



**Minister for Technology  
Minister for the Aviation Industry**

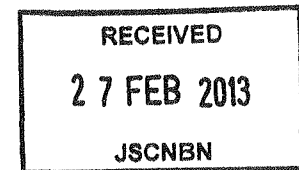
Submission No. 1

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Committee Secretary  
Joint Committee on the National Broadband Network  
Department of House of Representatives  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600



Dear Committee Secretary

**VICTORIAN SUBMISSION TO JOINT COMMITTEE ON THE NATIONAL  
BROADBAND NETWORK – FIFTH REVIEW**

In my capacity as Victoria's Minister for Technology and lead Minister responsible for coordinating Victoria's response to the National Broadband Network (NBN) I welcome the opportunity to contribute to the Joint Committee's fifth review on the NBN.

The Victorian Government strongly supports the development of ubiquitous high quality broadband, improved mobile telephony and development of the digital economy to drive important productivity gains and social improvement for Victoria.

The attached submission reflects Victorian Government views highlighting potential risks associated with the Commonwealth Government's approach to the NBN and particularly regional telecommunications.

The Victorian Government is concerned that some communities may miss out on the benefits of NBN's regional prioritisation and may be placed at a long term disadvantage due to the approach being taken by NBN Co to the fixed wireless rollout. This is highlighted by NBN Co's response to the rejection of a development application in Victoria's Golden Plains Shire.

This submission cites the circumstances of the community of Napoleons as demonstrating a need for the Commonwealth Government to improve the accountability of NBN Co to the communities it is supposed to serve. The important issue of accountability in a monopoly environment needs to be raised in a broader forum such as the Joint Committee.


On another important matter, the Commonwealth Government response to the 2011-2012 Regional Telecommunications Review (Sinclair review) recommendations refers responsibility for addressing regional mobile blackspots to NBN Co and suggests that no review of its effectiveness should occur until the NBN rollout is complete. This submission outlines why this response is flawed and out of step with the practical requirements of the mobile telecommunications carriers.

The Victorian Government asks that the Joint Committee to recommend that the Commonwealth Government urgently consider these matters.

If you have any queries in relation to this submission please do not hesitate to contact Mr Matthew Dummett, Director, Science and Technology Policy, Victorian Department of Business and Innovation on (03) 9651 9107. This submission may be made publicly available.

I wish the Committee well in its deliberations on this vital area of national telecommunications policy.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gordon Rich-Phillips', written in a cursive style.

**THE HON GORDON RICH-PHILLIPS MLC**  
Minister for Technology

Encl.

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**Key Points**

The Victorian Government is concerned that some communities may miss out on the benefits of regional prioritisation and may be placed at a long term disadvantage due to the approach being taken by NBN Co to the fixed wireless rollout.

This submission cites the circumstances of the community of Napoleons as demonstrating a need for the Commonwealth Government to improve the accountability of NBN Co to the communities it is supposed to serve.

The Commonwealth Government response to the 2011-2012 Regional Telecommunications Review (RTR) recommendations refers responsibility for addressing regional mobile blackspots to NBN Co and suggests that no review of its effectiveness should occur until the NBN rollout is complete.

This response is out of step with the practical requirements of the mobile telecommunications carriers. This also creates conflicting priorities for NBN Co between the urgency of the fixed wireless rollout and the need to consider mobile blackspots.

The Victorian Government understands the importance of high-quality broadband for quality of life and economic development across Victoria. While the National Broadband Network (NBN) has the potential to improve the speed and consistency of broadband coverage in Victoria, it is a massive infrastructure and civil works program that also has potential to cause disruption as it is rolled out, and to impact visual amenity once in place. Therefore planning issues and potential community benefits must be effectively balanced.

The Agreement reached between the Commonwealth Government and key independent members of the House of Representatives regarding the NBN in September 2010 led to a regional prioritisation of the rollout of the network. This has resulted in the commitment to complete the wireless broadband network by the end of 2015.

The Victorian Government is concerned that some Victorian communities may miss out on the benefits of regional prioritisation and may be placed at a long term disadvantage due to the approach being taken by NBN Co to the fixed wireless rollout.

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Some urgency on the part of NBN Co is understandable to meet its coverage and timing commitments on the fixed wireless rollout. That said, communities affected by NBN Co decisions do not have alternative suppliers to turn to as the Commonwealth has established NBN Co as an effective long term monopoly provider in fixed broadband. Therefore, it is incumbent on the Commonwealth to ensure that NBN Co is appropriately accountable.

These issues have been brought into focus by the events surrounding the proposal to build an NBN Co wireless tower in the community of Napoleons in the Golden Plains Shire. Napoleons is a community of over 650 people on the outskirts of the City of Ballarat. Golden Plains Shire is strongly supportive of better telecommunications infrastructure for its residents and businesses.

The NBN Co plan included Napoleons in the fixed wireless rollout and NBN Co (or its agents) submitted a development application for it and the other seven sites in the Golden Plains Shire. In summary:

- NBN Co was informed on 20 January 2012 that their preferred site would not be approved
- alternative sites were suggested by Council during negotiations
- one site was investigated by NBN Co but the landholders would not agree
- the Napoleons application was rejected in June 2012 by the Council on amenity grounds
- when the application was rejected by Council NBN Co announced Napoleons would receive a satellite service
- this service would not be NBN Co's Interim Satellite Solution, therefore services would not be available until late 2015.
- seven of the eight applications were approved without issue.

The Victorian planning system contains options that could be utilised, individually or in combination, in relation to NBN Co telecommunications towers. However, in the Napoleons case NBN Co is choosing to not exercise any of these options including:

- to investigate other sites suggested by Council, and
- appeal the Council decision to the Victorian Civil and Administrative Tribunal (VCAT).

This NBN Co policy, clearly stated by the CEO of NBN Co, Mr Michael Quigley<sup>1</sup>, of not following through on options available to it has broad implications. This will result in long term consequences for that community as a satellite service is a less capable service than wireless. Satellite is considered to be a lesser service in comparison to fibre and fixed wireless services due to the impact of latency. A service that has high latency, such as satellite, is unsuitable for quality voice, video or other services.

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<sup>1</sup> Mr Michael Quigley, ABC Local Radio interview 12 January 2012.

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There have been no indications from the Commonwealth that the citizens of areas affected by this NBN Co policy will have opportunities to improve their services at a later date. It is highly unlikely that alternatives will be available to Napoleons from other providers as Commonwealth policy settings mean NBN Co has an effective monopoly in the provision of fixed broadband.

NBN Co's policy of not taking full advantage of the options available to it leaves NBN Co open to a perception of pressuring councils to approve development applications. Councils will increasingly be aware that the rejection of a NBN Co tower site development application will lead to NBN Co's default outcome, the provision of a lesser satellite service for their communities.

The issues raised in the Ballarat region will potentially multiply once wireless construction begins in other areas of Victoria. It is the understanding of the Victorian Government that this issue is not confined to Victoria. For a project of the size and national significance of the NBN, the Victorian Government considers it vital that the initiative is developed and implemented in a transparent manner. It is the responsibility of the Commonwealth Government to ensure accountability of NBN Co to the communities it is supposed to serve.

The Victorian Government asks that the Committee address this issue.

***2011–2012 Regional Telecommunications Review (Sinclair review)***

The Commonwealth Government decisions regarding the Sinclair review recommendations on mobile coverage have significant implications for NBN Co. They also mean that regional communities will miss out on much needed improvements to mobile coverage.

The report itself was clear on the urgent need for a program to improve mobile coverage. The report noted:

*“Regional and remote Australians acknowledge and appreciate the benefits of mobile devices and want to be able to use this technology in their everyday lives. Mobile communication is considered essential for people to run businesses, work in remote areas, to encourage tourism and growth, and to have reliable communications in emergency situations. Many people commented on a digital divide between urban, rural and remote areas, suggesting that urban Australians are moving ahead while rural and remote Australians are falling further behind.*

*Over two-thirds of people through the submissions process raised poor mobile coverage as a priority issue and it was the most common concern raised at every one of the regional consultations.”<sup>2</sup>*

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<sup>2</sup> Regional Telecommunications: Empowering Digital Communities p 41

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The Victorian Government is aware of a significant number of mobile blackspots in the State and suggested to the Sinclair review that the Commonwealth work with the States to address issues of mobile coverage. The Sinclair review independently validated this approach and recommended that the Commonwealth establish a program, in conjunction with the States and Territories, to expand the mobile coverage footprint in regional Australia<sup>3</sup>. The Commonwealth Government response to the recommendations regarding mobile coverage indicates a lack of understanding of the practical requirements of the mobile telecommunications carriers.

A tower built to satisfy the fixed wireless requirements of NBN Co will not necessarily be suitable for the carriers to co-locate. Therefore carriers need to be involved in the planning stages. For example:

- space required on each tower – a tower built to NBN Co needs only may not be high enough or structurally appropriate to allow any co-location
- power requirements will change if carriers co-locate
- ground equipment housing capacity and security capabilities need to be considered, and
- backhaul needs – NBN Co is using multiple microwave “hops” to consolidate traffic to a point where it can access fibre backhaul, carriers will only use at most one microwave “hop” before moving to fibre backhaul.

As illustrated by the Napoleons example. NBN Co is rolling out the network as urgently as possible based on commercial and engineering principles to meet Commonwealth Government coverage, time and cost parameters.

The expectation that the NBN Co fixed wireless network will, in itself, improve mobile coverage is flawed. NBN Co is not tasked with addressing mobile coverage in the Commonwealth’s Statement of Expectations and this task is not included in its 2012-15 Corporate Plan.

NBN Co should be involved as a partner in efforts to improve mobile coverage where opportunities exist to co-locate facilities. However, it is not practical to expect NBN Co to plan and deploy its fixed wireless network to deliver better mobile coverage and to achieve its coverage targets in a timely fashion. Either NBN Co will prioritise the fixed wireless network, in which case its impact on regional mobile coverage will be minimal, or it will face conflicting objectives.

The recent fire in Telstra’s Warrnambool telephone exchange that caused major disruptions to public telecommunications services across the south west of Victoria; also reaffirms the urgency for the Commonwealth to reconsider their implementation of the Sinclair review recommendations to improving regional mobile communications. The telecommunications service outage highlighted

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<sup>3</sup> Regional Telecommunications: Empowering Digital Communities, Recommendation 3.2

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structural weaknesses in Victoria's telecommunications networks and the lack of diversity of infrastructure and service provision, particularly in regional settings. Importantly, the outage's impact and cost to the region's businesses and communities was significantly lessened due to Optus maintaining their mobile communications services during the event.

There is a strong potential for these vulnerabilities to be compounded within the NBN where infrastructure diversity is not encouraged and where greater network centralisation is being established.

The Victorian Government asks that the Joint Committee on the National Broadband Network recommend that the Commonwealth Government urgently consider this matter.