



Telecommunications
Industry
Ombudsman

Submission to the
2021 Regional
Telecommunications
Review
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Introduction

Thank you for the opportunity to provide input into the 2021 Regional Telecommunications Review. The Telecommunications Industry Ombudsman is in a unique position to highlight the concerns of consumers living outside Australia's metropolitan centres, and to provide an insight into the complaint trends we are seeing in these areas.

Our complaints show that service reliability, poor service coverage, lack of choice and network infrastructure remain key concerns for consumers living in regional, rural, and remote Australia.

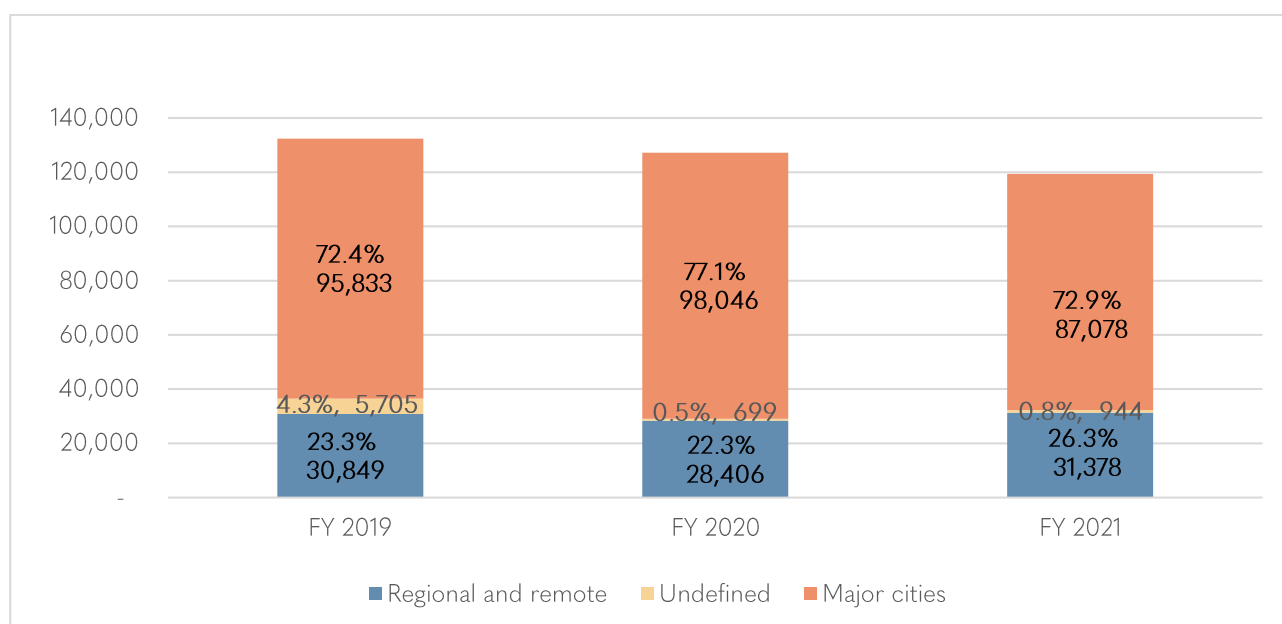
Consumers across Australia, including those in the regions rely on telecommunications services to stay connected to family, emergency and support services, work and study from home, and run small businesses. However, when consumers in regional, rural, and remote areas lose access to telecommunications services, they face unique challenges in having a fault repaired or being able to access an alternative service.

1. Overview of complaints to the Telecommunications Industry Ombudsman

1.1. Overall complaint numbers for 2019-2021

While the majority of complaints we receive come from consumers and small businesses in and around metropolitan areas, around a quarter of all complaints come from consumers living in regional and remote areas of Australia.¹

Graph 1 - Complaints by region for Financial Years (FY) 2019 - 2021



¹ We identify whether a consumer is in regional or remote Australia by matching the consumer's service address postcode or location with the latest version of the Australian Bureau of Statistics' (ABS) *Accessibility and Remoteness Index of Australia* (ARIA+) remoteness classification. The ARIA+ index classes locations into major cities, inner regional, outer regional, remote and very remote areas. We have modified the ARIA+ index to include Darwin and Hobart postcodes as major cities.

Some complaints have been listed as undefined due to missing, non-geographic or invalid postcode information.

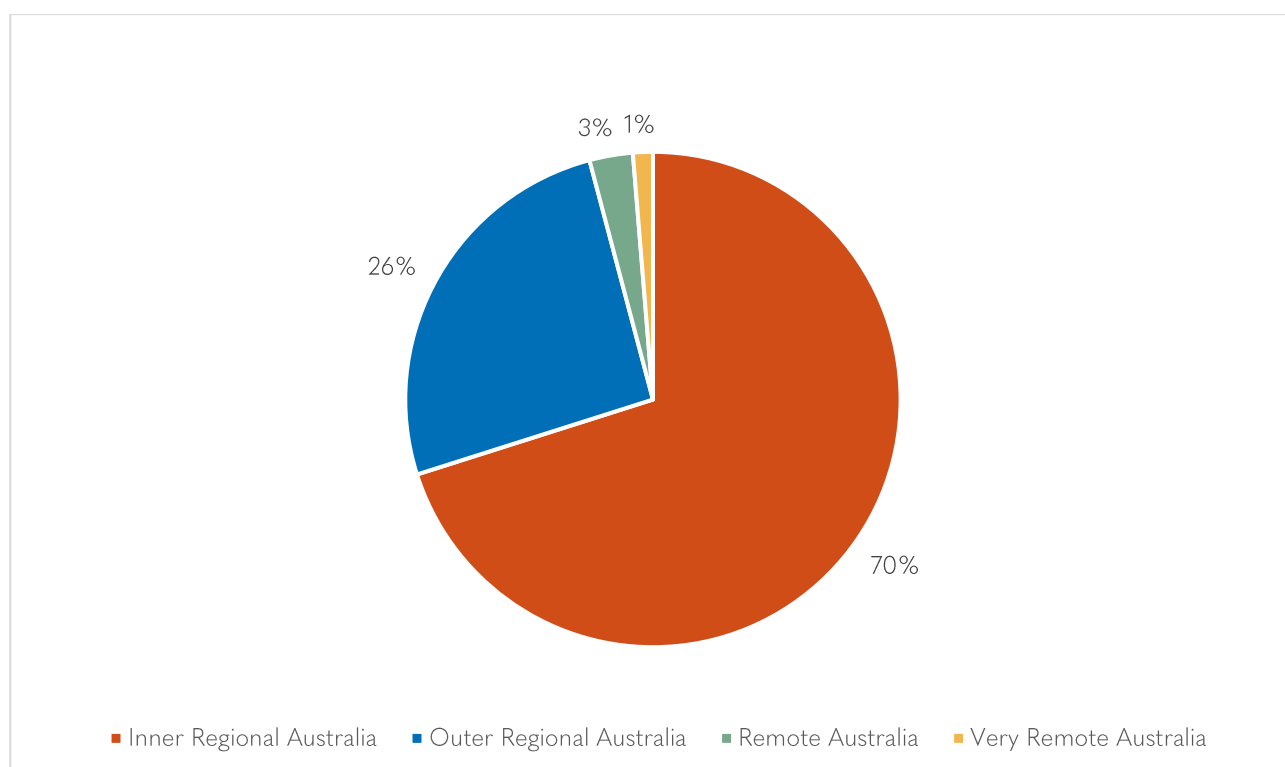
1.2. Distribution of regional and remote complaints

The distribution of complaints from regional and remote areas of Australia² remained largely stable in Financial Year 2019-2021.

Table 1 – Distribution of regional complaints for FY 2019-2021

Region	FY 2019	FY 2020	FY 2021
Inner Regional Australia	21,648	19,898	21,992
Outer Regional Australia	7,876	7,327	8,150
Remote Australia	908	830	828
Very Remote Australia	417	351	408
Total	30,849	28,406	31,378

Graph 2 – Average distribution of regional and remote complaints by percentage for FY 2019-2021



² We identify where a complaint comes from by matching the consumer’s service address postcode or location with ABS’ ARIA+ remoteness classification. As above, we have modified the ARIA+ index to include Darwin and Hobart postcodes as major cities. Some complaints have been excluded due to missing, non-geographic or invalid postcode information.

1.3. Regional complaints – Top 10 keywords

Complaint issues affecting consumers in regional Australia have remained relatively static over the past three years. In this period, the top complaint issues were delayed provider responses, service and equipment charges, total lack of service, and connection delays. These largely mirror those experienced by metro consumers.

In FY 2021, we observed a significant increase in complaints from consumers across Australia about being unable to contact their telco. This increase was largely the result of the effects of the COVID-19 pandemic, including the temporary closure of telco call centres and support staff in both Australia and overseas.³

Table 2 - Top 10 keywords from regional complaints for FY 2019-2021

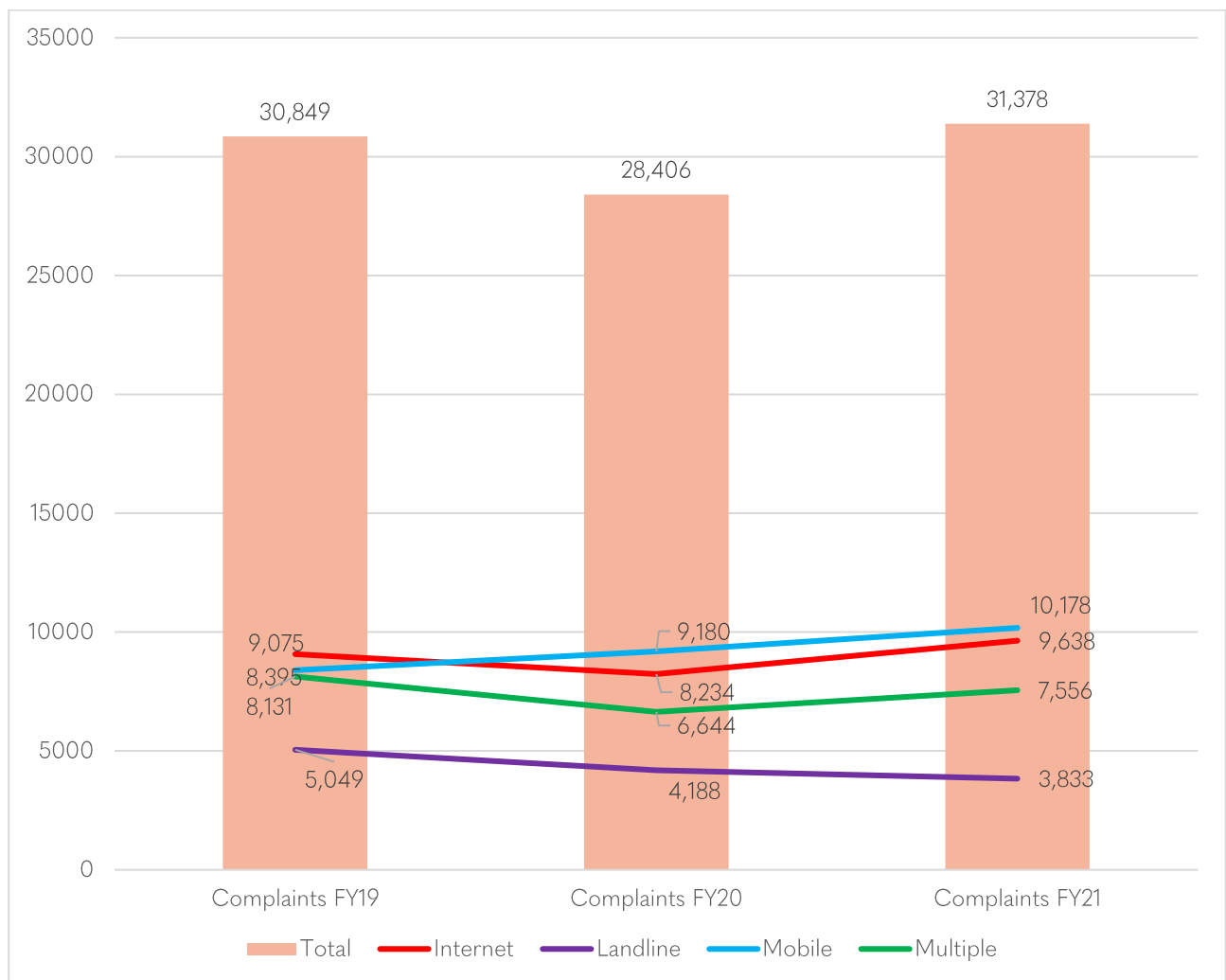
	FY 2019	FY 2020	FY 2021
1	No or delayed action	No or delayed action	No or delayed action
2	Service and equipment charges	Service and equipment charges	Service and equipment charges
3	No phone or internet service	No phone or internet service	No phone or internet service
4	Delay establishing a service	Delay establishing a service	Delay establishing a service
5	Intermittent service or drop outs	Resolution agreed but not met	Intermittent service or drop outs
6	Resolution agreed but not met	Intermittent service or drop outs	Resolution agreed but not met
7	Slow data speed	Slow data speed	Provider Uncontactable
8	Termination Fee	Failure to cancel a service	Failure to cancel a service
9	Misleading conduct	Misleading conduct	Slow data speed
10	Missed appointment	Termination Fee	Missed appointment

³ TIO Annual Report 2020-21, page 46.

1.4. Regional complaints by service types

Since FY 2019, we have observed a steady decline in the number of landline-only complaints from consumers living in regional areas. This decrease is mirrored by an increase in mobile-only complaints. This could be attributed to the increased adoption of internet and mobile services as consumers' primary telecommunications service, mirroring the trend in metro areas.

Graph 3 – Regional complaints by service type for FY 2019-2021⁴



⁴ Property complaints have been excluded from this graph due to low complaint volumes.

2. Service Reliability

Reliable voice and data services are critical to supporting the operation of businesses, public services, emergency assistance, and banking and other essential services in regional Australia. More broadly, the COVID-19 pandemic has shown that consumers are becoming increasingly reliant on phone and internet services for a wide range of day-to-day activities, including:

- remote work,
- education and remote learning,
- social contact with friends and family, and
- shopping.

Consumers depend on and expect a high level of service reliability, and this remains a key concern in regional communities. This is because the consequences of poor service reliability can be greater for regional consumers. Our complaints show it can take longer to repair a service fault and there are fewer alternative services available. In one complaint (Case Study 1), a consumer's community was effectively shut down by a serious, multi-day service outage.

Case Study 1 – A service outage affected Erna's entire community

Erna lives in a remote community in South Australia. Her community is hundreds of kilometres from the nearest town.

One morning, Erna's telecommunication services stopped working. Erna contacted her telco, who said her services would be restored the following day. When her services were not restored the next day, she contacted her telco again. Her telco then told Erna the services would be restored in another two days.

Erna was not alone – the outage was widespread leaving Erna's entire community without working services. This meant people were unable to withdraw money from the local ATM, buy food and other goods at the local store, and left the entire community vulnerable in case of an emergency.

** Names of all parties have been changed.*

2.1. Impacts on businesses

Service outages can have a significant impact on businesses operating in regional Australia. Many of these businesses rely on telecommunication services to take orders and bookings, for promotion, to order stock, to take or process payments, and other day-to-day business activities. When telecommunication services stop working, it can cause the small business to lose income.

Case Study 2 – Joe’s business lost profit during a connection delay

Joe runs a hotel and restaurant in regional South Australia. He relies on a landline and data connection to run his EFTPOS machines.

Joe’s telco contacted him to say he needed migrate his services to the NBN in the next month or they would be cancelled. Joe immediately placed an order to migrate his services to the NBN but was told there would be a wait time of about six weeks.

While waiting for the NBN connection, Joe’s services were disconnected. He called his telco, who said they could not find his order but that his services would be reinstated within the day.

Because Joe’s business was located in a remote area, it took more than one month to connect his services. During that time, he missed out on bookings for the hotel accommodation and restaurant, which resulted in lost profit. He had also spent thousands of dollars for IT support and alternative services in an attempt to keep his business running. Because of the remoteness of his business, the alternative services were slow, unreliable, and ultimately insufficient for his business needs.

We investigated Joe’s complaint and he was awarded over \$39,000 in compensation for financial loss.

** Names of all parties have been changed.*

Regional businesses are increasingly making use of internet-connected monitoring systems and sensors to manage different aspects of their businesses. For example, farms may use internet connected devices to monitor livestock, feed and water levels, irrigation systems, and soil moisture levels.

Service outages or issues can impair the functioning of these monitoring systems, making it more difficult for a business to manage its day-to-day affairs, make informed decisions, or plan for the future.

Case Study 3 – A service outage prevented Helen from monitoring stock and water on her farm

Helen is a livestock farmer living in remote Western Australia. Helen uses her internet service to monitor livestock, water, irrigation, and other data important to the running of her farm.

One day, Helen’s internet service suddenly stopped working. This meant she could not continue to remotely monitor the systems on her farm. Helen contacted her telco and who referred her service fault to the network wholesaler. No-one came out to Helen’s farm to fix the service. Helen’s telco then told her the network wholesaler had resolved the issue remotely, but her service was still not working.

After we investigated Helen’s complaint, her telco discovered there was an issue with the location identifier associated with her service, and again referred Helen’s service problems to the network wholesaler. Helen’s services were finally restored after a further two months.

** Names of all parties have been changed.*

2.2. Natural disasters

Many regional communities are at a greater risk of natural disasters, such as bushfires and floods. Access to reliable telecommunications services plays a critical role in co-ordinating disaster response and recovery within these communities. Consumers use voice services to contact family members, emergency services, and relief organisations. Mobile services can also be used as a broadcast medium for emergency information and updates.

After experiencing a natural disaster, common issues consumers have reported include:

- service outages,
- not being told when a service would be fixed,
- long delays in repairing a service, and
- being unable to obtain compensation for the time they were unable to use their services.

We received complaints from consumers affected by bushfires over the 2019 and 2020 holiday period. Some consumers reported that the infrastructure used to deliver their services, such as network cabling or mobile towers, has been damaged by bushfire, which left them without services for weeks or months.

The funding provided by the Government's 'Strengthening Telecommunications Against Natural Disasters' package is important in supporting infrastructure providers to take extra steps to strengthen infrastructure in regions where there is a high risk of damage due to a natural disaster. Information from the complaints we receive suggest work is needed to provision back-up power sources, relocate infrastructure underground, and switch to fire-resistant cabling (such as fibre-optic cabling).

Case Study 4 – A service fault left Carmella vulnerable for months

Carmella lives on a rural property in the Northern Territory. There is no mobile reception on her property, and she relies on her landline service for all her communication needs.

Carmella began experiencing drop-outs on her landline service. She was concerned she might have no service in the event of emergency, and so contacted her telco several times to report a fault. Each time, Carmella had to wait weeks before a technician could come out to her property. Because the fault was intermittent, when a technician did come out, the landline would be working and the technician would then report that there was no fault. Other times technicians would cancel appointments without letting Carmella know.

After making a complaint to our office, Carmella's service got worse. The next month, her landline became unusable for long periods of time, making it difficult to report faults. It took another three months for Carmella's service to be repaired.

** Names of all parties have been changed.*

3. Mobile Coverage

While our office cannot handle complaints about the location of mobile infrastructure, we often receive complaints from consumers about poor coverage in regional areas.

More consumers are using mobile services as their main telecommunications service. Mobile service coverage and blackspots continue to be a major concern for mobile consumers in regional areas.⁵

The impact of no or limited mobile coverage may be greater for consumers living in regional areas. Living in a regional area means there is an increased risk of natural disasters, less choice in telecommunications services, and longer repair times. Mobile service coverage is also important for those travelling through regional areas, either for work or recreation.

Mobile services and coverage help to create resilient communities, and they play a key role in coordinating responses to recovery from disasters. During natural disaster and other emergencies, consumers use mobile services to access safety information and updates, to call on emergency services, and to check in with friends and family.

Case Study 5 – John relies on a landline due to no mobile coverage

John lives in a remote area without mobile coverage. He has a medical condition and needs access to a landline service in case of an emergency.

Following an electrical storm, John's landline service stopped working.

John contacted his telco, who offered to send him a mobile handset, which did not work at his home address. His telco later offered to send him a satellite interim phone service, which never arrived. This meant John was without a service for several weeks.

After we investigated John's complaint, John's telco sent out technicians to repair the landline. However, the technicians were unable to find John's house and because there was no mobile coverage, they were not able to call him for directions.

After two months without a service and several rescheduled technician appointments, John's landline service was finally restored. John's telco agreed to pay him \$470 in compensation.

** Names of all parties have been changed.*

3.1. Representations about mobile coverage

We receive complaints about consumers being given incorrect advice about the level of mobile coverage available in regional areas, including from remote Aboriginal and Torres Strait Islander communities. Some consumers reported that the telco misrepresented, or did not check, the level of mobile coverage available at their address.

⁵ [TIO Submission on design options for Round 5A of the Mobile Black Spot Program](#)

Consumers who purchase mobile plans and devices based on these representations find themselves left with expensive devices they cannot use.

Case Study 6 – Milli was sold a mobile service she could not use

Milli is an Aboriginal and Torres Strait Islander person living in a remote community in the Northern Territory. She has limited financial literacy and little understanding of mobile phone services or contracts.

During a trip to Darwin, Milli visited a telco store and purchased a mobile service and handset. Although Milli told the sales representative where she lived, the representative did not check whether there was mobile coverage there.

When Milli went home, she found there was no mobile coverage in her area, and she could not use her mobile service. When she tried to cancel her plan, she was told she would have to pay over \$4,000 to cancel the contracts.

After we investigated Milli's complaint, her telco agreed it shouldn't have sold her the mobile service and device and waived the full cost of cancelling the contract.

** Names of all parties have been changed.*

4. Improving access for regional and remote communities

Consumers living in regional communities continue to have reduced access to telecommunications services. Access to a wider range of telecommunications services could improve access to essential services and create more resilient telecommunication networks in regional communities. There are fewer market incentives for infrastructure providers to invest in telecommunications facilities in these regions. This means improving service and infrastructure delivery to these under-served communities is only likely to come from government grants and other investment incentives.

In an earlier submission,⁶ we suggested that when evaluating telecommunications infrastructure programs, grants committees should expressly consider whether programs aim at improving connectivity for remote Aboriginal and Torres Strait Islander communities. In some communities it may be possible to extend existing infrastructure and construct communal connectivity hubs, offering voice, SMS, and data access to members of the community. In communities on the fringe of mobile coverage, the government could consider subsidising mobile devices that can access both standard mobile networks and satellite networks.

5. Improving information about service availability

Consumers complain to us about the information that was provided to them at the point of sale. Some consumers living in regional areas say they were misled about the level of mobile coverage or speeds obtainable at their address. In some cases, consumers simply are not aware of the services that are available to them.

⁶ [TIO Submission to the draft guidelines for the Regional Connectivity Program](#)

5.1. Mobile coverage

The Government could consider standardising mobile coverage information that is provided by telcos. Information about mobile coverage can be a source of confusion for consumers. Mobile carriers each have their own publicly available coverage maps, but the format and information presented on these maps varies between telcos. This makes it difficult to compare coverage maps. It is not clear what information, or what parameters, are used to produce the maps.

Coverage information is also important for those travelling through regional areas of Australia. Some telcos make claims about mobile coverage that is expressed in terms of how much of the Australian population is covered. This could create the impression that a carrier's mobile coverage is more geographically extensive than it is, potentially misleading consumers when they travel to the more remote regions of Australia.

5.2. Service and plan information

The Government could also consider publishing up to date information about what services and plans are available in regional areas. Better access to information about what services are available could allow consumers to make more informed decisions, encourage competition, and lead to better outcomes for both telcos and consumers at the point of sale and beyond.

In some cases, consumers may be more likely to contact a third party to help them choose a suitable telecommunications service. These third parties, which may include financial counsellors or consumer support groups, could use access to information about the services available in a given area to choose a suitable plan or low-cost service for their clients.

The Government could consider leveraging existing projects, such as the Regional Tech Hub, to publish information about service availability and coverage.