**2021-22 Pre-Budget Submissions**

COMMUNICATIONS ALLIANCE SUBMISSION

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# INTRODUCTION

Communications Alliance welcomes the opportunity to provide this Pre-Budget Submission to Treasury.

Telecommunications is fundamental to Australia’s economy. Deloitte Access Economics estimated that the industry sector directly contributed $51.5 billion to Australia’s Gross Domestic Product (GDP) in 2017-18, and that as a result of the productivity benefits contributed by telecommunications, the Australian economy (GDP) was $126 billion larger in 2019 than it would have been otherwise.[[1]](#footnote-1)

This was prior to the impacts of the COVID-19 pandemic, during which telecommunications networks have experienced and coped with unprecedented demand due to changes in work and daily life. Australia’s networks held up well throughout the pandemic, supporting Australians to stay connected to friends, family and employment.

The ubiquitous nature of telecommunications means it will interact with and be impacted by the Budget in countless ways – however, we have identified four areas we think would be of benefit for Government to be aware of when considering the 2021-2022 Budget, outlined in the following sections.

We note also that the Australian Mobile Telecommunications Association (AMTA) is making a pre-budget submission. We have reviewed that submission and we fully endorse the points it raises.

**About Communications Alliance**

Communications Alliance is the primary telecommunications industry body in Australia. Its membership is drawn from a wide cross-section of the communications industry, including carriers, carriage and internet service providers, content providers, equipment vendors, IT companies, consultants and business groups.

Its vision is to provide a unified voice for the telecommunications industry and to lead it into the next generation of converging networks, technologies and services. The prime mission of Communications Alliance is to promote the growth of the Australian communications industry and the protection of consumer interests by fostering the highest standards of business ethics and behaviour through industry self-governance. For more details about Communications Alliance, see http://www.commsalliance.com.au.

# NATIONAL SECURITY AND ONLINE SAFETY

Telecommunications networks facilitate (almost) every aspect of our economy, society and lives. These networks are, correctly, considered critical infrastructure that must be protected from unauthorised access and interference. In the past five years, our sector has seen the introduction of and/or significant enhancements to regimes that aim to protect and secure telecommunications networks – most notably the Mandatory Data Retention regime, the Telecommunications Sector Security Reform (TSSR), the Assistance and Access Act, and, most recently, the proposed reforms to the Security of Critical Infrastructure Act.

Telecommunications networks (excluding social media platforms for the purpose of the argument) are also increasingly being used to block access (i.e. as opposed to remove content from platforms) to undesirable and/or terrorist material online. For example, internet services providers are being asked – by means of legislative requirements imposed on providers of telecommunications services – to block access to websites that facilitate illegal offshore gambling, advertise products that pose a significant risk to consumer safety, websites that, as their primary purpose, facilitate the infringement of copyright or online academic cheating, or overseas websites that sell goods and services while infringing on Australian tax legislation. These may serve as examples where telecommunications networks are being used to derive societal benefit (through the blocking of access to undesirable content) that is, as such, unrelated to the activities of telecommunications providers.

The implementation of and ongoing compliance with legislative and regulatory requirements that relate to national security and online safety generate significant ongoing costs to our sector which are, to the largest part, funded by the providers themselves. However, we believe it is increasingly inappropriate to regard those as a ‘cost of doing business’ given the omnipresence of telecommunications, the relatively low margins of the sector and the importance of ensuring that telecommunications services remain accessible and affordable for all parts of society and our economy.

We note that Australia’s Cyber Security Strategy 2020 earmarks $1.67 billion to be invested into agency capabilities and related systems. However, we are not aware of any funding to be made available to industry participants to compensate for ever-increasing national security and online safety expenses. Quite the contrary is the case – our sector has been told that no additional funding would flow to providers for such purposes.

Consequently, we respectfully request that dedicated funds be allocated to ensure that industry participants can be, at least in part, compensated for the expenses that they incur to protect networks that underpin the economic and societal wellbeing of Australia.

# EMERGENCY CELL BROADCASTING (ECB)

In October 2020, Communications Alliance provided an Emergency Cell Broadcast proposal to the Department of Infrastructure, Transport, Regional Development and Communications and Minister Fletcher’s office. As discussed in that proposal, ECB is a newly standardised technology that should be implemented to augment and integrate with the current Emergency Alert system. Consumers will benefit from receiving an emergency alert wherever there is network coverage from any mobile carrier network, regardless of whether or not the customer can receive a signal in that location from the specific service provider with which they are personally subscribed. Enabling a fully integrated and complementary solution with Emergency Alert would provide an effective and comprehensive capability to the Commonwealth, States and Territories in the delivery of public safety and Emergency Alerts to mobile phones outside the coverage from their ‘home’ mobile network, in the most practical and efficient way.

Communications Alliance and our mobile carrier members have recently held discussions with the Department about our proposal, to provide additional information on the benefits, types of network implementation and management of ECB. We understand the Department is intending to submit a proposal for ECB development and implementation funding to be included in the budget and we support the intention as we understand it.

# ACCC MEASURING BROADBAND AUSTRALIA PROGRAM

As stated in [Communications Alliance’s submission](https://www.commsalliance.com.au/__data/assets/pdf_file/0005/73688/201106_CA-submission_-ACCC-Review-of-Measuring-BB-Australia_SUBMITTED.pdf) on behalf of its Retail Service Provider (RSP) members to the ACCC’s recent review of the Measuring Broadband Australia program, we have concerns about the operation of the current program that impact the appropriateness of its budget, and strongly object to any expansion of the program – particularly in the circumstance where the issues outlined in our submission have not been addressed.

There has been limited accountability on the financials of the program to date. This is particularly true as regards the underdelivery of the whiteboxes used for measurement. While the consultation paper provided by the ACCC during the aforementioned review claimed the program had “achieved its objectives within budget,” the program was initially designed and tendered on testing 4,000 households, which has clearly not been delivered.[[2]](#footnote-2)

From the information we can determine in the reports (which do not directly identify the number of deployed and number of active whiteboxes), there have never been more than 1,300 devices, and they mostly report on <1100. However, there was supposed to be over 2000 *active* (not just released) in the first year – nearly 3 years ago.

There has been extremely limited information provided regarding the change in the expected number of whiteboxes – and no information on how that change has impacted on the budget of the program. Additionally, it is unclear why the ACCC would be retaining whiteboxes for future expansions of the program, when we are reaching the end of the initial budget and timeframe.

There should be a lower level of funding required for any continuation of the program. considering the low number of whiteboxes deployed (and those held back). In fact, this should mean that the existing funding is able to stretch to cover more years without any additional funding. If this is not the case, there needs to be an independent and external audit to determine why not.

Additionally, at present, the funding of the program is levied only on carriers. If the program expands to a larger number of non-carrier ISPs, consideration should be given to expanding the funding base.

On the whole, we have been disappointed in the lack of transparency for this program, and its recent review, considering the cost and intended public provision of information and results, and encourage Government and the ACCC to thoroughly consider these matters.

# FINANCIAL COUNSELLING AND THE SYLVAN REVIEW

Communications Alliance appreciates the work Minister Anne Ruston and the Department of Social Services are undertaking on the outcomes of the Sylvan Review and future funding of financial counselling. Financial Counselling is an important and valued service, and we support the goal of funding predictability and stability. We are pleased by the Government’s Support of the Review’s Recommendation that funding should maintained at current levels and not decrease.[[3]](#footnote-3)

We will continue actively engaging in the consultation process being managed by the Minister’s Office and the Department, and will put forward our more detailed views on this matter in that forum.

1. [Connected Nation](https://www.commsalliance.com.au/__data/assets/pdf_file/0020/68420/Connected-Nation-Jan-2020-Web.pdf), Deloitte Access Economics & Communications Alliance, 2019. [↑](#footnote-ref-1)
2. <https://www.accc.gov.au/media-release/accc-to-monitor-australias-broadband-performance> [↑](#footnote-ref-2)
3. [The Sylvan Review](https://www.dss.gov.au/sites/default/files/documents/11_2020/sylvan_review_government_response_final_unclassified_version_post_budget.pdf) [↑](#footnote-ref-3)