

Government of Western Australia  
Submission to the

**Supplementary Section**

**Inquiry into the  
Performance of the  
Australian  
Telecommunications  
Regulatory Regime**

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Department of  
**Industry and Resources**

## **Supplementary Submission to the Inquiry into the Performance of the Australian Telecommunications Regulatory Regime**

### **Competitive Access to Infrastructure—Structures**

This section is concerned with shared use of the structural assets used to house telecommunications equipment such as mobile telephone towers, masts and conduit. The Western Australian Government believes that all licensed telecommunications providers should have an automatic co-location right, subject to appropriate safety and engineering constraints, to utilise established structural assets. Given that access is likely to be limited, it is accepted that appropriate commercial arrangements should also apply. However:

- the same commercial arrangements should apply to all telecommunications providers competing for access; and
- negotiations should be conducted efficiently and within a prescribed fixed timeframe.

The process for declaring services is long and protracted. There is a significant incidence of infrastructure (such as cellular sites and towers) being owned by non-carriers, thus the carrier-specific legislative requirements do not apply to them. Providing licensed telecommunications providers with an automatic co-location right would substantially accelerate infrastructure deployment. That is, all telecommunications providers should have the right to access any existing structural asset currently being used to house or fix telecommunications equipment.

Telecommunications providers also face logistical, financial and administrative barriers to competitors gaining practical access to declared services. For example, entrants are often forced to separately and painstakingly negotiate access to each exchange site with the same owner. Therefore, the Western Australian Government recommends that there should be a fixed, prescribed time limit to practical access.

Other significant shortcomings in third party access arrangements include:

- unfair 'Make Ready' provisions; and
- ad hoc and unfair rental price setting mechanisms.

The first carrier seeking access to the Telstra exchange is required to fund the cost of preparing an exchange for upgrade. This covers the cost of providing separate physical access and security mechanisms, and possibly clearing obsolete equipment out of the way so that the new entrant may install their equipment. The 'Make Ready' process may incur a project delay of several months, and cost in the order of \$65,000.

Artificially high prices are charged for the rental of floor space in the exchange, for the space occupied by the new entrant's equipment. Charges are reported to be in the order of \$1,000 per month, for approximately

1 square metre. By comparison, surrounding commercial premises are leased at prices in the order of \$12 per month per square metre.

As a response to these entry barriers, smaller carriers are innovating with solutions that amount to national 'short term shortcuts'. For example, they are avoiding the 'Make Ready' charge and exorbitant floor space rentals, by installing metal cubicle on the councils reserve ('footpath cubicles') immediately outside the property boundary of the exchange, and then accessing the declared services by running a single conduit back under the fence, into the exchange. While this example highlights entrant ingenuity, it is hardly in the national interest to be faced with the future sight of several dozen metal cubicles on the council reserve outside each exchange, whilst the exchange itself remains half empty.

The Western Australian Government therefore suggests that:

- all exchanges are 'Made Ready' for competition; and
- the rental prices charged by any owner of telecommunications infrastructure (regardless of whether the owner is a telecommunications carrier or not) , be made public so that competitive mechanisms ensure there is a single, fair rental price.