



Country Women's Association of NSW

*Incorporated in 1931 by an Act of NSW Parliament
Constituent Society of the Associated Country Women of the World*

ABN 82 318 909 926

20 January 2017

Australian Government Productivity Commission
LODGED ONLINE

RE: Telecommunications Universal Service Obligation

The Country Women's Association ("CWA") is the largest women's organisation in Australia. The CWA of NSW was formed out of desperate need back in 1922. Country women were fighting isolation and an appalling lack of health facilities. These women realised they had nowhere else to turn but themselves — and the result was staggering. Within a year the Association was a unified, resourceful group that was going from strength to strength. The CWA remains an Australian institution and a strong voice for women across the country.

CWA members share a commitment to improving the lives of women and their families by lobbying government on key agenda issues, fundraising and teaching life skills.

As part of the largest women's organisation in Australia, our key aims are to provide a forum for the voice of women in NSW and improve the conditions and welfare of all women and families, especially in regional and rural areas.

We also support initiatives that enhance the value of 'country living' — especially in the areas of health and education; as well as strongly encourage development in regional areas and increase the viability of rural communities.

The CWA of NSW would like to provide some brief comment to the Australian Government Productivity Commission ("PC") review of the telecommunications universal service obligation ("TUSO"). The recommendations and outcomes from this review will have far-reaching impacts on our members and the communities that they live in. We feel that their concerns should be a high priority when considering the issue at hand. We will also be appearing at the PC hearing in Dubbo.

The digital age is well and truly upon us, but unfortunately, many of our country communities are not seeing the benefits. A lack of connectivity, particularly mobile coverage and data services, results in barriers to growth for our farmers and small business operators as well as barriers to a quality education for our students; and barriers to health services for our entire community.

While 78% of NSW regional residents love living in their community, they cite critical infrastructure, including telecommunications, as being underserved. When asked about mobile phone coverage, 52% felt they had good coverage, while 31% felt that their local coverage was poor. People living in New South Wales and in Queensland reported poorer access compared to those living in other states.¹ Improved mobile

¹ Regional Wellbeing Survey Results 2015: https://www.canberra.edu.au/research/faculty-research-centres/ceraph/regional-wellbeing/survey-results/2015/RWS2015_Web-Part-2.pdf

coverage can support the development of traditional business as well as e-commerce business that may choose to be located in rural areas.²

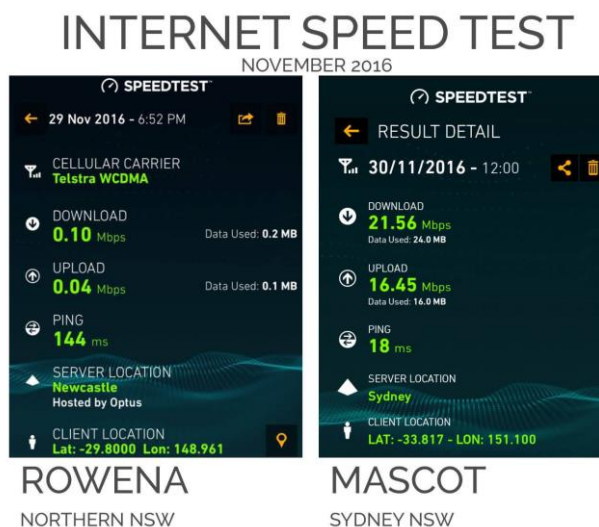
Turning specifically to the PC draft report, the CWA is concerned that the PC has not necessarily illustrated a full appreciation of the digital divide that exists in rural, remote and regional areas. This is especially so when considering issue of reliability. Many of our members complain of significant downtime when their internet or mobile service equipment and local infrastructure has issues.

Case Study - Mobile coverage and internet services at Rowena, NSW.

Residents of the town of Rowena in North West NSW have persistently complained of poor mobile service from Telstra for months. Residents also lose coverage to contact emergency services at times also. Telstra have not addressed the issue and refuse to acknowledge that their local tower infrastructure needs upgrading. They have advised residents to switch their phones to the 3G network to improve their situation. There is no discernable improvement from users when doing this.

In addition to voice services, data download speeds are also at a speed that is virtually unusable. The images below provide a graphic comparison between the speeds accessible at Rowena and those achieved at our State Office in Mascot. A discernable difference, particularly when the test has been performed on an approved rural (blue tick) phone, less than 3kms line of sight from the tower. Desktop PC's are connected wirelessly via a Yagi aerial on the roof, also within 3 kms of the tower.

The Rowena district is a broadacre farming area hosting multi-million dollar businesses who would like to be able to rely on the latest technology and services available to them. Unfortunately, frustratingly slow data speeds, drop-outs and failed calls due to low service levels, make access to these advances unachievable. A lack of alternative service providers means no competition, which provides no incentive for Telstra to have to act on upgrading their facilities.



After many months seeking answers on this issue, Telstra have advised that the site is found to be high traffic and the backhaul capacity is fast approaching its capacity limits. In summary, the site is carrying a high volume of traffic and the backhaul is near capacity. Residents have been further advised that there is no planned upgrade yet for this area.

² Rao Hill *et al.*, 2011. Understanding broadband adoption in rural Australia. *Industrial Management & Data Systems*, 111(7), 1087-1104

Case Study – Mobile Coverage at Ardlethan, NSW.

Residents around the town of Ardlethan have been experiencing mobile coverage issues with Telstra for some months. Repeated outages have been occurring and calls to Telstra when the issue first occurred were directed to overseas call centre operators who would insist there was nothing wrong with the local infrastructure.

At the time of writing there have been eleven outages in the past 12 months. Families speak of having to climb onto silos to conduct business and having to borrow relative's phones who are on other networks.

After a sustained campaign by the local residents, including media coverage, Telstra have recently attended a community meeting and stated that they will be looking to upgrade the tower infrastructure shortly.

Whilst we appreciate that the above case studies are describing issues and services that are not covered by the TUSO, they illustrate repeated and serious problems with reliability, downtime and services in rural, regional and remote areas. These are not isolated incidents. The Productivity Commission *must* take this into account when developing recommendations for the TUSO into the future; as its removal would put increased pressure on mobile technology that is not always reliable.

When considering if the nbn could play a role in providing a minimum baseline broadband and voice service, the issues of reliability needs to be fully considered. In the view of the CWA, the nbn is not a sufficiently reliable platform to deliver any 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. Consideration should also be given to mandating minimum call out and repair times.

The CWA of NSW is also concerned that there appears to only be minimal consideration given to the opportunity that may exist to use current fixed line services for other initiatives (i.e. on property mobile data services). These possibilities need to be explored further.

Mobile services and data provision to mobile services are becoming increasingly important for regional communities and the businesses that operate within those communities. The mobile blackspot funding program has been an important initiative to alleviate at least some 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 these excess funds into more mobile blackspot funding.

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 for the opportunity to comment.

Danica Leys
Chief Executive Officer