

30 September 2021

2021 Regional Telecommunications Review Secretariat
Department of Infrastructure, Transport, Regional Development and Communications
GPO Box 594
CANBERRA ACT 2601

Dear Secretariat

2021 Regional Telecommunications Review

Thank you for the opportunity to provide a submission on the 2021 Regional Telecommunications Review. This submission has been prepared by the Local Government Association of Tasmania (LGAT) on behalf of all 29 councils in Tasmania.

LGAT is incorporated under the *Local Government Act 1993* and is the representative body and advocate for Local Government in Tasmania. A number of councils have made submissions to the review, providing important perspectives on local and regional telecommunications. LGAT's submission is focused on common issues faced by Tasmanian councils and their communities.

If you have any questions or would like further information, please do not hesitate to contact Ben Morris, Policy Director at ben.morris@lgat.tas.gov.au or via phone on (03) 6146 3743.

Yours sincerely



Dion Lester
CHIEF EXECUTIVE OFFICER

LGAT Submission: 2021 Regional Telecommunications Review

Introduction

Accessible, effective telecommunications are critical for Tasmania. Our state faces significant challenges, many shared with other regional areas, but some more acute than other areas due to unique local circumstances. Tasmania has one of the most dispersed populations of any state, is ageing with the highest median age of any state and has the largest increase in the median age over recent times. As an island, we are critically reliant on telecommunications to connect with the rest of the country, and to the world, for social, cultural and economic reasons.

On digital inclusion, Tasmania is ranked as the most disadvantaged state¹. At the same time there is a widening gap between those that are digitally included and those that are not – on income (higher income; more included), age (younger; more included) and geography (more included in Hobart; less in other areas, particularly the north-west).

The State Government, as part of its response to the COVID-19 pandemic, created the Premier’s Economic and Social Recovery Advisory Council² (PESRAC). PESRAC engaged right across the Tasmanian community. Their engagement found that digital connectivity and inclusion was one of the strongest themes. The recommendations from this work included that the State Government work with the Australian Government to review the digital infrastructure gaps and investment priorities and that funding and co-investment needed greater attention³. For local government services, digital access is a critical support that has only be accelerated by the COVID-19 pandemic.

The following response to the Issues Paper questions has been directly informed by councils’ feedback to LGAT.

What telecommunications services are required in regional Australia to meet current and future needs? Are there any things regional communities and businesses need to do, but can’t, on their existing services?

Tasmania benefited from the early rollout of fixed NBN, helping to increase digital access. However, broadband services are inconsistent and this means that service for businesses may be limited in those areas with insufficient synchronous data capabilities.

¹ : Thomas, J, Barraket, J, Wilson, CK, Holcombe-James, I, Kennedy, J, Rennie, E, Ewing, S, MacDonald, T, 2020, *Measuring Australia’s Digital Divide: The Australian Digital Inclusion Index 2020*, RMIT and Swinburne University of Technology, Melbourne, for Telstra, available at: digitalinclusionindex.org.au

² Available at: www.pesrac.tas.gov.au/home

³ Ibid, p. 55

In these areas, new businesses may not be able to establish and the opportunities catalysed by COVID-19 through acceptance of remote work, may not be realised. For existing businesses, it limits further value-added services that may be enabled by remote services, such as through video conferencing.

Gaps and blackspots in mobile connectivity limit business and tourism. Connectivity is also critical in responding and recovering from natural disaster and other emergencies and in maintaining the safety of the community and visitors.

For urban areas, the continued rollout of higher speed mobile networks is important to support innovation for ‘smart cities’.

What changes in demand, barriers or challenges need to be addressed when it comes to telecommunications services in regional, rural and remote Australia?

Connected and online communications are an integral part of many people’s lives and, in a number of cases, required for full participation in society – across remote work, education, health, and banking. Telecommunications have the ability to level the playing field for those in regional areas compared with cities. However, the reverse is also true – those areas with less access, or reduced levels of access are at a disadvantage. Where there is access, support is needed to help inform and guide businesses to make the most of the technologies ability to connect and empower.

The changing climate with more frequent and extreme weather events highlights the needs for connectivity during periods of emergencies and recovery. These events will also put more pressure on infrastructure that was designed and built at a different time, like the legacy copper connections used in parts of the NBN that may fail with increased riverine or coastal inundation.

As discussed in the introduction, digital inclusion is an important measure of how well the community is engaged with, and taking advantage of, digital opportunities. In general, Australia has been doing well on improving access to digital connectivity, yet the affordability and digital ability dimensions require greater support and consideration

How have the Government’s policies and programs affected telecommunications service outcomes in regional, rural and remote Australia? How can these be improved?

The Australian and State Governments provide important parameters for the development, operation and take up of telecommunications. On digital inclusion the Tasmanian Government has programs to address the digital ability dimensions of digital inclusion and provides support for businesses to ‘get online’. We are not able to provide comment as to how well these programs are going. The Federal Government needs to drive infrastructure investment on a competitive basis to keep downward pressure on

prices and foster development in areas where there are gaps given the needs outlined in responses above.

The Government's Mobile Blackspot Program and Regional Connectivity Program are targeted at addressing the digital inequality of regional areas. There are barriers to the effectiveness of these and other similar programs.

- For local government, many don't have the in-house expertise to address the issues or select technical solutions, so they need to engage with the State Government and service providers. This can be a resource and time intensive process.
- There is no commercial incentive for service providers to initiate assessment work, rather it relies upon their goodwill.
- The requirement with some funding sources for co-investment from local government is inequitable and inappropriate. For example, urban users and their local governments are not asked for co-investment. Is it appropriate for ratepayers to fund infrastructure they will not own or control and will be owned by a commercial entity?

How do service reliability issues impact on regional communities and businesses? How do outages, including in natural disasters, impact on communities and businesses?

Communities and businesses are reliant on reliable, fast telecommunications services. This is heightened in regional communities with greater distances, more dispersed settlements and reduced transport options.

Unreliable communications during natural disasters can provide a direct threat to a community's wellbeing and safety, the support required, and the ability of the community to stay informed. Then in the recovery phase will limit their ability to get back on their feet.

For business, unreliable services can contribute to revenue loss, increases in operational costs, delays to critical deadlines and impact safety, for example with remote field work.

How might such impacts be addressed to ensure greater reliability? How can the network resilience be addressed in regional areas?

The first step is to understand blackspots and unreliable service areas. It is the unreliable services that can sometimes be more frustrating for those that rely on consistent connectivity for work. Engaging the community and local businesses is important to understand these issues, and to explore future needs for business, industry, and the community. Tasmania's distributed population across undulating to mountainous areas requires particular consideration.

The investments by Telstra, State and Federal Governments into infrastructure to prevent, mitigate, and manage telecommunications outages in natural disasters is welcome. This investment needs to be increased and matched against climate and risk modelling so that telecommunications are able to support response and recovery for the future events.

Further consideration of the incentives for investment into more reliable networks is required. Unlike electricity the increased cost cannot easily be shared across all network users.

How did the use of digital services change for regional consumers and businesses during the response to the COVID-19 pandemic? What insights for future service delivery does this provide?

COVID-19 had a profound effect on regional consumers and businesses, with a large segment of the community becoming heavily reliant on technology to support people working from home, students home schooling, video-conference becoming commonplace and internet for home shopping. The available bandwidth was strained as workplaces and schools went online or hosted multi-media events instead of face-to-face communications. The impacts were sometimes felt in a localised way with bandwidth and latency issues that impacted some in the community, highlighting the need to address the inequality in the nature of the connections.

The shift, and acceptance, to online communications and work-from-home for office workers, creates new opportunities for regional communities. As has already been seen in some parts of the country, people are moving out of the cities into regional centres and towns for lifestyle and affordability reasons, yet are able to maintain their existing work – a potential win-win. However, this physical shift creates additional burden on regional telecommunications and brings to light the comparative telecommunications disadvantage the regions face.

What can be done to improve the access and affordability of telecommunications services in regional, rural and remote Indigenous communities?

This question has been partially addressed in the role of governments' policies and programs.

Firstly, continue to improve and update network infrastructure, underpinned by an agreed level of service that is consistent, no matter which town or city you live in.

Second, affordability of services. There are three main aspects:

1. Providing reliable, consistent services that people can depend upon.

2. Supporting business and community with digital ability so that demand and volume supports commercial services.
3. Australian Government support for infrastructure in smaller settlements that won't have a commercial demand.

How can investment in telecommunications infrastructure work with other programs and policies to encourage economic development in regional Australia?

It is important that as telecommunications improve and the opportunities expand, that business, agriculture and industry are supported to identify and seize these opportunities. This may include additional specific professional development, or greater emphasis in existing entrepreneurial programs run by government and industry groups.

What role could innovation, including new models, alternative investors or new ways of doing business, play to encourage investment in regional telecommunications infrastructure? What are the barriers?

The greater use of technology will help to drive demand, volume and opportunities from telecommunications. For example, the use of technology on farms to increase yield, better manage pests and in the near future harvest crops, is likely to be a significant area of growth in many regional communities.

The barriers have been outlined above.

To what extent will new technologies enable significant change to the delivery of telecommunications services in regional Australia over the next 5-10 years? Are there any barriers to accessing these technologies?

New technologies will undoubtedly increase the opportunities for regional communities, such as artificial intelligence, Internet of Things and robotics.

The barriers are similar to what we face today – cost, reliability of telecommunications backbones and accessibility. The cost barrier impacts at both the individual/business level, as well as at a carrier/service provider level. Many regional Tasmanian councils are severely constrained in their ability to invest into their own services, let alone supporting those for the community.

Another important aspect is how the rate of change impacts people. We have more information than ever before, bad news moves at the speed of light and technology sometimes feels like it is changing overnight. This can lead to 'change burn-out', particularly felt in generations that have never experienced such a rapid pace of change. This has the potential to cause alienation from the very systems that support our community, so it is critical that people's needs are at the forefront, rather than change in itself.

How can Government better support the rapid rollout of and investment in new telecommunications solutions in regional areas?

Discussed above.

How can different levels of Government, the telecommunications industry and regional communities better co-ordinate their efforts to improve telecommunications in regional Australia?

The important first step is to build a shared understanding of the outcomes that we want to achieve at a local level, now and into the future - a shared vision. What are the essential requirements for today, and what are the opportunities for tomorrow? Alongside this work is building and understanding drivers for investment for carriers and service providers in regional Australia. This will need to consider the balance between commerciality and government support for investment.

Given the future is uncertain and change is rapid, agility and flexibility is needed, supported by ongoing, open communication between the parties.

What changes to Government investment programs are required to ensure they continue to be effective in delivering improved telecommunications?

Discussed above.

How can regional consumers be better supported to identify, choose and use the best connectivity options for their circumstances, as well as to understand and use their consumer rights?

The range of choices can be confusing to even the most well-informed consumer. The government intervention in the communication of mobile plans and health insurance are useful examples. It can be helpful for consumers to have illustrated use cases of the different options, for example “I’m a farmer who wants to receive latest weather and market information, monitor crops and attend virtual industry events”; “I’m a consumer who wants to watch streaming video services, I’ve got teenage children who play online games”. It is what people will do with their connectivity that is important, rather than seemingly arbitrary download limits or speeds.

Following connectivity, the next step is for regional consumers to have education and support made available around the opportunities that this connectivity provides, as well as the digital ability aspects of digital inclusion. This is particularly important as more and more government and commercial services are only available online. A physical presence in the regions is an important aspect to this, such as has been seen with the Tasmanian Government’s use of the Tasmanian Library service. If properly supported, local government can be a partner in the delivery and engagement of communities.

To what extent is public information on connectivity options, including predictive coverage data and speeds, sufficient to help regional customers make informed decisions? What other information is needed?

No comment.

What other matters should the Committee consider in its review and why are they important?

Ongoing advocacy – there may be a role for a standing advocacy organisation to represent the needs of the range of telecommunications consumers in discussions with government, carriers and service providers. For example, Energy Consumers Australia was created by the Council of Australian Governments to promote the long-term interests of consumers with price, quality, safety, reliability and security of supply of energy services. It conducts research and analysis, identifies issues and works with other consumer organisations, ombudsmen, energy companies, regulators and governments to improve outcomes for consumers.

Pace of change and pace of government – as discussed above technology is changing rapidly. It is very difficult for all levels of government to keep up with the changes and set policies and regulation to manage this change. Collaboration between governments and industry will be critical to ensure that Australia does not miss out on the opportunities with transitioning to a digital economy, the fourth industrial revolution.