LOCAL GOVERNMENT NSW

Draft LGNSW Submission on *Regional Telecommunications Review 2021*

September 2021

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1. Opening

Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general purpose councils and related entities. LGNSW facilitates the development of an effective community-based system of local government in the state.

LGNSW welcomes the opportunity to make a submission to the Australian Government Regional Telecommunications Review 2021.

This is a draft submission awaiting review by the LGNSW Board. Any revisions made by the Board will be forwarded to the Committee in the form of an updated submission.

2. Background

Every three years the Regional Telecommunications Independent Review Committee (the Committee) is appointed to conduct the review. Committee reports are important in setting the regional communications policy agenda in the following years.

The Review will examine the adequacy of telecommunications services in regional, rural and remote Australia. It will also consider particular issues identified in the Terms of Reference, including the impact of Government policies and programs, insights from COVID-19, emerging technologies, service reliability, regional development, and improving coordination between tiers of government.

In conducting the review, the Committee is to have regard to:

a. the impact of the Government's policies and programs for improving connectivity, competition and digital literacy in regional, rural and remote areas, including rollout of the National Broadband Network, the Mobile Black Spot Program, the Regional Connectivity Program and the Regional Tech Hub;

b. insights from COVID-19 on consumer access to and usage of broadband and mobile technology in regional, rural and remote areas;

c. emerging technologies that could lead to significant changes in how telecommunications services are delivered in regional, rural and remote parts of Australia in the next 5-10 years;

d. service reliability and impacts on customers and communities in regional and remote areas.

Taking into account the above, the Committee is to consider:

a) whether changes are warranted to existing Government policies and programs to ensure they continue to be effective, fit for purpose and are maximising the social and economic potential from existing and emerging technological advances;

b) policy settings that might be needed to support more rapid rollout of and investment in new telecommunications technologies in regional areas;

c) ways in which improvements in digital connectivity could support the Government's broader regional development policies and priorities, such as decentralisation and the development of Northern Australia;

d) ways in which State, Territory, and Federal programs to support regional connectivity could be further coordinated.

3. LGNSW Advocacy Priorities

This submission is aligned with current LGNSW Advocacy Priorities.

The LGNSW Policy Platform (April 2020) – which consolidates the voices of councils across NSW, reflecting the collective positions of local government on issues of importance to the sector – details six Position Statements relevant to this submission. These are:

- Position Statement 2 (Economic Development) – calls on the Australian and NSW Governments to identify opportunities to support rural and regional growth.

- Position Statement 3 (Roads and Infrastructure) - calls on the Australian and NSW Governments to effectively coordinate Commonwealth and State funding programs where co-contribution is required. It also calls for equitable infrastructure funding, so that Commonwealth and State assistance is directed to areas of greatest need. The elimination of monopolistic practices by utility network operators (electricity, telecommunications, water and gas) that impose unjustified costs on councils and communities must be eliminated.

- Position Statement 4 (Rural and Regional Communities) – calls on the Australian and NSW Governments to recognise the higher costs of infrastructure and service delivery faced by rural communities due to inherent lack of economies of scale. It also calls on governments to accept that rural councils will never be able to fund the basic standard of infrastructure and public services to which all Australians are entitled from own source revenue.

- Position Statement 6 (Natural Disaster and Emergency Management) - calls on the Australian and NSW Governments to increase funding for mitigation and betterment measures, both in advance of disasters where the risks are identified and in the recovery stage. It is important that governments provide the financial support for restoration, remediation and betterment of local community infrastructure that has been severely damaged by natural disasters including climatic conditions and drought.

4. LGNSW Response to the Review Focus Areas

The LGNSW response has been structured according to the Terms of Reference areas of focus outlined in the Background section of this submission.

a) the impact of the Government's policies and programs for improving connectivity, competition and digital literacy in regional, rural and remote areas, including rollout of the National Broadband Network, the Mobile Black Spot Program, the Regional Connectivity Program and the Regional Tech Hub;

The Australian Government's programs for improving telecommunications in regional, rural and remote areas of NSW have made a positive impact on the lives of many communities and their local economies. These investments in telecommunications support numerous government initiatives at all levels to ensure more equitable services for all Australians as well as boost the liveability of regional, rural and remote communities throughout the country. With cities becoming increasingly cost prohibitive for many people, it is important that they have viable options for consideration when thinking to live and work elsewhere. These government programs are vital in helping to facilitate this.

Much has been written about the National Broadband Network, both its strengths and its weaknesses. While it is undoubtedly a significant improvement in the quality of the broadband internet services it has replaced for many Australians, it appears that there is still a digital divide between metropolitan communities and regional, rural and remote communities. While the twin Sky Muster satellites have helped to address some of these NBN fixed line service blackspots, its pricing is relatively costly and has suffered from technical issues[1] that have seen potential customers avoiding the service altogether. Issues with the NBN and Sky Muster in these areas have seen third-party fixed wireless operators aiming fill the gap left by the program. While this is a potential market solution for many living in these areas, it highlights that the goals of the NBN have not been fulfilled to date. Additionally, as these are commercial enterprises, it is likely where profit cannot be derived from commercial operations, gaps in coverage will persist leaving communities disadvantaged.

The Mobile Blackspot Program has been a much-needed investment required to meet the cellular connectivity needs of people living in regional, rural and remote areas. With commercial ventures failing to adequately invest in mobile infrastructure in these areas, it has been vital for the government to step in and fill the void. Not only do people in these areas need reliable mobile connectivity for social, health, education and work reasons, but it is also vitally important in these areas during times of emergency where they are often many miles from help. The NSW Government has also had to step up with its own complementary mobile blackspots project but ongoing issues with repair times for mobile outages continue to plague many communities. Some communities are entirely reliant on 4G mobile connectivity for all their telecommunications needs. Further, legislation needs to be implemented in order to ensure that telecommunications operators are required to give competitors full and unimpeded access to their existing mobile infrastructure in regional areas to facilitate roaming. This will increase network coverage for customers and foster pricing competition.

The Regional Connectivity Program and the Regional Tech Hub have both been effective in helping to fill some of the gaps in internet and mobile connectivity issues across regional, rural and remote parts of NSW left by the NBN and the Mobile Black Spot Programs. LGNSW notes, however, that the program relies on co-contributions from councils as well. While some councils can afford to help co-fund programs like this, it is often the councils whose residents are in greatest need for assistance who also have the least money available to co-fund such

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[1] https://www.itnews.com.au/news/nbn-co-admits-to-exorbitant-number-of-satellite-failures-452965

telecommunications projects. Although co-funding models are appropriate for government programs in some instances, LGNSW is of the view that this approach is completely inappropriate when it comes to the provision of telecommunications services – robust telecommunications are as fundamental to the social and economic wellbeing of regional communities as is water and electricity. As such, the Australian and State Government should be delivering entirely on what are fundamental community service obligations. The Regional Tech Hub has been useful in helping customers in regional, rural and remote areas get the support they need to help best navigate the connectivity options available to them. That it is required, however, highlights the ongoing digital divide between people living in these areas and more urbanised communities.

b) insights from COVID-19 on consumer access to and usage of broadband and mobile technology in regional, rural and remote areas

As many have noted, the COVID-19 pandemic brought the digital divide into sharp focus over the past 12 to 18 months. According to a survey conducted by Regional Arts NSW (RANSW)[2] in the second half of 2020, two thirds of NBN users in regional areas reported issues with its speed and reliability. This negatively impacted their ability to work remotely, conduct teleconferences, and participate in online learning. COVID-19 was disruptive enough for workers, students and businesses relying on internet connectivity in urban areas but was much worse for people in regional NSW. Compounding this, particularly for students, was from disadvantaged communities who missed out on months of schooling because of a lack of technology at home including laptops and computers, or even any internet access at all. COVID underlined not only the ongoing telecommunications disparities but also the persistent, and unacceptable, social disparities in some communities in regional NSW. It also impacted the ability for people to access health care services remotely. Effective telecommunications infrastructure and services is an essential gateway into being able effectively participate in contemporary society, but it is also a conduit to essential societal services such as education and healthcare.

c) emerging technologies that could lead to significant changes in how telecommunications services are delivered in regional, rural and remote parts of Australia in the next 5-10 years;

It is clear that cellular/wireless communications technologies such as the new 5G network technologies currently being rolled out across the country offer a potential pathway to improving connectivity for all Australians – at least theoretically. It has the potential to deliver much faster connectivity than the NBN and requires less infrastructure to deliver. However, while Telstra claims that it has reached 75% coverage of Australians with its 5G network[3] (primarily urban and coastal areas), it will still be some time before it reaches the current coverage levels of its existing 4G network (still insufficient reach for many rural and remote communities). Further, 5G also requires people to upgrade their handsets and other devices in order to connect to it at a minimum cost of several hundred dollars. Elon Musk's Starlink satellite internet service (and potentially other similar services yet to emerge) could also have the potential to overcome connectivity, speed and reliability issues experienced by customers in regional areas currently connected to the NBN or its Sky Muster service. However, it too costs over $130 after installation costs of over $700.

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[2] https://ia.acs.org.au/article/2020/regional-australians-still-living-an-nbn-nightmare.html
[3] https://www.telstra.com.au/aboutus/media/media-releases/telstra-5g-coverage-announcement

d) service reliability and impacts on customers and communities in regional and remote areas.

Our response on the impacts of COVID-19 addresses much of this issue. However, it is worth reflecting on another aspect of the existing telecommunications infrastructure and service reliability and this pertains to the resilience of the infrastructure in the face of natural disasters such as bushfires, storms and floods. Compounding this is the time taken to help restore connectivity lost when telecommunications infrastructure fails. Telecommunications infrastructure is a major investment and more care and consideration needs to be given to how it can be designed to be more resilient to natural disasters. The 2019-20 bushfires resulted in many telecommunications failures. Auxiliary back up power solutions of at least 12 hours is one measure that should be considered. Compounding this, customers in regional areas continue to struggle with connectivity issues at the best of times, and outages caused by a wide range of factors also result in extended downtime. If regional communities are to be desirable places for people to live and work and for companies to establish businesses, telecommunications infrastructure and resilience is fundamental to making this happen.

5. LGNSW Recommendations

In light of the above, LGNSW offers these recommendations for consideration in response to the below:

a) whether changes are warranted to existing Government policies and programs to ensure they continue to be effective, fit for purpose and are maximising the social and economic potential from existing and emerging technological advances;

Recommendation 1: That the Government continues and expands its existing telecommunications policies and programs. Overall, these have been effective in helping to bridge the digital divide, but it is clear that many people living in regional Australia continue to struggle with telecommunications networks and infrastructure that do not deliver comparable speeds, reliability, coverage and resilience enjoyed by those living in metropolitan areas.

Recommendation 2: The Government consider the creation of a national framework for establishing ICT needs for communities as this will help join up the existing government telecommunication policies and programs while providing a mechanism to benchmark relative need, funding priorities and technologies that should be deployed.

Recommendation 3: The Government consider additional legislation that requires telecommunications companies to give unimpeded access to roaming facilities so that they are not hit with hidden backhaul charges the current legislation does not cover. This will increase coverage for many while also fostering competition.

Recommendation 4: The Government remove co-funding requirements from its telecommunications programs as these are often counterintuitive and place a disproportionate financial burden on councils and communities in greatest need of such investment. Instead, programs such as these should be considered in the same light the Government's wider community service obligations to deliver essential services such as water and electricity.

b) policy settings that might be needed to support more rapid rollout of and investment in new telecommunications technologies in regional areas;

Recommendation 5: With interest rates at historic lows and the economy continuing to be tested by the impacts of the COVID-19 pandemic, it may be prudent for the government to

take the opportunity to accelerate investment in telecommunications services and infrastructure in regional areas of Australia to both deliver improvements in connectivity, but to also help drive regional economies and growth.

c) ways in which improvements in digital connectivity could support the Government's broader regional development policies and priorities, such as decentralisation and the development of Northern Australia;

Recommendation 6: The current state and rate of improvement in telecommunications services and infrastructure in regional Australia does not align well with the Government's broader regional development policies and priorities. If urban decentralisation is to be made attractive, people and businesses that might consider moving to regional areas, at a minimum, must be provided with similar or equivalent telecommunications connectivity.

d) ways in which State, Territory, and Federal programs to support regional connectivity could be further coordinated.

Recommendation 7: It is too often the case that councils advise LGNSW that government agencies do not coordinate their program delivery. This can even be the case inter-departmentally. With multiple programs being run by governments, if they are to be optimally implemented, it is vital that agencies with similar areas of responsibility coordinate their respective programs wherever possible, rather than deliver them in parallel.

Recommendation 8: As per our Recommendation 2 above, the development of a national ICT framework for regional communities would help enable better coordination between Federal, State and Territory programs. It would also lay the foundation for corresponding and complementary State and Territory frameworks that could help to further ensure funding and technologies are better matched to need.

6. Conclusion

There has been progress made in helping to bridge the digital divide between metropolitan and regional, rural and remote communities. However, as the COVID-19 pandemic has demonstrated, there continues to be significant discrepancies and in telecommunications service reach, service reliability, service speeds and service options. As we have highlighted in our recommendations, there are options available that can help to further close the gap. This is essential if Government policies designed to attract people to live and work in regional Australia as well as ensure that regional economies continue to grow and become more resilient and self-sufficient into the future.

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