



**Australian Government**  
**Productivity Commission**

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**PRODUCTIVITY COMMISSION**

**INQUIRY INTO THE TELECOMMUNICATIONS  
UNIVERSAL SERVICE OBLIGATION**

**MR P LINDWALL, Presiding Commissioner**

**TRANSCRIPT OF PROCEEDINGS**

**AT DUBBO  
ON MONDAY, 30 JANUARY 2017 AT 9.20 AM**

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*(The following text was read by Commissioner Lindwall to witnesses but was not recorded.)*

Good morning. Welcome to the public hearing for the Productivity Commission inquiry into the Telecommunications Universal Service Obligation. My name is Paul Lindwall and I am the commissioner on this inquiry.

I'd like to start off with a few housekeeping matters. In the event of an emergency, Quality Inn staff will direct/assist everyone in evacuating and moving to the assembly point (which is outside of this building).

We will be breaking for morning tea at round 10 am. We look like we'll be concluding the hearing at lunchtime by around 1 pm. If you have any particular questions, or wish to present at this hearing, please see Monika out the back.

The inquiry started with a reference from the Australian Government in April last year that has asked us to examine "to what extent are government policies required to support universal access to a minimum level of retail telecommunications services?" This includes recommendations on the objectives for a USO or equivalent, the scope of services to achieve objectives, specific user needs, and funding and transitional arrangements.

We released an issues paper in June and have received about 60 submissions since its release. We have talked to a range of organisations and individuals with an interest in the issues. We released a draft report in December and have received further submissions from interested participants.

We are grateful to all of the organisations and individuals who have taken the time to meet with us, prepare submissions and appear at our public hearings.

The purpose of the public hearings is to facilitate public scrutiny of the Commission's work and to get comment and feedback on the draft report.

Following this hearing, hearings will also be held in Sydney, Cairns, Launceston, Melbourne and Port Augusta. We will then be working towards completing a final report to be provided to the Australian Government in April. Participants, and those who have registered their interest in the inquiry, will automatically be advised of the final report's release by government, which may be up to 25 parliamentary sitting days after completion.

We like to conduct all public hearings in a reasonably informal manner, but I remind participants that a full transcript is being taken. For this reason comments from the floor cannot be taken, but at the end of proceedings for the day I will provide an opportunity for any persons wishing to do so make a brief presentation.

Participants are not required to take an oath, but should be truthful in their remarks. Participants are welcome to comment on the issues raised in other submissions.

The transcript will be made available to participants and will be available from the Commission's website following the hearings. Submissions are also available on the website.

Participants are invited to make some opening remarks of no more than five minutes. Keeping the opening remarks brief will allow us the opportunity to discuss matters in greater detail.

*(Recording commenced.)*

**MR LINDWALL:** Okay, well, if you both introduce yourself for the record, and we'll see - and sorry for the delay.

**MS MCKAY:** Okay. Geraldine McKay.

**MR MCKAY:** And Alston McKay.

**MR LINDWALL:** Okay, and Geraldine and Alston, if you'd like to make a bit of an introduction, as you say, and just speak normally. I think the microphones will pick up fine.

**MS MCKAY:** Okay, right. Well, thank you to the Productivity Commissioner, Paul and Monika, for coming to Dubbo so that you're accessible for us, because accessibility - this sort of thing is somewhat unique, and we feel quite privileged that you're here.

Now, speaking from - or I am here representing really the Mullaley community. We have had, under the current Universal Service Obligation, a lack of service, which has now been resolved on our landlines. However, we struggle with our internet in our district, and we have a very vibrant agricultural district, and it is limiting the ability of the people in our area to be able to compete, from selling their produce off their farms, like grain sales.

The farmers nowadays with grain trading need to be able to virtually do business from the paddock through the day to hit the market at the right time, and we have had farmers in our area who have been midway through a sale and their internet drops out. So that really is a hit to their bottom line if they can't sell their product.

So we really need the sort of level of service that people in city areas get and expect. Your stock on the stock exchange. They're not going to get halfway through the day and have everything go down and not be able to access - there'd be a revolution. Whereas this happens to us all the time, so we don't have an equitable service in our area. And I know that's common across much of rural Australia, and it's led to the formation of the group Better Internet for Regional, Rural and Remote Australia.

And those people as volunteers, and other members of the group, help troubleshoot the problems that people are having with Sky Muster, with wireless broadband, with fixed wireless, and they're helping people resolve their technical issues that the service providers and retailers are not providing.

So this is as a voluntary thing, whereas the paid companies are not providing that service. All the time we're hearing about the dysfunctional Telstra in particular, where it seems to be the left hand doesn't know what the right hand is doing. When they send out technical people, they'll send someone from Cobar to deal with an issue at Tamworth, and they'll get there and the line hasn't been laid so that that technician can actually connect that installation.

This has been ongoing for decades. We've experienced that sort of thing ourselves personally, and others are still experiencing it now, so instead of a seamless management, it's just - it doesn't work. And somebody in the overall management of the telecommunications company surely should be able to put in processes that make the businesses work that we depend on. That's the thing.

And to survive, to compete, and to contribute to our societies, we need a phone with a voice service that people who are hearing disabled or impaired, like my husband, can actually have a reliable service that when they pick up the phone the quality of the service is good enough.

We deal with - in the line of our business we deal with people over the northwest regularly. We run events where we're communicating with over a hundred people as participants in that event, that the event brings thousands of people to, and if someone is on the NBN satellite phone system it's very, very difficult to communicate with them, because you - with that delay, but then you're speaking over the top of each other. The quality of the service just isn't good enough, and the fact that there's a great deal of time - they will go for days and days and you can't contact them, and I can tell you as an event organiser, when you don't know if your participants are turning up or not, it puts a lot of stress back on the whole management of the event.

The - with Sky Muster, the breakdown in the service which is happening, to the point where it's commonly known as Sky Disaster, not Sky Muster - there are so many people, the beam will be down here, you know - the luck of the draw of the beam that you're under, some of those beams are terribly unreliable, and when - when it comes to lodging your BAS, the Australian Taxation Department has a level of expectations that you will be able to lodge that BAS on time, and the BAS I tried to lodge last week, I still can't lodge. Or I have gotten part the way through, system goes down. Now, that's on wireless broadband. But this is something that's happening and impacting our businesses.

And you've then got to stop that process, go off and do something else, knowing in the back of your mind that you haven't completed your obligation. It's a worry, and you don't need those unnecessary processes. And don't tell me that you can write it down on a piece of paper and post it, because eighty percent of what we posted prior to Christmas didn't reach the other end by Australia Post, so that is not - eighty percent arrived, sorry, twenty percent didn't arrive, so that's - that's not - I mean, you can't say, well, there's, only an eighty percent chance that the BAS is going to get to where it has to go.

This folder here, which is, you know, a few centimetres thick, that's the correspondence that we had as a community with local, state, federal and Telstra to try and get the batteries replaced in our phone exchange, because every time there was a blackout, our phone exchange went out, the mobile towers on top of the exchange, so there was no mobile service, no landline service. If anybody needed triple 0, we have elderly people in the community, we have plenty of snakes in the area, we're in a total dead zone.

Mike will tell you - Mike Marom will now tell you that that's been fixed. We had to go through what it took to fill that folder, plus go to our TV and radio stations, to get the

publicity to get those five car loads of technicians and riggers out to fix our exchange. We should not have to do that. We really should not have to do that.

If you had - and I hear through Better Internet for Regional Remote Australia that this is ongoing, particularly in Queensland, that there is a lack of maintenance of infrastructure. So to maintain the current Universal Service Obligation, no, that's not happening, and we certainly don't need a lesser commitment to that. In fact, with increased technology and our increased need for technology for our businesses, and also for those of us who volunteer, for those who depend on us with what we do in volunteering, which are quite some important things in community, we need that connectivity.

**MR LINDWALL:** Okay. Well, thanks for that, Geraldine. I think you've covered that.

**MR MCKAY:** Look, I don't think there's anything for me to add at this stage.

**MR LINDWALL:** That's all right.

**MS MCKAY:** Other than the stress that me doing this puts you through.

**MR LINDWALL:** How about I start with the current what you've got out there in the community, Mullaley community. Is it - obviously some people would have the copper universal - the traditional telephone?

**MS MCKAY:** Yes.

**MR LINDWALL:** Does anyone have ADSL on those copper lines?

**MS MCKAY:** Our exchange is too old, we are told, to have ADSL. We are only a maximum a kilometre and a half from that exchange - - -

**MR LINDWALL:** Which is not that far.

**MS MCKAY:** - - - and we have been told it's not available to us, yes.

**MR LINDWALL:** Okay. So you're - in your comments you rely on wireless, and I believe you've got mobile coverage - - -

**MS MCKAY:** Yes, which - - -

**MR LINDWALL:** - - - which is an expensive plan, obviously, to have large amounts of data through.

**MS MCKAY:** Oh, what is it? \$250 a month.

**MR LINDWALL:** You've said here \$205 for 23 gigabytes or something like that.

**MS MCKAY:** Yes, yeah. And - - -

**MR MCKAY:** And that's for when it works.

**MS MCKAY:** That's for - yes, that's for when it works. Actually, the latest now - they've - I've dealt with them last week. I'm paying \$250 a month for 16 gig of data, and data is really what we depend on. They've offered \$215 for 23 gig, but they want to lock us in for two years to that. Now, where I see our data usage has skyrocketed in the last 12 months, even though that's relatively small to what someone who lives in a town or city would use, because we don't use anything for entertainment, to lock that in for two years is just ridiculous.

**MR LINDWALL:** And which providers have coverage in your area of the mobile?

**MS MCKAY:** Telstra Business - oh, Telstra. If we were on the other side of a ridge we would have access to Optus, but we don't. It's been tried, and no Optus can work in our area, and the poor Optus people that have access only to Optus, we've had to go out and help people on the highway because they've - that runs past our property because they only had Optus and had no way of contacting anyone when they've broken down.

**MR LINDWALL:** Because there's no roaming agreement.

**MS MCKAY:** No, no roaming. And we do want and need, and would use, roaming, and surely with the fact that there are many providers on land line who use what is basically the Telstra system, surely that can be done with wireless broadband as well.

**MR LINDWALL:** And Geraldine, so you have the mobile wireless data. Do you have also have a - yourself a normal telephone as well?

**MS MCKAY:** Yes, we do, yes.

**MR LINDWALL:** So you're paying for two types of things.

**MS MCKAY:** Oh, that's right, the landline's over and above that.

**MR LINDWALL:** And how reliable is the - you've said that you've had problems with the landline?

**MS MCKAY:** Since they put new batteries in the Mullaley exchange we've had absolutely no trouble. We have yet to have - look, we've had one scheduled blackout and one storm blackout since that was fixed last February, and the landline has worked on both those occasions, so - - -

**MR LINDWALL:** And when it has gone out in the past, have there been lengthy periods when it's been out?

**MS MCKAY:** We had six hours' service in 14 days. That's what promoted or prompted our - my husband and myself calling the meeting, and we had 50 Mullaley area residents,

26 apologies, and 26 letters of - 27 letters of support, and stories of the impact that it was doing to people.

And you're talking about a community of a few hundred people, so we had a pretty good turnout.

**MR LINDWALL:** Yes.

**MS MCKAY:** And the level of frustration - everything from the SES and Fire Brigade, who were impacted - - -

**MR LINDWALL:** And you haven't taken up the NBN as yet, by the sound of it?

**MS MCKAY:** No, given the - well - - -

**MR LINDWALL:** I take it you're in the satellite footprint, not the fixed wireless?

**MS MCKAY:** That's correct. And also we use - because of the nature of our business we use the internet a lot when we're off-farm. We might be in Narrabrai, Moree, Dubbo, Tamworth, so the Sky Muster, being a fixed service, is not going to - it would deal with some of our issues, but we would still need to maintain - so it would be a cost over and above what we currently are paying.

**MR LINDWALL:** So you've got - that would be three services if you had that.

**MS MCKAY:** That's right.

**MR LINDWALL:** You've got your mobile and the NBN, plus your fixed line. What would you want to be able to say that, you know, two services are enough, that NBN and mobile is sufficient and I wouldn't need my - - -

**MS MCKAY:** Given that a lot of the towers that give wireless broadband are in questionable situations for the amount of coverage, the wireless broadband would really satisfy our needs if the coverage was right, and the amount of data that we could get economically was a better deal.

That really would be the thing that worked. Do they call that fixed wireless broadband? They might - - -

**MR LINDWALL:** Fixed wireless to the home, yes.

**MS MCKAY:** Yes,

**MR LINDWALL:** And that's a very good quality, yes.

**MS MCKAY:** Yes, and does that mean that then you can use the wireless when you're away or travelling? No? So - - -



**MR LINDWALL:** No, it is fixed.

**MS MCKAY:** Okay, that's - yes, so it's fixed. Yes.

**MR LINDWALL:** It's targeted to a premises. I mean, it's the same as the Universal Service Obligation. It's a premises-based system - - -

**MS MCKAY:** Yes.

**MR LINDWALL:** - - - not a mobile system.

**MS MCKAY:** Well, for a farming community - so it's not going to work, because the technology that we use on the farms, the information that we need to access on the farms, if you're out spraying you need to have your weather reports that you can access all the time to know what the wind speed's going to do, because we don't need to be having spray drift.

And also if you're out on a farm and you're communicating with businesses that you deal with, you don't need to be going back to a fixed point. It's just not functional.

**MR LINDWALL:** Yes, I think that some farms have their own internal networks, if you like, because - at the moment I think roughly 99.3% of the population have mobile coverage, and about 30% or just under 30% of the geographic area of Australia has mobile coverage, and it would be fairly costly to increase that significantly.

**MS MCKAY:** Yes.

**MR LINDWALL:** So it's always a balance between costs and benefits, I suppose.

**MS MCKAY:** Yes, yes. If the towers were more strategically placed - like, for instance the Mullaley tower is on top of the exchange, but the Mullaley Village where the exchange is just happens to be down over a ridge, secreted from the wider area. There's a tower west of us which - it was put there for strategic reasons, that being that at the time the Deputy Prime Minister of the time was living there. It services half a dozen farms and a couple of kilometres of the highway.

Now, we understand the reason it was put there. Whereas there is a hill across the road from us with good access to three phase power and the fibre optic line, would actually service a massive area. Major roads, highway, and a vast expanse of the area.

So placement of towers is - - -

**MR LINDWALL:** Yes, well, is important of course, yes.

**MS MCKAY:** Yes.

**MR LINDWALL:** Now, could I also ask about that - when you've dealt with - well, you haven't yet, but you're talking about a community in general. Those that have got an NBN connection, and they of course have a separation between the retailer and the wholesaler, being NBNC0, and - what have you heard about the retailers and - - -

**MS MCKAY:** Yes.

**MR LINDWALL:** Because there are quite a few different retailers.

**MS MCKAY:** Yes, yes. The feedback that I'm getting from the community is it's very important to check out the business hours that the retailer operates in, because a lot of outages happen outside normal business hours - - -

**MR LINDWALL:** Exactly, yes, yes.

**MS MCKAY:** - - - and a lot of those retailers don't have adequate - - -

**MR LINDWALL:** Customer service, yes.

**MS MCKAY:** - - - customer service, and some of them have offshore people to talk to and it's very difficult to understand the language barrier. Even - not only the quality of the spoken English, but understanding the way we speak and what we actually mean as Australians is quite a difficulty with some of those retailers, and that's one of the reasons why the volunteers in Better Internet for Regional Remote Australia are doing so much work - - -

**MR LINDWALL:** To help, yes.

**MS MCKAY:** - - - and people are reverting to their wireless broadband - - -

**MR LINDWALL:** Yes.

**MS MCKAY:** - - - BIRRR to troubleshoot their Sky Muster difficulties.

**MR LINDWALL:** So we're definitely talking here about Sky Muster and not the interim satellite - - -

**MS MCKAY:** That's correct, yes.

**MR LINDWALL:** Because Sky Muster's around - hasn't been around that long, and the second satellite's only fairly recent.

**MS MCKAY:** Yes.

**MR LINDWALL:** They do seem to have teething problems. Our report has been quite clear that things should be bedded down and operating properly before, you know, you change systems.

**MS MCKAY:** Well, isn't it 28 February they cut out the interim satellite?

**MR LINDWALL:** Yes, I think that's right.

**MS MCKAY:** And I'm hearing that a lot of people who are on that will actually not have the transfer. One outfit, they were supposed to get their Sky Muster installed in November. That's been put back four times, and they've now been told it will be the end of March, so they'll have a month with no internet.

**MR LINDWALL:** That's - yes, no, that's exactly right, and that's relevant to your point here which I think you made about a very poor NBN installation in terms of workmanship. So how was that resolved? Because this is an interesting dilemma. In the old days where there wasn't a separation between Telstra and the wholesale, Telstra provided both the retail and the wholesale service for the line - - -

**MS MCKAY:** Yes.

**MR LINDWALL:** Now, of course, NBN, if you have a problem you have to contact your retailer, who then contacts NBN if it's an NBN issue. So what's been the response to the - I mean, this sounds like untidy installation, it's an NBN problem, it should be sorted out, I would have thought.

**MS MCKAY:** Yes. Well, my mother, she's 90 years old, she has the NBN to her home, and she has the tidiest house ever, but there's this box with just wires going everywhere. Every time she does her cleaning - well, not every time now, because she knows to give it a wide berth - but she's just got - to me, in a business, your work health safety, it wouldn't cut - it just wouldn't pass muster. Because - - -

**MR LINDWALL:** And she's complained to her retailer?

**MS MCKAY:** Yes, and they've totally ignored her.

**MR LINDWALL:** Has she heard of the Telecommunications Industry Ombudsman?

**MS MCKAY:** No, but I'll have to - she wouldn't have. She wouldn't have - I will have to - - -

**MR LINDWALL:** Well, I mean, I have advice that if you have problems like that and you don't get any support with your retailer - - -

**MS MCKAY:** Yes.

**MR LINDWALL:** - - - you should go straight to the Telecommunications Industry Ombudsman.

**MS MCKAY:** Okay.

**MR LINDWALL:** Because if the retailer is not sorting out your issue, they can actually get quite good results, as I've discovered personally, so - - -

**MS MCKAY:** Very good. Yes, well, we'll take that issue up with her, yes.

**MR LINDWALL:** And the other thing I wanted to ask about, you're aware that your standard phone line comes with a consumer services guarantee, with mandated response times for maintenance and so on, and if it's not resolved over a certain period - I can't remember offhand - - -

**MS MCKAY:** Yes.

**MR LINDWALL:** - - - you get compensation? Are you aware of that?

**MS MCKAY:** Yes. I haven't heard of anyone in our area getting compensation, and - in fact, a lady rang me prior to coming down here saying the Goolhi exchange has been having - which is, like, Goolhi is the next farming area to Mullaley, and they've had multiple outages with their exchange, and I did suggest to her contacting the ombudsman as the path to follow, because they just weren't getting any joy.

One gentleman had eight weeks without any landline service in the Goolhi area.

**MR LINDWALL:** Eight weeks?

**MS MCKAY:** Eight weeks.

**MR LINDWALL:** Did he receive - he didn't receive compensation?

**MS MCKAY:** No, no, as far as I - - -

**MR LINDWALL:** He would be eligible if he hasn't had it for eight weeks.

**MS MCKAY:** Yes, and he has to travel - they transferred his calls onto his mobile, but he has to travel quite a few kilometres down the road to access mobile service. Yes, yes. So there again, I said get onto the Ombudsman.

**MR LINDWALL:** All right. Have you got any other points you want to conclude with?

**MS MCKAY:** Timely text services coming in on the wireless broadband. I've had situations where texts have actually - - -

**MR LINDWALL:** You mean the mobile broadband?

**MS MCKAY:** The mobile broadband, yes.

**MR LINDWALL:** If you say wireless broadband you can confuse with the - - -

**MS MCKAY:** Okay, right. I must say that we're not in sync with a lot of the technical terms, sorry.

**MR LINDWALL:** That's all right.

**MS MCKAY:** But texts have arrived four days after they've been sent. Now, that to me means that there's something going wrong in the system somewhere. And we at times have to - our service can be quite unreliable at times for - I'm not sure what the given reason is - on our mobile. Well, we are right on the - even though we're a kilometre and a half from the tower, it's another tower that we usually pick up our service off, and I guess it gets congested, and there's times that we have to go out and actually stand on a ladder and, you know, send a text. Text in particular seems to be quite difficult for the system, and at times that's caused us quite a bit of business problems.

**MR LINDWALL:** Have you tried alternatives like, you know, some of the data-type text messaging, like Messenger and so forth, rather than a traditional SMS?

**MS MCKAY:** I use Messenger quite a bit.

**MR LINDWALL:** Okay.

**MS MCKAY:** Yes, it's actually - - -

**MR LINDWALL:** That goes through data rather than through the traditional - I mean, that's going to - things are changing, as you know.

**MS MCKAY:** Yes.

**MR LINDWALL:** There's a convergence of voice and data over time.

**MS MCKAY:** Yes. Not everybody - I find that it's not accessible for some people, and quite a few businesses aren't using Messenger, I don't know why, but - yes, with quite a few things, it doesn't seem to be seamless as it should be.

**MR LINDWALL:** Okay. Well, thank you very much, then, Geraldine.

**MS MCKAY:** Yes, okay.

**MR LINDWALL:** And thanks for appearing today, and that's great. And as I say, your transcript will be up on our website in a couple of weeks, ...

**MR LINDWALL:** ... So we might move to - - -

**MS MCKAY:** Thank you very much.

**MR LINDWALL:** So we've got, I think, Barbara and Brett, is that right? Now, if you could just say your names for the record, that would be good.

**MR BANNISTER:** Yes.

**MR LINDWALL:** And the same thing, that if you just give a bit of an introduction about what you want to say, that would be perfect.

**MR BANNISTER:** Brent Bannister.

**MS BANNISTER:** And Barbara Bannister.

**MR LINDWALL:** Welcome.

**MS BANNISTER:** Thanks. We'll kind of tag-team a little in what we say, I think. I mean, I will touch on some of the stuff that I think Brent will take a little bit further.

I guess our interest - I have worked in Education for quite some time. I'm currently complete my doctorate in virtual provisions for gifted students in rural, regional and remote areas of Australia, so I - you know, we - I have an interest in that perspective.

We run an export orcharding business. Our children are all grown, and therefore they don't live at home, so you know, we connect with family. So that sort of explains our interest in this Productivity Commission.

I guess I just wanted to put a couple of things out there. If we bring the current Universal Service Obligation down to a one liner, my understanding is that the government is required to ensure access for all Australians to a voice telephone service, and that this is currently met by a mix of landline and payphone, is that a reasonable - - -

**MR LINDWALL:** The USO is a requirement of the contract with Telstra to provide voice-only services to the premises, yes.

**MS BANNISTER:** Yes, yes, okay.

**MR LINDWALL:** Plus pay phones, too, and that's a contract of \$300 million a year.

**MS BANNISTER:** Yes, and then the second thing that I just wanted to check was that this hearing is about should the government continue to meet this Universal Service Obligation for voice service, and part two, should access to data be added to that obligation? That's my understanding of what it - - -

**MR LINDWALL:** Well, the inquiry is really about - to look at the Universal Service Obligation and then come up with our own thinking about what it should be, if anything, you know.

**MS BANNISTER:** Yes, yes, yes, okay, okay, so - - -

**MR LINDWALL:** And we did say in our draft report that we thought data was obviously becoming more important - - -

**MS BANNISTER:** Sure.

**MR LINDWALL:** - - - and that there is a convergence of voice and data.

**MS BANNISTER:** Sure.

**MR LINDWALL:** But sorry, I shouldn't interrupt.

**MS BANNISTER:** Yes, no, no, no, that's fine, because it actually - if I had those two bits wrong, I could just sit back down no.

**MR LINDWALL:** No.

**MS BANNISTER:** So yes, people in rural, regional and remote areas of Australia have less access to some communication options currently, for example mobile phone service is patchy or non-existent in some areas, or if the service provisions is reliable often there is only a single provider that can be accessed. This lack of competition leads to higher prices and lower value for money options for people living in these areas.

Satellite phone service is not reliable enough for emergency phone calls. You know, even the providers recommend that a landline is installed. If I can just expand on that, we've had a couple of - - -

**MR LINDWALL:** When you talk about satellite phones, you're talking about - - -

**MS BANNISTER:** VOIP.

**MR LINDWALL:** - - - a handset, not a VOIP line?

**MS BANNISTER:** No, I'm talking about VOIP.

**MR LINDWALL:** You're not talking about a satellite phone, per se?

**MS BANNISTER:** No, no, no, I'm talking about VOIP. Yes? We had an opportunity to live and work in Sydney for a couple of years. In that time, our mobile phone ran out of contract and we were looking to renew. You know, suddenly for the first time ever, we had options to choose from from providers. The service that was provided by an alternate to the one that mostly covers the areas of the bush was unbelievable. There was a problem with a SIM card - you know, we run a business. The shop operator came to my house after - like at 8 o'clock at night with a fresh SIM card.

As it turned out, when we moved back out to the bush that particular provider doesn't work where we live. You know, we would have to drive six kilometres to actually get

service to make a phone call. When I contacted them and said, “Look, we’re in a two year contract, however we can’t - you know, we can’t access this service,” they said, “Oh, that’s fine, we just remove you from the contract, that’s” - they were so pleasant to deal with. Nothing was too much trouble, which is not the experience always that we’ve had with the other provider.

I guess - a second point, the use of telecommunications provisions - that’s voice and data - includes connection to family, to health providers, to businesses and friends. It provides employment or allows employment, and access to critical information, for example the Fires Near Me app and news broadcasts. It provides access to education and it provides entertainment.

I feel, and so it’s a personal opinion, people are very welcome to disagree with this, with the exception of entertainment I feel government has an obligation to ensure a minimum standard of access for all Australians to meet their voice and data needs. At present, these are not met for many people outside of metro areas. And I think that’s a really sad state of affairs.

As an educator - point three. As an educator of 25 years’ standing and a current doctoral student, like I said, studying virtual education provisions for gifted students living in rural, regional and remote areas of Australia, the topic is keeping the best and brightest in the bush, I’ve been a speaker at conferences in the USA, in Europe, in the Middle East and Australia, the current requirement for teachers in Australia is to meet the Melbourne Declaration for Educational Standards for Young People in Australia, and I’ll speak to that more a bit later.

There is a significant phenomenon that has impacted rural communities for decades, and it is well researched and documented. The phenomenon describes the geographic, social and professional isolation of educators across a range of sectors, but particularly in schools. This isolation is also felt by students, particularly students who have a high potential for learning.

Without a group of like minds, this isolation can become a real issue. One of the most tragic statistics if gifted rural boys are one of our highest statistics for youth suicide, and it’s wrong.

So I know parents personally who have moved from regional areas to give their children more educational options in the metro area. That means that that rural community is depleted. These are parents who are often working in health industry or government. You know, they contribute financially to the small communities in a really significant way.

They are like all parents, that, you know, we advocate for our children, that’s our job, so they - you know, the community is really depleted when the whole family unit moves away.

Without a - sorry, some of the - some of this is related to peer groups. So some of the choice to move away is related to the peer group, you know, the size of the group as well



as the like minds, but some of it is related to access to communications technologies at home. It has a flow on effect to students, and of course a great teacher will see no student disadvantaged in any way, so teachers are required to come up with strategies to assist students as required. We need to think really carefully about - you know, we might suggest if a student is having trouble with a particular maths problem, there are many, you know, online math tuition things.

Now, we can't recommend that to everybody, because for some people they just don't have either the access or perhaps the data limit. So that disadvantages rural students.

Students in the bush sometimes arrive at university without the necessary tech skills that are required. Sorry. Without the necessary tech skills to meet the required minimum standard expected from university staff to navigate their way around course work requirements, locations, required readings, et cetera, because they've not had the option to do that, you know, where they've gone to school, or if they've been - if they've been working through distance ed or, you know, provisions that are not at school.

Research shows that students in rural, regional and remote areas are less likely to expect to go to university than their metro counterparts. Some of this is due to cost of relocation, which can be so easily overcome with online uni course offerings on the increase. The disadvantage could be easily rectified with the ubiquitous minimum standard of access to data.

If we look at employment, point four, employment comes in many shapes and sizes, and we no longer have a job for life. For people in rural, regional and remote areas to have the same access to employment opportunities, a reliable, fast, large capacity telecommunications service is required.

Take, for example, the writer or producer of a popular TV show who now collaborates on material with others while she and her partner live in a small regional community. It can only happen because she's got access and she's got a big data limit.

*(Error in sound)* There was a denture manufacturer - there's a little tiny *(error in sound)*. It had a big empty shed. It was repurposed to a firm *(error in sound)* that makes dentures wanted to relocate their business there. There were half a dozen families that relocated from Sydney to *(error in sound)*. In twelve months, that business shut down because they couldn't - they needed big, fast, reliable internet. They didn't have it, so they couldn't get the resolution and images and things that they required. That kind of - you know *(error in sound)*. Extrapolate that, and imagine the possibilities.

So point 5, business. We operate an export orchard, and I think Brent will speak more on this. Part of the requirement to meet export standards is regular crop monitoring. We employ a person to come every fortnight during this season to record pest levels, the fruit growth stage and leaf growth stage. This is then loaded live onto a website and can be accessed by potential buyers from all over the world. At least, it would be loaded live if there was mobile coverage.

As well, one of the pack houses that we have used in the past has a live auction for packed fruit from all orchards who are export accredited. Growers can log in and watch the auction take place, or at least they could if they had a big enough data (*error in sound*).

During the growing season, we have need for (*error in sound*) to access buyers and markets, then arrange logistics including pickers, transport, materials, (*error in sound*) et cetera. We also need to stay abreast of government policy development and future marketing opportunities.

We collaborate with design firms for (*error in sound*), things like that, and we have a deep and meaningful relationship with the ATO and a variety of banks. There is just no good reason that people in rural, regional and remote areas should have less access to conduct their business.

I mentioned the Melbourne Declaration earlier. The Melbourne Declaration for Educational Goals for Young Australians, which was made by all state Ministers of Education at the time, is a foundation statement for education across Australia.

The Declaration has two goals. The first is that Australian schooling promotes equity and excellence, and the second that all young Australians become successful learners, confident and creative individuals, active and informed citizens. Two highly commendable goals, in my opinion.

For these two goals to be met, ubiquitous access to adequate, reliable and robust telecommunications is essential. A quote from that declaration is as follows:

Australia, as a nation, values the central role of education in building a democratic, equitable and just society; a society that is prosperous, cohesive, and culturally diverse, particularly valuing Australia's Indigenous culture. Education occurs in more places than the classroom.

And I think I just want to repeat that.

Education occurs in more places than the classroom. Access to adequate telecommunication services for connection and collaboration is essential.

It's also echoed in the Australian Government Human Rights and Equal Opportunity Commission report from the same time that the Melbourne Declaration was made, who state that opportunities for rural students must eliminate negative forms of discrimination based on geographic location.

The Human Rights Commission reports asserts that education for rural and remote students must be available, accessible, affordable, acceptable and adaptable. I assert that this must include access to voice and data so that no rural, regional or remote student is disadvantaged in any way.

**MR LINDWALL:** Okay, thank you. Yes.

**MR BANNISTER:** Moving right along from Barbara, I'm going to concentrate on our farming business. As Barbara said, we operate an export cherry operation at Wellington, nearby. We've been involved in the cherry industry for over 10 years now. We've developed farms and value added operations to cherry operations. We've been involved in the growing and consulting and in packing and marketing fruit.

For those that don't know, the cherry harvest is a very short, intense affair. Our particular farm, we've got about 8,500 trees, and harvest occurs over a three week period. During this period we need to be in constant contact with our buyers as well as picking contractors, the packing shed, export agents and freight companies.

We recognise from our day one that our business model would only be successful if we could market directly to overseas export buyers. The traditional fruit and vegetable marketing system in Australia has long been known to be unprofitable for the vast majority of growers in Australia. We needed, and we continue to need, to bypass the middleman to be successful.

The demand for daily crop information from our buyers includes images of fruit, pack house quality reports, and it's been growing - that demand for information has been growing year by year. What was acceptable ten years ago is no longer today. Higher resolution images of fruit are the most effective way, we have found, to market our fruit to distant buyers.

Our farm is approximately six kilometres, as the crow flies, from (*error in sound*), where there is NBN. Unfortunately, however, the local exchange does not have the capacity to connect us, and we've been told by Telstra that there is no plans currently to upgrade this.

We have recently connected to Sky Muster, and our initial experiences are not good. We have found it to be unreliable, slow, and expensive. Wireless was not a (*error in sound*) for us because of poor tower placement (*error in sound*) local geography of the area. These two factors are going to limit our business' ability to succeed, in our opinion.

With regard to voice coverage, (*error in sound*) coverage in the area at our farm is poor to non-existent. As Barbara described, we initially connected to Optus based on the information on their website, the maps. However, when we relocated to the farm some six months ago, we found that there was virtually no coverage at all and had to cancel this service.

We changed to Telstra, which was only marginally better. This lack of mobile voice service is a massive inconvenience, particularly during harvest, but it's also a very serious safety issue throughout the remainder of the year.

In my opinion, export horticulture has a great potential to revive many rural communities across New South Wales. Ensuring fast, reliable economic data services is essential for these modern horticulture operations. So in my opinion, the obligation needs to continue

for the government to continue to provide voice services, but that definitely needs to be expanded to include data services as well.

I'd just like to touch on equity. Barbara mentioned that equity is an essential provision for students across Australia, and it has been legislated. I think equity for all Australians is an important thing, and there is no reason why businesses in rural and remote areas should be held back because of their geographic location, and I think government has an obligation to ensure that all Australians are treated equitably.

**MR LINDWALL:** Thank you. I have a few questions. I mean, isn't the intent - the application might be another issue. Isn't the intent of the NBN to provide high fast broadband to all premises in Australia who wish to have it, 25 megabits per second at least. Isn't that sufficient?

**MS BANNISTER:** Intention versus actuality. The intention at 25 megabits is fantastic. That's not what happens, and they're - I'm sure you're aware of the Better Internet for Rural, Regional and Remote Australia.

**MR LINDWALL:** Yes.

**MS BANNISTER:** You've been on their - you know. They're - I guess people tend to report problems rather than successes, that - you know, that seems to be a natural thing, but even when, on that Facebook group, there's a call for, "Can we have some positive stories?", the silence is deafening.

So I challenge that the actuality is anywhere near the intention. I challenge that, you know  
- - -

**MR LINDWALL:** But could that be just a - what shall we say? It's a large infrastructure project. In fact, I've been told that the NBN is the largest infrastructure project in Australia's history, that you'd expect some teething problems and it takes longer than they expected and all the rest of that, and that it will ultimately be successful by 2020. And it's not very nice to have to wait for things, and - but this is the nature of any infrastructure project.

**MS BANNISTER:** Well, it's the railway of this century, you know? This is about getting access in both directions. This is about getting, you know, people and produce from rural areas of Australia to Sydney, you know, or metro areas, that, you know, about feeding the nation when the railway was being put in.

This is now how we feed the nation. We have 3% of arable land in Australia, and a lot of it is in metro areas, you know? And they're encroaching. If we go back to your original point, the intention to the actuality, teething problems maybe. But you know, when you look - if we consider it as the railway of our century and we say, well, we're not going to go to - we're going to go to Dubbo, but then you've got to catch a bus to Bourke, you know? Like, that's not good enough. There's a heap of people that live beyond Dubbo.

**MR BANNISTER:** I question the planning that's going on. Six kilometres from Wellington. NBN's at Wellington.

**MR LINDWALL:** What type of NBN is at Wellington? Is that fixed wireless, or - - -

**MR BANNISTER:** Yes, there's fixed wireless at Wellington. However, the - Telstra doesn't seem to have any plans - - -

**MR LINDWALL:** But NBN's not necessarily Telstra - - -

**MR BANNISTER:** No, no, no, but in terms of us getting access through to NBN, we're limited by the copper connection through to the local exchange.

**MR LINDWALL:** Well, you could get - you can get satellite, I suppose. That will be Sky Muster. So what you're saying is that you're outside of the fixed wireless. There's a fixed line footprint, a fixed wireless footprint, and then a satellite footprint.

**MS BANNISTER:** Yes.

**MR BANNISTER:** That's right.

**MR LINDWALL:** And fixed wireless - as far as I can see, fixed wireless and fixed line give similar types of output.

**MR BANNISTER:** Of course.

**MR LINDWALL:** You can get 100 gigabytes - 100 megabits a second.

**MR BANNISTER:** And unfortunately we're shaded by a large mountain on the outskirts of Wellington, and that's the geography of the area, but - - -

**MR LINDWALL:** But aren't these types of problems - I don't want to discount it, because my parents live on a remote farm - that this is the challenges of rural and remote living for centuries, that yes, before farms were very isolated, before (*error in sound*) came along, and then people were using HF radios for education purposes, then they moved (*error in sound*) radio, then they moved to, you know, the standard telephone.

I mean, I heard someone from a very isolated children's parents association tell me that a student - a gifted student was learning the violin over the phone, which I thought was rather remarkable, actually. And that technology is now allowing amazing advances in communications and allowing people to live in areas which they wouldn't have been able to enjoy those types of benefits.

So there's a very large positive story here.

**MS BANNISTER:** Absolutely.

**MR LINDWALL:** It's just - obviously you're frustrated, and I can understand that, that -  
- -

**MR BANNISTER:** We need to recognise the challenges and be working towards implementing solutions. From my perspective as a consumer, and in my dealings with the telecommunications providers - - -

**MR LINDWALL:** Yes.

**MR BANNISTER:** - - - there doesn't seem to be a cohesive plan to recognise the obvious problems that we can see now going forward. You know, if, because of increased demand as the NBN has come through a township, the local exchange is - doesn't have a sufficient capacity, where's the plan to increase the capacity there?

So that's my biggest concern. I'd be happy if I knew, with my business, that there was a solution being thought of or being proposed down the track. I don't see any.

**MR LINDWALL:** So do you agree with our assessment, which was to divide our analysis of the issue - which of course was about voice to the premises - into availability of the service, accessibility of the service - in other words, if you're hearing impaired and so on - - -

**MS BANNISTER:** Sure, yes.

**MR LINDWALL:** - - - and then the affordability of the service. So in principle, the availability was supposed to be, and maybe isn't, sorted by NBN service to the premises. The affordability is addressed through various other measures, and often consumer subsidies, and the accessibility by both - or the various programs under Telstra's aegis at the moment, but also technological solutions.

Is that a reasonable way of looking at? We (*error in sound*) after all asked to look at the \$300 million a year going to voice, and to see whether that was an efficient use of that money, could it be used in a more efficient way, and - - -

**MS BANNISTER:** Look, I mean, I think the reliability - and it's been mentioned - and you know, we've mentioned and previous people mentioned it, we can't - we don't yet have something that if there is an accident in the workplace and, you know, farms are great places for accidents to happen, we don't yet have a reliable alternative to a voice landline. You know, you cannot trust anything else that we have got.

So \$300 million, you know, how many people - if I turn that around and say, so how many people would it be acceptable, you know, to be badly injured or perhaps fatally injured because a landline was withdrawn and there was no other access?

**MR LINDWALL:** Well, we did say that you shouldn't withdraw it until the NBN's been bedded down.

**MS BANNISTER:** No.

**MR LINDWALL:** We did say that.

**MR BANNISTER:** And reliability speaks to accessibility - - -

**MR LINDWALL:** Yes.

**MR BANNISTER:** - - - which is, you know, what it's all about. And in terms of operating a business or growing a business or, you know, expanding the economic health of these rural remote areas, there's no reliability. You know, you can't launch out into a new business venture. So reliability and accessibility, you know, are linked together in my mind.

**MR LINDWALL:** So if the NBN achieves its objective, which is very high reliability if you actually look at the NBN's objectives, and 25 megabits a second, is there an issue then? Would that be satisfying - - -

**MS BANNISTER:** If it reaches. But I mean - - -

**MR BANNISTER:** Yes.

**MS BANNISTER:** - - - is it still going to be 99% of - you know, it's not aiming for 100%.

**MR LINDWALL:** Oh, it's - well, its mandate is to provide services to people who request it, to all premises. Now, I think there's an assumption that not everyone will want it. That's another issue.

**MS BANNISTER:** Sure.

**MR LINDWALL:** And you can see that happen with cities. A lot of people just have mobile contracts and don't have NBN, because they don't want to pay for two things, so - - -

**MS BANNISTER:** Yes, yes, for sure, yes.

**MR LINDWALL:** We probably should move on. Final comments?

**MR BANNISTER:** No, that's all, thank you.

**MR LINDWALL:** Thank you very much.

**MR BANNISTER:** Thank you for the opportunity.

**MS BANNISTER:** Thank you.

**MR LINDWALL:** Now, we're supposed to have morning tea from 10 to 10.20, but because we've delayed and it's almost 10.20, could I say two or three minutes, if you want to go and get yourself some cake or something? There's something to eat. So let's five minutes, and then we'll start the next one at 25 past, if that's all right.

**ADJOURNED**

**[10.18 am]**

**RESUMED**

**[10.28 am]**

**MR LINDWALL:** Thank you.

**MR COADY:** Yes, thanks Paul. My name is Trevor Coady. This is my wife Jane Coady. I'm basically here to represent the Washpen Bush Fire Brigade, and so I'm a Senior Deputy Captain of the brigade at present, and I was a Captain for ten years prior to that.

Washpen is in the Canobolas Rural Fire Zone, west of Yeoval, and it joins the Goobang National Park for approximately 30 kilometres. Washpen and Baldry Brigades have a total park boundary of about 53 kilometres along the eastern side of the national park. The area of the Washpen and Baldry Brigades is 770 square kilometres, and this area has no mobile phone service.

**MR LINDWALL:** At all?

**MR COADY:** At all. Oh, that's not - no, "at all" wouldn't be quite accurate, but you've got to chase around to find a spot. When it comes to fires, the response time can make the difference between someone losing their home, or a pasture fire can turn into a catastrophic event.

The old saying, "If it's small, you can put it out with a garden hose." On a number of occasions during my time as Captain I spent from 45 minutes to an hour trying to contact brigade members by landline or CB radio. This is a difficult task. Today we have a population decline, and more women from the land are now working off-farm. You have to be lucky to contact people on their landline.

The delayed response time can have a monumental impact. The cost of a large fire to individuals who lose their home, livestock, pasture, and the public who foot the bill for the fire is massive. The recent Woolomin fire has cost well over \$2 million, with 160 personnel, 25 tankers per shift, helicopters, three fixed wing aircraft, Hercules, seven dozers, and the list goes on. And for the potential loss of life.

On 3 December 2001, lightning started three fires on private property and one in the Goobang National Park, all within the Washpen Brigade area. While the fires in open country were contained that afternoon, the fire in the National Park continued to burn, and the section 44 declared on 3 December was finally revoked on 3 January 2002.



During the firefighting, operations were severely hindered by the lack of communication between the on ground captain and the incident control team. This was highlighted on 19 December when a backburn operation was ordered by the incident management team stationed at Peak Hill without consultation with the ground crews. Local brigades were not in favour of extending the backburn another 15 kilometres when a catastrophic fire day was forecast for the next day.

There was no direct communication with the incident management team, whereby a strong message could not be conveyed. As a result, the personnel on the ground the next day could not cope with the extra backburn and a terrible day.

Lives were placed in danger and 12,000 hectares of private property were burnt out, 4,000 sheep, 130 head of cattle, and a number of farm buildings and hundreds of kilometres of fencing lost.

Following the Goobang Fire, the Coroner recommended, among other things, quote:

That there be established a mobile telephone repeater in the Goobang National Park to service the community and to provide additional communications during fire.

Unquote. And I have presented the inquiry with a copy of that Coroner's report.

In subsequent years, the Rural Fire Service Brigades within the Canobolas zone have been diligent in trying to get to fires early. This has been hindered greatly by the lack of mobile service. You just can't get anyone on a landline. Pagers have been a useful addition to notifying members of fires, but they are limited as they are only a one-way communication. The Rural Fire Service cannot receive a reply that the message has been received, and that crews are responding.

A system has been developed called the Broadcast Alert Response Turnout, the BART system. This is an app on phones and on tablets, and it allows a two-way communication. The Rural Fire Service sends out a message, and crews can respond with a "message received", "on my way", or "not available".

Unfortunately, we cannot utilise this amazing tool. Rural people suffer disadvantage in accessing emergency service in the event of accident or significant health event, such as heart attacks. Significant delays due to poor communications can mean life or death. I work alone, and throughout - and the thought of an accident is not a pleasant thought, and it scares the hell out of my family, knowing that I am getting a bit older.

It is unfathomable that, in North Vietnam, in a remote village, people have mobile service, yet in Australia's rural areas where businesses are conducted that provide a significant proportion of the nation's GDP, have no mobile service available.

Productivity is compromised while waiting for returned calls. I have to sit and wait for hours - for a number of hours, sometimes, when waiting for important calls. Often people

you call assume you have a mobile service, and don't even return your call. When you go to town four days later you find messages on the mobile that you have missed.

Even your own website requiring registration today had a compulsory mobile phone number box, which we could not comply with. This is unacceptable in the age of technology. All businesses today need mobile service.

Rural people need to be involved in the future. This can only be achieved with appropriate services. Future generations are not interested in living in areas that lack the infrastructure and easy accessibility and services. To do so leaves them feeling out of touch and excluded. The farming business has satellite broadband. This service may be slightly better than what we had previously, but its comparison with our city counterparts is far slower, drops out frequently, and is more expensive.

In the first month of instalment, we had no service five times, each time from one to three days. Not good enough when you have wages and bills to pay. Thank you.

**MR LINDWALL:** Thank you. Do you want to say anything as well?

**MS COADY:** Just - yes, the day - the time we had to pay - we didn't have any - our satellite - Sky Muster wasn't working, we actually had to drive 62 kilometre to parks so we can hook up to and get mobile - get internet service so we could pay the shearers' wages. So you know, little things like that is quite a big - big thing, really.

**MR LINDWALL:** Thank you.

**MS COADY:** Yes.

**MR LINDWALL:** So if I go back to the point on your fire brigade - - -

**MR COADY:** Yes.

**MR LINDWALL:** Now, correct me if I'm wrong, but I can understand that in the past a lot of people obviously stayed at home and they had their landline, and therefore you would still use CB radio obviously quite a lot, but you could be more certain that you would be able to contact the community members about a potential fire or get them to come and help through the landline, but that's now become less obvious because people are obviously, for reasons of second incomes, they're working or whatever. People are using mobiles now so it means that whilst you've still got the CB radio, you've got no opportunity to talk to the landline as you would have in the past to the same extent, so therefore you're relying more on the mobile which, as you say, you've got no coverage.

**MR COADY:** Well, certainly that's the case. I mean, you know, you go back 20 or 30 years ago and most wives were at home, and quite easy, if it's a landline and you've got people around it's useful. Regarding the CB radios, they are only - they're very up and down too, because we're in a very undulating country, so it's - - -

**MR LINDWALL:** That's UHF level, isn't it?

**MR COADY:** Yes, yes, so they're not all that reliable. There's times when I've spent that time at home, you know, hours, trying to contact people to go to a fire, then you jump in your vehicle and drive 30 kilometres to the fire and you've got very broken CB. So really, you're not - you do not have an impact on the fire, and as Captain it's important. You do not have an impact on the fire for two hours, nearly, and in that time - - -

**MR LINDWALL:** Do you use those mobile satellite phones?

**MR COADY:** No, we don't, no.

**MR LINDWALL:** Is that a cost thing?

**MR COADY:** I think that - well, that's definitely a cost thing, yes.

**MR LINDWALL:** Yes.

**MR COADY:** Yes.

**MR LINDWALL:** So I mean, if they became more affordable, they could be an alternative to mobile, or - for that purpose?

**MR COADY:** Well, I think - well, they'd have to become a fair bit more affordable, I think, both in the purchasing costs and the cost of making calls.

**MR LINDWALL:** Have you - are you aware of Mobile Black Spot Program?

**MS COADY:** Yes, we did register for that.

**MR LINDWALL:** Yes, and what's been the response on that?

**MS COADY:** Well, they haven't put anything in our area. I know that closer to Cumnock and Yeoval they might have put an extra tower in there, but not out - - -

**MR COADY:** I think - I'm not sure if it's related to Black Spot. They did upgrade the tower at Yeoval, and I think that actually - might have actually decreased the area a bit.

**MR LINDWALL:** Upgrade to get less.

**MR COADY:** Yes. So it's certainly - - -

**MR LINDWALL:** I mean, you're right. I can take the point, as we did a study I wasn't involved in personally, but about emergency services at the Commission, and the technology that's now available for police, ambulance, fire brigade et cetera to respond to incidents in towns is much enhanced to the past, and allows more targeted responses, earlier responses and so on.

**MR COADY:** Yes. So we do have the - are in the unfortunate position that we don't have a lot of young people coming home. We do have a lot of older people moving on. The population - the fire fighters we have are getting older, and to ask those people to continue to do what we were doing 30 or 40 years ago, it's not fair for a start.

You did make mention of the intent - of what the intent would be.

**MR LINDWALL:** Of the NBN?

**MR COADY:** Yes. Well, that's of the NBN. You know, I mean, the face of everything's changed. The world's changed. And we, as primary producers, have been forced into these changes by government policy, by business policy, particularly banks - I mean, they don't want us to write out a cheque anymore.

**MR LINDWALL:** Yes, yes.

**MR COADY:** You know, we've got to do everything over the internet and pay our bills that way. We've sort of been forced into it, and I think if governments and business are forcing us into it then perhaps they should, you know, get their act together and keep up with the times.

**MR LINDWALL:** Do you have an NBN service?

**MS COADY:** Yes.

**MR COADY:** We do.

**MR LINDWALL:** And that's through the Sky Muster, is it?

**MR COADY:** Yes, yes.

**MR LINDWALL:** And it's been a bit unreliable, I take it?

**MR COADY:** Well, if you want to end up in a divorce court - - -

**MS COADY:** That could be - that could be, as you said, teething problems, possibly, because it was bad initially. It has got a little bit better in the last month, but the thing about that is our daughter who lives in Orange gets 200 gigabyte download for - and that includes their home phone for \$89, and we pay \$130 and we get 15.

**MR LINDWALL:** 15. 15, yes.

**MR COADY:** And our - - -

**MS COADY:** In peak time. I think there's an extra 30 in off-peak but - - -

**MR LINDWALL:** I know. Off-peak's a very - - -

**MS COADY:** That's right, and all our business is in - obviously in peak time, so you know, the difference is - - -

**MR LINDWALL:** Have you used the satellite service for voice calls?

**MS COADY:** I have, yes.

**MR COADY:** Yes.

**MR LINDWALL:** And what do you think about it?

**MS COADY:** That is better than it was. There's certainly a delay between the video and the - and the voice, but it is better than it was.

**MR LINDWALL:** And when - you know, the model of the NBN, which has the NBNCO is a wholesaler, and then the retailer is whoever you choose - - -

**MS COADY:** Yes.

**MR LINDWALL:** Did you get good information about which retailers are available on the satellite service and what their offerings were and the types of data throughput you might get out of them?

**MS COADY:** No, not really. No, I don't believe we did. No. We got information from our own provider, but we didn't receive anything as a sort of a public kind of information about what was out there.

**MR LINDWALL:** And without naming your provider, have you had problems where you had to deal with the retailer? And how they have sorted it out with, say, it's an NBN problem versus a retailer problem?

**MS COADY:** We've actually been very lucky. We didn't have any kind of connection problems, it just all - that went smoothly, but our - one of our neighbours didn't have any service at all for a month with her provider, and she was really quite upset.

And another - one of the other neighbours as well had difficulty in getting that initial connection. Like, they've just sort of - wouldn't work.

**MR COADY:** I think there is - sorry. There is a reasonable amount of difference in the providers, I think.

**MR LINDWALL:** Yes.

**MR COADY:** It doesn't come all back to the - - -

**MR LINDWALL:** No, no, it is a lot of the providers.

**MR COADY:** Yes.

**MR LINDWALL:** They control how much throughput you get, for example.

**MR COADY:** Yes. And you know, and the service, like having a - you know, being without a service for a month - well, that was the provider's fault, and - - -

**MR LINDWALL:** So do you also have a standard telephone?

**MS COADY:** Yes.

**MR COADY:** Yes.

**MR LINDWALL:** So you've got the two contracts. And did you say you have a mobile contract, I guess, too, just for going to Sydney, so - - -

**MS COADY:** Yes, which is a minimum plan for our mobile, because you can't use it for 80% of the time, so it's just a minimum.

**MR LINDWALL:** So if you had, hypothetically, a good NBN service and the mobile service was reasonable, would you deal without - would you get rid of our landline?

**MS COADY:** Yes. All of our children don't have - don't have landlines anymore, but basically - yes.

**MR COADY:** Yes.

**MR LINDWALL:** But you wouldn't do it unless you had - - -

**MS COADY:** That's right.

**MR LINDWALL:** - - - confidence that you had a good NBN service - - -

**MS COADY:** Yes.

**MR LINDWALL:** - - - and reasonable mobile service.

**MR COADY:** You'd certainly have to have good mobile service.

**MR LINDWALL:** Yes, yes.

**MR COADY:** I mean, our landline is basically - we very rarely have any problems with it, unless we have a lightning or, you know, extreme wet conditions. Sometimes we may have, but at least it's reliable.

**MR LINDWALL:** You haven't been able to get internet through it, though, I assume?

**MS COADY:** No.

**MR LINDWALL:** No?

**MS COADY:** No.

**MR COADY:** No.

**MR LINDWALL:** That's ADSL, that would be.

**MS COADY:** Yes.

**MR COADY:** Yes, we're about 16 or 18 kilometres from the exchange.

**MR LINDWALL:** Probably too far, yes, yes.

**MR COADY:** And I think it's five kilometres it is, or something.

**MR LINDWALL:** Probably even less, sometimes. Yes, you can get farther, I think, but -  
--

**MR COADY:** Yes. Yes, so no, we're way out of range for that. Satellite's our only option, which - - -

**MR LINDWALL:** Yes.

**MR COADY:** I mean, it has improved, and it's not working too badly at all, but if it's - reliability is probably the biggest thing there.

**MR LINDWALL:** Okay. Did you have any final comments you wanted to make?

**MR COADY:** No, I don't think so.

**MR LINDWALL:** I think we've got a clear message about what you wanted to say, thank you.

**MR COADY:** Very good.

**MR LINDWALL:** Thanks very much.

So now we've got - is it Judy? Yes, and the Isolated Children's Parents' Association.

**MS SINCLAIR-NEWTON:** Hi Paul.

**MR LINDWALL:** Thank you. Just say your name for the record and perhaps give a little bit of an introduction.

**MS SINCLAIR-NEWTON:** Yes. Judy Sinclair-Newton. I'm the immediate past president of the Isolated Children's Parents' Association. I've lived out past Walgett, north-western New South Wales, for about the last 30 years, and currently living in Dubbo.

Our organisation is focused on access to education, so this review is very important to us, and we've had a lot of feedback from members about it. So I guess a lot of our families are living in remote areas of Australia, often doing distance education with their children, which relies heavily on communications, mostly through internet.

Then we also have a lot of the small rural schools as well, and a lot of them also have a lot of issues with no mobile coverage, poor internet services and that sort of thing.

Yes, so I guess probably one of the main things that we're hearing from members is issues around latency. If kids were to go on - - -

**MR LINDWALL:** The satellite phone, yes.

**MS SINCLAIR-NEWTON:** The satellite, yes. So we've got - you know, if you can think of kids doing speech pathology or something like that, where, you know, the latency is a real issue. Music lessons, all those sort of things that they do online these days. Members are also saying, you know, it's a real issue as far as safety, and I guess also the important thing to remember for our members is the home is the business, is the schoolhouse, and the business - and the home as well, so that all sort of comes into the one area.

I think that's about it, yes, as an intro.

**MR LINDWALL:** Yes, that's fine, yes. Could I ask about the latency? Because I understand the biggest problems with latency on the satellite phone or the NBN satellite is when you're calling from a satellite service to another satellite service, where there is a double hop to the geostationary orbit, so it has to - it goes up to the satellite, back down to a ground station, back up to a satellite, back down to another communication.

And I tried the NBN satellite service calling to a normal landline or to a normal mobile service, and I didn't think the latency was such an issue, but maybe I'm wrong. But - so are a lot of the teachers also on satellite services then?

**MS SINCLAIR-NEWTON:** yes.

**MR LINDWALL:** So you can get a double hop type of issue?

**MS SINCLAIR-NEWTON:** Yes, the remote areas. Mount Isa, northern Queensland, and yes, the Sky Muster hasn't lived up to what we had hoped as well, so there's still issues



with that. I guess a lot of the weather conditions, especially in northern Australia, with the wet seasons, where roads might be out for weeks, you know, repairs can't be done, that sort of thing, and people are relying on that landline to have as a backup.

Yes, if you could imagine trying to do school with the kids and you can't access anything at all for a month, that's a big chunk out of a kid's education.

**MR LINDWALL:** So the students are using both the landline for communication with their teacher, obviously, but using the mobile - sorry, the NBN satellite service for downloading the material and watching videos, that type of thing?

**MS SINCLAIR-NEWTON:** Yes, mostly they'll do an hour online. Yes, might be different times of the day. And they'll have all their other schoolmates on their as well, and with their teacher, and they're using whiteboards, and it's an interactive sort of lesson, and then they might just do reading or something like that with the landline.

**MR LINDWALL:** And that does have the latency issue, clearly, but - - -

**MS SINCLAIR-NEWTON:** Yes.

**MR LINDWALL:** - - - what's the alternative, I guess? Because a lot of that data has to be going through a broadband service, not through a voice service.

**MS SINCLAIR-NEWTON:** Yes, I'm not sure. So you're saying that there shouldn't - there shouldn't be any latency on the - - -

**MR LINDWALL:** No, I'm not saying - or there is latency. I think it's the nature of a satellite which is - stays over a single point, and so there's a long distance to travel, and, you know, communications travel at the speed of light, but it takes a bit of - there is a delay.

**MS SINCLAIR-NEWTON:** Yes.

**MR LINDWALL:** I think it's about 1.2 second, something - a bit less than that.

**MS SINCLAIR-NEWTON:** Yes. I think the kids, as far as - I mean, they've adapted over time. You know, they know there is a little bit of a delay, and they'll wait before they speak and that sort of thing. But I guess it's when you've got that interaction or where you need to have someone doing the same thing at the same time - - -

**MR LINDWALL:** It's very difficult.

**MS SINCLAIR-NEWTON:** Yes, that's where it becomes really difficult, yes.

**MR LINDWALL:** But I guess I'm asking, what's the alternative to that? Is there - and I'm not sure there is any technology that - I mean, mobile, yes, but - the - I thank you, by the way, for the submission that's put in by the ICPAA.

**MS SINCLAIR-NEWTON:** Yes.

**MR LINDWALL:** It did say in here that - it did say about increasing mobile phone coverage, which is part of the Mobile Black Spot Program, but didn't say how much more. What - how far does the association think that mobile phone coverage should be extended to?

**MS SINCLAIR-NEWTON:** Well - - -

**MR LINDWALL:** Currently - just to put it in perspective, 99.3% of premises by Telstra have mobile phone coverage, and that's about 29% of the geographic area of Australia. So to go from 29% to 100% would be probably impossible. So but - I guess I'm asking how much would it take for most of the problems you're talking about?

**MS SINCLAIR-NEWTON:** Oh, yes, I think that's the issue. I mean, people realise that it's just unrealistic to have that mobile coverage everywhere, and that's why, you know, they want that landline, and they've also asked that the data be included in the USO so that there's - - -

**MR LINDWALL:** Isn't there an education package on the NBN service?

**MS SINCLAIR-NEWTON:** Yes, there is an education for it.

**MR LINDWALL:** 50 gigabytes or something like that?

**MS SINCLAIR-NEWTON:** Yes, there's been special allowances, and that has been welcomed, and it's something that we work with government, and they are able to adapt things there. But there's - yes, there's still - that doesn't sort of solve problems with latency and that sort of thing.

**MR LINDWALL:** Yes.

**MS SINCLAIR-NEWTON:** And I guess moving forward, you know, people are seeing what's happening in the rest of Australia and the things that our kids are doing, where our kids are being held back, and yes, until we have that - have something that there isn't any - you know, we can alleviate the majority of that latency, yes, that's still - - -

**MR LINDWALL:** Which is the issue that Barbara raised earlier - - -

**MS SINCLAIR-NEWTON:** Yes.

**MR LINDWALL:** - - - about the types of educational challenges for people in remote areas, from rural areas, yes.

**MS SINCLAIR-NEWTON:** Yes. Yes.

**MR LINDWALL:** It's - what else - - -

**MS SINCLAIR-NEWTON:** Yes. Well, as far as the Black Spot, we had submissions into that as well. Members have been asking that the small rural schools, they are considered, especially when there is no other sort of form of communication. I think Clair School, down south New South Wales, was one that was identified.

**MR LINDWALL:** So that would be handy for improving the voice connectivity, right? But it won't necessarily - it will address some of your issues, but in terms of large amounts of data, mobile phones are still relatively expensive by nature, so if you're streaming videos from universities or schools it does take a fair bit of bandwidth.

So it's hard to imagine an alternative to an NBN type of service for that. I don't know. What do you think?

**MS SINCLAIR-NEWTON:** Yes. I'm not - I can take - I can take questions on notice. We've got another colleague that will - - -

**MR LINDWALL:** Okay.

**MS SINCLAIR-NEWTON:** - - - that will be attending another hearing down there, or - - -  
-

**MR LINDWALL:** I guess I'm interested in knowing, for students in - who don't have - who are reliant on the NBN or some service, broadband service, to have education, whether it be at primary, secondary or even studying university courses, you can, on the broadband - what type of total bandwidth, if it was a mobile connection, would you need to have? Is the 50 gigabytes per month allocation via the NBN sufficient?

**MS SINCLAIR-NEWTON:** Well, I guess with school about to go back, so - and that was per student, with a maximum of three?

**MR LINDWALL:** Up to three, I think it is.

**MS SINCLAIR-NEWTON:** Yes, so I guess that will be tested in this year coming. I haven't heard that it's not sufficient, but I think overriding that has been a lot of the issues with connecting to the satellite.

**MR LINDWALL:** I have heard that if someone uses it up in something that's not related to their education it can crowd it out, if you like, but I would have thought it probably would for most purposes be sufficient. But it's not going to alleviate your issue about latency, I don't think.

**MS SINCLAIR-NEWTON:** No, no.

**MR LINDWALL:** Unless you have a mobile or something.

**MS SINCLAIR-NEWTON:** No, and I guess there's a few different issues with the, you know, insufficient internet connection, and then we've got if the landline was to go then we're looking at the latency issue if we're just relying on the - and then we'd just be relying on that one service that's the Sky Muster service to be able to deliver your phone, your internet, your education, deal with your business, staff that are out there that their only connection is through that one service.

And then areas like Clair School, which is a little isolated school that - I think they also held the Emergency - Royal Flying Doctor Services things there as well. In that case they purely just wanted something where they could ring someone.

**MR LINDWALL:** Yes.

**MS SINCLAIR-NEWTON:** For - you know, emergency services, emergency times. It wasn't so much to do with data and providing education sort of that way. It was just so that they had some sort of service being out there, isolated in a - yes.

**MR LINDWALL:** Oh, it's amazing technology. I mean, I met Martin Laverty, the head of the Royal Flying Doctor Service, and he showed me a technology for mobile phones where it has a EPG, and the people in remote areas who had an NBN connection could put their fingers, and it would tell whether they were having an angina attack or something more serious.

**MS SINCLAIR-NEWTON:** Oh, okay.

**MR LINDWALL:** And so rather than having to send a pilot with a doctor to a remote community, they could prescribe some medicine, and they knew exactly what the problem was there and then, so that's a big advance compared to - because that doctor who's flying to the area is a doctor who's not flying to someone else who has got a problem, obviously.

**MS SINCLAIR-NEWTON:** Yes, that might be more of an emergency, yes.

**MR LINDWALL:** So yes, no, it's amazing changes, but the physical limitations of the satellite with latency, there's no solution to that, it's just straight physics. But the mobile does have lower latency, yes.

**MS SINCLAIR-NEWTON:** Yes. Yes. So I guess that's why the phone - - -

**MR LINDWALL:** Yes, okay. Would - my final question, though, is if you had a reliable NBN service and a reasonable mobile phone coverage, would you have a landline under those circumstances?

**MS SINCLAIR-NEWTON:** I guess answer on behalf of members, no, we wouldn't require the landline service, but it's quite - it's fairly unlikely that - yes, that that's going to happen any time soon.

**MR LINDWALL:** We made an estimate in our draft report that there are 400,000 premises in the satellite footprint in Australia, of which about 30,000 - sorry, 90,000 don't have mobile phone coverage. But we said in our report that rather than having a Universal Service Obligation which is targeting everyone, whether you live in Sydney or anywhere, that it should be targeted to those that have got problems with availability, affordability, or accessibility. That is what we - - -

**MS SINCLAIR-NEWTON:** Yes, I think - yes, we'd concur with that. Yes, it's - as I said, we welcome this review, because it is quite outdated, a lot of the things that are there - - -

**MR LINDWALL:** Yes.

**MS SINCLAIR-NEWTON:** - - - and unnecessary, but yes, just need to recognise that there access and availability issues - - -

**MR LINDWALL:** Okay.

**MS SINCLAIR-NEWTON:** - - - that need to be safeguarded.

**MR LINDWALL:** Well, thank you very much then, Judy.

**MS SINCLAIR-NEWTON:** Yes, that's okay.

**MR LINDWALL:** All right, we'll move on to our next person then, which is Peter, if I'm not mistaken. Thank you again, Peter, and again, if you'd just say your name for the record - - -

**MR MCMILLAN:** Sure.

**MR LINDWALL:** - - - and give whatever introduction you'd like to.

**MR MCMILLAN:** Sure, thank you. Thank you, Commissioner. My name is - - -

**MR LINDWALL:** Paul. Very informal.

**MR MCMILLAN:** My name is Peter McMillan from Regional Development Australian Central West. I am the executive officer there. Regional Development Australia is a network of 55 committees across Australia that are looking for the regional economic development of their communities, in terms of economic growth, productivity social inclusion, and the like. And we have done a fair amount of work in telecommunications over the past 12 months because we have found consistently that telecommunications is a key issue for regional businesses and communities.

We have also found that certainly 12 months ago there was a significant amount of misinformation or misunderstanding about telecommunications and the opportunities that

it brings, and how to get advantage of NBN and get ready, I guess, for the digital economy.

So we have done a fair bit of work surveying businesses, talking to businesses in the region, about the issues and challenges they face in that space, and also about how we can work with businesses to get more adoption of export opportunities that the digital economy provides.

So if I may, I'd just like to give a bit of context for some of that work. We have also published a telecommunications support guide, which is available on the net, to provide interested individuals and organisations with information about the NBN and the Mobile Black Spot Program and how they can get involved to get behind that, and to rectify some of the challenges in regional New South Wales.

As for us an organisation that represents the regions, and the opportunity that regions can provide the Australian economy, we note that the New South Wales regions alone account for 30% of the gross state product in New South Wales, and they are vital to ensure their competitiveness, that they can engage fully with enabling technologies, and participate in domestic and global business, which increasingly is using e-commerce and internet technologies.

And we heard some excellent examples and case studies from previous speakers such as the Bannisters around how agribusiness increasingly needs to adapt to increasing technological demands, whether it be in farming, crop management, yield management and other areas. Certainly with education, with online education at tertiary level and at schools, as we have also heard, with e-health and developments.

A lot of our regional communities are facing challenges through less services in smaller communities and the need to participate through e-health and online in that environment.

So regional areas are important economic contributors to Australia's economy and, from a productivity perspective as well, it's essential in our view to provide them with access to the technologies that are going to allow them to participate in productivity improvement initiatives, whether it be on the farm, in businesses, sending photos of wool samples, for example, over to China, as happens in Orange, a number of different businesses.

If they fail to have those technologies, they will quite simply fall behind their competition, and that will have adverse productivity implications for Australia as well.

So in our view, while we fully accept that the current TSO has cost and benefit implications, we just ask that the benefits to the national economy through being able to participate in growing exports to Asia, through being more engaged with the international business community, are fully recognised as part of that benefit side of the equation.

I think also it's time to move beyond the notion, as some people refer to these lifestyle choices and trade-offs, 40% of people in New South Wales live in the regions. A lot of

people work in productive businesses providing food and fibre to people in metropolitan areas. It's much more than lifestyle choices.

These are fully functioning economies that face threats and opportunities. The NBN provides an enormous opportunity to grow the economy. It shouldn't be seen as one where regional citizens are expected or should be expected to take second-rate outcomes in terms of technological connectivity.

In terms of the Mobile Black Spots Program, we have 370 black spots in the central west of New South Wales, and we understand that on the national map there are some 10,000 reported black spots nationally. We would suggest a cautious approach to suggest that of the 400,000 households, that only 90,000 are not in - don't have mobile coverage, and the reason for that is that, through our consultations, we have found that a lot of people in areas that do supposedly have coverage have very variable coverage, and the depth of coverage does vary considerably.

So it is probably understating the true extent of the Mobile Black Spot issue to suggest that there are only 90,000 households affected. We think the number will be much greater than that, that have Mobile Black Spot implications for connectivity.

Regional businesses that we've surveyed - and we did a survey of 50 businesses in 2015 - are nervous about the abolition of a standard telephone service. 77% of those surveyed rated reliability as the number one issue for telecommunications, and believe that the standard telephone service should remain.

In terms of the reasons for that, it is seen as a lifeline for communities and for people in the regions, not just from the perspectives of social inclusion, but also from safety and reliability. And the home phone standard line service has served people well, and understandably withdrawal of that service would be met with some concern unless there is a high level of confidence that the alternatives will provide adequate quality voice services in one way, shape or form, and at this stage that hasn't been demonstrated, as is noted in the Productivity Commission's draft report.

So at this stage, a withdrawal of the TSO obligation as soon as practical doesn't necessarily mean, in our view, that that will be any time soon, until we have confidence in regional areas that the Voice Over Internet Protocol and other technologies can adequately provide that safeguard that communities won't be isolated and will have a lifeline to their family, friends, and emergency services when they need it.

We'd just like to note - or question, I guess, the adequacy of the Sky Muster interim - Sky Muster satellite service for meeting the needs of both data and voice. At the present time, the customers on that service are able to get up to 150 gigabytes of data per month. That's a maximum.

In terms of what is available to consumers through retail plans, they can get up to 150 gigabytes, but it is a split between peak and off-peak periods. In our research, the maximum amount of data you can get in a peak period, which is from 7 am to 1 am, is 70

gigabytes, and off-peak is the residual amount, so that's from 1 to 7 am in the morning, and that's just clearly not a workable option to say to businesses in the region that half of your data you can have, but it has to be between 1 am and 7 am, unless they're working in international business and have legitimate business transactions in those times.

But more fundamentally, the amount of data that we're using in Australia, and no doubt globally, is exponential, as the report has noted at page 4. The graph is indeed - it's headlined, "The exponential growth in data usage," and it is truly exponential. And nobody, from what we can see, really knows where that's going to end up. Nobody is suggesting, that we're aware of, that that's about to plateau or to decline in any short period of time, and most people are saying they expect it to continue to increase.

And the problem that we have, or the concern that we have with Sky Muster, is that according to the Australian Communications and Consumer Action Network, ACCAN, the average Australian household uses between 69 and 131 gigabytes of data a month. Now, 69 gigabytes is right on the limit of the maximum amount of data that consumers can get at the present time on the retail plans.

Now, our understanding is that once that data limit is reached, the - certainly the internet service providers we have spoken to is that it's impossible to get more data once you've reached your limit. So it's quite conceivable that unless consumers and businesses are careful in monitoring their usage they could eat up all of their monthly limit and not have any data over to make a phone call, which is just quite unsatisfactory.

**MR LINDWALL:** Well, phone should be prioritised, I thought. Well, you can get it - anyway, keep going.

**MR MCMILLAN:** That was - that was our understanding, once data was reached, that VOIP isn't available, but that can perhaps be explored further. So in any case, if there is a data limit of around 70 gigabytes, businesses do need to be very choosy around what data they are accessing, and it does place limitations on their ability to engage freely in the digital economy. It does mean sacrifices need to be made with balancing family usage and business usage. And that is not a situation that we feel is in regional Australia's best interests.

So we note that at the present time it's - that will be the solution for some 400 households - 400,000 households. But we very much encourage development of local solutions that can be explored in communities that improve better data usage and pricing.

And just on the subject of pricing, as has been mentioned already, the inequity in pricing is a factor that puts businesses and consumers at a relative disadvantage to metropolitan areas, where you can currently get a Telstra plan of 1,000 gigabytes a month for some \$90 to \$95 per month, plus a T box or Telstra TV thrown in as well, Foxtel.

In comparison, you're paying around \$190 to \$200 for 150 gigabytes, of which a lot of that is split between peak and off-peak. So our main concern is that the Sky Muster



service may not provide the safeguard, may not deliver the quality, the reliability and affordability that the current - having a standard phone line currently provides.

And one of the things I would just like to point out, in the NBN's very own user guide for the Sky Muster service, the question is, "Can I use the NBN Sky Muster service for Voice Over Internet Protocol or VOIP services?" The answer that NBN themselves give is, "Your internet service provider may offer a VOIP service and you may need additional equipment. This service does not replace your normal telephone landline, and should not be relied upon for emergency calls." So against that context, a reliance on Sky Muster replacing phones is a long way off in our view, until that's demonstrated and proven.

I just wanted also, if I could, just to refer to a couple of points that are raised in the draft report, and also just perhaps reiterate some of our main arguments. Certainly we support the notion that - and it's an exciting notion, that we are in a data age with connectivity, that's fantastic, and we certainly support a re-framing of the Universal Service Obligation to include voice and data.

But we do maintain that that should be enshrined in an alternative - whether it be a Universal Service Obligation or whether it be a legislative framework, those rights should really be protected for people in Australia in some legislative guise, rather than being a policy objective per se. So we would like to see some strengthening around broadband voice services in regional and rural areas that provide those access to core services and the basic standards, however defined.

And before that happens - and given the Commission has noted that the reliability is yet to be ascertained. We do believe it's necessary to understand the full extent of NBN services and their limitations before landlines are disconnected. Reliance on the standard telephone service is still high, as we've said, and we'd need to have some transitional arrangements in place and alternative services to ensure that businesses and residents aren't detrimentally impacted before the removal of any service obligation.

We've said in our submissions some aspects that we feel could be considered as part of acceptable baseline requirements. We just reiterate what's already been said this morning about the importance of being able to access core services including government services, e-learning and online education, tele-health delivery and emergency services.

And also, as an example, there are seven communities with primary schools in the central west which are within the satellite footprint and adversely affected by mobile black spots at the present time. So we should note that until such time as we get an improvement in mobile black spots, a rectification of a lot of the black spots, and a sure technology in the high-speed broadband space, we should take a very cautious approach to reducing any obligation to provide a standard telephone service in our communities.

In terms of the actual - without being repetitive, I guess the experience of the regions, from what we're hearing, is quite different from some of the characterisation of the telecommunications experience outlined in the draft report. For example, the significant narrowing of the digital divide across rural, regional and urban Australia doesn't resonate

with a lot of people when they're on Sky Muster plans, for example, compared to what metropolitan people can get, so there - arguably there's not a significant narrowing of the digital divide in that context.

Business instant access to information has not been achieved today, and a lot of businesses constantly have been telling us about their frustrations with their online experience with internet crawling to a halt at peak times, taking too long to download information, oversubscribed services, promised speeds and experiences not realised in practice, and for example it was mentioned this morning about the 25 megabytes per second minimum upload that NBN has warranted. Well, that's not - that's a maximum of 25, as far as the retail service providers are concerned. So it's not necessarily in practice what NBN wholesale speeds are mandated.

Access to data - it's a big concern whether we will have enough access to sufficient data at an affordable price in regional areas, especially those people that are on satellite services.

In terms of consumer needs being overwhelmingly met by a wide range of digital applications and technologies, again, we just - on point - page 7, we'd just like to, I guess, reiterate that hasn't been everybody's experience within our region.

As for the recommendations, it might just be helpful just to mention a couple of remarks in that context. Draft finding 6.1, "After the full rollout of NBN infrastructure, and in the absence of the Telecommunications Universal Service Obligation, retail broadband including voice services are likely to be available to all premises across Australia."

Again, that just probably needs to be reconciled with NBN's own statement that customers should not rely on the Sky Muster service for providing Voice Over Internet Protocol calls, certainly in emergency situations. And also their representations that copper - that standard phone lines will remain.

They're probably the main points.

**MR LINDWALL:** Oh, okay.

**MR MCMILLAN:** Apologies, that was a little long winded.

**MR LINDWALL:** No, no, no, that's fine, that's fine.

**MR MCMILLAN:** But we need to make sure that - it's a critical issue for regional Australia, and for the sake of taking a little bit longer to emphasise what we are being told by businesses consistently, I think it's important the Productivity Commission hears those sentiments.

**MR LINDWALL:** On the satellite, it's the nature of the beast, isn't it, that it's a technology that, once you launch it, it is at - it has a capacity, it can't be upgraded. You've had to launch more satellites, basically, to add more bandwidth, so you can

understand why they have limits, but I guess what I ask on that is, do you think it would be a good idea if retailers published the average and, say, the minimum bandwidth that they're offering for their service, so that the customer might have a better idea of what they're choosing between?

**MR MCMILLAN:** Absolutely. I mean, I think it's one thing to guarantee a minimum of 25 megabits per second. And people can lock onto a number then, and say, "Well, at least I'm going to get 25. It might be a bonus if I get more than that."

**MR LINDWALL:** Yes.

**MR MCMILLAN:** But when it's on a retail plan saying a maximum of 25, what does that mean? There's no assurance.

**MR LINDWALL:** There is none. And some communities - have they thought about approaching NBN and arguing for an extension of fixed wireless instead of satellite? Because if more communities were on fixed wireless, there'd be fewer users of satellite, by definition, and - - -

**MR MCMILLAN:** Yes, that's one thing that we've discovered, I suppose, that's very important. It's a real opportunity. And some communities in Queensland, I think it's Dalby has been widely reported as having - I think it's Ready Net or Sky Net up there, that is providing a community-based internet solution.

And there are alternative technologies available, such as microwave. You can do fixed wireless extensions. You can have Wi-Fi. All different sorts of options. We're told that basically anywhere where there's a vertical structure you can put a tower on it, you know, you can fix - you can do lots of things with alleviating black spots, and also getting together to address high speed broadband solutions as well.

So there are case studies like that, but they're not well known, and they're not well understood at the present time, and we think there is an opportunity there. So I think whilst there are limitations from a capacity perspective with satellites, it's important that consumers and businesses know that if - you know, getting together with local government, with business chambers and regional development organisations to say, "How can we come together as a community to come up with a better solution that gives us more data at an affordable price?" It's very important.

**MR LINDWALL:** Because often - I'm not sure if you're aware, but there's a lot of what is called dark fibre that goes past to mining communities or - - -

**MR MCMILLAN:** That's correct.

**MR LINDWALL:** - - - to even defence installations - - -

**MR MCMILLAN:** That's correct.

**MR LINDWALL:** And fibre is effectively unlimited in capacity.

**MR MCMILLAN:** Yes.

**MR LINDWALL:** So if you can link into that it would provide an alternative.

**MR MCMILLAN:** It is. And there are a lot of inquiries at the present time on various aspects of telecommunications, whether it be roaming or black spots, and indeed this inquiry. And it is a very fast-moving space, so it's important if possible to put that information in one central place, and that's why we've put together the Telecommunications Support Guide, to give people that information.

**MR LINDWALL:** I accept your point about the reliability of the satellite service, and I suppose the NBN's argument would be that it's early days and there are teething issues, but I just also wanted to make the point that no technology is 100%. I mean, even the existing copper-based TUSO service is not reliable. My mother has had hers, and she lives in a remote area without mobile coverage - or not remote, it's not that far from Canberra - and has had her phone out for more than a month on at least two occasions.

**MR MCMILLAN:** Yes.

**MR LINDWALL:** So I would think that when you're, you know, in a regional area, you want to have redundancy - - -

**MR MCMILLAN:** Yes.

**MR LINDWALL:** - - - so that if something is not available then you've got an alternative as much as possible.

**MR MCMILLAN:** Correct, and our understanding is that those risks aren't anywhere near as great for fixed wireless and fibre to the premises or fibre to the node technologies, that there will be a higher degree of reliability for Voice Over Internet Protocol.

But so our real concern is the Sky Muster footprint. That's what our concern is in respect to that area. And until such time as I think we can say with confidence to people in regional areas that yes, your Sky Muster service will allow you to be able to engage in voice calls with a high degree of reliability and quality at an affordable price, then we're not there yet.

And certainly with data caps and limits - if there wasn't any data caps and limits on Sky Muster it might be a better situation, because you wouldn't have to have such a heavy reliance on your data usage, which is really only one sixth of what is provided in metropolitan areas.

**MR LINDWALL:** So I mean, would you be more happy with the Sky Muster if, for example, access to government services were unmetered and voice was - because voice is not much, it's about 150 kilobytes a second at most. In fact, it's less. So if those type of

services weren't so metred, and then - so if you reached your limits on, you know, downloading Netflix or something then so be it, but you've still got access to, you know, the Tax Office, to Centrelink and other types of government services, and banks?

**MR MCMILLAN:** Yes. Well, regional businesses, for example, have to travel greater distances to see clients and suppliers, so ironically they have a greater need to use the internet and Skype and services like that. So any initiatives that alleviate some of the pressure from data usage such as the ones you've mentioned would go some way, no doubt, to helping.

I guess in time, subject to capacity, it would be great to see more data available through satellite uses. But of course realistically that's not going to be a short term option. We think the real - the real value is in communities looking at alternatives to Sky Muster wherever they can, yes.

**MR LINDWALL:** And have you got any comments on the Mobile Black Spot Program?

**MR MCMILLAN:** Yes, we are strongly supportive of programs that rectify black spots. We note that there are some - the Australian National Audit Office has identified some issues with that program. We don't make comment about those issues, which are being examined, but fixing black spots in regional areas is critical, and even if you can get a black spot fixed on your farm or at your house or on the fringes of a community, that doesn't mean when you're travelling between communities you're not going to have black spots.

So business connectivity is adversely impacted by travelling between towns, between customers and between regions. It's a very significant issue for the regions. It's going to take a long time to rectify all the black spots, of course, so communities need to get involved to work out which are their priority black spots, and that's some work we're trying to do at the present time.

**MR LINDWALL:** And we haven't commented at all today about payphones, which is part of the USO. Is there anything you'd be able to say about that?

**MR MCMILLAN:** We don't have any data around the usage of payphones, although we would say that having a community payphone isn't an acceptable alternative or backup for the people that aren't able to use the phone in emergency situations. So one payphone per town, where people have to travel distances to come in and queue up and use a public payphone when the internet is down, isn't a satisfactory solution in our view.

**MR LINDWALL:** What about the alternatives that have been trialled in some communities of, like, a Wi-Fi hotspot?

**MR MCMILLAN:** Yes, a lot of people that we have spoken to support the development of Wi-Fi, free or cost effective Wi-Fi in communities, absolutely.

**MR LINDWALL:** You'll just have to speak up a bit.

**MR MCMILLAN:** Yes, sorry. Yes, a lot of businesses and people and communities support Wi-Fi. They want to see more Wi-Fi in regional areas, so that's something that we certainly see as part of a total solution.

As most people would know, in Europe and elsewhere there's a lot of free Wi-Fi available, public Wi-Fi that's free. We don't have that at this stage in Australia, and that's something that we would like to also see. And a number of local councils are exploring opportunities in public areas to have free community Wi-Fi, which is a pleasing development.

**MR LINDWALL:** Is there anything else you wanted to talk about? Is there anything - final points that you want to make, Peter?

**MR MCMILLAN:** Just in summing up, the main issue that we feel is that telecommunications, in terms of business, is really essential infrastructure these days, and that if we can better engage businesses in the regions to have access to the best high-quality affordable internet that we can, it will transform regional economies and have a productivity national economic outcome for the country.

**MR LINDWALL:** Thank you very much.

**MR MCMILLAN:** Thank you.

**MR LINDWALL:** Thanks, Peter.

**MR MCMILLAN:** Thanks.

**MR LINDWALL:** We've got - sorry? Okay, well, that's Annette, is that right, from the Country Women's Association? Welcome, and if you could just state your name and position and give a little bit of an introduction, if you like.

**MS TURNER:** All right, then, thank you. Annette Turner, Country Women's Association of New South Wales. I have a bit of an introduction prepared. Before I go on, may I just say, I am here for the Country Women's Association, but also I've been listening to the two previous speakers, and they also relate to me. It's not just an insular problem, so - - -

**MR LINDWALL:** Yes.

**MS TURNER:** The Country Women's Association is the largest women's organisation in Australia. The CWA of New South Wales was formed out of a desperate need in 1922. I'll just leave a little bit of that out.

Today CWA remains an Australian institution and a strong voice for women across the country. I thank the Productivity Commission for the opportunity to provide the comment

on the Australian Government Productivity Review of the Telecommunications Universal Service Obligation draft report.

The USO introduced in the 1990s is now recognised as an out of date - as out of date, as it covers basic landline and payphones only. Rapid developments in telecommunications have revolutionised the way we communicate, and I welcome the recognition that change to services must be applied.

I am speaking on behalf of the rural, regional and remote members of the Country Women's Association, and listed below are my points for consideration. Whilst we agree in principle that there are more efficient and modern ways of delivering communications, we are concerned that the PC hasn't fully understood the extent of the digital divide that exists in rural, regional and remote Australia.

This is especially so when considering the issue of reliability. Many of our members complain of significant downtime when their internet or mobile service equipment and local infrastructure have issues. Although not TUSO-related, mobile outages are extremely common, and when they do work we have extremely low speeds, and no clear commitment to infrastructure upgrades.

This needs to be taken in account when considering the TUSO, as often the landline is the only way to communicate. Some families report poor connectivity with emergency services, which can have significant consequences. Often compensation is offered retrospectively for two months, with nothing further to be provided. The issue is that residents have had a reasonable service that has declined.

TUSO and Telstra's monopoly are outdated and need to be replaced by more flexible and competitive arrangements, but we also need further incentives for investment into rural infrastructure.

When considering if the NBN could play a role in providing a minimum baseline broadband and voice service, the issues of reliability need to be fully considered. In the view of the CWA, the NBN is not a sufficiently reliable platform to deliver TUSO service. We do not consider that VOIP is an acceptable replacement for a fixed line. Reliability concerns, combined with latency issues, mean that the TUSO, as it exists, should not be phased out until suitable alternatives are secured for both voice and data services.

VOIP services are affected by background noise, rain, bad weather, and in particular during thunderstorms we are subject to power outages. The most recent in our area was for two days, and it would leave us without communication and exposed.

Consideration should be given to mandating minimum callout and repair times. The Mobile Black Spot Funding Program has been an important initiative to alleviate at least some of the lack of coverage issues. If there are savings and efficiencies to be delivered through the review of the TUSO, there should be thought given to putting excess funds into more mobile black spot funding.

We urge the Productivity Commission to give serious consideration to the idea of extension of the TUSO to cover data services. Overall, any changes to the TUSO should not negatively affect regional people, either through service provision or cost.

Telephone services to the members in the far west are delivered by the Next G Wireless Link (NGWL), and I am concerned that the repeal of the TUSO may result in loss of landline and the consideration of future services being delivered.

Increasingly, we are being directed to use the online services, which is quite unachievable with small download packages currently available. As a Next G Wireless Link local link customer, we were required to sign a waiver of our USO CSG as a condition of connection, so I feel it is vital that the WLL be considered as a USO service.

The PC draft states that most of the country is covered with mobile services. I am 16 kilometres from White Cliff and have purchased a Yagi antenna at considerable cost to boost my zero or one bar signal up a bar - it's usually one bar. If I stand next to the booster, I get four bars. It's not always convenient to stand in the one position while conducting day to day business, and may I say, our best coverage is in the bathroom near the toilet.

I believe telecommunications - - -

**MR LINDWALL:** Making phone calls when you have a bath, yes.

**MS TURNER:** I believe telecommunications to be an essential service, and that accessibility and affordability are two important issues in the increasing digital divide, especially in regional, rural and remote areas. I must have a landline to make phone calls. The landline offers voice communication that is instant, with no delay, and this is important, whether discussing business or conducting education lessons or just having a personal conversation.

Our ability to make voice contact should not be considered as an in-emergency situation type of delivery, but should - we should be able to expect the same as our city cousins as we all - as we have already been able to enjoy that type of communication.

If we are limited to the download of 50 gigabyte, and once over we are slowed to half speed, this situation would render voice services unusable. Increasingly, data hungry technology means I go over my 25 gigabytes in 10 days. All Australians have the right to participate in what is becoming a digitalised society and economy. We urge the PC to give serious consideration to the idea of extension of the TUSO to cover data services. Overall any changes to the TUSO should not negatively affect regional people, either through service provision or cost. Thank you.

**MR LINDWALL:** Thanks very much for that. Could I ask about this Next G Wireless Link? What exactly is that?



**MS TURNER:** It's - - -

**MR LINDWALL:** It's a mobile service, is it?

**MS TURNER:** It is, and we work from the tower in White Cliffs.

**MR LINDWALL:** So you don't have a landline as well, then?

**MS TURNER:** I have a landline, yes, which works from - - -

**MR LINDWALL:** So you've got both?

**MS TURNER:** Yes, yes, and it was part of the condition, because we went from our old party line telephone, with the fencing wire and the old post to - with the manual exchange to the automatic exchange, and we signed away our rights then, as I said, to the customer service guarantee.

**MR LINDWALL:** So your landline doesn't have a customer service guarantee?

**MS TURNER:** No, that's right.

**MR LINDWALL:** I hadn't been aware of that.

**MS TURNER:** It's a long-forgotten, yes, piece of information.

**MR LINDWALL:** That's interesting. The - and you've got an NBN service, satellite service?

**MS TURNER:** We have. We work from the Next G service at the moment, and I am seriously not considering going on the NBN.

**MR LINDWALL:** Oh, okay.

**MS TURNER:** I am thinking of working with - I currently have the service in the house, the 25 gigabyte, two iPads, two telephones with shared data, which takes me up to 50 gigabytes, but that costs me \$330 a month.

**MR LINDWALL:** This is through the Next G wireless?

**MS TURNER:** Yes, through the Next G, and I'm considering staying with that, but I have the good fortune to be in that position.

**MR LINDWALL:** Okay. Because that has no lag, latency issues?

**MS TURNER:** That's exactly right.

**MR LINDWALL:** But the - but you would still keep your landline as well?

**MS TURNER:** Most definitely keep the landline, because there's lots of issues. You know, flat batteries, power outage. Quite some time back we had a fire on the national park. There was a power outage. Everything went flat, and it was down UHF's to communicate, so - - -

**MR LINDWALL:** But the landline's gone out - - -

**MS TURNER:** - - - you'd need the landline, which - yes.

**MR LINDWALL:** But that's gone out too, hasn't it?

**MS TURNER:** No, if you've got a battery backup, it's not, no.

**MR LINDWALL:** My mother's - so just - so you have the landline, so you have two contracts, effectively?

**MS TURNER:** We have several contracts, yes.

**MR LINDWALL:** Yes, I meant to say, yes. Now, on the terms of poor connectivity and compensation, is that because people were unaware of their rights - which you waived, of course - but other people who are members of the CWA who do have normal landlines, have they received compensation, or have they - - -

**MS TURNER:** They - we received compensation because it's a more than - - -

**MR LINDWALL:** Yes.

**MS TURNER:** It's more than an inconvenience, it's quite serious.

**MR LINDWALL:** Yes.

**MS TURNER:** Like, I had problems back before Christmas with my emails being out for two months, and trying to - we've become our own technical support officer by being on the phone to Telstra for five hours to try and sort the problem. So it's in situations like that that they will offer a compensation.

**MR LINDWALL:** And to be clear, just because I just want to be sure about this, when you talk about VOIP, Voice Over Internet Protocol, not being sufficient, you're talking about the NBN satellite service, aren't you? You're not referring to the NBN fixed line or fixed wireless?

**MS TURNER:** Yes, I'm only talking about the satellite, yes, absolutely, yes.

**MR LINDWALL:** Because the VOIP services there are very good.

**MS TURNER:** Yes, yes. And I believe - I'm speaking from the point of view in VOIP - I've been involved in technology right from the beginning and used VOIP a fair bit with travelling, and of course I'm going on that standard of VOIP, of Voice Over Internet Protocol, so I'm not aware of the current, but it would be satellite, which I would imagine there would be issues there.

**MR LINDWALL:** Now, you know that - and thanks, by the way, for your submission.

**MS TURNER:** Right.

**MR LINDWALL:** The issue we are asked to examine is a \$300 million contract for 20 years till 2032, or the Universal Service Obligation, and I guess the philosophy that we've tried to put through in the report is that a lot of the technology delivering landlines is getting antiquated - - -

**MS TURNER:** Yes.

**MR LINDWALL:** - - - and it's very hard to maintain, and you want to provide an incentive for future investment to be for data, not voice type services, because that's a convergence of the two.

And so do you agree with that in the philosophy of that if you're going to get - if you're investing new money, it should be in data provision rather than voice provision? Data provision that provides good quality voice service, mind you?

**MS TURNER:** Okay. I think - I constantly hear that technology, as you well know, is moving quickly, and we have no idea how fast it's about to move. Being involved in a lot of technology at the moment, I could say landline would be important, but what is to come, maybe data and using the service that way, would be more important than using, you know - than the voice services.

**MR LINDWALL:** Yes, so I mean, in the end we're trying to say that, you know, the taxpayer is investing in a whole lot of things, Mobile Black Spot Program, the - there's a billion dollars' worth of different packages. There's \$300 million allocated to the Telecommunications Universal Service Obligation. And as you know, the USO is across the country, so it provides - if you want a service in the middle of Sydney or somewhere in the back of Bourke, you are entitled to get it through that.

And do you agree with our philosophy that rather than having it universal in that sense, that it should be targeted to where there is a need in terms of availability, affordability, and accessibility?

**MS TURNER:** Well, I would say yes to that, but that's coming from - maybe from a selfish point of view of, you know, covering my area, but yes.

**MR LINDWALL:** I mean, the logic I tried to think about is that the availability is - should be sorted out by - you should be - whatever premise you have, you should get a

good service, it appears, but obviously the amount of subsidy you get in terms of the cost of the subscription should vary according to your own needs, so it should be means tested. That was the basic.

And I have got a very good sense today from the various conversations that the NBN satellite service is not doing that at this stage.

**MS TURNER:** No. And that's - I'm not very excited about it, and as I said, I made the decision not to go on it as yet, because if - - -

**MR LINDWALL:** But you'll keep monitoring it?

**MS TURNER:** I will keep monitoring, yes, and that we - at the moment we're slowed at 50 gigabytes, but we don't know how many gigabytes we'll use. A neighbour monitored through service provider with software and discovered she was using seven gigabytes a day, so whilst they're saying wow, you can have 50 gigabyte and then you've got your off-peak - which is fine for me, because I can work at 2 and 3 in the morning - I'm not really excited about - and I do need a lot especially with - the CWA has 10,000 members, and head office is 1,000 kilometres away, so I'm relying on technology all the time, and I'm using it up, so I'm not very - - -

**MR LINDWALL:** Yes. And as you know, some things are bandwidth hungry, and other things are more efficient.

**MS TURNER:** That's right. And all of our technology is becoming - at one stage I couldn't work out why we were going over, and we'd purchased a new television, which was a smart television. It took me six months find that out, so - and this is it, and we've been - - -

**MR LINDWALL:** Smart TVs are all right if you're in a city with a fixed line service with unlimited data, yes.

**MS TURNER:** Yes.

**MR LINDWALL:** Any other final comments you'd like to make, Annette?

**MS TURNER:** Just the black spots.

**MR LINDWALL:** Yes, we should talk about that.

**MS TURNER:** I know - I am quite realistic. As I say, I moved to the outback when we had an old party line phone, so I realise I'm lucky that I've got what I've got at the moment, but I travel across the state, and I'd say that I would have coverage for 50% of the way, and that actually starts from here on.

I was recently speaking to a business just out of - between Wilcannia and Cobar, and they were saying that they don't have any coverage whatsoever, which surprised me, because

they have an emergency airstrip across the road. They employ workers, and they have no coverage whatsoever.

So virtually if there's, you know, any emergency - - -

**MR LINDWALL:** Yes, yes.

**MS TURNER:** - - just out of Wilcannia, and you lose it fairly quickly. Wilcannia doesn't have very good coverage at all. So the black spot, for me - I don't - you know, I realise that it'd be wonderful to have coverage right across the state. We travelled to Adelaide the other day, and from the border to Adelaide, which is 500 ks, we had coverage nearly all the way, so the mobile black spots are something - - -

**MR LINDWALL:** Would you consider buying - they have attachments now that give you satellite phone connectivity?

**MS TURNER:** I'm just in - I'm going to talk about that. I'm just in the process of buying one for my husband, who's home by himself. I rather like the thought of a sat sleeve, and the costing for that - what, it's \$150 or a bit more a year for a - which would cover all services. But the government just recently removed the subsidy. And I thought that that was an excellent solution in that you would have coverage wherever you go, but the Thuraya sleeves are about \$900, and there was an 85% subsidy on that which has been removed. And I would love to see that come back on, because I would actually buy one for myself, because there's days when I'm travelling alone that I would purchase.

So I think - and I meant to mention that before. I think that's another alternative. That's just another gadget, another contract, but - - -

**MR LINDWALL:** Yes. Well, I mean, it, as you say, depends on the cost a bit, but - and you'd have to monitor your usage, because satellite calls are more expensive, but other - I mean, it's handy if it's an emergency or something like that.

**MS TURNER:** It would only be used on death, when death was imminent, I'd say. Because it's, what, a dollar a minute, I think. But still, I think that that's a brilliant solution, but the subsidy needs to come back on for - - -

**MR LINDWALL:** You mean handsets, sleeves?

**MS TURNER:** On the Thuraya sleeve itself, because that makes it affordable for so many people, and the hundred - or \$15 a month contract is just nothing compared to the, you know, the lives that it could save.

**MR LINDWALL:** Well, thank you very much, Annette.

**MS TURNER:** That's okay, thank you.

**MR LINDWALL:** ... Does anyone else want to appear, to comment anymore? It can be people who have already said something or other people, as you wish. Please.

**MS MCKAY:** Geraldine McKay again. Just a comment on the mobile black spot tower program. I noticed in - we just have been in Barnaby Joyce's New England electorate. We're now in Mark Coulton's electorate. Mark Coulton got hardly any black spot towers for his massive electorate. Barnaby Joyce got quite a lot of towers for his electorate, pretty much all east of the New England Highway, in higher populated areas, and mostly provided by Optus, I am told, because according to our politicians there was a reluctance of Telstra to step up. They're looking at a profitability situation. And a number of those Optus towers overlap existing areas. Like, it's just a small black spot area.

So really, political influence, political power, and the preparedness of the providers to actually step up to make that - those black spot towers happen, there's a lot of things that we as communities have to negotiate there that really aren't what I would call fair and equitable for the community, and not really in the best interests of finding a solution to the Black Spot Program. That's it.

**MR LINDWALL:** Thank you kindly.

**MS MCKAY:** Thank you.

**MR LINDWALL:** Please, yes. Hello.

**MR MAROM:** Hi, Paul. I'm Mike Marom. I'm the area general manager for Telstra. We will have a formal submission in Sydney to the USO review, but just to clarify just a couple of points that have come up today, firstly with respect to payphones, we are absolutely in favour of a review of payphones. Certainly wish to explore the concept of community telephone services as a way of replacing that, and also obviously the savings there we could then plough back into our mobile network.

The general reform delivery of voice services, absolutely in favour of a review. However, we do feel that - and I think a lot of comments today regarding the NBN would suggest that we probably need to wait a little while until the NBN is fully operational and operating to an extent where there's a high level of reliability, whether that's satellite services or other services. So we're certainly in favour of a review, but do think that there needs to be some time with regard to that.

Satellite, there's been a lot of comments around satellites. I think, you know, we're also quite keen to work with government, NBN, as well to look at VOIP solutions as well, and overall, look, very keen to participate in a review and make sure that we're providing ultimately a good service to those people that need them best. Clarifying a couple of things around Black Spot.

**MR LINDWALL:** Yes.

**MR MAROM:** Firstly, there is a little bit of a misnomer about co-location. So any carrier is able to co-locate under the Black Spot Program. So as a matter of fact, in our case we are co-locating on 24 of 70 Vodafone sites. With regards to investment, we feel that the Mobile Black Spot Program is a significant step forward in providing connectivity - mobile connectivity to rural communities, and as such, we have managed to, in the first two rounds, obtain over 500 sites under the program. Because we bid for them.

So we're very pleased with that record. Also, to clarify a little bit of a misnomer or a point of note with regards to roaming, we have a real concern if roaming is mandated. It will not create any stimulus for investment, and we're very proud of the fact that we introduced 2G, we introduced 3G and we introduced 4G, and we're now working on 5G. And we bought Spectrum and, you know, some of the challenges we have with regards to our pricing are directly because we've invested in network.

And that investment is open to all carriers, not just Telstra, so I think it's important to understand that roaming is not a panacea. It might look good on the surface, but it will not increase the amount of investment. And potentially stifle investment. So look, I just wanted to just clarify a couple of those points, just to make sure - more for the benefit of the audience here today in Dubbo, as opposed to our formal submission, which will be in Sydney.

**MR LINDWALL:** Yes, thank you.

**MR MAROM:** Thank you.

**MR LINDWALL:** Is there anything you can comment about the Telstra satellite? The voice satellite?

**MR MAROM:** Not really, no.

**MR LINDWALL:** No? It's all right. That's - you know, a small number of years, it's interesting talking - - -

**MR MAROM:** And with regards to Next G wireless services and also voice services, for those 5,500-odd customers that are on those, we are actually reviewing those services at the moment, so there might be some changes to plan mix there, so stay tuned.

**MR LINDWALL:** Okay, thank you very much.

**MR MAROM:** Thank you. Thanks, Paul.

**MR LINDWALL:** Now, does anyone else want to - okay, well, what have I got to write here? I think I'll have to start wearing glasses. That concludes today's scheduled proceedings in Dubbo for the record, and I'll adjourn the proceedings and we'll resume tomorrow in Sydney. Thank you everyone.

**MATTER ADJOURNED AT 11.53 AM UNTIL  
TUESDAY, 31 JANUARY 2017 AT 10.00 AM**