



## David Littleproud MP

Federal Member for Maranoa

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# Media Statement

November 23, 2017

### **Maranoa MP holds Telstra to account: USO reform is the last chance for better mobile coverage in the bush**

TODAY Maranoa MP David Littleproud hosted the Telstra CEO in Western Queensland, using the opportunity to push a Universal Services Obligation (USO) change to better support telecommunications in the bush.

"I today personally extended an invitation to Andrew Penn and Telstra to start meaningful discussions with myself and National Party members on constructive reform to the USO that will include mobile phone coverage for the regions," Mr Littleproud said.

"The National Party sees this as an opportunity to have a more modern and dynamic USO framework and intend to be very active participants in the shaping of a future USO.

"The USO was created as a result of Telstra's privatisation, and was devised to protect landline and payphone services, which were the principle delivery method of telecommunications at that time in rural and regional Australia.

"However technology advancements have seen the importance of mobility in our telecommunications mix and the use of mobile phones for both voice telephony and data has become one of the most essential tools of the 21st century for rural and regional Australians.

"Currently almost \$300 million a year is paid to Telstra, as the principle provider of the USO, to deliver standard telephone services and maintain payphones – \$100m of that comes from taxpayers and the balance from telcos through a levy charged yearly. In the early 1990s, there were more than 80,000 payphones across Australia but this number has dwindled to just over 17,000 payphones in June 2016.

"Interestingly, every year \$44m of the \$300m is still designated to payphones, a technology which has reduced substantially since the USO's formation due to the popularity and affordability of mobile phones.

The reality that any expansion of the existing network is limited to programs – like the Federal Government's Mobile Phone Black Spot Program – means that without co-investment, regional Australia is on its own, with its current infrastructure which isn't being maintained to a satisfactory standard.

"The only way I see a way forward is to reshape telecommunications policy for regional Australia to fit the technology mix for the now, and into the future, and the last vehicle available to us as legislators is to address the USO. Transforming the USO that continues

to protect landlines, which are essential for safety of those living in remote areas, payphones (until their ultimate demise) and now mobile phone coverage.

"If we don't put in place the regulatory framework now, these towers – due to commercial reality – could become white elephants in years to come. By looking at the USO in a pragmatic way should also provide the opportunity to expand the network. Diverting part of the fund into the continuation of the Mobile Phone Black Spot Program would be a unique opportunity to provide expanded coverage in a methodical and sensible way and one in which my National Party colleagues support."

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