



JULIAN LEESER MP

Federal Member for Berowra

The Hon Luke Harsuyker
Chair
2021 Regional Telecommunications Review
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Dear Mr Hartsuyker

Telecommunications services are essential. We rely on internet and our mobile phones to do our jobs, run our businesses and to access medical care. The pandemic has brought this issue into sharp relief. People are working from home, seeking to educate their children from home and access telehealth consultations from home and they are being let down by telecommunications companies.

Poor coverage and poor customer service is endemic in our peri-urban, regional and rural communities. It puts lives at risk during natural disasters and medical emergencies when people can't call for help or emergency services can't maintain essential communications.

It has brought families across the country, struggling with the financial and emotional toll of lockdowns to breaking point.

We must solve this problem.

It is important that peri-urban communities are included in the Regional Telecommunications Review because the experience of telco services in peri-urban communities are much more like those in regional and rural areas than they are like communities in metropolitan areas. Peri-urban areas, like regional and remote areas, are less densely populated, have agricultural and horticultural land use with houses situated on acreage and often have difficult topography and significant tree cover. Peri-urban communities are also like regional and rural communities because their NBN services operate on fixed wireless and satellite as opposed to metropolitan communities which enjoy fixed line.

The problem

A digital divide is growing in Australia and it will only get worse over time as telcos prioritise high volume areas to provide even faster speeds and leave others behind. In my community it is now harder to make a phone call than it was two generations ago as landline is phased out and mobile reception (and in places internet connectivity) is utterly inadequate.

There is insufficient accountability built into telco policy and market forces are not working to incentivise telcos to improve the quality of the services they sell.

Mobile coverage

Many peri-urban communities face major problems with mobile phone coverage for consumers in their homes and businesses. My staff frequently speak to members of my community who are in tears because of their frustration with inadequate mobile service. Constituents are afraid or angry about the significant impact it has on their lives.

Telstra is the monopoly provider in many peri-urban areas. They take people's money but do not provide services and there is no competitive pressure on them to improve.

Below is a small selection of stories from my community of poor mobile phone coverage:

- It has taken two years and three emergencies (storm, fire and flood) for Telstra to fix the reception at the Hills District RFS HQ at Kenthurst. Officers had been running up the hill to make and receive calls in a location where they were responsible for coordinating emergency services for large parts of Sydney and surrounds.
- During the Hawkesbury River floods in March this year people were cut off for days without mobile service.
- Last year I was contacted by a woman who called an ambulance when her husband started experiencing chest pain. When the ambulance arrived the defibrillator could not communicate with the cardiologists to send pictures and receive instructions because it relied on receiving a mobile signal. Ambulance officers were running back and forth from the house to the street to try and get reception. The patient died.
- Another constituent was bitten by a snake. Their mobile had no signal. Luckily they had internet and were able to email a relative in another state to call 000.
- I recently had a man call me with his daughter trying to self harm. The phone kept dropping out during the call. He bundled her into the car and drove several kilometres to get reception.
- A senior doctor responsible for the health response to the pandemic had to take calls from his driveway because he couldn't get coverage while working from home.
- A senior bureaucrat kept dropping out on calls with the NSW Premier about a key aspect of the NSW pandemic response.
- The RFS in the Hills Shire part of my electorate identified 69 blackspots and the Hills Council requires staff to carry two-way radio when in my part of the shire because connectivity is so unreliable.

The NBN

The NBN rollout has been unacceptably slow with countless delays. There are parts of my electorate which won't be connected to the NBN until 2023. This is unacceptably slow for essential infrastructure.

There is too much variability in the quality of coverage across the various NBN technologies. My electorate has all three NBN technologies: fixed line, fixed wireless and satellite. Consumers largely don't have a say in which technology is delivered but the quality of the service they get is radically different.

The experience of fixed wireless in some parts of my community is very bad. At Knights Road, Galston, despite the roll out being complete, people cannot access the internet. Even the resident

with the tower on her land could not connect. NBN sent a senior technician to assess the situation and he advised satellite was the only option. Though satellite has only a 25 mb/ps download maximum speed and in this case residents can't even get that because of tree cover.

The community in Dural East haven't been able to access fixed line due to NBN's internal decision-making. NBN says under their funding envelope they can build fixed line for a set price per premises. Fixed line in Dural East would cost them slightly more per premises. Rather than charging residents the difference per premises, NBN told them it would cost about eight times the standard amount to connect 25 properties who wanted to upgrade their service. This decision is particularly unusual when households on the other side of the street with similar properties and topography have fixed line by default.

Below is a small selection of stories from my community of poor NBN service:

- We have had people who should otherwise have been at home forced to go to work including in hotspot locations because the internet did not work at home.
- We have had teachers sitting in McDonalds carparks conducting remote lessons.
- We have had people unable to complete telehealth appointments.
- We have had three high schools running photocopiers round the clock to deliver lesson packs – including to HSC students – because poor internet meant that the students couldn't access online lessons.
- We have had people forced to sell their homes and move out of the area due to inadequate telco coverage.

Customer service

Telcos aren't held accountable for their complaints handling and their customer service is abysmal. Customer complaints don't impact company performance. There is no public reporting of customer complaints. Particularly in areas where one telco operates as the monopoly provider, there is no competitive pressure on them to improve.

Customers spend hours on hold. Or wait at home all day for a technician who never comes. People purchase plans with promises of coverage where in fact only a small part of the property is actually covered, if at all. Telcos will sell a plan if the end of the driveway is covered or the fence of a paddock, there is nothing that requires them to cover the dwellings or working spaces on a property.

Below is a small selection of stories from my community of poor telco customer service:

- Customers have spent at least 45 minutes per call to speak to someone who wasn't able to help with their issue.
- A damaged Telstra service pit was not repaired despite the customer spending hours on the phone over several calls, but was fixed almost immediately after my office raised the issue with Telstra.
- Customers have raised complaints with my office where they got no response from the telco. My team have found that telcos don't act on customer complaints until they face the financial penalties associated with Ombudsman investigations.
- Telcos using offshore call centres are not equipped to support customers in difficult or complex situations. A constituent undergoing chemotherapy and reliant on oxygen support was told she would need to attend a Telstra store because she wasn't able to explain that her granny flat wasn't a new development to offshore call centre staff.

- Customers spend hours on the phone trying to resolve complaints with telcos only for the call to drop out due to poor coverage and for the telco to claim the call was never made.

Policy proposals

It is essential that we get back to basics with telco policy. The policies we have aren't serving consumers and must change. The current policy doesn't create necessary incentives for telcos to build essential infrastructure to provide consumers with the coverage they need and doesn't create strong enough incentives for telcos to prioritise customer service.

1. Improving coverage – upgrade NBN fixed wireless and satellite to fixed line in peri-urban and regional areas

Peri-urban and regional communities are suffering as a result of a broadening digital divide between themselves and their counterparts in metropolitan areas. In metropolitan areas the NBN is delivered through fixed line architecture which permits 100mb/ps maximum speeds. People in peri-urban and regional communities can only access either fixed wireless with maximum speeds of 75mb/ps or satellite with maximum speeds of 25mb/ps. The extraordinary difference in service based on where people live is unacceptable and is leaving many behind.

Currently NBN is upgrading people in the metropolitan areas of my electorate from 100mb/ps speeds to 1gb/ps while others in my community are forced to operate on 25mb/ps.

There should be a principled program of upgrades that meets the needs of communities in peri-urban and regional areas. Building additional towers for fixed wireless will not solve the problem because difficult topography and significant tree cover means households can't access the signal. People in peri-urban and regional areas should be able to operate on fixed line as do metropolitan communities so there is equality of opportunity to access these essential services regardless of where in Australia you live.

Upgrades should start in areas where there have been significant customer complaints such as at Knights Road, Galston. Also, in areas where the community has expressed a strong desire to upgrade because existing infrastructure doesn't meet their needs such as at Dural East.

2. Improving coverage – create a Universal Mobile Service Obligation

It was easier for people to access telecommunications services two decades ago when all households used landlines. The advent of mobile has seen the creation of a digital divide which continues to grow as urban communities get faster and faster internet and peri-urban, regional and rural communities are left behind.

While the Mobile Blackspot Program and the Peri-Urban Mobile Program have made and will hopefully make an appreciable difference. They still leave it up to the telcos to decide to make a co-investment in the program in the first place. This therefore leaves some Australians, including Australians in peri-urban areas, behind. This is why a Universal Mobile Service Obligation is needed.

A Universal Mobile Service Obligation, much like the Universal Service Obligation which applied to landline services, would allow all Australians to reliably make a call from their residence or business. Areas which are not covered by existing telecommunications arrangements would be identified and then divided by government between the telco providers – allocating designated service providers for each.

This would mean that telcos would be responsible for taking necessary steps to ensure consumers could make a call or access the internet from their mobile phone in any dwelling or business. This is an essential step to ensure we continue to move forward as telecommunications services improve and that peri-urban, regional and rural communities are not left behind as we increasingly live our lives online.

3. Improving coverage – require 3G services to be maintained until alternative services are available

As many parts of the country transition towards 4G and 5G technologies it is important that other parts of the country are not left behind. Telcos should not be permitted to switch off 3G services in an area until an independent review determines 4G or 5G coverage is available in that same area. As technology improves, it is important that people are not left behind. It is of particular concern that people in peri-urban, regional and rural communities do not lose access to 3G networks until other coverage is available. Network upgrades in one part of the country do not remove the need for that same network in another part of the country.

4. Improving coverage – make telcos and their executives accountable for preventable deaths

Telcos and telco executives should be held accountable for deaths caused by their inaction. When a telco has been warned that a coverage issue could put lives at risk, and they fail to act and a coroner later finds that a death would have been prevented if the telco had acted, significant financial penalties should be applied. This is essential to ensure telcos take their obligations to the community seriously. The ability to make or receive a call in an emergency can be a matter of life and death and in many areas across the country lives are being put at risk.

5. Improving customer service – creating a Customer Service Guarantee

It is clear that market forces do not create sufficient incentive for telcos to provide reasonable standards of customer service. I have heard countless reports from my community of people who have spent hours on hold only for the call to drop out due to bad service or for the operator to tell them they have called the wrong hotline and put them in a new queue.

My proposals in relation to improving coverage seek to prevent the need for fault reporting but to the extent fault reporting will continue to exist there should be baseline expectations from telcos in relation to customer service in the form of a customer service guarantee. Companies should be required to meet benchmarks for call waiting times, call response times and complaint rectification times. For example, no customer should ever be left on hold for more than five minutes when seeking to resolve an issue with a telco. These should be standardised across the industry to ensure customers do not become victims of telco indifference.

6. Improving customer service – ‘No service, no fee’ arrangements

Where faults or other coverage outages mean customers are without the coverage they have paid for at their home or business for more than six hours between 8am and 8pm over a month they should get that month of service for free.

Currently customers pay for contracts that often provide them with intermittent coverage. Telcos should be prevented from selling contracts for coverage they do not actually provide and should face financial penalties in the form of bill relief to ensure outages are rectified quickly.

7. Improving customer service – customer service reporting in company annual reports

Telcos should be made to report on their internal customer complaints handling statistics. The absence of data allows telcos to get away with bad service. Just as legislation dictates detail that must be included in company annual reports, companies should be required to disclose key data in relation to their handling of customers complaints.

In order to increase transparency and competition between telcos to deliver for customers, telcos should be required to include the following detail in their annual reports:

1. Total number of complaints
2. Complaints by postcode
3. Complaints by LGA
4. Complaints relating to premises where there have been repeat complaints
5. Complaints that required a technician to visit to resolve the complaints and the average number of days taken between lodgement of the complaints and resolution
6. Complaints resolved
7. Complaints not resolved
8. Call waiting time.

We should also require telcos to disclose to prospective customers their performance before concluding a contract for service. This will help inform customers and to increase competitive pressure on telcos to improve their customer service.

8. Improving customer service – application of an executive accountability regime to telcos

We should apply civil penalties to telco executives for failure to meet their professional obligations including in relation to customer service. Just as in the banking executive accountability regime, where banking executives face significant financial penalties for failing to meet their obligations, telco executives should be held accountable.

Telecommunications are essential services and we should be using all the regulatory tools at our disposal to ensure executives meet their obligations under legislation. Creating financial penalties for non-compliance will do this.

9. Improving customer service – making telco executive bonuses contingent on customer service

In order to increase executive accountability for customer service we should link telco executive bonuses to company performance on customer service. Consumers are paying for services they don't get to use because of the poor performance of telcos. It is ridiculous that in these circumstances telco executives can award themselves handsome bonuses. Before telco executives can have bonuses their companies must meet their obligations to improve customer service.

10. Improving customer service – more powers for the regulators

The co-regulatory model means telcos are governed by systems that suit their financial interests and do not require them to change the way they operate. The ACMA needs powers more akin to the ACCC.

The Ombudsman should have a broader complaint handling remit. The Telecommunications Industry Ombudsman is significantly limited in its power because it cannot hear complaints regarding telecommunications infrastructure or equipment. Similarly, the Telecommunications Industry Ombudsman cannot hear complaints regarding the NBN which is a significant limitation.

The Ombudsman should also have the power to refer systemic issues it identifies to telcos for response and the Minister should be able to refer systemic issues that come to the Minister's attention to the Ombudsman for investigation.

The Ombudsman should also publish league tables in its annual report that makes use of the data from company annual reports (outlined in recommendation 7 above) to compare telcos based on their customer service performance.

Conclusion

This review is an important opportunity to consider options for policy responses to address the fundamental failures of service delivery when it comes to telcos in peri-urban, regional and rural areas.

If you would like to discuss my response, please feel free to contact my office on (02) 9980 1822.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Julian Leeser', is positioned above the printed name.

Julian Leeser MP