



**Small Business  
Development Corporation**

Our ref: [REDACTED]

Regional Telecommunications Independent Review Committee  
Department of Infrastructure, Transport, Regional Development,  
Communications and the Arts  
GPO Box 594  
CANBERRA ACT 2601

[RTIRC@infrastructure.gov.au](mailto:RTIRC@infrastructure.gov.au)

Dear Regional Telecommunications Independent Review Committee Chair

## **2024 REGIONAL TELECOMMUNICATIONS REVIEW**

Thank you for the opportunity to comment on the 2024 Regional Telecommunications Review (the **Review**).

The Small Business Development Corporation (**SBDC**) is an independent statutory authority of the Government of Western Australia (**WA**), established to support and facilitate the growth and development of small businesses in the State<sup>1</sup>. Under the leadership of the WA Small Business Commissioner, the SBDC provides a range of services to assist and empower small business operators in the State when they are making crucial decisions over the course of their business lifecycle, and when they are faced with uncertainty or unfairness in their business, particularly when dealing with another party.

These services are tiered based on the level of support needed, and include:

- information and guidance through online channels (including the SBDC's website), workshops, business advice and outreach services;
- dispute resolution service, which includes pre-mediation case management and mediation if required; and
- through the Investigations and Inquiry Unit, examining behaviour negatively impacting on the commercial interests of small businesses, particularly when there is a power imbalance between parties.

Through these various touchpoints with small businesses, along with regular engagement with small business and industry representatives, the SBDC is able to monitor the WA small business landscape and constructively contribute to government

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<sup>1</sup> The views presented here are those of the SBDC and not necessarily those of the WA Government.

and parliamentary reviews and policy development. To that end, the SBDC's feedback on the Review follows.

### **Submission focus**

The SBDC's submission will provide a WA perspective across the following topics:

- WA small business context;
- the importance of telecommunications;
- digital inequity;
- unreliable telecommunications; and
- alternative, yet expensive, telecommunication options.

In this submission, the term telecommunications includes landlines, mobile phone reception, home and business internet connections, and the infrastructure required to power them. Metropolitan areas have options of 5G home internet or fixed line National Broadband Network (**NBN**) which requires physical wiring such as fibre.

The types of fibre connections include Fibre to the Node (**FTTN**), Fibre to the Premises (**FTTP**) and Fibre to the Curb (**FTTC**). Some regional areas have the option of fixed wireless NBN (transmission to an antenna on the roof of the business/residence), while all can access the option of satellite NBN (for example, Sky Muster or Starlink). All of these require base stations that serve as Internet Service Providers (**ISP**) and are powered by electricity and/or generators or batteries because if there is no power, there is no telecommunication.

### **WA small business context**

To provide a WA and small business context, the Australian Bureau of Statistics reports that there were 238,907 actively trading small businesses in WA as at 30 June 2023<sup>2</sup>, making up 96.9 per cent of all businesses in the State. Nearly two thirds (62.8 per cent) of all businesses in WA are non-employing, while over three quarters (76 per cent) of all businesses are based in the Perth metropolitan area.

The largest industries for small businesses in WA are:

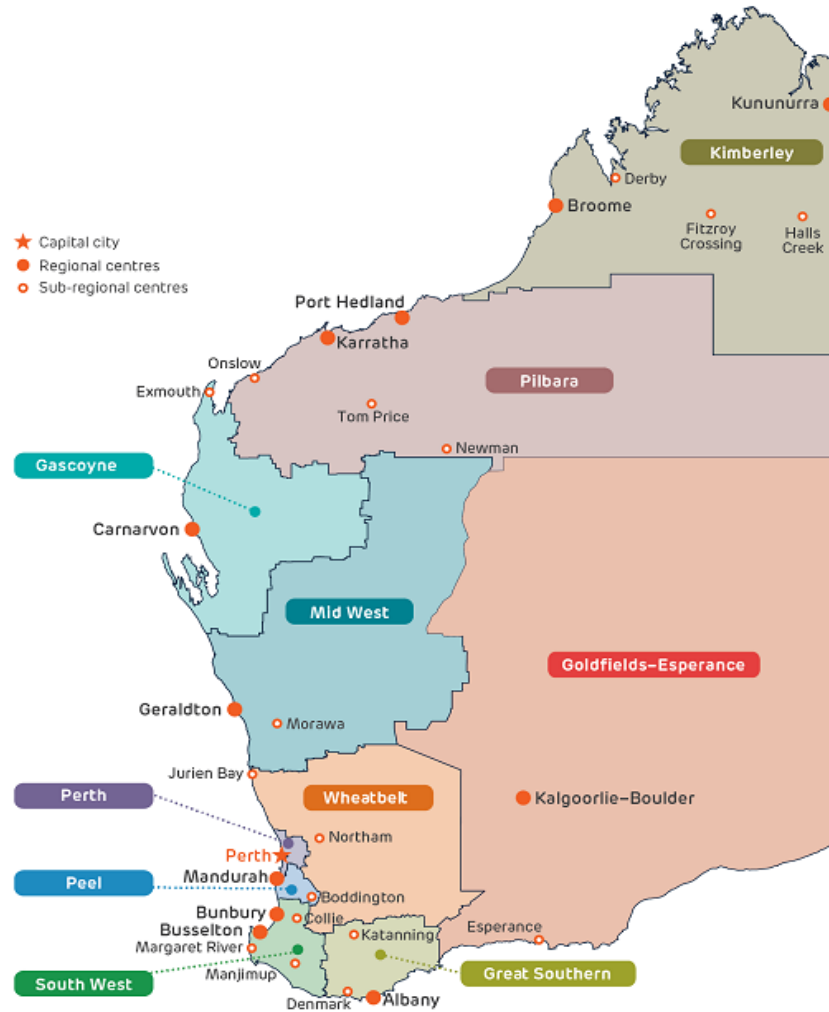
- Construction (41,745 small businesses, 16.9 per cent of all small businesses);
- Professional, Scientific and Technical Services (30,841, 12.5 per cent);
- Rental, Hiring and Real Estate Services (27,402, 11.1 per cent);
- Transport, Postal and Warehousing (22,156, 9 per cent);
- Health Care and Social Assistance (16,546, 6.7 per cent); and
- Agriculture, Forestry and Fishing (15,892, 6.4 per cent).

When considering the small business perspective in WA, the size and geographic diversity of the state needs to be recognised. About one third of the nation's landmass, WA covers 2.5 million square kilometres and is home to 2,905,922 people (see Figure

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<sup>2</sup> Australian Bureau of Statistics 2024, *Counts of Australian Businesses, including Entries and Exits*, cat. no. 8165.0 ABS.

1). It is a state of extremes and distance; to drive from Albany in the Great Southern to Kununurra in the Kimberley would take about 36 hours.



**Figure 1.** Regions of Western Australia<sup>3</sup>

The vast State experiences diverse weather extremes, with the northern regions prone to cyclones and wet season flooding, while the southern areas contend with intense storms and bushfires during the hot, dry summers. With the progression of climate change, there could be increasing frequency and intensity of extreme weather events that can (and often do) result in telecommunications and power outages.

### **Telecommunications are essential**

The Australian Communications and Media Authority (**ACMA**) has declared telecommunications as an essential service<sup>4</sup>, a contention that the SBDC strongly supports. As with other essential services of power and water, it is also recognised telecommunications are more vulnerable in natural disasters.

<sup>3</sup> 'Foundations for a Stronger Tomorrow, State Infrastructure Strategy', Infrastructure WA, 2022.

<sup>4</sup> ACMA calls on telcos to improve support for customers in hardship, 2 May 2023.

<https://www.acma.gov.au/articles/2023-04/acma-calls-telcos-improve-support-customers-hardship>

The importance of telecommunications is evident in the WA and Commonwealth Governments investment in initiatives to ensure Western Australians have digital access, which includes the following:

- The Commonwealth Department of Infrastructure, Transport, Regional Development, Communications and the Arts (**DITRDCA**) – in partnership with the WA Government – provides grants under the [Regional Connectivity Program](#) to improve digital connectivity across regional Australia. Over three grant rounds, cell base stations have been deployed or upgraded, as well as fixed wireless network and satellites deployed in regional WA.
- DITRDCA's [Mobile Black Spot Program](#) has completed seven rounds to date to deploy up to 1,400 new mobile base stations across Australia.
- The [Surf Beaches Program](#) through the WA Department of Primary Industries and Regional Development and other stakeholders aims to improve mobile coverage at 18 regional surf beaches from the Kimberley to the Great Southern regions.
- DITRDCA's new [Telecommunications Disaster Resilience Innovation](#) program employs new technologies to enhance telecommunications disaster resilience, with a focus on the regions, and [Mobile Network Hardening Program](#) provides battery backup power to base stations to prevent outages in a natural disaster and if there is an outage, ensure rapid restoration.

Despite the investment, issues with regional telecommunications persist.

In 2021, the WA Government carried out community consultation on digital matters and produced the report, *Digital Inclusion in WA: What We Heard*. The report found that 30 per cent of survey respondents that experienced at least one difficulty or unmet need in relation to connectivity, affordability, skills, or design of digital technology were from regional areas. Statewide, one in three households find it difficult to get a connection to the internet, with 62 per cent of them saying it is because their connection drops out, is slow or buffers.

Power outages can impact telecommunications, reducing the ability of businesses to trade and substantially hampering the ability to contact people or emergency services.

In April 2021, Severe Tropical Cyclone (**STC**) Seroja impacted towns and communities across WA's Mid West. Making landfall in Kalbarri (in the Mid West), in 10 hours STC Seroja moved through approximately 600km of land and became a tropical low near Merredin (in the Wheatbelt). After the extreme weather event, the WA Department of Fire and Emergency Services (**DFES**) reported 6,000 properties were without power and there was a loss of 186 mobile base stations<sup>5</sup>.

More recently, in January 2024 a severe storm caused power outages throughout the Goldfields and Wheatbelt regions resulting in 34,000 outages in homes and businesses<sup>6</sup>. One Goldfields resident declared they avoided the disruption with a

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<sup>5</sup> *Severe Tropical Cyclone Seroja April-May 2021*, DFES.

<sup>6</sup> 'Wheatbelt residents unable to call triple 0 after storm causes communications outages', Holly Thompson, *WA Today*, 17 January 2024

generator and Starlink satellite<sup>7</sup>. Businesses reportedly lost thousands of dollars due to loss of trade and lost produce that required refrigeration<sup>8</sup>.

## Digital inequity

Without access to stable, reliable telecommunications, regional communities and small businesses will not be able to achieve digital equity. This represents a significant drain on business productivity in the regions. Business that are digitally engaged can earn more revenue per employee (60 per cent) and grow more rapidly (28 per cent) than businesses that are not digitally engaged<sup>9</sup>.

In today's increasingly challenging operating environment (i.e. labour shortages, cost-of-living pressures, rising business costs), digital inclusion and acceleration can be an important factor for small business success. In addition to basic business functional needs, digital connectivity is linked to almost every aspect of doing business in this modern age:

- Business operations (collection, storage and use of/breaches of customer data; efficiencies such as automation, monitoring, streamlining of business functions; managing staff; eInvoicing; remote working for business owners and employees; cyber security).
- eCommerce and offering new or alternative payment technologies (such as Afterpay).
- Marketing and communications (social media for business purposes; digital communication, engagement, promotion, selling, gathering of intelligence on customers, potential customers, and competitors; Search Engine Optimisation; and data analytics).
- Artificial intelligence (**AI**) that could assist with marketing and automating processes.

The SBDC is aware, however, that when it comes to digital technology small business owners are often left feeling overwhelmed and not knowing where to start. The fact is that the majority of small businesses – 154,847 of the 238,907 small businesses in WA – are non-employing with (typically) limited in-house skills to draw on across the multiple areas of digital expertise. An additional key barrier for some in the regions is the poor access or connectivity to telecommunications technologies. Unfortunately, regional customers represent a smaller customer base for telecommunications operations and generally do not get the same service as customers in urban areas<sup>10</sup>.

Businesses without access to reliable telecommunications may also not be able to access an increasing number of the government services going online, putting them at a disadvantage. There are many initiatives transitioning business-related services online, as outlined in the WA Government's *Digital Strategy Roadmap 2024*. One such

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<sup>7</sup> 'Two towns run out of fuel, thousands of homes without power in WA after wild storm causes enormous power outages', Laura Grassby, *Sky News*, 18 January 2024.

<sup>8</sup> 'Businesses lose thousands and residents left frustrated by two-day power outage across regional WA', Cason Ho, Emily JB Smith, Grace Burmas, and Emma Wynne, 19 January 2024.

<sup>9</sup> Business envoy April 2021, Digital Trade edition, Department of Foreign Affairs and Trade.

<sup>10</sup> Nannup Chamber of Commerce, email communication, 17 June 2024.

initiative is the WA Department of Energy, Mines, Industry Regulation and Safety updating its Compliance and Regulation System with WorkSafe business systems to be cloud-based. Another example is the SBDC leading the ServiceWA for Small Business initiative, a digital strategy and plan to streamline WA Government regulatory applications and approvals.

The WA Government's *Innovation Strategy* is a 10-year plan to position the State as a renowned global hub of invention, investment, innovation and impact. But how are regions meant to contribute to innovation with a lack of reliable connectivity in some parts? Can regionally based small businesses be innovative in matters that require reliable internet services, such as the movement of goods and services, use of sensor technologies, or adoption of AI?

The SBDC notes that the WA Government is also working towards the goal of providing convenient and secure online services for all Western Australians. While *The Digital Strategy for the Western Australian Government 2021-2025* recommends digital first (and not digital only), a lack of connectivity has the potential to impact a person in the regions accessing online government services. One of the priorities of the recently released *Digital Strategy Roadmap 2024* is to be digitally inclusive; its objectives include connecting more Westerns Australians and enabling affordable access to digital devices.

### **Unreliable telecommunications**

The following section focuses on the economic circumstances of small business operators in regional WA and how unreliable telecommunication can impact their operations.

The SBDC is acutely aware that many small businesses are currently disadvantaged by unreliable telecommunications in regional locations. Regional business owners and residents are already fatigued from unreliable telecommunications prior to the NBN, as well as delays in the rollout of NBN to the regions.

Unreliable telecommunications can significantly impact the ability to do business and potentially reduce their ability to comply with their statutory requirements. Specific examples of these impacts are listed below.

#### *Gascoyne region – Online compliance requirements under Banned Drinkers Register*

- Under the WA Government's Banned Drinkers Register (**BDR**) – which aims to reduce alcohol-related harm and ill-health in communities by restricting access to takeaway alcohol – anyone purchasing takeaway alcohol in a banned drinker area is required to provide approved photo identification to retail staff. The identification is checked through an online database to see if the purchaser is able to purchase alcohol that day. The BDR operates in parts of the Gascoyne region (as well as Pilbara, Kimberley and Goldfields-Esperance). How can a small business selling alcohol comply with BDR regulations and serve customers if they are at risk of loss of internet connection needed to access the database?



*Kimberley region – Outages impacting business operations*

- Due to a widespread internet outage (following a power outage), numerous businesses in Broome were forced to shut down unexpectedly<sup>11</sup>.

*Goldfields–Esperance region – Limited telecommunications service impacting business operations*

- Digital agriculture equipment in Munglinup area could not be used to enhance business efficiency as only half of the farming area had service<sup>12</sup>.
- Businesses in Esperance found it hard to operate as there was inconsistent telecommunications service, Telstra apologized and said the increase in tourists put pressure on the network<sup>13</sup>.

*Mid West region – Outages impacting business operations*

- A Telstra outage resulted in Port Denison and Dongara being without telecommunications for six days, with a business operator indicated they could not use EFTPOS machines and estimated a loss of up to \$18,000 in sales<sup>14</sup>.

*Great Southern region – Inconsistent telecommunications service impacting economic development and ability to contact emergency services*

- The Shire of Kent noted its concern over inadequate infrastructure, poor connectivity, and lack of variety of telecommunications service providers to ensure competitive pricing and that these factors reduced the economic prosperity of regional businesses<sup>15</sup>.
- Consistent and reliable telecommunications are a concern for Albany, especially during bush fires<sup>16</sup>.

*Pilbara region – Limited telecommunications service impacting business operations and economic development*

- A Yarrie Station worker described work down time due to having to drive 140km to make a business call because of inconsistent telecommunications<sup>17</sup>.
- A Shire of East Pilbara councillor argued the lack of network coverage was a deterrent on economic development and tourism in the Pilbara region and proposed temporary mobile towers no longer required by mining camps could be used by the local government<sup>18</sup>.

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<sup>11</sup> 'Pressure on Telstra after widespread outage causes havoc for WA businesses and police', Ted O'Connor, *ABC Kimberley*, Friday 16 July 2021.

<sup>12</sup> 'Munglinup's poor phone service impacting lives, businesses and community's future', Emily JB Smith, *ABC Esperance*, 4 June 2021.

<sup>13</sup> 'Esperance business owners fed up with patchy Telstra service during peak tourist season', Hayden Smith and Ivo da Silva, *ABC Esperance*, 11 January 2024.

<sup>14</sup> 'Telecommunications ombudsman calls for change to make mobile phones an essential service', Bransen Gibson, *ABC Midwest & Wheatbelt*, 17 July 2024.

<sup>15</sup> WA Senate Inquiry into regional telecommunications in Western Australia, Shire of Kent submission, 24 April 2024.

<sup>16</sup> 'Phone issues worsened situation', Shannon Smith, *Albany Advertiser*, 23 May 2019.

<sup>17</sup> 'Poor mobile phone coverage in the Pilbara puts locals, tourists and truckies at 'extreme risk', locals say', Ashleigh Davis, *ABC Pilbara*, 7 January 2022.

<sup>18</sup> 'A Pilbara councillor is urging resource companies to make their temporary mobile towers permanent fixtures', Xander Sapsworth-Collis, *North West Telegraph*, 24 July 2023.

*South West region – Limited telecommunications service impacting business operations and economic development*

- Anecdotally, at this year's Donnybrook Apple Festival held in March, stall holders reported a two-hour failure during which time they could not take electronic payments – possibly due to the influx of 10,000 visitors overloading the cell towers.
- The Nannup area has reported constant dropouts and overload of the system making it difficult to do business<sup>19</sup>.

*Wheatbelt region – Limited telecommunications service impacting business operations*

- A bookkeeper near Hyden recounted that they had to do online work at 3am as there was less people using the internet so there was bandwidth available<sup>20</sup>.
- The Shire of Pingelly related poor mobile coverage, even inside businesses on the main town street, that forced customers to stand outside for reception to be able to pay on e-banking devices or to return when telecommunications are functional. Businesses also reported telephone calls dropping out mid-order<sup>21</sup>.

**Alternative, yet expensive, telecommunication options**

Inconsistent service, especially due to issues of capacity of base towers, impacts businesses. Small businesses typically welcome more customers, however, a swell in patronage (such as during school holidays or special events) can impact telecommunications which do not have the capacity for large numbers.

To ensure there is capacity for festivals and high peak tourist season, it may be necessary for regional businesses to consider hiring a temporary/mobile cell tower. For the 2023 Total Solar Eclipse in Ningaloo (in the Gascoyne region), the WA Government made several provisions to ensure visitors were connected while in the region including the provision of eight temporary mobile base stations and a capacity upgrade of the existing mobile base station. Unfortunately, many regional municipalities do not have the resources to hire a temporary cell tower without financial assistance from the WA Government.

While there are options to make telecommunications across the State more stable and reliable, they tend to be costly, potentially creating a greater divide between small and big businesses. Digital equity could be addressed by universal telecommunication services, potentially through satellite and fixed wireless NBN.

Table 1 below shows a price comparison of satellite services and select fixed wireless NBN services in regional WA. Note there are more fixed wireless NBN servers available, but for brevity they have not been included. Crisp Wireless covers most of

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<sup>19</sup> Nannup Chamber of Commerce, email communication, 17 June 2024.

<sup>20</sup> 'Country mobile phone and internet bandwidth forces residents online in the middle of the night', Kathryn Diss and Mark Bennett, *ABC News*, 6 May 2018.

<sup>21</sup> WA Senate Inquiry into regional telecommunications in Western Australia, Shire of Pingelly submission, 26 April 2024.



the Wheatbelt region and received Regional Connectivity Program funding. NodeOne covers the Mid West.

**Table 1.** Price comparison of satellite and fixed wireless NBN services (June 2024).

Type	Provider	Hardware and installation cost	Ongoing costs per month (dependent on data and downloads)
Satellite	Starlink Standard, Priority and Mobile	\$599	\$139 to \$174
	Sky Muster	Free standard installation	\$59.95 to \$99.95
Fixed wireless NBN	Crisp Wireless	Most priced on application in addition to costs up to \$725 for cabling, router setup fee, additional parameters, and elevated work platform hire	\$59 to \$139
	NodeOne - Fixed Wireless	Free unless user cancels then setup fee paid out (\$30 per month for every month remaining in the first 24 months)	\$99 to \$159

In regional WA, there are examples of users tending towards satellite options due to inconsistent land-based telecommunications and support<sup>22</sup>. While Starlink is more expensive, the satellites orbit at 550km providing users with lower latency (the time of the round trip of data between the user and satellite), as compared to Sky Muster’s satellites that orbit at 36,000km. (Anecdotally, more and more people in the Perth Metropolitan Area are using Starlink as it offers faster connectivity than FTTN.)

Further demonstrating the reliability of the service, late last year the WA Police successfully trialed using Starlink connections on police cars in regional areas to allow immediate communication with the State Operations Command Centre in Perth<sup>23</sup>.

However, the option of expensive satellite NBN does not align with the *Digital Strategy Roadmap 2024* objectives to connect more Westerns Australians and enable affordable access to digital devices.

### Concluding remarks

In summary, poor mobile and internet access can significantly affect the operation and competitiveness of small businesses in some of WA’s regional and remote areas, creating a divide with those in the Perth Metropolitan Area. The issue is frequently aggravated by climatic conditions such as extreme heat, and when natural disasters strike.

<sup>22</sup> WA Senate Inquiry into regional telecommunications in Western Australia, Shire of Victoria Plains submission, 26 April 2024.

<sup>23</sup> ‘Regional police cars to get high-speed internet access anywhere in Western Australia’, Peter de Kruijff, *ABC Pilbara*, 26 September 2023.

Given regional small businesses are already facing a range of challenges related to their location, including high transport costs, labour and housing, regional bank closures, and extreme weather events, access to telecommunications as an essential service is critical. Furthermore, in many remote locations, small businesses are the key provider of essential goods and services to the community (including medical, pharmacy and food) and local residents rely on these businesses to be able to operate without being hampered by unreliable phone or internet connections.

Digital equity is challenging for small businesses to attain without reliable telecommunications. The SBDC strongly advocates for key decision makers to consider the interests of regional small businesses to ensure they are not left behind.

Thank you for the opportunity to provide comments to this inquiry. If you would like to discuss this submission in more detail, please contact [REDACTED], Policy and Advocacy Officer, on [REDACTED] or at [REDACTED]

Yours sincerely

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**A/Small Business Commissioner / Chief Executive Officer**

31 July 2024