

5 February 2009

Ms Alison Kelly
Committee Secretary
Senate Select Committee on the National Broadband Network
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

By e-mail: broadband.sen@aph.gov.au

Dear Ms Kelly,

Re: Senate Select Committee on the National Broadband Network

The Urban Taskforce is a non-profit organisation representing Australia's most prominent property developers and equity financiers. We provide a forum for people involved in the development and planning of the urban environment, to engage in constructive dialogue with government and the community.

We have recently provided a submission to the Australian Government on the exposure draft of the *Telecommunications Legislation Amendment (Fibre Deployment) Bill 2010*.

We feel our submission is of direct relevance to your inquiry. A copy of our submission is attached and forms part of this submission to you. Our comments relate to the proposal to mandate the installation and connection of new urban development projects to an operating fibre network operating to the standard of 100 megabits per second.

We regard the servicing of new urban development by the new national broadband network as desirable, but not essential. That is, we do not think that government should regard the network in same category as public utility infrastructure such as:

- the supply of water;
- the supply of electricity; and
- the disposal and management of sewage.

All of these services are genuinely essential. It is not conceivable that any responsible planning authority would allow a new urban development to proceed without making satisfactory arrangements with regard to these matters. Clearly, if a development is unable to offer its ultimate occupiers all the necessary "essential" services, it cannot proceed.

Any attempt to impose a connection to the network only all new development will given a planning/consent authority enormous power to block a development if some, potentially very expensive, arrangements are not put in place.

There also needs to be more detail on costs and benefits. The *National Broadband Network: Fibre-to-the-premises in Greenfield estates Consultation paper, May 2009* discussion paper makes a very general assertion that "an estimate cost of \$2,500 per premises is expected for the installation of [fibre-to-the-premises (FTTP)]" and that this represents a cost differential of \$1,500 per premises. While this additional cost may not seem excessive, it is not clear how this estimate has been calculated. There is no detail on what has been considered when coming to this estimate. It is essential that evidence be provided to support the assertions made in the paper, particularly when

costs are concerned. This deserves a robust assessment of costs and such assessment must clearly state assumptions made when calculating additional costs above the norm. The Urban Taskforce considers this essential detail.

It needs to be clearly stated that "linkage" infrastructure will be funded by all network users; not property developers. Currently it is unclear who will be responsible for linkage infrastructure/backhaul. A development project should not be obliged by law to fund the offside costs of bringing optical fibre to the development site boundary, nor the costs of the head-end. A clear policy statement confirming this is important. The developer should only be required to provide works that are "internal" to the master planned site.

In relation to infrastructure such as roads and water, these off-site costs have added up to tens of thousands of dollars per home lot, and sterilised development (the slow-moving "growth centres" of Western Sydney is only one example). We hope the Australian Government does not wish its regulatory requirements to be the reason that major housing and commercial development does not proceed, in any given region.

Some other key concerns relating to the impact of the National Broadband Network are also worth noting.

The development industry must be provided with an absolutely clear outline of the infrastructure that must legally be provided at the cost of the developer and that which is to be funded by the service provider. This clarity does not currently exist.

The proposed rules should permit the continued installation of copper line in a new urban development where optic fibre networks do not exist at the time of development and are unlikely to exist prior to the planned occupation of newly developed properties. It seems that the simplest solution would be for draft legislation that would ensure new urban developments are made "fibre-ready."

Any legislation must make allowance for alternative technology and innovation. Improvements to information technology are rapid and it may not be wise to specify a particular technology as the only way to deliver improved information, telecommunication and entertainment services to the community.

We trust your committee will find this information of assistance.

Yours sincerely

Urban Taskforce Australia

A handwritten signature in black ink that reads "Aaron Gadiel". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Aarón Gadiel
Chief Executive Officer

Encl.