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2021 Regional Telecommunications Review Secretariat
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2021 Regional Telecommunications Review

To the Chair

Thank you for the opportunity to provide feedback on the *2021 Regional Telecommunications Review* examining regional telecommunications issues.

The NSW Small Business Commissioner (the Commission) is an independent statutory office of the NSW Government. It provides strategic advice, advocacy and affordable dispute resolution services across NSW.

The Commission's role includes:

- encouraging government agencies and larger businesses to enter productive working relationships with small businesses
- facilitating and encouraging the fair treatment of small businesses
- promoting a fair operating environment in which small businesses can flourish.

The Commission notes that the Regional Telecommunications Review provides an opportunity for people living and working in regional, rural and remote areas of Australia to share their views and experiences using telecommunications services in their area. The Commission appreciates the opportunity to share the feedback of small businesses that have contacted us to share their challenges related to their telecommunications services.

Regional telecommunications provide important channels for small businesses to access new markets, stay connected and deliver services. Challenges faced over the past few years, including floods, bushfires and COVID-19, have highlighted the need for small businesses in regional, rural and remote NSW to have access to fast, reliable and equitable telecommunication infrastructure and services.

The Commission's September 2021 Small Business Survey found that one in four business operators across NSW have experienced issues with their telecommunications services over the past 12 months. This figure is significantly higher for small businesses in Regional NSW (30 per cent), compared to Greater Sydney (24 per cent).

The Commission would be pleased to support the review by sharing further survey insights related to telecommunication issues impacting small businesses across NSW.

Business needs

The Commission is aware of poor telecommunications infrastructure and services negatively affecting small business operators in regional NSW. These small businesses have indicated that regional telecommunication services do not meet their businesses' expectations and needs due to issues with the accessibility, performance and reliability of internet and mobile services. It is reported that this makes it difficult to conduct business in a consistent and reliable manner.

Small businesses in regional areas often face difficulties when performing basic business functions such as processing orders, making phone calls and teleconferencing. Fundamentally, these issues occur because small businesses in regional NSW do not have access to reliable telecommunications services. Recent examples reported to the Commission include:

- A small business operator who has had to use mobile data to process orders and communicate with clients as their internet service was not working.
- A small business operator with an unstable internet connection, resulting in frozen screens and sound warping during online meetings, making it difficult to provide a professional service.
- A small business operator running a motel who had no NBN connection for seven days, leaving the business with no telephone or internet services. During this period the business was unable to perform operations critical to the business.
- A small business operator who relies on mobile services to run their business but regularly encounters difficulties due to poor mobile reception and blackspots.

The Commission encourages continued refinement of customer service standards and ongoing investment in the NBN to ensure:

- the network keeps pace with the needs and expectations of all businesses, especially for those in regional, rural and remote areas
- minimum performance standards continue to improve
- the slowest performing connections are upgraded
- issues are resolved in a timely manner.

Service outages and natural disasters

Regional communities and businesses in NSW have been devastated by floods and bushfires over the past few years. During these difficult events these communities and businesses were left without telecommunications services for extended periods of time. While service interruptions due to natural disasters are unavoidable, the Commission would note there are unique issues faced by small businesses which limit their ability to start the recovery process, including:

- Accessing up to date information about the disaster zone.
- Inability to progress insurance claims, which are typically processed online or over the phone.
- Inability to communicate with clients and perform day to day business operations (such as process refunds, orders or EFTPOS).

The Commission encourages the Committee to consider targeted measures to improve the resilience of regional telecommunications infrastructure and whether there are improvements

that can be made to current protocols to ensure repairs are fast-tracked in the event of natural disasters.

COVID-19 and service delivery

Network congestion during the pandemic has made it difficult for small business to operate with frequent dropouts, slower speeds and performance having a significant impact on the ability of small businesses to perform day to day operations. The COVID-19 pandemic has put immense strain on regional telecommunications infrastructure, with surging demand affecting the accessibility, speed and reliability of telecommunications services available to small businesses.

The Commission observes that in some cases challenges experienced may be due to the network infrastructure of individual users (for example, a home-based worker's router and related network devices). There may be an opportunity for the Committee to consider what information and support can be provided to less sophisticated users of technology, particularly small business operators without dedicated IT specialists.

Pressure on regional telecommunications infrastructure and services will continue to grow as more small businesses in regional areas move operations online. Challenges which first presented during the pandemic may persist as businesses become more dependent on their network infrastructure (for example, with remote working, working from home, home schooling and migration from larger cities into regional areas becoming an enduring trend).

The Commission recommends that investment decisions regarding telecommunications service delivery should account for a larger user base, increasingly data dependent and intensive operations and new working paradigms in regional, rural and remote areas.

Additional costs

Poor telecommunications infrastructure and services in regional, rural and remote NSW has meant that many small businesses have to incur additional costs in order to obtain a level of service consistent with their businesses' expectations and needs. In these instances, small businesses may:

- invest in telecommunications infrastructure of their own or upgrade existing infrastructure to get access to or improve a service (for example, installing a mobile phone tower or cabling directly to their premises)
- purchase a higher tier plan (which an equivalent small business in Greater Sydney wouldn't require)
- invest in back up technologies (for example, mobile data) to supplement existing services.

The Commission has previously heard from small business operators in regional, rural and remote NSW who have experienced issues with telecommunication services and incurred additional costs to access or improve existing services. Recent examples reported to the Commission include:

- A small business operator in rural NSW who has had difficulty obtaining internet services that are fit for purpose. Their internet service provider provided mobile data as a temporary solution but the business operator has indicated that this service is both expensive and unreliable.



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- A small business operator who specifically purchased a \$1 million rural property with an NBN tower located on site and initially had a satisfactory connection, but when a fixed wireless connection was upgraded, this led to a higher download speed but a lower upload speed which is not sufficient for the business.
- A small business operator who installed a special antenna at a cost of over \$1,000 in an attempt to improve internet speeds to a functional level.

The Commission notes that issues of affordability are compounded by regional small businesses incurring additional costs (to upgrade or pay for additional telecommunications services), which highlights the inequity of services in regional areas.

Thank you again for the opportunity to make a submission. If you require further information, please contact Megan Bennett at either megan.bennett@smallbusiness.nsw.gov.au or (02) 9372 8767.

Yours sincerely

Chris Lamont
Commissioner
NSW Small Business Commission
29 September 2021