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Better Delivery of Universal Services - Discussion Paper

**WESTERN DOWNS REGIONAL COUNCIL
SUBMISSION**

Background

Western Downs Regional Council advocates for an 'access for all' approach to connectivity. In this current age, consistent, reliable, robust, and fit for purpose connectivity is a necessity, rather than a luxury and should be available for everyone, no matter their location (regional, rural, urban etc) income or general socioeconomic status.

The Western Downs region is located 2.5 hours west of Brisbane and measures 38,000 square kilometre with a population of 34,584. The region contributes significantly to the national economy. The GRP has increased by 12% over the past year to \$3.68b and the region lists \$6.9b of developments at various stages in the pipeline. The region's economy is underpinned by agriculture, intensive agriculture, energy and manufacturing industries.

The size of the region and low-density population support a thriving agriculture industry with ample space for broad acre cropping and intensive agriculture. Western Downs' beef production is the largest economic contributor to the agricultural sector, with 42% of the national feedlot occupancy within a 200-km radius of Dalby. In addition, the region has thriving broadacre cropping properties.

Located in the heart of the resource rich Surat Basin, the Western Downs has a diversified energy portfolio with thermal coal, gas, wind solar and a recently announced hydrogen trial to commence. Due to strong investment in resources over the past 15 years, the region has a competitive advantage due to the dense energy infrastructure and transmission network.

Despite being an economic powerhouse, the region experiences significant gaps in Internet and Mobile coverage. Fast and reliable mobile and internet (connectivity) services are vital to ensure a strong and diverse economy and to assist in ensuring a quality lifestyle for the community. Connectivity is a critical economic layer of our region's infrastructure and supports businesses to conduct their activities, grow their businesses and remain connected to stakeholders outside the region.

In addition to this, our mobile phone network is relied upon for communications during emergency situations and disaster management. In 2021/22 the Western Downs experienced an unprecedented period of frequent high rainfall and multiple flood events across the region.

Unfortunately, the region experienced further disasters in 2023 with several large bushfire events across the region in February and March 2023, as well as in October and November 2023. These events tragically impacted communities.

For community members, it is essential that during these states of natural disasters they have the ability to remain connected, particularly regarding lifesaving services and assistance. Western Downs Regional Council suggests there should be consideration given to implementing legislative requirements on both pricing structures and how service providers are able to provide and maintain a level of network resilience. This further enables connectivity that is available for *all*.

Western Downs Regional Council would like provide submission focus on the Question 1, Question 3, Question 4 and Question 6 as the questions have been identified to be the most relevant to our region's priorities.

Question 1: What do you consider are the key outcomes that a modern universal service framework should deliver?

RESPONSE: Council considered the key outcomes that a modern universal service framework to deliver connectivity that is widespread, reliable, robust, high quality, fit for purpose and meets the needs and expectation of the Western Downs community and consumers. Suitable internet connection to form the basis of conducting business, supporting education, social interactions and supporting disaster, safety, and recovery initiatives.

Council recommends the development of a new framework be based upon regional stakeholder engagement to ensure that services fit the need of all consumers. This should ensure equitable level of services by considering locally identified gaps and needs and considering place-based opportunities and solutions to enhance levels of service.

Council also like to see an in-depth detail on how services will be delivered and maintained to ensure that service levels remain at a standard to ensure there is no loss of productivity in the event of service outages.

Rationale:

The Western Downs spans across an area of 37,937m² and therefore relies on digital technology to maintain connectedness across the community. Basic communications to maintain social or family relationships rely on reliable and efficient technology. Consideration needs to be made to ensure communities are not negatively impacted and isolated due to poor service levels. Council supports a clear plan within the framework to support regularly updated infrastructure to ensure the minimisation of psychosocial hazards in rural and regional communities.

Council recommends that a modern universal service framework be developed to deliver connectivity that has broad access, which is widespread, reliable, robust, high quality, fit for purpose and meets the needs and expectations of consumers. With the exception of Chinchilla, Dalby and Miles town centres

in the Western Downs Region area, the majority of the region is connected via either fixed wireless or satellite. Both connections are considered to have a reduced speed and are more susceptible to weather condition and outage.

There are clearly identified gaps in access, reliability, and speed levels of connectivity in many rural areas across the Western Downs Region. As a result of these gaps, many of our residents may be unable to access suitable level of connectivity, negatively impacting on access to basic and important safety net services including health care and contacting emergency services.

There is also an identified need for reliable and robust connectivity across the Western Downs as it forms the basis of day-to-day operations for many businesses and industries, where basic tasks such as processing credit card transactions or communicating with suppliers or customers would not be possible without access to a reliable connection. This applies to other regional and remote areas that rely on a suitable internet connection to form the basis of conducting business, supporting education, social interactions and supporting disaster, safety, and recovery initiatives.

It is important that a Universal Service Framework delivers and enables equitable level of services by considering locally identified gaps and needs and considering place-based opportunities and solutions to enhance levels of service. The Western Downs Region would see vastly different challenges in terms of telecommunications than that of a more urban centre. For this reason, Council strongly recommends that the development of a new framework be based upon regional stakeholder engagement to ensure that services fit the need of all consumers.

Council also wishes to advocate for a modern framework to include in-depth detail on how services will be delivered and maintained to ensure that service levels remain at a certain standard to maintain productivity in the event of service outages. Western Downs Regional Council would like to see the consideration of Low Earth Orbit Satellite (LEOSat) services, as referred to in the discussion papers as currently being available to almost 100% of premises in Australia, being considered as an option to support connectivity across regional communities. The consideration of modern satellite services (LEOSats), offering higher speeds and lower latency compared to geostationary satellites (which as noted in the discussion paper is important in supporting quality voice communications) would ensure that region and rural communities are not limited to services that have traditionally in the region, created unreliable and ineffective connections. The availability of farther-reaching and better performing services such as LEOSats would ensure rural and regional communities have better and faster access to emergency and disaster preparedness initiatives.

Council recommends that a modern Universal Service Framework should address privacy and security concerns of its users. Malicious cyber activity continues to be an important issue that individuals and

businesses face regularly in the telecommunications space. Australian Signals Directorate (ASD) responded to over 1,100 cyber security incidents from Australian entities and nearly 94,000 reports were made to law enforcement in the 2022-23 FY as published in their annual Cyber Threat Report. As such, a universal approach needs to be developed within the framework to ensure users are protected across the board as a minimum service.

Noting that security and privacy are extremely important, it is also critical to point out that it should not come at the cost of effectiveness of the connection. Council strongly advocates for the sharing of assets amongst service providers especially during disaster management initiatives. Exceptions and allowances to regulation by ACCC should be made under extenuating circumstances to secure and maintain service levels for end users.

Question 3: To what extent do you consider mobile services are important to complement fixed services supported under the existing framework.

RESPONSE: Mobile networks have the ability to extend coverage to areas where fixed infrastructure is limited or absent in the Western Downs Region. It also offers portability to ensures that users can be connected anywhere, at any time. Being a disaster-prone region, it has become critical from a safety perspective during natural disasters for the Western Downs to ensure communities maintain connected while on the move and have access to vital support services including emergency and healthcare services.

Council recommends the new framework to ensure mobile services focus on providing a network that is stable, accessible and the mobile network is capable of supporting of an influx of users to support local small business day to day operations and tourism events.

Council would like to be considered for any other further funding arrangement as this would be highly beneficial for the regions mobile phone services and connectivity for our residents.

Rationale:

The Western Downs is a region that is highly susceptible to natural disaster with the region regularly facing floods and fires. With the majority of the region being connected to fixed wireless services, the region often faces outages in line with weather events. Mobile services offer portability, and it has become critical from a safety perspective during these times that communities maintain connected while on the move and access to vital support services including emergency and healthcare services.

Mobile networks extend coverage to areas where fixed infrastructure is limited or absent. Due to logistical challenges and lack of government support, there are constraints with installing fixed line services across the Western Downs Region. Across the Western Downs region, workplaces and towns benefit from mobile connectivity to ensure that the transient workers who have jobs in the region but live elsewhere, remain connected to the digital world. Fixed connections are unwarranted for these workers and therefore, individuals rely on mobile services. It is to be considered that while the population is 34,584, in the Western Downs region, it was estimated in 2020 that around 20% of the jobs in the region were filled by workers from outside the region. Council finds it imperative to ensure that mobile connectivity in the region remains capable of servicing any further unanticipated connections in the area.

Furthermore, the Western Downs also has a well-developed tourism and event products that span across the entire region. It is imperative that the mobile network is able to support each visitor during their stay, ensuring that they would be able to maintain connection no matter where they travel. This further reinforces Council's recommendation that the Universal Service Framework needs to secure mobile connectivity and increase its capacity within the region, not only for residents but for anyone coming and going from the region as well.

Western Downs Regional Council would like to be considered for any other further sustainable funding arrangement as this would be highly beneficial for the region mobile phone services and connectivity for our residents. Mobile connectivity, not only in the Western Downs, but across Australia has become a daily convenience and way of living for many in this digital age. The flexibility that mobile service provides ensures that users can be connected anywhere, at any time. This gives residents of the Western Downs (and similar regions) the access to travel where they need for work, education, healthcare or leisure and still stay connected to the digital world.

Mobile connections also act as a safety net when regular fixed services are undergoing emergency or regular maintenance and repairs. As many businesses in the region rely on the fixed services, mobile connections ensures that productivity is not lost during these times.

Question 4: Which existing requirements under the current universal service framework should be retained, or changed?

RESPONSE: Council believes that the Customer Service Guarantee (CSG) should be retained within the universal service framework and have a focus on the timeframes expected for connections or repairs and what compensation is available to the communities. Council also believes that, additionally, there should be more stringent rules on how suppliers provide interim or alternative services to ensure connection is maintained.

Council suggested that price protection and transparency need to be further developed within the framework to ensure the end user is not subject to constant inflation of prices or companies price gouging. Consideration needs to be made in regard to the affordability of services, to maintain the availability of connectivity to all who wish to access it regardless of wealth.

Rationale:

Council strongly feels that customer service guarantees (CSG) should be maintained within the universal service framework. It is imperative that this safeguard remains in place for the end user to ensure that a high level of transparency is maintained for remote or rural areas who maybe have no other way of connection and communication. Council believed that the CSG should maintain the service levels for timeframes expected for connections or repairs and what compensation is available, and additionally should be more stringent on how suppliers provide interim or alternative services to ensure connection is maintained. A key point for Council, is the need to strengthen the regulations on network operators to provide and maintain a resilient network and to mitigate connectivity loss, especially during times of natural disasters.

Accessibility within the current framework is imperative to be retained to ensure that there is a service available to all, not matter the circumstances. It is important to retain services such as public payphone services, while usage is declining, there is still an identifiable need to ensure that these services are provided and accessible for those that don't have access to a fixed service or cannot afford a service. In 2024, a digital age, connectivity should no longer be looked upon as a luxury, and more so as a necessity.

Price protection and transparency needs to be further developed within the framework to ensure the end user in not subject to constant rises or price gouging. As opposed to a competitive price point amongst providers, Council recommends that a universal price structure be developed to ensure that customers are not being negatively impacted by a competitive market and alternatively being protected from price hikes, regardless of residing in rural or urban centres. Consideration needs to be made regarding the affordability of services, to maintain the availability of connectivity to all who wish to access it regardless of wealth.

Question 6: How should affordability be considered?

RESPONSE: Council would like to see the following in terms of affordability to be considered:

- Transparency in Pricing from service providers
- Comparing the cost and the level of services provided particularly in regional areas.
- Subsidised option for low-income earner, disadvantage population and regional area.

This allows every consumer in the region to have access to connectivity without any financial stress. It allows even lower income earners to have access to basic networks, which although have current connectivity gaps, should be baselined in the near future to allow more stable connection throughout the entire region. Increasing regulation on the pricing of necessary phone plans will ensure that companies are not able to raise the prices more than the Consumer Price Index or of what those in the region can afford.

Rationale:

The Western Downs Regional Council would like to see transparency in pricing from service providers. Consumers should understand what they are paying and what this entitles them to. Council would also like to see the affordability of these plans being considered to ensure they remain consistent with what users can afford. Infrastructure upgrades are typically not financially viable due to significant connectivity gaps in regional areas and the low-density population rates. Infrastructure and services require to be subsidised to ensure comparative costs to the level and quality of service provided.

While Council agrees with the subsidised options for low-income earners, elderly or healthcare card carriers, we feel that further consideration needs to be given to ensure that the cost is not prohibitive for *any* user. It is suggested that a tiered scale be investigated, where price is based on usage or income levels. Whilst there are significant gaps in usage and availability at current, it is suggested that a baseline be developed once full service is established. This method, alongside the already offered subsidises would ensure that services are accessible at a price that the end user can afford. Council also supports the development of a benchmark in pricing across available services and comparing the cost to international standard and policies to ensure price transparency and accessibility.

Council wishes for the modern Universal Service framework to consider the current rising cost of living that is felt right across Australia, but specifically in regional and rural communities such as the Western Downs Region. It is important for Council to understand how the framework will support all communities

during financial hardship and it is recommended that regulation be developed to ensure that price rises are not above and beyond that of the Consumer Price Index (CPI).

While the cost of the connection is an important consideration, Council believes that affordability extends beyond to include device costs, and digital literacy. We believe the Framework should investigate and integrate the investment in programs that provide affordable devices and educate users on cost-effective usage. Digital literacy is an important consideration within low socio-economic and First Nations communities and programs that ensure education is affordable and accessible will continue to ensure these communities are able to access vital services and remain connected to the digital world.

Overall, Council feels there needs to be regular consultation with the end user and industry to ensure that the user experience and affordability are maintained at appropriate levels.