

8 August 2011

Assistant Secretary  
USO Branch  
Department of Broadband, Communication and the Digital Economy  
GPO Box 2154  
Canberra ACT 2601

Dear Assistant Secretary,

Re: Discussion Paper on Universal Service Obligation Legislative Reform for transition to the National Broadband Network

The National Farmers' Federation (NFF) was established in 1979 and is the peak national body representing farmers, and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. NFF also has a number of associate members who participate in the agricultural supply chain. These organisations form the NFF.

Australian farming underpins domestic food consumption and is a significant export industry. There are 140,704 farms in Australia, and farmers occupy and manage 54 per cent of Australia's landmass. In 2008 Australian farm exports were valued at \$31 billion, accounting for approximately two-thirds of Australia's agricultural production. Despite deep and widespread drought, over 2007-08, agricultural product accounted for 15 per cent of Australia's merchandise exports. Exports are projected to grow to \$32 billion over 2009-10. Australian agriculture currently produces 93 per cent of all food consumed domestically in Australia and 1 per cent of all food consumed in the world.

The NFF has sought to ensure that rural Australians – including those in the most remote areas of the country – have secure access to telecommunication service as well as upgrades to these services. It is important that rural Australians are not disadvantaged, and that services are delivered to rural Australians at metro-comparable prices – meaning they are equitable and affordable. In rural and regional Australia telecommunications plays a major role in reducing the hazards and managing the impacts of natural disasters such as bushfire and flood. Access to communication technologies plays an important role in linking isolated communities, with benefits to the emotional wellbeing of individuals.

The NFF notes that under the proposed reforms there is the intention to decommission copper line where customers have access to National Broadband Network (NBN) fibre broadband services. The majority of Australian farmers live in areas where the copper network will be retained, outside of the cities and towns which will receive NBN fibre broadband service. Under the proposed legislative reform the newly created Telecommunications Universal Service Management Agency (TUSMA) will contract Telstra to operate and maintain the existing copper network in areas outside of the NBN Co's fibre footprint. These arrangements establish a mechanism to review the performance of Telstra in delivering the contracted service, and the potential for there to be competition for the delivery of these services in the future. The arrangements established to underpin

the performance and maintenance of standard telephone services provided through the copper network are of significant interest to Australian farmers.

NFF's focus has been on ensuring access to affordable quality telecommunications services for farmers and rural communities delivered in a competitive marketplace, rather than the precise mechanism through which this is achieved. This has led the NFF to concentrate on the 'rules' to guarantee minimum standards of service to farmers and regional communities. Under the arrangements proposed in the discussion paper the performance standards for service and access are determined by Government and reflected in the TUSMA contract with the service provider. It is important that there is a transparent process for determining these performance standards, they are clearly articulated by government and the performance by the service provider against these standards is clearly reported.

It is important that Australians living in regional Australia have a clear and simple process for dealing with problems relating to service and access to telecommunications. Farmers and their businesses can easily be isolated by problems with the delivery of telecommunications services. It is important that arrangements to resolve complaints about telephone or internet services are maintained through legislative reform and where possible strengthened. Existing mechanisms which support the delivery and improvement of telecommunications services in regional Australia, including the Network Reliability Framework and the Customer Service Guarantee must be retained under the new arrangements.

The NFF took a particular interest in the implementation of 2002 Rural Telecommunications (Estens) Inquiry recommendations, to ensure they were implemented in a manner that was both meaningful to farmers and actually delivered outcomes in the paddock. The subsequent establishment of the Regional Telecommunications Independent Review Committee to regularly review the adequacy of telecommunication services in regional, rural and remote parts of Australia has provided a mechanism to periodically review the service provided, but also to ensure that social and economic outcomes from telecommunications are being delivered in regional Australia. It is important that mechanisms to review the delivery of telecommunications services in regional Australia continue, along with a focus on the broader social and economic policy objectives that need to be achieved through telecommunications.

The existing standard telephone service, along with the existing copper networks which supports its delivery, remains a key service and infrastructure for rural Australians. It is important that the copper network remains in place and the level of service provided through it is maintained to underpin the delivery of telecommunications services in regional Australia.

Yours sincerely



**MATT LINNEGAR**  
Chief Executive Officer