



## David Littleproud MP

Federal Member for Maranoa

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### Media statement

March 27, 2017

#### **Maranoa MP fights for landline phone connections for bush communities**

MANY couldn't imagine life without a mobile phone but, out here, where a mobile connection isn't always reliable, Maranoa MP David Littleproud has vowed to protect this vital method of bush communications.

"I want to assure Maranoa communities their voice will be heard as I made a submission to make sure our most basic right to a fixed-line phone service will be protected," Mr Littleproud said.

"Australia's Universal Service Obligation (USO) guarantees access to a fixed copper line telephone service with almost \$300 million provided to Telstra each year for landlines, including \$44 million for payphone services. In regions with no mobile phone coverage, landline connections must be protected."

In an agreement between the Federal Government and Telstra, the USO mandates every Australian must have access to a telephone service but last year, the Productivity Commission's report said the \$300-million-a-year USO contract was "anachronistic and costly".

"A landline phone is imperative for safety and connectivity but the local payphone box is now a service that's basically obsolete," Mr Littleproud said

"I think the \$44 million set aside for payphones every year would be better spent on increasing the mobile phone footprint – but not at the expense of the reliable landline service for rural and remote communities.

"The Productivity Commission's draft report revealed Telstra's used this long-standing agreement with the government to treat every fixed-line customer as a USO connection, even when the connection was commercially viable.

"To me, the spirit of this agreement was to subsidise coverage in areas where it wasn't commercially viable but here's Telstra claiming the USO on every connection regardless of whether you're in Brisbane or Birdsville.

"There's a need for a USO review – as acknowledged by the Productivity Commission – but not at the expense of rural and remote communities who have no other reliable phone connection."

The Maranoa MP – whose electorate spans 42% of rural and remote Queensland – used a Winton-visiting Telstra CEO to chew his ear about the a new USO framework and landline importance.

“I hosted (Telstra CEO) Andrew Penn and we were in a car together for about one hour so he couldn’t escape,” he said.

“The USO was recreated as a result of Telstra’s privatisation and was devised to protect landline and payphone services. Back then, these were the principle delivery methods of telecommunications in rural and regional Australia.

“Interestingly, every year \$44 million 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 and the payphone rollout has dramatically declined as a result.

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

“The only way I see a way forward is to reshape the telecommunications policy for regional Australia to fit the technology mix for the now and into the future.

“The last mechanism available to us as legislators is to address the USO. By transforming the USO so it continues to protect landlines, essential for safety of those living in rural and remote areas and increasing mobile phone coverage.”

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