



TELSTRA CORPORATION LIMITED

Response to Alternative voice services trials – draft grant documents

2 June 2020



This submission responds to the *Consultation on draft Alternative Voice Services Trials Guidelines* papers issued by the Department of Communications on 15 May 2020. Our views are set out below in response to the draft trial guidelines. As the draft trial guidelines explain the contents of the draft application form, our comments are limited to the draft guideline itself.

Value for money assessment

The draft guidelines state that data services may also be provided as a benefit and will be part of the value for money assessment. Our understanding is that the objective of the trial is finding better ways to deliver the voice USG in regional Australia, in the context of NBN Co being the data provider of last resort. Including the provisioning of data services in the value for money assessment introduces a requirement that overlaps with NBN Co's remit, potentially leading to inefficient infrastructure duplication and disadvantaging otherwise good quality voice-only services.

Funding for necessary equipment

The draft guidelines state that grant funding can be directed to the cost of necessary equipment including antennas, boosters and handsets (as well as monthly service charges). We suggest clarifying that funding can be used for the *installation* cost as well as the equipment cost. On service charges, we assume Footnote 3 means we could, for example, charge for international calls so long as this is made clear to customers.

Funding for administration and promotion

The draft guidelines state that any set-up costs, administration and promotion should generally not exceed around 10 per cent of the total grant amount being sought. We would appreciate more clarity on what is covered by these terms. For example, does "promotion" include any incentive payments offered to customers to participate, and/or experience survey costs, and/or the costs of promoting the trial to potential customers/communities?

Customer surveys

The draft guidelines appear to state that consumers will need to respond to customer surveys commissioned by the Department, and also that grantees will be expected to survey customers themselves. If this is a correct reading of the draft guidelines, we have some concern about the possibility of over-surveying customers and causing survey fatigue, and potentially also customer confusion.

One solution might be to consult grantees on the design of the Department's survey and provide access to the results to both grantees (for their customers) and the Department. Alternatively, grantees could be made responsible for surveying customers using a prescribed questionnaire and sharing the results with the Department. Either way, we strongly suggest that grantees are consulted on the design of the Department's survey to ensure it is practical and relevant and does not unnecessarily duplicate information.

Register of interested consumers

The Department intends to establish a register of consumers interested in participating in the trial. The trial guidelines should set out how grant applicants can access this list and how the Department will make decisions about which applicant to assign a particular customer to, or otherwise how each customer will be matched to a trial service provider. It might also be beneficial to clarify that grantees will not be obliged to install trial services at premises determined by the Department.



Grant activity timeline

The draft guideline states that grant activities should be conducted between 1 July 2020 and 30 June 2021. In our view these dates should be extended to account for the revised timelines set out in the draft guidelines, in particular the fact that the final guidelines will not be issued until 13 June or thereabouts, which means applications will not be able to be made until August.

If “grant activities” includes the application preparation process, the start date should be aligned with when the final documents are issued. If “grant activities” only begin once grants are awarded, the start date should be aligned with that date. In any event, the start and end of the 12 months for the trial period should be clarified to provide certainty to applicants, and in our view the end date for the trial should be allowed to extend beyond 30 June 2021 to allow the full 12 months to elapse.

We think it is unlikely to be possible for grantees to begin installing services “in August” given that they will need at least a couple of weeks to prepare and submit their applications, the Department will then presumably need a couple of weeks to assess and award grants, and grantees will then need to do the work (and incur the cost) to set themselves up to install services which will also take some time.

In our view a start date of 1 September is more realistic. Even then it is unlikely that the first trial services would actually be installed until several weeks after that given the series of steps that must be undertaken before the first installations can occur, including identifying customers, contacting them, convincing them to participate in the trial, and making installation appointments.

Invoicing and payment

The draft guidelines state that grant payments will be made within 20 days after milestone and invoice checks have been completed by the Department. Can the Department commit to a maximum period to check invoices and milestones? Some certainty of payment timing is required.

The draft guidelines also state that the final milestone payment will be made once a satisfactory final report has been submitted demonstrating completion of obligations. The grant application documents should include a template final report so that grantees know in advance what information will be required and what format it will be required in.