

REGIONAL TELECOMMUNICATIONS REVIEW 2021

CCIQ RESPONSE TO ISSUES PAPER

SEPTEMBER 2021

CCIQ Powering
business
potential



Introduction

The Chamber of Commerce and Industry Queensland (CCIQ) thanks the Department of Infrastructure, Transport, Regional Development and Communications and the Regional Telecommunications Independent Review Committee (the Committee) for the opportunity to be consulted on the 2021 Regional Telecommunications Review (the Review).

CCIQ is Queensland's peak industry representative organisation for small and medium businesses. We represent over 448,000 Queensland small and medium businesses who employ 44% of Queenslanders working in the private sector. CCIQ works with the regional and local chamber network across Queensland to develop and advocate for policies that are in the best interests of Queensland businesses, economy, and community.

CCIQ is an active advocate on behalf of Queensland business for better connecting regions and advancing technological capacity to generate resilience, competitiveness, and new economic opportunity in our regional areas. The issue of regional telecommunications service delivery has been a consistent barrier and opportunity for our regional members and chamber networks, across most regional and rural areas of Queensland. CCIQ provides comment to the Review on behalf of Queensland businesses, in particular in this case our members and stakeholders in regional and remote locations of Queensland. Our submission represents the voices of these stakeholders who are consistently sharing with us their business constraints and liveability struggles as a direct result of telecommunication infrastructure and servicing issues.

Of particular concern, is the need to ensure businesses and communities has access to **high-speed internet** to enable the **digital capacity, connectivity and advancement of industry**. As the Review has stated, connectivity – in particular high-speed internet – is critical for encouraging people to live, work and invest in regional Queensland. Without this certainty of modern technology and capability, the development of regional businesses is not only **competitively disadvantaged** but obstructed in implementing progress and **significantly economically constrained**.

In consultation with CCIQ's regional stakeholder managers, the local chamber network across Queensland, and Queensland small businesses in regional areas, CCIQ has prepared this response to the Review's issue paper questions.

The need for connected businesses

There are major global shifts that are creating significant challenges and opportunities for Queensland. Queensland businesses were dealt a devastating blow when COVID-19 was declared a pandemic in March 2020. The Pulse Survey of Business Conditions returned the worst business confidence levels on record, far exceeding the Global Financial Crisis (GFC).

The pandemic however has brought on a new age of e-commerce with a shift in online consumer demand, and alongside the need for many staff to work-from-home, this has resulted in a rapid digital expansion for businesses globally. E-commerce and trade also allows businesses to capture a geographically wider customer base, and presents new opportunities for regional and remote businesses to operate in region whilst still competing with metropolitan located businesses.

The 2021 CCIQ Digital Readiness Survey¹ showed that Queensland's business community is mostly optimistic about adapting to future digital changes, although decreasingly so. In response to the question *How optimistic are you about adjusting to digital changes in the future?*, Queensland businesses were 69% optimistic or very optimistic in 2021, down from 78% in 2020 (pre-COVID), which was also down on a high level of optimism of 90% in 2016.

Given the challenges and opportunities facing businesses, CCIQ has formed key strategic policy priorities targeted at advancing technology to generate opportunities for Queensland business, including advocating for:

- a. Improving digital capacity:
 - Prioritise high-speed internet for regional Queensland
- b. Connecting with businesses:
 - Targeted funding for digital grants for small and medium sized enterprises (SMEs)
 - Invest in whole-of-government knowledge sharing and collaborative platforms for interactions with SMEs
- c. Incentivise digital adoption
 - Develop a digital approach that promotes e-commerce as best practice
 - Incentivise the digitisation of paper-based processes

The opportunities for enhanced connectivity is relevant for all Queensland businesses, although critical for those in regional, rural and remote areas already at a disadvantage in terms of access, affordability, reliability and investment certainty of improved telecommunications.

Response to Questions

1. What telecommunications services are required in regional Australian to meet current and future needs? Are there any things regional communities and businesses need to do, but can't, on their existing services?
2. What changes in demand, barriers or challenges need to be addressed when it comes to telecommunications services in regional, rural and remote Australia?

Telecommunication services that are available, reliable, functional and meet the needs of businesses and communities are essential to the functioning of a modern, competitive and resilient economy, regardless of metropolitan, fringe, regional, rural or remote location.

Consultation with regional businesses across Queensland reported on key telecommunication needs and challenges impacting their businesses, with the responses of the most common concerns provided in categories with quotes below:

Reliable connection and speed

- *Phone, radio and satellite **reception** on rural properties and roads.*
- ***Continual good coverage**, fast NBN, **fast internet speeds** for businesses, no drop-outs.*
- ***Reliable service and internet connection** is required. In my home office in Biloela, I only receive one bar of reception [to service my business needs], which slows down internet speeds and [therefore] how much work I can get through.*

- *The issue of consistency - never know when the internet will drop out and in some cases in my travels zilch service for vast expanses.*
- **Less drain on NBN services especially during peak periods, and continuous mobile capacity** from not just Telstra, like Mt Isa to Townsville.
- **Internet coverage and speed to be able to move data** whether its to receive or send. Everything from bookkeeping software to cattle or water monitoring systems, distance education is virtually on a cloud based or app system or requires a live feed but no use if you can't use it.

Improved coverage and reduced black spots

- *More network coverage is needed, now and beyond.*
- *We need to upgrade as many **black spots** as we can.*
- *There are a number of **black spot** areas in and around Central Queensland, specifically within the Banana Shire. There are a number of times telecom access has been lost for multiple days interrupting businesses and services and it seems no **priority** is given to rectify quickly for regional areas.*
- **Mobile phone coverage** in regional Outback Australia is woefully inadequate especially in rural and remote areas. Mobile phone access is limited to a few centres of population and mine sites. Major health & safety risk, let alone current and future business development.
- *If you're unlucky enough to breakdown on an outback regional Qld road, chances are that the phone coverage is going to be little or none and calling for help is not an option. There are large black spots all over the region.*
- *Mobile phone towers & or satellites to be installed along roads that **connect regions**. Huge **safety risk with huge gaps between coverage**. Impacts traveller's experience. People just want to move on quickly to a safer and more reliable internet and phone service coverage area. Handicaps regions.*
- **Good coverage** - living rurally people need to be able to have ongoing phone service wherever they live and especially when they are driving. People do not need to have another service taken away or restricted just because they chose to live rurally or remotely. Same and **equal access** for all.

Improved access and service from providers

- **Access** to telecommunications is limited across North-West Queensland. This is not only **inequitable**, it presents a **danger**.
- **Consistency across service providers and consistency in service quality**, not just in town but across rural area.
- *There needs to be a **mix of services** from mobile to point to point as well as "on the go" options for farms and larger properties.*
- **Deals that match metropolitan areas.**
- *Choice of provider.*

3. How have the Government's policies and programs affected telecommunications service outcomes in regional, rural and remote Australia? How can these be improved?

Positive feedback:

- *There have been changes. I can remember when a satellite phone could almost bankrupt you. **Services have improved but there is still a long way to go.** Let's introduce roaming services, shared mobile services (e.g. one tower for all providers rather than an Optus and different Telstra one).*
- ***Emergency app is good, [but] mobile phone and internet reception in rural and remote area can be improved.***

Neutral or negative feedback:

Many believed that the NBN was not planned or delivered effectively

- *Mandating **change to NBN without having the infrastructure in place to support demand.** Implementing the 'upgrade' to a system that has been drought with problems resulting in increased loss of access which in turn has had negative impact on our ability to communicate and provide service to our customers.*
- *Analog phone system did not rely on power. The NBN system has backup batteries with finite life. When there was a total grid failure in Mount Isa in April 2021, mobile phones became useless when the towers batteries went flat.*
- *Introduced NBN; less effective due to use of existing copper to house/premises.*

Several regional businesses consulted had seen no noticeable improvement to telecommunications

- *Not sure, but we **see no improvement.***
- *I have not noticed any effect of the Government's policies.*
- *They just don't want to upgrade our network in regional Qld.*
- *Most of the regional area badly affected by bad call of the government on the day.*
- *Promise to address black spots; black spots increased.*
- *Slow to put best practice communications infrastructure into regional Australia – short-term policy.*

a. Feedback on improvements needed:

Prioritise high-speed internet

- *Providing **better coverage** and not having speeds throttled*
- ***Fibre to node instead of to home** hamstrings rural businesses.*
- ***Continual good coverage, fast NBN, fast internet speeds** for businesses, no drop-outs.*
- ***Reliable service and internet connection** is required.*
- ***Less drain on NBN services especially during peak periods.***
- ***Better NBN** that doesn't rely on elderly copper infrastructure that Telstra haven't maintained for 20 years would also be nice.*

Addressing coverage issues and black spots

- ***More mobile Blackspot work** would be great.*
- *Provide basic **service beyond township boundaries.***

- *Mobile phone towers & or satellites to be installed along roads that **connect regions**.*

Improved understanding of the regions through better consultation

- *Many government policies associated with telecommunications reflect a **lack of understanding** of the impact of distance, isolation, the impacts of accidents and disasters in rural and remote regions and the differences caused by terrain i.e one person on a hill may get internet/mobile coverage and his neighbour across the road in a slight valley will not.*
- *By **listening** to people from rural and remote Australia.*
- ***Broader consultation to identify issues and needs**; community education & awareness raising; access to skills development for servicing & maintenance locally.*
- *Be aware that these are challenges and address them and prioritise if not for anything for safety when in these areas.*
- *It seems that we tend to be forgotten about. Perhaps actually visit these locations and speak with the locals about the access, or lack thereof.*

Digital inclusion and service standardisation

- *Coverage and reliable service should be available for everyone. People need to be able to run businesses, connect with community and seek assistance and support from their own homes and business locations.*
- ***Bring us up to 'city' standards and keep the cost to that also.***
- *More accessible via **training** and use **information**.*
- *Community **education** is required.*
- *The government policies have helped, but service providers are still looking for returns on investment, which only comes with volume of customers. **Compatible services for rural areas must be subsidised** further for the smaller customer base in rural areas. **Charging councils is just robbing the community.***

Service Reliability

4. *How do service reliability issues impact on regional communities and businesses? How do outages, including in natural disasters, impact of communities and businesses*

Businesses in regional, rural and remote areas are already at a disadvantage in terms of access, affordability, reliability and investment certainty of improved telecommunications.

Productivity and operational effectiveness

- *Significant **inability to operate** – unable to process payments, do any sort of day-to-day activities due to no internet. For some businesses it may mean closure until service is restored.*
- ***Impacts connections for professional business operations**; impacts effective skills and Training potential delivery.*
- ***Inability to be in touch with clients, suppliers and family and friends** has a massive impact on all areas of communication, personal and business.*

- **Cyclone Marcia showed us just how vital phone coverage is in a disaster, but also how reliant we are on power for these devices. Power underground should also be a priority to protect our ability to communicate in the aftermath of a natural disaster.**
- **The loss of telecom access over multiple days significantly impacts local businesses and services. They are unable to operate without Eftpos facilities, access to internet for stock control, invoicing etc.**
- **Without full coverage it is impossible for any business to run an efficient service. Something the people living in cities never have to deal with.**
- **NBN consistently dropping out impacts business greatly as there is no phone or internet coverage to operate.**

Competitiveness

- **We already have to deal with the tyranny of distance when trying to access supplies in a timely and affordable manner which is then compounded by high levels of unreliable access to relied-on communication services.**
- **A lot of companies and people have a strong digital presence now, this means that outages create significant losses to businesses.**
- **Rural business owners are at a disadvantage with slow internet, especially when using an online platform to advertise or sell products. Slow internet slows the business down.**
- **Reliability issues make us look incompetent and not worthy of consideration for provision of services. In a disaster situation it makes a dangerous situation exponentially worse.**
- **The inability to schedule regular online events due to reliability issues prevents business competing on a level playing field with those in better areas.**

Constraints on growth

- **In outer regions reliability and coverage become very restricting for businesses that want to invest in technology.**
- **With not just agriculture but other industries such as mining and tourism requiring an online presence and instant access, it impacts on development on a personal, business and industry scale!**

Safety and Liveability

- **Service is unreliable (mobile) from 15 Km outside of major population centres (up to 140km between villages) - health and safety risks barrier to business; outages without access to communications pose major risks to personal health and safety; mental well-being; business cannot operate.**
- **As an emergency service, mobile phone, radio and satellite phone reception is important as our business is providing prehospital care to our patients in rural and remote areas. Some cases require choppers to pick up patients from properties and mobile phone reception is imperative to patient outcome**
- **Impacts liveability. Impacts safety. Impacts ability to work remotely in regions.**
- **Professionals in health and enforcement require access at all times in case of emergency to assist community.**
- **Check in for COVID tracing is not possible.**

- Reduces **personal well-being** via lack of connection to extended family
- We are dependent of communications. Unlike towns, we can't just 'pop down the road' if the internet goes down and we need something. **Communication is essential in keeping our lives going - both at a business and personal level.**
- **First and foremost it is a safety issue**, people working in a paddock should be able to call for help when needed just as easily as someone working in an office. Lack of consistent phone service does not allow for that and has often been the reason people have lost limbs and lives.
- **Outages during emergencies and natural disasters have been life-threatening** and very anxiety-producing.
- Sometimes the phone drops out in the middle of counselling sessions. Sometimes calls don't go through due to lack of signal in some areas. **Without effective communication in times of natural disaster, some people could be at great risk, e.g. domestic violence situations - they can't access supports.**

5. How might such impacts be addressed to ensure greater reliability? How can the network resilience be addressed in regional areas?

As per the improvements listed above, and advised from regional Queensland business consultation, network resilience can be improved by:

- a. **Prioritising the delivery of high-speed internet for regional areas**
- b. **Addressing coverage issues and black spots**
- c. **Improved understanding of the regions through better consultation**
- d. **A commitment to digital inclusion and service standardisation**
- e. **Continual upgrades and maintenance of regional telecommunications assets.**

COVID-19

6. How did the use of digital services change for regional consumers and businesses during the response to the COVID-19 pandemic? What insights for future service delivery does this provide?

The overwhelming impact of COVID-19 on business resulted in the rapid adoption of new digital technology and practices. The online market provides a wealth of opportunity for business, as consumers continue to move online. Now more than ever, businesses see the benefits of investing in digital technology, to not only ensure business survival but also to advance opportunities.

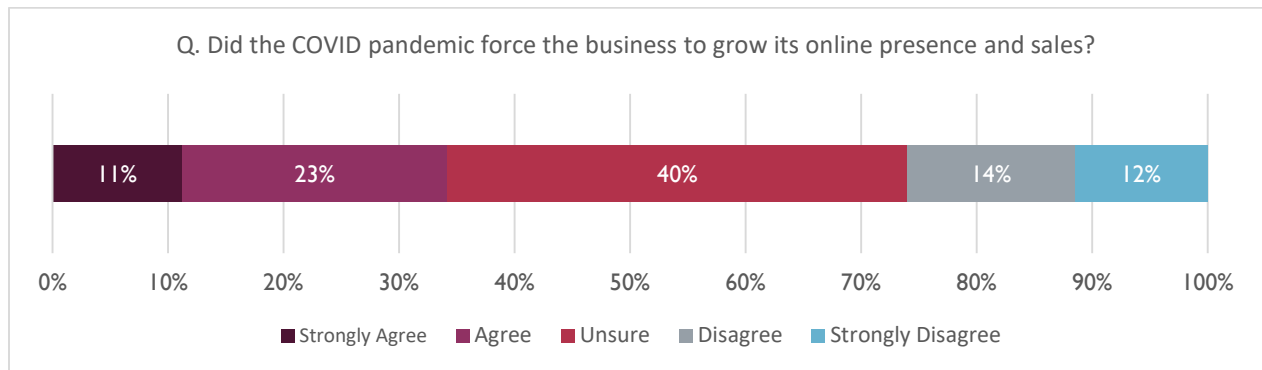
For this digital expansion to offer the same level of economic opportunity in regional and remote areas as metropolitan (and better connected) areas, telecommunications infrastructure and services will need to be addressed. Telecommunications challenges were already a significant issue for regional business prior to the COVID-19 pandemic, and now present a real threat to the competitiveness and resilience of these disadvantaged areas.

Government assistance will be required across the supply chain, from infrastructure planning and delivery, to ensuring competitive market pricing for services, supporting better cyber security as businesses move to online storage, as well as supporting businesses to adopt new digital skills and capability.

Findings from the 2021 Digital Readiness Survey of Queensland Businesses: Pre- vs During- COVID

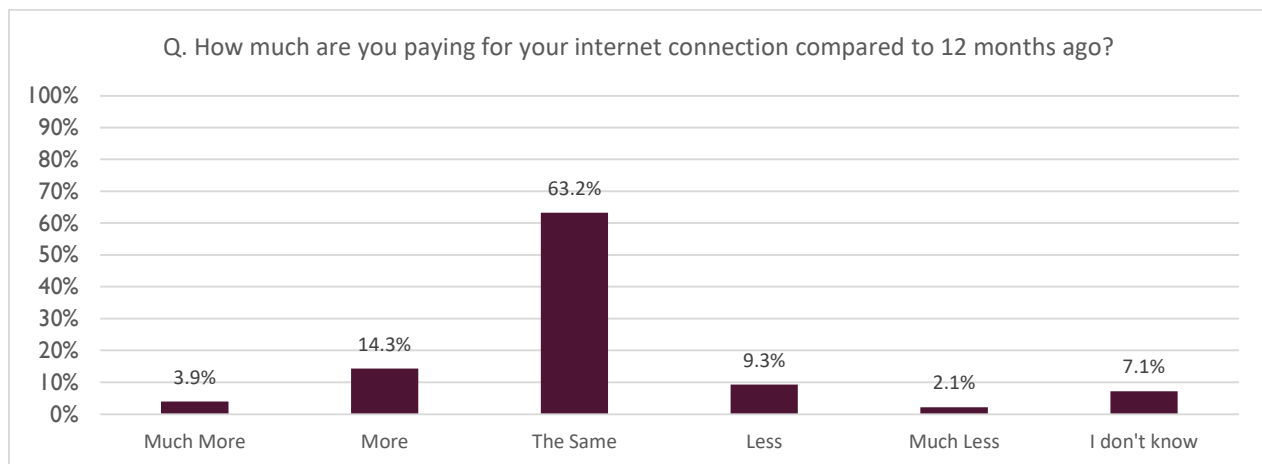
In 2021, CCIQ undertook a Digital Readiness Survey¹ of Queensland businesses. The survey, previously undertaken in December 2019, is a way for Queensland businesses to tell us about their digital practices, performance and challenges, and an opportunity to benchmark how businesses are doing and improve their digital performance.

The findings of the surveys, pre- and during- the COVID pandemic, found that the COVID pandemic changed how business conducted **day-to-day operations to be increasingly more digital, and across more digital platforms**. 34% of businesses responded that the COVID pandemic forced the business to grow its online presence and sales, as shown in the chart below.



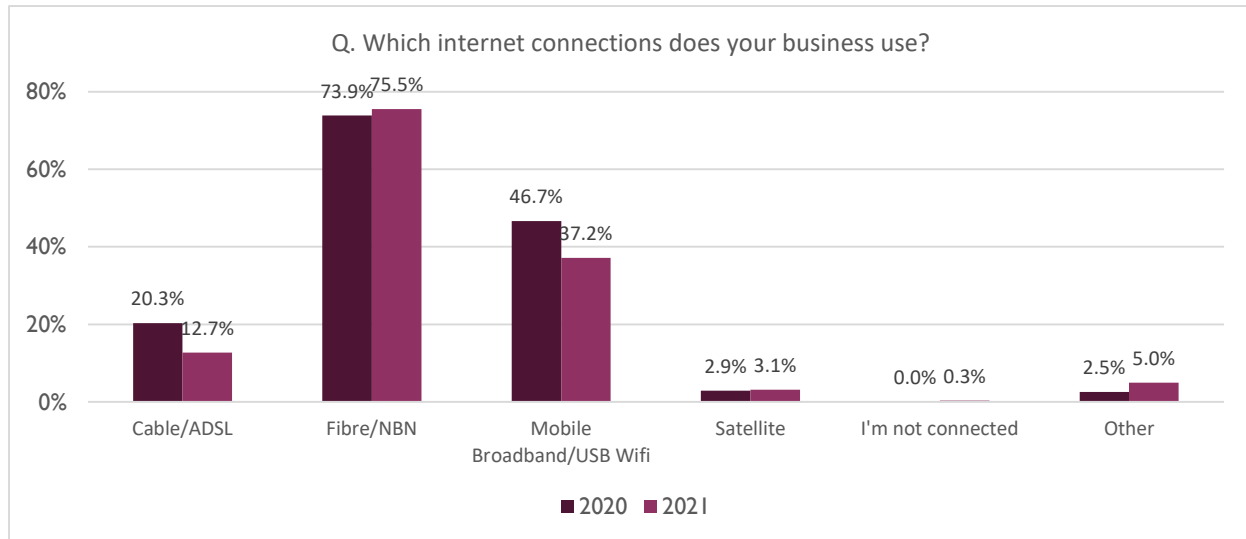
Pre-COVID, businesses focused on connecting via email and phone to do business. In 2021, while email and phone are still the two dominant ways in which businesses are connecting, 32% are using social media and there was a 7% increase in the use of webinars. This suggests a shift towards **more online-based communications** by Queensland small businesses since the COVID pandemic began.

This change in the use of technology also impacted on the **affordability** of digital services. 63% of businesses surveyed responded that they are paying the same for their businesses internet connection, but **18% paying more than last year**.



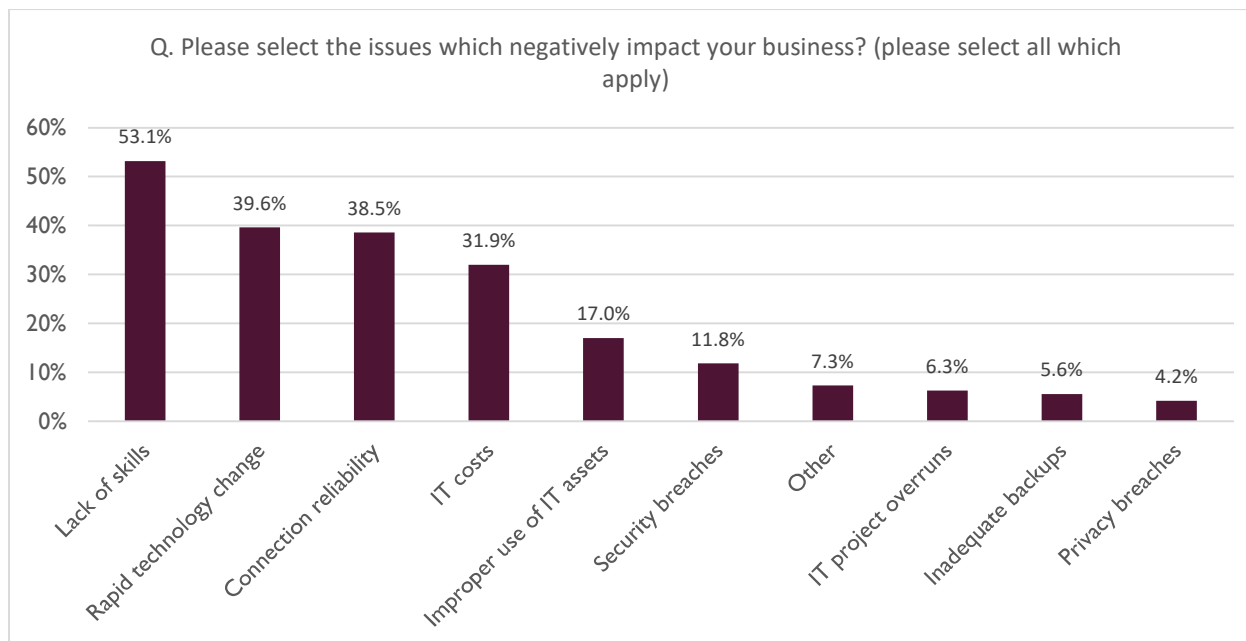
¹ CCIQ, 2021, *Digital Readiness Survey 2021*.

In 2021, Fibre/NBN was still the most common form of internet connection, with this service slightly increasing from the previous year, while Mobile broadband/USB wifi services decreased. This shows the **increasing business market demand for Fibre/NBN services as the preferred form of internet connection in Queensland.**



It is important to note though, that small business exposure to the **risk of digital attacks** has already increased. Queensland businesses (78%) said they were affected by email spam in the past 12 months, up 14% from prior to COVID-19. Cyber-security is a critical risk impacting on the resiliency of Australian businesses.

Considering all the digital-related issues which may negatively affect their business, **connection reliability** ranked the third-highest, at 38.5% of all businesses surveyed.



Indigenous Australia

7. What can be done to improve the access and affordability of telecommunications services in regional, rural and remote Indigenous communities?

In consultation with stakeholders in northern Indigenous business networks for the preparation of this response, it was shared with CCIQ that (confidential) community consultations held in 2017 in remote and rural Northern Queensland found that:

- 85% people in remote locations had no computer at home
- 65% had low to very low literacy
- 90% had low to very low internet capability

It is critical to address any telecommunications-related projects in Indigenous communities by keeping in mind these literacy challenges and barriers to access, use and affordability of technology in a holistic manner.

In a 2019 report by Telstra, *Measuring Australia's Digital Divide: Australian Digital Inclusion Index 2019*², powered by the Roy Morgan Research Single Source Survey, it was reported that Indigenous Australians ranked in the top 10 disadvantaged demographic for digital inclusion. Their research found that Indigenous Australians had an Australian Digital Inclusion Index (ADII) of 55.1, compared to the total Australia ADII of 61.9, as shown in the table below.

Ranked score for groups with low digital inclusion (ADII 2019)²

Rank	Select Demographic	ADII Score	Points change since 2018
1	Household Income Q5 (Under \$35k)	43.3	+2.1
2	Mobile Only	43.7	+1.1
3	Aged 65+	48.0	+2.1
4	Less than secondary education	49.4	+2.1
5	Disability	52.0	+2.4
6	Household Income Q4 (\$35-60k)	53.1	+1.8
7	Not in labour force	53.8	+1.9
8	Indigenous Australians	55.1	+1.0
9	Completed Secondary	59.6	+1.1
10	Aged 50-64	60.4	+2.3
	Australia	61.9	+1.7

² Telstra (2019), *Measuring Australia's Digital Divide: The Australian Digital Inclusion Index 2019*.

The research by Telstra also reported the following key insights relevant to this review:

- “While Indigenous Australians score below the national average on each of the three ADII sub-indices, **Affordability** remains the key issue for this group”. The prevalence of **mobile-only connectivity**, which carries higher costs per gigabyte than fixed connections, contributes to poor levels of Affordability amongst Indigenous Australians.”
- “ADII Supplementary survey research conducted in the far north Queensland remote Indigenous community of Pormpuraaw and the central Australian remote Indigenous community of Ali Curung suggest **digital inclusion for Indigenous Australians further diminishes with remoteness**, particularly with regards to Access and Affordability.”

In a consideration of the Australian Government’s commitment to Closing the Gap³, CCIQ recommends that a program of (community-led) research is funded to measure and monitor digital inclusion in Indigenous communities, to holistically consider the improvements needed concerning the accessibility and affordability of telecommunications services in regional, rural and remote Indigenous communities.

Opportunity for Regional Development

8. How can investment in telecommunications infrastructure work with other programs and policies to encourage economic development in regional Australia?

Strategic planning: a commitment to digital inclusion

Digital inclusion and equitable telecommunications access should form a key part of **strategic planning** across all levels of Government in order to advance the liveability and economic potential of regional Australia.

Trade and investment attraction: subsidised telecommunication services for key growth sectors

Subsidised telecommunications services for rural and remote businesses should be explored, in order to offer connections at market equitable price to an otherwise disadvantaged demographic. This could be considered as a key opportunity for **regional trade and investment attraction** for **identified growth areas and sectors**.

9. What role could innovation, including new models, alternative investors or new ways of doing business, play to encourage investment in regional telecommunications infrastructure? What are the barriers?

Accelerate eco-efficient infrastructure

Prioritising the delivery of eco-efficient infrastructure projects, such as renewable energy, resource recovery and other circular economy projects, could enhance the competitiveness and resilience of regional Australia and the capacity to do business and attract investment. This may further support the delivery of enhanced telecommunications services or opportunities for service nodes to improve connectivity.

Sustainable transformation of regional communities

The sustainable transformation of regional communities will support the transition of regional business to adopting sustainable business practices and building their own resilience. An example of this could be

³ Australian Government, National Agreement on Closing the Gap, closingthegap.gov.au

supporting regional communities to transition to renewable energy sources to be less vulnerable to energy network outages or the impacts of climate change and natural disasters.

Incentivising digital adoption

Where government develops a digital approach as business-as-usual, this helps to promote e-commerce as best practice for businesses. Incentivising the digitisation of paper-based processes can also make access of a wide-range of government services and processes more equitable to regional Australian stakeholders.

However, barriers in reliable telecommunications for these areas must also be taken into consideration, with any new digital processes implemented by government considering the data or connectivity speed requirement in order to participate.

Emerging Technologies

10. To what extent will new technologies enable significant change to the delivery of telecommunications services in regional Australia over the next 5-10 years? Are there any barriers to accessing these technologies?

For Queensland small business, the capacity to invest and grow is hampered by reliable telecommunications infrastructure.

There are however opportunities for businesses to adopt new and emerging operational practices, where the telecommunications infrastructure supports it. **Advanced technologies, sustainable business models** such as connecting with **circular economy** opportunities, **advanced manufacturing**, and **in-place processing opportunities** can all be enhanced by reducing the barriers that an unreliable telecommunications network currently presents.

11. How can Government better support the rapid rollout of and investment in new telecommunications solutions in regional areas?

Ongoing research of the needs and barriers of telecommunications access and use in regional and remote Australia, including Indigenous communities, to ensure service options are aligned to the needs of the market.

Consideration of the telecommunication needs of **emerging technologies and sectors** is also important in the strategic planning of any region. For example, the emergence of high-tech sectors such as advanced manufacturing, advanced agriculture and other sectors adopting or diversifying using STEM technologies, may have a significantly higher demand for fast and reliable connection. The absence of this currently presents a critical infrastructure constraint, and may continue to impede the future economic development of our regions and the advancement of traditional industries.

Maximizing Outcomes

12. How can different levels of Government, the telecommunications industry and regional communities better co-ordinate their efforts to improve telecommunications in regional Australia?

Digital inclusion and equitable telecommunications access should form a key part of **strategic planning** across all levels of Government in order to advance the liveability and economic potential of regional Australia.

Digital a telecommunications infrastructure should be classified as a **priority area of infrastructure** for all levels of government, in order to best articulate and align opportunities to better service regional communities and businesses.

13. What changes to Government investment programs are required to ensure they continue to be effective in delivering improved telecommunications?

A commitment to **improved and timely delivery** of telecommunications projects could provide improved confidence for investment in regional businesses. The NBN was designed to reduce the digital disadvantage of regional and remote Australia². However **the capacity of the NBN to meet the future needs and economic potential of regional and remote areas will require further investment**.

Government could also support or lead the delivery of **telecommunication information forums** for service providers to collectively address industry and community. At present, this type of forum is only supported by industry groups and with limited capacity in some remote areas. For example, the National Broadband Network service opportunities for industry needs to be presented alongside service providers to fully identify the opportunities and challenges for regions and targeted at specific industry development needs.

Further Enquiries

CCIQ thanks the Department of Infrastructure, Transport, Regional Development and Communications and the Committee for the opportunity to comment on this issues paper. If there are any further questions in relation to this submission, please contact our Policy team at cciqadvocacy@cciq.com.au.