

**COUNTRY WOMEN'S ASSOCIATION OF NEW SOUTH WALES**



**SUBMISSION TO THE INQUIRY INTO THE PROVISIONS OF THE  
TELECOMMUNICATIONS LEGISLATION AMENDMENT (PROTECTING  
SERVICES FOR RURAL AND REGIONAL AUSTRALIA INTO THE  
FUTURE) BILL 2007**

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## **TELECOMMUNICATIONS LEGISLATION AMENDMENT (PROTECTING SERVICES FOR RURAL AND REGIONAL AUSTRALIA INTO THE FUTURE) BILL 2007**

We would like to thank the Senate Environment, Communications, Information Technology and the Arts Committee for the opportunity to express our views on the Inquiry into the provisions of the Telecommunications Legislation Amendments (Protecting Services for Rural and Regional Australia into the Future) Bill 2007.

Whilst we realise that the Inquiry only covers the aspect of protection of the fund, we are particularly concerned about how the fund is spent.

This Amendment appears, ironically, to have as its purpose the future inability of Governments (through their Minister of Telecommunications) to amend an Act.

In her Second Reading Speech, the current Minister, Senator Helen Coonan, claimed "The Federal Opposition has announced that it will abolish the \$2 billion Communications Fund and spend the entire capital on a broadband network in highly commercial and predominately {sic} metropolitan areas". This ignores the stated and published policy of Labor to use the fund to bring broadband to all Australia. Such misinterpretation, when the record is available, undermines the Minister's own credibility as to her stated reasons for introducing this Amendment. It is immaterial which side of politics one follows, and the official reasons for undertaking change should not be based on an untruth.

Of further concern with this Amendment: In all honesty, how can any person in regional, rural and remote Australia feel reassurance when the Minister states "This process provides certainty for people in regional, rural and remote Australia that the improvements in their telecommunications services will keep pace with the rest of the nation"? When can we expect this to begin? By the time these residents have caught up to the current levels of services in metropolitan areas, expected improvements in telecommunications technology will have advanced some years, even decades.

Regional, rural and remote Australia does not even have the levels of adequate service guaranteed by law under the Universal Service Obligation, enshrined before any sale of Telstra was to be considered - or does no one else remember that? If such guarantees can be ignored or amended, what is the Government's purpose in bringing up this Amendment for consideration? It is, in effect, a law to say that the law establishing the fund, is a law. No government can 'future proof' (a particularly adequate expression in this debate) law making. While taking this statement to its logical extreme would make any law passing pointless, one does hope that introducing amendments, repealing Acts, etc, is undertaken wisely. This Government has

been warned, though, that should the Opposition win Government later this year, this particular Amendment will be repealed. The only reason to bring it forward, it seems, is to bring on yet another parliamentary debate on the subject, which has already been covered any number of times. This is a wasteful use of resources, time and tax payers' money.

On a personal level, how the money is found to bring all of Australia up to an adequate standard of telecommunications is secondary to its being done. Telstra has been sold for a great deal more than \$2 billion, and that sum is inadequate, even insulting when the job to be done is so great and services become less adequate all the time.

The interest on the Communications Fund is to yield "up to \$400 million every three years" (Second Reading Speech). A study commissioned by Centroc, Central NSW Councils, found that the cost of bringing telecommunications in its area to an adequate level was \$78 million. How adequate, then, is this interest going to be? It is of concern that only the earnings and interest from the \$2 billion Trust Fund is to be used to ensure that rural and regional premises are not left stranded without reliable and up to date services. We don't have reliable or up to date services now! The fact that up to \$400 million will be spent every 3 years means very little. If that figure was spent every year it would still scarcely make a dent in the work needed to bring country services up to even half the quality of the services enjoyed by city people.

The first review which the Regional Telecommunications Independent Review Committee is required to conduct is due to commence before the end of 2008, and we imagine it will take quite a few months to finalise. People living in the affected regional, rural and remote areas know what is wrong with telecommunications now, and they don't need constant reviews. It appears to us that reviews are just a way of giving the impression that something is happening. Maybe we are cynical, but we consider this merely a waste of money and nothing more than a show that something is being done.

Despite claims by both government and Telstra, services for rural and regional Australia are at an all time low. Services have never been good in many areas, but currently they are appalling.

While Government and Telstra continue to trumpet how good the service is, nothing will be done to improve the services. Telstra currently advertises that the Next G service will operate in all areas that CDMA operates. We understand this statement to be incorrect. Customers in their hundreds are being migrated back to CDMA. Telstra are importing new CDMA telephones from overseas for these customers and yet the advertising and selling of the Next G service continues. Other companies haven been taken before the courts for similar conduct.

One of our committee members experienced problems with Next G, was migrated back to CDMA, and was then requested by Telstra to put in a black spot report so they could rectify the Next G problem. They finally contacted the member and advised that there was no black spot, it was in fact a 'bright spot', and she was only getting CDMA by chance and would certainly not get Next G when the CDMA serviced closed.

The only reason the member needed a mobile phone service was to ring Telstra to report her landline out of order. Many of our CWA members have the same view – give us a reliable landline service. That is the minimum we require, and we could live without mobile coverage if we had a reliable landline service. We find it is taking longer and longer to have faults fixed, as a result of the linesmen and technicians in country areas being retrenched. Often the repairers are from other areas and have no knowledge of the terrain or location of properties. Even to have a new line connected can take weeks and yet every time we speak to someone in a Telstra call centre, they try to sell us another service. Just fix the ones we have, please.

Many of our members live in fear that a life threatening event will happen while they don't have a phone. Just recently one lady had to drive her husband, who was suffering a heart attack, to hospital because she could not call for an ambulance. The landline was out of order (and although it was snowing, snow falls in that area every year, so it was not an unusual occurrence) and she had no mobile coverage. Our members in the Trangie and Nevertire areas report having to drive out into paddocks in the hope of finding somewhere that their mobile phones work – perhaps another 'bright spot' as defined by Telstra.

The Sydney Morning Herald, 7<sup>th</sup> June 2007 stated that Telstra's call centre consolidation plan will cost 1700 jobs in rural Australia. 17 call centres will be closed and Telstra will then reopen new centres in Sydney, Melbourne, Townsville and Perth and recruit 1200 people to work in them. While existing Telstra workers will be "looked on favourably" because of their experience, the company will also search externally. Newcastle Trades Hall Council secretary said the plan was possibly the first step along the road to sending Telstra call-centre jobs overseas. Telstra's reply to this was the people needed to remember that Telstra was competing against lower-cost centres in Mumbai and elsewhere. 21 Hunter-based field technicians were also retrenched and in reply to a union statement that the reliability of the region's phone network was now in jeopardy, a Telstra spokeswoman said an increasing number of faults could now be fixed remotely. They may be able to be fixed remotely, but they are not being fixed in a timely manner.

As I prepare this submission on a Sunday, my landline is out of order. Staff have driven 40 kilometres to report their phone and mine out of order. Telstra will not take a report from anyone other than the subscriber that the phone is out of order, so for me to report my phone out, I too need to drive 40 kilometres. Other people in the area have been told that crews will not

even be available until Tuesday. If this is an example that legislation, ensuring that services to rural and regional Australia are being protected, needs to be put in place then let's start NOW!

In many areas it is not possible to have Broadband due to the type of exchanges. While currently 31% of rural and regional parties have Broadband, it is still slow. In other areas where the government has subsidised fast internet service via satellite dishes, many of these subsidies are being wound back and the small providers are now winding up their businesses.

We recognise that business today has no care for consumers; they care only for their shareholders and in particular the funds managers. But at least be honest and don't pretend to fulfil any universal service obligations. It is the government's responsibility to ensure that certain criteria are being met. This will happen by action, not amendments to legislation and more reviews, and promises that we know will not be fulfilled.

In summary, the stated purpose of this Amendment just does not gel; the argument that the Communications Fund can be set in concrete just does not gel; the whole thing is an avoidance of getting on with the job of providing adequate telecommunications services throughout country, metropolitan, regional, rural and remote areas alike.

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