



TELSTRA CORPORATION LIMITED

Submission to the Joint Standing Committee on the National Capital and External Territories inquiry into the availability and access to enabling communications infrastructure in Australia's external territories

27 January 2021



01 Overview

Telecommunications is vital to all Australians given our geographical spread and the increased push for a more digital society. As Australia's largest telecommunications carrier, Telstra plays a key role in Australia's digital economy, with our world-leading mobile networks reaching 99.5 per cent of the population. In Australia we provide 18.8 million retail mobile services and 3.7 million retail fixed network services.

Every day, our networks connect millions of people. Our customers rely on our networks around the clock and around the world. Having access to a reliable telecommunications network underpins economic growth and social interaction and provides opportunities to address societal and environmental challenges.

Telstra understands the importance of providing telecommunications services to the residents of Australia's island territories, including:

- meeting the basic requirements of individuals to stay connected;
- providing communication infrastructure to give the island territories access to online services, business opportunities and communication with Australia and the rest of the world;
- supporting economic activity and delivery of government services; and
- supporting national security through Australian Defence Force and Australian Federal Police facilities.

Telstra also recognises the challenges of providing telecommunications services to remote territories, including:

- maintaining the resilience of telecommunications links to/from the Australian mainland;
- the rising expectations of residents and visitors for widely available high-speed telecommunications services; and
- the costs associated with transporting telecommunications equipment and specialist staff to remote areas to repair critical faults and/or upgrade infrastructure and services.

We are committed to ensuring Australians in regional and remote areas continue to be digitally included and receive world class services that will benefit their communities and drive economic and social prosperity.

02 Universal Service Obligation

The Universal Service Obligation (USO) is a long-standing consumer protection that ensures everyone has access to standard telephone services and payphones regardless of where they live or work. As Australia's Primary Universal Service Provider, Telstra must connect a standard telephone service on request to any premises in Australia.

The new Universal Service Guarantee (USG) updates the USO by providing all Australian homes and businesses with access to both broadband and voice services, regardless of their location. The USG will deliver broadband services through the National Broadband Network (NBN) and will continue to use Telstra's existing copper and wireless networks in rural and remote Australia for the provision of voice services in NBN fixed wireless and satellite areas.



The USO applies across Australia, including remote communities, islands and the external territories of Christmas and Cocos (Keeling) Islands.¹ Australia's other external territories are not covered by the USO. On Norfolk Island, communications are regulated by the Norfolk Island's *Telecommunications Act 1992 (NI)*, and while Telstra does not have a network presence on Norfolk Island, we understand that fixed line telephone, broadband internet connection and mobile connectivity on the island are provided by Norfolk Telecom.

Public co-investment and support will be required to ensure the external territories have access to modern telecommunications infrastructure and services. Providing equipment and services to many of the most remote locations, including Australia's external territories, is difficult, costly and will almost never attract purely commercial telecommunications investment.

03 Telstra's infrastructure in the external territories

3.1. Cocos (Keeling) Islands

Telstra continues to offer and maintain traditional Public Switched Telephone Network (PSTN) fixed telephone services on the Cocos (Keeling) Islands in fulfilment of our USO and operates two PSTN exchanges in the Cocos (Keeling) Islands – one on West Island and the other on Home Island. These exchanges provide voice telephony to about 370 services, including three payphones. The exchanges are connected via radio links, with two links in operation for diversity and redundancy. These radio links are located on separate Telstra towers situated on each island. There is also a separate radio link for a local dial-out only phone located on Direction Island provided to the island for safety purposes. Both exchanges connect via the earth station at the West Island exchange to the Gngangara earth station via Intelsat satellite, and from there connect into the Wellington local access switch in Perth.

Telstra provides high-speed data services via copper, or radio and copper, and is aware that broadband is available on the islands through a third party, providing access through NBN Skymuster satellite services.

While we did in the past operate an AMPS (1G) mobile network on Cocos (Keeling) Islands, Telstra no longer operates a mobile network there. We understand it is not uncommon for locals to have a Telstra SIM card which can be used for voice and SMS via Voice over Wi-Fi using Wi-Fi hotspots operated by a third party.

3.2. Christmas Island

Telstra has an exchange located at Irvine Hill, connecting over 630 satellite, voice and mobile services, including four payphones. The exchange has an earth station connecting to the Gngangara earth station via Intelsat satellite, and from there connecting into the Wellington local access switch in Perth. We also maintain equipment which provides access to mobile voice and text messaging. Equipment is located at Irvine Hill, Drumsite, Rocky Point, Northwest Point, and Casino, with a cell extender for the Golf Course.

Telstra provides high-speed data services and is aware that broadband is available on the islands through a third party, providing access through NBN Skymuster satellite services.

Telstra recently submitted a proposal to the Commonwealth's Regional Connectivity Program (RCP) to upgrade our mobile network on Christmas Island. Our proposal builds on our national commitment to ensuring regional and remote Australians are digitally included and receive world class services to benefit their communities and drive economic and social prosperity.

¹ Telstra is not obliged to provide USO voice services on Norfolk Island or the Antarctic Territory and Heard and McDonald Islands. See definition of "Australia" in the *Acts Interpretation Act 1901 (Cth)*.



Telstra proposes upgrading the four existing 2G mobile sites to 4GX and constructing a new 4GX site at the airport.² In order to utilise the benefits which 4GX technology offers for residents of and visitors to Christmas Island, Telstra also proposes the installation of a new Satellite Earth Station for connectivity back to the mainland. Following these upgrade works there would be improved mobile coverage on Christmas Island, and access for the first time to Telstra 4G data services. In addition to supporting higher quality voice calling, 4G data connectivity will also enable web browsing, e-mail, the use of social media and standard definition streaming.

The proposal would enable diverse socioeconomic benefits on the island including business efficiencies and comprehensive investment attraction, particularly in tourism. It will open up greater access to emergency and essential services, educational resources, telehealth and community services. The project will also foster digital inclusion and increase opportunities to share Christmas Island with the world.

Telstra consulted with people on Christmas Island regarding the social and economic impacts of our proposed upgrade to their connectivity and received support from across government and the business community.

The overall solution requires a large upfront investment. In the RCP proposal Telstra committed to contribute a substantial amount of its own funding, but significant Government co-funding is required to make the solution viable.

3.3. Norfolk Island

The USO did not apply to Norfolk Island when the *Telecommunications Act 1997* (Cth) (and by extension the *Telecommunications (Consumer Protection and Service Standards) Act 1999* (**TCPSS Act**)³) was enacted in 1997. Various amendments have been implemented since then to extend the operation of Commonwealth Acts to Norfolk Island, however these amendments have been expressed as not affecting the operation of the *Telecommunications Act 1997* (Cth) in respect of Norfolk Island⁴. Therefore, the *Telecommunications Act 1997* continues not to apply to Norfolk Island, and the TCPSS Act and therefore USO does not apply, unless in the future it is prescribed as an eligible Territory in the telecommunications regulations.

While Telstra does not have a network presence on Norfolk Island, the mobile network on the island managed by Norfolk Telecom supports roaming for post-paid Telstra customers, which allows mainland visitors to Norfolk Island to use the local network.

² 4GX provides better coverage than standard 4G in rural and regional areas, and better in-building coverage and speed than standard 4G in metro areas.

³ The USO is defined in s9 of the TCPSS Act. Under s7 of the TCPSS Act, the TCPSS Act has the same application, including in relation to external Territories, as the *Telecommunications Act 1997* (Cth).

⁴ S10(2) of the *Telecommunications Act 1997* provides that "operation of this [Telco] Act in relation to Norfolk Island is not affected by the amendments made by Division 1 of Part 1 of Schedule 5 to the Territories Legislation Amendment Act 2016".