



Australian Government

Department of Communications and the Arts

Mr Jason Lange
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Dear Mr Lange

Telecommunications Universal Service Guarantee – Regulation Impact Statement – final assessment second pass

Thank you for your first pass final assessment of the Regulation Impact Statement (RIS) prepared for the telecommunications Universal Service Guarantee.

I am satisfied the second formal version of the RIS addresses the concerns raised in your letter of 15 October 2018. Our response to your feedback is provided below.

1. *Page 16 - The first consideration mentions the Department has actively consulted Telstra in the development of USG options. It would be useful at this point to briefly mention the results of this consultation, or to make reference to other parts of the RIS where this is covered in greater detail*

Response: We have provided some additional context around our consultations with Telstra under the first consideration. In particular, we note that Telstra has provided the Department with its preliminary views on how the USG could work, and that this was a relevant consideration when developing policy options.

2. *Page 27 - The final paragraph refers to international experience that shows payphones can be broadly rationalised or removed without significant negative consequences. It would be useful, for completeness and comparison, to briefly describe where this has occurred.*

Response: We have provided a footnote providing examples of countries that have recently removed payphones from their universal service obligations. This is based on research undertaken by the Department.

Accordingly, I am satisfied that the RIS now meets best practice consistent with the *Australian Government Guide to Regulation*.

Please note, we have updated some of the figures and have made minor editorial changes from the earlier version of this RIS to align with our Department's updated style guide. I further note that we

will need to redact key financial figures from the published version of the RIS, as these are of a commercially sensitive nature and/or could compromise the Commonwealth's position in future negotiations with Telstra, NBN Co or the industry more broadly. The material we expect to redact is highlighted.

I submit the draft RIS to the Office of Best Practice Regulation for final assessment.

Yours sincerely



Mr Philip Mason
Assistant Secretary, USO Taskforce
Market Reform Division