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## **Equitable Telecommunication Services Now and Into the Future**

**NFF President Mr Peter Corish**

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Sydney**

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### **Introduction**

- It's a pleasure to join you here today and it's good to see that the views of farmers and rural communities have been given such prominent attention at this Australian Telecommunications Summit.
- As a farmer and rural Australian myself, I know all too well the difficulties which can be faced in trying to keep my family and my business connected with the rest of Australia, and the world.
- And as I travel around the country in my role as President of the National Farmers' Federation (NFF), I hear many stories about problems people are having with the lack of service or fault repairs.
- There is a genuine concern among farmers and rural Australians about the future of telecommunications services in rural Australia.

National Farmers' Federation Limited  
ABN 77 087 140 166

NFF House, 14 - 16 Brisbane Avenue, Barton ACT 2600 ■ PO Box E10, Kingston ACT 2604  
Tel +61 2 6273 3855 ■ Fax +61 2 6273 2331 ■ Email [nff@nff.org.au](mailto:nff@nff.org.au) ■ Web [www.nff.org.au](http://www.nff.org.au)

- NFF's mission is "to deliver policy outcomes to the advantage of Australian farmers" by influencing Governments, agencies and others who can make a difference.

## **NFF's Telecommunications Objectives**

- Our telecommunications related objectives are:
  - To achieve quality, affordable and equitable telecommunications services in rural Australia through:
    - Fewer faults
    - Equitable service repair and installation times
    - Comprehensive, that's 100 per cent, handheld, mobile phone coverage ( but not just terrestrial, satellite as well) and;
    - Access to reliable higher speed internet
  - To promote farmers' use of online services:
    - That is to raise the awareness of Government, carriers and farmers to the economic and social benefits of increased use of online services

## **Equitable Telecommunications in Rural Australia**

- There is no doubt that telecommunications has dramatically improved in the bush these days and that available services and service levels are progressing in leaps and bounds, but it does depend on how you define 'improved' and of course, your timeframe.
- At present, I'm afraid; the perception that quality affordable telecommunications services are a reality remains a challenge.

- Quality high-bandwidth services are available to all Australians. The question is not ‘can I get it?’ but rather ‘is it affordable?’ and ‘is the competitive marketplace delivering in rural Australia?’
- As you are aware there are a myriad of telecommunications issues challenging Government, regulators, service providers, the incumbent (Telstra) and consumers, both metropolitan and rural.
- Today I will only touch on some of the matters that are relevant to farmers and rural communities.
- At NFF, our focus is not on the question of carrier ownership or what is the ‘best’ technology, but rather on ‘what mechanisms and guarantees do we need enshrined in legislation to ensure that rural Australians have equitable telecommunications services’
- It’s about the Government facilitating a competitive telecommunications market place in rural and regional Australia and end-users having a choice of provider, service and quality.
- I will come back to that subject later, but first I would like to set out why equitable and affordable telecommunications services are so important to rural Australia.
- Access to reliable, affordable telecommunications is essential for farmers to do business and continue to contribute more than 23 per cent of Australia's exports and support about 12 per cent of GDP, along with 1.6 million Australian jobs.
- It is paramount that access to equitable quality telecommunications services is guaranteed by Government now and into the future, irrespective of the ownership structure of providers operating in a sustainable competitive rural telecommunications marketplace.
- Telecommunications including Internet access have allowed farmers to access unprecedented opportunities to:
  - monitor international market trends;

- communicate and interact with participants throughout the agriculture supply chain - that is from paddock to the consumer and beyond;
  - use futures and option contracts to hedge against international markets and exchange rate fluctuations;
  - access weather forecasts, utilise seasonal climatic tools and plan farm strategies accordingly;
  - implement precision farming techniques to improve efficiency and deliver improved natural resource management outcomes; and use satellite imagery in developing whole farm plans.
- As mentioned NFF has long championed 'outcomes in the paddock', in this case the competitive delivery of affordable quality telecommunications services for farmers and rural communities.
  - NFF believes the primary focus of Government must be to develop robust telecommunications policy to ensure that legislation and regulation is implemented enabling the Government to guarantee equitable, affordable, quality telecommunications services now and into the future for rural Australia.
  - The process to achieve these results is a long list of Government inquiries, one that is still to fully deliver these outcomes is the Regional Telecommunications Inquiry (RTI) chaired by my good friend Dick Estens.

## **Regional Telecommunications Inquiry Outcomes**

- Way back in August 2002, the then Minister for Communications, Information Technology and the Arts, established the RTI to assess the adequacy of telecommunications services in regional, rural and remote Australia, and other matters.

- The Commonwealth Government responded to the RTI in June 2003 with a wide-ranging package that included acceptance of all 39 recommendations and \$181 million package for programs to enhance the availability of telecommunication services in rural and regional Australia.
- NFF's significant interaction with the RTI and subsequent representations to Government highlighted a range of telecommunications service and service level inequities that are of strategic importance to farmers and communities in rural and regional Australia. These service inequities can be generally characterised into the following four general areas:
  - Service fault repair and installation timeframes;
  - Handheld mobile phone service coverage;
  - Quality bandwidth availability and costs; and
  - Rural and regional service 'Future Proofing.'
- Of course, NFF continues to monitor the progress and outcomes from all 39 RTI recommendations and that they are implemented with relevant outcomes delivered to meet the expectations of farmers and rural communities.
- In more recent times and as a result of activities from the RTI, and before the issues hit the headlines, NFF continued to lobby Government to deliver the 'future proofing' requirements of the RTI.

## **Telstra Legislation**

- NFF did not do a back-flip on our support or otherwise for the Governments package of telecommunications legislation.
- NFF did its job and lobbied for outcomes for farmers, right down to the wire.

- NFF played a significant role in delivering the \$2 billion 'future proofing fund' and the \$1.1 billion in program funding.

### Regular Reviews

- NFF sought and received written guarantees from Government on regular reviews of regional telecommunications adequacy.
- The Government made changes to the legislation, before it is introduced to Parliament, to require the following:
  - The first of the regular reviews will take place now later than the end of 2008, or at an earlier date determined by the Minister; and
  - The maximum time between all subsequent reviews will be three years.

### Network Reliability Framework

- The Network Reliability Framework (NRF) was reviewed in response to the RTI Inquiry. Significant changes will be made to tighten the NRF arrangements.
- The changes that will be made to the NRF are as follows:
  - The Government will make clear that one of the objectives of the NRF is to reduce the number of faults in the Telstra network.
  - Telstra will be required to automatically fix a minimum of 480 cable runs each year.
  - The NRF will be reviewed in two years time to see if it is meeting the objective of reducing faults and improving the reliability of Telstra's network. If

necessary the NRF arrangements will be further adjusted at that time.

- The changes to the NRF will result in amendments to Telstra's NRF Licence Condition.

### Customer Service Guarantee

- The Government will retain the Customer Service Guarantee (CSG).
- The CSG will be tightened to ensure that carriers cannot unreasonably use the Mass Service Disruption notice arrangements to gain exemptions from the CSG timeframes.
- The Government will further strengthen the CSG by increasing the automatic payments made to consumers if carriers, including Telstra, do not fix faults or install phones in the set timeframes.
- The penalties will be increased by 21 percent in line with inflation since the CSG was introduced in 1998.
- The changes to CSG penalties will be introduced in subordinate legislation by the Australian Communications and Media Authority amending the Telecommunications (Customer Service Guarantee) Standard.

### Further Progress

- Even more recently on 15 November, Telstra announced the results of the long awaited Strategic Review - [Telstra's strategy for growth](#).
- Aspects of the very broad package of announcements have been widely reported in the media.

- An initiative of particular interest to farmers and rural communities was the Telstra commitment “to deliver high-speed 3G services across the country creating the best and largest network with wider and better coverage than exists today”.
- NFF welcomed the announcement and emphasised that it is the services and not necessarily the technologies that are used by particular carriers to deliver those service that are of importance.
- Having a variety of technologies from a number of carriers provides greater choice and potential fit for end-users.
- Just the other day, significant announcements affecting farmers and rural communities were made by the Minister for Communications, Information Technology and the Arts, Senator Helen Coonan. These announcements progress the recent \$1.1 billion funding announcements, as mentioned, also part of the RTI outcomes.
  - Discussion papers were released by Government on:
    - Broadband Connect \$878 million
    - Clever Networks \$113 million
    - Mobile Connect \$30 million and
    - Metropolitan Broadband Connect \$50 million
- NFF has also provided written comment to on another RTI set of recommendations, The Telstra Local Presence Plan
  - NFF does not consider the current Preliminary Draft Telstra Regional and Rural Presence Plan (LPP) adequately addresses the intent of the RTI Local Presence requirement.
  - Given the LPP does not seek to prescribe how Telstra should operate in order to achieve its outcomes. NFF is seeking

clarification on a range of matters of the adequacy of the preliminary draft. For example:

- How Telstra plans to provide a degree of decentralised management and decision-making following the current Telstra Strategic Review;
- The strategies chosen as a consequence of the Telstra Strategic Review that will deliver a high degree of certainty and reassurance for regional, rural and remote communities that:
  - an effective and measurable Telstra local presence will be maintained; and
  - that Telstra will be able to manage its regional operations autonomously and in its commercial interests while fulfilling the PUSP role and other regulatory requirements.
  - Whether a meaningful representation for regional and rural interests will be maintained in Telstra's executive management structure;
  - And a range of other matters.

## **Conclusion**

- In conclusion, NFF continues to make a difference to matters that are of national significance and of paramount importance to farmers and rural communities, including telecommunications.
- Thanks again for the opportunity to join you here today to give an overview of NFF's work in the important area of equitable telecommunications services in rural and regional Australia.

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