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Chairman: Cr Neville Castle

Mayor Lithgow City Council

Assistant Secretary, Networks Competition Branch
Department of Broadband, Communications and the Digital Economy
GPO Box 2154
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Dear Sir/Madam

Re Centroc response to the National Broadband Network: Regulatory Reform for 21st Century Broadband Discussion Paper April 2009

Thank you for giving the communities of Central NSW the opportunity to comment on regulatory reform for 21st Century Broadband.

Central NSW Councils (Centroc) represents over 236,000 people covering an area of more than 70,000sq kms comprising Bathurst Regional, Blayney, Boorowa, Cabonne, Cowra, Forbes, Harden, Lachlan, Lithgow City, Oberon, Orange City, Parkes, Upper Lachlan, Weddin, Wellington and Young Councils and Central Tablelands County Council.

Over the past three years Centroc has submitted advice at both the State and Federal level regarding the region's needs and experiences of telecommunications in general and broadband in particular.

In the first instance, the Board commends the work being undertaken to date by the Federal Government. From a speech delivered by the Chair of Centroc to NSW Country Labor and NSW/Centroc area Federal parliamentarians in Bathurst 22 May:

When it comes to broadband for example, we believe the Federal Government has had a real challenge, but has got it right. The Fibre to the Premises programming under the National Broadband Network is exactly what Australia needs.

Central NSW recognises that the Federal Government has been left with a more than challenging telecommunications' environment as a result of the way Telstra has been corporatised. With the benefit of hindsight, we believe that Telstra should have been structurally separated before being sold off with government retaining 51% ownership of the wholesale network at least until there was certainty for the consumer experience. Indeed, given the mess the national framework is in as a result of the last round of sell offs, we suggest that the Federal Government look for a solid return on its 51% of the National Broadband Network (NBN) in the first instance and not hurry into selling nationally critical infrastructure back to the corporate sector.

Telecommunications and broadband in particular are priorities for this region. Members have resourced an audit of the region to get an understanding of what is required to deliver internationally competitive metro-comparable and scalable broadband into Central NSW.

Our investigations have included looking at the regulatory framework and the advice provided in the balance of this document is informed by this work. The key points regarding particularly the broadband network that Centroc has identified through work over the past three years are:

- the need for 100Mb per second scalable broadband into regional NSW
- seamless wholesale access
- avoiding overbuild
- mandated broadband into greenfield sites
- pricing should be based on the postage stamp principle

Happily, Centroc notes that this has largely been picked up in the Federal Government's position.

Centroc notes that throughout the discussion paper it is clear that the landscape for telephony is one of gaming where advice provided by the carriers is sometimes more about posturing for profit than providing useful information to drive improvements for the telecommunications experience of the community. In our response we provide examples of our experience of this and implore the Federal Government to bring this to an end.

Most particularly regarding gaming is "fault shifting" where the consumer experience through call centres, fault reporting, raising concerns regarding poor service for example on broadband speeds becomes one of being shifted from service provider to service provider where issues are not dealt with and consumers waste time and money not getting improved levels of service. Ultimately consumers report that they give up and take whatever service is dished up.

The Board believes that the Federal Government may need to be flexible and prepared to vary legislation given the way in which gaming is so embedded in the culture of telecommunications service providers. In terms of the separation fit, oversight by the ACCC and the use of regulation in the landscape, we suggest a gradual turning up of the heat with a carrot and stick approach. For example strengthening the current operational separation regime on the understanding that if it does not deliver then desired outcomes, functional separation will occur.

From our perspective, there are two main platforms on which the new structure should be built. Firstly, equivalence of access by retailers to the wholesale environment for those involved in telecommunications service delivery and secondly equity for all consumers of those services with an effective community service obligation.

Given that a stated policy objective of the National Broadband Network is providing a comparable level of service to rural and remote Australia, we predicate our advice on how this might be achieved.

Of concern to the Board is the reliance on the ACCC as the peak body managing what is fair and reasonable for telephony services in the nation. Here Centroc would argue that concerns just around competition will not deliver metro-comparable telephony and broadband to regional Australia. For example the price of phone lines as determined by the ACCC in its de-averaging determinations had regional Australians in paying ten times the amount of those in the Sydney CBD. Determinations by the ACCC must have integration with community service obligations as an element of the considerations.

Further, we are concerned that comparisons to comparatively tele-dense nations such as Singapore and the United Kingdom are not apples with apples with regional Australia. This is of particular concern when considering the Universal Service Obligations.

At the same time we commend to the Federal Government it continue in its investigations internationally to ensure the "best of breed" broadband framework for the nation.

Finally we call on the Federal Government to compel the telecommunications industry to introduce plain language and simple, navigable processes for the consumer. This is very

much not the case at the moment with the consumer pestered by retail service providers in their own homes with complex bundled telephony and data arrangements buried in voluminous contractual obligations. None of this inspires consumer confidence or grows national productivity.

Overall we commend the Federal Government on its actions to date, we seek

- to ensure that governance arrangements are set up such that regional Australia has both a voice and its needs met
- an end to the gaming telecommunications framework and the beginning of a period of retailer and consumer equivalence and certainty where service is customer focussed and presented in plain language
- metro-comparable and scalable broadband services into regional Australia
- to see the Federal Government retain the good sense and fortitude it has displayed to date to ensure that equivalence and equity are embedded in the framework and culture of telecommunications in Australia

More detail regarding the specifics of the comments above is contained in the body of the submission.

For more advice regarding the above please contact our Executive Officer, Ms Jennifer Bennett on 0428 690 935.

Yours sincerely

A handwritten signature in black ink that reads "N. Castle". The signature is written in a cursive, slightly slanted style.

Neville Castle
CHAIR

Preamble

Centroc members recognise with dismay the lower standards of particularly broadband service in this region, lower than the national average which is well down the line in terms of international competitiveness.

We are particularly concerned that agricultural businesses in other nations have a widening competitive advantage over our member communities and that the regulatory environment is a contributing factor to this problem.

For example the local government area of Cabonne promotes itself as the food basket of the nation. At the same time the significant number of agricultural enterprises are trying to function in an area described by the NSW Department of Commerce as a black spot zone for broadband.

The Board understands that the areas to be addressed specifically in this response are:

- *streamlining access regulation processes, by allowing the ACCC to set up-front access terms for companies wanting access to Telstra and other networks*
- *strengthening the powers of the ACCC to tackle anti-competitive conduct by allowing it to impose binding rules of conduct when issuing competition notices*
- *promoting greater competition across the industry, including measures to better address Telstra's vertical integration, such as functional separation*
- *addressing competition and investment issues arising from horizontal integration of fixed-line and cable networks, and telecommunications and media assets*
- *improving universal access arrangements for telephony and payphones, and*
- *introducing more effective rules requiring telephone companies to make connections and repairs within set time-frames*

The Board notes the policy objectives of the framework are:

- *improving productivity across the economy*
- *competition*
- *consumer protection*
- *rural, regional and remote Australia*
- *reducing unnecessary regulation*
- *community safety and national security objectives are integral to its telecommunications policy settings*

The Board notes that throughout the discussion paper, questions are raised. The following response follows the structure of the discussion paper, addresses issues and questions from the perspective of the communities of Central NSW who have specific needs from the regulatory environment.

Regulatory environment for the National Broadband Network and the roll-out of fibre

Centroc appreciates that to facilitate the roll-out of the NBN, the Government will establish a company to build and operate the NBN on a commercial basis.

Centroc further appreciates that for long term investment from the private sector in this company, arrangements will need to ensure certainty and facilitate private investment.

Centroc understands that in order to facilitate the roll out of broadband that an implementation study is to be undertaken. This study will consider:

- the best possible governance arrangements for the operation of the NBN
- the best ways to attract private equity investment in the NBN, and
- the operating arrangements for the NBN and the detailed network design, including coverage

Given how challenging this will be, Centroc members are keen to remain engaged with the Federal Government throughout this process.

Regarding our experience here in Central NSW we provide the following advice against these considerations.

Centroc supports the development of a government backed company that owns the network and offers equitable wholesale access to retailers. We are very supportive of the “buy back the farm” strategy being implemented by the Federal Government. In our view the sale of Telstra has failed to meet our expectations in terms of delivering better services to our region. Our experience is that services have declined and worse, where they are available have not been “switched on” due to the current state of play in the telecommunications landscape.

An example here is broadband where Telstra did not switch on exchanges in the region because they did not want to provide access to competitors where they believed they would not get an adequate return on investment. This has meant that exchanges that could have been providing broadband in the region remained on dial-up.

A lead on from this situation and another example of how challenging it is for Central NSW; is the NextG network. For our communities Telstra has a defacto monopoly on mobile services where it is the only company able to access the 3G network in regional NSW. Having locked up access to broadband in the exchanges, Telstra then bundles up its services into the NextG network including broadband where broadband comes at a price well above what terrestrial customers in Sydney might pay. When looking at wholesaling of telecommunications services, the NextG network also needs consideration.

Centroc members would like to see inside the company’s governance arrangements that the voice of regional and remote Australia will be heard for example through having members on the Board. This is because all too frequently our members experience negative impacts as a result of not being in the appropriate place in the decision making hierarchy.

Regarding the nature of the services that will be provided by the NBN, Centroc commends the government spend some time determining what is infrastructure, what is a support process, what is a service and what should count as access. For example, the reason the exchanges were locked up as described above is because Telstra did not provide wholesale access to what Centroc would describe as broadband infrastructure. The Cisco routers that could have been switched on should be part of the wholesale framework. Given Telstra’s almost monopoly status in Central NSW, we are particularly vulnerable to this type of activity.

We also raise the possibility of growing the number of competitors in the environment by ensuring the infrastructure providers also provide the billing arrangements, a complex and expensive exercise.

ACCC oversight

As stated in the covering letter, the Centroc Board has concerns regarding the scope of the ACCC where our members are keen to see that their brief includes ensuring the Universal Service Obligation or similar. The example cited earlier was the de-averaging decision by the ACCC which had the net effect of increasing prices to a factor of ten for regional communities over their CBD counterparts.

The ACCC is seen as the organisation that will be providing a majority of oversight for the NBN. The Board is keen to minimise the number of agencies in the landscape and therefore have the ACCC empowered to manage as much of the regulatory framework as possible.

We commend the ACCC be compelled to give consideration to our special needs. For example ensuring equivalence for our local ISPs. These businesses provide specialist IT support in our communities and so we value them highly while at the same time they will be unable to buy as much volume and therefore not be able to access cheaper prices themselves to pass on regarding broadband pricing. Centroc suggests that there is scope inside USO type obligation for the Federal Government to assist regional ISPs in this regard.

Simplifying land entry procedures and access to infrastructure

Regarding the facilitation of fibre rollout, Centroc would like to offer its support in drafting the development controls to ensure the roll out of fibre.

We support the roll out of fibre along overhead cables in existing areas and improving access arrangements to poles ducts etc.

Regarding greenfield estates, again Centroc would like to offer its support in developing the development controls to ensure the roll out of fibre where we see it being underground.

Our members are particularly interested in how head-works will be accounted for in the ownership and management arrangements of the new wholesale environment.

Members support the notion of simplified facilities access to infrastructure.

Consultation

Regarding consultation, as advised above, Centroc members are keen to provide advice and support to the Federal Government at every step of the way to help assure metro-comparable broadband in Central NSW.

Telecommunications competition framework

It is clear from the discussion paper and the experience in Central NSW that the current telecommunications framework is broken where the consumer is having to bear the brunt of the negative impacts.

Examples of issues experienced by members:

- It took over twelve months for Telstra Countrywide to not deliver on its commitment to provide advice to individual Councils on the best contractual arrangements for the region. Subsequently Centroc members engaged a private consultant to provide this advice. This consultant has found in the vicinity of \$400,000 per annum worth of savings in the region to member Councils just on contractual arrangements before reviewing alternative hardware options. The great irony here is that the new deal remains with Telstra but with a different “part” of the organisation.
- A rural procedural general practitioner living one kilometre from a broadband enabled exchange typically gets an average of 10-20kb/s. He would like to study to ensure accreditation as a rural doctor. These speeds do not allow him to access training modules. Both his carrier and his ISP claim it is the other’s fault. Where does he go for help?

As advised earlier, the NextG network needs to be included in the competition framework to serve Central NSW and regional Australia. Indeed there should be rules around coverage of mobile services, for example “along all highways.”

Regarding part XIC of the Trade Practices Act and Part XIB of the Trade Practices Act Centroc makes the following commentary.

Where the current negotiate/arbitrate model may suit Telstra as they drag out disputes through the ACCC and other jurisdictions, it can be envisaged that in a more regulated environment, other industry players seeking to play hardball will issue challenges under law.

As the regulatory framework for telecommunications in general is being examined, Centroc makes the following suggestions.

Part XIC be amended to include access to facilities.

There is a need to protect and promote investment on the devices which deliver “products” over the new network. Assuming that all carriers will continue to invest in equipment based in exchanges then the “products” derived (eg classed IP services) will need some surety that the carriers are not waiting on each other to make the investment and then pick up the product. This leads to a situation where the ACCC is setting prices on products. Alternatively, all products and access will fall to the NBN to develop in future and the retail competition will differentiate by specific “add ons” which the carriers will develop.

Another component which will be of interest to corporate and business users will be determination of service support/restoration agreements. These agreements will need resolution at a product and access level by the NBN.

The introduction of pricing plans, bundling and product releases are so rapid and can change the dynamics of a market overnight then any review process must match the market speed.

The ACCC should have the ability to engage with the protagonists jointly and immediately without proceeding to a notice. The discussions should be held in a non prejudicial environment. The ACCC should be able to give a direction and make a determination within a short time frame. Also required is an appeals process which could be enacted quickly and with a minimum of legal costs. The appeals process would need to be conducted in a manner that did not preclude smaller players due to the cost or location of the hearing.

These steps would enable quick resolution which all parties would understand has a time critical element. The ACCC would need to publish time intervals for the various steps which were non-negotiable.

This would eliminate, for the smaller players, the need to combine into class actions to ensure that there is sufficient finance to gain an outcome. The 'class action' type disputes invariably turn into protracted events which only suits the protagonists with deep pockets.

To manage the development of more consumer friendly telephony culture, the Board believes that the Federal Government may need to be flexible and prepared to vary legislation given the way in which gaming is so embedded in the culture of telecommunications service providers. In terms of the separation fit, oversight by the ACCC and the use of regulation in the landscape, we suggest a gradual turning up of the heat with a carrot and stick approach. For example strengthening the current operational separation regime on the understanding that if it does not deliver then desired outcomes, functional separation will occur.

Overall, Centroc commends to the Federal Government that it remain outcomes focussed, remain in the industry as long as required, keeping the system as simple as possible with the consumer experience central to its decision making.

Separation arrangements

Centroc notes the following commentary regarding the current structural arrangements:

'...the overriding issue remains the absolute dominance of the telecommunications sector by just one player—Telstra—by virtue of it being the sole provider of the ubiquitous local access network connecting virtually every home and business in the country.'—ACCC¹

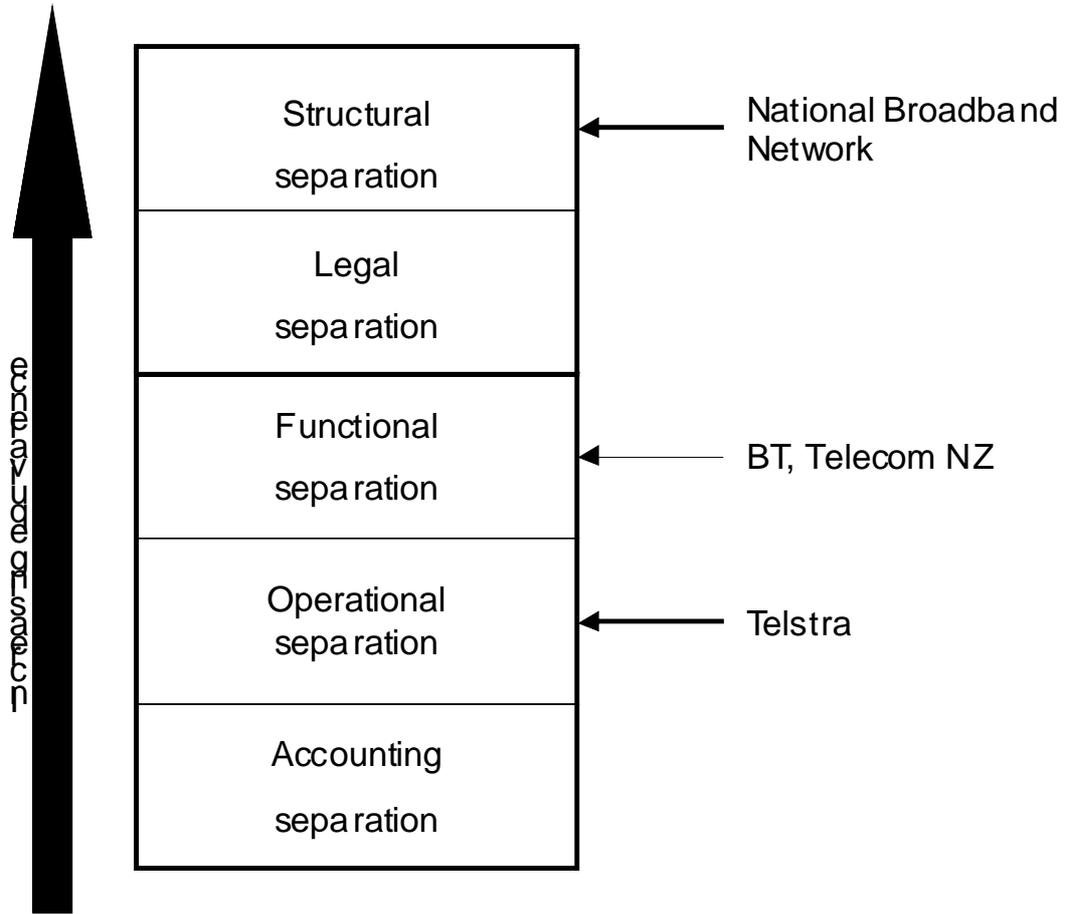
'[A] conflict of interest arises when a monopoly carrier is required by law to provide network access to its retail competitors, and is also required by law to maximise the return to its shareholders.'—Chamber of Commerce and Industry, Western Australia²

The Telstra monopoly has been even more acutely experienced in Central NSW. In that sense, the current separation arrangements have failed in Central NSW more than metropolitan Australia.

Examples such as the Country Wide contractual commitment, the refusal to switch on broadband in exchanges in the region and the monopoly over NextG elaborated on elsewhere in this document illustrate this point. Indeed the gaming culture of telecommunications could only prosper given the current structural and regulatory environment.

It is the Board's view that the Federal Government should use the current opportunity it has for reform to introduce whole access across the telecommunications service spectrum, thereby opening up competition to the bush.

The Centroc Board sees public ownership into the medium term as one way of assuring both equivalence for industry players and equity for consumers. The Board suggests that the figure for possible models of separation could be amended from:



to:

ensuring that the consumers, corporate and small business will be supported as the organisation changes.

Restrictions on Telstra Investment in media

This is an area where the content and network need to be separated as the network (especially the hybrid fibre coaxial network) needs to be considered as just another section of network to be included in the NBN.

Centroc agrees with Option 2 – Require divestment of Telstra hybrid fibre coaxial network. The debate regarding content has no boundaries as the broadband network currently carries, and will escalate in the future, television from around the world and hence content is unlikely to be controllable under any legislation. Content is available globally and hence falls under a number of national jurisdictions and with net distribution may well be impossible to control.

While Centroc members support the notion of Telstra being compelled to divest itself of its hybrid co-axial network, it believes that legislation around content, the Australia media and communications sector is not necessary and an over complication.

Facilities Access Regime

It would be hoped that the NBN will take control/ownership of all carrier telephone exchanges and hence with a totally wholesale view of the market the majority of these issues will be removed. It is assumed that where there may be alternative broadband networks in metropolitan areas under the new regime, that in our area, regional NSW, the NBN will be the sole service provider not unlike Telstra is at the moment.

However the issues under the current regime are complex because there is an assumption that there is still sufficient infrastructure capacity in the facility to merely add services or equipment.

The issues get extremely complex when there is capital required to “build up” to the second carrier’s requirements. An example is where new racks or increased power supplies are required where the investment required is not consistent with the number of services required. This requirement for “over build” is a significant issue as the exchange owner is forced into an investment which will be a loss making proposition for some considerable time.

Legislation will have difficulty resolving a matter which is commercial in aspect.

Spectrum Management

Spectrum ownership is no different to fibre or exchange ownership in that the control and ownership of spectrum, (which delivers “standard” communication products) should fall under either the ACCC or the NBN.

To encourage competition between different technology platforms (radio/fibre) will need either the Spectrum Management Authority or ACCC to price spectrum ownership with parity to terrestrial and satellite services. This pricing needs to take into account performance variations in distance and download speeds.

There is also a need to take the mobile phone spectrum and move it into this equation. Mobile phone carriers are offering broadband over their existing networks with claims of ever increasing speeds and hence this needs to be brought into this debate.

As previously stated there is a case for ensuring that all mobile carriers are forced to wholesale access to their networks and to enable inter-carrier mobile roaming as occurs overseas.

Centroc commends the Federal Government ensure adequate spectrum is reserved at appropriate frequencies to deliver superfast broadband services using wireless and satellite technologies in areas that will not be covered by fibre optic to the home and workplace.

Telstra Retail Prices for Voice during transition

The major issue at present is the price of monthly line rental. The previous Government gave the ACCC permission to give differential access pricing over four charging zones. These range from Level 1 in CBD of major cities at circa \$8.00 a month to a possible circa \$140.00 a month for Level 4 category in more remote areas.

This matter was “temporarily” held over by the previous Government fixing a maximum monthly rental of approximately \$30 regardless of zone for a period of another two years. This has left a major disparity for country people.

As a result a price control needs to be maintained until this matter is resolved. Telstra, correctly we believe, pushed to have a national access price but lost the case to the ACCC.

Price control should consider the current “bundling” of products to achieve a price. As an example the Telstra Mobile Next G network is the dominant network (by far) for coverage in regional Australia. This has the effect of increasing their market dominance because of the bundled offers of fixed, broadband and mobile services. This is a strong case for the wholesaling and network roaming of all mobile services.

In the longer term the difficulty for retail price control will be an outcome of volume prices achieved by the major players when they purchase from the NBN Company. The usual problem of price advantage due to volume of purchase will probably be an issue which will invariably lead to buying groups. This is likely to be an issue for the ACCC but at this point in time is too early to form a position.

Overall, the outcome we are looking for is metro-comparability in price.

Telecommunications consumer safeguard framework

Centroc supports the notion that the objective of the Universal Service Obligation is to 'ensure that all people in Australia, wherever they reside or carry on business, should have reasonable access, on an equitable basis to standard telephone services and payphones.'

We note that Telstra is currently the sole carrier responsible for providing services under the obligation, which has operated since 1991. While the Consumer Protection Act provides contestability arrangements to enable other telecommunications providers to be made the Universal Service Provider in certain areas, no competing Universal Service Providers have ever come forward despite a contestability pilot that ran between 2001 and 2004.

Broadly, Centroc concedes that the Universal Service Obligation is not delivering. Centroc supports the findings of the Glasson report regarding the need for and increased scope for the services that would be included in a new Communications Service Standard, that is

- *voice services—voice quality, price and connectivity*
- *broadband (always-on internet)—upload speeds, download speeds, latency, jitter and volume limits, and price*
- *mobile communications—the characteristics of the consumer device and price*
- *payphone—entitlement criteria, price, and processes for locating, removing and relocating services, and*
- *reliability, and connection and repair times for all of the above service types*

The outcome we are looking for is proper minimum service standards, in our view we look to metro-comparability as the benchmark. We have concerns that where minimum service standards were not delivered under a regulatory regime, we will be worse off under an unregulated regime. We point out that where the government is suggesting regulation and sharper teeth for the ACCC to replace softer options, to concurrently remove a regulated framework as an obligation for service providers is very risky, especially given the gaming and lack of customer service focus that characterises the culture of the industry at present.

We point out that changes to the Universal Service Obligation will have particular effects over regional Australia where there is a poorer business case for delivering services.

We agree with the Glasson Report that the roles of the ACCC, the ACMA and the Telecommunications Industry Ombudsman in respect of telecommunications access and competition, technical standards and consumer complaints may need to change should there be fundamental changes in telecommunications market and regulatory structures.

Regarding voice services, until there can be better mobile coverage in Central NSW, VOIP services offer no redundancy when there are electricity failures. Modems require connection to the grid and where these fail, for example during fire, the copper network provides which is underground, provides a good back-up

Voice services need a defined performance level of audio quality. This particularly applies to VOIP services where consumers are being offered a box to connect to a data service which has no guarantee of accessing an emergency service (000). This applies particularly to satellite voice service providers where these services are being sold to remote properties who may not have an alternative method of contacting emergency services. Many of these locations do not have mobile phone coverage. There is a need for an education process for some consumers on these services.

Regarding broadband services, all Australians should have access to internationally competitive broadband speeds for internationally competitive prices. Centroc concedes that this will be challenging to deliver in regional Australia and that compromise will have to be effected regarding the quantum of what can be delivered for all rural citizens as against what can be achieved in CBD locations.

Having said that, the fact is that web based files and activities are getting hungrier. For example, Infrastructure Australia is posting files over 17mb. Video streaming is becoming

more commonplace and the need for solid, consistent download speeds is becoming more imperative.

Take the case cited earlier of the general practitioner trying to study from home. Procedural general practitioners who can deliver babies and perform anaesthetics are rare as hens' teeth and cherished in our rural communities. While Centroc members wish they were not in the game of building medical centres and providing other incentives to bring doctors and other health workforce to the region, this is where they find themselves.

Communities need to be able to have the infrastructure in place such that professionals, university students and even school children can study effectively from home where larger files and video streaming are becoming the norm. This is not the case in Central NSW in June 2009.

Minimum service levels need to be determined and the government step in with schemes to ensure the best possible outcomes for our more remote communities.

Broadband services, as previously mentioned, are not matched in a regulatory sense with their current social usage and dependence. This particularly applies to broadband services which are delivered via the mobile phone network. The mobile phone network is not regulated with the same rigor as the fixed network and yet to many clients is delivering the same critical services.

As the NBN Company will ultimately become at the very least a significant network player with 51% public funding and one would presume governance arrangements reflecting this, then the USO responsibility should fall to that entity. The USO or community service obligation costs could be averaged across the total communications industry at the wholesale level.

Regarding mobile services, it is Centroc's contention that all highways in Australia should have network coverage. Productivity and safety will both be improved when this is the case. As it stands, throughout the Centroc region along highways and other major roads linking communities there are substantial areas that have no coverage.

Regarding payphones, Centroc suggests that they are imperative for communities large enough to have a school, community hall or shop where mobile coverage is absent. Only in the last month Centroc has received advice from Oberon Council that they are pursuing the reinstatement of a payphone in such a situation. Indeed members would consider managing this provision in the region where it was funded from the Federal Government.

Centroc supports the notion of ACMA being empowered to:

- set a minimum number of payphones to be located in rural and remote areas
- require Telstra to more transparently identify payphones installed to meet the Universal Service Obligation, although we support the notion of payphones being supplied and managed by other providers, for example local government
- set stronger rules regarding the provisioning of such payphones, including their location, relocation and removal

Regarding connections, faults and repairs Centroc reiterates its position regarding customer focus. The current customer experience includes long waits to have their issues dealt with from call centres.

Central NSW Councils has seen a steady decline in the workforce dedicated to connections and fault repair in this area.

Repair teams are shifted around the State with a corollary lowering of corporate knowledge.

Centroc members support replacing 'working days' with calendar days in the repair timeframes, and tightening the service disruption criteria to ensure the exemption only applies when specified objective criteria such as are used for meteorological, insurance industry and emergency declaration standards are met.

As there are many businesses that need communications seven days a week and as generally if the voice service goes down so does the data service then the community needs a calendar day process for allocation of service response times. Data communication has

become more critical for many people than voice. As an example if a voice line which carries data goes down then Eftpos and other data services are lost.

These types of impacts are not reflected in the Community Service Guarantee.

Service disruptions called Mass Service Disruptions need to be considered and have much tighter criteria. As a consequence of the NBN Company rolling out FTTP the need for field service response will diminish rapidly as the network is deployed. In the interim the complete assessment of service and response and restitution needs a review particularly in regional Australia.

The Mass Service Disruption criteria need an overhaul.

Regarding the Network Reliability Framework, Centroc agrees that it is not delivering at present and that the Federal Government should take this opportunity to tighten it up. We suggest that as a first step that data and mobiles could be included in it.

Network Reliability does not currently keep pace with the social and business use of communications. The issue of fixed network investment in maintenance is complex because of the uncertainty of the future of the existing network. It is unrealistic to expect Telstra to invest in a network which it is unlikely to continue to own and operate in its current structure. Also to invest in a network which will be superseded by a fibre network at an unknown rate in unknown locations with unknown priorities is commercially not sensible.

A complete overhaul of this part of the regulations is required but not at this point in time. Such a review should be based on the profile of business and consumer use of various technologies and the implications of failures to those groups.

Regarding the Universal Access Regime, the structure of the universal access regime should fall under the NBN Company with costs will be averaged across all carriers.

Regarding priority assistance, it is clear that the more remote the service, the lower the service level. Centroc members believe that this should be turned around where it is clear a voluntary code is not working. The review of inclusion to include a different basket of persons would also be worthwhile. Other suggestions for inclusion in the basket are emergency medical and fire personnel.

The NBN Company should be the provider of Emergency Service calls and also holder of the Integrated Public Number Database. The future of the Integrated Public Number Database has some major issues to deal with currently and into the future. The principal one of these is the ability to retrieve information from a VOIP call. This could become an increasing concern particularly with national security issues. On that basis the core network provider (NBN Company) and the Integrated Public Number Database need to be "hand in glove" in both operation and responsibility.

Regarding red tape removal, Telstra's view that phone books are no longer needed might be supported where they provided all telephone number enquiry services for free from all devices and had their staff use other search engines besides the white pages. Members report that it is easier to find a phone number from Google than using the white pages on line, as a book or dialling 12456 where one often pays for no result. Classic cases in point are Ministerial office numbers.

Distribution of white pages could be ceased and allow the consumers and businesses to collect the books if required. Local Government could hold limited stock at libraries for distribution for elderly people or those who do not have or use the internet.

Regarding legacy services, traffic control and alarm systems can be reviewed and may be allocated across the mobile networks. The transition can be fairly rapid but the most critical issue is planning and working with the users of the services.

Regarding enforcement of the above, Centroc suggests that the disincentives to failure on delivery should be remitted to the people who are being failed. On the one hand this is individuals and on the other it is the nation where for example when sufficient breaches of service obligation to a region are experienced, fines will also be remitted to the government. To both sectors this could be on a sliding scale.

So for example, if a service provider commits to delivering download speeds of 12mb/s, download speeds are measured and should be reported in billing arrangements. Where these speeds are not delivered, the consumer should be remunerated accordingly. This would sharpen up what service providers will commit to and therefore provide realistic advice about what consumers can expect from a service with the corollary effect of consumers being able to make real choices about locational preference for their operations, the quantum and type of business they can undertake and what they can in reality expect for the dollars they outlay.

Instead, at present, consumers believing they can achieve good download speeds continue to try and “fix” a problem that may be well outside the ambit of the computer, the modem, the wireless connection, the software etc, wasting time and money when in fact service providers are over promising and under delivering.

Where regions experience poor delivery of service as against either the commitment of a baseline USO from service providers on an ongoing basis, as is the case in Central NSW, there is a national cost to productivity and where such a cost has a reflected fine remitted to the public purse, it is commended that these monies go to improving the publically owned telecommunications in the region.

Centroc members have concerns regarding changes to funding of the USO or USO type arrangements as in the Communication Service Standard. With such low levels of tele-density over such great distances, it is difficult to imagine how regional and remote Australia would fare without financial support going to carriers providing the service.

There may be scope for greater creativity for who provides services, for example Local Government could opt to be funded to manage payphones in regional Australia.

Regarding the enforcement of reliability, connection and repair time standards, again consumers should receive recompense for lost time and the nation should receive compensation appropriately. Centroc members are not averse to having connection, faults and repairs part of a regulatory framework with penalties. We support the use of infringement notices and suggest that the penalties match the offence.

Regarding ACMA informal monitoring, for the time being, Centroc does not support either informal monitoring benchmarks for carrier performance against the Customer Service Guarantee and priority assistance being enforceable requirements subject to civil penalties or increasing penalties.

In our view, there needs to be more consideration given once the NBN company and the wholesale network operation are better defined.

Overall, Centroc suggests that there should be a baseline, wholesale level of infrastructure provision for telephony and broadband across the nation. To some extent it is immaterial who owns or operates it, though our experience of the privatisation of these services has not been positive. There should be reasonable rules around what can be universally expected from this infrastructure based around the capacity of the nation to compete internationally. Where these rules are breached both the consumer and the nation should receive recompense.
