

National Rural Health Alliance E-forum – 31 March 2000

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### PAPERS ON TECHNOLOGY AND SAFETY IN THE HEALTH SYSTEM

The new Australian Council for Safety and Quality in Health Care has released two papers, entitled "Technology, Health and Health Care" and "The Quality of Australian Health Care: Current Issues and Future Directions".

The papers have been prepared by Dr Michael Fett and Mr Martin Fletcher and are aimed at stimulating discussion about financing priorities in the health arena.

The papers are available at <http://www.health.gov.au/pubs/hfsocc/occpdf.htm>

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### NSW HEALTH SERVICES REVIEWS

The NSW Government has released two reviews of health services, and its responses thereto. The reviews are the report of the NSW Ministerial Advisory Committee on Health Services in Smaller Towns (the "Sinclair" report), and the Report of the NSW Health Council ("Menadue" Report). The response includes very significant funding initiatives. The reports, and the Government's response, is available at <http://www.health.nsw.gov.au/health-public-affairs/wayforward/>

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### GST SEMINARS

Peak healthcare industry associations are working together to prepare the hospitals and healthcare sectors for the implementation of the GST. A nationwide seminar program commences on 10 April 2000 - these seminars are presented by healthcare professionals and are specifically for the sector.

"GST for Hospitals and Health Services: A Business Skills Guide" is a comprehensive guide to implementing the GST within your hospital or healthcare facility. Each seminar attendee will receive a copy of this Guide.

For more information on the Hospitals and Health Services GST Project visit 'Tax Matters' on the Australian Healthcare Association website, <http://www.aha.asn.au/>

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From: Jim Groves <grovesc@winshop.com.au>  
Subject: Telecommunications Announcements

It has been a big fortnight for telecommunications announcements. For four years now, telecommunications policy debates in Australia have been dominated by the relatively minor issue of Telstra ownership. While that unfortunately continues to be the case, at least there are some other things happening. I thought I would run a number of these items together in one article, with some commentary by me. Of course, the views expressed are my own and not necessarily those of the Alliance or anyone else.

The most significant announcement was Senator Alston's announcement of an inquiry to assess the adequacy of telecommunications services in metropolitan, regional, rural and remote areas. This in line with Coalition policy that unless and until the inquiry certifies that service levels are adequate there will be further sale of Telstra. The inquiry will be conducted by the President of the Australian Academy of Technological Sciences and Engineering, Mr Tim Besley (chair), former National Party MP Mr Ray Braithwaite, and 1997 ABC Radio Australian Rural Woman of the Year Ms Jane Bennett. The inquiry is to report by 30 September 2000. Senator Alston's announcement, including the Terms of Reference for the inquiry, is at [http://www.dcita.gov.au/nsapi-graphics/?Mival=dca\\_dispdoc&ID=4874&template=Newsroom](http://www.dcita.gov.au/nsapi-graphics/?Mival=dca_dispdoc&ID=4874&template=Newsroom)

I have never understood the logic of linking further privatisation of Telstra to such an inquiry. One doesn't need an inquiry to know that the telecommunications infrastructure in rural and remote Australia is not "adequate" in terms of the broadband access people will require to participate in the information age. The issue to be considered with privatisation is whether privatisation itself will make any difference (for good or ill), but that is not part of the inquiry's terms of reference.

Another highly significant announcement was that the Government will introduce "contestability" into the provision of the universal service obligation (USO), initially through two "contestability pilots". Details are to be announced mid-year. The joint announcement by Senator Alston and Mr Anderson is available at [http://www.dcita.gov.au/nsapi-graphics/?Mival=dca\\_dispdoc&ID=4883&template=Newsroom](http://www.dcita.gov.au/nsapi-graphics/?Mival=dca_dispdoc&ID=4883&template=Newsroom)

The in-principle decision to tender the USO is welcome, and indeed long overdue - a tendering arrangement should have been instituted alongside deregulation in 1997. Progress still seems to be slow, however, as few details of how this will operate have been announced. Tendering the USO will convert it from a cost to all telecommunications carriers to a potential revenue source, and hence could have quite significant effects in increasing carrier interest in servicing rural and remote regions. The main issue for rural and remote Australians, however, is whether the tendering

process will result in an upgrade of services actually delivered. There will be no upgrading of services if the tender is conducted purely on the basis of price. It is to be hoped that the Federal Government includes quality of service alongside price in its deliberations. This, however, would require some clear vision as to what service all Australians will require in the information age - something that has so far not been forthcoming (except for the earlier decisions to encourage provision of a 64 kbps service, which is at best only a stepping stone towards the connectivity Australians will require in coming years).

A third announcement is that the Government has called a tender for carriers to deliver the "social bonus" commitment to extend availability of untime local calls to 40,000 people living in "extended" zones. Moreover, the announcement also refers to "maximising other benefits" to these subscribers, such as data rates or prices. The joint announcement by Senator Alston and Mr Anderson is at [http://www.dcita.gov.au/nsapi-graphics/?MIval=dca\\_dispdoc&ID=4882&template=Newsroom](http://www.dcita.gov.au/nsapi-graphics/?MIval=dca_dispdoc&ID=4882&template=Newsroom)

A fourth announcement was the publication of a draft Customer Service Guarantee, with public comments sought. The draft Guarantee tightens some of the requirements on carriers in relation to delays in obtaining new phone connections and fault repairs. Comments are sought by 6 April. Senator Alston's announcement is at [http://www.dcita.gov.au/nsapi-graphics/?MIval=dca\\_dispdoc&ID=4873&template=Newsroom](http://www.dcita.gov.au/nsapi-graphics/?MIval=dca_dispdoc&ID=4873&template=Newsroom)

The Customer Service Guarantee is a useful vehicle as far as it goes. However, it suffers from two major limitations. First, it is not comprehensive as it does not cover infrastructure quality issues such as data transmission rates for Internet access. Second, there is always a risk with such externally-imposed standards that the service standards they dictate will tend to become the norm, rather than the minimum standards as intended.

Still on telecommunications, Telstra has provided the ACCC with assurances that it will be launching the unconditioned local loop (ULL) service and the wholesale ADSL\* product simultaneously in August 2000. Telstra has further committed to launching the retail ADSL product at around the same time. The ACCC's announcement is at <http://www.accc.gov.au/media/mr2000/mr-46-00.htm>

ADSL provides genuinely broadband capacity, ie, data rates perhaps 100 times that available on existing telephone lines., using the existing copper wire telecommunications infrastructure. (It is only much use, however, for subscribers within 5 kms of the telephone exchange). ADSL has been operating successfully in the US for sometime, in competition with cable for broadband access. Telstra has been extremely tardy in introducing ADSL into Australia, but has now indicated an intention to move in this direction. This announcement means that other carriers will also be able to introduce ADSL services at the same, permitting competition in the market and hopefully leading to a (long overdue) rapid rollout of ADSL.

Finally, Telstra has announced agreements with companies such as Microsoft to allow it to develop its Application Services Provider (ASP) business. I include this here because this is a good example of one of the things wrong with Telstra. Telstra is a

telecommunications carrier, and should stick to becoming a good telecommunications carrier. Instead, it dabbles around in every other market it can find, often creating major anti-competitive problems as it does so. These ventures divert management attention away from what Telstra really needs to do, which is to roll-out the type of telecommunications services Australians need in the information age. For those interested, the announcement of the agreement with Microsoft is at <http://www.telstra.com.au/newsroom/release.cfm?ReleaseID=4861>

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### "WELFARE REFORM" INTERIM REPORT

The Government has announced the release of the Interim Report of its Reference Group on Welfare Reform, entitled "Participation Support for a More Equitable Society". The interim report is the basis for a round of community consultations before a final report is presented by 30 June 2000. Senator Newman's announcement of the interim report is available at <http://www.facs.gov.au/internet/newman.nsf/3642f4f6006b0c7fca25670f0009cd22/c0b14b154bf6ab04ca2568b0000d2f92?OpenDocument> and the report itself is available at [http://www.facs.gov.au/internet/facsinternet.nsf/whatsnew/welfare\\_reform\\_interim\\_report.htm](http://www.facs.gov.au/internet/facsinternet.nsf/whatsnew/welfare_reform_interim_report.htm)

In its initial response, ACOSS said the new 'participation support' framework for welfare reform was a positive development, but warned that the new renovations could fail if the foundations are not strengthened. ACOSS' statement is at <http://www.acoss.org.au/media/2000/mr000328.htm>

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### RURAL FOUNDATION WEB SITE

The Sidney Myer Fund has recognised a potential role for philanthropy in catalysing a cross-sectoral initiative to support regional, rural and remote communities and has allocated \$1 million over 4 years to facilitate the establishment of Foundation for Rural and Regional Renewal - a charitable foundation to benefit regional, rural and remote communities. The Foundation Web site is at <http://www.frrr.netconnect.com.au>

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Extract from "The Internet Daily: Internet Industry News", 21/3/00

### Drugstore.com describes e-health outlook

The president of Drugstore.com (DSCM) told Congress 22 million people used the Internet to research health and medical information last year. Peter Neupert, in testimony to a Capitol Hill committee, also cited research projecting the market for sales of prescription drugs online will grow from nothing in 1998 to \$15 billion by 2004. Since opening in February of 1999, Drugstore.com has sold products to more than

695,000 customers, he added. Neupert was in Washington testify at a hearing into the policies and practices of online pharmacies.

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CONTRIBUTION AND SUBSCRIPTION INFORMATION AND DISCLAIMER

The NRHA e-forum is a forum for the expression of YOUR views. Contributions are sought on any topic relevant to rural health concerns. Please send contributions to the moderator, Jim Groves, at grovesc@winshop.com.au.

The NRHA e-forum is edited by a third party moderator, Jim Groves. As such, the Alliance does not control postings and the contents do not necessarily reflect the opinions of the Alliance. Nor do postings necessarily reflect the view of Jim Groves or any organisation he is associated with. Jim Groves can be contacted at grovesc@winshop.com.au.

The e-forum is sent to a mailing list of the Alliance and those have indicated interest through the subscription box at the NRHA Web site (<http://www.ruralhealth.org.au>). This issue is going to 697 recipients. Please forward a copy to any colleague you think may be interested.

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