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MINISTER FOR COMMUNICATIONS  
INFORMATION TECHNOLOGY AND THE ARTS  
THE HON DARYL WILLIAMS AM QC MP

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## **NEWS RELEASE**

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### **BUSH BENEFITS FROM PROGRESS ON ESTENS RECOMMENDATIONS**

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Regional, rural and remote consumers are already reaping the benefits of the Australian Government's response to the Regional Telecommunications Inquiry (RTI).

The Government has accepted all 39 of the RTI's recommendations and has committed more than \$180 million to improve existing telecommunications services and lock in service improvements into the future.

We have made significant progress in implementing those recommendations to ensure that rural and regional Australians can share equitably in the benefits of advances in technology.

In direct response to the RTI, Telstra has already improved the performance of 46 of the 54 worst performing exchange service areas. Telstra is also working to fix under-performing pair gain systems to provide customers with more reliable telephone and Internet services.

Telstra has committed to upgrade older radio concentrator systems under its Remote Areas Telecommunications Enhancement program and, under a licence condition, Telstra is required to ensure that all Australians can achieve dial-up Internet speeds of 19.2 kbps, or equivalent throughput, over its fixed network through the Internet Assistance Program.

A number of other activities are well under way to make sure that consumer safeguards continue to be effective:

- The Australian Communications Authority has conducted a public review of payphone policy and is due to report its findings this month;
- A review of the arrangements for the delivery of the Universal Service Obligation and the Customer Service Guarantee will report by 31 March; and
- A review of the Network Reliability Framework is to commence shortly.

A key theme of the RTI was that, although consumers benefit from tough and comprehensive consumer safeguards, awareness of these safeguards and of consumers' rights was low.

In response, the Government will run a community information campaign to raise awareness and understanding of regional telecommunications consumer rights, and broadband services, and other Government programs to improve telecommunications services. The campaign will commence later this year.

Public consultations on major RTI programs to improve rural and regional access to broadband have generally been completed, with feedback being used to refine the programs. Latest activities in this area include:

- Recruitment and grant application processes for the \$8.4 million Demand Aggregation Brokers program have commenced;
- Applications for the first round of projects under the \$23.7 million Coordinated Communications Infrastructure Fund were due by 13 February 2004; and
- The \$107.8 million Higher Bandwidth Incentive Scheme (HiBIS) is to commence operation next month.

Details of other RTI programs, including further extensions to mobile phone coverage, are nearing completion and funding processes will be announced in the near future. Further information about a range of RTI activities is attached.

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## **GOVERNMENT RESPONSE TO THE REGIONAL TELECOMMUNICATIONS INQUIRY**

### **Competition and consumer safeguards**

The Government's response aims to further stimulate competition and strengthen consumer safeguards, which include the Universal Service Obligation (USO), the Customer Service Guarantee (CSG) and the Network Reliability Framework (NRF).

The USO guarantees all Australians access to basic telephone services no matter where they live. The CSG requires all telephone companies to comply with strict timeframes for the connection of new phone services and the repair of faults. Under the NRF, Telstra is required to monitor and report to the Australian Communications Authority (ACA) on the overall reliability of its telephone network. Where the network's performance does not meet specified standards, Telstra is required to take remedial action.

A review of the USO commenced on 1 December 2003. The review is examining arrangements for the costing and funding of the USO, including an assessment of whether current arrangements are impeding the development of competition in regional, rural and remote Australia. The review is also examining the issue of network extension and trenching costs, indigenous issues and the Digital Data Service Obligation. The USO review report is due by 31 March 2004.

Arrangements to give priority attention to extreme cases of CSG non-compliance are being implemented by the Australian Communications Authority (ACA). The ACA will continue to refine the NRF as necessary to ensure it provides an effective mechanism for improving the reliability of Telstra's network.

### **Adequacy of services**

Telstra has prepared remediation plans for the 54 exchanges identified as the worst performing exchange service areas under the NRF. Telstra has advised that 46 of the exchanges were fixed by the end of 2003 and expects to complete remediation of the remaining eight exchanges by the end of the 2003-04 financial year. The Government has executed a licence condition on Telstra requiring it to provide all Australians who choose to use dial-up internet access with a minimum dial-up Internet speed of 19.2 kbps or equivalent throughput over its fixed line network through the Internet Assistance Program.

### **Enhancements to existing services**

Telstra has given the Government a formal undertaking regarding the completion of the upgrade of Telstra's older radio concentrator systems. The upgrade will provide an enhanced array of phone and Internet services for the small proportion of regional Australians whose systems have not been upgraded and who did not have access to a subsidised two-way satellite service under the Government's \$150 million Untimed Local Calls (Extended Zones) Agreement. The ACA will monitor and report monthly on the upgrade's progress.

Telstra has also formally undertaken to improve the quality of phone services affected by pair gain systems including addressing dial-up data speed issues. Pair gain and other similar systems were installed for voice telephony purposes but can be deficient for the provision of advanced voice services and dial-up Internet speeds. The undertaking includes timeframes, and will be monitored and reported on publicly by the ACA.

### **Additional funding for existing services**

The Government has completed industry consultations on the \$15.9 million, four-year program to further extend land-based mobile phone services to small population centres and along key highways in regional Australia where additional coverage is feasible with Government support for capital costs. The program is expected to commence later this year.

The Government is currently reviewing the eligibility guidelines for the Satellite Phone Handset Subsidy scheme and aims to commence a revised scheme, including an extra \$4 million in funding through the RTI response, from March 2004. Under this scheme, people who live and work in areas that do not have terrestrial mobile phone coverage are eligible for a subsidy of up to \$1,100 off the cost of a satellite phone.

Consultations have been completed on the \$10.1 million, four-year program for information technology training and support services in rural and remote areas, building on the significant funding already provided for these services under the Networking the Nation program. The program is due to commence later this year.

### **Improving Broadband Access**

Brokers are being appointed under the \$8.4 million, four-year Broadband Demand Aggregation Brokers scheme. They will help to aggregate all likely demand for broadband services in order to extend broadband network infrastructure further out into lower populated, less economic areas.

The Coordinated Communications Infrastructure Fund (CCIF) will accelerate the roll-out of broadband into regional Australia in concert with the activities of demand aggregation brokers. The CCIF will support projects that improve access to broadband services in regional communities including for health and education providers. Applications for the first round of funding close on 13 February.

A comprehensive public consultation process to develop guidelines for the \$107.8, four-year Higher Bandwidth Incentive Scheme (HiBIS) is underway. HiBIS will provide financial incentives to higher bandwidth service providers to offer broadband services in rural and remote areas at prices reasonably equitable to those available in urban areas. The program will be formally launched in March 2004.

### **Legislated regular reviews of regional telecommunications**

To ensure continued focus on the communications needs of rural and regional Australia, the Government has introduced legislation requiring the conduct of regular reviews of the adequacy of regional communications services, setting out the mechanisms for such reviews, and requiring formal responses by current and future governments.

### **Telstra local presence in regional Australia**

In recognition of the importance of its local commercial presence in regional Australia to local residents, Telstra has committed to maintain an ongoing local presence in regional, rural and remote Australia. Telstra has also published, on 31 October 2003, the first stage of its online local presence plan which can be found at [www.telstra.com/countrywide/localtelstra](http://www.telstra.com/countrywide/localtelstra). The Government has undertaken to lock in a local presence through a licence condition on Telstra.

### **Community information campaign**

The Government has commenced preparations for a community information campaign for regional, rural and remote telecommunications consumers to raise awareness and understanding of their telecommunications consumer rights; access to, and understanding of, broadband services and other Government programs to improve telecommunications services. The campaign will commence later this year.

The RTI report is available at [www.telinquiry.gov.au/rti-report.html](http://www.telinquiry.gov.au/rti-report.html). A table summarising the Government's response to the RTI recommendations and fact sheets are available at [www.dcita.gov.au/rtiresponse](http://www.dcita.gov.au/rtiresponse).