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Standing Committee on Communications and the Arts

Inquiry into Co-Investment in Multi-Carrier Regional Mobile Infrastructure

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Committee Secretariat
Standing Committee on Communications & the Arts
PO Box 6021
Parliament House
CANBERRA ACT 2600

Via email

Dear Committee Members,

Re: Regional Mobile Infrastructure Inquiry

Field Solutions Group (FSG) welcomes the opportunity to submit a response to the ACCC's Regional Mobile Infrastructure Inquiry. We apologise that this submission did not make the original cut off date and appreciate the extension provided

As an emerging regionally based Mobile Network Operator, existing broadband network telecommunications company and a mobile network infrastructure provider, FSG feels it is uniquely placed to provide feedback to the inquiry.

We welcome any queries or clarification on our submission and look forward to working collaboratively within the industry and with Government.

Yours Sincerely,

[redacted]

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Sometimes, a look back in time is a great way to prepare for the future.

Before the privatisation of Telstra, the government had control of significant tower assets across Australia, especially regional Australia. This network of valuable assets was in part being used to expand mobile coverage for all three carriers, and in later days, well before the divestment of ownership, was heavily subsidised under the "Networking the Nation" programs to expand the CDMA network. Back in the day, several companies were reselling the full extent of this CDMA network and at least for a few years, there was some regional retail competition in place for what was then Australia's largest mobile network.

The subsidisation to expand the CDMA network operated by Telstra and resold by a number of companies, continued under several programs as a result of the Estens Report, ahead of the well-known Blackspots Programs now entering a 6th round. However, in 2008, when the CDMA network was switched off, so too was the wholesalers that had access to resell the full extent of this network and so became the re- monopolisation of regional mobile networks in Australia.

Whilst Optus at least gave it a red-hot crack with significant expansion in particular regional markets, and in some cases, ensuring regions benefited from more suitable infrastructure deployments to maximise coverage and performance, the competitive gap was always a challenge. That challenge wasn't just timing, but lack of subsidisation for the challenger is a tough business case.

There has been some commentary made that any type of multi-carrier solution, passive or active, will result in longer build times and thus delay getting services on air. Building a greenfield site takes time – the longest time is often spent on site identification and acquisition. Designing a site to cater for one, two or more carriers isn't rocket science. There's plenty of time to arrange this up front and limit the impact to the timeline, it's called working in parallel.

If all participants are willing to cooperate for what is ultimately the benefit of their customers, lots can happen in parallel. A willingness to participate is the key along with some commercial reality.

A prime example was the Victorian Governments Regional Rail Connectivity program. Once the carriers sorted through regulatory hurdles and established a working framework, the project became a reality with each operator delivering multi-carrier passive infrastructure. Let's face it, all three participating carriers have at one time, or another made mention of the success of this program publicly.

The program, championed by the Victorian government, was unique in many respects, with very clear objectives to cover 5 train lines and focusing on delivering benefit for ALL passengers, regardless of carrier. It wasn't "easy", however excellent industry and government collaboration, good legal advice and great working groups made it a reality.

The three MNOs have been participating in a passive networking sharing model for years within the Mobile Carrier Forum and Inbuilding MoU. One system is built to distribute carriers' coverage across a building that each carrier "plugs" into. Shopping centres, tunnels, stadiums, office buildings – there are examples all across Australia.

History has shown that at the working level, there's been plenty of examples of "co-builds" and co-operation on greenfield builds where operators have a shared need to enhance coverage, but much of this great collaborative works is often drowned out by C level politics.

There are formal antenna sharing agreements in place here in Australia for macro deployments, carriers have shared headframe space on sites, shared costs of structural upgrades, split power costs – so much sharing. But then history has also shown the games that have been played – the dummy antennas, the long, drawnout co-location processes – those seemingly over the top reservation of tower space. Unsurprisingly, change is upon the industry as the reign of TowerCos takes hold.

There is no doubt that the New Zealand Regional Connectivity Group have achieved a great deal since its inception. In a "very Kiwi" collaborative manner, the three MNOs together with significant government investment, have deployed a "joint" network for the benefit of all Kiwi mobile subscribers. It has rolled out a significant volume of infrastructure and services using an active sharing model. In 2017 when established, unlike in Australia, there was less disparity between the three NZ networks, which is one reason why the project, and network, is heralded as being a success.

Imagine if, prior to the privatisation of Telstra, back in the early days of federal government programs subsidising the expansion of mobile networks, there had been the foresight to establish an RCG of our own in regional Australia. If government had retained ownership of the tower assets alone – and funded all three carriers to place their own active equipment on these sites; Just imagine the difference that this would've made to the Australian mobile landscape and especially for people in regional Australia.

Over time, the passive sharing of these said sovereign owned towers, would no doubt have evolved into a more cost-effective active sharing model as the technology itself advanced from 2G to 5G. That model would have realised the "democratisation of coverage", and in doing so, removing coverage as a competitive advantage in favour of true service and pricing differentiation. Ultimately, delivering true value for all mobile subscribers.

These reasons are being used today to argue the case for a regional active sharing model, but which sadly miss out on that key term: "**Neutral**".

FSG see the market opportunity to deliver a truly Neutral "Neutral Host" capability. Neutral company, neutral capability, with a single focus to deliver connectivity (both Mobile and Fixed Wireless) to rural, regional and remote Australia. –

- Community led Model… we build where the people and businesses are and we don't overbuild what is there.
- We share the lot, with other MNO's, Government (Local, State, Federal), and the community.
- We support it with locals (hire them, train them)

FSG's approach will make public money deliver more comprehensive telecommunications infrastructure and telecommunications services, more coverage and reach, more cost effectively.

To some operators, the thought of an Active neutral host RAN sharing model means "you lose control" of your network and customer experience. Perhaps it is fear of change, however, as stated previously, there have been very clear statements made recently on how such active sharing models allow service differentiation, with participating MNOs in control of their own core platforms. This is the same in exclusive RAN sharing models as well as truly neutral networks. Should one therefore only conclude that those MNOs fully understand and even preach the benefits of active sharing, as long as they get to monopolise neutrality ? it seems the market wants to embrace solution change (but maybe less on the competition side?)

Before the TowerCos, in their varying levels of MNO ownership came into being, the decision to build infrastructure to cater for just a single carrier was primarily driven by (ever increasing) costs to build. MNOs were not looking at infrastructure investment to generate revenue like a TowerCo does. MNO's business models are built around customer acquisition and retention, market share and competitive advantage. So when the bean counters are involved, tower heights and structural capacity need only to factor in one, which often results, in that same infrastructure being less suited to meet a second carriers coverage objective and within budget constraints of a "Co-lo" site.

There is no doubt that a significant volume of sites, now in TowerCo ownership, will need some work to be suitable for multi-tenancy using a passive equipment model. (Wonder who pays for that?) Between height extensions and structural works, it often makes a sites viability too much of a challenge.

FSG is pleased that it was chosen to run an active **neutral** host trial in partnership with Optus, under the Federal Governments MBSP5A. Site build and acquisition is well underway and working groups formed between the two parties with expectation of trials going live in June 2023.

FSG extended an invitation for the trial to both Telstra and TPG who declined to participate. As the operator of a fair dinkum "**neutral**" active sharing network, FSG is and will always remain open, for new participants to participate.

The time for change is now. The time for greater competition, especially in regional Australia is now. The cost to serve is only increasing and new, innovative and truly **neutral shared** network solutions are the answer.

Hindsight can teach us a lot; change needs to occur at government and industry level; mistakes of the past can be corrected. Commentary around technical and "equipment parity" as a means to dismiss "neutral" players actively being a part of a solution for mobile network expansion in regional is just noise and excuses; propeller heads can discuss in forums until the cows come home, but the reality is that consumers in Rural, Regional and Rural Australia have a NEED and a RIGHT to be able to make a call and use data, reliably and consistently; it's not about the "G" and it isn't about the brand of equipment used to provide the service.

FSG welcomes opportunity to discuss in more detail.

[ENDS]