



cBallarat
connecting communities

Mr Dick Estens
Chair
Inquiry into Regional Telecommunications
Locked bag 8690
Canberra City
ACT 2600

27/09/2002

Dear Sir,

RESPONSES FROM THE BALLARAT CITY COUNCIL

I am the project manager for cBallarat Limited, which is a strategic ICT body dedicated to assisting in the promotion and coordination of ICT development in the Ballarat Region. This organisation works hand in hand with the Ballarat City Council. I have been asked to draft and forward comments to your Inquiry on behalf of both organisations. These comments are set out below.

1. The extent to which the Government's response to the Telecommunications Service Inquiry (TSI), other Government initiatives and further commercial developments have so far addressed the community concerns identified in the TSI Report, particularly with regard to:

- the timely installation, repair and reliability of basic telephone services;
- adequate mobile phone coverage at affordable prices; and
- reliable access to the Internet, and whether ongoing delivery of the Government's response will meet the TSI concerns within a reasonable timeframe.

1.1 Basic telephony services overall are good in Ballarat. As far as Ballarat is concerned, we have seen some improvement in customer service levels, but there are still incidents that indicate that there is work to be done. The perception is that the introduction of Telstra Countrywide has been a good thing, but they are still hamstrung by other Telstra divisions. There are still issues outside of the Ballarat region that do not seem to have been overcome.

1.2 Mobile services are good in Ballarat itself. There are areas immediately outside of Ballarat where there are problems in the CDMA network (esp. out towards Skipton) but we understand that some of these problems are being addressed. GSM services outside of Ballarat continue to be patchy.

1.3 Ballarat has a reasonably competitive model when it comes to the provision of Internet services. There are a number of significant players here besides Big Pond, including home-grown Chariot NetConnect and Neighborhood Cable. ADSL services

have been rivalled by cable Internet offerings of Neighborhood Cable. Neither ADSL nor cable is available across the whole of Ballarat. ADSL still has reliability problems.

There are some significant holes in service in some urban locations, for instance, Buninyong and Mount Helen. Satellite alternatives are available but there are some difficulties in regard to support for commercial firewalled solutions (eg Norton Internet Security) for this type of system.

Some difficulties for small businesses have traditionally existed, such as getting fixed IP numbers for Big Pond ADSL services.

One to one services levels can vary but overall, the individuals in the team are knowledgeable and service orientated.

2. The performance of Telstra, as the primary Universal Service Provider, in meeting Customer Service Guarantee (CSG) standards on the timely installation, repair and reliability of basic telephone services in regional, rural and remote Australia, compared with its performance in metropolitan markets and with overseas carriers in reasonably equivalent markets.

This is a little difficult for us to gauge. As stated in the Productivity Commission's report "*International Benchmarking of Remote, Rural and Urban Telecommunications Services*" (July 2001)@ p xv, "There is little or no monitoring in other countries of the quality of PSTN service that is reported separately for remote, rural and urban areas.

The report states that for Australia and Canada, "Fault repair performance in rural areas was slightly lower than that in urban areas in both Canada and Australia".

A survey of the region (including Ballarat) in May 2001 by Opticon (Western Region Telecommunications Capability Study) indicates that the service levels are relatively consistent and reliable. Of 273 Ballarat respondents, 10 had reported a dropout or disruption, 1 had a problem with coverage or black spots, 14 had reported servicing or repair problems and 1 had complained of a lack of adequate bandwidth. The figures were correspondingly higher in areas outside of Ballarat.

No studies have been held since. Anecdotal evidence does not suggest any appreciable changes, but the ability to contact local Telstra Countrywide offices based here in Ballarat has had a discernibly positive effect on customer service relations.

3. Additional Government action that may be taken to remove impediments to the delivery of internet services at 64Kb/s or better and wireless-based technologies in regional, rural and remote Australia.

The competitive model that the City of Ballarat has deliberately pursued is having appreciable effects on the market locally. Uptake of Internet access in Ballarat generally is running close to the national average, which is good for a regional area. The uptake of broadband services appears to be good given the direct result of competition and options about what type of service should be taken up. Awareness of broadband services appears to be relatively good.

The ability to encourage competition is a key to the continued growth of the broadband market in Ballarat. The issues are more difficult and more vexed outside of the Ballarat region.

The introduction of Telstra's DSL services, appears to be retarding the progressive investigation of alternative CAN infrastructure in a big way. The provision of optic fibre and wireless services are now being implemented commercially by Neighborhood Cable and the introduction of the \$14 million "CollaborativeOptical Leading Testbed' project into Ballarat will provide a leading edge in the research and development of true fibre to the home/office solutions as a real alternative to current CAN infrastructure.

The Victorian State Government has also encouraged exploration in this area through its "Alternative CAN Demonstrator" program.

4. The current provision of legislated consumer safeguards including the Universal Service Obligation, the Customer Service Guarantee, untimed local calls and the Telecommunications Industry Ombudsman and whether further action is required to ensure these safeguards are enforced into the future.

The issues that apply across the nation are as applicable to the Ballarat region. The actual understanding of rights with regard to USO and CSG could still be much better. There is a lack of high profile information that explains or draws attention to these rights.

5. The ongoing commitment of Telstra to a local presence (such as Telstra Country Wide) in regional, rural and remote Australia.

The introduction of Telstra Countrywide and the personal aspect in respect of which its staff have brought have made a significant difference. Telstra Countrywide has participated and contributed actively in community-based projects such as the Ballarat Telecommunity Fund and the Ballarat Telecommunity Portal. (www.myballarat.com).

Telstra Countrywide senior staff based in Ballarat play a significant and integral role in strategic development in Ballarat.

As alluded to above there appears to be some distinction between the services that Telstra Countrywide can deliver and where other divisions have jurisdiction. There are still areas in which Telstra countrywide does not seem to act autonomously. There have been incidents where, in order to rectify a service delivery or installation problem, it has been necessary to ask the local staff at Telstra Countrywide to assist in resolving problems. In all most all cases this has been

successful, but it brings into query where the jurisdictional lines between Telstra Countrywide and other divisions in Telstra lie.

6. The most effective means by which the Government can ensure that people in regional, rural and remote Australia can share reasonably equitably - in terms of availability and cost - with residents in metropolitan Australia in the benefits of future advances in telecommunications services resulting from competition and new technologies.

It is beyond dispute that all things are still not equal between country and city. There are concerns that with the prospect of further privatisation of Telstra, in spite of the initiatives to secure equality of service in the bush, that economic and commercial exigencies placed on a commercial organisation in an environment of increased competition, will result in a reduction of both the quality and range of services.

Clearer mandates in respect of capital works strategies for backbone and CAN infrastructure and a clearer long term national plan for the introduction of real (ie >2Mb) broadband capability needs to be put in place sooner rather than later.

Capital subsidies that could ameliorate ROI problems for private providers should be considered more comprehensively.

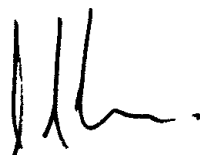
Regional and rural strategy groups should be funded to a greater extent. Here in Ballarat, out of the State Government initiated Televillage projects, an ICT strategy group known as cBallarat Limited, has been set up. Such groups should be funded to develop specifically focussed regional strategies and regional monitors that feed in to a national environmental planning structure.

The overall conclusion is that whilst things are on the improve in Ballarat, the fact of the matter remains that telecommunications in the bush is still very much lagging behind metropolitan areas in both levels of service and availability of products, as well as in respect of cost. Ballarat is better placed than most regional centres. This has been a direct result of the pursuit of direct policies by the Ballarat City Council and State Governments to establish open competitive models here and the development of an active environment of securing ICT and telecommunications projects for the region.

We firmly believe that given the pro-active stand taken in Ballarat locally, there has been a positive influence on Telstra Countrywide's operations in the region and we continue to work with them to improve the situation and close the gap.

We trust that these comments are of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. Fong', with a small flourish at the end.

George Fong
Project Manager
cBallarat Limited

cc John Mclean - CEO, City of Ballarat