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Media Release

Alliance Welcomes Content of ACA Report - but Slams Its Conclusion

People in rural and remote areas would be further disadvantaged in communications if the recommendations of this week's Australian Communications Authority (ACA) report on telephones were adopted. The ACA recommends against upgrade of the Community Service Obligation (CSO) for telecommunications, despite the evidence in its own report.

The ACA finds that "*access to a data capability is becoming increasingly important in Australian society*" and "*disparity exists in terms of data service capability and access charges between metropolitan and rural consumers*". Despite this, the ACA recommends against legislation to require telecommunications carriers to provide services with data capability at equivalent prices throughout the country. This would mean that many rural and remote people would still find it difficult, because of cost, to have access to facsimile, e-mail, Internet and online business information.

"If access to improved telephone systems is left to the market, rural and remote people will fall further behind their city cousins", John Lawrence, Chairperson of the NRHA, said from Bairnsdale. "The ACA's recommendation is "*to target the impediments which inhibit market growth for data services in rural and remote areas*". Despite its own arguments for the upgrade, it concludes that it "*is not supported on cost/benefit assessments*".

"Country people would not be impressed with the application of such dry economic principles to the cost of using fax machines and e-mail – they are fundamental means of communication," Mr Lawrence said. Market developments, carrier licence conditions and proposed satellite delivery of data services may well "*ensure the market will satisfy demand for data services*" - but country people want and deserve government guarantees on this.

"Adoption of the ACA position would send telecommunications services the same way as banking. They would remain expensive in country areas where there are few people, or they would disappear entirely as carriers concentrate on the most profitable markets".

"Government has the opportunity here to ensure, through legislation, that rural and remote people have equivalent access to city people. An upgrade of the CSO would apparently add 20 per cent to the cost of the CSO - a small price to pay for the benefits it would bring to rural people and businesses.

"The ACA's own report confirms this. It says that Government intervention in relation to digital data service "*is not necessary or justifiable, except possibly on equity grounds*" and perhaps "*for fairness and citizens' rights-type reasons*".

The Alliance will continue to call on Government to give solid guarantees, through legislation, that rural and remote people will have affordable access to modern telecommunications, including a fax service, Internet and email.

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