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23<sup>rd</sup> of April 2007

The Committee Manager, Vicki Buchbach  
Standing Committee on Broadband in Rural and Regional Communities  
Parliament House  
Macquarie St  
Sydney NSW 2000  
Fax: (02) 9230 3309

Dear Vicki,

Attached you will find a submission for the inquiry into Broadband in Rural and Regional Communities: Key Issues for Further Investigation. The submission is written on behalf of Tim's Computer Service, a small computer business located in rural New South Wales.

The attached submission looks at the current broadband facilities available to Tim's Computer Service and how these current facilities impact on the business and how upgrades to these facilities would affect Tim's Computer Service. The submission also looks at the cost of broadband for rural communities and emphasises the importance of well-managed National Broadband Network.

Tim's Computer Service would appreciate any information about the outcome of inquiry especially in regards to any consideration of this submission in determining the said outcome.

Sincerely,

Gemma Harben,

On the behalf of Tim's Computer Service, and Timtek PTY LTD

**The needs of rural and regional communities in  
relation to telecommunications (including  
broadband).**

Broadband in Rural and Regional  
Communities: Key Issues for Further  
Investigation (Inquiry)

Written on behalf of Tim's Computer Service,  
By Gemma Harben.

23<sup>rd</sup> of April 2008

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**The needs of rural and regional communities in relation to telecommunications (including broadband).**

**Executive Summary:**

The purpose of this letter is to provide you with the perspective of Tim's Computer Service regarding the inquiry posed by the Standing Committee on Broadband in Rural and Regional Communities: Key Issues for Further Investigation (Inquiry).

Tim's Computer Service is a small computer business, made up of two separate stores, which operate in Gundagai and Tumut, New South Wales. Gundagai and Tumut are both considered as rural communities so the needs of Tim's Computer Service act as case study for the said inquiry.

Tim's Computer Service relies on constant uploading and downloading of information from the Internet, and believes its productivity could increase two fold if it could upload and download at a faster rate. It is in the best interest of Tim's Computer Service and their surrounding communities to have their position in the matter seriously taken into consideration when new telecommunication policies are implemented. The new proposed National Broadband Network by Telecommunications Senator Stephen Conroy, involves download speeds of 12MB/sec, and is what Tim's Computer Service ideally needs in order to reach that maximum potential and expand their rural business.

At present Tim's Computer Service is paying approximately double the price than it would if it was situated in a more urban/metropolitan area. For a small computer business in a rural town, the price of Broadband is expensive which makes profit margins tight and the ability to further expand, improve and renew the business, all the more harder. Tim's Computer Service is in desperate need of more affordable broadband prices in order to remain a successful rural business.

Part of the problem with the constant decline in rural populations can be fixed by improving broadband services in these communities. In order to retain rural population levels the Government needs to look at improving broadband facilities to bridge the gap between the quality of life of those in metropolitan areas with the quality of life with those in rural areas. It may be possible to run a business such as Tim Computer Service in a more metropolitan area, where broadband costs less, and there are more customers, which means greater profits and improved quality of life, which is why many people find it easier to leave their rural community.

The Government understands that the next generation of broadband networks are critical infrastructure no different than roads, water and electricity. What the Government needs to make sure, however, is that it does not overlook the importance of rural and regional communities in terms of access to high speed broadband. At present there is a small percentage of Australians who cannot access high speed broadband and there are still do not have Internet access at all.

## **Introduction:**

Tim's Computer Service is a small computer business, made up of two separate stores, which operate in Gundagai and Tumut, New South Wales Australia. Tim's Computer Service holds interests in the inquiry as its entire trade depends of the quality of Internet connection. Tim's Computer Service operates on an ADSL broadband Internet system with a download rate of 8000kb/384kb and has found that their biggest problem in the day to day running of their business is the upload speed. Tim's Computer Service uses the internet to link their stores together and an upload of 384k is not acceptable, as it means data is shipped between stores via cd, which is both costly and a waste of time as it takes 1hr and 20 mins return trip. If Tim's Computer Service could increase the speed of their internet downloads they wouldn't have to ship data on cd between our stores, run independent accounting packages and could even consolidate some of their existing ADSL accounts. Faster downloads would also allow for Tim's Computer Service to serve more customers hence increasing profit margins.

Tim's Computer Service is also interested in a more affordable pricing scheme, like that found in metropolitan areas. Currently Tim's Computer Service pays approximately \$1000/month for 5 accounts, which according to a phone call with a Telstra operator is double the price of someone living in a metropolitan area. Being a business Tim's Computer Service is firstly there to make a profit, hence if the price of broadband was made more affordable, profit margins would increase and the business would be able to expand, renew and improve in order to provide the best possible service for customers.

This submission will look at the availability of broadband in rural and regional communities and in particular report on the following terms of reference:

- A) The importance of broadband services for education, health and business activities and to retain regional and rural population levels; and
- B) The actual level of service required in the future to maximise the benefits to these communities.

This submission has been compiled through dialogue with Tim Martin, Owner proprietor Tim's Computer Service, Managing Director Timtek PTY LTD, telephone calls with Telstra and Internet research.

## **The availability of broadband in rural and regional communities:**

The availability of telecommunications, in particular high speed broadband, should be available to all Australians regardless of location, and in some instances this is not the case. In order to have access to asymmetrical digital subscriber line (ADSL), which is high speed internet which allows for faster data transmission over copper telephone lines, your local telephone exchange must be ADSL enabled, and you must live within approximately 3.5 km of the telephone exchange to be eligible to have access to ADSL. This doesn't mean people outside the 3.5 km can't receive broadband, it just means they can't receive it via a telephone connection; their only option is to go via satellite which is unfortunately very expensive.

Fortunately, Tim's Computer Service does have access to ADSL, but it is evident that the current system is severely flawed. Telecommunications Senator Stephen Conroy stated in a recent public comment on his website that these proposals will be used to "build the National

Broadband Network, which will provide download speeds of at least 12 megabits per second to 98 per cent of Australian homes and businesses". This download speed would make a dramatic difference to Tim's Computer Service, as long as they don't fall into the 2% that won't be able to receive this download rate. For the 98% of Australian's who will be able to receive this download rate I feel it will be the same 2% that will be left without, hence not fixing the problem, if anything possibly making it worse by polarising the 'haves' and the 'haves not'. The new National Broadband Network is a national scheme and needs to incorporate the whole nation, regardless if they are rural, regional or metropolitan. According to the Australian Bureau of Statistics the projected total population of Australia (as of 3:30pm on the 23/04/2008) is approximately 21,280,628, which makes 2% approximately 425,000, which is a lot of people to be excluded from the network.

## **Terms of Reference:**

### A) The importance of broadband services for business activities in retaining regional and rural population levels:

"Telecommunications infrastructure is a fundamental prerequisite for regional economic development and the participation of regional economies in global, networked industries. Better telecommunications infrastructure will enable more connected communities – enabling better access to a growing range of services online, and better household communications, which are an important aspect of regional and rural Victorians' quality of life. Businesses too are increasingly reliant on better telecommunications services, including broadband. Broadband - always on, fast data speed Internet access; efficient data transfer; remote access and videoconferencing - gives businesses the potential to be more efficient and productive as well as save costs. Regional businesses using broadband can have the same telecommunications services as their metropolitan counterparts and therefore remain competitive to grow their businesses nationally and internationally (Victorian State Government Telecommunications document)."

This quote from the Victorian State Government highlights the very reasons why broadband is so important especially in terms of business activities in rural and regional communities. To sum up the quote, broadband provides businesses with the ability to be more efficient, productive and cost efficient. For those businesses in rural and regional communities with up-to-date broadband services, they have the ability to be competitive not only on a local, or national scale but a global one and expand their business nationally and/or internationally.

Businesses in rural and regional communities which are unable to receive high speed broadband are often left with little or no choice than to move to metropolitan areas in order to expand and improve their way of life. Rural-urban migration is a big problem for many rural towns, as many jobs, professionals and services are lost as residents move to urban areas to seek a better life for themselves. Thus improved broadband services would allow rural businesses to function and operate at the same level as those in metropolitan areas hence the

need to move away would no longer be such an issue as the communication barrier would be broken down and everyone would be on an even field.

Often many people from rural communities move to metropolitan areas to become educated with the intention to move back once studies have been completed. Once accustomed to living standards and opportunities in metropolitan areas it is often hard to move back to a rural community. If broadband services were improved/installed in all rural and regional communities, population levels could possibly be better maintained as the communication barrier would be broken down and the difference in living standards would be minimal.

**B) The actual level of service required in the future to maximise the benefits to these communities:**

In the future it is the hope of Tim's Computer Service that Australia as a nation will have Broadband access and speed to match that of other countries that seem to be leaving us behind. For the amount we pay for Internet access (\$89.95/month for 12 GB download: source Telstra) when compared to other countries that provide unlimited downloads and far better speeds it is just outrageous.

As Tim's Computer Service is located in a rural area it is at their best interest that the new proposed National Broadband Network includes the Gundagai/Tumut region for the proposed upgrade. Tim's Computer Service will not be able to reach their full potential until they have access to faster upload/download speeds.

In the future, the 2% of Australian's, which are often left out of telecommunications policies as they reside in locations that are too isolated, need to be included and considered in all decision-making processes. Infrastructure needs to be built and maintained so that rural communities can keep up with the rest of Australia. If this is too hard, satellite broadband should be subsidised by the government so that rural communities are not disadvantaged and left behind with out-of-date technology.

Once Australia has equal accessibility to broadband the government and telecommunications service providers need to ensure that when new technological improvements and advancements are discovered that they are made available to all communities including rural and regional ones. As previously stated, the 2% of Australian's which are often neglected in terms of telecommunications availability equates to approximately 430,000 people, this is a huge market for telecommunications providers which (if they were clever) they would invest in and bring the service up to the national level. Not only would this financially benefit the telecommunications company but would obviously benefit those people 425,000 people who have been previously left out.

## **Conclusion:**

Hence this submission has provided a detailed case study on the position of Tim's Computer Service in regards to the further Inquiry into Broadband in Rural and Regional Communities. Tim's Computer Service requires broadband prices that are more cost efficient and match those found in metropolitan areas. Tim's Computer Service would also benefit hugely from the proposed National Broadband Network, and it is important that rural communities are not overlooked in regards to the implementation of the proposed upgrade. The Government needs to see that appropriate infrastructure is installed nationwide and maintained in order to give all Australian's equal opportunities when it comes to the realm of telecommunications. The Government should embrace this scheme and manage it as a means to increase rural populations.



## Sources:

Australian Bureau of Statistics, 2008. *Australian Bureau of Statistics*, Date accessed 23/04/2008, <http://www.abs.gov.au/>

Marshall, T (2008). Senator the Hon Stephen Conroy: *Public comments sought on National Broadband Network*, Date accessed 23/04/08, [http://www.minister.dbcde.gov.au/media/media\\_releases/2008/017](http://www.minister.dbcde.gov.au/media/media_releases/2008/017)

Victorian State Government. *Telecommunications: If you want to know more about regional telecommunications, here's some information to help you get up to speed*, Date Accessed 23/04/08, [http://www.mm.vic.gov.au/uploads/downloads/ICT\\_Projects/eCommerce/Telecommunications.pdf](http://www.mm.vic.gov.au/uploads/downloads/ICT_Projects/eCommerce/Telecommunications.pdf)