

24th February 2012

To whom it may concern,

Re: Telstra's draft Regional and Rural Presence Plan

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.

The Australian farm sector is an important industry, spread across a large area of the Australian continent. Australian Bureau of Statistics figures indicate that there are 135,996 farms in Australia (including those for whom farming is not their primary business, there are 120,941 farms solely dedicated to agricultural production), and 318,000 people are directly employed on Australian farms. Approximately 61 per cent of Australia's land mass is occupied and managed by farmers. Australian farms and their closely related sectors generate \$155 billion-a-year in production, underpinning 12 percent of Australia's GDP. Despite deep and widespread drought, over 2007-08, agricultural product accounted for 15 percent of Australia's merchandise exports. Exports are projected to grow to \$32 billion over 2009-10. Australian agriculture currently produces 93 percent of all food consumed domestically and 1 percent 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 and upgrades to these services. Access to communication technologies is a fundamental requirement for modern businesses, including agricultural businesses. 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. Communication technologies play an important role in rural and remote Australia by linking isolated communities and individuals, providing them with access to personal and professional support. In rural and remote 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.

The NFF understands that Telstra's draft regional and rural presence plan sets out how the company will maintain its presence in regional and rural Australia, as required in Australian Government regulation. In developing the plan, Telstra notes that consistent with previous plans, there is a focus on the service standards and

outputs that are delivered. However, in reviewing the proposed assessment measures many of the measures are qualitative rather than quantitative, making it hard for stakeholders to objectively understand Telstra's performance. In the absence of quantitative measures and information on current or future performance, it is difficult to understand how the proposed plan will drive improvement in Telstra's performance or make an assessment of how farm businesses may benefit as a consequence of implementing the plan.

Significant information gaps exist which make it difficult to understand how Telstra's draft regional and rural presence plan will impact on or benefit farm businesses operating in rural and remote Australia. The plan does not define what Telstra considers to be regional, rural and remote, or provide background on the challenges of servicing regional, rural and remote customers which Telstra is seeking to address or overcome through the plan. While the draft plan provides examples of specific projects that have been undertaken in the past to service regional and rural communities, there is no background as to how these projects fit into Telstra's strategy for servicing these customers. The draft regional and rural presence plan does not provide detail on the strategies that Telstra will use to actively engage with industries and community in rural and remote Australia, or the outcomes that Telstra is looking to achieve for rural and remote Australia through this aspect of its business operations. In the absence of this information the examples provided of Telstra's past engagement in rural and remote Australia appear to be ad hoc projects, and there is no sense of how they have been prioritised to deliver benefits to industries and the communities in these regions.

In a similar vein, Telstra's draft regional and rural presence plan does not detail its broad strategy for improving service levels or coverage in regional, rural and remote Australia, particularly in relation to mobile coverage. 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 Telstra has reported that it has expanded its coverage in rural Australia, many farmers still experience blackspots and poor coverage. This can be frustrating, particularly when farmers compare their mobile telephony and broadband services with those available in urban Australia, or even the experiences of neighbouring properties. It is not clear how Telstra prioritises extensions to its mobile network or identifies where infill coverage will occur, or how customers, who participate in Telstra's mobile blackspot reporting program to deal with these issues, would be prioritised.

Farming businesses are becoming increasingly reliant upon information and telecommunications technology in their businesses, and the availability of new communications infrastructure such as the National Broadband Network is likely to drive further demand in this area. Information technology is used on farms 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 E-Marketing' have applications in agriculture. The

¹ <https://rirdc.infoservices.com.au/items/11-038>

recent House of Representatives enquiry into the role and potential of the National Broadband Network “Broadening the Debate”² also highlighted opportunities that exist for Australian agriculture to improve productivity or efficiency through the adoption of broadband technology. Telstra’s draft regional and rural presence plan does not detail its involvement in facilitating the adoption of this technology in agricultural businesses beyond the sale of communications products. Given the historically low levels of internet use in rural and remote Australia an opportunity exists for Telstra to partner with the various agricultural industries to identify or assist in the development of technology solutions for their businesses; however the draft regional and rural presence plan is silent on this opportunity.

Farmers and their businesses can easily be isolated by problems with the delivery of telecommunications services. 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. Arrangements to resolve complaints about telephone or internet services must be maintained and where possible strengthened to ensure access to communications is maintained and there is confidence in the reliability of these networks. The draft regional and rural presence plan outlines a number of measures to improve delivery of services for people in rural and remote Australia (8.7, 8.8 and 8.9). Feedback to NFF suggests that while a local presence in towns is appreciated, multiple trips into town may still be required to solve a problem. Stories also exist of unhelpful call-centre staff who do not understand the difficulties of trying to resolve issues in remote locations, or the isolation caused by the loss of telecommunications services. Strategies to deliver customer support through the use of the internet, through websites, and social networking tools, also have limitations in regions with poor connectivity. There is clearly a need for specialist support for customers living in remote areas.

Communications and broadband services are a vital tool for Australian farmers, and technology offered and services available are expected to change rapidly over coming years. For Australian farmers these technologies offer opportunities for improved productivity and business efficiencies. Urban Australia has led the adoption of these technologies, and greater uptake can be expected in regional, rural and remote Australia in coming years. It is important that Telstra considers these trends and is explicit about how these challenges will be addressed for regional, rural and remote customers.

For further information regarding this submission, please contact the NFF Rural Affairs Manager, Dr Sam Nelson

Yours sincerely/faithfully



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² <http://www.aph.gov.au/house/committee/ic/NBN/report.htm>