



Christine McDonald
Secretary
STANDING COMMITTEE ON ENVIRONMENT AND COMMUNICATIONS
LEGISLATION COMMITTEE

Dear Ms McDonald

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Submission to Inquiry into the National Broadband Network (Tasmania)

The Tasmanian IT and T Industry Development Association (TASICT) is the Tasmanian ICT sector's peak body. The organisation represents the sector to government, develops ICT-related policy, runs important industry programs, provides support to its members and holds events that support and promote the industry.

TASICT has historically been very supportive of the National Broadband Network (NBN) rollout in Tasmania. It supported the original NBN plan and believed wholeheartedly in its ability to reduce Tasmania's primary historical economic disadvantage: its remote location.

By upgrading Tasmania's existing communications infrastructure, the NBN can change the way Tasmanians interact with each other, mainland Australia and the rest of the world. For the few already using the technology, it is fundamentally changing the way they do business.

More work can be done from Tasmania, teleconferencing is a more reliable form of communication and remote working has become a real option for many Tasmanians.

Prior to the 2013 Federal Election, TASICT lobbied for the completion of the existing fibre to the premises (FTTP) NBN rollout. The Coalition – through then Shadow Minister Malcolm Turnbull MP – made a commitment to honour existing NBN contracts. Given Visionstream had an existing contract to rollout the entire FTTP NBN, TASICT believed Mr Turnbull's commitment would lead to the completion of the existing NBN rollout.

Soon after it became clear the rollout was facing significant issues in Tasmania. By June 2013 the project was plagued by disputes between NBNco, Visionstream and its subcontractors as well as concerns over asbestos risks during remediation work.

These issues were never dealt with by the Government of the day. In fact, they were completely ignored and the rollout had almost stopped by September 2013.

It was hoped these issues would be addressed by a new government and the rollout could get back on track. To date, that has not happened. Less than 4,000 new premises have been passed since Visionstream announced it had reached agreement to 'accelerate' the rollout in December 2013.

TASICT believes the Tasmanian project has no realistic chance of being completed by the end of 2015, as previously promised. The first-mover NBN advantage once trumpeted as an economic saviour for Tasmania, is gone.

TASICT is committed to working with the new Tasmanian and Australian Governments through relevant Ministers to see that Tasmania gets the best NBN possible. It does not believe the answer to problems facing the rollout is to force the Australian Government into policy through legislation.

In relation to specific questions being considered by the Committee, TASICT submits the following:

Introduction of a specific subsection to the National Broadband Network Companies Act 2011

TASICT does not support the National Broadband Network Companies Amendment (Tasmania) Bill 2014.

While TASICT remains supportive of the full FTTP NBN rollout to around 190,000 premises originally earmarked for the technology, but only once the current rollout issues are resolved. The Bill in question appears to be politically motivated and will not provide any solution to the ongoing issues being felt in Tasmania.

TASICT understands the Bill would have no prospect of passing the House of Representatives.

Even if it was successful, it would be farcical to shackle an incumbent government to an infrastructure policy it did not want to implement.

The immediate issue facing the NBN in Tasmania is not what technology is going to be used, but what can be done to get the project moving at a reasonable rate. At the current rate of progress it will take another 14 years to complete the remainder of the 190,000 premises currently contracted to receive FTTP NBN.

TASICT would prefer to work constructively with the Australian Government to ensure Tasmania receives the best possible NBN. In early 2014 TASICT supported the NBN aerial trial sites plan as announced by Minister Malcolm Turnbull. The proposed trial would seek to prove Aurora Energy's claim relating to the cost of an aerial NBN deployment.

At the very least, this project would lead to deployment of FTTP NBN to trial sites currently poorly served by existing communications infrastructure. As a best case scenario, the trial could lead to a faster, more cost-effective deployment of the network with a higher ratio of FTTP technology than would otherwise be the case.

Impact on Tasmanian economic growth and the provision of essential services such as health and education in Tasmania

The NBN has the potential to be a transformational infrastructure project for Tasmania. If ever fully delivered, it could revolutionise the way Tasmanians interact with the rest of the world, increase economic activity and drive efficiency in public service delivery.

Tasmania's dispersed population has historically led to the inefficient delivery of services. Particularly in health and education. Existing broadband infrastructure is often inadequate or too unreliable to use the sort of technology that could result in better service delivery. The NBN – through any of the current technology options – could solve this problem.

Tasmania's remote location has been a historic inhibitor to economic growth. Increased availability and quality of broadband to urban and rural Tasmania will see its remote location become even less of a barrier. It will open the State to new opportunities for growth in ICT businesses from SMEs to large corporations moving operations to Tasmania.

RXP Services recent announcement of 60 new highly-skilled ICT jobs in the Hobart CBD is an acknowledgement of Tasmania's growing attractiveness for ICT investment. While the NBN may not have been the instigator for that investment, quality communications infrastructure will be a requirement for any business looking to increase its presence in Tasmania.

Impact on Retail Service Providers (RSPs) operating in Tasmania

RSPs operating in Tasmania are frustrated by the lack of certainty about which technology will be used, the slow pace of the rollout and the failing process for connecting new customers to the network.

Day-to-day issues facing RSPs include:

- Cancelled customer appointments. It is estimated that up to 50% of appointments are being missed by NBN contractors. There is anecdotal evidence that some of these appointments are being ignored because contractors arrive at the appointment, identify a difficult or time-consuming job and make an assessment it is not worth the rate being offered;
- Significant 'rework' for RSPs and their customers as they are forced to restart the connection process after failed attempts;
- High risk that customers will (and already are) blame their RSP for missed appointments and long wait times between ordering and connecting to the NBN;
- Uncertainty over future rollout locations and timelines; and
- Poor consumer experience causing lower-than-expected NBN take-up rates.

Impact on contractors participating in the rollout of the NBN in Tasmania

TASICT is not in a position to comment on behalf of contractors.

Summary

The NBN project has been used as a political tool by all major political parties at a state and federal level. It has been frustrating to see the real issues skimmed over or ignored, as evidenced by the Bill being assessed by this Senate Committee.

The NBN rollout and connection process in Tasmania has been so shambolic and failed so abysmally to meet its targets that the question about what NBN technology Tasmania will get has become less relevant.

Tasmanians now wonder if they will ever get the NBN. Business has lost enthusiasm for the project and RSPs have lost confidence in the product they want to provide. Tasmania, already dealing with an inadequate communications infrastructure, faces lengthy delays to ever see the project completed.

A debate about what policy would see the greatest number of new connections to NBN infrastructure in the shortest period of time would be more relevant than one about proposed changes to the NBN technology mix.

TASICT implores Inquiry members to take this submission seriously and look to address the issues raised in relation to the lack of rollout progress and farcical connection process.

Without urgent political intervention, the project will continue to fail Tasmania.

Dean Winter
Executive Officer

23 April 2014