



12 April 2013

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

By email to: jcnbn@aph.gov.au

Dear Committee Secretary

Re: Review of the Rollout of the National Broadband Network – Fourth Report

We refer to the Fourth Report on the Review of the Rollout of the National Broadband Network (the **Report**) and would like to share PIPE's view on one of the recommendations made.

The Committee has recommended that the Government support NBN Co to explore the synergies between fixed and mobile telecommunications networks with a view to using the National Broadband Network to improve mobile telecommunications and facilitate private providers use of NBN Co infrastructure to provide and improve mobile telephone services and coverage across Australia.

About PIPE Networks

PIPE Networks Pty Limited (**PIPE**) is a licensed telecommunications carrier which owns and operates the third-largest metropolitan fibre-optic network in Australia.

PIPE was incorporated in 2001 and was granted a carrier licence in July 2002. Since PIPE's first major network build was completed in early 2007, PIPE has constructed a fibre-optic network (**PIPE's network**) in Brisbane (extending to the Gold Coast and Sunshine Coast), Sydney, Melbourne, Hobart, Adelaide and Perth which includes over [REDACTED] of fibre-optic cable,¹ which reaches into [REDACTED] data centres, [REDACTED] Telstra exchanges, [REDACTED] mobile telecommunications huts and towers and [REDACTED] other buildings² across Australia.³ PIPE is now beginning expansion of its network into the Australian Capital Territory. PIPE does not currently have a network presence in the Northern Territory.

In addition to our government, educational and corporate customers outside the telecommunications industry, PIPE uses its network to provide dark fibre and ethernet services for backhaul and resale to many other carriers, carriage service providers and ISPs supplying

¹ As of 11 April 2013.

² Please note that the "other buildings" counts multiple towers of a single building as separate buildings.

³ As of 11 April 2013.

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fixed-line services, as well as backhaul for a number of wireless carriers and Vodafone Hutchinson Australia's mobile telecommunications network.⁴ The backhaul services provided by PIPE have allowed these companies to engage in infrastructure-based competition with Telstra, which has significantly increased competition in retail markets for Internet, fixed-line and more recently mobile telephony services.

The current backhaul market

The market for fibre backhaul services in Australia is serviced by a number of providers, both large existing providers and smaller, growing businesses. The current fibre footprint is naturally denser in larger metropolitan areas, but is ever expanding. This continued expansion is in the long-term interests of end users as more and more people are capable of being serviced or the edge of the nearest networks moves ever closer.

Investment into larger network extensions may only come about upon securing an anchor tenant, such as a mobile provider. For example PIPE's agreement with Vodafone Hutchinson Australia in late 2010 extended PIPE's network by approximately 900 kilometers of new fibre over two years, which at the time of agreement represented a 60 percent increase to PIPE's existing network footprint.⁵

Intervention into this market by a taxpayer funded entity such as NBN Co will reduce network extension by existing and emerging private fibre providers to the detriment of the industry, the market and end-users.

Should you have any queries in relation to this submission, please do not hesitate to contact us.

Sincerely,

PIPE NETWORKS PTY LIMITED

⁴ PIPE Networks, 'PIPE and VHA sign 15 year telecommunications agreement' (Media release, 17 November 2010).

⁵ PIPE Networks, 'PIPE and VHA sign 15 year telecommunications agreement' (Media release, 17 November 2010).

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