

National Relay Service

I am pleased to make this statement to the House about the National Relay Service.

The National Relay Service – or the NRS - is a very important communications service for Australians who are deaf, hard of hearing or who have a speech impairment.

I want to start by explaining how the NRS works today, and who delivers it. Next I want to explain why the Commonwealth recently put out to tender the future delivery of the NRS, and discuss the outcome of the tender.

Finally I want to discuss how the NRS will be provided in the future - and make it clear that NRS users will continue to have a wide range of service options available to them.

How the NRS works

Central to the NRS is the role of the 'relay officers' - a team of specialists working out of call centres, today based in Brisbane and Ballarat, who help NRS users make and receive phone calls.

There are many different combinations of call types and people.

Consider Amy, a profoundly deaf Australian who can speak but cannot hear. Amy wants to telephone a friend. She calls the NRS through the online NRS Chat call page. Her call goes to a relay officer. Amy gives her friend's number and the relay officer dials the friend. When the friend speaks, the relay officer types the friend's words. These words appear on a screen visible to Amy.

Amy may be speech impaired, in which case she can type her side of the conversation; her typed words are seen on a screen by the relay officer who speaks them to Amy's friend.

Amy may use sign language in which case she uses a video relay call to the NRS; the relay officer speaks the words Amy has signed so Amy's friend on the other end of the line can hear the words.

If Amy can speak her side of the conversation but has a hearing impairment the NRS offers options for her to speak while the relay officer types or re-speaks her friend's response. Amy can read the relay officer's captions on a screen.

There are also different types of devices used with the NRS - including teletypewriters (TTY devices), smartphones, tablets, personal computers and the Capitel handset.

Since it started in 1995 the NRS has been delivered by a private company, Australian Communications Exchange Limited (ACE).

The core work that ACE does is to employ the relay officers, operate the call centre, and provide the underlying connectivity.

There is also a help desk, which has been operated by a separate company, Westwood Spice.

Why the Commonwealth Recently Put the NRS Out to Tender

Let me now turn to why the Commonwealth, first last year and then earlier this year, put out to tender the operation of the NRS for the next three years.

Our government has been particularly concerned that the needs of some user groups - including those who rely primarily on sign language or Auslan to communicate - were not receiving adequate focus under the existing NRS arrangements.

Around 10,000 Australians consider Auslan to be their first (and often only) language. For these Australians, the NRS is especially important. They need to use video relay so that the words spoken by the other participant in the conversation can be converted into sign language by the relay officer and viewed over video.

A further 10,000 Australians are bilingual – that is they use Auslan as well as speaking.

We have also been concerned at the unsatisfactory terms of the original contract - negotiated in 2012 by TUSMA, the agency established by then Labor Communications Minister Stephen Conroy. These terms did not put the Commonwealth in a strong position to negotiate improvements to service levels, and to secure value for money for taxpayers.

For some time our government has also been concerned that NRS costs were accelerating sharply beyond the budgeted amount of \$22 million.

Between 2015-16 and 2018-19, the annual cost of providing the NRS increased by almost \$10 million, meaning there was a 45 per cent blow out in cost.

To give a comparison - over the same period the costs for delivering the Triple Zero emergency call service were less than \$15 million each year.

In 2018-19 there were approximately 1.16 million calls using the NRS. In the same year, there were 9.4 million calls to Triple Zero.

The main reason for the NRS cost blow out was a sharp increase in the number of 'call minutes' which ACE delivered via the Captel handset and for which the Commonwealth was charged.

Accesscomm - a company closely associated with ACE – actively marketed the handsets to elderly Australians living in retirement villages, evidently with the aim of increasing customer numbers, marketing them as costing '*\$55 a year, less than a Telstra phone*'.

For these reasons the Government determined to hold a competitive tender process to select a company to provide the NRS for the next three years. ACE participated as did another company, Concentrix Services Pty Ltd.

The focus of the tender was to ensure that relay options were available to meet the different needs and use preferences of all of the different groups of Australians who use the NRS.

The outcome of the tender

Earlier this year, following the completion of the competitive tender process, the Government awarded a new three year NRS contract to Concentrix.

This followed ACE making offers to the Commonwealth which would have substantially increased NRS costs or substantially reduced NRS services.

In the 2018 tender, ACE's bid was priced significantly over the Commonwealth's \$22 million budget with no mechanism to cap or control costs. ACE did give the Commonwealth an alternative. It indicated that it could provide reduced services within the Commonwealth's \$22 million budget – an approach that would have seen the annual call minutes being provided by the NRS drop from 6.4 million to 4.9 million.

In its 2019 limited tender bid, ACE made an even more expensive proposal: to nearly double the cost per minute rate charged to taxpayers - from their then current rate of \$4.44 to \$7.49.

Clearly such an offer was unacceptable to the Commonwealth. I have been disappointed by the conduct of ACE and its associates since it learned of the tender outcome.

It has created unnecessary anxiety about the future of the NRS.

ACE has also been providing misleading information to the media and actively resisting the government's efforts to provide information to Captel users to help them understand the transition process.

In fact, in my opinion, ACE intentionally withheld information from the Commonwealth about Captel users. Initially ACE denied even having a list of users. It claimed that any such list was held by an entirely different company - Accesscomm.

ACE and Accesscomm have repeatedly denied they are connected. Mr Sandy Gilliland – the CEO of ACE - wrote to me on 8 August 2019 saying “I have no involvement with AccessComm Ltd.”

This is a plainly misleading statement. Mr Gilliland is a director of DFL Holdings Pty Ltd which is the 100 per cent shareholder of Accesscomm Pty Ltd. The Chief Information Officer of ACE - who reports to Mr Gilliland - was the sole Director of Accesscomm from 20 August 2018 through to 21 October 2019 when Mr Gilliland replaced him as the sole Director.

The disappointing conduct of ACE was compounded by the weakness of the Commonwealth's contractual position. Astonishingly, the contractual terms agreed by the Gillard Labor Government in 2013 did not require ACE to provide the Government with a list of Captel users, and to regularly update that list.

That is why I had to make a legal instrument to give the Government additional powers to compel ACE to assist my Department contact Captel users.

Let me also make it clear that in the tender process the Government did not rule out the use of Captel in the National Relay Service. The tender sought to address the needs of all NRS users - rather than ruling particular technologies or solutions in or out.

ACE was the only tenderer which could offer the Captel handset as part of its proposed captioned relay solution. Captel uses proprietary technology developed by an American company, Ultratec; ACE holds the exclusive Australian rights to the technology.

As I have already explained, ACE sought to leverage that exclusivity by almost doubling the cost per minute of providing the not only the Captel service but all NRS services.

Now it is important to emphasise that the NRS is about much more than Captel.

In fact, Captel is just one of the nineteen service offerings under the National Relay Service. Under the new contract with Concentrix there will be up to 20 service options available.

This is one reason why the Government chose Concentrix: it is increasing the number of service channels for NRS users.

Concentrix has also committed to exploring an expansion of the hours of operation for video relay. Under the current arrangements video relay is only available from 7am to 6pm Monday to Friday. This means NRS users whose only language is Auslan are effectively unable to use the NRS after hours or on weekends.

How the NRS will be provided in the future

Let me now turn to how the NRS will be provided under the new contract.

The provision of NRS services is being transitioned over to Concentrix before the contract with ACE comes to an end on 31 January 2020.

There is an extensive education program to inform NRS users of the change and what it will mean for them.

The Government estimates that there are up to 10,000 users of the NRS at the moment. The number of active Captel handset users in October 2019 was 1,722.

We are putting particular effort into communicating with current users of Captel to explain their options and to help them transition to another service that meets their needs. Some will continue to use the NRS using a 'smart' device of their choice – either a smartphone, tablet or computer or via a teletypewriter. Others will prefer to use a mainstream captioning app or other service. Some will need only written information and instructions but others will need more hands on, in person training.

I want to make it clear that if the underlying Captel rights holder, Ultratec, were to make an acceptable offer to Concentrix, the Government stands ready to support a continuation of service to existing Captel handset users.

This would require an agreement to be reached between Ultratec, Concentrix and the Commonwealth and for contracts to be signed. My Department has had

continuing discussions with Ultratec in recent weeks. No agreement has been reached, but we stand ready to reach an agreement on acceptable terms.

Let me also explain the wide range of device and service options which will be available to people who are deaf or who have a hearing impairment or speech impairment.

The NRS will offer services which can be delivered via mobile phones, tablets, desk top computers, a standard landline telephone and TTYs. The access options include SMS relay, text and listen, voice relay (formerly known as speak and listen), video relay, NRS Chat (formerly known as internet relay) and NRS Captions (captioned relay). The NRS Chat, NRS Captions and voice relay services will also be available via the NRS App.

These NRS services are in addition to the increasing number of options available using mainstream options such as SMS, video calling and Skype captions.

Conclusion

Let me conclude by emphasising the strong commitment of the Morrison Government to a fully funded, efficient and sustainable National Relay Service.

We are committed to an inclusive Australia and a National Relay Service which does its job of keeping Australians who are deaf, hearing impaired or speech impaired, connected.

The Hon Paul Fletcher MP, Minister for Communications, Cyber Safety and the Arts