

Australian Government response to the
2021 Regional Telecommunications Independent Committee report

2021 Regional Telecommunications Review: A step change in demand

30 March 2022

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## Message from Minister McKenzie

In the three years since the last Regional Telecommunications Review, those of us who live, work and study in regional Australia have seen our use of – and reliance on – telecommunications services continue to transform profoundly.

Over this period, regional Australians, including those living in peri-urban areas, have faced a range of challenges – from bushfires to floods to COVID-19. In each instance, digital connectivity has supported regional communities and industries to remain resilient and to rise to the opportunity to rebuild stronger than before.

Improved digital connectivity is also opening up the regions to new opportunities in both key sectors like agriculture, mining, manufacturing and tourism, but also in the knowledge and creative economies. Workers in these industries are now able to take their jobs with them to new places, where there is good internet bandwidth and a decent mobile signal.

As Minister for Regionalisation, Regional Communications and Regional Education, as well as Emergency Management and National Recovery and Resilience, I am focused on the enabling impact telecommunications has on the liveability of the regions and peri-urban areas. As our regional cities continue to transform in coming years, the demand for high-speed connectivity to underpin innovation, competition, wellbeing and growth will only increase.

Since 2013, the Liberal and Nationals Government has backed digital connectivity in regional Australia. We have delivered on our promise to complete the National Broadband Network (NBN), established a new Universal Service Guarantee (USG), and have made the most significant government investment in mobile coverage in Australian history through the Mobile Black Spot Program (MBSP). Most recently, we have empowered regional communities and businesses to meet their unique digital needs through the Regional Connectivity Program (RCP).

Much of this regional telecommunications agenda has been informed by the work of the Regional Telecommunications Independent Review Committee (the Committee). The Committee’s triennial independent review gives regional Australians the opportunity to speak frankly about the role that digital connectivity plays in their lives and what the Government can do to ensure that all Australians have access to the benefits and opportunities of the digital economy.

The 2021 Regional Telecommunications Review (the 2021 Hartsuyker Review) forms a critical part of refreshing the Liberal and Nationals Government’s ongoing commitment to regional connectivity. The 2021 Committee, chaired by the Hon Luke Hartsuyker, has worked tirelessly to deliver a comprehensive ‘report card’ which highlights the ongoing demand for connectivity in the regions and peri-urban areas, and the need for Government telecommunications investment to be targeted, coordinated and strategic in its approach.

Despite the impacts of COVID-19 travel restrictions, the Committee’s efforts have seen a record engagement with the public. The Committee held 24 online consultations targeted at various regions across Australia, and received over 650 written submissions from regional stakeholders. Thank you to all the people who contributed to the review. You have spoken and we are listening.

My sincere thanks also go to Mr Hartsuyker and the rest of the Committee: Ms Kristy Sparrow, Ms Sue Middleton, Professor Hugh Bradlow and Mr Michael Cosgrave. Your dedication to improving the state of regional telecommunications is evident in the report you have provided to Government.

On behalf of the Liberal and Nationals Government, I am proud to present our response to the 2021 Hartsuyker Review. This response builds on our commitments to regional Australia across a number of critical areas, and will deliver measures to meet the step change in demand for connectivity in the regions.

SENATOR THE HON BRIDGET MCKENZIE

MINISTER FOR EMERGENCY MANAGEMENT AND NATIONAL RECOVERY AND RESILIENCE

MINISTER FOR REGIONALISATION, REGIONAL COMMUNICATIONS AND REGIONAL EDUCATION

## Overview of the 2021 Hartsuyker Review

The 2021 Hartsuyker Review examined the adequacy of telecommunications in regional, rural and remote parts of Australia, including peri-urban areas. Under its Terms of Reference, the 2021 Regional Telecommunications Independent Review Committee (the Committee) also considered the following themes:

* The impact of Australian Government policies and programs for improving connectivity, competition and digital literacy in regional Australia;
* Insights from COVID-19 on consumer access to and usage of broadband and mobile services;
* The potential of emerging technologies in changing the delivery of telecommunications services;
* The impacts of service reliability issues on regional communities;
* Ways to support more rapid rollout of, and investment in, new telecommunications technologies;
* The role of digital connectivity in supporting broader regional development priorities;
* Ways to improve coordination between Australian, state and territory governments on regional connectivity investment.

In addition to these themes, the Committee also included consideration of connectivity literacy and digital inclusion issues, including in regard to Indigenous Australians, as part of its Review.

The Committee was comprised of the Hon Luke Hartsuyker (Chair), Ms Kristy Sparrow (Deputy Chair), Ms Sue Middleton, Professor Hugh Bradlow and Mr Michael Cosgrave.

The Committee received a record response to its consultation efforts, including over 650 submissions from individuals, businesses, industry and other key regional stakeholders in response to its Issues Paper. Due to COVID-19 travel restrictions, the Committee was unable to undertake planned face-to-face consultations across Australia. However, it hosted 24 public consultations over Microsoft Teams, attended by almost 500 people.

The Committee delivered its report, *2021 Regional Telecommunications Review: A step change in demand*, to the Liberal and Nationals Government on 13 December 2021. The report was tabled in Parliament and subsequently published on 14 February 2022. The report sets out 16 key findings in relation to Australian, state, territory and local government coordination and investment in digital connectivity, the reliability and resilience of regional networks, the ongoing ‘step change’ increase in regional data consumption, and the accessibility and affordability of regional telecommunications services.

The report also puts forward 12 recommendations for the future direction of regional telecommunications policy, summarised as follows:

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| --- | --- | --- | --- |
| 1 | Adopt a longer term strategic approach to regional digital infrastructure and skills | 7 | Implement and enforce network performance and reliability standards across all wholesale and retail services |
| 2 | Enhance the scale of Government investment in regional connectivity | 8 | Continue and reform existing Universal Service arrangements for the future |
| 3 | Implement a regional telecommunications resilience fund | 9 | Improve the information available to consumers about mobile services |
| 4 | Conduct trials of emerging connectivity technologies and services | 10 | Encourage shared network access and innovative funding for regional mobile |
| 5 | Build connectivity literacy and digital capability among regional users | 11 | Place continued focus on the digital needs of Indigenous communities |
| 6 | Expand and enhance the NBN Co regional fixed wireless network | 12 | Improve communications affordability for vulnerable groups in regional areas |

## Australian Government response

The Liberal and Nationals Government is continuing to deliver on its strong track record of telecommunications investment in regional, rural and remote Australia. The Liberal and Nationals Government also recognises that the peri-urban fringe experiences many of the same issues.

In December 2018 the Liberal and Nationals Government announced a new Universal Service Guarantee (USG) to provide people across Australia with access to broadband as well as the telephone and payphone services to which access was previously provided. This was given legislated backing from 1 July 2020 through the Liberal and Nationals Government’s new statutory infrastructure provider laws. The USG leverages the NBN and the historical Universal Service Obligation (USO).

In December 2020, the Minister for Communications, Urban Infrastructure, Cities and the Arts, the Hon Paul Fletcher MP, declared that the volume rollout of the NBN had been completed. With the NBN now considered built and fully operational, NBN Co Limited (NBN Co) is focused on the evolution of the network to meet the changing needs of all Australians, including regional, rural and remote areas.

NBN Co has embarked on an extensive $4.5 billion investment plan to upgrade the network in anticipation of growing demand. This includes $3.5 billion in funding to extend fibre deeper into the existing fibre to the node footprint and upgrade capacity on other fixed line technologies, allowing up to 75 per cent of premises and businesses in the fixed line footprint on-demand access to NBN Co’s highest wholesale speed plans (up to 1 Gbps) by 2023. These upgrades are forecast to benefit around 950,000 households and 455,000 businesses in regional Australia, as well as resulting in a $1.5 billion uplift to regional GDP.

While the NBN represents the backbone of the Liberal and Nationals Government’s investment in connectivity infrastructure across Australia, the Government also continues to recognise and support opportunities to deliver targeted uplifts to digital connectivity in areas of economic and social significance outside of the NBN fixed line footprint.

In response to the 2018 Edwards Review, the Liberal and Nationals Government has allocated approximately $229 million (GST inclusive) to date to the Regional Connectivity Program (RCP), funding the delivery of 'place-based' regional telecommunications infrastructure projects. The 81 funded projects under the $117 million first round of the RCP provide new and improved mobile voice and data coverage, fixed wireless and fibre broadband services, and improved microwave and fibre backhaul capacity to locations across regional, rural and remote Australia.

The Liberal and Nationals Government has also committed $380 million to the Mobile Black Spot Program (MBSP) to invest in telecommunications infrastructure to improve mobile coverage and competition across Australia. Under the MBSP to date, the Liberal and Nationals Government's commitment has generated a total investment of more than $875 million to deliver more than 1,270 new mobile base stations across Australia.

In 2021, the Liberal and Nationals Government introduced the Peri-Urban Mobile Program (PUMP), a $16.4 million grants program that provides funding to improve mobile connectivity in bushfire priority areas along the edges of Australia’s major cities.

The Committee’s report recognises that there is a lot of good being achieved through these investments in regional, rural, remote and peri-urban Australia. At the same time, however, it provides recommendations to refine our approach in order to deliver even greater outcomes for regional, rural and remote communities and to meet the demands of an increasingly digital economy.

We accept the Committee’s findings that there is value in a more strategic and long-term approach to targeted connectivity investments, one that uses the best of cooperative federalism to align interests and processes across all levels of government in order to maximise the reach of available funds, support broader regional development priorities and bring everyone along.

We also agree with the Committee that telecommunications infrastructure is increasingly critical to the safety and wellbeing of regional communities, particularly in times of disaster and stress. We have a longstanding and ongoing commitment to universal voice and broadband access, and are investing in network resilience in disaster-prone areas and expanded mobile coverage across Australia. We will continue to review, reform and expand these measures to ensure that regional Australians and those living in peri-urban areas, have reliable access to communications services when they are most needed.

We also recognise, as identified in the report, that the increasing demand for data in recent years is not tied to COVID-19. As new digital tools for work, study, commerce and recreation emerge, it will be critical to ensure that our connectivity infrastructure – both mobile and fixed, public and private – is delivering the bandwidth necessary to fully leverage these services on an ongoing basis. The Liberal and Nationals Government will continue to work with industry, through co-investment and appropriate regulation, to ensure that all Australians access the benefits of the digital economy.

Finally, the Liberal and Nationals Government has demonstrated a commitment to supporting regional, rural and remote consumers to access independent advice and information about the most appropriate connectivity options for their needs. In line with the Committee’s recommendations, we will continue to build on existing connectivity literacy measures, particularly through the Regional Tech Hub, to empower regional users in getting and staying connected. We will also work to make sure that telecommunications services are affordable and accessible for vulnerable regional cohorts.

The Liberal and Nationals Government is committed to meeting the challenge laid out in the report – we will deliver a ‘step change’ in policies and programs to meet the step change in demand in regional Australia.

Our response to each of the recommendations is detailed below.

The Liberal and Nationals Government’s total investment includes $1.3 billion in funding for regional telecommunications, including a new Connecting Regional Australia (CRA) initiative of $811.8 million and $480 million towards an uplift for the NBN Fixed Wireless network and associated Sky Muster service enhancements.

When considered with expected co-investments by industry and state and territory governments, we anticipate the Liberal and Nationals Government’s investment of nearly $1.3 billion will deliver well over $2 billion in total investment in telecommunications infrastructure in regional, rural, remote Australia in the coming years.

In developing the response the Minister for Regionalisation, Regional Communications and Regional Education also wrote to NBN Co, Telstra, Optus, TPG and others in the telecommunications industry to draw attention to specific recommendations in the report which are primarily or partially directed at these parties. Their responses identified a number of commercial initiatives, many substantive and already in the public domain, that will further improve service outcomes in regional, rural and remote Australia, and reinforce the Government’s response. These and other private sector investments include continuing expansion of 4G and 5G mobile, new transmission capacity, new access networks, new satellite solutions, and new international connectivity.

Recommendation 1 - Longer term approach to regional communications infrastructure and digital skills:The Committee recommends the development of a long term investment and planning framework for digital infrastructure and regional digital capability. This includes increased coordination and investment between the Australian, state and territory governments and other relevant sectors to address connectivity in the regions.

The Liberal and Nationals Government agrees to a more coordinated strategic approach to regional communications.

We note that the NBN represents an unprecedented strategic investment in digital connectivity infrastructure across Australia, including regional, rural and remote areas. Outside of the fixed line footprint, more than $4 billion has been invested in the rollout of the NBN fixed wireless and satellite networks, accessible to around one million farms, homes and businesses. The rollout of baseline services through the NBN has been guided by Government policy under the Statement of Expectations issued to NBN Co by its shareholder ministers, as well as the USG and related legislation.

The Liberal and Nationals Government has also supplemented baseline connectivity through the MBSP and in areas of economic and social significance outside the NBN fixed line footprint through the RCP. The RCP utilises a ‘place-based’ approach to investment which is informed by community needs, and seeks to work with other governments and stakeholders to deliver improved connectivity to specific areas.

However, the Liberal and Nationals Government recognises there is scope to improve regional telecommunications policy delivery and coordination with other parties across government, industry and the community. We agree with the Committee that Government investment could raise the level of service generally across regional communities by supporting wider objectives like social and economic advancement, regional recovery and regionalisation on a targeted basis. While raising some communities up, we need to avoid leaving others far behind.

The Liberal and Nationals Government is preparing draft principles to this effect. The principles will place communications in the context of our other strategic initiatives, including our regionalisation agenda, the Digital Economy Strategy and Closing the Gap targets. This will recognise the key role robust, quality telecommunications play in our lives, including supporting key activities like agriculture, business, banking and finance, health, education, government service delivery, transport, tourism, public safety, emergency management and disaster recovery.

The draft principles will deal with long term objectives, targeting investment priorities and streamlining investment processes between governments to maximise outcomes most efficiently while also acknowledging the role of regulatory safeguards in ensuring the provision of quality baseline services to all Australians. The Liberal and Nationals Government will consult key stakeholders, including state and territory governments, on these principles to ensure they are appropriate and effective.

The Committee’s report also highlights a need for ‘living’ interactive mapping of telecommunications infrastructure, including fibre routes and their capacity, as part of the development of a strategic approach (p. 25). The Liberal and Nationals Government agrees to this suggestion and will consider options to improve public information on regional telecommunications networks (see Recommendation 9).

Recommendation 2 - Enhanced connectivity investments:The Committee recommends that the Government continues, but significantly strengthens and enhances, its commitment to large-scale multi-year connectivity investments. This recognises the increased importance of digital infrastructure as a critical foundation to grow the digital economy and support regionalisation.

The Committee further recommends that:

* the Government continues to support provision of new mobile coverage
* the Government continues to be guided in its investments by the approach taken in the Regional Connectivity Program, incorporating a strategic ‘place-based’ approach
* the Government’s investments should also:

- encompass broader regional and industry sectoral outcomes

- address capacity and competition issues by providing additional backbone solutions; and

- consider funding vehicles which leverage private sector co-investment.

The Liberal and Nationals Government agrees to a further large-scale multi-year connectivity investment in digital infrastructure and skills.

The Liberal and Nationals Government proposes a new $811.8 million Connecting Regional Australia (CRA) initiative that will run over the next five financial years. The CRA will target six main streams, but will operate as a dynamic fund with the ability to redirect funds between streams to reflect priorities. The key streams are:

* + 1. expanding open access mobile coverage, including on major transport routes and to adjacent residences, businesses and tourist hotspots
		2. targeted investment to address specific needs, such as improving voice, broadband, mobile, business and backhaul services where required
		3. improving the resilience of infrastructure
		4. emerging technology trials
		5. improving Indigenous connectivity
		6. improving affordability.

As with previous programs, the CRA will leverage complementary co-investment from industry and state, territory and local governments to extend the reach and impact of program funding.

The Liberal and Nationals Government agrees to take a strategic place-based approach to CRA investment, noting policy and program design work will be required to ensure targeted funding supports strategic outcomes as envisaged by the Committee, the Government and the community. As a first step, a proportion of CRA funds will be earmarked for projects in Northern Australia which support the objectives of the *Our North Our Future 2021-2026: Targeted Growth* plan.

Additionally, a proportion of CRA funds will be allocated towards projects within the peri-urban fringe. As highlighted through the Review, including the consultation process, those living in peri-urban areas often experience the same issues relating to telecommunications services as those in regional areas. This will provide funding for what are effectively continuations of the Regional Connectivity and Peri-Urban Mobile Programs for our growing urban fringes, where our cities meet the regions.

The Liberal and Nationals Government supports the proposed objectives for targeted investment, and broader sectoral outcomes and private sector investment being (as they have been in the past) part of a revised strategic approach.

Proposals for additional backbone infrastructure will be able to be funded under the CRA, consistent with the Government’s broader policy framework and program guidelines. This could include opportunities to deploy open-access fibre backbone as part of other Government-funded infrastructure investments in transport and energy networks on a case-by-case basis.

$418 million of the CRA funding has been earmarked for an estimated 8,000 kilometres of new open access mobile coverage and $196.4 million for other place-based and targeted projects.

Recommendation 3 - Regional telecommunications resilience:The Committee recommends that the Government commits to a substantial Regional Telecommunications Resilience Fund, targeted towards initiatives to improve emergency and network resilience across vulnerable communities, enhancing funding for the Strengthening Telecommunications Against Natural Disasters (STAND) package, including the Mobile Network Hardening Program.

The Committee further recommends that a focus be given to:

* better coordination between the telecommunications industry, energy providers and emergency services
* standards of maintenance and preparation for emergency events.

The Liberal and Nationals Government agrees to commit to investment in improving the resilience of telecommunications network infrastructure. The Liberal and Nationals Government has made significant investments to date in network resilience and agrees this is an ongoing priority. Proposals that will improve network resilience in vulnerable areas will be able to be funded under the CRA as part of a dedicated resilience stream. $106 million of CRA funding has been earmarked for this purpose.

The Liberal and Nationals Government also agrees with improving cross-sector coordination between emergency services, energy providers and the telecommunications industry, as well as developing standards of maintenance and preparation for telecommunications assets. We note the Committee’s suggestions that coordination would be improved through the development of a consistent national disaster management framework and essential services definition. Further work will need to be done to determine how these objectives can be best achieved, including the relevant agency or organisation to take this work forward.

The Liberal and Nationals Government also notes the Committee’s suggestion within the report that work on Public Safety Mobile Broadband (PSMB) and Emergency Cell Broadcasting be progressed by Government and the telecommunications industry. The Liberal and Nationals Government has been evaluating options for a National Messaging System (Cell Broadcasting) and announced funding in the Budget context. Work on a multi-operator national PSMB is also being progressed by the NSW Telco Authority on behalf of Australian, state and territory governments. The Liberal and Nationals Government will continue to liaise with relevant stakeholders on these initiatives.

Recommendation 4 - Emerging technology trial:The Committee recommends that the Government fund innovation trials to validate the value and reliability of new technology solutions able to address broadband and mobile coverage across regional, rural and remote Australia.

The Committee further recommends that the focus of the funding be targeted toward those technologies that have not yet been deployed commercially at scale or are not currently provided by existing commercial solutions.

The Liberal and Nationals Government agrees with trialing emerging technology.

The Liberal and Nationals Government proposes to fund trials through the CRA with the objectives of validating the performance of new technologies, raising awareness of these services, and/or assisting with their commercialisation. However, it will be important that a Government funded trial does not duplicate or replace trials or programs which are currently being or would likely be conducted by industry or Government and further scoping work in this regard will be required.

$5 million of the CRA funding has been earmarked for this purpose, noting the Review’s emphasis on non-commercial technologies and that funding could also be potentially sought under the general targeted stream of the CRA for worthwhile proposals that offer value for money.

Recommendation 5 - Connectivity literacy:The Committee recommends that the Government continues to commit to the provision of accessible and independent information for regional consumers, business and local government.

This includes providing a significant focus on:

* a substantially enhanced and sufficiently resourced Regional Tech Hub actively engaged with regional and industry stakeholders
* resourcing the development and maintenance of a digital tool to provide specific information on connectivity options
* ensuring the Australian Competition and Consumer Commission (ACCC) continue to make enforcement of misleading and deceptive disinformation in the telecommunications industry a priority
* supporting and expanding community digital literacy programs, funded through the telecommunications industry.

The Liberal and Nationals Government agrees regional consumers, businesses and local government should have accessible and independent information on telecommunications services.

Additional funding will be provided for the Regional Tech Hub across five years to help address consumer awareness issues.

The Liberal and Nationals Government will also work with industry and consumer bodies on how consumer information can be otherwise enhanced. For example, NBN Co continues to support regional digital and connectivity literacy through the Regional Tech Hub, including provision of staff training and information on NBN products. They also provide ‘on the ground’ support through NBN Locals who actively engage with regional communities. Telstra has also noted its ongoing commitment to developing digital literacy.

Noting the emphasis on consumer awareness in the Review Committee’s report, the flexibility of the CRA could potentially allow further funding to be targeted towards connectivity literacy issues if required and worthwhile projects were put forward and considered value for money.

Consumers will be further empowered by audits and improved information and enforcement in relation to mobile coverage and performance.

The Committee’s report also suggests updating the governance framework of the Regional Tech Hub to include an expert advisory panel with experience across regional telecommunications, development and engagement. The Liberal and Nationals Government will consider this suggestion as part of the proposed additional funding for the Regional Tech Hub.

The Liberal and Nationals Government will examine the development and maintenance of a digital tool to provide specific information on connectivity options to consumers. We note that there are already a number of tools businesses and consumers can use to assess their connectivity needs and investigate suitable connectivity options. These include NBN Co’s ‘business nbnTM readiness tool’ and the Digital Readiness Assessment Tool provided by the Department of Industry, Science, Energy and Resources, as well as services offered by the telecommunications industry and on third party consumer websites. The Liberal and Nationals Government is also expanding the Consumer Data Right (CDR) to telecommunications. The CDR allows consumers to share their data using accredited third parties so they can more easily compare products and find a better deal. Given this, the Government considers the best approach to the provision of a digital tool needs to be explored further. Subject to consideration, further tools could be funded under the CRA and potentially operated by the Regional Tech Hub.

The Liberal and Nationals Government also agrees the ACCC should continue to enforce against misleading and deceptive disinformation around the availability of telecommunications services. The Minister will write to the Chair of the ACCC on this issue.

Recommendation 6 - NBN Co regional delivery: The Committee recommends that NBN Co commits to providing holistic upgrades to their regional fixed wireless network to allow users to access faster network speeds and minimise network congestion by:

* strengthening the network to make more bandwidth available to users
* extending the reach of the network into areas currently serviced by Sky Muster satellite.

The Committee further recommends that NBN Co provides greater value on the Sky Muster satellite product by enhancing peak and off-peak times and data allocations and promoting the availability of Sky Muster Plus to users.

The Liberal and Nationals Government will provide a $480 million grant to NBN Co for the company to lift the service quality available to over a million households and businesses in regional and remote Australia. NBN Co will also contribute $270 million in funding, for a total $750 million investment. This funding will support higher speed services and the expansion of fixed wireless services into areas currently serviced by NBN satellite.

The upgrade will extend the footprint of each NBN fixed wireless tower so that 120,000 additional premises are able to access fixed wireless services instead of Sky Muster satellite services.

Additionally for the three quarter of a million premises then able to access fixed wireless services, NBN Co will be able to deliver typical wholesale download speeds of 50 Megabits per second (Mbps) during the busy period, compared to the current network design metric of 6 Mbps minimum busy hour wholesale download speeds.

The upgrade will also enable higher upload speeds, to up to 20 Mbps for higher speed tiers. The upgrade and expansion of fixed wireless services will also reduce load on the NBN satellite service, enabling increased data and improved network performance for satellite customers. NBN Co will be able to provide additional data allowances and extended off-peak periods for Sky Muster services. These changes mean more scope for people in regional, remote and peri-urban communities to work and learn from home, video conference with families and customers, and stream and download content.

CRA funding would not be able to duplicate this funding but it could supplement it, for example, to further upgrade infrastructure outside the expanded fixed wireless footprint. This could include supporting technology upgrades in remaining satellite areas, such as any still serviced by ADSL as suggested in the Committee’s report.

Recommendation 7 - Network performance and reliability: The Committee recommends that the Government develops and enforces minimum wholesale and retail service, performance and reliability standards appropriate for each service type (fixed and landline, mobile, fixed wireless, satellites).

The Committee further recommends that:

* escalating penalties for failure to meet standards appropriate for each service type are introduced and enforced
* wholesalers and retailers must make practical and useable information available to consumers about network performance in ‘real-time’.

The Liberal and Nationals Government agrees with the Committee’s recommendation on the development and enforcement of wholesale standards.

Wholesale standards for broadband services are being developed under the Statutory Infrastructure Provider (SIP) framework and the Liberal and Nationals Government has consulted on a draft for standards, rules and benchmarks. These will be implemented shortly and form a basis for retail broadband performance. The Government will review the costs and benefits of escalating penalties to enforce these standards and proceed accordingly.

The Liberal and Nationals Government will also develop wholesale and retail standards for other fixed and mobile services in regional Australia in consultation with industry and communities, informed by an assessment of the regulatory costs and benefits. The Government notes that solid reliable performance data is a necessary first step in such a process.

Noting the importance of reliable performance data, new carrier licence conditions were placed on Telstra on 18 December 2021, shortly after the Committee provided its report. These require Telstra to provide more frequent, localised and granular information about its delivery of voice services in rural and remote Australia. Telstra will be obliged to report details on service availability, faults and outages, as well as repair and appointment timeframes. The first report is due in April 2022. This will help consumers better understand the level of service they are receiving, assist with the Liberal and Nationals Government’s ongoing oversight of Telstra’s performance, and assist with assessing the need for further standards.

Finally, the Liberal and Nationals Government agrees that wholesalers and retailers should make practical and usable information more readily available to users and this needs to be done on a timely basis. We note, however, that the scope of the information and the practicality and cost of ‘real time’ information needs to be assessed.

The Liberal and Nationals Government’s SIP standards will provide for practical and usable information to be made available to users. The Government will work with industry to review the information to be provided by retail providers.

Recommendation 8 - Adequacy of USO/USG: The Committee recommends that:

* there is strong and pressing need for USO reform to address the substantial ongoing stress on current infrastructure due to ageing technology
* the reformed arrangements allow for a technology agnostic approach to USO service delivery, providing it exceeds the existing reliability standards of the current solution.

The Committee further recommends that the minimum USG standards, including download/upload speeds and performance during peak or busy hours, will need to increase and should be subject to an annual review, particularly for consumers outside the NBN fixed line footprint.

The Liberal and Nationals Government is committed to improving the delivery of voice services in regional, rural and remote areas under the USO and, indeed, the delivery of all services under the broader USG. The Liberal and Nationals Government will continue its work on improving delivery of the USG, and reform of the USO as part of this. This work will have regard to the clear strategic trend towards broadband and mobile services so strongly evinced in the Review’s report. The Liberal and Nationals Government sees the further investment in new telecommunications infrastructure it is making through this response, including in mobile, the NBN and emerging technologies, as helping to better position regional Australia for possible change - change that can serve regional Australia into the future, rather than tying it to the past and its legacy technologies.

The USO is a statutory obligation on Telstra under the *Telecommunications Consumer Protection and Service Standards Act 1999* to provide voice telephony services (a standard telephone service) on reasonable request to any Australian home or business, and to make payphones reasonable accessible to people in Australia. The previous Labor Government entered into a contract with Telstra which runs from 2012 until 2032 (unless Telstra exercises its right to cancel the contract from 2027). Under the terms of this contract, Telstra is paid $270 million (ex GST) annually to deliver the USO. The contract requires the Australian Government to contribute $100 million annually, with the remaining funding sourced from an industry levy administered by the ACMA. If extra regulatory obligations are imposed on Telstra by the Government, the contract allows Telstra to seek compensation for the cost of meeting those obligations.

Given the range of fixed wireless, mobile and satellite technologies currently used by Telstra to deliver the USO and the wider uptake of these technologies in the community (noting the preponderance of mobile solutions over fixed), we agree in principle that the USO should continue to be based on a technology agnostic approach to service delivery as provided for in the statute. However, we note that users of copper services (currently protected under the USO contract with Telstra) will need to be satisfied there are reliable proven alternatives. As announced in 2018, the Liberal and Nationals Government will not make changes to regional services until there are robust and proven alternatives to the existing USO services.

The Liberal and Nationals Government will consider the lessons learnt from its Alternative Voice Service Trials (AVST) in this context, taking into account the Committee's reservations in this regard.

Finally, the Liberal and Nationals Government agrees to a periodic review of the peak speed and performance targets included in the USG. There is a need for network performance to meet evolving community and business needs, particularly as demand for upload bandwidth increases. However, we note that such reviews would be significant undertakings with significant implications. As opposed to an annual review, the Government considers that a review every three years would be more practical. The best vehicle for such reviews needs to be considered.

Recommendation 9 - Mobile services: The Committee recommends that the Government ensures measures are undertaken to increase the accuracy and transparency of mobile network quality and coverage information, including network congestion. This includes measures to collect and standardise mobile network coverage information and develop a tool to empower consumers to compare network performance and service availability.

The Committee further recommends that the Government:

* provides funding to undertake an investigation and audit to collect and report mobile coverage performance across regional Australia, including congestion
* undertakes a feasibility study to consider the capability for mobile roaming to be deployed in emergency circumstances.

The Liberal and Nationals Government notes this recommendation is partially directed at the ACCC, as the agency responsible for the monitoring of telecommunications network competition and market developments.

The Liberal and Nationals Government will ask the ACCC to examine appropriate mobile network quality and coverage reporting requirements for mobile network operators.

As per the Committee’s suggestion in its report, the Government will ask the ACCC to consider the work undertaken by international counterparts such as the United States Federal Communications Commission in using data supplied by mobile network operators and broadband providers to develop consistent network mapping of broadband and mobile coverage.

The Liberal and Nationals Government will commission independent audits of mobile coverage during 2022-23 and 2023-24, with results published in advance of the 2024 Regional Telecommunications Review so that it has the benefit of the data. As part of this process, the Liberal and Nationals Government will consider the benefits of ‘crowd-sourcing’ data on mobile network coverage and throughput performance.

The Liberal and Nationals Government will also ask the ACCC to examine the capability for mobile roaming to be deployed in emergency circumstances.

Recommendation 10 - Shared network access:The Committee recommends that preference is given to Government funded mobile infrastructure providing shared network access. This includes a particular focus in the design of the Mobile Black Spot Program towards:

* neutral host solutions, including consideration of payments toward operational and maintenance expenses
* innovative funding models used in other jurisdictions to encourage participation.

The Liberal and Nationals Government agrees to this recommendation. Past programs have provided for a range of sharing options and programs continue to evolve in this regard.

As part of the CRA, the Liberal and Nationals Government will provide funding for viable neutral host models which deliver improved mobile coverage and competition in regional, rural and remote areas, particularly on highways and to adjacent premises, businesses and tourist hotspots. In line with emerging trends under Round 5A of the MBSP and the PUMP, the CRA will be able to fund a percentage of the operational and maintenance costs for neutral host solutions to encourage industry to put such solutions forward.

The Liberal and Nationals Government will consult with industry and other stakeholders on the appropriate mechanisms for delivering a neutral host solution under the CRA. As part of this, the Liberal and Nationals Government will consider innovative funding models used in other jurisdictions, such as New Zealand, for useful innovations to encourage participation in a neutral host model. The CRA guidelines will provide for innovative funding models where they will improve outcomes in the Australian context.

The Liberal and Nationals Government will also ask the ACCC to examine mobile tower access fees, with a view to understanding how these may impact on expanding mobile coverage.

Recommendation 11 - Indigenous communities:The Committee recommends, that in consultation with Indigenous organisations and communities, the Government continues to focus on needs of Indigenous Australians living in regional, rural and remote areas surrounding access, affordability and digital ability. This includes:

* applying the National Indigenous Inclusion Plan
* addressing targets within the National Agreement on Closing the Gap
* supporting existing community digital inclusion programs, such as InDigiMOB.

The Liberal and Nationals Government agrees to continue its focus on the needs of Indigenous Australians in regional, rural and remote areas in consultation with Indigenous organisations and communities. The needs of Indigenous Australians will be considered as part of all regional telecommunications policy development and program delivery processes.

The Liberal and Nationals Government’s commitment to improving Indigenous connectivity is demonstrated through Target 17 of Closing the Gap, as well as the new Indigenous Digital Inclusion Plan (IDIP). The development of the IDIP is being led by the Minister for Indigenous Australians. The Government will support the IDIP and address relevant targets within the National Agreement on Closing the Gap, to the extent they apply to telecommunications issues.

The CRA will provide for funding of specific projects that improve connectivity in Indigenous communities in line with these measures in the absence of their own funding sources.

The Liberal and Nationals Government supports community Indigenous digital inclusion programs. The CRA could potentially provide funding for these initiatives, where funding is not otherwise available.

Recommendation 12 – Affordability:The Committee recommends the removal of data charges for low-income and income support recipient consumers in regional, rural and remote Australia accessing all Australian, state and territory government services, to improve the affordability of telecommunications for these users.

The Committee further recommends that:

* the Government introduces this measure initially during the current upgrade of myGov and introduction of Online Employment Services
* NBN Co implement a product for low-income and income support recipient consumers across all technologies in regional, rural and remote areas.

The affordability issues identified by the Committee are potentially significant and costly to address. The Liberal and Nationals Government will continue to examine measures to improve affordability for low income and income support recipient consumers in regional Australia.

The Liberal and Nationals Government will explore the practicality and cost of zero-rating data charges for government websites, particularly for low income users of mobile phones. The Government will explore this measure during the current upgrade of myGov, noting liaison across Government and with industry is required.

The Liberal and Nationals Government will also consider smaller targeted and tailored grants that could be provided to service providers, charities, not-for-profits and/or community associations for service delivery. Such grants, for example, could fund solutions like free Wi-Fi in communal living spaces or the community, or provide equipment like low-cost mobile handsets, or vouchers to subsidise service costs to particularly vulnerable regional cohorts. For example, even if mobile coverage is extended to an isolated community, low-incomes may still mean handset and service affordability could be issues.

$30 million of the CRA funding has been earmarked for affordability purposes.

The recommendation to implement a subsidised high-speed wholesale broadband product for low-income and income support recipients is directed at NBN Co. The Government will explore options in this area with NBN Co. We note NBN Co would also need to work with retailers and relevant agencies, such as the ACCC, in this regard. NBN Co is taking a targeted approach to reach vulnerable groups and includes initiatives such as Take 2 (providing rebates for many never connected or unconnected households), the Digital Inclusion for Online Learning Pilot, and the West Australian Digital Inclusion Partnership.