



TELSTRA CORPORATION LIMITED

Submission in response to the Review of sunsetting payphone instruments Consultation paper

18 February 2022



Introduction

Telstra welcomes the opportunity to comment on the Department of Infrastructure, Transport, Regional Development and Communications' (the Department) Review of Sunsetting Payphone Instruments Consultation paper (the Paper).

Telstra supports a review of the legislative instruments given their age and the level of change which the telecommunications sector has seen over the time the instruments have been operating. Technological advances, and changes in consumer behaviour and expectations, have all contributed to a shift in the value of payphones to Australians and should merit a review of the legislation put in place to regulate and monitor Telstra's contract with all Australians to provide accessible payphones where needed.

We know that, even in the age of the smartphone, payphones have a critical role in our community, particularly in times of need like natural disasters. Telstra is proud to provide just under 15,000 public payphones throughout Australia which provide valuable services to the community. Payphones continue to be a vital piece of social infrastructure, especially for our most vulnerable and disadvantaged in the community. To make our payphone network even more accessible, from August 2021, all calls from payphones to local, national, and Australian mobile numbers became free of charge.

As noted in the Paper, since the introduction of free local and national calls to standard land line and Australian mobile numbers from Telstra's public payphones within Australia, there has been a significant increase in the number of calls made, showing the community continues to value payphones. Highlighting the ongoing need for payphones in our most vulnerable communities, more than 30,000 calls per month are made from payphones to Services Australia, Helplines (e.g., Lifeline) and police and emergency services.

Telstra notes that the amount of time before the sunset date of 1 April 2022 may not be sufficient to review and revise the instruments and therefore that the instruments are likely to be rolled over unchanged. If this is the case, Telstra believes that any extension should be for a limited period of no more than 12 months, to allow a more comprehensive review before the Department decides whether to sunset or remake the instruments. In any case we have included below the changes we believe are necessary.

These changes should not be controversial and would realise cost efficiencies to the benefit of the government, Telstra, and the community. These rules relate to

- Location of Payphones Determination:
 - the ability to reasonably operate a payphone;
 - retention of TTY payphones;
 - payphone site definition;
 - net social benefit criteria;
- Public Consultation on the Location or Removal of Payphones Determination:
 - payphone site definition;
 - removal notification publishing requirements;
 - length of installation/removal consultation;
- Payphone Performance Standards Determination:



- Annual Performance Standard timeframes;
- Payphone Performance Benchmarks Determination:
 - Annual Performance Benchmarks; and
- the Net Social Benefit (**NSB**) Guidelines. (*the Guidelines are not part of this sunseting consultation, but they rely on the Location of Payphones and Public Consultation on Location or Removal of Payphones rules*)

Rules for the location, installation and removal of USO payphones

Telecommunications Universal Service Obligation (Location of Payphones) Determination 2011

Payphones located on private sites

It can be difficult to retain payphones on private sites, especially railway stations, shopping centres and universities. Owners of the land where these payphones are located often ask for the removal of payphones in order to free up space. Where a private landowner no longer believes that they need a payphone at a site, Telstra should not be required to persuade them to keep it and should be allowed to remove it without the consultation rules in the in the Telecommunications Universal Service Obligation (Public Consultation on the Location or Removal of Payphones) Determination 2011 applying.

The removal of a payphone located on private land should be a commercial interaction between Telstra and the landowner and the current public consultation rules should not apply. Where Telstra has a commercial agreement with a landowner, and that landowner withdraws permission for the payphone to remain, Telstra may not be able to meet its obligations relating to the removal of payphones.

Where we still have multi-payphone sites, for example within a shopping centre or university, and propose to reduce the number of payphones we will obtain agreement from the landowner (where the landowner has not already approached us requesting a removal). Under the current rules, we then need to notify the local government authority (LGA) and landowner in writing and post a notice on telstra.com to notify of the proposal. The site owner has already agreed and the LGA has no interest in payphones on private property. Where the last remaining payphone is proposed to be removed, all that should be required is a withdrawal of consent from the site owner with no notifications necessary.

Requirement for keeping telephone typewriter (TTY) payphone sites

Telstra is sensitive to the need to provide payphones accessible to those who may not be able to use a standard payphone. In the Determination, obligations regarding accessibility were included with specific reference to TTY payphone technology. TTY payphones are now at end-of-life and rapidly becoming obsolete as users turn to better technological solutions and patronage has decreased dramatically. Of the 137 payphones fitted with TTYs in operation across Australia, only 29 were used to make a call to either the National Relay Service or Emergency 106 in the last 12 months. Telstra believes that the Determination should be technology-agnostic and specific mentions of the use of TTYs should be removed.



Subsection 14(4) sets out that an eligible payphone request may include the type of payphone being requested, with the three categories being coin-operated, card-operated or TTY payphone. The type of payphone is no longer relevant to an eligible payphone request as there is no longer a choice - there are no coin operated payphones anymore, and TTY payphone equipment is end-of-life and unable to be sourced for new installations.

Site definition

A payphone site is defined in the Determination by reference to “a place or area which is no greater than 10 square metres”. When Telstra is required to remove or relocate a payphone, for example due to road works, the impact of this definition means that additional rules apply where either another payphone site is within walking distance but outside that 10 square metre site or the road works are large enough to cover the 10 square metre area. Telstra’s view is that the definition of a site should be amended to 20 square metres as this would allow relocations or removals where necessitated by road works but have a minimal impact on community accessibility. See also Telstra’s position in relation to this point in our response regarding the Rules for consultation and complaints involving the location and removal of USO payphones below.

Net Social Benefit (NSB) criteria

Telstra agrees with the Paper that the NSB criteria to which Telstra must have regard in assessing all eligible requests for new payphones will have been impacted by technological, community and market changes. In Telstra’s view these include the uptake of mobile telephony and more recently by the introduction of free local and national calls to standard land line and Australian mobile numbers from Telstra’s public payphones within Australia. We believe that the NSB criteria dealing with call usage, cost, revenue and funding could be reviewed and updated in line with current community usage and expectations.

The ACMA NSB Guidelines¹ were set up many years ago and would benefit from review and amendment to keep up with community expectations. The NSB Guidelines expand on the criteria and provide detail as to how the assessments are calculated. Government guidelines expect that regulation should be periodically reviewed for relevance and necessity, and since the NSB Guidelines were set in 2014, community expectations regarding access to payphones have changed. Telstra believes that some social benefit assessments listed in the NSB Guidelines could be simplified without significant detriment to the users of public payphones.

Additionally, the NSB Guidelines include assessments covered under the catchall of “benefit to the local community” which relate to the location of community facilities, and usage of payphones by members of the community who are aged 15-24 years. Telstra believes these are outdated.

While Telstra understands that the NSB Guidelines do not fall under the review which the Paper is consulting on, we believe that any review of the NSB criteria in the instruments should include associated documents such as these.

¹ [Payphone \(Assessment of Net Social Benefit\) Guidelines—2014](#)



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

Site definition

A payphone site is defined in the Determination by reference to “an area of land which is no greater than 10 square metres”. When Telstra is required to consult regarding installing, removing or relocating a payphone, for example due to road works, the limit of 10 square metres means that additional rules apply where another payphone site is within walking distance but outside that 10 square metres but may be within walking distance or where the road works are large enough to cover the 10 square metre area. Telstra’s view is that the definition of “site” should be amended to 20 square metres as this would allow relocations or removals without additional consultation rules where they are necessitated by road works but have a minimal impact on community accessibility.

Notification via Newspaper Advertisements

As part of the public consultation process for locating or removing payphones, Telstra is required by the Determination to publish notices in a local newspaper. Most Australian localities have had a newspaper produced for their local area for many years, however more and more of these local publications have ceased printing a paper edition and have either moved to online-only or have closed altogether. In 2020, News Corp Australia announced it would stop printing over 100 of its regional and suburban newspapers — some will become digital-only, and some will close entirely. Then in 2021, News Corp further announced that they would stop distributing any printed papers to much of regional Queensland. It could be assumed that looking forward, this push to cut the costs of distribution will lead to more regional areas having less access to printed newspapers, not only local, but state and national mastheads.

We believe that the Determination should be amended to remove the obligation to publish any payphone proposal notifications in a local newspaper.

Telstra has been exploring the option of using digital media to notify localities in which we are proposing to make changes to payphone locations, where the most effective option would be digital. Digital media is ubiquitously available, and we also already have the obligation to provide notifications on Telstra.com.

Additionally, these newspaper advertisements, as well as the notifications published on Telstra.com, must be published 42 days prior to the date that a decision is to be made on the proposal. Telstra considers that 42 days (7 weeks) is an excessive period of time for the community to wait for a decision, especially in the case of a new installation which has been requested by the community. As such, Telstra’s proposal is that 30 days would be more reasonable.



USO payphone standards and performance

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

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

Site definition and TTY payphone equipment

A payphone site is defined in the Standards Determination by reference to “a place or area which is no greater than 10 square metres”. As mentioned above, Telstra’s view is that the definition should be amended to 20 square metres.

Also mentioned above, TTY payphone equipment is now at end-of-life and unable to be sourced for new installations. As Telstra must, in subsection 8(3) of the Standards Determination, meet the guidelines set out in the Accessibility of Payphones Industry Guideline G630:2020² there should be no need to specifically mention TTY equipment.

Telstra considers that both the Standards Determination and the Benchmarks Determination require amendment in line with the changed circumstances of the payphone network and supporting copper network.

Since the introduction of free local and national calls to standard land line and Australian mobile numbers from Telstra’s public payphones within Australia, Telstra has observed a substantial growth in payphone usage. While this growth in usage has occurred across all areas, it has been most marked in rural and regional areas. With growth in usage has come growth in the number of payphone critical faults. The “stepped” nature of the current payphone benchmarks, with faults and service difficulties in urban areas required to be rectified within a maximum of one working day, naturally requires that most service assurance resources be directed and prioritised to urban faults and service difficulties. Telstra proposes a change in the payphone benchmarks to re-balance service assurance resources across all areas and remove the incentive to focus on urban areas first. This re-balance could be achieved by standardising the working days available for fixing a fault or service difficulty across each of urban, rural and remote regions, counterbalanced by an increase in the benchmark for rural and remote areas to match the benchmark in urban areas. The overall objective is to re-balance slightly the prioritisation and deployment of service assurance resources. We believe that this approach is also consistent with the recommendations of the RTIRC report of February 2022.

² <https://www.commsalliance.com.au/Documents/all/guidelines/g630>

Appendix – Detail of Proposed Changes

Legislation	Concern	Proposed Change
<p>Telecommunications Universal Service Obligation (Location of Payphones) Determination 2011</p>	<p><i>Removal of a payphone located on private land should be a commercial interaction between Telstra and the landowner and the public consultation rules should not apply.</i></p> <ul style="list-style-type: none"> ○ <i>Where Telstra has a commercial agreement with a landowner, and that landowner withdraws permission for the payphone to remain, Telstra may not be able to meet the current public consultation obligations applicable to the removal of payphones</i> 	<p>Payphone activity on private land is a commercial interaction between Telstra and the site owner and no consultation should be required with other external parties.</p> <p>Addition Explanatory note or additional paragraph in Section 20 clarifying that payphones on private land are not covered by the rules in the <i>Telecommunications Universal Service Obligation (Public Consultation on the Location or Removal of Payphones) Determination 2011</i>, which require public consultation.</p>
	<p>Section 3 Definitions <i>The definition of a “site” is limited to 10 square metres, which does not consider nearby payphones within close walking distance.</i></p>	<p>Amend site means place or area which is no greater than 10 square metres to site means a place or area which is no greater than 20 square metres</p>

Legislation	Concern	Proposed Change
	<p><i>Section 6(1) requires that a TTY payphone be located, and continue to be located, at TTY locations.</i></p> <p><i>Also, the type of payphone in an eligible payphone request is no longer relevant, as there is no longer a choice – there are no coin operated payphones anymore, and TTY payphones are end-of-life.</i></p>	<p>TTY payphones are now end-of-life and rapidly becoming obsolete as users turn to better technological solutions.</p> <p>The Determination should not specify the technology required to provide payphone services and should instead be technology-agnostic.</p> <p>Remove the Section 3 Definitions for TTY payphone and TTY payphone location.</p> <p>And remove</p> <p>Section 6(1)(b) a TTY payphone is located, and continues to be located, at a place or area that is a TTY payphone location.</p> <p>And remove</p> <p>Section 12 Meaning of TTY payphone location</p> <p>And remove</p> <p>Section 14(4) An eligible payphone request may also specify the type of payphone that is requested to be located at the place or area, such as whether the request is for:</p> <ul style="list-style-type: none"> (a) a coin operated payphone; (b) a card operated payphone; or (c) a TTY payphone. <p>And remove</p> <p>15(3) Where a primary universal service provider receives an eligible payphone request relating to the installation of a TTY payphone, the primary universal service provider must determine whether the place or area specified in the request is a TTY payphone location.</p>
	<p><i>Sections 6(5) and 20(2)</i> <i>NSB Criteria are out of date</i></p>	<p>Criteria dealing with viability, cost, revenue and funding require review for “fit-for-purpose” given technological change, widespread use of mobile services and free local and national calls to standard land line and Australian mobile numbers from Telstra’s public payphones within Australia.</p>

Legislation	Concern	Proposed Change
<p>Telecommunications Universal Service Obligation (Public Consultation on the Location or Removal of Payphones) Determination 2011</p>	<p><i>Sections 5 (5), 9 (2) and 12 (2) require publication of installation or removal notices in a local newspaper, a medium which is becoming less visible and therefore less useful as a means of notification, given closures of local publications and increasing use of digital media.</i></p> <p><i>Additionally, Telstra considers that 42 days is an excessive period of time for the community to wait for a decision, especially in the case of a new installation which has been requested by the community and proposes that 30 days would be more reasonable.</i></p>	<p>Amend</p> <p>Section 5 (4) A primary universal service provider must send the notification at least 42 days prior to the date specified for the purposes of paragraph (3)(d)</p> <p>To</p> <p>Section 5 (4) A primary universal service provider must send the notification at least 30 days prior to the date specified for the purposes of paragraph (3)(d)</p> <p>And amend</p> <p>Section 5 (5) A primary universal service provider must publish a notification of the proposal:</p> <p>(a) in a local newspaper at least 42 days prior to the date specified for the purposes of paragraph (3)(d); and</p> <p>(b) on its website at least 42 days prior to the date specified for the purposes of paragraph (3)(d).</p> <p>to</p> <p>Section 5 (5) A primary universal service provider must publish a notification of the proposal on its website at least 30 days prior to the date specified for the purposes of paragraph (3)(d).</p> <p>And amend</p> <p>Section 9 (2) (c) in accordance with section 12, publish a notification of the proposal:</p> <p>(i) in a local newspaper; and</p> <p>(ii) on its website; and</p> <p>to</p> <p>Section 9 (2) (c) in accordance with section 12, publish a notification of the proposal on its website; and</p> <p>And amend</p> <p>Section 10(4) A primary universal service provider must put a display notice under subparagraphs 9(2)(a)(i) and 9(2)(a)(ii) on display at least 42 days prior to the date specified for the purposes of paragraph (3)(c).</p> <p>To</p> <p>Section 10(4) A primary universal service provider must put a display notice under subparagraphs 9(2)(a)(i) and 9(2)(a)(ii) on display at least 30 days prior to the date specified for the purposes of paragraph (3)(c).</p>

Legislation	Concern	Proposed Change
		<p>And remove Section 12 (2) A notification under subparagraph 9(2)(c)(i) must be published in the local newspaper at least 42 days prior to the date specified for the purposes of paragraph 10(3)(c).</p> <p>And amend Section 12 (3) A notification under subparagraph 9(2)(c)(ii) must: (a) be published prominently on the first page of the primary universal service provider’s section of its website relating to payphones at least 42 days prior to the date specified for the purposes of paragraph 10(3)(c); and (b) be maintained on the website until the date of the final decision regarding the removal of the payphone.</p> <p>To Section 12 (3) A notification under subparagraph 9(2)(c) must: (a) be published prominently on the first page of the primary universal service provider’s section of its website relating to payphones at least 30 days prior to the date specified for the purposes of paragraph 10(3)(c); and (b) be maintained on the website until the date of the final decision regarding the removal of the payphone.</p> <p>And amend Section 13 (2) The primary universal service provider must: (a) publish a copy of the payphone consultation document on the first page of its section of its website relating to payphones at least 42 days prior to the date specified for the purposes of paragraph 10(3)(c); and (b) ensure that a copy of the document remains accessible on its website for the duration of that 42 day period.</p> <p>To Section 13(2) The primary universal service provider must: (a) publish a copy of the payphone consultation document on the first page of its section of its website relating to payphones at least 30 days prior to the date specified for the purposes of paragraph 10(3)(c); and (b) ensure that a copy of the document remains accessible on its website for the duration of that 30 day period.</p>

Legislation	Concern	Proposed Change
		<p>And amend Section 15(4) A primary universal service provider must provide the notification at least 42 days prior to the date specified for the purposes of paragraph (3)(c). To Section 15(4) A primary universal service provider must provide the notification at least 30 days prior to the date specified for the purposes of paragraph (3)(c). And amend Section 15 (5) A primary universal service provider must publish a notification of the proposal prominently on the first page of its section of the website relating to payphones at least 42 days prior to the date specified for the purposes of paragraph (3)(c). To Section 15(5) A primary universal service provider must publish a notification of the proposal prominently on the first page of its section of the website relating to payphones at least 30 days prior to the date specified for the purposes of paragraph (3)(c). And remove 3 Definitions local newspaper, in relation to a payphone location proposal or payphone removal proposal, means a newspaper which is in circulation where the payphone that is the subject of the proposal is located.</p>
	<p><i>Removal of a payphone located on private land should be a commercial interaction between Telstra and the landowner and the public consultation rules should not apply.</i></p>	<p>Payphone activity on private land is a commercial interaction between Telstra and the site owner and no consultation should be required with other external parties. Addition Explanatory note or additional paragraph clarifying that payphones on private land are not covered by the rules requiring public consultation.</p>
	<p><i>Section 3 Definitions The definition of a “site” is limited to 10 square metres, which does not consider nearby payphones in close walking distance.</i></p>	<p>Amend site means an area of land which is no greater than 10 square metres to site means an area of land which is no greater than 20 square metres</p>
<p>Telecommunications Universal Service Obligation (Payphone Performance Standards) Determination (No. 1) 2011</p>	<p><i>Section 3 Definitions The definition of a “site” is limited to 10 square metres, which does not consider nearby payphones in close walking distance.</i></p>	<p>Amend site means place or area which is no greater than 10 square metres to site means a place or area which is no greater than 20 square metres</p>

Legislation	Concern	Proposed Change
	<p><i>Section 8(3) requires that a payphone must be able to be modified to include a TTY attachment.</i></p>	<p>TTY payphones are now end-of-life and rapidly becoming obsolete as users turn to better technological solutions.</p> <p>The Determination should not specify the technology required to provide payphone services and should instead be technology-agnostic.</p> <p>Remove the Subsection 3 Definition for teletypewriter</p> <p>And amend</p> <p>Section 8(3) A payphone must:</p> <ul style="list-style-type: none"> (a) provide operating instructions, with the option of selecting text in languages other than English; (b) be able to be modified to include a teletypewriter attachment; and (c) meet: <ul style="list-style-type: none"> (i) the guidelines set out in the Accessibility of Payphones Industry Guideline G630:2006 prepared by the Communications Alliance Ltd; or (ii) if replacement guidelines regarding the accessibility of payphones are published by the Communications Alliance Ltd, or a successor representative body, those guidelines as existing from time to time. <p>Note: In relation to paragraph (3)(c), see subsection 589(2) of the Telecommunications Act 1997.</p> <p>to</p> <p>8(3) A payphone must:</p> <ul style="list-style-type: none"> (a) provide operating instructions, with the option of selecting text in languages other than English; and (b) meet: <ul style="list-style-type: none"> (i) the guidelines set out in the Accessibility of Payphones Industry Guideline G630:2020 prepared by the Communications Alliance Ltd; or (ii) if replacement guidelines regarding the accessibility of payphones are published by the Communications Alliance Ltd, or a successor representative body, those guidelines as existing from time to time. <p>Note: In relation to paragraph (3)(b), see subsection 589(2) of the Telecommunications Act 1997.</p>