

REPORT OF PROCEEDINGS BEFORE

**STANDING COMMITTEE ON BROADBAND IN RURAL AND
REGIONAL COMMUNITIES**

**INQUIRY INTO BROADBAND IN RURAL AND REGIONAL
COMMUNITIES: KEY ISSUES FOR FURTHER INVESTIGATION**

At Lismore on Friday 1 August 2008

The Committee met at 1.00 p.m.

PRESENT

Mr P. J. Costa (Chair)

Mr D. R. Harris
Mr G. K. Provest

IAN TILEY, Mayor, Clarence Valley Council, Prince Street, Grafton, sworn and examined:

CHAIR: Ladies and gentlemen, thank you for your attendance. Before we commence, I ask everyone to turn off their mobile phones, as phones operating in silent mode can interfere with the Hansard recording equipment. I would like to welcome Councillor Ian Tiley of the Clarence Valley Council. Thank you for appearing today to provide evidence on the broadband in rural and regional communities committee inquiry. I am advised that you have been issued with a copy of the Committee's terms of reference and also a copy of the Legislative Assembly's Standing Orders 291, 292 and 293, which relate to the examination of witnesses, is that correct?

Mr TILEY: Yes.

CHAIR: I draw your attention to the fact that your evidence is given under parliamentary privilege and you are generally protected from legal or administrative action that might otherwise result in relation to the information you provide. I should also point out that any deliberate misleading of the Committee may constitute a contempt of the Parliament and an offence under the Parliamentary Evidence Act 1901. Would you like to make a brief opening statement before we proceed to questions?

Mr TILEY: Yes. I propose to speak in three segments. As I said in the earlier session today, I am no IT guru and it is with some trepidation that I sit here, I can tell you. I seek to speak first of all to the general manager's submission, which was in the form of an email to you and Gerard Martin a year ago, then to give a perspective in relation to some of the issues that the Northern Rivers Regional Organisation of Councils raised, and then to talk about some current issues upon advice from the IT gurus at the Clarence Valley Council.

My council is one of the newest in New South Wales. We were a forced amalgamation in February 2004. We are half the geographic land mass of the Northern Rivers and we are fairly isolated. To Coffs Harbour in the south it is 80-odd kilometres, and it is hilly, timbered terrain. It is the same to the north to Ballina and Lismore: hilly, timbered terrain. That impacts a lot on us in some ways. I will explain.

We are 10,500 square kilometres; that is about half the catchment area. The Clarence is the largest floodplain in eastern Australia. We have the principal urban areas of Grafton, Maclean, Yamba, Iluka, and there are several smaller coastal villages. In all, we have 43 towns and villages dotted across the Clarence Valley and a considerable population; it is over 50,000, and growing rapidly because of the sea change phenomenon primarily. It is a nice retiree destination. One Bernard Salt keeps saying that Yamba is the best place to invest in New South Wales. Thank you, Bernard.

When my general manager, Stuart—who, by the way, used to be Gerard Martin's general manager at Lithgow—put this together, he talked about the fact that we had a poor history of ADSL coverage in the valley. At that time Telstra was rolling out ADSL to a range of villages. That has substantially happened now, and it is pleasing that these upgrades have greatly reduced the customer base available for a wireless solution.

I would like to say at this stage that in terms of the relationship with Telstra, which was talked about earlier, I cannot speak too highly of the manager of Telstra in the north-east corner of the State. I have an excellent relationship with her. I have her mobile number and her email address. If there is a problem, I use one of those options and generally the matter is attended to within 24 hours. So I think that is pretty special.

In terms of the reference earlier this morning about the importance of economic development, I would simply add that the creative industry is a big industry in the valley. My council has a creative industries policy, we have a film policy, and we also have an economic development strategy and a dedicated economic development unit. In the process of developing each of those strategies, many people made the point that faster speeds were critical to their businesses. We, too, have boat builders, as you mentioned this morning. We have a guy who builds boats for China, and it is a continual problem for him downloading huge amounts of stuff overnight. We have a fellow at Brooms Head who does the set-out for a section in the *Sydney Morning Herald* each night from home; he desperately needs faster speeds. So it is a big issue. We have over 10,000 ABNs in the valley, and that is growing rapidly. So it is a really important issue in terms of faster speeds for the realisation of economic potential.

As part of the amalgamation, we found ourselves in a situation where we had 8 or 10 offices, including large offices and smaller offices, 10 works depots, and they all had separate IT systems. We spent a heap of

money pulling that altogether into one integrated system. We have a coaxial cable which links Yamba and Maclean. We now have a situation where I believe we have excess capacity in our cable. We are looking at doing some sell-offs to business, so we are in a good situation there. But we had no choice but to spend that money at the outset.

In late 2006 we received the national award for IT across the whole nation. So it tells you that we have a pretty good system and some really good IT gurus. I should convey to you today that the gurus tell me that the two main issues are the lack of coverage in a number of areas—which I am sure you have heard before in your travels—and also that there is no access for faster broadband services such as ADSL2+. We are finding that services such as 3G go some way to addressing the coverage problem, but from a business perspective the cost of operating a Next G device, rather than broadband, is significantly higher. Council has five sites that are operating 3G—for no other reason than broadband is not available in the area.

I want to give you a practical example of the problems with broadband. We have really good cooperation in Grafton between the four high schools and TAFE. We have a virtual classroom situation. Children stay in their own classes and receive the TAFE course.

However, McAuley College moved out of Grafton, to east of Grafton, at a place called Clarenza. They cannot get broadband, so they are missing out. I am told Telstra has tried everything imaginable to remedy that situation and cannot. It is largely attributable to the fact that there is no ADSL2.

You know, of course, that Telstra had a win in a court case, which meant they have not got to put ADSL2+ out. As a council we have tried to encourage other service providers to come with ADSL so that we can then snare Telstra, but it has not worked so far. I will leave my remarks at that, and answer some questions.

Mr GEOFF PROVEST: With the selling of your current system, you mentioned selling it to businesses.

Mr TILEY: Yes.

Mr GEOFF PROVEST: You do that to raise revenue so that you can further expand the council network?

Mr TILEY: Yes. That would be one objective. We are forever looking at innovative ways to augment our resources generally. You people are well aware of the fact that we have had 30 years of rate pegging, that Federal assistance grants have been declining, and you continually cost shift to us, with great respect.

CHAIR: I am on your side there.

Mr TILEY: As a councillor for 20 years, you would be. But those issues for us are huge. We had Fiscal Star a few days ago saying that we are financially unsustainable. We know. It is the elephant in the room. The long-term financial sustainability of councils is very much in question, and we have to address that. This is one way we are trying to address it. Here is an opportunity. In terms of the council's utilisation of this cable, my understanding is that we use a very small percentage. We are currently looking at how we might take it wider.

Mr GEOFF PROVEST: Do you see that getting bigger, councils becoming far more entrepreneurial, through necessity?

Mr TILEY: In relation to this, yes, I think we can because we have spent the big dollars. We have the spare capacity. It would be silly in the extreme not to try to sell that capacity, particularly as we have, as I said earlier, businesses needing that extra capacity. We need faster speed. That is our biggest issue, apart from a lack of coverage and black spots that you well know about. How your Committee can formulate some recommendation which put an imperative on Telstra to roll out ADSL2+ right across the State is for me the big issue.

Mr GEOFF PROVEST: What about future subdivisions in residential and industrial zones? Do you think your council would move to make it almost mandatory to provide fibre services?

Mr TILEY: We are doing that now. I indicated that during the previous session. We have a 90-lot subdivision in North Grafton. A guy named Steve Connolly is planning that for Westlawn Investments and they

wanted to do something a bit more upmarket. Yes, they are providing fibre to the—it is not node, and I am not too sure—but there will be a fibre allocation.

Mr GEOFF PROVEST: That school got caught out in that, did it not?

Mr TILEY: Yes.

Mr GEOFF PROVEST: It moved and established, and all of a sudden realised they did not have it.

Mr TILEY: Yes, that is right. As I said earlier, that is an issue. But in terms of mandating that, I think it would be a good thing to do—an extension, as you suggested, perhaps of BASIX or whatever—because it is the way of the future. There is no doubt that the developers will cut costs if they can, but if it is mandate-able, I think it is certainly a meritorious way forward.

CHAIR: You do not have access to ADSL2+. Is that what you are saying?

Mr TILEY: No, not at all.

CHAIR: Not at all.

Mr TILEY: No. It is because the other carriers are not on the horizon. They are putting up radio towers at the present time, but the not in my backyard [NIMBY] syndrome is alive and well. We have two development applications before us, one in Glenreagh.

CHAIR: Paint them green.

Mr TILEY: Paint them green? Thank you, Chair. What a great idea. We have another one in Junction Hill. I must remember that. It is a very sage suggestion.

CHAIR: Yes. We are hiding them on telegraph poles where you do not notice them because they are on the lights.

Mr TILEY: But the point was made this morning that there is a capacity for a greater sharing of that type of infrastructure and I do not know why that cannot be mandated. We do not want a proliferation of radio towers. They are unsightly.

CHAIR: Yes, that is true.

Mr TILEY: In Junction Hill, there has been a lot of subdivision over the last 15 years. Now there is a tower going to be plonked between that subdivision and the traditional view to the east. People do not like that, obviously.

CHAIR: No.

Mr DAVID HARRIS: Can I clarify a point before we move on? When you say this, does that mean that when people put in new cable, even though they have new cable, they still do not have access to ADSL2+?

Mr TILEY: That is correct.

CHAIR: That is why I asked the question.

Mr DAVID HARRIS: They are speeding up the main laying of the cable, but there is no improvement in the service?

Mr TILEY: That is correct.

Mr DAVID HARRIS: Thank you.

CHAIR: That is why I asked the question. Have you given thought at the local government level about how the State could help? Are there any practical suggestions on how you would like to see the State Government helping with delivery of IT solutions into your region?

Mr TILEY: I do not have the technical expertise to suggest a technical approach, but as I said, the two primary problems are the lack of coverage and the lack of speed, and who is responsible for coverage and speed. I presume it is Telstra. I do not know what capacity the State Government has in terms of making Telstra perform better in those areas. I put it to you that perhaps you might have some leverage with the Federal Government, which obviously has greater connectivity with that carrier.

CHAIR: We are meeting with the Federal Government next week.

Mr TILEY: Yes. I said earlier about the lack of coverage. The coverage we have is between three and a half and four kilometres from exchanges for 43 towns and villages. Nearly a third of the population of the Valley are in farmhouses and are spread all over the place. They rely on us but we just do not have the capacity. One of our biggest industries is a nursery for beef in our area and those people do sell a lot of cattle to abattoirs, and what have you. The problem you enunciated earlier is very much a problem for us too.

CHAIR: I mentioned earlier the Yetman model. Are you familiar with that at all?

Mr TILEY: Yes I am. I was not before you mentioned it.

CHAIR: Can you see any application of that?

Mr TILEY: My understanding from the manager of Telstra in this area—her name is Sue Passmore—is that they require 50 customers to provide the facility. Three years ago we had 16 villages that were without broadband, but it is now down to three. Those three do not meet the criteria that enunciated for the 50. In terms of the Yetman model, one of our areas is Baryulgil, which you may have heard of.

CHAIR: Yes.

Mr TILEY: It is the hometown of Tony Mundine and a lot of indigenous people live there. They are a low socioeconomic demographic. They would not have the wherewithal to contribute, in my view. That would be a definite impediment in that locality.

In terms of people banding together on rural properties, maybe the Yetman model is an option. But I think there is a school of thought that Telstra makes great profits so why can Telstra not help us like they look after people in cities?

CHAIR: That is an interesting point of view. I appreciate your comments. I think most of our questions have been covered.

Mr DAVID HARRIS: I am interested in the changeover to Next G from CDMA. A lot of phones are going to smart phones, which are broadband based and telephone. Have you had much feedback about how that transition has gone, and is the service now meeting people's needs?

Mr TILEY: I can speak from personal experience. My first 3G mobile I nearly threw up a gully, but the one I have now certainly meets my needs much, much better. There was an early transition period, I think about a year ago, but what I am hearing now is that it has improved significantly.

Mr GEOFF PROVEST: Is that a blue tick one with a Telstra handset? They brought out a range of blue tick ones that were supposed to be better.

Mr TILEY: I do not know about the blue tick. It is a Nokia.

CHAIR: But it works.

Mr TILEY: Yes, it works. It acts as a modem for my laptop—I am really getting with it these days.

CHAIR: If it helps your pain, I can see Sydney from my property but my mobile phone did not work. The problem is widespread. They supplied a new type of phone and I now have one with an aerial.

Mr TILEY: It was certainly a topic of considerable debate on the airwaves and in the media in September-October last year in the lead-up to the shutdown of CDMA.

CHAIR: Yes. CDMA seemed to work all over the place but the new one did not.

Mr TILEY: Yes. That is what people were saying. They had better coverage from CDMA but in recent months it has become a non-issue, certainly in our valley.

Mr GEOFF PROVEST: Have you had any feedback from the emergency services, particularly the rural bush fire brigades, about any difficulties they experience?

Mr TILEY: No, I have not. I am aware that there have been some concerns in some locations across the State, but I have a good working relationship with the chiefs of both the SES and the bush fire brigade and the matter has not been mentioned to me.

Mr DAVID HARRIS: Do you know of many people using satellite?

Mr TILEY: I am aware that before ADSL1 was widely available some of the doctors in the valley were doing that. But, no, I cannot answer that question, I am sorry.

CHAIR: Ian, thank you very much for your input. All of this helps a great deal as we progress through our inquiry. Hopefully we will have some information towards the end of this year in terms of collating the enormous amount of data we have collected in the past 12 to 18 months. I encourage you to continue to work hard at Iluka—my neighbour is looking forward to the sewer being delivered.

Mr TILEY: I would like to convey to you and your Committee members our thanks that you have taken the trouble and the time to come here and listen to us. You are about to listen to some people who are much more knowledgeable on the subject than I am. Thank you very much for coming, and I wish you a safe trip home.

CHAIR: It is a pleasure.

Mr DAVID HARRIS: Thank you for your time.

(The witness withdrew)

LYNNE de WEAVER, Director, Northern Rivers Regional Development Board, 218 Molesworth Street, Lismore, affirmed and examined:

CHAIR: I welcome Ms Lynne de Weaver of the Northern Rivers Regional Development Board. Thank you for appearing today to provide evidence to the Broadband in Rural and Regional Communities Committee inquiry. I am advised that you have been issued with a copy of the Committee's terms of reference and also a copy of the Legislative Assembly's Standing Orders Nos 291, 292 and 293 that relate to the examination of witnesses. Is that correct?

Ms de WEAVER: That is.

CHAIR: In what capacity are you appearing before the Committee?

Ms de WEAVER: I am appearing as a director on the Northern Rivers Regional Development Board. I have been researching telecommunications issues in the Northern Rivers for the past five years in preparing a PhD thesis.

CHAIR: I draw your attention to the fact that your evidence is given under parliamentary privilege and you are generally protected from legal or administrative action that might otherwise result in relation to the information you provide. I should also point out that any deliberate misleading of the Committee may constitute a contempt of the Parliament and an offence under the Parliamentary Evidence Act 1901. Would you like to make a brief opening statement before we proceed to questions?

Ms de WEAVER: Yes, I would. I would like to fully support the submission that Ian Tiley made. I have worked in the Northern Rivers since 2001 in the telecommunications area, looking at getting broadband access and a range of other things. I live in the Clarence Valley and the same issues that apply in the Clarence Valley also apply in the Richmond Valley and in the Tweed. The Northern Rivers Regional Development Board is one of 13 ministerially appointed boards in New South Wales. The board was established by the New South Wales Government to encourage and support sustainable economic development in the Northern Rivers of New South Wales.

We recognise that information, communications and telecommunications infrastructure, or ICT, is a key driver of regional economic growth because it enables both the development and intensification of networked economies. Business, particularly the knowledge- and creative-based businesses, will grow or be attracted to the Northern Rivers only if they have access to updated ICT infrastructure and skilled people. It is also important to note that this is a region of micro businesses and home-based businesses, and nearly all of them depend on Internet access in order to live locally and compete globally. So broadband access is really important to them as well.

The board's major concerns for regional businesses include mobile phone reception and the quality of that reception; telecommunications services, particularly broadband; and the cost of telecommunications. A critical issue is the availability of broadband access outside major towns in the region. I concur with everything that Ian said in that regard. With rapidly rising fuel costs and limited public transport options, access to broadband is increasingly important to enable people in rural areas to access work, education and services.

Prior to joining the board I was regional coordinator of the Community Technology Centre at New South Wales program and worked with more than 26 communities in the area. Almost every single one of them said they want access to broadband so that their children have access to the Internet so they can go to TAFE and to Southern Cross University, which you are going to hear about a little later.

It was a particularly important area for them to have access to education, but also there has been an increase in telemedicine and e-government, and all these things are dependent on broadband access. There may be a perception that particular villages have access to broadband technology because their switches have been conditioned. But with the widely dispersed population and the variable topography in the Northern Rivers, it is likely that many residents outside village centres will not have access other than dial-up Internet and fixed-line telephone services. This is critical for some industries in the Northern Rivers, particularly the creative industries that are reliant on telecommunications for their continuing success.

CHAIR: Thank you very much. You obviously have a very deep knowledge of this subject that we will tap into.

Ms de WEAVER: I am not a technical person. I come from the basis of community consultation and listening to people in regional communities saying what they want. People do not know what they do not know, and the minute they find out that broadband can open the world to them they are very interested.

CHAIR: Yes. That is roughly why we exist. We are not after technical people; we are trying to get a feel from the community about the issues that you have articulated today. We will then look at what opportunities the State might be able to pursue to try to alleviate some impediments.

Ms de WEAVER: That is fantastic. I sincerely suggest that perhaps your Committee might consider leveraging the considerable development work that was done by the Community Technology Centre at New South Wales program. That was funded 50 per cent by the State Government and 50 per cent by Networking the Nation. At the end of the three years of funding the State Government put an additional \$500,000 into funding the Community Technology Centre Association to give that a bit more impetus to develop a sustainability model. But all of these centres work closely with the Rural Link program, which was delivering broadband technology to regional libraries and local service nodes.

I think there is a huge opportunity for the community technology centres that are still operating, by hook or by crook, to showcase the benefits of broadband, to look at e-government and to look at telemedicine. One of the CTCs in the Dubbo region had a person come in and play the cello so that it could audition for the conservatorium in Sydney. In regional areas it provides tremendous access to services that would not normally be available, and all of these things must be supported by broadband.

CHAIR: Many of our questions are about CTC, so you have pre-empted that very nicely. Beyond CTC provision, do you think State governments should look at other avenues in terms of the affordability of broadband services?

Ms de WEAVER: I do in many ways. A lot of it is cost and the charges that are levied by Telstra. But the State Government obviously has a pretty big stick in this area. In the Northern Rivers we tend to have some of the lowest-income communities in the State, and access to broadband services needs to be supported in little libraries in places like Iluka and some of the outlying villages in the Tweed, places like Tyalgum and Uki, and throughout Nimbin and Cawongla. These are all villages that are topographically challenged because of the hills and the surrounds. If the State Government does not say, "We've got to keep delivering broadband into these communities", the people who are on the lowest incomes will not have access to broadband.

Mr GEOFF PROVEST: For those smaller communities, there is not an unlimited bucket of money and commercialism is driving this. For a small community with fewer than, say, 50 users, do you see the establishment of the CTCs as the way to go? You cannot run it to everyone's home, but you possibly could have a small centre where there would be some form of access to the Internet. I am trying to think outside the square here. With regard to the current Soul network, which services schools, there has been a feeling that that has been underutilised given that it is already there, and that schools, for example, shut down at 3.30 p.m. on Friday afternoons and do not reopen until Monday morning. So the service is there in a little village but no-one can access it. Do you see that as another problem?

Ms de WEAVER: That has a whole other dimension. Broadband might be available in schools, but in order to go into the schools an adult has to go through a child safety screening procedure. So that, in itself, can take time and inhibit people using facilities in schools. The CTCs in the outreach sites that were established can deliver broadband to the average user, but for the home-based business for people in the creative industries, they still need access to broadband, and the greater the speed the better it is for them so they can compete and deliver their products and goods and services internationally.

I guess it is kind of a qualified answer. For the average person who might want to do a little bit of online research, a CTC is good. We would have to look at how the broadband services could be quarantined in schools, so you could use those facilities without going through the child safety protection procedure.

CHAIR: A school in my area opened up the computer laboratory after hours. The community came in and were able to access the broadband after 4 o'clock. That worked quite well. It had a side-effect, because a lot

of the elderly people came in and used it, and their interest was so much that they were then able, over a period of time, to get the more than 50, to bring the service into the rest of the town.

Ms de WEAVER: Yes. I have found that seniors tend to be very enthusiastic. They go along to the CTCs. One of the CTCs in a little village had an 82-year-old grandmother. She came along during Seniors Week and learned how to use emails so she could keep in touch with her grandchildren all over the world.

Mr GEOFF PROVEST: In the Tweed, 30 per cent of the population are over 65. Do you see greater training as another thing the State Government could promote? In this region we have probably the oldest demographic by far.

Ms de WEAVER: I know that during Seniors Week the take-up at the CTCs was absolutely terrific. I am thinking about Pottsville, where they had established a CTC in the community centre there and they had a wonderful University of the Third Age group there. Teaching seniors is very gratifying. They are always a bit nervous about it. They learn very well; they just learn it in a different way to younger people. But it opens up so many horizons for them.

Mr GEOFF PROVEST: But you could get to those critical masses?

Ms de WEAVER: Yes.

CHAIR: Is there any evidence in the region where that has happened that, say through a CTC, the interest in broadband was such that it brought to the critical mass the opportunity to open it up, or for Telstra or someone to come in to actually deliver a service?

Ms de WEAVER: I do not know particularly. I just know that the CTC in Kyogle lobbied strenuously to get broadband into their CTC. In fact, they used a carrier pigeon from Kyogle to Casino to demonstrate how the carrier pigeon got the message to Casino faster than the dial-up service they have. The CTCs have lobbied successfully to get broadband into communities. But I have been out of the loop on the CTC program because it is now an association. I just have anecdotal research that says that 50 per cent of people aged 64 plus are now taking training.

They are interested in it, and they are a very fast-growing segment of Internet use. But, again, it is the things they look for that are very interesting: genealogy and the health sites, and also Centrelink and the benefits. To take advantage of some of the opportunities and some of the programs that the State Government has, I think they would really have to do specific market segmentation and really talk to these people. But they are interested and they are capable, and it could build demand in regional areas.

Mr DAVID HARRIS: Could you comment broadly on equity? What I am hearing today and what we have heard in other places is that there are equity issues with regard to access. Do you feel there are also equity issues with regard to availability of service? For example, these days most people are starting to do Internet banking. If you hold an Internet banking account, you get a better rate of interest. You can now pay your registration via the Internet; you do not have to go to the motor registry. Do you find that because of distances and other matters, there is a real equity issue? For me, Internet banking is now second nature, whereas people in outlying communities still have to pay for the fuel and they still have to spend the time to access those sorts of services.

Ms de WEAVER: Yes, I do think there is an equity of access issue. But it is also affordability as much as anything. We have a very high incidence of pensioners, and although the Federal Government did deliver a \$500 bonus to people for Internet access, it still does not cover some of the freight you have to pay. You have to package, you have to shop, you have to look for the best deal. Quite frankly, a lot of seniors just do not have that mindset. It becomes all too hard, and they just kind of throw it over.

But it is not just the seniors; it is people on low incomes too. In order to have broadband access—I have tried wireless; I have ADSL right now—it is very expensive if you get good, robust service. If you get a cheaper package, if you have any trouble you are likely to have to deal with a call centre that is offshore. Also, they say they speak English, but it is English that is very hard to understand. For a lot of seniors it is a scary thing, and for a lot of people it is a scary thing.

We have low incomes in the region and we have a great many seniors in the region. I think that if the Government promoted that Internet access, broadband, was available at libraries and in other areas, such as the CTCs, that would be good. We had rural transaction centres around; I think they were mainly funded by the Federal Government. There are lots of places where there is an environment that can build trust, but you have to have somebody there who will take the time to help these people. You cannot just say, "You can go in and use the computer at any time." It is not like you are popping into an Internet cafe. People go in with a genuine need to get a little help, and it is important to give them that comfort factor they need to do their online banking or to look at Centrelink.

CHAIR: Thank you very much for your insight. We appreciate your making representations to the Committee.

Ms de WEAVER: I, like Ian, would like to thank you for taking the time to listen to what we in the regions have to say. It is very heartening.

(The witness withdrew)

MARIA GILLAM, Director, Information Technology and Telecommunications Services, Southern Cross University, Military Road, East Lismore, affirmed and examined:

CHAIR: Thank you for appearing today to provide evidence on the broadband in rural and regional communities committee's inquiry. I am advised that you have been issued with a copy of the Committee's terms of reference and also a copy of the Legislative Assembly's Standing Orders 291, 292 and 293, which relate to the examination of witnesses, is that correct?

Ms GILLAM: Yes.

CHAIR: I draw your attention to the fact that your evidence is given under parliamentary privilege and you are generally protected from legal or administrative action that might otherwise result in relation to the information you provide. I should also point out that any deliberate misleading of the Committee may constitute a contempt of the Parliament and an offence under the Parliamentary Evidence Act 1901. Would you like to make a brief opening statement before we proceed to questions?

Ms GILLAM: Yes. It has been great to be able to build on what Ian and Lyn have said before me. I think it sets a very good scene for where we come from and where our students are situated across the region, and identifying some of the issues that have been presented for them.

The perspective I would like to give today is the fact that the University now has what I consider to be very good high-speed broadband communications between its campuses across the region and also to the Internet. But that is only one-half of the equation. Obviously, to be able to deliver what we want to deliver in the way of our courses to our students, they need to have access that is affordable and to a capacity that we are able to deliver the material we want to deliver across those links.

The university has a significant body of distance education students. It changes from year to year, but roughly 50 per cent of our students are distance students. We are also in the phase of delivering underneath that what we are calling our new directions. We would like to be able to move into delivering, in a flexible mode, to our students. We are decreasing the gap, I guess, to what we would have typically seen on-campus students and distance education students experiencing.

We would like to deliver seamless material out to them, and those materials are moving away from the particularly print-based materials into more rich media so it is the virtual classrooms and it is the collaboration style of technologies that we are using. There is a varying range. Some of our students can tap into that very easily, and there are others who cannot, for all the reasons we heard earlier on.

CHAIR: Yes.

Ms GILLAM: That is the main point that basically I would like to push today.

CHAIR: And your student comes from?

Ms GILLAM: We have a fairly broad footprint across the university. Obviously it is right across Australia and internationally. But in this region, they range from the Gold Coast down to Sydney, where we have an office site down there.

Mr GEOFF PROVEST: I see you have a campus in Tweed.

Ms GILLAM: Yes, we do. We have a campus in the Tweed-Gold Coast.

Mr GEOFF PROVEST: And Coffs Harbour.

Ms GILLAM: We have one in Lismore and we have one in Coffs Harbour, which is a shared campus between TAFE and a senior college as well as Southern Cross down there. We also have a partnership in Sydney with the Hotel School.

Mr GEOFF PROVEST: It is in Macquarie Street, the Intercontinental. It is just down the road.

CHAIR: Is that right? The member is a strong advocate for the Tweed.

Mr GEOFF PROVEST: Very much so, and for the Southern Cross University, Mr Chairman.

CHAIR: Thank you very much. We would now like to ask you a few questions arising from your comments.

Mr GEOFF PROVEST: Do you think the coverage restricts where your students can reside, particularly in this regional area? If they are not gaining access to broadband at their current location, they would find studying difficult?

Ms GILLAM: Yes.

Mr GEOFF PROVEST: The second part of the question is: We heard earlier today in submissions that in regional areas such as this, people pay probably nearly double what somebody in Sydney pays. With universities being of a competitive nature, do you find that difficulty exists?

Ms GILLAM: Yes. I think it does, and it comes down to a choice sometimes for our students as to where they want to go. There are many factors that come into that. Employment is another reason, which in many ways is also linked back into the whole thing. But, yes, I think what happens is that if a student is in an outlying area, they have to think about the mode in which they will undertake their studies. If they have not got the broadband connection, they are limited to undertaking that in very much a print-based fashion .

Mr GEOFF PROVEST: You really would not be able to complete a course unless you had Internet access, really, would you?

Ms GILLAM: No. These days you do have to have it. It would make it extremely difficult to do it that way. But I guess it is just the ease with which they can undertake that. As you said before, there are a lot of options whereby they can come into a community library or whatever, but it certainly hampers their ability to do that. Also, our students are busy too. They need to work. Quite often you find that all of your students are working rather than saying, "Okay, I am out of the work force now for a number of years until I complete my degree." They are trying to do it at the same time.

Mr GEOFF PROVEST: What about the cost of it?

Ms GILLAM: Yes. I think the cost is an extreme situation.

Mr GEOFF PROVEST: Because the students are usually on pretty small budgets, are they not?

Ms GILLAM: Oh, they are. That is exactly right. They are working just to be able to—

Mr GEOFF PROVEST: Eat.

Ms GILLAM: Yes. Having the broadband connection is important. The university provides some free dial-up to our students, but again, you have to be within a certain range otherwise you are faced with subscriber trunk dialling [STD] charges, which you do not want as well.

CHAIR: Yes, sure.

Mr GEOFF PROVEST: The other part of the university is that we know you are at the cutting edge in a lot of different fields, particularly plants, agriculture and so on. In regard to the actual service provided by the university, I know the Tweed campus has investigated commercialising video conferencing, but here in Lismore, your major campus, have you ever experienced issues with your current level of supply and access?

Ms GILLAM: No. Certainly over the last few years, since we have been connected to the Australian Research and Education Network [AREN] through the Australian Academic and Research Network [AARNet], the capacity we have and the quality of our broadband is very good. Really, certainly from our perspective, it is not so much an issue for Southern Cross. The issue for us is being able to deliver it out to our students.

CHAIR: Yes. Is there any quantum for that unmet capacity? Are you aware of any impediments that might be in place for some of those students? Is there any research being done about how people miss out?

Ms GILLAM: We are in the early days of undertaking a survey. We have done a trial across three of our courses just to make sure we are getting the survey results right.

CHAIR: That is what I mean. It is great that you are doing that.

Ms GILLAM: Yes. We are undertaking that at the moment. Actually I was quite heartened from the fact that there is a higher rate than I had anticipated of students who have broadband. Again, it comes down to the cost of that for them, and there is certainly an element of them who just do not have it.

CHAIR: And when will that survey be completed?

Ms GILLAM: There are some initial findings from the first survey that we have undertaken. We should have the results by the end of August.

CHAIR: Is that public information, Ms Gillam?

Ms GILLAM: Look, I am sure we could share that with the Committee.

CHAIR: That would be great. We would appreciate that.

Ms GILLAM: But we intend running the survey on an ongoing basis with our first year and third year students just so that we keep getting a picture of how we are going and what technology our students are actually using.

CHAIR: Yes. That is part of what we are trying to untangle as well—the unmet need out there.

Ms GILLAM: Yes.

Mr DAVID HARRIS: Do you run a wireless network on campus?

Ms GILLAM: Yes, we do.

Mr DAVID HARRIS: Has any capacity to offer that in the immediate area of the campus been investigated, or is the campus isolated?

Ms GILLAM: No. We have not looked at extending it outside of the university. I think that that is certainly an area that we could explore. Obviously there would be the acceptable use policies of our carrier, AARNet and so forth, that we would need to work through. But I think that, working within the region, there are lots of opportunities for being able to provide that, even to the surrounding schools that we have close to the university.

CHAIR: Is there any more capacity in the ARRNet system you have got?

Ms GILLAM: Yes, I believe that there is.

CHAIR: Within fibre?

Ms GILLAM: I know, certainly just in terms of our own link, we are not utilising it fully. We have gigabit links, and we are not using anywhere near that.

CHAIR: Right.

Ms GILLAM: There is certainly future expansion of that up to 10 gig that AARNet is now looking at as well. I think there definitely is room for being able to work at all levels, Federal, State and local government.

CHAIR: Yes, in partnership or something. It is a good point.

Mr DAVID HARRIS: Is it expensive for the university to access the ARNet system?

Ms GILLAM: Obviously I am going to say, "Yes." If I can put it in comparison with what it cost us in the past, no it is not. What we have been able to do with the new network coming in is maintain basically the budget that we had, and that we have had for the last seven years, and we have been able to operate within that, even with the expansion of the growth. The cost has come down, obviously, and we have been able to do that.

Mr DAVID HARRIS: You are getting a much better service in terms of capacity?

Ms GILLAM: Yes, that is right. But the university invested a very significant amount of money to tap into that network. Obviously with the AARNet, the backbone was there, but the university spent in excess of \$1 million getting connected into that at its different locations.

CHAIR: Yes, okay. Of course, that would be a capital cost there.

Ms GILLAM: Yes.

Mr GEOFF PROVEST: Mobile telecommunications is on our agenda.

Ms GILLAM: Yes.

Mr GEOFF PROVEST: Is there any difficulty with your three campuses? You must have a myriad of mobiles out there to relay to.

Ms GILLAM: We do, and we have the Smartphones being used more extensively now. There is a range of technologies that we are using at the moment. We are using the 3G network. The cards are probably one of the easiest things to support, I must admit. We give that to our executives and our academics, and pretty well wherever they are, they can plug in. However, I must admit that for my own use at home, I have to rely on the ADSL connections at home. I cannot use the 3G connections. The phone is okay, but the actual Internet is a bit flaky.

Mr DAVID HARRIS: Is that 3G connection through Telstra's Next G?

Ms GILLAM: Telstra, yes.

Mr DAVID HARRIS: There is an additional cost on top of your normal broadband cost for that, is there not?

Ms GILLAM: Absolutely. That is right. As Lynne was saying earlier on, they are not cheap. We certainly do not have our staff connected to the cheaper packages because of support issues. That is an additional cost on top of our existing connections.

CHAIR: We also note that in the region the university now has a high level of Internet service, which you have shared with us. Your submission notes the university campuses have extremely high speed Internet services as a result of the Australian Research and Education Network that has been funded from the systemic infrastructure initiative.

Ms GILLAM: That is right.

CHAIR: Can you explain how this program works?

Ms GILLAM: Yes. Basically, AARNet—are you familiar with AARNet?

CHAIR: Yes.

Ms GILLAM: They, along with Mike Sargent in the early days, organised the roll-out. They basically had a vision of what they wanted to do. They matched that with a provider and got the backbone in place. Then they worked with all of the universities to do the tail connections back to that network.

CHAIR: Was it a partnership?

Ms GILLAM: So the backbone of the network was funded through that program, but then it was up to each university to do the tails back into it.

CHAIR: Okay. There were lots of partnership arrangements?

Ms GILLAM: There were, yes. It worked extremely well.

CHAIR: When the backbone was put in, the other universities could be added.

Ms GILLAM: Yes.

CHAIR: It is a good model.

Ms GILLAM: The majority of that work has been completed now—certainly the first part of it.

CHAIR: Is that part of that \$1 million that you said the university has paid, or is that over and above that?

Ms GILLAM: The university's \$1 million was over and above what had been put in by that funding.

CHAIR: Okay.

Mr DAVID HARRIS: That backbone, does it travel up the coast?

Ms GILLAM: Yes, it does. It goes from Brisbane all the way through around to Perth, even now. Initially it was from Brisbane down to Melbourne.

CHAIR: It probably ran parallel to the rail network.

Ms GILLAM: There are lots of opportunities. I think that getting a coordinated approach certainly will make sure that there is not any duplication involved. I am not professing to have all the answers, but I certainly see that aggregation points in regional areas or regional townships is definitely a way of being able to go while providing a competitive nature to it as well, if it can come into an aggregation point. Obviously, with aggregation points you need to make sure that your architecture is right so you do not have a single point of failure. I am sure that that could be worked out. Then really you are sharing it out to the homes.

CHAIR: It makes sense, really, does it not?

Ms GILLAM: Yes, it does.

Mr DAVID HARRIS: You may not be able to answer this question, but in terms of the \$1 million cost, has there been any work done on investigation of having a third party on-selling as an ISP off that network?

Ms GILLAM: No, we have not done that. In fact many years ago the university ran its own ISP for the area. We disposed of that some time ago because we did not see it as being our core business. But that is not to say that these types of things could not be looked at again.

Mr DAVID HARRIS: The reason I ask is because we have the State network that runs through our schools and hospitals and soon to police stations maybe. There is some on-selling of that particular network. It is a way of creating competition with some of the bigger companies starting with T that have a monopoly.

Ms GILLAM: Yes.

Mr DAVID HARRIS: Sometimes that competition is enough to have them improve their service remarkably.

Ms GILLAM: Absolutely. I am sure there are opportunities that exist. Obviously AARNet is a not-for-profit organisation, but I am sure with the Next Gen network, there are opportunities there in a commercial sense.

CHAIR: Thank you very much indeed. We appreciate your presentation this afternoon, which will become part of the Committee's inquiry. As the year goes on, we will be going through the enormous quantity of data that we have been collecting and begin focusing on some of things that we might be able to recommend to the State. That will be hopefully towards the end of this year, or, if not, next year.

Ms GILLAM: Great. Thank you very much for the opportunity to attend.

(The witness withdrew)

ALFREDO BONNANO, Private Citizen, PO Box 41, Rock Valley, affirmed and examined:

CHAIR: I welcome Mr Alfredo Bonnano of the Billen Cliffs strata plan. Thank you very much for appearing today to provide evidence on the Broadband in Rural and Regional Communities Committee inquiry. I am advised that you have been issued with a copy of the Committee's terms of reference and also a copy of Legislative Assembly Standing Orders Nos 291, 292 and 293 that relate to the examination of witnesses. Is that correct?

Mr BONNANO: Yes, that is correct.

CHAIR: In what capacity are you appearing before the Committee?

Mr BONNANO: I am a graphic artist and I do Web design as a profession. I am also currently the secretary of the Billen Cliffs owners corporation, which I represent.

CHAIR: Thank you very much. I draw your attention to the fact that your evidence is given under parliamentary privilege and you are generally protected from legal or administrative action that might otherwise result in relation to the information you provide. I should also point out that any deliberate misleading of the Committee may constitute a contempt of Parliament and an offence under the Parliamentary Evidence Act 1901. Would you like to make a brief opening statement before we proceed to questions?

Mr BONNANO: First I will explain about our geographical conditions. We are located in Cawongla Valley, which—as you can see from the maps that I have provided—looks like it is amongst the hills. But in fact the valley is quite open. In some places it is well above five or six kilometres in width. There are a number of hills and some of these hills prevent reception from the existing towers. One of the towers located at Mount Nardi supplies television reception and possibly mobile reception. The other tower is situated at Homeleigh, which is very close to Kyogle. Again, depending on the location of people in the valley, it is more likely that the Homeleigh site is better than Mount Nardi because behind the valley facing east we have a range of cliffs—by that I mean 200 or 300 metres high at the most. Therefore, our entire valley is not very well exposed to most telecommunications—mobile and wireless broadband.

Also we depend on a telephone exchange that is situated at Cawongla. The telephone exchange was created 30 or 40 years ago and it has undergone a number of upgrades. More than 20 years ago Billen Cliffs was established and people started to request telephone connections. We are 150 units and we think we have an average of 180 or 190 adults and kids living permanently in our little area—the property is 150 acres. The telephone exchange affects all of Cawongla, and mobile and television reception is affected in the entire length and width of the valley. It goes even further, with difficulties in Homeleigh and towards Barkers Vale. So we are in a position where we have very little information technology available to us. We do not have ADSL. There is optical fibre across the length of the valley, possibly starting at Lismore and going to Blakebrook, where there is a school. Then it goes from Rock Valley all the way to Barkers Vale. The stretch between Barkers Vale and Rock Valley was laid out maybe three or four years ago. We know that the optical fibre has the capacity to provide broadband to the entire valley.

But we face other problems. All residents of the valley know where the police station is, where the fire brigade is, where the nearest hospital is and how to avoid major potholes on the road, but we do not know anything about our telecommunications infrastructure. We have been requesting that information but we are not getting any. The information we have is based on indiscretions from Telstra representatives, witnesses with skills in telecommunications or past employees of Telstra. Regarding telephones and broadband, we know that there are 1,310 telephones registered with Cawongla. The telephone lines from Cawongla are split into three pair gain exchanges. Billen Cliffs has one of those pair gain exchanges. Another is located at Avalon and there is another at Homeleigh. Pair gain exchanges are a very convenient way to set up phone lines in a very cheap fashion. The same copper wires are shared with neighbouring phones lines. Because we do not have ADSL, the majority of people rely on dial-up. With pair gain dial up if you want to download a picture of your grandma you may as well start to cook dinner and come back later to check it.

CHAIR: It is like pulling teeth.

Mr BONNANO: However, because the optical fibre has been laid out the exchange had to be upgraded to support ADSL and provide a service to the only customers that the optical fibre serves: Barkers Vale and Larnook primary schools. Nobody else has access to that optical fibre. We have made inquiries and tried to push and shove Telstra to see whether it can provide a service to us too. But we have been told that we are not profitable so it is not contemplating upgrading our exchange. We are not even listed on the database this financial year. So we are going to miss out for another year on any form of broadband. I heard earlier speakers say that they would like to have ADSL2. We cannot even get past dial-up. We would be very happy to have ADSL1, or even ADSL half, but we cannot get even that.

The other option we have is wireless broadband. Because it is relayed by Homeleigh it is possible for some of us to receive wireless broadband. The only thing we have to do is be on a hill more than 80 metres high facing north and in clear sight of Homeleigh and have a boosting antenna. Then we can have Next G wireless broadband. We have been trying to attract other competitors to the area and we have failed very badly because nobody thinks we are profitable enough. There was another scheme introduced I think in 2004 and 2005, which was a broadband scheme. Ten local councils got together—Lismore City Council was one of them—and widely distributed leaflets asking people in rural areas whether they were interested in having wireless broadband. Apparently many people submitted applications. The scheme has been dragging on for a year and we worked out in the end that basically it was never going to work for us and would never be applied to us.

Some companies made an effort to install wireless broadband on the Homeleigh tower and, according to their statements, they experienced great difficulties getting Telstra to cooperate on the usage of the tower. So I gather that the end result is that it appears that the only beneficiaries of the scheme—which had HiBIS funding initially and then there was something else from the Federal Government—instead of rural residents were major regional residents. So the 10 villages and towns that were part of the scheme ended up with wireless broadband provided through the scheme. Lismore has an installation. There was a process going through with Homeleigh but it never came to anything. There was possibly some equipment on the tower but nothing happened after that.

Apparently, another beneficiary has been the Southern Cross University. Again these are rumours; I have no facts to prove all this. It comes from the technicians who were going through the process of organising the installation.

Then we come to mobile reception. Because we rely on the only towers, which are at Homeleigh, of course we have a very good mobile reception. We are on a hill facing north, pointing to the tower. We have a bit less strength of signal if we go down the hill. When we are in the valley we have absolutely nothing, or just about nothing. I have a Blue Tick phone. But I suppose there are now Blue Tick Plus and Blue Tick Plus Plus, so my mobile phone, even if it is a Blue Tick, is just about useless in the middle of the valley. But I do not want to spend a lot of money to buy another phone.

There are problems with what we perceive as a lack of honesty from Telstra. Firstly, I personally feel that they have a very aggressive form of marketing advertising. Mostly the products they sell cost twice as much as any other competitors. It appears from my research that Telstra has been hindering other players to come in to provide us the services. I have a Next G because I do work with the Internet. That is what I run my business with: I do Web designs. I had a satellite before, and unfortunately I chose to go with Telstra and I realised that I chose the most expensive provider of satellite broadband. I was paying \$70 for 500 megabytes of uploads and downloads. With Next G I was paying \$49.95 until three months ago, and I have one gigabyte. With one gigabyte I am able to manage my business, allow my teenage son to access the Internet, and provide for family usage. I am always on the lookout to see how much everybody in the family is using the Internet.

For a similar price, or maybe slightly above, we had ADSL, for 12 gigabytes. So Next G is very expensive. As I said before, until two or three months ago I was paying \$49.95. That was because at the time Telstra still had anti-spam filtering on my plan. Mind you, I have a three-year plan, and one year after my contract Telstra decided that I—plus maybe another few hundred thousand millions of people in Australia—had to pay for the anti-spam filtering. So now I have had an increase of 16 per cent, to prevent me from receiving the 200 or 300 spam daily on my computer. I think that was an undertaking from Telstra which was not appreciated from my side. I think it was a dishonest approach. I tried to complain to the Ombudsman, but it seems that I am not getting anywhere.

Mr GEOFF PROVEST: With regard to Billen Cliffs, I think you said there are 150 people?

Mr BONNANO: Yes.

Mr GEOFF PROVEST: How many phones or how much Internet access would that equate to?

Mr BONNANO: With regard to Internet access, we approached Ian Causley in 2007 and we approached Janelle Saffin lately. But basically, since 1997 we have had a registry of people interested in getting proper broadband. We collected 50 signatures in Billen Cliffs alone.

Mr GEOFF PROVEST: So there would be 50 users or 50 accounts?

Mr BONNANO: That is right, in Billen Cliffs alone.

CHAIR: Who owns the fibre?

Mr BONNANO: My understanding is that it is in the hands of the New South Wales education department.

CHAIR: The New South Wales Government has, I suppose, a lease arrangement with the service provider Soul?

Mr BONNANO: Possibly. I do not know.

CHAIR: And they are the ones who put in the cables, and we pay them?

Mr BONNANO: Yes. But we have been making inquiries about the optical fibre. When you have an optical fibre, you also need cooperation with the major player, which is Telstra, because you need a copper wire to be attached. The problem is that, because we have three exchanges, it means that before Telstra can provide ADSL through the optical fibre it has to upgrade the three exchanges. Before you get to do the three exchanges, you have to check out how our copper wires are laid out all around the area. They are 20 years old, and just two weeks ago we noticed a telephone line that was strung up between living trees—which in my opinion is against the law but maybe I am wrong. So to have ADSL in our area, there is a great deal of capital investment to be done. It could be done down the track—

CHAIR: I am on the pair-gain myself, and I know how limiting it is.

Mr BONNANO: Nevertheless, wireless would be the option for us. Satellite is problematic. I had a satellite before, and when you connect another computer remotely and you synchronise another computer, the time delay can cut off the transmission. When I had a satellite it was a headache—besides the cost. So wireless would be the next option. Our preferred provider would not be Next G, because there are other providers who offer a cheaper plan. Nevertheless, if we have to go that way, I would like to get the signal all over the valley for wireless broadband.

CHAIR: Within the valley, I notice on your map there are a number of houses. Are there any other business activities in the valley?

Mr BONNANO: Yes, in Cawongla there is a shop. In Rock Valley there is a post office, but I think we are served by an exchange in Goolmangar. We have ADSL in Rock Valley. In fact, we are surrounded by ADSL-enabled exchanges. We are the only one in the area that has not been enabled. There is no light in sight. We do not know when it is going to happen, if it is going to happen at all.

Another thing I would like to point out is on a financial level. It appears there are 1,300 phones in Cawongla. If that is the case, with an average telephone bill at \$100, times 12, that means that Cawongla exchange generates to Telstra revenue in the order of \$1.6 million per year. I have had a phone for 20 years. Sixteen years ago I was still paying \$30 a month. Now I am paying \$100 per month. That is well above the GDP growth in that time. So somebody is doing the big hunt for profits, and nothing else.

If Telstra generates \$1.6 million in revenue from Cawongla, I would imagine that at least a proportion of that could be allocated every year for future upgrades. That is not happening. In fact, we are subsidising faster broadband everywhere else in Australia except in our area.

Mr GEOFF PROVEST: Is the population growing in the area?

Mr BONNANO: Yes, there are new houses popping up all the time. For instance, there is a new development proposal for Cawongla. I do not know when it is going to materialise, if at all. Regarding the business, a number of local tradespeople—because I do Web design, I know there are people who would be very interested to have a Web presence and possibly sell by e-commerce. But with dial-up it would take hours just to upload an image, let alone—

CHAIR: There was a community partnership program at Yetman, which I understand has had similar access problems to the ones you have had. You mentioned 1,300 services at Cawongla. The program at Yetman basically was about a partnership and cooperation between the private sector and the government sector, and they were able to subsidise the wireless network with Telstra, with a partnership between the two, to make the business case for Telstra more attractive, and then they got the service. You have not heard of that one?

Mr BONNANO: No.

CHAIR: It is probably worth investigating. It is something that we, after we have gone through your report, will see what we can do there. That was a model north-west of here. If you contact us, we can probably give you some details about that arrangement. It made the business case for Telstra to give wireless communications to broadband.

Mr BONNANO: They say we cannot have that, because of our geographical location.

CHAIR: They have said it is physically not possible with that tower. But perhaps another tower?

Mr BONNANO: Yes, another tower would serve the entire valley. Our location is high enough—

CHAIR: I think that is what they did at Yetman; it was about putting in a tower.

Mr BONNANO: Yes. But it was related to mobile reception as well. When I asked, they said, "No. We have no plans or intentions to invest any further money."

Mr GEOFF PROVEST: I think it was the same at the other place. What they did, successfully, was talk to everyone in the valley, and become the united front. I think they also got a grant from somewhere.

CHAIR: They were delivering to government services like the Rural Fire Service. A combination of groups was able to basically find 50 per cent of the cost of the tower.

Mr BONNANO: If there is an opportunity like that, I would definitely welcome that. However, we have been through this saga for four or five years and I think people started to get disheartened. I think there is a greater distrust of providers and a greater distrust of politicians—I am sorry, but that is the way it is—because we have been seeing funding coming underneath our nose and disappearing to somebody else's pocket.

CHAIR: It is even more frustrating when you know that there is an optic fibre under the ground next door?

Mr BONNANO: Exactly.

CHAIR: That is part of what our inquiry is looking at: opportunities that may be available to allow that to happen. We have had the same concern raised where the fibre has been delivered to schools, hospitals, courthouses and other government institutions but not to the private market, and yet the infrastructure is there. That has been a recurrent theme that has been coming through our inquiry.

Mr BONNANO: It is my understanding that Australia-wide there are possibly 1,500 exchanges with 500 pair-gain exchanges attached, which are not ADSL-enabled. Also it is my understanding we are not going to be upgraded. Telstra does not want to do it until the Government provides a subsidy. I think the \$600 million for broadband connection was the last Federal form of grant. Because it did not go Telstra's way, they decided, "That's it. We're going to provide ADSL to elsewhere."

CHAIR: You have a compounded problem. Not only are you having difficulty with wireless reception, but you also have a problem with pair gain connection.

Mr BONNANO: Yes.

CHAIR: Pair gain is an impediment to ADSL.

Mr BONNANO: Yes.

CHAIR: That makes it very difficult. Yes, it is hard.

Mr DAVID HARRIS: Whereabouts is the closest school?

Mr BONNANO: Larnook, which, from Billen Cliffs, is maybe three or four kilometres.

Mr DAVID HARRIS: Are there any other businesses, such as shops or anything, located in Billen Cliffs?

Mr BONNANO: We used to have a shop. We provided dial-up Internet, for other reasons, free. Otherwise in Cawongla there is a glass-blowing/art business. There are plumbers. There are farmers. There are students. Now especially, students in high school require it. More and more kids are doing research through the Internet. It is extremely painful to do that through dial-up.

CHAIR: We will get you some information on the Yetman model, which might be of some assistance. We are more than happy to talk to you about that. You need to read through it and see what it offers, and how they did what they did.

Mr BONNANO: Okay.

CHAIR: It might be an avenue for you, but for our purposes, it is encouraging that you have given us a nice hands-on, practical example of a situation where we have fibre and no access.

Mr BONNANO: That is right.

CHAIR: It is like having a highway that you are not allowed to drive on.

Mr BONNANO: Yes. If we are talking about economic rationalism, it means you make the best with whatever assets you have available. To all effects, we know that optical fibre would have cost a fortune.

CHAIR: Have you spoke to the company, Soul, at all?

Mr BONNANO: Nobody. If I talk to Soul, they say, "Who are you, anyway?" I have been approaching Ian Causley here. We had big committees and we approached Ian Causley and Thomas George, and we wrote to the Minister at the time, before the elections. We approached the local council. We approached everything and everybody that we knew had their fingers in the pie. The only reply we got back, for instance, from the Federal Government, says, "Our research proves that you are not ADSL enabled." Big discovery!

CHAIR: You knew that. That is why you wrote to them.

Mr BONNANO: That is right. Thomas George has been sending letters to me saying, "Try this one", which was basically another company like Telstra doing some mysterious technical stuff. I could not understand what they were talking about. There is some amount of technological know-how that I do not have, and there are some political implications that I do not have. What we need is somebody who actually somehow will take us under their wings.

CHAIR: Coordinates that.

Mr BONNANO: Someone who says, "Look, I am going to look after you. We are going to do whatever we can to help you out."

CHAIR: Which council did you come under?

Mr BONNANO: Lismore City Council.

CHAIR: Not Kyogle?

Mr BONNANO: That is confusing.

CHAIR: You are so close to Kyogle.

Mr BONNANO: No, it is confusing because Billen Cliffs is under the Lismore City Council. We are under Janelle Saffin's wings. The exchange is with Justine Elliot. So if you want to have anything done in there, we have to involve two members. But I am tired, you know. I have done everything I possibly could. I even—I do not know, this is a very hippie kind of thing maybe—but I even set up a website which was called <*whereismybroadband.com.au*>, and we have these postcards that we have been circulating around everywhere.

CHAIR: We would love to have a copy, thank you.

Mr BONNANO: I have a big swag of them that I do not use any more. The website was updated.

CHAIR: So it is still on line?

Mr BONNANO: That could go into Parliament.

CHAIR: We will put them in everybody's letterbox.

Mr BONNANO: It was pretty well up to date until a year ago when finally I gave up. Basically I assumed that I was not getting anywhere. Nobody was satisfied in the area.

CHAIR: We appreciate your frank and open discussion with us. We will attempt to see what can be done. We certainly will have your information included in our report, that is for sure. Telstra and the others are very keen on looking at what comes out of this Committee. We have regular communications with them. I am sure they will be reading *Hansard* with great interest. That at least will be something that will come out of your presentation today. We will try to get the information on the Yetman model to you. We have not learnt enough about it to be able to be very clear and specific for you, but it seems as though it has addressed a similar problem in a creative way. You have answered all the questions we have here, which is great. Thank you very much for your presentation. We wish you all the very best. We will see what we can do at our level for you, but we certainly will get the ear of the powers that be, particularly Telstra and Optus and others. Thank you very much.

Mr BONNANO: Thank you very much for giving me this opportunity.

CHAIR: This is not you on the postcard, is it?

Mr BONNANO: I do not want to say who it is.

(The witness withdrew)

GÉRARD DESIRÉ JEAN-PIERRE JOLY, Self-employed Businessman, 61 Caniaba Road, South Lismore, sworn and examined:

CHAIR: Welcome, and thank you for appearing today to provide evidence to the Committee's inquiry into broadband in rural and regional communities. I am advised that you have been issued with a copy of the Committee's terms of reference and a copy of the Legislative Assembly's Standing Orders 291, 292 and 293 that relate to the examination of a witness. Is that correct?

Mr JOLY: Yes, it is.

CHAIR: Will you please state the capacity in which you appear?

Mr JOLY: I am an owner-operator of a home-based swimming pool business. I represent myself.

CHAIR: I draw your attention to the fact that your evidence is given under parliamentary privilege. You are generally protected from legal or administrative action that might otherwise result in relation to the information you provide.

Mr JOLY: Yes.

CHAIR: I should also point out that any deliberate misleading of the Committee may constitute contempt of Parliament, which is an offence under the Parliamentary Evidence Act 1901.

Mr JOLY: Yes.

CHAIR: Would you like to make a brief opening statement before we proceed with questions?

Mr JOLY: Yes. I am very new to all this.

CHAIR: So are we.

Mr JOLY: I will just go as I go. Basically I was divorced at the end of 2004, so I am a part-time single father. Logistically and economically, it is not feasible for me either to rent a house or rent a unit and have my kids on a part-time basis while sharing. The most cost-effective way for me to function is to buy a big caravan, which I have. I moved it to a farm out of town, which was convenient, but since then the ability to live on the farm was not practical, so then I had to move from there.

So I called Telstra to inquire whether broadband was available at the caravan park, and they said it was. But when I moved there I found that it was not available at all. Logistically it is very practical for me to live there. I do not mow the lawn and I do not weed. I have my own private parking spot. Very quiet, permanent owner-occupiers reside there. There is only a very small section of the park where people who are touring around stay. It is very functional for my kids.

Broadband wise, as I understand it, the lines that come into the premises have been split or paired off. That makes it very hard. One individual in a caravan behind me has broadband. Yet from the time the phone line comes in and reaches a distribution point and then is redirected to my place, I cannot get it. Right now I am stuck. I initially made the decision because it was very practical for me in my current situation. In the long term I will go off and buy a block of land and start building. That is not a problem. But right now I need access to broadband. I have a few business ideas and I have the ability to market worldwide. But I really need this facility. It takes me three hours to download an AVG update on the security of my computer.

CHAIR: So you have access to dial-up.

Mr JOLY: Dial-up is the only means. I was looking forward to getting broadband. Because I have a home-based pool business I have the ability to compete comfortably with the established retail outlets. I can move from Coffs Harbour to Tweed, which is barely an hour and a half drive away—or less with the new freeway. Coffs Harbour is a comfortable country two-hour drive. So business wise I have a unique opportunity to function very well. But the only means to make this viable and make it work is to get access to broadband service so that I can communicate with my clients and at the same time use the voiceover IP facility. With

satellite and the other facilities, I am not 100 per cent sure that voiceover IP functions efficiently. I am really stuck. My perception is that we have known for many years that this was going to happen. Living in a caravan park is a very practical way of life for a large group of people.

Mr GEOFF PROVEST: Does anyone else in the park have broadband? Are you the only one who does not have it?

Mr JOLY: From what I have heard, probably three people cannot get it.

CHAIR: Is that because they have used up all the pair gain?

Mr JOLY: Yes, plus the distance from where it goes to the distribution box and comes back to us. The airport is barely three kilometres from here so we are within four kilometres of a distribution box or whatever.

CHAIR: The nodes.

Mr JOLY: Yes. People further up the road have it and I have friends who live five kilometres away who have it. I think only one person has it in the park. A couple of other people tried to get it but could not. When I made inquiries my understanding is that someone else had made a similar inquiry—I do not know whether they sent the Committee a letter. At the end of the day, I am paying the normal fee that someone up the road is paying but I am not getting what I am paying for—even the basic dial-up service.

My neighbour is a pensioner and his phone bill has increased by \$1. Telstra knows that we are all going to broadband and are using voiceover IP. But my basic phone service, which everyone has identical access to, is the same as everyone else but they have access to broadband. So either my phone cost should be reduced to reflect the fact that I do not have that facility or they should deliver what everyone else is receiving.

CHAIR: Who have you contacted about this?

Mr JOLY: In relation to what?

CHAIR: Your problem.

Mr JOLY: I have called my local Internet provider, which has taught me about how the phone is split and things like that. I have also called Telstra.

Mr GEOFF PROVEST: What has Telstra said?

Mr JOLY: Initially they said I could have it. That was one of the reasons why I made the decision to move there. At first I was a little reluctant because of my kids and the caravan park mentality. But I moved based on Telstra's advice. When I went to connect it they then said that I could not have it. They ran a test. It is well known that the phone line is already paired off; this is a very common issue. They then advised me that they had had other inquiries from the park.

Mr GEOFF PROVEST: But it did not offer a solution.

Mr JOLY: There is no solution. I have to go to wireless but I am not prepared to pay the cost of wireless because I am not really getting voiceover IP. From what I understand, you use the satellite and your phone line in conjunction with it. I am not 100 per cent sure about it. I also made inquiries about using a system whereby I can connect to an antenna of some sort—I do not know what it is called. But they have run a test and I am unable to get that either.

CHAIR: So they have tried the satellite?

Mr JOLY: Yes.

Mr GEOFF PROVEST: There is a wireless and a little antenna—there is also a bigger one—that plugs into the wireless and boosts the signal.

Mr JOLY: Yes. I think the only option is through the satellite. I have tried everyone else. I am within a stone's throw of the airport.

Mr DAVID HARRIS: Does Telstra say that additional services cannot be added due to a lack of capacity at the caravan park?

Mr JOLY: When you make an inquiry they run a test through your line and they measure the interference within the line. Based on the interference found, they will either say, "You are too far" or "You just can't have it." I told them that the gentleman behind me, who is only eight metres away, has it. So then I asked, "Why can't you run a line through his pipe and come to me if there is a distance issue?"

Mr DAVID HARRIS: Can you explain how the telephone connection works in the caravan park?

Mr JOLY: I think it is a standard system. The line comes in and it must have a central distribution point. From the distribution point all your standard lines come into your caravan as per normal for a domestic residence.

Mr DAVID HARRIS: Is it your caravan or did you move into a caravan on site?

Mr JOLY: It is my caravan; I own it.

Mr DAVID HARRIS: So you moved your caravan there.

Mr JOLY: Yes, I did.

Mr DAVID HARRIS: How did they connect the cable to your caravan?

Mr JOLY: There is a standard distribution point in front of my caravan, like at any private domestic residence. From that point they run a line underground to just below the van.

Mr DAVID HARRIS: Did they come and do that installation?

Mr JOLY: Yes. They then installed a distribution box, which they own. That is a standard set-up; just like for a domestic residence.

Mr DAVID HARRIS: What they are saying to you is that the noise level on your line is outside the tolerance to run broadband?

Mr JOLY: Yes, the tolerance for broadband to interact with my line.

Mr DAVID HARRIS: If you are running off the same line, and other lines are running off the same distribution point, they would have the same noise coming out of that distribution point.

Mr JOLY: Not really, no. It is like a normal, standard pot that you would find on the side of the road, where each line goes to each domestic building. It is the same set-up.

Mr DAVID HARRIS: I understand that. But if the cable they have run from that point to your van—obviously, if other people connect to that point, that point is okay.

Mr JOLY: Yes. In relation to my situation, the line of the gentleman behind me must run a shorter distance from the pot to his place, whereas mine must travel a longer distance. But also, as I understand it, my line must be paired off, because when I initially connected it I could hear other people talking on the line in the background.

CHAIR: You might have a pair-gain from that distribution point, where there might be 14 lines servicing 28 or 30 people.

Mr JOLY: Yes. Whereas the line of the gentleman behind—

CHAIR: I have a pair-gain system in my area. It was not until my neighbour left that it gave us one more capacity, so I grabbed his. You cannot put an endless number of people on a line. I think in my case there are 18. I do not know what it is where you are.

Mr JOLY: There are probably 80 people.

CHAIR: That would be maximum capacity for a pair-gain.

Mr JOLY: Yes. I do not know how many premises there are, but yesterday when I got home I deliberately looked at someone's number and it said 56. Therefore it must go to about 78 or 80 dwellings.

CHAIR: Thank you for your information, which has been recorded. We will make sure that Telstra and others read the material, and they will obviously be aware of your concerns and your situation. We will pass on your information to your local member. Have you spoken to Thomas George?

Mr JOLY: No. I know that the problem can only be rectified logistically.

CHAIR: It can be rectified through your Federal member. We will talk to your local State member as well. I use our Federal member, even though I am a State member of Parliament. If I have a Federal issue, I ring the Federal member and ask them to fix it. Telstra is a Federal matter. You would be wise to give your Federal member, Janelle Saffin, a call. She is a doer. My advice would be for you to contact her and tell her you have spoken to us, and that we have recommended you speak to her. Hopefully, she might be able to take the issue up for you and push a few buttons at Telstra.

Mr GEOFF PROVEST: The owner of the caravan park would not upgrade the lines? If the line is at peak capacity, Telstra may say the owner of it needs to upgrade it to get more.

Mr JOLY: Yes. I do not think he is under any financial pressure. It is a very quiet place.

Mr GEOFF PROVEST: It may not happen. I am just saying that Telstra may say, "If he pays a small money, we will run in some extra lines."

Mr JOLY: Yes. I think he may have to. In my situation, this has become a very practical place to live. The kids run around and it is very safe for them. Possibly it will happen even more, the way the economy is, that people move into this type of set-up. It is very easy living, and it is very comfortable.

Mr DAVID HARRIS: The other person you might be able to contact is the Telecommunications Ombudsman. You could write to him and say that you are not getting sufficient answers to your problem.

Mr JOLY: Yes, I will.

CHAIR: Thank you for sharing with us the position you are in.

Mr DAVID HARRIS: You have raised a very important issue relating to mobile homes and caravan parks.

Mr JOLY: Yes. I have always heard bad feedback about them, and there are some bad caravan parks within this area. But everyone has pointed to this particular place. It is very easy going and very quiet. When you walk around at night you feel like you are on acreage, which will be my next step. But right now, it is practical. I have only mown the lawn twice in the past three years.

(The witness withdrew)

(The Committee adjourned at 3.20 p.m.)