

# Telecommunications in Rural and Regional Areas

**Bill Glasson\***

We presented a report of the review of regional telecommunications to Parliament only a matter of a few weeks ago with Senator Stephen Conroy. I thank the current government and the previous government for commissioning this review. If we are going to grow as a nation and grow in a broader sense, we must make sure we bring everybody with us, and that includes rural and regional Australia. I was talking to my daughter last night and we were talking about the American elections and an interview she had seen. She said, 'I saw something fantastic today.' I said, 'what was that?' She said, 'Dad, they did this interview with a person who was in the form of a hologram'.

As I was flying down today, I was thinking about mobile phones and what broader applications they have today. A mobile phone is best described as a communication gadget in that it is able to deliver many of your day to day services beyond that of a phone. The modern day mobile phone has many varied applications. I find it very exciting, the way in which we can now communicate. I was brought up in rural Queensland and I remember the old party line being the old 26D. I remember ringing the old handle, and going out and fixing the line when the cattle knocked it over or lightning struck. I remember how important it was for mum from a health point of view and to dad from the point of view of trying to run the business of the property. So the need for communications services has not changed, but the exciting opportunities ahead regarding how we communicate are extraordinary.

We called our report *Framework for the Future*, but there are many other headings you could have given it. We spoke about building the social and economic capital of rural Australia, and that is what it is all about. It was a great committee. Mark Needham was from a rural representative group and has a great understanding of telecommunications. Bruce Scott, the Mayor of Barcoo shire, again a bushie, has a passion for getting those services out to the bush. Alexandra Gartmann is from

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\* Speech by Dr Bill Glasson, Chair, Regional Telecommunications Independent Review Committee.

Horsham in Victoria, and Josephine Stone is a lawyer from Darwin. During our public and community meetings, we went all around the country and saw lots of Australia.

Obviously I do not need to tell you the importance of telecommunications from the point of view of what it delivers economically and socially, for education, health and security. If you are talking about us increasing the economic wealth of this country, which often lies in those rural parts of Australia, particularly around mining and agriculture, then by investing in advanced telecommunications we can increase our productivity, investment and employment, and try to decentralise some of the population we have in this country.

As I said, there are many forms of telecommunications: fixed phones, home phones, business phones, and pay phones. I think if I stood up here in 10 years time we might be talking about the fixed phone a little bit like the old hurdy-gurdy phone that we used to have at Kywong outside Winton. We do not use fixed phones anymore; we use mobiles. The old pay phones, although still important, will in time be replaced with other technologies. Obviously the key issues raised during the Committee's public and community meetings were mobile phones, particularly mobile phone coverage, and broadband services.

If we want to ensure that high quality education and health services are delivered in rural Australia, then we have to deliver those broadband services. And broadband services these days deliver voice, data and video. We have to make sure that we attract people to the bush and keep them in the bush. So many businesses I spoke to were saying, 'Listen, we can't stay in Horsham because I can't compete with my Melbourne counterpart. So I am moving my business to Melbourne.' For the people of Horsham, and people employed in Horsham, that is not a good thing. And it happens all around rural and regional Australia. If I operate my business outside Longreach or from Longreach, I want to have the same services, the same access as my competition does in the middle of Sydney, Melbourne and Brisbane. So we are getting an important message.

And then there is Google and a wide variety of internet-based activities. We are doing everything via email, e-life, or e-shopping. Even in remote communities in the Top End, when I talked to the Indigenous people and asked 'what do you mostly use the internet for?' they responded 'for our banking'. They do all their banking online. Even in those far remote communities they want access to these services that you and I take for granted. A question was asked about mobile phone services. People expect their mobiles to work, no matter where they are. They buy a phone and are informed that it will work all over Australia, but when they drive out of town, the phone does not work. So there are issues around the telco providers accurately informing their customers.

I suppose one of the messages we are trying to convey to the Minister is that we believe mobile coverage should be rolled out along major highways, by-ways, and

into towns with certain size populations. If a town has a school, a police station and a health facility it needs to have access to mobile phone services. As we travelled around Australia we got an idea of where the gaps were. So we have given the Minister an idea as to how these gaps could be addressed.

My passion is indigenous health. However health is not something isolated from all the other elements that make you healthy. Obviously education is extremely important. When I visited indigenous communities I asked what infrastructure they had, how they utilised it and how they were paying for it. In those remote communities not only should infrastructure be provided, but so should training, so people know how to use the infrastructure properly. It is particularly important to raise the standard of health and education in indigenous communities in those remote areas. This is particularly relevant when we refer to 'closing the gap'. Having proper telecommunications services in those areas could make a huge difference.

Delivering telecommunications services is not easy in the most remote communities in the country. It is remarkable what services some of those communities have, including ADSL. We saw lots of good examples of how people in the bush adapt to make sure their mobile phone service works. This fellow had a tank on the back of his four-wheel drive bike with an aerial on it. He drives around with his mobile phone hooked into that. His point was that unless he could access the communication services he needed he could not compete. He was talking about having lost a contract worth a significant amount of money because the person who was trying to ring him could not get through. It is important to have sufficient mobile coverage when running a business.

My personal belief is that optic fibre cable is the gold standard. Wherever you put optic fibre it is like putting in a major arterial road. We have wireless and satellite technology, but satellite technology is still the safety net in many respects. We built a train line from Adelaide to Darwin. Why did we not install fibre at the same time? When we are putting in a gas line or a road we should install fibre. We should work with government and private industry to ensure that wherever we expand our other infrastructure, we run fibre with it. That is the Committee's number one message.

The report also has a recommendation about roaming. If you have a service with Vodafone and you drive out of town and it does not work, but there is a Telstra service that does work, should your phone be able to automatically roam across to another provider? This issue needs to be discussed. The reality is that if you come from overseas your phone automatically roams, but if you live locally it does not.

There are some controversial issues raised in the report. I refer to the separation of the wholesale and retail arms of Telstra. It is not for us to make a decision about that; we simply said that it should still be on the drawing board for discussion, and that perhaps the Australian Competition and Consumer Commission should have divesting powers. It was very effective in Britain. The British Government's

equivalent of the Australian Competition and Consumer Commission has divesting powers and told British Telecom (BT) it would use them if need be. BT voluntarily separated on this basis, to the benefit of the company and United Kingdom telecommunications.

Another question is how we can deliver telecommunications services, especially if they are not viable. How do we make them viable? The Federal Government's National Broadband Network (NBN) is a fantastic initiative. Once that rolls out it will put a blueprint in place through which we can build further infrastructure into rural and regional Australia. Once the NBN contract is awarded we will have tremendous opportunities to build on the back of that and hopefully further competition in areas that are currently not competitive.

One of the major recommendations in our report relates to the new communication services standard (CSS). What is that about all about? You are all familiar with the Universal Service Obligation (USO). That is the obligation on phone companies to provide basic voice services to anyone who lives anywhere in Australia. That is a standard local, national and international service with emergency services. But it really does not incorporate any other aspect of communication services; namely mobile and broadband. The Committee is suggesting that the USO, the customer service guarantee and other mechanisms that sit in the system should be replaced by one communications services standard that would include minimum standards on broadband speeds, mobile phones and so on. Some telcos and the regulators have been asking for that. That is one of the major recommendations that have come out of this review process. If that could be implemented it would bring us into the 21<sup>st</sup> Century.

In summary, obviously it is important that in delivering telecommunications we recognise the social and economic value that the availability of telecommunications services provides to core services such as health, education and emergency services. As a doctor I realise that if I can have access to appropriate telecommunications services in rural and regional Australia I believe I can deliver the same quality health outcomes that my city counterparts deliver. We have to work smarter with regard to workforce issues and increasing technology. We will be able access the services that are required in a timely way if we have the appropriate telecommunications infrastructure in place.

I believe that high-speed, reliable open-access broadband services are needed across the country and the NBN will be the blueprint for that. Open access to backhaul — which are the bits that connect all the exchanges together around the country and allow us to connect to London or wherever — is the answer in trying to provide a truly competitive model in Australia. There will always be a proportion of Australia to which we cannot deliver a competitive model. That is where the Government should step in to provide various subsidies, as it already does with programs such as the Australian Broadband Guarantee.

All levels of government should work together, including business and communities, to try to develop regional solutions. I am a great believer in looking at a region and asking what the most appropriate solution for that area is. South Australia has focused on doing this. I compliment the State governments that have done a lot in this area, including Phil and his team in New South Wales. The Western Australian and Tasmanian governments and others have been working at a state level to develop a state plan, and hopefully the federal footprint will support that. At the end of the day, regional solutions are the way to go.

The way telecommunications are rolled out is particularly important. The lack of competition in rural Australian telecommunications is an issue for governments and consumers. In other words, we must try to foster as much competition as possible. I believe it has to be at the reticulation end. We should not have it at the backhaul end. The backhaul end should have open access, a price that all telcos can access and the competition should be at the reticulation end. If that were to happen, a large part of Australia that is not competitive could become competitive.

Obviously if governments cannot provide a better overarching framework, and if market forces fail, that is where governments need to step in. I believe that through various forms of legislation and regulation we must ensure that every part of Australia is covered. I have said in the report that from the point of view of mobile phone coverage, coverage is in the order of only 12 per cent to 15 per cent of Australia's landmass. If you put up an aerial that will take you to about 25 per cent. At the moment, 75 per cent of Australia's landmass does not have a true mobile phone service. Of course, we do have satellite services. The dual hand mode sets that are now coming out where your phone will automatically cut to the satellite make sense. You can have a phone that operates normally in areas with coverage, but as soon as you step outside that area it cuts to the satellite. We will find that more of those phones will become available.

Regarding competition, affordable access to backhaul is the key to delivering telecommunications services to rural Australia. I believe that is extremely important. It is like building roads and powerlines into rural Australia. We should have more infrastructure, backhaul and redundancy. For example, someone put a backhoe through the system on the Gold Coast the other day and the entire Optus network went down. We need these fibres everywhere so that they interconnect us and provide redundancy. From the point of view of providing high-speed broadband services, we need the backhaul to support it.

In summary I believe we have exciting opportunities here to make a big difference to rural and remote Australia particularly in the areas of health and education. If we get telecommunications right we can continue to keep regional Australia competitive on an international basis. ▲