



Australian Government

Department of Infrastructure, Transport,
Regional Development and Communications

Review of sunseting payphone instruments

Consultation paper

December 2021

Consultation opens: Friday, 17 December 2021

Consultation closes: Friday, 18 February 2022

Queries and submissions can be emailed to: usg@infrastructure.gov.au.



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Introduction

The Universal Service Obligation (USO) is a long-standing legislated consumer safeguard that provides that standard telephone services (STS) and payphones are reasonably accessible to all people in Australia on an equitable basis, wherever they reside or carry on business. The USO is set out in the [Telecommunications \(Consumer Protection and Service Standards\) Act 1999](#) (TCPSS Act). Telstra is responsible for delivering the STS and payphone USO. Its statutory obligations are reinforced by a contract between the Commonwealth and Telstra — the Telstra USO Performance Agreement (TUSOPA).

Beyond the overarching statutory objective that requires payphones to be reasonably accessible, the Minister under the TCPSS Act can put in place payphone performance standards and benchmarks, as well as various rules about the location of payphones, consultation on the location or removal of payphones and resolution of complaints involving USO payphones¹.

Instruments made by the Minister include provisions so that the regulator, the Australian Communications and Media Authority (ACMA) can provide more guidance on certain matters. Accordingly, the ACMA has issued guidelines that provide a methodology and detailed criteria for assessing the net social benefit of payphones (used to guide final decisions on the installation and removal of payphones), and to provide detail on consultation processes involving installation and removal of payphones. The ACMA has also used separate powers available to it under the [Telecommunications Act 1997](#) to put in place record keeping rules in relation to payphone performance benchmarks.

Five USO payphone instruments made by the Minister (described below), are now approaching the date at which they will automatically cease or ‘sunset’ under the *Legislation Act 2003*. The sunseting framework requires legislative instruments to be reviewed to determine whether they:

- remain fit for purpose and should be replaced by an instrument substantially the same in form
- should be replaced with substantial changes and improvements, or
- are spent or redundant and can be actively repealed or allowed to sunset without replacement.

The Department of Infrastructure, Transport, Regional Development and Communications (the Department) is now seeking the views of interested parties on the instruments made by the Minister and the matters they cover. As noted above, in some cases, the payphone instruments made by the Minister provide authority for the ACMA to issue additional guidelines, and the ACMA is also independently able to make record keeping rules in relation to compliance with payphone rules set by the Minister. Accordingly, the ACMA will consider and consult separately on the associated guidelines and RKR that it is responsible for.

The Department notes that the instruments are ten years old and there have been significant changes in the Australian telecommunications industry in this time affecting the role of payphones today and going forward. Foremost of these is the strong take-up and use of mobile telephony and the commensurate decline in the use of payphones. While these trends do raise questions about the long term role of payphones that need to be kept in mind, this consultation proceeds on the basis that while payphones remain in operation the types of rules that have applied to date may continue to have a role into the future, but may require adjustment.

¹ See s12ED-12EH of the TCPSS Act

Views provided in response to this paper will guide decisions by the Minister on whether the five existing instruments are necessary and should be remade or allowed to sunset. Noting that Ministerial instruments may be remade, the Department is also seeking stakeholder views on any opportunities to refine and improve individual instruments made by the Minister, if it is determined that they should be remade, or if there is potential to consolidate existing Ministerial instruments.

Background

Regulatory and contractual framework

The USO is a long-standing legislated safeguard that provides STS and payphones are reasonably accessible to all people in Australia on an equitable basis, wherever they reside or carry on business. The USO is set out in the TCPSS Act. Telstra is responsible for delivering the STS and payphone USO, with its statutory obligations reinforced by a 20 year contract between the Commonwealth and Telstra — the Telstra USO Performance Agreement (TUSOPA) — which runs from 2012 to 2032.

Beyond the overarching statutory objective that requires payphones to be reasonably accessible, the Minister under the TCPSS Act can put in place a range of instruments to flesh out the statutory requirements. The ACMA may also do so in some instances. The five instruments that are the responsibility of the Minister (as set out below) are being considered in this consultation process. They can be found on the website of the Federal Register of Legislation (with hyperlinks provided below). For context, three related instruments that the ACMA has responsibility for are also set out below.

Instrument	Responsibility	Sunset date
Rules for the location, installation and removal of USO payphones		
Telecommunications Universal Service Obligation (Location of Payphones) Determination 2011	Minister	1 April 2022
Payphone (Assessment of Net Social Benefit) Guidelines—2014	ACMA	n/a
Standards and performance		
Telecommunications Universal Service Obligation (Payphone Performance Standards) Instrument (No. 1) 2011	Minister	1 April 2022
Telecommunications Universal Service Obligation (Payphone Performance Benchmarks) Instrument (No. 1) 2011	Minister	1 April 2022
Rules for consultation and complaints involving the location and removal of payphones		
Telecommunications Universal Service Obligation (Public Consultation on the Location or Removal of Payphones) Determination 2011	Minister	1 April 2022
Telecommunications (Payphone Consultation Document) Guidelines 2012	ACMA	1 October 2022
Telecommunications Universal Service Obligation (Payphone Complaint Rules) Determination 2011	Minister	1 April 2022
Record keeping and compliance		
Telecommunications (Payphone Performance Benchmarks) Record-Keeping Rules 2012	ACMA	1 April 2022

As noted, the first two instruments deal with the location, installation and removal of payphones. The third and fourth deal with performance standards. The fifth, sixth and seventh deal with consultation and complaint handling. The eighth deals with record keeping in relation to payphone matters generally. Together the instruments provide a comprehensive set of rules concerning the provision of payphones.

For example, prior to existing instruments being introduced, there were community concerns about Telstra's performance, particularly in rectifying faults to payphones in rural or remote areas of Australia, as well as the level of consultation undertaken on payphone installation and removals.²

Parties interested in commenting on the instruments made by the Minister are strongly encouraged to familiarise themselves with their details and the associated explanatory statements. These are available at the web links provided in the table above.

The USO is supported by the TUSOPA, a 20 year contract between the Commonwealth and Telstra which runs from 2012 to 2032. Under the contract, Telstra is contractually obliged to, amongst other things, supply fixed voice services on reasonable request, and supply, install and maintain payphones. In relation to the supply and maintenance of USO payphones, Telstra receives a fixed and unindexed annual contractual payment of \$40 million. As part of the process of making annual contractual payments to Telstra, amongst other things, Telstra's compliance with relevant regulatory obligations set out in USO payphone instruments is taken into account.

The TUSOPA (including USO payphones) and other public interest telecommunications contracts and grants are funded through an annual budget appropriation from the Commonwealth of \$100 million, with the remaining funded provided by industry, through annual contributions towards the Telecommunications Industry Levy (TIL). Carriers contribute to the TIL based on share of total industry eligible revenue, with Telstra itself contributing the most towards the TIL of any carrier, followed by Optus, TPG Group, NBN Co and a range of other smaller carriers.

Payphones provisioning and use

While the provision of payphones is subject to detailed regulation and contractual requirements, the role of payphones has generally been in decline over the past decade or so. While payphones can be an important means of communications for vulnerable or disadvantaged people, including low income earners, relatively few Australians are users of payphones and, most probably do not think about them except in times of emergency.

The total number of USO payphones in operation has declined over a number of years. There were around 34,000 USO payphones in 2002³, and around 18,000 payphones at the commencement of the TUSOPA in 2012. Telstra currently has around 15,000 USO payphones in operation.

Most payphones are in major cities (54%), followed by regional (36%) and remote (10%) areas.

Until a recent decision by Telstra to offer national free calling from payphones (discussed further below), the volume of calls made from USO payphones had been in steep decline, falling 73% from 39.8 million calls in 2011–12 to 10.6 million calls in 2019–20. In comparison, in 2019, Telstra's mobile network carried around 50 million voice calls per day.

² See 'Regulation Impact Statement for consumer safeguards relating to payphone services' included in the [Explanatory Statement for the Telecommunications Universal Service Obligation \(Payphone Performance Standards\) Determination \(No. 1\) 2011](#)

³ [ACMA Communications Report 2005-06](#), p.113

Work undertaken by the Department in 2018 suggested that most USO payphones have relatively low use and are likely to be loss-making⁴. Despite some changes since then (discussed further below), this would seem to generally remain the case. However, the usage of payphones is not uniform, and even with high mobile usage and population coverage, some payphones continue to be comparatively highly used. These tend to be in major cities or in remote Indigenous communities; there are around 500 USO payphones in remote Indigenous communities.

While use of payphones is clearly an important factor to be taken into account, even where payphones are less frequently used, they may provide some ongoing benefit, such as where payphones are located in areas outside of terrestrial mobile coverage. There are also instances where payphone use has increased for specific periods of time, such as in communities impacted by natural disasters, where other telecommunications services may be congested or damaged. Further, while most calls to Triple Zero (000) are made from mobiles and fixed lines, a number of emergency calls are made from payphones. In 2020–21, there were around 198,000 calls to Triple Zero from payphones, with 76,000 (38%) of these calls considered genuine and connected to a police, fire or ambulance service for response.

In recognition of these factors, in December 2018 the Government announced that payphones would continue to be provided as part of a new broader Universal Service Guarantee, along with STSs and broadband.⁵ It also noted there was scope for careful examination of payphone locations given the strong uptake of mobile services and that Government would undertake further work in this area. Telstra payphones that service Indigenous communities and those outside mobile coverage would generally be quarantined.

To better understand community views about payphones, the Department commissioned market research in 2020 into the use of telecommunication services, including payphones, by vulnerable social groups. This was the first such research covering payphones to be conducted for around ten years. The research employed a range of different methodologies focused on identifying telecommunications use, including use of payphones, by different vulnerable groups. This broadly found:

- consumers generally prefer mobile for voice
- payphone usage is generally very low
- most people use payphones only rarely and for ad hoc reasons—and have access to mobiles
- homeless people rely on payphones to a greater degree than the broader community but have high mobile use as well
- there was no clear payphone preference by helpline users
- victims of family and domestic violence may use payphones but generally have and prefer to use mobiles⁶, and
- most payphone use is for social and personal reasons.

However, these findings were at a point in time, and payphone use may have changed with recent developments, including recent disasters, COVID-19, and free national calls from payphones.

Telstra started offering free national calls from payphones from 3 August 2021. A number of groups working with disadvantaged Australians, like the Salvation Army, Red Cross and Brotherhood of St Lawrence were reported as welcoming the move.⁷ Prior to this, Telstra had made some payphones free of charge in more limited circumstances, such as in remote Indigenous communities, areas impacted by natural disasters or for short periods such as over the Christmas/New Year holidays.

⁴ Department of Communications and the Arts, [Development of the USG—summary report](#), November 2018, p13

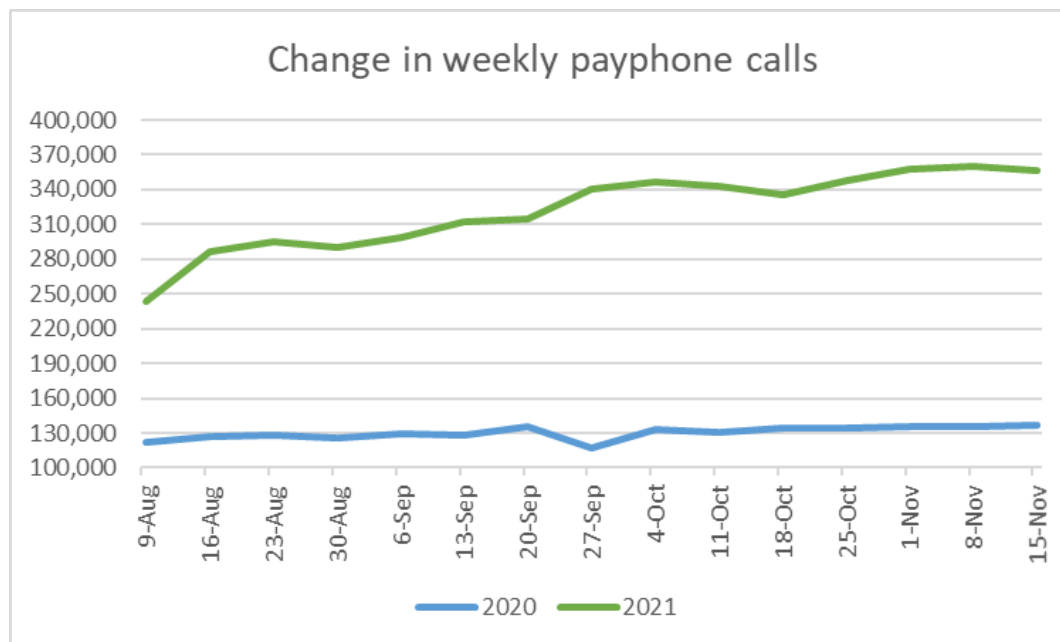
⁵ www.mitchfield.com/2018/12/telecommunications-universal-service-guarantee/

⁶ It is recognised, however, that access itself, in a safe way, to mobile phones be problematic in such situations.

⁷ www.theage.com.au/politics/victoria/free-public-phone-calls-will-help-disadvantaged-say-welfare-groups-20210803-p58ffu.html

As shown in the graph below, since making payphones free of charge for national calls, Telstra has seen a marked increase in payphone calls (147% increase over the period August–November 2021 compared to the same period in 2020).

Some caution should be applied in interpreting this data due to the relatively short period since payphones were made free of charge for national calls.



It also needs to be kept in mind that this increase in call volume is from a low base, given the sustained decline in payphone usage over a number of years. It is also not possible to say if more people are using payphones, if existing users of payphones are making more calls, or some combination of the two. It also remains to be seen if this immediate increase in calls will ultimately be sustained, or may taper off in time.

The future of payphones and the role of the instruments

While payphone use by the community overall is low, they may still have greater usage and benefits to particular segments of the community or in particular circumstances⁸. However, the ongoing costs of payphones, the possible need for future upgrades and level of subsidy are significant factors. This is reflected in occasional comments, particularly from industry contributors to the cost of the USO, about the value for money in, and competitive impact of, retaining payphones.

Given the long term operational and technological changes that have occurred, there is continuing uncertainty around the long-term demand and use for payphones, as well as the costs and overall economics of supplying payphones. The approach set out by Government in 2018 was therefore to consider further the ongoing location of payphones to better align them with need and usage.

However, absent broader change, while payphones continue in operation, the need for ongoing guidance to Telstra and the community around the location and performance of payphones must be considered if only to ensure payphones are provided and operate in a manner that optimises their utility. This review of the instruments made by the Minister goes to this issue, rather than the more fundamental question of the provision of payphones themselves, although their future role may affect the detailed rules in the instruments by which they are regulated going forward.

⁸ www.telstra.com.au/aboutus/media/media-releases/Payphones-deliver-vital-community-service

Parties may be interested to note that these issues are being considered in other jurisdictions. For example, in the UK, the regulator, Ofcom, started consultation in November 2021 covering the future provision of public call boxes, as payphones are called there. It is proposing relaxing requirements while still ensuring call boxes that are still needed are protected from removal.⁹

Overview of USO payphone instruments made by the Minister

As noted above, the five payphone instruments made by the Minister provide a comprehensive framework fleshing out the statute and governing the location, installation and removal of payphones, providing performance standards and benchmarks, and setting rules for consultation and complaint handling. The ACMA has supplemented these five Ministerial instruments through associated guidance and record-keeping rules, and will be considering these separately.

This section provides an overview of each instrument to help interested parties comment on the role and detail of the instruments that the Minister is responsible for. Parties should refer to the instruments themselves, and their explanatory statements for their full details. In all cases, the Department is interested in the need for the instruments going forward and their actual provisions. This includes whether a less prescriptive, more outcomes-focused approach could be adopted in some instances, and whether there may be benefit in consolidating some or all of the five existing Ministerial instruments into one or fewer instruments.

Rules for the location, installation and removal of USO payphones

Telecommunications Universal Service Obligation (Location of Payphones) Determination 2011

This determination set outs places and areas where payphones are to be located and the criteria Telstra must follow in determining when it is appropriate for a payphone to be installed or removed from a particular place or area.

It also determines what are eligible payphone requests for installation of new payphones (generally Telstra is only required to consider installing a new payphone if there is some demonstrated level of support from a minimum number of individuals or that the request is supported by a relevant state/territory or local government).

The determination also sets out net social benefit criteria. Telstra must have regard to these criteria in assessing all eligible requests for new payphones. The net social benefit criteria are also relevant in some cases to the proposed removal of payphones. Under existing rules, Telstra can only remove the final payphone at a site in specific circumstances—where the payphone is assessed as not delivering a net social benefit; there is demonstrated community support for the removal of the payphone; or if Telstra cannot reasonably continue to operate the payphone at the site.¹⁰

The net social benefit criteria in the determination include:

- the commercial viability of the payphone
- call usage patterns for the payphone
- the revenue Telstra receives from the payphone
- funding Telstra receives to operate/maintain payphones

⁹ www.ofcom.org.uk/_data/assets/pdf_file/0025/227680/consultation-review-of-telephony-USO.pdf

¹⁰ Telstra is however permitted to relocate payphones short distances and may also temporarily remove payphones to be repaired and/or upgraded.

- the benefit to the local community from the location of a payphone at the payphone site, and
- the adequacy of mobile phone coverage in the relevant area (including whether a payphone is needed for the purposes of assisting with responding to an emergency).

The determination also allows (but does not require) the ACMA to issue detailed guidelines, which Telstra must have regard to, that detail the format and methodology for assessing whether the installation (or removal) of a payphone would deliver a net social benefit to the community. The ACMA currently has in place the [Payphone \(Assessment of Net Social Benefit\) Guidelines—2014](#) (summarised at [Appendix B](#)).

Generally, Telstra is prevented from removing any payphones that are assessed as offering a net social benefit, but conversely, it is not expected to install new payphones that do not offer a social benefit. As such, net social benefit criteria are fundamental to the provision of payphones generally, to the operation of other payphone instruments, and also set parameters for any more detailed net social benefit guidelines that ACMA wishes to issue.

Ideally, such criteria would be relatively enduring. However, since the instrument was first introduced, there have been technological, community and market changes. As it stands, criteria regarding call usage patterns and payphone revenue would seem to be impacted by the uptake of mobile telephony and more recently by Telstra's decision to introduce national free calling. Further, Telstra also uses some payphones for ancillary purposes such as Wi-Fi hotspots and/or advertising. While such use is separate to USO requirements, such uses may be relevant to the viability and value to Telstra and its customers of a payphone at a particular location, raising the question of whether these uses should be considered in the criteria. For example, as well as voice calling from payphones, where available, Wi-Fi hotspots attached to payphones have provided some community benefit and utility, including following natural disasters, as well as some additional value for Telstra.

Issues for stakeholder consideration

The Department would appreciate stakeholder views on whether the location rules and existing net social benefit criteria in the instrument remain effective in balancing commercial and community interests. The Department would also welcome views on whether the existing criteria could potentially be consolidated or simplified, or if any alternative criteria are warranted.

Ministerial decisions made on this instrument may result in ACMA having to redraft its social benefit guidelines, though ACMA has indicated it expects to retain these guidelines in the short term.

Further to this, stakeholders may wish to advise if they see a need and value in the Minister retaining provision for the ACMA to make net social benefit guidelines or if sufficient guidance could be provided through the *Telecommunications Universal Service Obligation (Location of Payphones) Determination 2011*.

USO payphone standards and performance

Telecommunications Universal Service Obligation (Payphone Performance Standards) Determination (No. 1) 2011

The purpose of this determination is to require Telstra to comply with individual performance standards in respect of USO payphones. This determination sets out the required characteristics of payphones and payphone carriage services, including that when in normal working order, a payphone carriage service must allow automated local and long-distance voice calls 24 hours a day, access to emergency services free of charge 24 hours a day and operator assistance.

The determination provides maximum timeframes for installation of payphones and repair of critical faults¹¹. A maximum period of three months is provided to install new payphones. However a longer period of time to install a payphone is provided when the site is not readily accessible to telecommunications network infrastructure or there is insufficient network infrastructure capacity to enable service—being a maximum installation period of up to six months for minor rural areas and up to nine months for remote areas.

Maximum timeframes for repair of critical faults are:

- 10 working days for payphones located in urban areas
- 15 working days for payphones located in major and minor rural areas, and
- 20 working days for payphones located in remote areas.

The individual payphone standards for fault repair have longer timeframes than the fault repair timeframes included in the *Telecommunications Universal Service Obligation (Payphone Performance Benchmarks) Instrument (No. 1) 2011* (discussed further below). This is to set a maximum time limit within which no individual payphone should be unavailable for use. Otherwise, individual payphones could potentially remain permanently inoperative while Telstra continued to meet the overall performance benchmark that applies to payphones collectively.

Since these standards were introduced, Telstra has generally met them except in a handful of cases in which extenuating circumstances have applied.

Issues for stakeholder consideration

The Department would appreciate views from stakeholders on whether the payphone characteristics and standards set out in the determination remain appropriate, and if not, what changes should be considered (and why).

Telecommunications Universal Service Obligation (Payphone Performance Benchmarks) Instrument (No. 1) 2011

This instrument establishes payphone benchmark standards and minimum performance benchmarks regarding compliance with those benchmark standards. While the performance standards in this instrument do not need to be complied with in every case, as set out in the following table, Telstra must meet or exceed the individual fault repair standards in enough instances to meet or exceed the relevant performance benchmarks.

Geographic category	Standard	Benchmark requirement
Urban	Repair within 1 working day	Must meet or exceed standard in 90% of cases.
Rural	Repair within 2 working days	Must meet or exceed standard in 90% of cases.
Remote	Repair within 3 working days	Must meet or exceed standard in 80% of cases.

Since 2012–13, Telstra has met annual payphone benchmarks (see [Appendix A](#)), but with some variability in benchmark performance from year to year, and across the three geographic categories (urban, rural and remote).

¹¹ Non-critical faults are matters that don't impact the usability of the payphone. Examples could be a flickering light in a phone box or damage to a payphone booth, as long as there is at least one calling mechanism operating and available to a user to make a call (note: with introduction of national free calling by Telstra, coin payments are ceasing, so international or other charged calls will require a Telstra Phonecard or other third-party calling cards).

These benchmarks are important contractually as they are a key metric for the payment of Telstra for the provision of payphones as required under the TUSOPA.

Issues for stakeholder consideration

The Department would appreciate views from stakeholders on whether the benchmarks in the determination remain appropriate, and if not, what changes should be considered (and why).

While there are separate standards and benchmarks determinations, they deal with similar matters, so the Department would also appreciate stakeholder views on whether there would be benefit from potentially consolidating these instruments.

Rules for consultation and complaints involving the location and removal of USO payphones

Telecommunications Universal Service Obligation (Public Consultation on the Location or Removal of Payphones) Determination 2011

This determination requires Telstra to maintain and follow public consultation processes before it installs new payphones or removes existing payphones. The determination details the form and level of engagement required with the local community and other stakeholders and also provide minimum timeframes for undertaking consultation. Notification and consultation requirements vary slightly depending on whether a payphone is being installed, relocated or removed, and in the case of removals, whether the payphone is the final remaining payphone at that site. The determination also provides clarity that Telstra cannot make a final decision to install or remove a USO payphone without completing the consultation process.

Payphones are located in a range of locations across Australia, potentially in proximity to homes and/or businesses or in public spaces. Accordingly, the notification and consultation requirements are designed to ensure that people who have an interest in the location of a new payphone, or the relocation or removal of a payphone are provided with an opportunity to make a submission to Telstra (either supporting or opposing proposed installation or removals).

A relevant factor for consultation processes is the discretion that Telstra has in relation to decisions on installation or removal of payphones. In many cases, Telstra may have significant discretion, but there may also be instances where Telstra cannot obtain, or no longer has permission to operate a payphone at a given site.

Telstra has advised that the level of submissions it receives to individual payphone consultations varies, but it typically receives few (or in some cases, no) submissions from relevant stakeholders. This is despite the significant effort and cost that can be involved in publicising the consultation.

Issues for stakeholder consideration

Noting there may be variable levels of stakeholder response to individual payphone consultation processes, the Department welcomes stakeholder views on the overall value of retaining minimum consultation processes, and whether the existing detailed consultation requirements and timeframes set out in the instrument remain appropriate, or if they should be adjusted (and why).

Stakeholders are also encouraged to consider and advise if a more principles based approach to consultation processes set out in this instrument could be beneficial.

The instrument also provides that the ACMA may, but is not required to, make guidelines setting out the format and content of a public consultation document. The ACMA has issued guidelines (*Telecommunications (Payphone Consultation Document) Guidelines 2012*). Accordingly, Telstra must ensure it complies with these ACMA guidelines in preparing and publishing public consultation documents.

These ACMA guidelines determine the format, detail and type of content required to be included in public consultation documents that Telstra is currently required to prepare. The ACMA has indicated it expects to separately seek stakeholder views on its existing consultation guidelines, subject to Ministerial decisions on this instrument, noting these guidelines sunset in October 2022.

The Department would welcome views on whether separate ACMA consultation guidelines remain necessary and add value, or if a sufficient level of guidance could be provided through the *Telecommunications Universal Service Obligation (Public Consultation on the Location or Removal of Payphones) Determination 2011*.

Telecommunications Universal Service Obligation (Payphone Complaint Rules) Determination 2011

This determination requires Telstra to have and manage an accessible public complaints process with regard to a final decision to install or remove a USO payphone. The determination provides that if a complaint is received in relation to a final decision to remove a payphone, the payphone complaint process must provide for review of that decision by the ACMA, and ensure the complainant is aware of avenues of review through the ACMA.

The ACMA has indicated on average it receives approximately 2-3 complaints per year from residents or small business owners about the location, relocation or removal of Telstra payphones. These generally relate to existing placement of Telstra payphone booths.

The ACMA notes that where complaints have arisen, Telstra has either considered an alternative appropriate location for the payphone, or conducted an investigation to determine whether the placement of the payphone met net social benefit requirements. Accordingly, the ACMA has advised it has not had to take any formal action in relation to the small number of complaints it has received.

Issues for stakeholder consideration

The Department would appreciate stakeholder input on the value of maintaining the existing complaints process in the determination, including scope for ACMA review of complaints, as well on the detailed requirements in the determination. Stakeholders are also encouraged to consider and advise if a more principles based approach to complaints handling processes could be beneficial.

Given complaints are part of a broader process (following mandatory public consultation), the Department would also appreciate stakeholder views on whether there would be benefit from potentially consolidating the existing consultation and complaints instruments into a single instrument.

Next steps

Stakeholder views are important to whether the existing instruments made by the Minister have a continuing role to play and should be remade, or if stakeholders consider particular instruments could cease. If stakeholders support instruments being remade, the Minister will also need to determine if instruments are to be remade in their current form, or whether broader amendments or other changes are warranted and desirable.

The instruments cover a wide range of matters in detail, and the relevance of some of these may be affected by changes in the community and its use of telecommunications. This includes the high use of mobile services and much lower use of payphones. This could mean, for example, that payphones are not needed in the same range of locations as in the past or new more streamlined approaches could be applied to consultation, installation, removal and complaint handling.

Given the number of Ministerial instruments, the Department is also interested in whether there might be merit in consolidating them where possible, into a lesser number or a single set of consolidated payphone rules. Subject to views from interested parties, revised instruments (and a Regulation Impact Statement, if required) would be prepared in advance of 1 April 2022—the table below provides an indicative timeline.

If there are complex issues or diverse views on the future need and form of the Ministerial instruments, to provide continuity and certainty, it may be necessary to remake the instruments in their current form for a short period. This would allow those issues to be worked through as needed, noting also that changes to existing instruments may also give rise to implementation and operational issues for Telstra. Another option, subject to the outcomes of consultation, would be for the Minister and the ACMA respectively to seek agreement from the Attorney-General to a short deferral of existing sunset dates.

Queries and feedback provided to the Department by email to usg@infrastructure.gov.au.

Milestone	Date
Consultation paper released	Friday, 17 December 2021
Departmental staff available to discuss issues with stakeholders	January-February 2022
Submissions due	Friday 18 February 2022.
Minister decides on next steps	February-March 2022
Instruments sunset or remade	Friday, 1 April 2022

Appendix A: Payphone benchmark performance results

The required benchmark performance is:

- urban benchmark: Must meet or exceed standard in 90% of cases.
- rural benchmark: Must meet or exceed standard in 90% of cases.
- remote benchmark: Must meet or exceed standard in 80% of cases.

Quarterly reporting was discontinued after 2015–16.

Period	Urban	Rural	Remote
2012–13 Q1	95.6%	95.1%	69.9%
2012–13 Q2	96.7%	97.3%	97.4%
2012–13 Q3	97.4%	97.3%	95.4%
2012–13 Q4	94.8%	94.6%	89.4%
2012–13 Annual	96.1%	96.2%	88.7%
2013–14 Q1	97.0%	95.3%	75.3%
2013–14 Q2	95.4%	94.4%	90.5%
2013–14 Q3	96.1%	94.7%	97.2%
2013–14 Q4	96.9%	95.0%	93.9%
2013–14 Annual	96.3%	94.9%	91.2%
2014–15 Q1	97.5%	96.8%	96.6%
2014–15 Q2	97.2%	95.2%	93.2%
2014–15 Q3	97.0%	94.2%	93.0%
2014–15 Q4	95.5%	94.9%	88.8%
2014–15 Annual	96.8%	95.3%	92.8%
2015–16 Q1	95.6%	95.5%	94.2%
2015–16 Q2	95.5%	93.8%	89.1%
2015–16 Q3	93.7%	92.4%	85.2%
2015–16 Q4	92.7%	91.6%	83.1%
2015–16 Annual	94.5%	93.4%	87.6%
Annual	94.2%	91.6%	89.0%
Annual	92.0%	91.4%	86.9%
Annual	94.2%	92.4%	86.2%
Annual	91.2%	90.8%	90.3%
Annual	91.3%	90.8%	85.5%

Appendix B: ACMA net social benefit criteria guidelines

ACMA's guidelines set out the format and methodology for undertaking a net social benefit assessment. This is summarised below. There are 9 social benefit criteria for new payphone installations, and 11 for proposed payphone removals. Telstra is required to undertake an assessment of all individual criteria. Once individual criteria are assessed, the net social benefit is then considered (i.e. if installation of a new payphone had a positive score against 5 or more of the 9 individual criteria, it would be considered to provide a net social benefit).

	Payphone removals	Payphone installations
The commercial viability of maintaining the payphone	Social benefit assessment no. 1: A net profit would suggest a payphone is commercially viable and indicate an increased likelihood that the payphone would provide a social benefit, given that the PUSP is also a stakeholder in the local community. A net loss would suggest a payphone is not commercially viable and indicate a decreased likelihood that the payphone would provide a social benefit, given that the PUSP is also a stakeholder in the local community.	Social benefit assessment no. 1: A (projected) net profit would indicate an increased likelihood that the payphone would provide a social benefit, given that the PUSP is also a stakeholder in the local community. A (projected) net loss would indicate a decreased likelihood that the payphone would provide a social benefit, given that the PUSP is also a stakeholder in the local community
Call usage patterns for the payphone	Social benefit assessment no. 2: A steady or increasing call usage pattern would indicate an increased likelihood that the payphone would provide a social benefit to the local community. A declining call usage pattern would indicate a decreased likelihood that the payphone would provide a social benefit to the local community	n/a
Whether the revenues from the payphone will cover the depreciation and maintenance costs of maintaining the payphone on an annual basis	Social benefit assessment no. 3: If the total revenues equal or exceed the total depreciation and maintenance costs—that is, they are 'covered'—this would indicate an increased likelihood that the payphone would provide a social benefit, given that the PUSP is also a stakeholder in the local community. If the total revenues are less than the total depreciation and maintenance costs—that is, they are not 'covered'—this would indicate a decreased likelihood that the payphone would provide a social benefit, given that the PUSP is also a stakeholder in the local community.	Social benefit assessment no. 2: If the total (projected) revenues equal or exceed the total (projected) depreciation and maintenance costs—that is, they are 'covered'—this would indicate an increased likelihood that the payphone would provide a social benefit, given that the PUSP is also a stakeholder in the local community. If the total (projected) revenues are less than the total (projected) depreciation and maintenance costs—that is, they are not 'covered'—this would indicate a decreased likelihood that the payphone would provide a social benefit, given that the PUSP is also a stakeholder in the local community.
The extent to which funding (if any) provided to the PUSP to install or maintain the payphone, including any payments made to the PUSP by the Commonwealth,	Social benefit assessment no. 4: If the total funding (if any) provided equals or exceeds the total depreciation and maintenance costs—that is, they are 'covered'—this would indicate an increased likelihood that the payphone would provide a social benefit, given that the PUSP is also a stakeholder in the local community. If the total funding (if any) provided is less than the total depreciation and maintenance costs—that is, they are not 'covered'—this would	Social benefit assessment no. 3: If the total (projected) funding (if any) provided equals or exceeds the total (projected) depreciation and maintenance costs—that is, they are 'covered'—this would indicate an increased likelihood that the payphone would provide a social benefit, given that the PUSP is also a stakeholder in the local community. If the total (projected) funding (if any) provided is less than the total

	Payphone removals	Payphone installations
will contribute to covering the depreciation and maintenance costs of maintaining the payphone	indicate a decreased likelihood that the payphone would provide a social benefit, given that the PUSP is also a stakeholder in the local community.	(projected) depreciation and maintenance costs—that is, they are not ‘covered’—this would indicate a decreased likelihood that the payphone would provide a social benefit, given that the PUSP is also a stakeholder in the local community.
The benefit to the local community arising from the location of a payphone at the payphone site (or proposed site)	<p>Social benefit assessment no. 5: If there is at least one community facility or national park located within a one-kilometre radius of the proposed payphone removal site, this would indicate an increased likelihood that the payphone would provide a net social benefit to the local community. If there are no community facilities or national parks located within a one-kilometre radius of the proposed payphone removal site, this would indicate a decreased likelihood that the payphone would provide a net social benefit to the local community.</p> <p>Social benefit assessment no. 6: It is assumed that a community that falls into a socioeconomic disadvantage decile of 1 to 5 (inclusive) would indicate an increased likelihood that the payphone would provide a social benefit to that local community. A community that falls into a decile of 6 to 10 (inclusive) would indicate a decreased likelihood that the payphone would provide a social benefit to the local community</p> <p>Social benefit assessment no. 7: It is assumed that an above-average result of people aged 65 years and over—and a decile of 1 to 5 in social benefit assessment no. 6—would indicate an increased likelihood that the payphone would provide a social benefit to the local community. An above average result—and a decile of 6 to 10 in social benefit assessment no. 6—would indicate a decreased likelihood that the payphone would provide a social benefit to the local community. A below-average result would indicate a decreased likelihood that the payphone would provide a social benefit to the local community</p> <p>Social benefit assessment no. 8—between 15 and 24 years: It is assumed that an above-average result would indicate an increased likelihood that the payphone would provide a social benefit to the local community. A below-average result would indicate a decreased likelihood that the payphone would provide a social benefit to the local community.</p>	<p>Social benefit assessment no. 4: A community that falls into a socioeconomic disadvantage decile of 1 to 5 (inclusive) would indicate an increased likelihood that the payphone would provide a social benefit to that local community. A community that falls into a decile of 6 to 10 (inclusive) would indicate a decreased likelihood that the payphone would provide a social benefit to that community</p> <p>Social benefit assessment no. 5: It is assumed that an above average result of people aged 65 years and over—and a decile of 1 to 5 in social benefit assessment no. 4—would indicate an increased likelihood that the payphone would provide a social benefit to the local community. An above-average result—and a decile of 6 to 10 in social benefit assessment no. 4—would indicate a decreased likelihood that the payphone would provide a social benefit to the local community. A below-average result would indicate a decreased likelihood that the payphone would provide a social benefit to the local community</p> <p>Social benefit assessment no. 6: It is assumed that an above-average result of people aged between 15 and 24 years would indicate an increased likelihood that the payphone would provide a social benefit to the local community. A below-average result would indicate a decreased likelihood that the payphone would provide a social benefit to the local community.</p>
The extent to which there is adequate mobile phone coverage in the relevant area	Social benefit assessment no. 9: It is assumed that no mobile phone coverage would indicate an increased likelihood that the payphone would provide a social benefit to the local community. In contrast, the presence of any	Social benefit assessment no. 7: It is assumed that no mobile phone coverage would indicate an increased likelihood that the payphone would provide a social benefit to the local community. In contrast,

	Payphone removals	Payphone installations
where the payphone is proposed to be removed / located	mobile phone coverage would indicate a decreased likelihood that the payphone would provide a social benefit to the local community.	the presence of any mobile phone coverage would indicate a decreased likelihood that the payphone would provide a social benefit to the local community.
In the event mobile phone coverage in the relevant area where the payphone is proposed to be removed / located is inadequate, the extent to which a payphone is needed for the purposes of assisting with responding to an emergency	<p>Social benefit assessment no. 10: A distance greater than 400 metres to the next nearest PUSP operated payphone would indicate an increased likelihood that the payphone concerned would provide a social benefit to the local community. A distance of between 0 metres and 400 metres (inclusive) would indicate a decreased likelihood that the payphone concerned would provide a social benefit to the local community.</p> <p>Social benefit assessment no. 11: It is assumed that any genuine emergency calls from the payphone concerned would indicate an increased likelihood that the payphone would provide a social benefit to the local community. No genuine emergency calls from the payphone concerned would indicate a decreased likelihood that the payphone would provide a social benefit to the local community.</p>	<p>Social benefit assessment no. 8: A distance greater than 400 metres to the next nearest PUSP operated payphone would indicate an increased likelihood that the payphone concerned would provide a social benefit to the local community. A distance of between 0 metres and 400 metres (inclusive) would indicate a decreased likelihood that the payphone concerned would provide a social benefit to the local community.</p> <p>Social benefit assessment no. 9: The PUSP is required to undertake a risk assessment on the proposed payphone location. In determining the level of risk involved with not installing a payphone at the proposed payphone location, the PUSP must have regard to whether it is assumed that the payphone at the new location is likely to be required to make genuine emergency calls. If so, this would indicate an increased likelihood that the payphone would provide a social benefit to the local community. If it is not likely to be required to make genuine emergency calls, this would indicate a decreased likelihood that the payphone would provide a social benefit to the local community.</p>