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Department of Infrastructure, Transport,
Regional Development, Communications,
Sport and the Arts
GPO Box 594
CANBERRA ACT 2600

Submission in response to Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts: Extending rules about requests for USO voice services

Dear Department,

Optus welcomes the opportunity to provide its views on the proposal to extend the Universal Service Obligation (**USO**) rules for Telstra's handling of voice services request before the 1 July 2026 sunset.

Optus supports the proposed technology-neutral amendments but is disappointed in the proposed indefinite extension of the USO via the *Telecommunications Universal Service Obligation (Standard Telephone Service – Requirements and Circumstances) Amendment Determination 2026* (the **Amendment Determination**).

THE TECHNOLOGY-NEUTRAL AMENDMENTS ARE A SENSIBLE STEP

The Amendment Determination makes two targeted and overdue improvements. First, by expanding the definition of "request" to capture circumstances where Telstra withdraws a Standard Telephone Service (**STS**) via a particular technology, it closes a genuine gap arising from mobile and satellite services being a substitute for legacy copper infrastructure. It also closes a gap through the new requirement for Telstra to provide written advice on electricity requirements and indicative timeframes before refusing supply. These changes are sensible.

THE USO FRAMEWORK REQUIRES ORDERLY RETIREMENT, NOT INDEFINITE EXTENSION

The Amendment Determination's most consequential change receives no prominence in the Explanatory Statement - the replacement of the fixed self-repeal date of 1 July 2026 with an open-ended repeal mechanism tied to the ongoing operation of the *Telecommunications (Customer Service Guarantee) Standard 2023*. No reasoning is offered for removing the sunset date, and the policy significance of shifting to an indeterminate arrangement is not acknowledged. A structural change of this kind should be justified, and its omission makes effective public scrutiny materially more difficult.

The practical effect of this change, is an extension of current USO arrangements for at least three years, with no stated endpoint, no reform commitment, and no transition plan. Three key issues arise from the indefinite extension of the current USO framework:

- **Funding and designation lock-in.** Telstra's status as the primary universal service provider continues unchallenged, with USO levy funding anchored to a legacy voice infrastructure model and no mechanism to reassess whether either remains fit for purpose as the technology landscape shifts.

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- **The STS-based USO was designed for legacy fixed-line copper telephony.** Although Optus supports the proposed technology-neutral amendments, extending the USO without due consideration assumes the framework is still appropriate, an assumption that warrants scrutiny rather than passive renewal.

- **Policy incoherence with the UOMO.** Parliament is simultaneously considering the *Telecommunications Legislation Amendment (Universal Outdoor Mobile Obligation) Bill 2025* (**UOMO Bill**). Extending the legacy USO framework indefinitely, without a retirement plan, creates growing incoherence between the two regimes and a genuine risk of funding conflict. Optus raised this concern directly in its submission to the Senate inquiry on the UOMO Bill.

COMMITMENT TO A REVIEW OF THE USO IS OVERDUE

Optus reiterates the position in our submission to the Senate inquiry on the UOMO Bill, that the USO is a piece of legacy legislation tied to legacy voice infrastructure. Best practice regulation would suggest the USO framework be grandfathered and retired in an orderly way, with a fit-for-purpose funding mechanism for the UOMO established on its own terms, informed by a bottom-up analysis of the actual costs of the obligation and a rigorous, independent assessment of available funding mechanisms.

The Amendment Determination should be accompanied by a clear Government commitment to a time-bound review of the USO framework, encompassing the primary universal service provider designation, levy arrangements, and the structural relationship between existing STS obligations and the emerging UOMO regime, and a requirement that findings be addressed before any other extension is considered.

Without this, the Amendment Determination risks being the first in a series of rolling extensions that preserve a legacy model well beyond its useful life, at real cost to consumers and to the coherence of Australia's universal service policy.

Optus would welcome the opportunity to engage further with the Department on these issues.

If you have any questions regarding this submission, please contact Matthew Scott - Regulatory Manager, Regulatory Affairs – at [redacted].

Yours sincerely

[redacted]

James Endres
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