



Regional Telecommunications Enquiry

Submission

Document Revision: 1.0

Date: 14 September 2002

Document ID: 17

Status: APPROVED

Table of Contents

Introduction.....	3
Scope	3
Contact Information	3
References.....	3
Summary.....	4
Broadband Internet Service.....	4
Mobile Telephone Service	4
Plain Old Telephone Service.....	4
Comments on Terms of Reference	4
TOR 1.....	4
TOR 2.....	5
TOR 3.....	5
TOR 4.....	6
TOR 5.....	6
TOR 6.....	6

Introduction

Scope

This document presents a submission to the Regional Telecommunications Enquiry.

Contact Information

John Leiseboer
Thurston Park
101 Lindeman Road
Beerwah, QLD 4519

Phone: 07 5494 6740
Fax: 07 5494 6740
Mobile: 0409 487 510
Email: jleiseboer@bigpond.com

References

- [1] Telstra, *Telstra Bigpond Broadband ADSL – Pricing*,
<http://www.bigpond.com/broadband/products/adsl/pricing.asp>
- [2] Telstra, *Telstra Bigpond Broadband Cable – Pricing*,
<http://www.bigpond.com/broadband/products/cable/pricing.asp>
- [3] Telstra, *Telstra Bigpond Broadband Satellite – 2 Way Pricing*,
<http://www.bigpond.com/broadband/products/satellite/2waypricing.asp>

Summary

Broadband Internet Service

The cost of broadband internet access to non-urban users for comparative quality of service and performance profiles is grossly excessive.

For moderate broadband services a regional user can expect to be charged more than 260% for installation, more than 240% for monthly charges and around 12,000% for additional usage charges over that of equivalent broadband services charged to an urban user.

In absolute terms, urban users would pay between \$1,100 and \$1,400 for an eighteen month broadband contract. For the same, or lower performance, broadband service, for the same eighteen month period, non-urban users would pay between \$3,000 and \$4,000.

Urban users exceeding their usage allowance by 10% would pay between \$1,200 and \$1,600 for the same eighteen month period. Non-urban users would pay between \$8,000 and \$22,000 for exactly the same over-allowance usage!

A technical reason for these differences in charges to non-urban users is the absence of ADSL and cable broadband services in non-urban areas. To provide equivalent broadband service, the only option available to non-urban users is two-way satellite. Telstra is the only organisation in Australia that provides two-way broadband service to users not able to access ADSL or cable broadband services.

Mobile Telephone Service

GSM coverage around Beerwah is the same today as it was three and a half years ago: very poor. Mobile service 1 – 2 km from the Beerwah town centre is very patchy. There are many dead zones.

The introduction of CDMA services has made very little difference to coverage in Beerwah. Additionally, CDMA coverage appears (subjectively) to be worse than GSM coverage in many areas around the country.

Plain Old Telephone Service

Prices have continually risen and performance has remained the same or deteriorated.

Response to service calls and complaints is sluggish. It does not appear to have improved over the last three and a half years.

Comments on Terms of Reference

TOR 1

Achievements of recent initiatives and general adequacy of services

There has been no improvement in services. But there have been price increases. Fixed telephone services are equivalent or marginally worse in Beerwah compared to three and a half years ago.

Mobile services have not improved either. GSM services have not improved at all. CDMA provides very little improvement in Beerwah and appears to provide worse coverage outside Beerwah.

While urban users have access to moderate performance broadband internet service, users in Beerwah are faced with grossly excessive charges for essentially the same performance levels.

There has been no improvement in telecommunications services in Beerwah whatsoever since 2000. These services could be improved considerably by providing decent mobile coverage, fair broadband access charges and consistent quality fixed telephone services.

TOR 2

Fixed telephone connections, reliability, repairs and performance

Generally, fixed telephone service is quite good. However, when faults occur, it can be frustrating getting the problem resolved.

Since June this year internet service has become very unreliable. Connections are dropped many times per session, requiring redialling into the ISP. This has resulted in the local call costs of my telephone bill increasing 300% for the current quarter. Who is to blame? Is it the fixed telephone service? Is it the ISP – Bigpond? Is it each one of my four modems and four computers that all experience the identical problem at home, but never on the laptop when used in other parts of the country or overseas?

In recent times there have been clicking noises on the line – sounds just like someone has connected across the line and is listening in. Although Telstra advertise a response time of 24 hours, I am still waiting as I write this (four days after finally placing a service call).

TOR 3

Internet access

I am employed in the software industry. I also run an engineering design consultancy. My business, my income and my lifestyle are reliant on internet service. Close to 100% of all my consultancy communications with overseas customers is via email. Over 80% of my consultancy communications with Australian customers is via email.

I have regularly reviewed broadband service availability in Beerwah. My use of, and dependence on, the internet for business purposes is increasing. Lack of a fairly priced broadband service in Beerwah has slowed the growth of my consultancy business and made it more difficult to operate as well and responsively as I would like.

As stated above, drop-outs on my dial-up service have recently increased my operating costs. The degradation in service has been recent. A response to, let alone resolution of, the problem is slow.

The cost of access to broadband – both absolute and relative – is grossly unfair and high in Beerwah, as in other non-urban areas. The table below summarises the costs of a couple of representative moderate broadband services.

Plan	Monthly Fee	Monthly Allowance	Max Speed	Additional Megabytes	Installation Charge	18 Month Cost	18 Month +10% Usage
ADSL Residential							
300MB	\$59.95	100.00%	300MB	256/64	0.159	100.00%	\$1,268.10
1GB	\$76.95	100.00%	1GB	512/128	0.149	100.00%	\$1,311.03
Cable Residential							
300MB	\$54.95	91.66%	300MB	max/128	0.159	100.00%	\$1,281.03
1GB	\$64.95	84.41%	1GB	max/128	0.149	100.00%	\$1,303.20
2 Way Satellite							
300MB	\$145.00	241.87%	300MB	256/64	18.900	11886.79%	\$3,109.00
1GB	\$240.00	311.89%	1GB	512/128	18.900	12684.56%	\$8,212.00
							\$21,330.00

All figures produced in this table have been taken from publicly available pricing information provided by Telstra Bigpond. The scenarios above cover moderately high-speed two-way internet broadband services.

For moderate broadband services a regional user can expect to be charged more than 260% for installation, more than 240% for monthly charges and around 12,000% for additional usage charges over that of equivalent broadband services charged to an urban user.

In absolute terms, urban users would pay between \$1,100 and \$1,400 for an eighteen month broadband contract. For the same, or lower performance, broadband service, for the same eighteen month period, non-urban users would pay between \$3,000 and \$4,000.

Urban users exceeding their usage allowance by 10% would pay between \$1,200 and \$1,600 for the same eighteen month period. Non-urban users would pay between \$8,000 and \$22,000 for exactly the same over-allowance usage!

A technical reason for these differences in charges to non-urban users is the absence of ADSL and cable broadband services in non-urban areas. To provide equivalent broadband service, the only option available to non-urban users is two-way satellite. Telstra is the only organisation in Australia that provides two-way broadband service to users not able to access ADSL or cable broadband services.

TOR 4

Legislated safeguards

Legislated safeguards are possibly maintaining reasonable service levels for fixed telephone and mobile users, but they have not worked well at all for broadband internet consumers in regional Australia.

Monthly and installation fees of over 200% and additional usage fees of 12,000% provide obvious evidence that non-urban consumers are grossly disadvantaged.

TOR 5

Local presence

The establishment of Telstra Country Wide has done nothing for Beerwah. Services have not improved. Broadband access is still excessively priced.

If Telstra were required to use the services that they provide in non-urban areas they might become aware of their poor service. Perhaps the CEO, board members and executive management of Telstra, and their friends, families and businesses should have their Telstra services restricted to the equivalent of that provided in non-urban regions. This might make them understand the difficulty of working within the constraints of the service.

Perhaps the executives' bonuses should be more closely linked to customer satisfaction and lesser emphasis placed on making a profit. Telecommunications services enable all businesses in Australia to operate. Poor, restrictive and/or over-priced services are burdens on business growth and profitability.

TOR 6

Sharing in future telecommunications benefits

Regular monitoring of prices and service availability – by region – would provide a clear indication of whether there was “reasonable equity” in telecommunications services.

Just like the CPI is based on standard consumer costs, a number of indices could be tracked that compare prices paid in different regions for equivalent services.

Creation, tracking and calculating of these indices should not be done by Telstra. They should be undertaken by an organisation that can apply a fair appraisal – unaffected by Telstra's objectives and political influence.