



**SENATOR THE HON MITCH FIFIELD**  
MINISTER FOR COMMUNICATIONS AND THE ARTS  
MANAGER OF GOVERNMENT BUSINESS IN THE SENATE

Ref No: MC18-006831

Mayor David O'Loughlin  
President  
Australian Local Government Association  
8 Geils Court  
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Dear Mayor O'Loughlin

David

### **ALGA resolutions - National General Assembly of Local Government**

Thank you for your letter of 2 August 2018 on behalf of the Australian Local Government Association (ALGA) about the ALGA resolutions supported by the National General Assembly of Local Government in relation to telecommunications matters.

#### *Resolution 39*

The Australian Government recognises the benefit that modern telecommunication services can bring to regional, rural and remote Australia. Australia's expansive land mass and low population density make it challenging to deliver broadband services quickly and cost-effectively. NBN Co Limited (NBN Co) is charged with making National Broadband Network (NBN) services available to all Australian households as quickly and effectively as possible, and is building and operating the network on a commercial basis at arm's length from Government.

In planning the NBN, NBN Co has had to weigh up the time it would take to deliver fixed line and fixed wireless broadband services against the cost-effectiveness of alternative delivery methods. Satellites are the most effective technology to deliver fast broadband to difficult-to-serve premises. NBN Co's satellites are some of the most technologically advanced satellites available, and bring a step-change in the broadband experience compared to services previously available in regional and remote Australia. Through the Sky Muster service, nbn can now offer an improved broadband service, with wholesale download speeds of up to 25 megabits per second (Mbps) and upload speeds of up to 5 Mbps.

Benefits are already flowing from the NBN rollout. The research commissioned by nbn on the social and economic impact of the network rollout found that access to the NBN helped drive an estimated \$1.2 billion in additional economic activity in Australia in 2017 and this is expected to increase to \$10.4 billion per year from 2021. In regional areas, access to the NBN is estimated to have helped drive \$450 million in additional Gross Domestic Product (GDP) in regional Australia in the 2017 financial year and this is forecast to increase to up to \$5.3 billion in additional GDP from 2021. In addition to this, access to the NBN is also forecast to help create up to 20,000 new jobs and 5,400 new businesses in regional areas by 2021.

With almost two-thirds of Australian homes now able to connect to the NBN network, more Australians, regardless of age or postcode, have the opportunity to continue to learn online. This will open up many opportunities, especially for people located in regional areas.

A significant increase in online education is estimated to boost the Australian economy by up to \$1.7b billion in 2021, due to the impact of access to the NBN network on workers' productivity.

Following the development of the distance education satellite product in 2016, the Department is continuing to work with NBN Co to improve access to and use of the education service. Today 743 students across the country are benefitting from the Sky Muster distance education product.

Emergency services, remote schools and health facilities are also able to access special NBN 'Public Interest Premises' packages to help them do their vital work for rural and remote communities.

Communications provided for emergency responders is the responsibility of each State and Territory and they utilise a variety of radiocommunications systems and are generally not reliant on mobile phone coverage to provide their emergency response.

The Australian Government has committed funding to improving telecommunications access across Australia. In addition to providing NBN fixed line broadband services to 2.5 million premises, the Government is investing around \$2.1 billion in capital expenditure on NBN Co's fixed wireless network, and approximately \$1.9 billion on NBN Co's satellite network. The Government is also contributing \$220 million towards the Mobile Black Spot Program, which is generating an investment of \$680 million towards improving mobile coverage.

You may be interested to know that NBN Co's fixed wireless and satellite networks are not commercially viable in their own right, and are supported through a cross-subsidy from customers on NBN Co's fixed line network. In 2016, the Department of Communications and the Arts released a report on the total financial losses expected to be made by the fixed wireless and satellite networks, estimated to be approximately \$9.8 billion from the start of construction to 2039-40. In addition, it found that each satellite service receives a subsidy of around \$110 a month, while each fixed wireless service receives a subsidy of around \$105 a month. More information about these subsidies is available at <https://www.communications.gov.au/publications/nbn-non-commercial-services-funding-options-final-report-march-2016>

### *Resolution 39.1*

The NBN remains on track to be completed by 2020 and 99 per cent of the country is either in design, under construction or complete. Over 61 per cent of all premises across Australia can now order services and by March 2018 over two-thirds of previously identified underserved premises were ready for service.

Consumer experience on the NBN has improved over the last year. During July 2018, 93 per cent of homes and businesses had their equipment installed right the first time, increasing from 87 per cent in July 2017. In the same period, an average of only 0.9 per 100 homes and businesses experienced a fault on the NBN, reducing from 1.0 in July 2017. Of those faults experienced, 91 per cent were resolved with phone and internet providers within the agreed time frames – compared to 77 per cent in July 2017.

The ACCC's Measuring Broadband Australia Report (MBA) provides Australian consumers with accurate and independent information about broadband speeds. Consistent with the first report from March, the second report of the MBA program, released in July 2018, showed that in 70 per cent of tests undertaken, download speeds of above 90 per cent of maximum plan speeds were being achieved.

Overall end-user satisfaction has increased by 12 per cent to reach 6.7 in July, representing end-users' satisfaction with their entire broadband experience delivered by NBN Co and RSPs.

The NBN network is also not 'set and forget' infrastructure. NBN Co has ongoing work underway to continue developing network services over time.

### *Resolution 39.2*

The Australian Government is committed to addressing mobile phone black spots in regional Australia and protecting regional telecommunications needs through Universal Service Obligation arrangements. In April 2018 the Government announced the outcomes of the Priority Locations round (round 3) of the program, and on 10 June 2018 announced a commitment of \$25 million for a fourth round of the program. Round 4 will see a further increase in coverage, with a focus on driving improved outcomes for regional businesses and residents, tourism, health, education and emergency services.

The Government is committed to delivering on round 4 with all stakeholders, including the ALGA, and will target more regional and remote black spot locations. There will be an approach to market following stakeholder consultation in 2018 to deliver on this commitment.

With regard to the Telecommunications Universal Service Obligation, on 20 December 2017, the Government announced its plans to work to implement a new Universal Service Guarantee or USG. The USG will ensure that all Australians have access to both voice and broadband services, regardless of where they live, reflecting changing consumer preferences and technologies.

The Government is taking a 'belt and braces' approach to protecting the telecommunications needs of people in regional Australia. Existing USO arrangements will remain, unless (and until) new stronger safeguards are put in place and there are clear alternatives to the USO and other appropriate safeguards.

The Government will be providing an update on the implementation of the USG later in 2018, following targeted consultation with industry stakeholders and representatives of regional and remote Australia. Further information on this work can be found at:

**<https://www.communications.gov.au/what-we-do/phone/phone-services/universal-service-obligation>**.

The Government is establishing the Regional Broadband Scheme to ensure there are transparent and sustainable funding arrangements in place to provide essential broadband services to regional and remote Australia.

NBN Co is continuing to explore options that will allow broadband retailers to meet the needs of customers in regional areas. For example, the company already has work underway to develop specialised products to support education, health and business applications over the Sky Muster satellite service.

*Resolution 40*

Telecommunications carriers have statutory rights of access to each other's towers, and the sites on which those towers are located. Such rights are commonly used. Optus has stated that 65 per cent of its own towers have other carriers' equipment co-located on them, and also that the majority of the towers it uses are other providers' towers. Carriers also access towers owned by non-carriers, such as utilities, government agencies and commercial tower providers.

The Australian Competition and Consumer Commission (ACCC) is currently investigating whether 'co-build' arrangements for carriers could be improved. Such arrangements could include up-front negotiation and agreement between carriers on sharing towers and the costs of installing them. The ACCC has called for submissions as part of its review of the Facilities Access Code. Submissions are due with the ACCC by 30 September 2018.

Telecommunications carriers have some powers and immunities under Schedule 3 to the *Telecommunications Act 1997* (the Act) to undertake inspections and to install and maintain facilities. These powers primarily relate to low-impact facilities which are specified in the *Telecommunications (Low-impact Facilities) Determination 2018*. In addition to the conditions in the Act, the *Telecommunications Code of Practice 2018* (Code of Practice) sets out further obligations on carriers. The powers and immunities regime does not apply to free-standing towers. The installation of free-standing towers is subject to approval under state, territory and local government planning laws.

I am aware that the ALGA made a submission to the 2018 Regional Telecommunications Review, which will be considered by the Regional Telecommunications Independent Committee. These submissions will be considered by the Committee as they formulate recommendations for their report, which they will deliver to the Minister for Regional Services, Sport, Local Government and Decentralisation on 30 September 2018.

Thank you for bringing these matters to my attention. I trust this information will be of assistance.

Yours sincerely



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18/9/18