

6 December 2011

2011-12 Regional Telecommunications Review Secretariat
Department of Broadband, Communications and the Digital Economy

Via Email: secretariat@rtirc.gov.au

Re: Issues Paper 2011-12 Regional Telecommunications Review

The National Farmers' Federation (NFF) was established in 1979 and is the peak national body representing farmers, and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. NFF also has a number of associate members who participate in the agricultural supply chain. These organisations form the NFF.

Australian farming underpins domestic food consumption and is a significant export industry. There are 140,704 farms in Australia, and farmers occupy and manage 61% of Australia's landmass. In 2008 Australian farm exports were valued at \$31 billion, accounting for approximately two-thirds of Australia's agricultural production. Despite deep and widespread drought, over 2007-08, agricultural product accounted for 15% of Australia's merchandise exports. Exports are projected to grow to \$32 billion over 2009-10. Australian agriculture currently produces 93% all food consumed domestically in Australia and 1% of all food consumed in the world.

The NFF has sought to ensure that Australian farmers – including those in the most remote areas of the country – have secure access to telecommunication services as well as upgrades to these services. It is important that people living in rural Australia are not disadvantaged, and that services are delivered to rural Australians at metro-comparable prices – meaning they are equitable and affordable. Access to communication technologies in rural Australia also plays an important role in linking isolated communities and providing these people with access to personal and professional support. Benefits flow from the improved emotional wellbeing of individuals, which comes through reduced isolation and being able to stay in touch with their friends and family, to the benefits that come from being able to maintain professional relationships to support development and innovation in businesses. In rural and regional Australia access to reliable telecommunications systems also plays a major role in responding to and managing the impacts of natural disasters such as bushfire and flood.

NFF's focus has been on ensuring access to affordable quality telecommunications services for farmers and rural communities delivered in a competitive marketplace,

rather than the precise mechanism through which this is achieved. This has led to the NFF to concentrate on the 'rules' to guarantee minimum standards of service to farmers and regional communities. It is important that there is a transparent process for determining the performance standards of telecommunications services in regional Australia, and that these standards are clearly articulated by government and the performance of service providers against these standards is clearly reported.

It is important that people living in rural Australia have a clear and simple process for dealing with problems relating to access to telecommunications and the level of service provided. Farmers and their businesses can easily be isolated by problems with the delivery of telecommunications services. It is important that arrangements to resolve complaints about telephone or internet services are maintained and where possible strengthened. Existing mechanisms which support the delivery and improvement of telecommunications services in regional Australia, such as the Network Reliability Framework and the Customer Service Guarantee, need to be retained. The development of similar arrangements to support the delivery and improvement of broadband services through the National Broadband Network (NBN) in regional Australia through wireless and satellite networks would also seem to be appropriate.

The NFF is not in a position to comment on technical elements related to the development and specification of the NBN, but has maintained that people in rural and regional Australia need equitable access to reliable, affordable telecommunications, including broadband. The planned delivery of the NBN is consistent with a number of these principles, including a uniform wholesale price for broadband in urban, regional and rural areas as well as the delivery of a ubiquitous broadband service which has speeds which are significantly better than existing services. The NBN will provide opportunities for agricultural industries which do not exist under the current levels of broadband service. However, the NFF notes that while the NBN offers opportunities it needs to be viewed as one element of telecommunications infrastructure along with the copper and mobile networks, and farmers still experience difficulties with the delivery of these established services.

Key questions which the NFF has continued to ask regarding the provision of broadband services includes: How much will the service cost individuals (particularly retail prices and service fees in rural areas)? How will the network be upgraded as technology advances? Will upgrades be guaranteed? With the release of information about roll-out sites for the NBN, along with announcements by retail service providers on pricing, some of these gaps in knowledge are beginning to be addressed. As the roll-out continues questions will also be raised about what strategies exist to ensure the infrastructure is put to use to realise productivity gains and diversify regional economies.

The NFF has sought to develop a dialogue with the Government and NBN Co to understand the roll-out in regional communities through fibre, satellite and wireless technologies, including where and when these different technologies will be rolled out. As many NFF members live on properties outside the cities and towns which have access to the fibre network, the roll-out of satellite and fixed wireless services are of particular interest. The delivery of the interim satellite service is a positive step towards improved broadband services for Australian farmers, and the NFF is following with interest the roll-out of the first release fixed wireless services in

Toowoomba, Geraldton, Darwin, Tamworth and Ballarat. It is likely that the experiences and perceptions of the farmers who receive access to the fixed wireless service in these areas will shape interest in and demand for the technology in other areas.

THE DIGITAL ECONOMY

Farmers and others living and working in regional Australia are looking for telecommunications outcomes and solutions that are affordable and can be upgraded as technology advances. Modern farming practices are increasingly reliant on information technologies for production, risk management and marketing activities. Information technology is used for applications as diverse as learning and education, trading, financial management and remote sensing. The recent report ‘New Connections Driving Innovation and Productivity’¹ examining the use of broadband in agriculture suggests that trends in the use of technology seen in manufacturing, such as the ‘Internet of Things’, ‘Web Semantics’ and ‘E-Commerce and Marketing’ have applications in agriculture. The NFF submission to the House of Representatives Inquiry into the role and potential of the National Broadband Network “Broadening the Debate”² highlighted some of the opportunities that exist for Australian agriculture from the adoption of broadband technology.

Regional Australia has not had access to the same quality of broadband services as urban Australia, and this strongly suggests that opportunities exist to improve efficiencies and revenues in business. The 2002 Independent Regional Telecommunications (‘Estens’) Inquiry “Connecting Rural Australia” reported that access to higher bandwidth services was becoming vital for the economic and social development of regional, rural and remote Australia. The Inquiry found that a major impediment to regional, rural and remote Australians having equitable access to higher bandwidth services is the higher prices that users pay for these services, but concerns were also raised during the Inquiry about the reliability of the telephone network and the speed of available Internet services in regional, rural and remote areas. Feedback from NFF members indicates these issues still exist in many regions.

The fundamental issues of ensuring accessibility, reliability, quality and affordability must be addressed if the benefits of improved broadband delivery are to be realised. For example, access to broadband is increasingly becoming a requirement for some business applications, including those that require access to ‘cloud’ computing for the storage of data. However, the benefits of using broadband to participate in markets which operate in ‘real time’ or in applications such as video-conferencing are lost completely if connections drop out or are not of sufficient quality. It is important that there is strong support available for consumers through the roll-out of the NBN to ensure that there is confidence in the network, and that the productivity and efficiency gains which are available to industry can ultimately be realised.

The agricultural industries have a significant engagement with research and development, working with the Rural Research and Development Corporations and

¹ Inovact Consulting Pty Ltd (2011) Connections Driving Innovation and Productivity: Opportunities for Rural Industry Development from Innovative Use of Broadband Services RIRDC Publication No. 11/038

http://www.inovact.com.au/images/pdfs/Inovact_Broadband_Report.pdf

² <http://www.nff.org.au/get/1937.pdf>

other research organisations, including the CSIRO, to drive innovation in the sector. The issues currently faced in regional Australia related to reliability and quality of networks means that the NBN may offer opportunities for innovation which have not previously been considered by the agricultural industries. Information technology has been used as a tool for the delivery of research and development outcomes in the past and there may be opportunities to improve access to research results, but also new opportunities for the use of information technology.

Anecdotal evidence suggests that Australian farmers have embraced the use of new technologies including GPS, remote sensing and spatial data collection. Commercial and export opportunities may exist in the development of new applications to process this information or to improve the efficiency and productivity of Australian agriculture. Some work has been undertaken by the CSIRO Information and Communications Technology centre on the use of information technology in agriculture, including virtual fencing, bull separation, pasture management, water quality monitoring, and agricultural robotics. However, significant further work is required; particularly research and development work driven through research partnership with farmers to address agricultural applications.

REGIONAL HEALTH AND EDUCATION OUTCOMES

The NFF is not in a position to comment on regional health and education outcomes, as they are outside of our expertise and experience. However, the NFF notes that while the NBN offers opportunities to deliver services remotely, we recognise that personal interaction is and will remain a key element in the delivery of a number of services, including aspects of health and social services. In this context it is important that information technology is used to complement and improve existing services, rather than being viewed as an opportunity to reduce costs and the level of resourcing. The potential negative impacts on communities and social capital in regional Australia as a consequence of a reduction in professional services should be avoided.

DEVELOPMENTS IN THE TERRESTRIAL AND SATELLITE MOBILE PHONE SECTOR

The nature of agricultural industries means that farmers are not “tied to desks”. For this reason mobile phones and mobile broadband, where services are available and reliable, have become very useful business tools that assist in improved efficiency, productivity as well as in practical outcomes such as farm safety. While the mobile service providers are reported to have expanded their coverage in rural Australia, many farmers still experience blackspots and poor coverage. This can be frustrating, particularly when they compare their mobile telephony and broadband services with those available in urban Australia, or even the experiences of neighbouring properties.

A number of developments in the use of technology in society and business rely on continual access to wireless or mobile networks. For example, there is an increasing interest in the use of remote sensors to assist in informing farm management which rely on wireless communication and the use of mobile devices to record and process data in the field. It seems unlikely that many farm enterprises will be able to reap the benefits of these technologies without further improvement in mobile coverage, or improved technology to support the operation of private local wireless networks which support the operation of these technologies across a farm. It is important that

opportunities to address blackspots in mobile coverage are pursued, including innovative solutions that may utilise NBN access.

CONSUMER ISSUES

The existing standard telephone service, along with the existing copper networks which supports its delivery, remains a key service and infrastructure for Australian farmers. The NFF supports the Government's decision to continue the operation of the copper network in the areas outside of the cities and towns which will receive NBN fibre broadband service³. It is important that the copper network remains in place to underpin the delivery of telecommunications services in regional Australia, and that the level of service is maintained. The NFF notes that the Telecommunications Universal Service Management Agency will be established to review the performance of Telstra in operating and maintaining the delivering the services over the copper network, and that there is the potential for there to be competition for the delivery of these services in the future. It is important that the effectiveness of these arrangements is subject to a future review to ensure that they are operating effectively.

As mentioned earlier in this submission, Australian farmers continue to face difficulties with the quality and consistency of their landline and mobile services. It is important that there is sufficient competition to deliver these services in regional Australia and drive improvements service delivery and improvements in the cost of service. Rural telecommunications users also face frustrations in being able to access service when they do have problems, as they may be some distance from retail outlets and the specific issues of rural customers may be difficult to deal with through call centres which are geared to service urban Australia. From this perspective it is important that mechanisms such as the Network Reliability Framework and the Customer Service Guarantee are retained.

OTHER ISSUES

Education will be an important component to ensuring community and social benefits from the roll-out of the NBN are realised. Given the relatively low level of broadband use in regional Australia, it is appropriate that there are programs to support the use of broadband, including programs to encourage the development of businesses which can take advantage of improved access to broadband. In its dealings with stakeholders NFF is aware that a range of questions exist, from basic questions about technology through to the performance of the network and the different technologies. For example, simple questions exist about the differences between fixed and mobile wireless networks, and if mobile services can access the fixed network, to more complex questions that relate to the differences between videoconferencing using fibre, wireless and satellite services and the implications for real-time transactions.

Given the differences in people's experience and capabilities with information technology, and the variety of different uses to which broadband can be applied, a variety of communication packages will be required to properly inform people and support the roll-out of the technology. Information packages, seminars, the use of

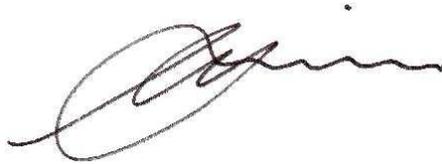
³ <http://www.nff.org.au/get/1937.pdf>

mentors and local champions are all opportunities to improve awareness and support adoption of the new technology within communities.

The NFF and the NSW Farmers' Association met with the Regional Telecommunications Review Panel in Sydney on 26 October 2011. This letter is a brief summary of some of the issues raised during that meeting. The NFF strongly supports the role of the Regional Telecommunications Independent Review Committee in regularly reviewing the adequacy of telecommunication services in regional, rural and remote parts of Australia. It provides a mechanism to periodically review the service provided, but also to ensure that social and economic outcomes from telecommunications are being delivered in regional Australia. It is important that mechanisms to review the delivery of telecommunications services in regional Australia continue, along with a focus on the broader social and economic policy objectives that need to be achieved through telecommunications.

Please contact the NFF if you have any further questions regarding this submission or to follow up on matters raised in our earlier discussion with the Committee.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Matt Linnegar', written in a cursive style.

MATT LINNEGAR
Chief Executive Officer