

# CSOs: What are they?

Holly Raiche of the Communications Law Centre

The Telecommunications Act and the Australian Telecommunications Corporation Act (the ATC Act) in 1989 substantially overhauled the structure of telecommunications. Section 27 of the ATC Act expressly imposed on Telecom community service obligations or CSOs. Strategies and policies to meet those CSOs must be included in Telecom's Corporate Plan which is then subject to Ministerial approval and oversight by AUSTEL. Yet, over a year later, there are no agreed meanings attached to the terms describing Telecom's CSOs.

Section 27 states that Telecom is to provide a standard telephone service, which is further defined as the public switched telephone service. Telecom must ensure that, in view of the social importance of this service, it is reasonably accessible to all persons in Australia on an equitable basis, wherever they reside or carry on business and that the performance standards of the service reasonably meet the social, industrial and commercial needs of the Australian community. As both overseas and Australian experience suggest, there are a range of meanings which can be attached to these terms, as well as a variety of specific strategies which might be used to carry out Telecom's CSOs.

## Social concerns

The Bureau of Transport and Communications Economics (BTCE) recently issued its report *The Cost of Telecom's Community Service Obligations* (1989). However, the BTCE definition for the CSO - a standard telephone service - was the provision of a dedicated line, wiring and the first phone instrument, with the costing exercise focusing on what it judged to be unprofitable telephone exchanges. What was missing from that report and its "costing" of CSOs was a reflection of the range of social concerns implicit in the legislation itself.

The other major report to date on CSOs was a paper produced for the Commission For the Future by Peter White, Community Service Obligations, and the Future of Telecommunications (1989) which reflected the range of concerns raised by CSO terminology. The paper, based on discussion from a range of community groups, reflected concerns that CSOs would be interpreted so broadly as to support continued Telecom subsidies for its CSOs. The paper also explored the range of social concerns felt by

other community groups who saw access to a telephone as a vital community need which should be provided for all.

The problem in ascertaining the social importance of the telephone is that there has been little research to date on precisely how Australians use the phone in their non-business lives. One of the few recent studies on women's use of the telephone suggests the importance of the phone as a transport substitute, in the acculturation of migrant women, and in rural and remote areas as, maintaining ties of family, friendship and community.

In much overseas literature, "reasonably accessible" has been taken to relate to financial barriers in accessing a phone - of connection fees and/or a bond, and the charges for usage. While cost is often a significant barrier to access, there are other barriers as well. Providing a quadriplegic with a standard handset or more generally providing poor technical services does not amount to providing access to a phone.

## Legal rights

At issue is whether the obligations amount to individual, enforceable rights. Telecom is statutorily required to provide a standard telephone service, but only as efficiently and economically as practicable, and the performance standards for that service must only be reasonably met. The recent dismissal of the case brought by Northern Territory aborigines against Telecom suggests that Telecom has considerable discretion in determining how to meet its CSOs.

Also, Telecom is the only carrier given specific CSOs. The use of satellite technology could greatly improve the range of communications services to rural and remote areas, yet AUSSAT has no obligation in relation to the provision of such services. Nor is OTC obliged to take account of community need in the supply or price of its reserved services.

## CSOs and technological development

As CSOs are defined in terms of a public switched telephone service, which may exclude public mobile telephone service. Telecommunications between people and/or machines will increasingly have a mobile component, yet the obligation to provide a telephone service to meet community needs

is now tied to a fixed, switched technology.

As the intelligence and capacity of the network itself is enhanced, would Telecom's CSOs require it to upgrade a standard telephone service to include the range of services available throughout the public switched network?

Finally, the results of Government policy reviews may well be a more competitive environment where community obligations will have to be implemented, costed and monitored in totally different ways and by other carriers apart from Telecom.

There is a clear and urgent need for the development of a clearer legislative framework and more specific CSO terminology to ensure that the needs of the community for telecommunications services are met.

*Holly Raiche is a researcher with the Sydney office of the Communications Law Centre.*

## SUBMISSIONS CALLED

**The Attorney's General of New South Wales, Queensland and Victoria have released a discussion paper on Reform of Defamation Law and invited members of CAMLA to comment on this paper and this area generally. Members interested in obtaining a copy of this paper or in commenting on its contents should write to:**

**The Secretary  
New South Wales Attorney  
General's Department  
Goodsell Building  
8-12 Chiefly Square  
SYDNEY NSW 2000**

**The Director-General  
Queensland Attorney General's  
Department  
14th Floor, State Law Building  
Cnr George and Ann Streets  
BRISBANE QLD 4000**

**Chairman  
Victorian Law Reform Commission  
7th Floor, 160 Queen Street  
MELBOURNE VIC 3000**