Summary

The submission makes several key points including:

- That although progress has been made in supporting better services for regional consumers that there is further work to be done;
- That there is a clear affordability challenge faced by individuals on low incomes including pensioners, the unemployed, students and people living with a disability.
- That there is an opportunity to take a more nuanced approach to investment and funding of programs (including infrastructure) to better target them to consumer and community needs.

Barriers to greater use of digital technologies

There are three core barriers identified:

- Infrastructure and equipment;
- Affordability;
- Awareness, digital literacy and user appropriate services.

Infrastructure

The past few years have been characterised by record levels of investment in telecommunications infrastructure - $10.8 billion in 2016-17, much of it as part of the nbn and in the regions. Despite this investment, significant gaps remain in infrastructure and there is a need for more targeted funding programs for projects that reflect community needs and use patterns.

Affordability

- Policies such as uniform wholesale pricing have gone some of the way to providing affordability for regional residents but more work needs to be done to ensure low-income and vulnerable groups have access to affordable services.
- There is a need for a long-term funding solution and a legislated commitment for regional/remote funding (ideally through an on-budget commitment that is independent of nbn finances and funded through progressive taxation)
- Regional Australians are paying a premium due to their need for multiple redundant services to ensure continuous coverage – which may be ameliorated through greater reliability standards and better information concerning reliability.
- The needs of different groups vary and a nuanced approach is needed to ensure that policy is targeted to those in need of support e.g. half of individuals over 65 use the internet – and therefore have higher costs compared to other pensioners.

- There is a need for targeted programs to address gaps in digital literacy – and these must reflect both the needs of target groups (e.g. elderly and indigenous) and be designed with an awareness of the challenges of remoteness.
- Where there are digital literacy issues for business/industry – industry should ideally fill this gap through professional training and workshops.

Economic benefits of broadband

- Noted the potential for productivity improvements – noted NBN's report concerning economic gains arising from investment
- Noted potential economic gains to farming – $24b.
- Highlighted potential for economic gains through IOT in terms of lowering regional governments operating costs etc – highlighting the gains to various sectors including small business – in addition to those in agriculture.

Indigenous Australia

- Outlined the need for a comprehensive strategy to address the digital divide faced by Indigenous Australians that addresses affordability issues, infrastructure gaps and digital literacy.
- Noted that infrastructure funding/infrastructure builds should be better targeted to community needs with an emphasis on public wifi, mobile, payphones and alternative technologies (such as extenders on remote roads) – as use of fixed services is extremely limited by Indigenous Australians.

Network Infrastructure

- Noted that low Skymuster take up appears to be a result of teething issues in the switch over, which led to reputational damage which is gradually shifting as more positive stories come out
- Consumers still have concerns about the reliability of Skymuster services and for some areas e.g. tropical remote QLD we have concerns about the reliability of the service as a long term source of connectivity. Overall however there appear to be improved experiences on average for consumers.
- There is a need for a clear policy concerning the future of ADSL and fixed line services in the Skymuster footprint for those consumers that want to remain on legacy services.
- Fixed wireless services for many consumers are underperforming and we believe that the ACCC monitoring program should be extended to fixed wireless services.

Improving mobile reception

- There is some evidence that low-quality repeaters are a problem.
- We argued that service providers should be required to provide detailed information to consumers concerning compatible products.

Mobile blackspots

- We support the continuation of the program, but believe some refinements can be made to the selection criteria for sites.
- This would entail:

  o The adoption of a minimum coverage requirement to ensure that new and extended coverage is promoted;
  o The removal of the current Member of Parliament priority nomination criteria to place greater emphasis on local and community input in the program;
  o The addition of further criteria to support further targeting of projects that provide a benefit to vulnerable populations.
  o The addition of further criteria to prioritise funding for mobile towers that would provide coverage to important community locations e.g. schools and emergency evacuation centres

Broadband services in regional Australia

- Although many are switching to the NBN a considerable number of consumers are staying with their existing service.
- On the basis of our information and estimates there are:
  o At least 706,000 premises still retaining their ADSL connections;
  o 200,000 individuals using WISPs
  o Approximately 35.5% of consumers relying primary on mobile broadband (based on BIRRR survey)

Competition in regional broadband services

- The level of information concerning competition in regional markets is exceptionally poor – with some markets likely to have strong competitive outcomes and others weaker.
- Therefore we believe the ACCC should undertake an inquiry into the competitive outcomes being achieved and potential for improvements.
-

- We argued that as a minimum government should take steps to prevent the reduction in competition (re; WISP licensing) and recommended the ACMA and ACCC examine the potential for spectrum sharing arrangements.

USO

- Argued that the government should prioritise the passage of the *Telecommunications Legislation Amendment (Competition and Consumer) Bill 2018* to underpin universal access to broadband.
- That DOCA should work with Telstra to develop improved arrangements for performance levels and timeframes in delivering USO services.
- That government develop a future Universal Service Guarantee with adequate performance levels and reliability measures across all delivery technologies for voice and data.
- That DOCA undertake research prior to considering options for the removal of the payphone obligation.

Recommendations

Recommendation 1

That the government commit to the ongoing funding of broadband services in regional, rural and remote Australia and commit to a long-term funding policy.

Recommendation 2

That the government commit to reviewing existing affordability policies including the Centrelink Telephone Allowance to provide greater support to low income Australians living in the regions.

Recommendation 3

That wholesale broadband performance standards and reliability measures are adopted to underpin the provision of voice and data services over NBN, to deliver more accountability from providers and NBN Co.

Recommendation 4

That RSPs and NBN Co be required to provide up to date and accurate information concerning coverage and reliability of network services to consumers in a format they can use.

Recommendation 5

That government articulate a policy vision for targeted strategies to support digital literacy in regional and remote Australia.

Recommendation 6

The government develop a comprehensive Indigenous Telecommunications strategy to ensure Indigenous digital inclusion.

Recommendation 7

That only those with a genuine need for the service, without alternative options should be put on Sky Muster.

Recommendation 8

That the ACCC be sufficiently resourced to carry out the Broadband Performance Monitoring and Reporting Program across all NBN technologies.

Recommendation 9

- *That guidelines for future publically funded mobile network expansion take into account the public benefit of new coverage for vulnerable populations and important community locations.*
- *That the government commit to long term public funding being made available for open access mobile network expansion in regional and remote Australia.*

Recommendation 10

That retail service providers be required to provide detailed information concerning what technical measures or equipment that are available to consumers to enhance their mobile reception.

Recommendation 11

An ADSL Future Service Strategy which factors in implications by and for the NBN rollout should be formulated by government in consultation with consumers. This ADSL future service plan should be clearly explained to affected customers.

Recommendation 12

That the ACCC undertake an inquiry into the barriers to and level of competition in regional and remote telecommunication markets.

Recommendation 13

That the ACMA in conjunction with the ACCC examine options for promoting the sharing of spectrum in regional and rural Australia to ensure that competition is not diminished through the loss of competitive broadband services.

Recommendation 14

- *That the government prioritise the passage of the Telecommunications Legislation Amendment (Competition and Consumer) Bill 2018 in the upcoming spring Parliamentary sitting.*
- *That the Department of Communications and the Arts work with Telstra to develop improved arrangements for adequate performance levels and repair timeframes in the delivery of current USO services.*
- *That the Government develop a future universal service guarantee for voice services with adequate performances levels and reliability measures, across all delivery technologies.*

Recommendation 15

That the Department of Communications and the Arts conduct research on the use of payphones in remote communities and areas without mobile coverage before considering any options to reduce Telstra's $44m payphone obligation.