



Submission to the Regional
Telecommunications Review 2018
Issues Paper

Victorian Farmers Federation – Recommendations

Accessing telecommunications

1. Increase availability of telecommunications to allow regional businesses to grow and where the market fails to provide this public good, for the government to fund projects.
2. Run the fourth round of Mobile Blackspot funding concurrent to the third round.
3. Federal Government to reevaluate co-funding model for further construction of mobile towers.
4. Prioritise NBN rollout in the regions.
5. Federal Government to look at co-investment with state government to upgrade NBN to wireless technology in the regions.
6. Federal government to encourage co-location of telecommunications infrastructure with other types of infrastructure.

Beyond Access

7. For a consumer communications standard to be developed to improve performance.
8. Indicators which should be measured when evaluating market failure to provide an essential public good should include; safety in remote workplaces, access to emergency services and access to government services including business services, education and health services.
9. For the government to look at ways to increase competition in the region market.
10. The VFF supports the ACCC 'declaring' mobile inter-carrier roaming services in rural and regional Australia to increase competition.

Executive Summary

Telecommunications stands as an impediment to regional business growth and regional development. Accessing both data and voice services will boost regional economic growth as well as improve productivity for agriculture. Beyond access the performance and cost of telecommunications will affect the uptake and extent of use of telecommunications and the innovations accessed through those services.

To ensure basic provision of essential services, in an increasingly digital world, there is a role for Governments at both a Federal and State level to invest in upgrading and growing the footprint of data and voice telecommunications. Those in the regions need access to essential services, emergency services, and other government services, and without quality telecommunications these government services are slow, delayed, unworkable or unavailable.

There is failure in the market to provide cheap, quality voice and data services to regionally disperse individuals and organisations. This market failure should be addressed by increasing competition in the market and, where there is public benefit, direct government investment.

Unlocking the benefits of telecommunications will bring a revolutionary change to agriculture. Already, exciting technologies are being developed to significantly improve productivity. However implementation on farm of these technologies is restricted by telecommunications. More needs to be done to improve coverage, prices and service performance.

A handwritten signature in black ink, appearing to read "David Jochinke".

David Jochinke

President

Victorian Farmers Federation

Victorian Farmers Federation – Our Position

1 Accessing Telecommunications

Accessing the telecommunication required to improve business efficiency has been slow.

The report notes the current change since 2015 of regional telecommunications infrastructure, however when compared more broadly to the change in available technology and changing uses of technology since 2015, the roll-out of access to both voice and data services is not keeping pace with technological innovation. Thus telecommunications remain an impediment to improving agribusinesses efficiency, and regional development.

While many, including governments, are excited by innovations such as Automated Precision Farming, even accessing basic telecommunication services like mobile coverage in the paddock, remain out of reach for many Victorian farmers. This despite the fact that Victoria is the most densely populated state in Australia (ABS), and therefore has the most viable business case for more telecommunications infrastructure in the country.

Lack of access to telecommunications reduces access to; overseas markets, information on commodity pricing, data to drive business decisions and uptake of technological innovations.

Lack of access affects every aspect of the farm business and a farmer's life. A good example is online banking, where many online banking services require confirmation via text message. In a metropolitan area this is a perfectly reasonable security measure but in many regional locations mobile and data services are not aligned, making online banking difficult.

Accessing data and mobile coverage is the single biggest impediment to use of digital technologies in agriculture, and an impediment to the Australia's international competitiveness, regional development, and access to basic essential services.

Mobile Blackspot Program

We welcome the continued investment in the Mobile Black Spot Program, but the future of the program needs to be reassessed by the Federal Government.

The fourth round of Mobile Black Spot Program funding needs to be rolled-out on a continual basis to allow for the lag time from commencement, through to tendering, and eventual installation. That is, the program should be rolled out concurrently or in parallel, not consecutively, to the third round of the program.

The co-funding model has been effective at allowing the telecommunication companies involved to build more infrastructure than would otherwise be financially viable. Even with co-funding, carriers are now suggesting that many of the remaining identified blackspots do not meet the viability test for the carriers to progress with a build. To increase mobile coverage, which is in our view an essential service, a new approach to funding the mobile blackspot program needs to be adopted.

NBN

With every few alternatives to the NBN we continue to support prioritised rollout of the NBN in rural areas. Whereas in metropolitan areas businesses and consumers frequently have access to ADSL2+ and 4G options, rural businesses and consumers have very few, if any, other reliable options for data services.

Satellite technology has been seen to be inferior and more expensive than broadband or wireless services. We recommend the Federal Government look to co-investment with State Governments to upgrade NBN infrastructure to NBN Fixed Wireless technology, to minimise the number of users utilising satellite technology;

Efficiency of Government Investment

We would encourage incorporating telecommunications development during other significant infrastructure works would be an efficient use of resources. To achieve this incorporation, telecommunications companies could be allowed access to other government infrastructure when that infrastructure is being worked on, or it could be encouraging other private infrastructure companies, for example energy transmission companies, to work with a telecommunications company to co-locating infrastructure.

2 Beyond Access

While issues of access are important, once access has been granted there are still issues of poor performance for high prices.

The internet makes most work and business operation independent of location. However with low internet performance and higher costs, business and individuals are disincentivised from relocating to regional Australia. The opportunity cost of poor internet connectivity and performance costs the regional economy in economic growth.

Improving Performance

In addition to the economic cost of a poor performing telecommunications there is also the equity issue of poor connectivity and poor performance. Regional communities are disadvantaged by the lack of telecommunications in an increasingly connected world.

Improving telecommunications performance should include developing a new consumer communication standard for voice and data, with the aim of setting standards for availability, accessibility, affordability, performance and reliability.

Economic or Social Indicators to Consider

Indicators which should be measured when evaluating market failure to provide an essential public good should include; safety in remote workplaces, access to emergency services and access to government services including business services, education and health services.

The VFF has taken a strong stance against farm death and injury as the current high rates of farm death and injury are unacceptable. With farmers and their employees working in geographically disperse locations, being able to access mobile coverage can be a life saver. The ability of the person injured or those that they are working with to call emergency services from the location of the emergency can literally mean the difference between life & death. Telecommunications can save lives in cases where an individual becomes trapped but has access to their mobile. The benefits to safety need to be evaluated as part of any telecommunications coverage decision.

Access to government services

Governments are increasingly moving to delivering key services through online portals, for example the Australia Tax Office. We can see a trend in governments moving to online service delivery to save costs, and while we encourage efficient use of government funds, if citizens can't access essential services due to poor telecommunications access there is an equity issue.

Health

There has been a loss of or undersupply of health services in rural areas. A number of these health and wellbeing services can and are being offered remotely, however they require access to quality telecommunications. A good example is the nurse on-call program or maternal and child health line (both these services are 24hr) where parents and people with medical issues can access medical or parenting advice in locations that are some distance from in-person services. Quality telecommunications is the vital link to help these services function and fulfil their role in assisting rural people.

There is also a huge demand for online and telephone wellbeing services particularly with organisations such as Headspace playing a vital role in suicide prevention among young people in rural and remote areas: where statistics show youth suicides is significantly higher and yet services are fewer.

The benefits to health and wellbeing, and the flow on economic benefits, of telecommunication access should be evaluated as part of an analysis of telecommunications services.

Access to emergency services

As with accidents on farm, accidents on regional roads account for a significant proportion of the national road injury and fatality statistics. Fast response through adequate mobile phone coverage is another resource to reduce the road toll in regional Australia.

Additionally large scale emergencies, such as flood or bush fire, are better dealt with as early as possible and with coordination between emergency groups and services on the ground. Increasing the reach and performance of telecommunications can assist in both early warning and response to these emergency situations.

We are seeing more classes offered at rural schools via teleconference to ensure a variety of curriculums are offered in an effort to address the regional disadvantage experienced by many children.

For example at Boort District School, a P-12 school of approximately 220 students, almost a third of students in their final two years of high school accessing subjects via distance education or teleconferencing. Most of this has to be done on campus at Boort to ensure adequate access to telecommunications facilities. By gaining quality telecommunications at home this opens up opportunities for those students to access teachers and resources that support their learning in a supportive, home environment.

Access to high speed broadband at home for students studying at rural schools, remote education or through programs such as Open Universities benefits the local economy through an increase of skills and knowledge, and a higher likelihood of retention of skills within the immediate area.

Public Good

Governments play a critical role in providing essential public services to all Victorians. Market failure is occurring in regional Victoria in relation to telecommunications, with lack of access to affordable, quality telecommunications. Telecommunications are a public good, and the lack of incentive for telecommunications providers to invest in areas of low population results in poor social welfare outcomes as described above.

Governments at both a Federal and State level, as providers of essential services, emergency services, and other government services, must continue to invest in telecommunications in regional Victoria to ensure not only productivity benefits for the State, but to ensure basic provision of essential services.

Competition to Improve Prices and Services

Agribusiness is location dependant and therefore must link to any telecommunications available or fall behind the innovation curve.

High costs and poor service impede use of innovations such as the internet of things, automated precision farming and video conferencing. Therefore agriculture is missing opportunities to more efficiently produce food and fibre.

The current solution we see as viable is to introduce competition in the regional market. The VFF supports the ACCC 'declaring' mobile inter-carrier roaming services in rural and regional Australia. Declaring roaming allows different companies to compete for customers by offering more consumer friendly products, at better prices and with better customer service.

In its declaration on mobile roaming, the ACCC determined that while at a national level competition was adequate in the telecommunications market, regional areas suffered through lack of competition (ACCC.) We do not find it acceptable for an entire sub-market, where businesses and individuals are bound by geography, to be disadvantaged because the market as a whole is deemed adequate.

3 Benefit of access to quality telecommunications

Recent research has estimated a 25% growth in agricultural output if all the barriers around technology uptake on farm were removed (CRC.) This would result in an extra \$20.3 billion in income for the Australian economy each year. Getting access to telecommunications to all Australian businesses is the next step in growing the Australian economy.

References:

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ACCC - Australian Competition and Consumer Commission, October 2017, Final report Domestic mobile roaming declaration inquiry

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