



825 Ann Street, Fortitude Valley QLD 4006
PO Box 264, Fortitude Valley QLD 4006
ergon.com.au

10 July 2015

Director
Construction Policy
Market Structure Branch
Department of Communications

By Email: powersandimmunities@communications.gov.au

Dear Director

Amending carrier powers & immunities to support multi-technology rollouts of high-speed broadband

Thank-you for the opportunity to provide comment on proposed amendments to the *Telecommunications Regulations 2001* (the Regulations) and the Telecommunications (Low-impact Facilities) Determination 1997 (LIFD). We appreciate the extension of the submission due date until Monday 13 July 2015.

Due to internal miscommunication, we have had a limited opportunity to consider the impacts and apologise for the brevity of our response. Ergon Energy has concerns about the proposed amendments and would welcome the opportunity to elaborate in more detail the potential physical, administrative and financial impact to our assets and processes.

Ergon Energy, our infrastructure and relationship with NBN

This submission is made by Ergon Energy Corporation Limited (Ergon Energy). Ergon Energy is a Queensland Government-owned corporation that operates a distribution network that supplies electricity to approximately 700,000 customers across a vast operating area; covering approximately 97% of Queensland.

We note the provisions of section 11 of Schedule 3 of the Telecommunications Act 1997 (Cth), which provide that, even for low impact facilities, a carrier must make reasonable efforts to enter into an agreement with Ergon Energy that makes provision for the manner in which the carrier will engage in its activity. Ergon Energy has an existing Facilities Access Agreement in place with the National Broadband Network Company (NBN). We reached financial agreement on pole rental with NBN, however this was based on the then proposed NBN architecture and the maximum diameter and devices reflected in the existing Regulations and LIFD.

There is a provision in our Facilities Access Agreement which requires the parties to meet in good faith to discuss additional costs and liability as a result of a regulatory event or change in law (such as your proposed amendment). However, this does not guarantee Ergon Energy compensation should the proposed amendments suggested by the Department of Communication financially disadvantage Ergon Energy. There is no incentive for NBN to renegotiate our commercial understanding. Ergon Energy is in an unfavourable situation should the proposed amendments proceed.

High level outline of concerns:

In relation to the proposed change from 30mm to 48mm diameter cable:

1. Ergon Energy anticipated a certain volume of poles would need to be changed out based on 30mm diameter of the NBN cable. The increase in diameter to 48mm will likely increase the volume of pole changes anticipated and divert resources from core work.
2. Ergon Energy will potentially incur unrecoverable costs in relation to:
 - a. changing construction manuals and associated drawings such as intermediates, terminations and end fittings;
 - b. Production of new stringing charts for the combination of cables that are hung – HFC, fibre etc;
 - c. Education sessions for our employees.
3. Ergon Energy has concerns about the visual impact on our assets. By way of comparison, a 48mm diameter cable will be 1.5 times larger than our standard LV ABC 4 x 95 sq mm. This is significant. It may impact the existing work practices and the manner in which Ergon Energy employees work on our asset.
4. Community members concerned with the visual impact will make the first call of compliant to Ergon Energy, as the owner of the pole. A potential cost impact on our call centre and customer advocate resources. It also raises potential negative branding and marketing implications for our retail section.

The proposed changes will increase the amount of devices that could potentially be mounted on our poles. Proposed devices include optical nodes (0.21 cubic meters), access terminal (0.035 cubic meters), power supply with amplifier or optical nodes (0.15 cubic meters). This concerns Ergon Energy as:

5. The above devices are additional to what we currently allow on our assets. The change in physical size is significant. Our financial agreement with NBN didn't foresee these additional devices. There is no guarantee that Ergon Energy will receive compensation for the additional devices on our poles and associated wear and tear implications on Ergon Energy's assets.

6. This may impose space restrictions on poles and perhaps additional pole change outs.
7. We have no ability to limit or control how often each device will be fitted on to Ergon Energy poles. For example, will the devices be on every pole, every 3rd pole, every 5th pole, etc.
8. Ergon Energy's future strategy may involve renting out unused space on our poles and street lights to other organisations. Future earning capacity may be restricted by the additional devices and increase in cable thickness.

Please contact Carmelo Noel on (07) 4931 2459 or Kelly-Ann Quinn on (07) 3851 6810 if you wish to discuss this submission further.

Yours sincerely



Kelly-Ann Quinn
Manager Commercial Development and Telecommunications
Ergon Energy
Kelly-ann.quinn@ergon.com.au

