

Senate Estimates Hearings – Department of Communications 21.10.19

Senator Sam McMahon – NT Senator, Country Liberal Party

Senator Anne Urquhart – Tasmanian Senator, ALP

Mr Mike Mrdak – Secretary, Department of Communications and the Arts (Department Head)

Jennifer McNeill - First Assistant Secretary, Infrastructure and Consumer, Department of Communications and the Arts

Kath Silleri - Assistant Secretary, Consumer Safeguards, Department of Communications and the Arts

Senator McMAHON: My questions relate to the National Relay Service procurement outcome. Across 2015-16 to 2018-19, what was the actual cost of the National Relay Service?

Mrs McNeill: For 2015-16 the total cost of the Relay Service, including outreach, was \$26.3 million. The following year, 2016-17, it was \$32.2 million. For the following year it was \$31.2 million. I might say that even in 2015-16 that had been a big step-up from preceding periods. For example, in 2013-14 the total cost of the service was \$18.8 million.

Senator McMAHON: And that was significantly higher than the budgeted amount—is that correct?

Mrs McNeill: It was. There was a period of time in 2013-14 where some new Relay Service options began to be offered. They were SMS relay, video relay and captioned relay using the CapTel handset. A lot of that uptake over that period was associated with a big increase or a big take-up and increase in the use of captioned telephony using the CapTel handset. So it was a very big increase. Just to give you a sense of it, in terms of the minutes of Relay Service being delivered associated with captioned telephony, in 2013-14 it was only 100,000 minutes, but by the time we got 2017-18 it was 3.5 million minutes. So it's a very popular service.

Senator McMAHON: So it wasn't a fixed price tender?

Mrs McNeill: No, the tender supplier charged on a per-minute basis for the Relay Service offering.

Senator McMAHON: And that was essentially the reason for the big cost blowout?

Mrs McNeill: It was. It was predominantly associated with captioned relay.

Senator McMAHON: Did the department rule out the use of CapTel in the NRS tender?

Mrs McNeill: I assume that you're talking about the tender process which has been conducted over the last year or so.

Senator McMAHON: Correct.

Mrs McNeill: Just taking a step back, there were two stages to that process as events turned out. We went to the market with an open tender in about April 2018. That process was brought to an end with no conclusion— there was no bid presented that offered value for money to the

Commonwealth. We went ahead earlier this year with another competitive tender process, but it was not an open market approach. We went back to the participants in the earlier round. When we went to the market in that second stage of the tender that I've described, we didn't rule technologies in or out. Our focus was on ensuring that there were Relay Service offerings that met the needs of all of the Relay Service users. For senators who aren't aware, the Relay Service is a service that in effect allows Australians who are deaf or have a hearing impairment or speech impairment to be able to access telephone services. They do that really through the interposition of a Relay Service operator who might be respeaking, so the person can see text, or typing. There are quite a few different options—in fact, I think there are 19 or 20 different sorts of service offerings.

Senator McMAHON: So nothing was ruled—

Mrs McNeill: No, nothing was ruled in or out. Our focus was on ensuring that there were options that would meet the needs of all of those people, so we didn't rule any particular technologies or platforms in or out.

Senator McMAHON: What assistance has ACE or Accesscomm provided in transitioning affected users off CapTel service?

Mrs McNeill: ACE is the current provider of the Relay Service. As a result of that tender process that I have described, there will be a new provider of relay services. We are looking to begin the transition of services to the new provider in November. We have sought assistance both from Australian Communication Exchange—that's ACE, the current provider—in identifying CapTel users. That's because, of all the Relay Service offerings that Australian Communication Exchange had available, all are being continued with the exception of the CapTel handset. So it's a caption telephony option. There will be captioned telephony options available through the new provider, Concentrix, but they won't be CapTel handset options. So it's quite important for us to be able to make contact with the CapTel handset users so that we can explain to them what their alternatives might be. We contacted both Australian Communication Exchange and the Australian distributor of CapTel handsets—and that's Accesscomm—and we requested their assistance. It was not forthcoming, so the minister did make a determination under the Telecommunications (Consumer Protection and Service Standards) Act requiring the contractor—Australian Communication Exchange—to assist the department. Since then the department has requested assistance from Australian Communication Exchange. We are still in discussions, can I say, pursuant to one of those requests about the list of CapTel users, but I'm pleased to report that Australian Communication Exchange has agreed pursuant to a request made in reliance on the determination to put a message on CapTel handsets so that, when users go to use those handsets, from November they will get a prompt indicating that they should call the help desk so that the options can be explained to them in anticipation of the CapTel handsets not being supported through the National Relay Service from February of next year.

Senator McMAHON: Okay, so they've agreed to provide that assistance?

Ms McNeill: Some of the assistance, yes. Some of the assistance is a work in progress.

Senator McMAHON: They haven't yet actually provided it?

Ms McNeill: No.

Senator McMAHON: Do ACE and Accesscomm share senior management?

Ms McNeill: They do share senior management. Mr Sandy Gilliland, the chief executive officer of ACE, is a director of two companies that hold equity interests in Accesscomm. The director of Accesscomm is the chief information officer at ACE. So there are connections between the companies, although it's not what I will call a vanilla ownership or shareholding arrangement.

Senator McMAHON: Thank you.

Senator URQUHART: Alright. I've got some on the National Relay Service. Can you tell me where the National Relay Service help desk is operated and who it is staffed by?

Ms Sillari: The National Relay Service help desk is staffed by—it's run under contract by WestWood Spice and they subcontract to Concentrix. It's currently run out of Ballarat.

Senator URQUHART: Okay, so it's not departmental staff?

Ms Sillari: No, it's not.

Senator URQUHART: How many staff does the help desk have?

Ms Sillari: I'd have to take that on notice, Senator.

Senator URQUHART: Any idea?

Ms Sillari: Half a dozen.

Senator URQUHART: If you can clarify that on notice.

Ms Sillari: I'll confirm that.

Senator URQUHART: What type of support is provided for National Relay Service users who want hands on training? And who provides that on the ground?

Ms Sillari: The process that I understand you may be talking about is the process we'll go through once we've transitioned from current Relay Service provider to the new Relay Service provider—when people who have a CapTel handset will no longer be able to use the CapTel handset as part of the Relay Service. What will be occurring, and I think as Mrs McNeill mentioned earlier, is that we are firstly establishing contact with those people who we haven't already contacted to establish exactly what their communication needs and preferences are. Once we're aware of that, we'll then be reaching out to them individually. The department will be managing this process in conjunction with a variety of providers, such as the Be Connected program, which is run through the eSafety Commissioner's office. They work with a program called Good Things Foundation, which has networks across Australia which primarily help to run programs for predominantly older Australians on how to make the most of technology and communication. So what we'll be doing is assessing people, because it's a very—no one size fits all for people. We want to assess what communication equipment people have in their home now, what they're comfortable using and what they currently use their CapTel handset for.

Senator URQUHART: I understand the department released an NRS consultation paper on 24 March 2016 titled 'Communications accessibility: 2016 and beyond'. That's correct, isn't it?

Ms Sillari: Yes.

Senator URQUHART: The department's website indicates the NRS consultation outcomes or an update to them was published on 5 September 2018. Is that correct?

Ms Silleri: I'd have to check those dates, but that sounds about right.

Senator URQUHART: So the 25-page consultation paper released in 2016 seeks no feedback on the potential removal of CapTel as a delivery option. Why is that?

Ms Silleri: It's related to what Mrs McNeill mentioned earlier. We've at no stage had any preference for any particular type of technology. Our interest has been in a service that meets the needs primarily of people who prefer to speak their side of the conversation, those who would prefer to text or type their side of the conversation and those whose language is Auslan. There are a variety of ways of doing that. The CapTel handset is one for people who prefer to speak their side of the conversation, but there are other mechanisms, so we had no preference for the type of technology to be used.

Senator URQUHART: So there are various different types of technology?

Ms Silleri: There are, yes.

Senator URQUHART: Does the department of communications consider TTYs to be outdated and proprietary technology?

Ms Silleri: They're not proprietary technology. They are an older piece of technology, but they are not proprietary. There are ways they can, for example, be improved in the delivery of services to people who prefer to speak their side of the conversation and who perhaps may have some hearing but also like to receive text.

Senator URQUHART: I refer to the consultation paper. It says, 'What sort of transition process would be appropriate in phasing out legacy proprietary technology such as the TTY access to the NRS?'. Given the department explicitly referred to TTY as legacy and proprietary technology and even went so far as to seek feedback on phasing it out, why is the government forcing CapTel users onto TTY devices?

Ms Silleri: In the first instance we're not forcing people to use the TTY. It's one option that people can use. In 2016 the communications landscape was significantly different to what it is now. There are many other ways people can get captions on a screen at the same time as using a communications device, such as with smartphones, iPads and combinations of those with landline phones. So it is a significantly different landscape from what it was in 2016.

Senator URQUHART: How many different types of technology are you actually offering people?

Ms Silleri: Under the new service arrangements there are a number of different channels through which you can use the National Relay Service. We prefer to look at it in terms of the device, because that's what people are most familiar with. So, with a mobile phone, people can—I have an infographic—

Senator URQUHART: Do you want to table that if it's easier?

Ms Silleri: I'd be happy to table it. Basically it shows what people can do with a mobile phone, what people can do with a computer or tablet, what people can do with a TTY and what people can do with a landline phone. In all, the number of combinations is 20.

Senator URQUHART: Thank you. The 25-page NRS consultation outcomes paper—the one that I referred to from September 2018—does not appear to make any mention of removing access to CapTel. Why is that?

Ms Silleri: I'd have to revisit that document, but primarily it would be around the fact that we weren't focused on any particular technology at that time. But I'm happy to take that more detailed response on notice.

Senator URQUHART: Prior to the tender outcome, did the department engage directly with users of CapTel services or their families for their feedback on actually removing the service?

Ms Silleri: No, we did not. One of the reasons was that we were in a procurement exercise. It's not appropriate to, I guess, speak about the outcomes or potential outcomes of procurement exercises until they are known.

Senator URQUHART: Did the department undertake any direct consultation with users of CapTel and their families over the course of the tender process?

Ms Silleri: No, we did not.

Senator URQUHART: Mr Mrdak, as secretary of the department, what are your expectations in relation to how elderly deaf Australians and their family members should be consulted on changes that will impact them?

Mr Mrdak: As I think you have gathered from my officers, we are trying to provide the best possible technology choices for all Australians who require this service, including—

Senator URQUHART: But without consultation?

Mr Mrdak: I am coming to that, Senator, if I may. The difficulty has been, as Ms McNeill has indicated, that we've not had access to the client list of the CapTel handset. We are seeking that from the current provider. We hope that provider will make that list available as per the direction from the minister. Should that be the case then our intention is to contact each and every one of those parties to explain to them the menu of choices and to find the service offering that best suits their needs. We've already started that through the work that my team has been doing. We've been maintaining a register of people who've contacted us and we've been doing that with those individuals. Our intention is to provide them with a suite of technology. As we've indicated, we've always been technology agnostic to some degree. We are looking for the best possible option that meets people's needs. We've never ruled out CapTel. It's just that, unfortunately, it's been the case that throughout the tender process CapTel has had a proprietary relationship with a certain provider and it's not been possible to make that technology available to an alternative provider. We've been testing that. We remain in discussions with the providers of CapTel—I'll ask Mrs McNeill to give you an update on that—seeking their ability to continue to provide the CapTel handset beyond the current contract. To date that's not been possible for proprietary exclusive reasons that they have. But we are hoping to break through that. I'll ask Mrs McNeill to give you an update on it.

Mrs McNeill: As Mr Mrdak said, the CapTel technology is proprietary technology. The current provider, Australian Communication Exchange, has an exclusive licence to use that technology. If we had gone to the market in our tender process requiring the provision of CapTel services, that really would have meant that only one entity in Australia could have submitted a compliant tender. We weren't wedded to that technology. We didn't exclude it. We welcomed the prospect of a bid from the current provider that included CapTel, but we also welcomed the submission of bids from

others. Then we made an assessment based on the criteria and we made a selection of the successful tenderer. We are concerned to ensure that users of the CapTel service have as easy a transition path as possible. So we have reached out to the American owners of the CapTel technology in the past few months to see whether it might be possible to come to some arrangement which would see CapTel users grandfathered—to have an extended transition period—so that they would have a longer opportunity to familiarise themselves with the alternatives. Those discussions are ongoing. I think I'd better leave it at that.

Senator URQUHART: Where are they at? What is the likely time frame for that finalisation?

Mrs McNeill: If it was to come to fruition, it would need to happen quite swiftly. Those discussions—the detail of them is confidential, but—

Senator URQUHART: I didn't ask you about the detail—

Mrs McNeill: No.

Senator URQUHART: I asked you about the time frame.

Mrs McNeill: Given that we are looking at transitioning in the new provider starting in November and at the moment concluding the CapTel service at the end of January, we would obviously need to reach an agreement in the very near future.

Senator URQUHART: If those negotiations are not successful in terms of grandfathering or extending, what happens to those people who are using CapTel now?

Mrs McNeill: The people who are using CapTel will have other communication and Relay Service options. Ms Silleri has tabled the infographic that has the options on it. If I can direct your attention really to any of the options, where you'll see the description of voice and captions, they're the sorts of options that people who are currently using CapTel are likely to find most convenient—either by mobile phone or tablet or computer or computer in conjunction with a landline. People will be able to make a voice call and, provided they have a screen, they will be able to get the captioned or what we call the B party side of the conversation—the other party's side of the conversation. The Relay Service officer who is providing that captioning is providing a respeaking voice recognition technology that's very similar or the same thing, really, as what happens with CapTel—there's a relay officer involved in re-speaking the B party's side of the conversation. The speed at which the captions are presented is similar, so the user experience will be similar to that extent. You'll get virtually simultaneous captioning. That's a little bit different from the TTY units, which don't rely on re-speaking technology. They rely on a Relay Service officer actually typing to transcribe the B party's side of the conversation. For that reason the TTY units tend to give users a slower experience than those other captioned Relay Service options.

Senator URQUHART: Except we are talking about a number of elderly deaf Australians who struggle—will struggle, I assume—with new technology and may be forced onto a new technology because their current one is not available.

Mrs McNeill: They may, and I don't discount the challenges that some of those users will face. On the other hand, many elderly Australians are comfortable using mobile telephones and tablets. It's not a perfect sample set, of course, but my own mother spends an inordinate amount of time Skyping my brother in London. Elderly people can be taught technologies with which they are less familiar. As Ms Silleri has outlined, our intention is to go to the CapTel users to test the equipment that they currently have and the equipment that they are comfortable with and to provide tailored

assistance. It may well be that some of them don't want to move to some of the other Relay Service options. We've had the interesting experience of some of the CapTel users who we've reached out to being quite surprised that there was even a Relay Service operator involved. They hadn't appreciated that. So some of the users may choose to go with mainstream technology that doesn't involve a Relay Service operator. We see, for example, the advent of captioned Skype or the use of text to mobile phones. There are a lot of different options available these days.

Mr Mrdak: Senator, just going back to the earlier point that you made, I can assure you that our officers are making every effort and if we are able to contact each of those CapTel users we will make every effort, as you've seen from our officers, to contact them and find the best solution for them. In many cases I think the menu of options will be better than what they have had with the CapTel for some of them. That's certainly our intention. We certainly—and were we able to reach an agreement with the proprietary holders of the rights to CapTel then we would like to have a continuation of that. That's not been possible for a variety of commercial exclusivity reasons which we haven't been able to overcome.

Senator URQUHART: So can you describe the decision-making process in relation to the tender outcome? Who makes the recommendation, who is the final decision-maker and what's the role of the minister in this process?

Mr Mrdak: Senator, I'm the decision-maker. It's a contract administered by the department. There's been an evaluation of the tender process—and Ms Silleri can give you the details of that—but, ultimately, it's advice provided to me. I authorised and signed the contracts on behalf of the Commonwealth. It's not a contract involving the minister.

Senator URQUHART: Was the tender evaluation process completed before the caretaker period, during the caretaker period or after the election?

Mrs McNeill: It was completed during the caretaker period from memory. The limited tender process that I described this year commenced on 23 March—or that's when the request for tenders was distributed. Tenders were due in April, and the new tenderer was announced in June. So the assessment process would've gone on largely during the caretaker period.

Senator URQUHART: Was a recommendation to the government on the tender outcome made before the commencement of the caretaker period or after the election?

Mr Mrdak: No, we provided advice to the incoming government when the incoming government was formed on the results of the tender process and the contract that we entered into.

Senator URQUHART: So after the election. When was the decision on the tender outcome made?

Mrs McNeill: It was publicly communicated on 12 June and it was made shortly preceding that.

Mr Mrdak: We can take that on notice.

Senator URQUHART: After the decision was made, did the department facilitate any opportunities for the minister to use either a CapTel or a TTY device?

Mr Mrdak: At the minister's request, we provided through the new contract provider an opportunity for him to sample the CapTel and other technologies to get an appreciation of the issues involved.

Senator URQUHART: So, prior to finalising the tender outcome, did the department undertake any user-base testing with elderly CapTel users to understand what benefits they associated with CapTel and how these benefits compared to a TTY?

Mrs McNeill: We didn't undertake specific user testing, but we were conscious of the different characteristics that the different service options and offerings had.

Senator URQUHART: In terms of the minister taking the opportunity to use CapTel, was that testing facilitated before or after the announcement?

Mr Mrdak: It was post the announcement. We advised the incoming minister on his appointment of the fact that we had contracted to provide an alternative provider.

Senator URQUHART: Okay, and then he had a test of it?

Mr Mrdak: Yes.

Senator URQUHART: On 16 April 2018, the minister pledged on national TV that no NRS user would be worse off as a result of the tender. Is it the view of the government that no NRS user will be worse off as a result of switching from CapTel to an alternative service?

Mr Mrdak: We are working hard to make sure that the transition means that everyone, we would hope, is using better technology that meets their needs. Some of that is dependent on us being able to contact the CapTel users, which we are endeavouring to do. That remains our objective.

Senator URQUHART: How many CapTel users are there, do you know?

Mrs McNeill: As of May this year, there were around 2,000 active CapTel handsets and, by that, we mean they are used for longer—

Ms Silleri: In May of this year, 2,016 handsets were used; 1,500 were inactive.

Senator URQUHART: Inactive?

Ms Silleri: No calls were made.

Senator URQUHART: Is the new NRS contact with Concentrix based on a call minute rate or is it a flat fee irrespective of the demand for the service?

Ms Silleri: The contract is for \$66 million over three years but, within that, there are call minute rates and fixed and variable amounts. The call minute rates make up part of the variable elements of the contract—there are fixed elements of the contract—but it will not exceed \$66 million over three years.

Senator URQUHART: The words 'captioning rate' reflect the pace at which spoken communication is captioned over a text relay service. A faster rate provides for a better experience and more natural conversation. Can you tell me what the typical word-per-minute captioning rate is on a CapTel device; and then what is it on a TTY?

Ms Silleri: I'll check whether I have that information with me—I do have it, and I can get it to you on notice. I'm not sure if I have it with me.

Mrs McNeill: From memory, the CapTel caption speed is up to around 130 words a minute; and the word speed on a TTY unit is around half that. That reflects, as I indicated earlier, the use of the

respeaking technology as opposed to the typing that is involved when the Relay Service operator is affording a service through the TTY unit.

Ms Silleri: And the caption relay that is provided over a computer, a smartphone or a tablet is equal to that of a CapTel handset.

Senator URQUHART: So the CapTel device is almost twice as fast as TTY?

Ms Silleri: Yes.

Senator URQUHART: What's the average length of a CapTel call versus a TTY call?

Ms Silleri: I'd have to take that on notice—I may not be able to get that information, but I will endeavour to get that for you.

Senator URQUHART: If CapTel reduces call duration because the technology's more efficient, wouldn't that, in theory, reduce the number of call minutes being carried by the National Relay Service and potentially the cost?

Mrs McNeill: That rather depends if the CapTel users migrate to TTY units or migrate to the other service offerings that Ms Silleri has referred to—smart phones, tablets, computers, computers in conjunction with landlines, and so forth. So there is no reason to expect that CapTel users will all migrate to TTY units.

Senator URQUHART: If every current CapTel user switched to TTY and used the phone the same, that would have the effect of increasing the number of total call minutes? That's correct, isn't it?

Mrs McNeill: It would, but under the arrangements with the new provider, there is a cap to the fees that will be charged.

Senator URQUHART: Data from the National Health Survey shows the number of Australians over the age of 65 with deafness or hearing impairment has increased by 200,000 since 2012. So that's a 20 per cent increase. Why is the NRS operational funding decreasing by 20 per cent when the population that would potentially need to rely on the NRS has increased by 20 per cent?

Ms Silleri: It's important to just perhaps take a step back in terms of the CapTel handset. The majority of the National Relay Service is used by people who are deaf. They are all deaf, hearing-impaired or speech impaired. The CapTel handset was distributed without any form of needs based testing. Anybody could have a CapTel handset. It's important to understand that there may be people using the CapTel handset because they like it but they may not need it. I think it's very important that we make sure that the National Relay Service is available for those who need it, who may not have other options. We are cognisant of the ageing population and the incidence of hearing impairment in the ageing population, but we're also very well aware that as people are ageing now, me included, we are very familiar with modern technology and everyday more and more apps are appearing which caption your phone calls. You can look at somebody and have the captions appear as you're talking to them— FaceTime, et cetera. While we're not ignorant to the facts of the ageing population, we are also very concerned that the National Relay Service is available for those who need it.

Senator URQUHART: Do you consider it reasonable for CapTel users with, say, an average age of 80 to rely on iPads and tablets which they might not have comfort or familiarity with—I take Mrs McNeill's point earlier that some do, but there's quite a lot that don't—to make emergency calls?

Ms Silleri: That's exactly why we want to reach out to those people and understand their needs and their communication preferences. It's also worth noting, if they did have a TTY, that the TTY has a dedicated emergency call number, 106, where the National Relay Service operates in exactly the same way that the emergency call person operates. So a call to 106 is like a call to 000 and any call to 000 through the National Relay Service is prioritised and over the last year there have been over 1,500 calls to 000 through the National Relay Service, and they have all been dealt with successfully.

Senator URQUHART: Wouldn't you want to understand what the needs of those people are before the tender?

Ms Silleri: We conducted that consultation process that you mentioned in 2016.

Senator URQUHART: But not with the people, though? Not with the people that use the service?

Ms Silleri: Yes, that was an open consultation process.

Senator URQUHART: In 2016? What steps is the department taking to ensure audiologists are recommending the NRS to elderly Australians with acquired hearing loss? Have you had conversations with audiologists in the past 12 months?

Ms Silleri: Not in the past 12 months. That was previously an outreach program. As soon as we have completed our transition process, the department—I think I have mentioned this to you at a previous estimates hearing—has taken responsibility for outreach for the National Relay Service within the department. The program with audiologists, health professionals, other government departments and financial institutions, making all of those organisations aware of the National Relay Service, will be a key part of our outreach services.

Senator URQUHART: CapTel currently makes up one in two call minutes over the NRS while the TTY only makes up one in 10. Why is that the case?

Ms Silleri: That was a figure of some months ago and that ratio has actually changed in the last three months.

Senator URQUHART: What is the ratio now?

Ms Silleri: The CapTel calls are about 40 per cent now. As Mrs McNeill said, it has been popular and the handsets were distributed without any—they were freely distributed handsets.

Senator URQUHART: On the NRS website, it says: Unlike the CapTel phone, where the other person's words appear in blocks of text, with a TTY, the captions will appear letter by letter shortly after the other person speaks. This can make it easier for you to quickly recognise words spoken by the other person. What evidence did the department rely on to assert a TTY makes it easier to read text than a CapTel device?

Ms Silleri: Some advice from people who had been working in the field for some time about that cognitive process you go through—you see three letters and you understand what the word is going to be. It's important at this point to point out as well that there will be a change to TTY under the new arrangements, where unlike now, if you have some hearing, which we understand many CapTel users do have, you will be able to hear the other side of the conversation. Currently you can't; you're totally reliant on the text. But under the new arrangements you will be able to hear that other side of the conversation as well as being prompted by the text.

Senator URQUHART: Can the department explain how a single line of scrolling text on a six-millimetre high LCD banner provides a better reading experience than the large CapTel display with

multi-line 10 millimetre text? How is that going to work? You've got smaller text and a smaller banner as opposed to a large one with larger text. How is that going to be easier?

Ms Silleri: It's a very comparable experience.

Senator URQUHART: Comparable?

Mrs McNeill: I would like to state that TTY is not the only alternative or even the best alternative for many CapTel users. The captioning experience using the internet relay options will be very comparable to the CapTel captioning experience. So if, as you say, there is a cohort of users who would prefer that different, larger text experience, that will be available.

Senator URQUHART: You said it was a comparable experience. Based on whose feedback is that?

Ms Silleri: That is from our own experience.

Senator URQUHART: Your own, not the CapTel users?

Ms Silleri: No.

Senator URQUHART: What options are available for elderly Australians who have trouble reading the text on the Uniphone TTY?

Ms Silleri: As Mrs McNeill just suggested, there is the option for using computers, smartphones, iPads, any other type of tablet.

Senator URQUHART: Does the department expect the total number of call minutes to reduce under the new NRS contract?

Ms Silleri: We haven't forecast that, but it's a possibility.

Senator URQUHART: The 2016 consultation paper states, 'The previous government agreed with eligible carriers in 2012 to an annual funding allocation of \$20 million excluding GST for the NRS to be drawn from the Telecommunications Industry Levy.' If the then Labor government agreed to a funding cap of \$22 million per annum GST inclusive, why did the Department of Communications enter into a demand driven delivery contract?

Ms Silleri: As to the contract at the time—my understanding was that bids were sought from companies that proposed that they would deliver the service for that amount of money.

Senator URQUHART: On how many occasions has the government extended the contract?

Ms Silleri: I think three, but I will take that on notice for you.

Senator URQUHART: So, three, but you will correct that if that is not right?

Ms Silleri: Yes.

Senator URQUHART: Given that a demand driven funding contract was in place, how was it envisaged funding requirements beyond \$22 million that were a result of increased demand for NRS services would be funded?

Ms Silleri: Technically speaking—and I will take that on notice as well—it wasn't classified as a demand driven contract. It was a funding allocation of \$22 million for the delivery of the National Relay Service. The provider was expected to remain within those costs. However, when they exceeded them, the shortfall was met through the levy.

Senator URQUHART: In the years where NRS delivery costs exceeded \$22 million, who bore the additional costs? Was it the taxpayer or industry via the telecommunications levy?

Ms Sillari: The Telecommunications Industry Levy is made up of an appropriation from government and contributions from telecommunications industry participants.

Senator URQUHART: So, that's where the shortfall came from? Why do calls using a TTY take longer to set up through the NRS than CapTel, and can you explain the difference between the call setup process?

Ms Sillari: As to your first point about the costs, the new contract for the relay service is capped at \$66 million for the three years. The setup arrangement is that the user contacts the National Relay Service and advises where they want to call. The relay service officer connects that call and performs whatever role is required, whether it is to speak or to type, on behalf of the relay service user. The CapTel user dials directly, and the relay officer is in the background.

Senator URQUHART: I understand the CapTel handset allows older deaf Australians to have voicemail messages captioned through the press of a button. That's correct, isn't it?

Ms Sillari: That's my understanding.

Senator URQUHART: Can you confirm it is not possible to have voicemail messages captioned with the Uniphone TTY?

Ms Sillari: I will take that on notice for you.

Senator URQUHART: So you don't know that?

Ms Sillari: I don't know that off the top of my head?

Senator URQUHART: What is the cost of a Uniphone TTY if you are not a customer of either Telstra or Optus and you can't access the disability equipment program?

Ms Sillari: Just for background, the TTY was the replacement for the standard telephone, if you have a disability. It was available via Telstra's or Optus's disability program for the same price as a standard telephone— so a couple of dollars a month. I understand the purchase of a new Uniphone is about \$800.

Senator URQUHART: So, if you are not a customer of Telstra or Optus and you have to buy a Uniphone TTY, it is going to cost around \$800?

Ms Sillari: They cost around \$800.

Senator URQUHART: There was up to about 4,000 Australians using a CapTel handset. How many TTY handsets are there in the country at the moment?

Ms Sillari: I am not sure how many are in the country at the moment, but we are actually discussing that with Telstra and Optus currently.

Senator URQUHART: So you have no idea?

Ms Sillari: I wouldn't like to hazard a guess or put my assessment there, but we are in discussions about the access of TTYs at the moment.

Senator URQUHART: Is it a few hundred?

Ms Silleri: Yes.

Senator URQUHART: What supply assurances has the department received about the ability to procure several thousand TTY handsets before February 2020?

Ms Silleri: As I just mentioned, we are in discussions about that at the moment.

Senator URQUHART: Who is responsible for managing that risk, and can you tell me how the department is monitoring it?

Ms Silleri: That will be departmental responsibility in the first instance.

Mr Mrdak: Sorry? I didn't catch the last part of that sentence?

Senator URQUHART: I just asked about what supply assurances has the department received about the ability to procure several thousand TTY handsets. Ms Silleri said there were discussions happening around that. Who is responsible for managing that risk, and how is the department monitoring that risk?

Mr Mrdak: It again will come down to working with the recipients of the service to make sure. We shouldn't assume the TTY will be the replacement technology. In many ways, TTY is adequate for some, but I think as Ms Silleri and Mrs McNeill have indicated, we think there is technology that better suits people's needs. I don't think the availability risk is as you set out, because we don't see TTY being the answer for everyone who is coming off the CapTel system. There is no shortage of mechanisms available through mobile phones and other things which will actually be the right answer for a lot of people. While we have been working through those issues, we don't believe that is a risk.

Senator URQUHART: Do these TTY handsets have to be manufactured or are they reconditioned units being imported from overseas?

Ms Silleri: I don't think they are being manufactured, and I am not sure they are reconditioned. I understand they are new units, but I will take that on notice for you.

Senator URQUHART: I refer to an article in the Australian Financial Review which revealed the CEO of the current NRS provider is also a director of CapTel, which distributes the CapTel handsets. According to ASIC registries, the CEO became a director of AccessComm on 11 April 2018. Does that accord with the department's understanding?

Ms Silleri: I think that the CEO of ACE is actually a director of another company, DFL, which has ownership/oversight of AccessComm, which is the distributor of the handset.

Senator URQUHART: I talked about 11 April 2018. Is that when the director appointment occurred or was it earlier than that? Mrs NcNeill: Is this the directorship of AccessComm that you are after?

Senator URQUHART: Yes.

Mrs NcNeill: I will find the information for you.

Senator URQUHART: Can you tell me, when did the department first become aware of this conflict of interest? How did it become aware, and what actions did the department take?

Mrs NcNeill: I will pause my search for the date verification. The conflict of interest involved in the CEO of the incumbent being a director in a holding company of the handset distributor? I wouldn't know when. The department has been aware of that for some time.

Senator URQUHART: Do you know when the department became aware?

Mrs McNeill: I couldn't tell you a date. I could probably look into that for you.

Senator URQUHART: If you could take that on notice. Do you know how you became aware and what actions did the department take, if any?

Mr Mrdak: We will check those details, but I think it is important to recognise that the issues—perhaps 'conflict of interest' may not be the right way to describe it. But certainly the issue for us revolves around the exclusivity and the nature of the relationship between ACE, the contract provider, and the availability of the handset. We have been trying to work through that for some time. We have been trying, as the officers have indicated, to find a way to enable that technology to continue. Unfortunately, because of the exclusivity of the relationship, we haven't been able to achieve that. That's been one of the fundamental problems we've faced.

Senator URQUHART: I understand ClearSound is the distributor of the Uniphone 1150 TTY in Australia. Is that correct?

Ms Silleri: That is my understanding.

Senator URQUHART: Who owns the proprietary licence to the technology that underpins the Uniphone 1150? Is it UltraTec?

Ms Silleri: Yes.

Senator URQUHART: Who owns the licence for the CapTel technology?

Ms Silleri: UltraTec.

Senator URQUHART: Does the current NRS contract make it possible for the Commonwealth to acquire that CapTel licence or have it transferred to them? Is there a mechanism that exists in current contracts?

Mrs McNeill: There is a mechanism which can be activated at the end of the exclusivity arrangement.

Senator URQUHART: Which is in?

Mrs McNeill: At the end of January.

Senator URQUHART: Has the department made any attempt to speak with UltraTech about the CapTel licence?

Mrs McNeill: Yes, I indicated earlier that we had had some engagement about the prospects of a grandfathering arrangement.

Senator URQUHART: That's the grandfathering. The government tender sought delivery of the NRS for \$22 million per year, a reduction on the \$27.7 million of operational funding in 2018-19. Did the department receive any bid for up to or less than \$22 million which included retaining access to CapTel?

Ms Silleri: We are not able to discuss the content of bids made in a procurement process.

Senator URQUHART: When did the department first convey concerns to ACE or AccessComm about their unwillingness to share information about existing NRS users to assist with the migration?

Mrs NcNeill: It was shortly after a request was made. We advised the incumbent provider that a new provider of relay services had been selected, and we requested information to assist us with the transition.

Senator URQUHART: It is indefensible that that information has not been shared, given the importance of the migration, isn't it?

Mrs NcNeill: It is disappointing.

Senator URQUHART: Was the information sharing issue discussed during the tender process or prior to?

Mrs NcNeill: It was not, I don't think.

Ms Silleri: Referring back to our 2016 consultation process, one of the issues that has always been of concern to the department and the providers of services to this sector generally has been that we haven't had a good sense of the number of users, not just of the CapTel handset but of all aspects of the National Relay Service. One of the elements that was proposed and agreed/recommended coming out of that consultation process was a registration process to be associated with the National Relay Service that enabled the service provider and the department to have an understanding of the demographics that were being served by the relay service—their needs, their preferences, and how we could best communicate with them. That was always going to be something that was explored. I guess if that had been able to have been brought forward more quickly, we would have that information more readily. We went into this procurement exercise with the requirement that a registration process be implemented as part of the new National Relay Service, and once this transition has been completed a registration process will be commenced.

Senator URQUHART: In terms of that information sharing process, did the department make any attempt to obtain that information in the past two years? Or did you wait until you got to the tender process?

Ms Silleri: I'll have to check for you and I'll take that on notice. We've always been interested to understand the characteristics of the cohorts using various access options of the relay service. Whether that meant giving us the names and addresses so that we can communicate directly, I would have to take that on notice for you.

Senator URQUHART: On how many occasions has the NRS contract been extended by this government?

Ms Silleri: I think I referenced it earlier. I think with this current contract it has been three, but I will take that on notice.

Senator URQUHART: Can you tell me on what dates that was extended?

Ms Silleri: I will get that for you.

Senator URQUHART: Was the concern about lack of information sharing ever raised in the context of contract extensions?

Mrs NcNeill: As far as I'm aware, it was not in the context of contract extensions.

Senator URQUHART: Why was it necessary to wait until 1 October 2019 to issue such a determination? Was there any legal constraint which prevented this from being issued at an earlier time?

Mrs NcNeill: We were hopeful that we would be able to gain access to the information with the cooperation of the providers, and there are some general mechanisms in the contract, but we—

Senator URQUHART: So, you were hopeful?

Mrs NcNeill: We were hopeful, but the making of the determination and the effect of the determination is to really create a particular contract term. It's like introducing a new term in the contract. It gave us the mechanism of having a very specific cooperation obligation, one of which was around the provision of user details, and the other one of which is around the potential to have a message displayed on CapTel units or something of that kind. We think that's a very useful mechanism, because people who are engaging with their handsets will see it.

Senator URQUHART: But you were hopeful that you would get a determination?

Mrs NcNeill: We were hopeful that we would get the cooperation of either Australian Communications Exchange, the service provider, or AccessComm, the handset distributor.

Senator URQUHART: Was there any legal constraint that prevented that being issued at an earlier time?

Mrs NcNeill: No.

Senator URQUHART: You just hoped that you would get it, but there wasn't a legal constraint?

Mrs NcNeill: No, it was a question of the right time.

Senator URQUHART: My final question on this section—was there any link between telecommunications levy funding for the ACCC speed monitoring program and a reduction in the NRS delivery costs?

Ms Silleri: No, the levy is not used for the ACCC speed project.

Senator URQUHART: That is a 'no'?

Ms Silleri: That is a 'no'.