. In determining the adequacy of those services, the Committee were asked to have regard to whether people in regional, rural and remote parts of Australia have equitable access to telecommunications services that are significant to people in those parts of Australia, and currently available in one or more parts of urban Australia.

Running from September 2007 through to August 2008, the Glasson Review undertook an extensive public consultation process. This included the release of a discussion paper for comment, twenty public meetings across Australia, and numerous other meetings with telecommunications providers, state and local government bodies, industry associations, consumer groups, education, health and emergency services bodies. Drawing on this extensive consultation and over 220 submissions received, the Glasson Review prepared a wide-ranging report containing 45 recommendations, which was tabled in Parliament on 15 October 2008.

This statement is the Government's response to the Glasson Report, and satisfies the requirement under the *Telecommunications (Consumer Protection and Service Standards) Act 1999* that a Government response be tabled in Parliament within 6 months of receiving the Report.

Key messages of the Glasson Review

The Glasson Report reflects on regional, rural and remote Australia's contribution to the national economy and social wellbeing, and describes the role that telecommunications plays in supporting the economic development and continued prosperity of these areas.

Key themes which emerge from the Glasson Report include the significance of voice telephony and broadband for:

- the delivery of key services in regional Australia such as health, education, emergency services
- the efficiency and productivity of primary industries, transport, commerce and resource sectors, and

- encouraging social participation and inclusion, especially for remote Indigenous communities.

The report notes the inadequacy and underinvestment of telecommunication services in regional, rural and remote Australia over the past decade, and makes recommendations aimed at:

- improving voice telephony services, including the strong desire that Australians living and working in regional areas have access to reliable mobile telephony services across Australia's landmass
- increasing the accessibility of broadband services for people and businesses in regional Australia
- providing increased investment in and more affordable access to 'backhaul' infrastructure to support the delivery of terrestrial mobile and broadband services
- raising consumer awareness and facilitating competition in the telecommunications sector, and
- improving customer service standards for key telecommunications services.

In addition, a very strong and often-repeated message of the Glasson Report is that regional Australia's telecommunications issues need to be addressed by the Australian Government working in partnership with state, territory and local governments. A substantial number of recommendations focus on identifying topics to be discussed and developed between different levels of government.

Similarly the Glasson Report identifies the need to engage with telecommunications industry and consumer groups on particular issues.

The National Broadband Network and the future of regional telecommunications

The Glasson Review recognised the potential for the outcome of the Government's work on a National Broadband Network (NBN) to transform many aspects of service provision in regional Australia. The Government has committed up to \$4.7 billion to build a world-class broadband network, with the objective that it be built not just in Australia's major cities but that it reach 98% of Australian homes and businesses including those in regional Australia.

The NBN is the largest infrastructure project ever undertaken by an Australian Government. It is a vital building block for our future economic productivity and prosperity. Throughout the world, the availability of high-speed broadband is helping governments, businesses and citizens do what they have always done more efficiently – and helping them to do things that they have never done before. In Australia, the quality of broadband infrastructure will help shape our future living standards, international competitive standing, our ability to respond to climate change and enhance the vitality of our regions.

The Glasson Report recognises that the NBN will have a significant impact on regional Australia, underpinning improved telecommunication services for families and businesses. Accordingly, the Glasson Report suggests that the Government respond to a number of its recommendations only after the outcome of the NBN process is known.

Among the recommendations that the Glasson Report identifies for consideration following an NBN outcome are those that relate to improvements in the provision of broadband, backhaul and mobile services in Australia, and the proposal for a new 'Communications Services Standard' which would cover telecommunications products and consumer protections available to all customers, including those in regional Australia, particularly in terms of voice telephony and broadband.

The Government's response to the Glasson Report

The Government has responded to all 45 recommendations of the Glasson Review, in some cases responding individually to part-recommendations. As such, there are 52 Government responses to the Glasson Review.

The Government agrees with the Glasson Review's advice regarding recommendations that could potentially be affected by the NBN outcome, and so will revisit 17 recommendations and part-recommendations once the outcome of the NBN process is settled.

The Government agrees with the Glasson Review that there is a significant amount of work that can be done in the meantime. There are opportunities to engage productively with state, territory and local governments through the Online and Communications Council and other peak ministerial forums to address the regional telecommunications issues that the Glasson Report has highlighted as needing collaboration between different levels of government. In addition the Government believes there are opportunities to work with the newly established Australian Communications Consumer Action Network (ACCAN) on recommendations designed to improve the information and protections available to consumers.

The Government agrees with 31 recommendations and part-recommendations presented by the Glasson Report that can appropriately be considered now. This includes nine recommendations that involve additional funding to enhance access to services. Four recommendations or part-recommendations have been rejected on the grounds that the objectives identified by the Review are being better addressed through some other means, or that agreeing to the recommendation could have a negative effect on regional Australia, contrary to the intent of the Glasson Review.

The Glasson Report recommends that the initial funded response be in the order of 10-15% of the \$400 million identified by Government as being available for developing targeted initiatives to respond to Report recommendations.

As an initial response to the Glasson Review, the Government has committed:

- \$11.4 million for the continuation and enhancement of the *Satellite Phone Subsidy Scheme* to enable greater access to the satellite handset subsidy for

emergency service and health organisations, and to assist replacement of older handsets for those living in areas without terrestrial mobile coverage.

- \$3.7 million to implement an *Indigenous Communications Program* that will build upon the *Backing Indigenous Ability Telecommunications Program* by placing an increased priority on provision of essential telecommunications infrastructure and services in remote Indigenous communities. The key elements of the refocussed program will be centred on:
 - provision of fixed community or satellite mobile phones to around 300 additional remote Indigenous communities, which do not currently have access to a public telephone facility
 - ongoing monitoring and maintenance of around 250 existing community phones, and
 - support for public internet access facilities and basic information technology training for some 120 communities to be delivered through state and territory governments.
- \$46 million for the *Digital Regions Initiative*, co-funded with state, territory and local governments, that will use broadband to enhance the delivery of key health, education and emergency services in regional, rural and remote Australia.

The Government's responses to individual recommendations are as follows.

Government Response on Individual Recommendations of the Glasson Review

Recommendation 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.

Government response:

The Government agrees with this recommendation. The Government will facilitate enhanced access to applications and services of benefit to regional Australia through a new \$46 million program, the *Digital Regions Initiative*. In partnership with state, territory and local governments, this program will co-fund innovative broadband initiatives designed to improve delivery of important services such as education, health and emergency services in regional Australia.

Recommendation 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 Initiatives to urban based schools.

Government response:

The Government agrees with this recommendation. The Government recognises the importance of schools in regional Australia having access to adequate information and communications technology services, including broadband.

The Digital Education Revolution (DER) suite of initiatives, which is being implemented by the Department of Education, Employment and Workplace Relations in collaboration with stakeholders, apply to all schools in all sectors irrespective of their geographic location. Under the DER, the Fibre Connections to Schools implementation approach is focussed on collaboration and full engagement with education stakeholders. It is recognised that schools in regional Australia have the potential to benefit from broadband services and the Department is working with education authorities to deliver the benefits of better connectivity.

Once the outcome of the National Broadband Network process is known, the Government will assess options to maximise the opportunities for schools in regional Australia to access the telecommunications services they need. The Government will also place this recommendation on the agenda of the Online and Communications Council in its capacity as the peak intergovernmental forum on information and communications matters.

Recommendation 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.

Government response:

The Government agrees with this recommendation. The Government recognises the importance of tertiary institutions in regional Australia having access to adequate information and communications technology services, including broadband. The Government will place this recommendation on the agenda of the Online and Communications Council in its capacity as the peak intergovernmental forum on information and communications matters.

Once the outcome of the National Broadband Network process is known, the Government will assess options to maximise the opportunities for tertiary institutions in regional Australia to access the telecommunications services they need.

Recommendation 1.2.3(a) - The Australian Government work with state, territory and local governments to address the higher costs of telecommunications for students in regional areas.

Government response:

The Government agrees with this recommendation. The Government will place this recommendation on the agenda of the next meeting of the Online and Communications Council in its capacity as the peak intergovernmental forum on information and communications matters. This will enable engagement with state, territory and local governments on issues relating to the costs of telecommunications for students in regional areas.

The Government also has in place measures to facilitate access to broadband and other telecommunications services in regional areas, including subsidised broadband services, through the *Australian Broadband Guarantee* program. The program supports provision of metro-comparable broadband services for those consumers, including students, who are unable to access such services on a commercial basis.

Recommendation 1.2.3(b) - The Australian Government work with state, territory and local governments to promote initiatives that support the innovative use of broadband for specific education and training purposes.

Government response:

The Government agrees with this recommendation. The Government will, through a new \$46 million program, the *Digital Regions Initiative*, work with state, territory and local governments on co-funding innovative solutions to promote the use of broadband for specific education and training purposes.

Recommendation 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 government telecommunications initiatives.

Government response:

The Government agrees with this recommendation. The Government will facilitate enhanced access to applications and services of benefit to regional Australia through a new \$46 million program, the *Digital Regions Initiative*. In partnership with state, territory and local governments, this program will co-fund innovative broadband initiatives designed to improve delivery of important services in regional Australia including health services.

Recommendation 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.

Government response:

The Government agrees with this recommendation. The Government will continue the *Satellite Phone Subsidy Scheme*, and enhance the capacity of health and emergency service organisations to access the Scheme's subsidy for additional handsets based on demonstrated need.

Recommendation 1.4.1(a) - The Australian Government fund initiatives and seek matching contributions from state and territory governments to improve telecommunications facilities for emergency service organisations.

Government response:

The Government agrees with this recommendation. The Government will facilitate enhanced access to applications and services of benefit to regional Australia through a new \$46 million program, the *Digital Regions Initiative*. In partnership with state, territory and local governments, this program will co-fund innovative broadband initiatives designed to improve delivery of important services in regional Australia including emergency services.

Recommendation 1.4.1 - The Australian Government fund initiatives and seek matching contributions from state and territory governments to:

- (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.

Government response:

The Government agrees with this recommendation. The Government will refer this recommendation to the Australian Emergency Management Committee in its capacity as the peak forum for managing national strategic emergency management issues and policies. This will enable engagement with state, territory and local governments on options for addressing these issues in regional areas.

Recommendation 1.5.1 - The Australian Government expand the implementation and maintenance of community phones, including pre-paid options for people in remote Indigenous communities.

Government response:

The Government agrees with this recommendation. The Government will implement an *Indigenous Communications Program* that will build upon the *Backing Indigenous Ability Telecommunications Program* to place priority on increased provision of essential telecommunications infrastructure and services. Specifically, the Government will fund the roll-out of community phones, with pre-paid call usage, to additional remote Indigenous communities who do not currently have access to public telephony, as well as improve ongoing monitoring and maintenance of existing community phones.

Recommendation 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.

Government response:

The Government agrees with this recommendation. The Government will implement an *Indigenous Communications Program* that will build upon the *Backing Indigenous Ability Telecommunications Program* to facilitate improved access to basic public internet access and associated training. This initiative will be funded by the Government and administered by state and territory governments to allow better delivery of services to remote Indigenous communities.

The Government will also discuss options, in line with this recommendation, with state, territory and local governments at the next Online and Communications Council Indigenous Communications Group meeting.

Recommendation 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.

Government response:

The Government agrees with this recommendation. The Government will refer this recommendation to the next meeting of the Australian Council of Local Government. The Council was initiated to give local communities a voice in the future of Australia's national infrastructure.

The Government will also place this issue on the agenda of the Online and Communications Council.

Recommendation 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.

Government response:

The Government agrees with this recommendation. The Government will, through a new \$46 million program, the *Digital Regions Initiative*, work with state, territory and local governments on innovative solutions that will promote access to training in information and telecommunications technologies related to funded projects.

The Government will also place this issue on the agenda of the Online and Communications Council.

Recommendation 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.

Government response:

The Government agrees with this recommendation. The Government will refer this recommendation for the consideration of the next meeting of Regional Development Australia, a new body formed to take on a broader strategic role to improve the coordination of regional development initiatives and ensure that there is effective engagement with local communities.

The Government will also place this issue on the agenda of the Online and Communications Council.

Recommendation 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.

Government response:

The Government agrees with this recommendation. The Government will consult state, territory and local governments through the Online and Communications Council on options for addressing these issues.

The Government will also seek to consult with Regional Development Australia, a new body formed to take on a broader strategic role to improve the coordination of regional development initiatives and ensure that there is effective engagement with local communities.

Recommendation 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.

Government response:

The Government agrees with this recommendation. The Government will consult state, territory and local governments through the Online and Communications Council on options for addressing these issues.

The Government will also seek to consult with Regional Development Australia, a new body formed to take on a broader strategic role to improve the coordination of regional development initiatives and ensure that there is effective engagement with local communities.

Recommendation 2.1.1(a) - Australian Government programs to improve mobile services in regional parts of Australia should incorporate: 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.

Government response:

This recommendation is closely linked to recommendation 3.1.1, which the Committee recommends should not be considered until after the outcome of the National Broadband Network process is fully known.

In light of this, the Government considers that recommendation 2.1.1(a) should also not be addressed until after the completion of the National Broadband Network process. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

Recommendation 2.1.1(b) - Australian Government programs to improve mobile services in regional parts of Australia should incorporate: 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).

Government response:

The Government agrees with this recommendation. The Government will continue the *Satellite Phone Subsidy Scheme* and enhance the Scheme to allow replacement of older handsets for people living in non-coverage areas, and to expand access to the subsidy for additional handsets for health and emergency service organisations based on demonstrated need. People living outside of terrestrial mobile coverage will be provided with a more generous subsidy to give them access to satellite handsets at a comparable price to terrestrial mobile handsets.

Recommendation 2.1.1(c) - Australian Government programs to improve mobile services in regional parts of Australia should incorporate where necessary, actions to encourage the use of external antennae.

Government response:

The Government rejects this recommendation. The Government considers that it is the role of industry carriers to fully and clearly explain the operation of their products including use of antennae. The individual needs of a consumer are best assessed at a local level through discussion with the service provider.

The Government also notes recent announcements by mobile phone carriers to extend their existing network footprints throughout Australia.

Recommendation 2.1.2 - The Australian Government request the Australian Competition and Consumer Commission (ACCC) inquire into the merits of mandated terrestrial inter-carrier roaming in single carrier coverage areas in Australia to enable consumers to have choice of provider.

Government response:

The Government rejects this recommendation. Responsibility for administering the telecommunications access regime lies with the Australian Competition and Consumer Commission (ACCC). The ACCC has considered mobile roaming in the past and has already indicated it intends to monitor developments with respect to the provision of domestic inter-carrier roaming services, and may initiate a further inquiry should it receive information indicating that declaration of domestic inter-carrier roaming service may be appropriate.

The need for the action proposed by this recommendation is further diminished in light of the announcements by mobile phone carriers in 2008 of commercially negotiated roaming arrangements and of extensions to networks coverage across Australia.

Recommendation 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.

Government response:

The Government agrees with this recommendation. The Government will engage with consumer representative groups such as the Australian Communications Consumer Action Network (ACCAN) in its capacity as the new telecommunications consumer peak representation body, and industry self-regulatory bodies such as the Australia Mobile Telecommunications Association (AMTA), on how consumers may best be informed about hand-held mobile phone coverage in regional areas.

Recommendation 2.2.1(a) - 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.

Government response:

The Government agrees with the Committee that recommendations related to recommendation 3.1.1 should not be considered until after the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

Recommendation 2.2.1(b) - In accordance with the arrangements and criteria set out in Chapter 3.1 – A New Framework, the Australian Government: 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.

Government response:

The Government agrees with this recommendation. The Government provides subsidised metro-comparable broadband connections through the *Australian Broadband Guarantee* program, for which the Government has announced an additional \$270.7 million over four years until 2012. The broadband services offered under the program are continually monitored so that they continue to provide a metro-comparable option for regional Australians.

Recommendation 2.2.2(a) - The Australian Government work with industry to make service provider offerings to consumers easily comparable and easy to understand.

Government response:

The Government agrees with this recommendation. The Government will engage with consumer representative groups such as the Australian Communications Consumer Action Network (ACCAN) in its capacity as the new telecommunications consumer peak representation body, and industry self-regulatory bodies such as the Communications Alliance, on how best to provide consumers with relevant and accurate information on broadband provider offerings in regional areas.

The Government notes that there are publicly available websites that assist consumers to make informed choices about offerings that suit their needs. The Government also has in place the Broadband Service Locator, which provides additional information to consumers on the availability and choice of broadband offerings in regional areas as part of the *Australian Broadband Guarantee* program.

Recommendation 2.2.2(b) - The Australian Government work with industry to assist in the development, availability, and awareness of applications for broadband provided over satellite.

Government response:

The Government agrees with this recommendation. The Government has in place the *Australian Broadband Guarantee* (ABG), for which the Government has announced an additional \$270.7 million over four years until 2012. ABG satellite providers undertake extensive marketing which the Department approves to ensure compliance.

The Government has also supported an extensive regional roadshow undertaken by the Australian Telecommunications Users Group (ATUG) to promote the benefits of broadband.

Recommendation 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.

Government response:

The outcome of the National Broadband Network process may have implications for the issues identified by this recommendation. Accordingly, the Government will consider this recommendation once the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

Recommendation 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.

Government response:

The Government agrees with this recommendation. The Government is working with the Australian Bureau of Statistics to improve data on broadband usage, availability and needs in regional, rural and remote parts of Australia. The Government will also engage with industry through representative bodies such as the Communications Alliance on how best to improve understanding of how broadband is used, what is available and what is needed in regional areas.

Recommendation 2.3.1(a) - The Australian Government should, until the Customer [Communications] Service Standard (CSS) is implemented 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.

Government response:

The Government agrees with the recommendation that there be improved fault repair performance in rural and remote areas. The Government will consult with industry on options for improving compliance with CSG fault repair timeframes.

Recommendation 2.3.1(b) - The Australian Government should, until the Customer [Communications] Service Standard (CSS) is implemented: 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.

Government response:

The Government supports the actions of carriers to restore services as soon as possible where there are mass service outages due to extreme weather events or natural disasters. However, it is appropriate for the Government to examine the operation of these provisions and the Government will consult with industry on the effectiveness of the current arrangements.

Recommendation 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.

Government response:

The Government agrees with the Committee that recommendations related to recommendation 3.1.1 should not be considered until after the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

Recommendation 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.

Government response:

The Government agrees with the Committee that recommendations related to recommendation 3.1.1 should not be considered until after the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

Recommendation 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.

Government response:

The outcome of the National Broadband Network process may have implications for the issues identified by this recommendation. Accordingly, the Government will consider this recommendation once the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

Recommendation 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.

Government response:

The outcome of the National Broadband Network process may have implications for the issues identified by this recommendation. Accordingly, the Government will consider this recommendation once the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

Recommendation 2.5.3 - The Australian Government:

- (a) regularly collect and prepare records of backhaul infrastructure for use by other Australian Government agencies for public policy purposes; and
- (b) assess the costs and benefits of making this information available to relevant market participants.

Government response:

The outcome of the National Broadband Network process may have implications for the issues identified by this recommendation. Accordingly, the Government will consider this recommendation once the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

Recommendation 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.

Government response:

The Government agrees with this recommendation. The Government will progress this recommendation to promote access to backhaul infrastructure in regional areas through the Cross-Jurisdictional Chief Information Officers Committee of the Online and Communications Council. The Council has an existing commitment to examine options to leverage future telecommunications procurement.

Recommendation 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.

Government response:

The Government agrees with this recommendation. The Government will place this recommendation on the agenda the Cross-Jurisdictional Chief Information Officers Committee of the Online and Communications Council, to explore opportunities for coordination of government purchases to promote access to backhaul infrastructure in regional areas.

Recommendation 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.

Government response:

The outcome of the National Broadband Network process may have implications for the issues identified by this recommendation. Accordingly, the Government will consider this recommendation once the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

Recommendation 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.

Government response:

The Government rejects this recommendation. In making decisions under the telecommunications access regime, the ACCC already considers the impact on competition in relevant markets. Including the proposed additional legislative criteria would create regulatory uncertainty, delay decision making and increase the possibility of regulatory error.

Recommendation 2.6.2 - In conducting future spectrum auctions, the Australian Government give consideration to:

- (a) adding 'use it or lose it' provisions in the licences in regional areas; or
- (b) including providing for access to radio-communications spectrum in appropriate legislation.

Government response:

The Government rejects this recommendation. The feasibility and potential implications of incorporating 'use it or lose it' provisions in spectrum licences has already been considered in its broader application, and by further considering this issue specifically for regional applications the Government risks inconsistency in the approach for spectrum management at a national level.

Similarly, the recommendation that a spectrum access regime be provided for in legislation is not accepted given the significant complexity this will impose on spectrum management, for questionable net benefit in terms of efficient use of spectrum.

Recommendation 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.

Government response:

The outcome of the National Broadband Network process may have implications for the issues identified by this recommendation. Accordingly, the Government will consider this recommendation once the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

Recommendation 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.

Government response:

The outcome of the National Broadband Network process may have implications for the issues identified by this recommendation. Accordingly, the Government will consider this recommendation once the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

Recommendation 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.

Government response:

The Government agrees with this recommendation. The Government will consult telecommunications industry stakeholders on appropriate strategies for ensuring regional consumers are informed of industry self-regulatory initiatives and consumer protection measures.

The Government will also consider regional audiences in future information activities, and has in place best practice guidelines on consultation requirements and government information campaigns which include reference to the need to appropriately target stakeholders in regional areas.

Recommendation 2.7.2 - The Australian Government encourage and if necessary require, industry to prepare and consider community impact statements:

- (a) prior to the withdrawal of existing services; or
- (b) with the introduction of new technologies or services which result in a transition to new services; and
- (c) for rural and remote users in particular, those in the Extended Zones.

Government response:

The Government agrees with this recommendation. The Government will engage consumer representative groups such as the Australian Communications Consumer Action Network (ACCAN), and industry self-regulatory bodies such as the Communications Alliance, on options to improve industry performance during the withdrawal of significant services or the introduction of new services, particularly in more rural and remote areas.

Recommendation 2.7.3 - The Australian Government undertake and publish evaluations of the impact and effectiveness of consumer awareness programs for telecommunications.

Government response:

The Government agrees with this recommendation. The Government will continue to use the results of evaluations to inform policy, and to engage with industry and consumer organisations such as the Australian Communications Consumer Action Network (ACCAN) to improve consumer awareness.

Recommendation 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.

Government response:

The Government agrees with the Committee that this recommendation should not be considered until after the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government’s consideration of this recommendation.

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

Government response:

The Government agrees with the Committee that recommendations related to recommendation 3.1.1 should not be considered until after the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

Recommendation 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.

Government response:

The Government agrees with the Committee that recommendations related to recommendation 3.1.1 should not be considered until after the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

Recommendation 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; and
- (c) If a consumer is refused access to a subsidy or other schemes which are part of the Australian Government's 'implementation plan' for the CSS, and the consumer disputes that decision, then that decision should be reviewable.

Government response:

The Government agrees with the Committee that recommendations related to recommendation 3.1.1 should not be considered until after the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

Recommendation 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.

Government response:

The Government agrees with the Committee that recommendations related to recommendation 3.1.1 should not be considered until after the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

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

Government response:

The Government has funded targeted programs to address issues raised in Part 1 of the Glasson Report. Funding of these programs is in the range recommended by the Glasson Review: 10-15% of the \$400 million identified by the Government to respond to the recommendations of the Glasson Review.

In the longer term the Government is developing initiatives including the National Broadband Network that will fundamentally enhance the wellbeing of regional Australia. Consistent with the view expressed by the Committee in the report, the Government will revisit remaining recommendations when the outcome of the National Broadband Network and other processes are fully known, to best meet the needs of regional Australia into the future.

Recommendation 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.

Government response:

The Government agrees with the Committee that recommendations related to recommendation 3.1.1 should not be considered until after the outcome of the National Broadband Network process is fully known. This will enable outcomes of the process to be factored into the Government's consideration of this recommendation.

Recommendation 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.]

Government response:

The Government agrees with this recommendation. The Government recognises the contribution the Committee has made to regional Australia in completing its review. Under the legislation the next review is required to be completed within three years of the Government's statement of response being tabled in Parliament. In keeping with the legislation and noting the Committee's recommendations, the Government will consider the timing and scope of the next review and the arrangements to support this when responding to recommendations that will be considered once the outcome of the National Broadband Network process is fully known.