



Universal Service Guarantee (USG)

The Government has established a new guarantee to give all Australians access to broadband as well as voice services. Here are some basic facts about the guarantee and its services.

Broadband services

- NBN Co provides broadband infrastructure to premises across Australia using fixed line (92% of its network), fixed wireless (5% of its network) and satellite technologies (3% of its network).
- In December 2020, the Minister declared that the National Broadband Network (NBN) should be treated as built and fully operational. This means that in all but limited cases, all premises across Australia can order NBN services through their preferred retail service provider.
- Competing retail service providers use the NBN to provide retail broadband services to their customers. As at 30 June 2021, just under 12 million premises were within NBN's footprint and there were around 8.2 million active services.
- New Statutory Infrastructure Provider (SIP) obligations commenced on 1 July 2020, making NBN Co the default wholesale provider of broadband services nationally.
- Other telecommunications companies can also be SIPs, and are often contracted to perform the role in new real estate developments in or on the edge of our cities.
- SIPs must ensure broadband infrastructure is available on reasonable request so retail service providers can provide services to their customers.
- SIP services delivered over fixed line and fixed wireless must be capable of supporting voice services.
- Standards, rules and benchmarks to further define SIPs operational performance and protect consumers are currently being considered.

Standard Telephone Services (STS)

- The USG incorporates the old Universal Service Obligation (USO). Under the USG, Telstra must provide fixed voice services to premises in Australia on reasonable request.
- Telstra now provides the majority of these services over NBN Co's fixed line network, mainly in urban areas, in much the same way as other competing service providers.
- Outside NBN Co's fixed line footprint, Telstra must still provide its own infrastructure where needed, and must maintain its copper network outside NBN Co's fixed line footprint until 2032.
- At 30 June 2021, Telstra infrastructure supported around 440,000 fixed voice services outside the NBN fixed line footprint. Most of these Telstra services outside the NBN fixed line footprint continue to be provided over copper landlines, but around 17,000 voice services were provided using terrestrial wireless technologies and around 1,000 voice services were provided using satellite.
- Access to the STS is supplemented by the Customer Service Guarantee (CSG) which sets connection, repair and appointment timeframes; the Network Reliability Framework, which monitors service availability and faults and requires remediation of poorly performing services; and Priority Assistance for people with life-threatening medical conditions.
- ADSL broadband is also provided as a commercial legacy service on around 176,000 (44%) of the Telstra copper services in regional Australia.

Payphones

- Under the USG, Telstra must make payphones reasonably accessible.
- At 30 June 2021, there were just over 15,000 public payphones provided by Telstra under the USG. Over half of these payphones are located in major cities.
- The volume of calls made from public payphones has 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.
- Given this declining use, Telstra announced in August 2021 that it would make national calls from payphones free of charge to consumers to encourage better use. The impact of this change will be monitored closely.
- In 2020–21, there were 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.

Funding

- Under the USG, Telstra is paid \$270 million per annum (GST exclusive) to provide USG services – \$40 million for payphones, and \$230 million for fixed voice and copper continuity.
- This amount is not indexed, meaning its value declines in real terms over time. It is tied to the broad obligations on Telstra, not the number of services provided.
- The Commonwealth contributes \$100 million per annum, industry contributes the remainder on a pro-rated basis. Telstra contributes the most due to its size and revenue – \$96.8 million in 2019-20, followed by Optus (\$34.9 million), TPG (\$21.9 million), NBN Co (\$11.17 million) and others (\$5.1 million).
- The Regional Broadband Scheme has been legislated to support the delivery of NBN Co fixed wireless and satellite broadband services. The first full year under the scheme (2021–22) is expected to raise around \$750 million and this amount will grow across the future years of the scheme.

Mobile

- Mobile services are provided commercially and are not included in the USG because of the difficulty of providing mobile service ‘universally’, that is, everywhere in Australia, no matter how remote, sparsely populated or untravelling.
- Australia’s world class mobile services nevertheless reach 99.5% of the population and cover around 33% of our landmass. Mobile services via satellite are also available nationally.
- Coverage has expanded under the Government’s \$380 million Mobile Black Spots Program (MBSP). As at June 2021, 938 MBSP base stations had been completed across the country.
- Through the MBSP, the Government’s commitment has generated a total investment to date of more than \$875 million (GST inclusive) including co-contributions from local, state and territory governments, mobile network operators and community organisations, funding a total of more than 1,270 new mobile base stations across Australia.
- There are a number of other federal and state government programs that complement the MBSP by targeting specific mobile coverage issues. For example, the Australia Government’s Peri-Urban Mobile Program is targeting mobile connectivity issues in bushfire prone areas on the peri-urban fringe of Australia’s major cities, and the Mobile Network Hardening Program is improving the resilience of regional and remote mobile network infrastructure.