

# Mobile Coverage Programme Discussion Paper

## Submission Cover Sheet

### Submission Information

This cover sheet should be attached to submissions made to the Department of Communications in relation to the Mobile Coverage Programme Discussion Paper.

#### Contact Details

Name of respondent:	[REDACTED]
Name of organisation:	Boorowa Council – General Manager
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Email:	<a href="mailto:council@boorowa.nsw.gov.au">council@boorowa.nsw.gov.au</a>
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Date:	26 February 2014

#### Confidentiality and privacy

All submissions and comments, or parts thereof, will be treated as non-confidential information unless specifically requested, and acceptable reasons should accompany each request. Email disclaimers will not be considered sufficient confidentiality requests.

Respondents lodging a submission should be aware that submissions (excluding any information agreed to be treated as confidential information) will be made publicly available, including on the Department of Communications' website. Submissions and comments will be subject to freedom of information provisions. Despite a submission being identified as confidential or sensitive, submissions may be disclosed where authorised or required by law, or for the purpose of parliamentary processes.

Do you want all or parts of the submission to be treated as confidential? Yes  No

If yes, identify below which parts of the submission are to be treated as confidential (and provide a reason):

If the submission contains personal information of any third party individual, indicate on this Submission Cover Sheet if that third party individual has not consented to the publication of his or her personal information:

#### Submission Instructions

Submissions are to be made by **5:00pm (AEST) Friday 28 February 2014**.

Where possible, submissions should be lodged electronically, preferably in Microsoft Word or other text-based formats via the email address [mobilecoverage@communications.gov.au](mailto:mobilecoverage@communications.gov.au)

Alternatively, submissions can be sent to the postal address below (to arrive by the due date):

The Manager  
Mobile Coverage Programme  
Department of Communications  
GPO Box 2154  
CANBERRA ACT 2615

All submissions lodged will be acknowledged by the Department of Communications by email (or by letter if no email is provided). Respondents lodging a submission who do not receive acknowledgement of their submission should contact the Department. Submissions which are not acknowledged by the Department as being received may not be considered. Respondents should be aware that emails greater than 10Mb may not be successfully delivered.



Reference: 8.4.5

Contact: [REDACTED]

18 February 2014

The Manager  
Mobile Coverage Programme  
Department of Communications  
GPO Box 2154  
CANBERRA ACT 2615

Dear Sir/Madam

## **Response to Mobile Coverage Discussion Paper**

On behalf of Boorowa Council I would like to thank you for the opportunity to provide a submission on the Mobile Coverage Discussion Paper. Council applauds the creation of the program and is excited about the outcomes that will hopefully be achieved for our community through the program.

Council's submission attempts to address all of the discussion questions presented in the discussion paper as attached, with these responses preceded below by some commentary that Council believes is relevant from our perspective.

Council believes that the Boorowa Local Government Area (LGA) provides several scenarios that align with the intent of the program and this community has been pushing for such a program for some time.

The Boorowa LGA consists of the main township of Boorowa with several surrounding villages including Rye Park, Rugby, Reids Flat and Frogmore with the highly popular tourist destination of Wyangala Dam at the northern extent of the LGA.

Unfortunately our community experiences extremely poor mobile network coverage. Coverage is predominately limited to the township of Boorowa and a radius of approximately 5 kilometres.

Council and our community is particularly concerned at the lack of coverage in the villages of Rye Park, Reids Flat and Rugby, as well as Frogmore which are all highly susceptible to natural disasters such as bushfires and flooding.

Within the past 14 months this community has experienced two major bushfires which seriously threatened life and property. Many of our residents were unable to be contacted.

In both December 2010 and February 2012, our community experienced natural disasters due to flooding, which resulted in residents at Reids Flat having to be emergency evacuated from house roofs by helicopter. In this instance there was no mobile coverage and fixed telephone lines were rendered redundant due to damage by the floods.

Not only are there risks to lives due to natural disasters and lack of mobile coverage, there are also significant economic impacts with our rural residents not easily able to communicate to critical business stakeholders.

In addition to the village areas identified above, there is also no mobile network coverage for the majority of the Lachlan Valley Way (State Highway) that connects the Hume Highway to the Central West of NSW and is the first State Highway linking the west to the south of Sydney.

Our community is in serious need of support from the Government in getting our community connected and we firmly believe that this program is the mechanism for achieving that.

Council would greatly appreciate the opportunity to discuss how the program will improve the safety, wellbeing and economics of our community and visitors and look forward to future stages of consultation.

Should you require further clarification or wish to discuss in further detail any of the responses provided to the discussion questions attached to this letter please do not hesitate to contact me.

Yours faithfully



Anthony McMahon  
General Manager

## Responses to Key Questions

1. **Would an appropriate minimum quality standard be that base stations must provide high-speed 4G LTE mobile broadband data communication services and also high quality 3G mobile voice and broadband data services? If this is not an appropriate minimum quality standard, what is?**

Council considers this to be an appropriate minimum quality standard, acknowledging that rapid changes in technology are occurring. The rural villages surrounding the Boorowa community would certainly be satisfied if 3G voice and 4G data access were available.

2. **What are the most appropriate indicators that could be used to specify the minimum quality standards that should apply to the mobile services being provided through the programme? For instance, should it be a minimum received service signal indication (RSSI) in decibel-milliwatts (dBm)? A similar approach was adopted recently in the UK where a comparable programme specified a minimum RSSI for 3G voice and basic data service of -85dBm on roads and -75dBm in community areas (outside premises).**

The proposed measure is considered appropriate.

3. **Does delivery option 2 for the \$80 million Mobile Network Expansion component raise any additional issues that need to be considered?**

The statement included in the discussion paper: "If negotiations could not be satisfactorily concluded for one or more base stations above the cut-off point, then these base stations would be removed from the list." is concerning from a community perspective. It is considered that this may leave the process open to manipulation by bidding MNO's who may initially submit a bid which is more attractive and then modify their initial bid to be more personally favourable.

It is considered that this option could be implemented substantially the same as option 1 and potentially inclusive of option 1 if any particular bidding MNO provided an overall best lump sum package or program.

4. **Could options 3(a) or 3(b) for the \$80 million Mobile Network Expansion Project be delivered in conjunction with options 1 or 2 to enable network infrastructure providers to compete with MNOs?**

It is considered feasible that options 3a and 3b could both be delivered in conjunction with option 1 or 2. As identified, it would be highly critically that option 3b had clear provisions to ensure that services would be provided by an MNO. This option is considered difficult to administer in that there is a real risk that commercial arrangements between the network infrastructure owner and the MNO's could break down unless there is a government contract in place with at least one MNO who is accessing the network.

5. **Should bidders be able to propose to incorporate the use of base stations owned by NBN Co as part of their bid?**

It is considered highly appropriate that bidders should be able to incorporate the use of base stations owned by NBN Co as part of their bid. This has the potential to reduce capital costs at individual locations and extend the net service coverage that will be achievable with the same financial resources. Bidders should be encouraged to develop commercial arrangements with NBN Co and any other suitable infrastructure owner/provider to increase overall services (not just mobile telecommunications) to communities. An example could be where existing radio communication infrastructure exists which is owned by state or local government agencies such as the Rural Fire Service (in NSW) or the Police force which is suitable to complement mobile telecommunications infrastructure.

6. **Should a joint bid (between a specialist network infrastructure provider and a MNO) be permitted? Should it be encouraged?**

As above, the program should be as flexible as possible to allow the most efficient (cost effective) and broadest range possible of services to communities. Consideration should be given to not only providing open access under the program to other MNO's but also other service providers, such as companies looking to deliver mobile internet solutions where there is a market or to service provisions agencies such as the Rural Fire Service, The Police Force or Local Government that could utilise infrastructure to provide better levels of services to communities.

7. **Is it realistic to expect specialist network infrastructure providers to provide backhaul (recognising that they would presumably need to contract with a third party to provide this)?**

Yes it is considered realistic, however greater scrutiny would be required in assessing a bid of this nature where back haul is required to ensure the provider has adequate resources and capacity to deliver on what is required.

8. **Is option 3(b) suitable for Australia's regional mobile market?**

Council believes that any option is potentially suitable for the regional mobile market and option 3b may be a stimulator to create further expansion in this space, perhaps even opening a niche market. By considering option 3(b) as part of the process in concert with Option 1 or 2 will provide the flexibility for the market to determine the most efficient means of delivering mobile services to rural communities (obviously incorporating government capital subsidies).

9. **What are the appropriate specifications for a base station to be able to accommodate at least two other MNOs?**

This is considered a technical question that would be best answered by existing MNO's. It is considered that there should be numerous examples available at existing base stations accommodating multiple MNO's in densely populated areas.

**10. Will the proposed open access provisions be sufficient to encourage other MNOs to use the base stations to provide mobile services?**

Again this is a question best answered by existing MNO's. From an MNO perspective it is likely that modelling on the level of co-contribution at any given site is likely to reflect the potential return on investment. Essentially, if it appears as though an MNO has potential to contribute to the cost of infrastructure that another MNO could access with lower up-front costs, then it is less likely the initial MNO would be willing to contribute the same level of capital as if they had sole access rights or were able to set an open market rate for access.

**11. Should MNOs be required to pre-commit to/co-invest in the base stations for which they wish to share infrastructure?**

This option is considered as a means to contribute to addressing the concerns raised in question 10 above.

**12. What is the estimated additional cost of requiring all new base stations to meet the open access requirements?**

This is not something Council has the capacity to quantify and would likely vary considerably dependent upon the catchment of a base station.

**13. Should the proposed open access provisions be applicable to base stations funded under the \$20 million component, or should there be scope to exclude some base stations from these requirements?**

It is considered that both programs should be considered on the same basis in relation to open access. Any decision on what the best long term community outcomes surrounding access will be would be highly dependent upon MNO feedback.

**14. What are the most appropriate models/benchmarks for establishing access and backhaul pricing, and for reflecting in that pricing the value of the public funding received by the owner of the facilities (such that access seekers receive an appropriate discount from the market price for access to the facility)?**

This would be highly dependent on the final program model. It is considered that the government could set parameters in the program to determine what the arte would be or incorporate it into the bid or tender process. This may involve requesting bidders to specify what they would charge for backhaul pricing if successful in their bid as well as what they would be willing to pay for backhaul if they were not successful in their bid. By forcing MNO's in the market to disclose this type of information there is more likely to be convergence between what they propose to charge and would be willing to pay themselves.

**15. Do the proposed assessment criteria achieve the right balance to deliver the best value for money outcomes?**

The criteria proposed are generally considered to offer good value for money. Council believes the focus on providing access to small communities, particularly those impacted by natural disaster is extremely important, as is

providing coverage on key transport routes. Council believes that placing too higher emphasis on co-contributions from bidders may undermine the integrity of the intent of the program. Bidders are most likely to contribute to sites they consider economically viable which may mean that sites that are viable in the not too distant future with seed funding are given priority over sites that MNO's are unlikely to ever provider infrastructure too without government intervention.

**16. Should the proposed assessment criteria be weighted, and if so, how?**

There should be some form of weighting of the criteria. Council believes that areas more susceptible to natural disaster should be given high weighting.

**17. Is there a more effective means of assessing seasonal demand than proposed in criterion 3(c)?**

The criteria may be limiting in only considering existing availability of accommodation. There may potentially be other areas where provision of infrastructure would facilitate growth in tourism.

**18. To what extent would the use of the NBN fixed wireless network result in improved mobile coverage outcomes in regional Australia?**

Council believes there is enormous potential benefit in involving the NBN Co in this process. As previously identified in this submission, the opportunity to co-locate as many services as possible on combined infrastructure will provide the most positive outcomes for regional and rural communities.

For Boorowa and its surrounding areas it is anticipated that obtaining NBN fixed wireless access would be of significant benefit and having arrangements in place where NBN Co could co-locate with MNO's would certainly serve to expedite the delivery of better services to rural communities.

**19. How best can a greater role for NBN Co improve competition and choice for consumers in regional Australia?**

Council believes that if the Government were able to access NBN Co's plans for roll out of fixed wireless in rural areas, this could assist in decision making around the current funding program. For locations already identified by NBN as relatively high priority for rollout and hence already guaranteed to have base infrastructure constructed, it is not considered appropriate that these sites be funded under this program. Rather agreements should be made between NBN Co and MNO's to co-locate under some commercial arrangement in the above instances.

The focus of this funding program should be on sites that are not individually planned for servicing either by an MNO or NBN Co. The program should then facilitate arrangements to ensure both fixed wireless coverage and mobile coverage are mutually available at these locations which would not ordinarily be serviced without government intervention.

**20. In addition to base station location, design and backhaul access, what other considerations would NBN Co need to take into account if it were to also support mobile coverage and competition benefits as part of its mandate?**

To facilitate competition amongst MNO's and ensure as much flexibility in terms of service carrier availability for communities, it is considered important that NBN Co does not enter into any mutually exclusive arrangements with any individual MNO.

Council does believe however that if NBN Co and an individual MNO did develop a mutually exclusive arrangement which was anti-competitive but had the impact of providing further reaching coverage, then this would be in the public interest.

**21. How can early engagement between NBN Co and MNOs be facilitated in the design of each base station? Is there a role here for the Australian Mobile Telecommunications Association (AMTA)?**

Council believes there may be a role to play for AMTA in facilitating early discussion on the program between NBN Co and MNO's. Council also believes that the government department responsible for administering the program should also facilitate early engagement.

As previously identified in this submission, the program should be flexible enough to ensure the best community outcomes are achieved. A suggested means for achieving this is to call for EOI's from MNOs to participate in the program and hold a facilitated pre bid workshop between NBN Co and interested MNO's to identify suitable models that would be most effective and provide greatest value for money and community benefit (obviously keeping in mind that MNO's will likely be looking from purely commercial perspective)

**22. How can the Mobile Coverage Programme best complement any role that the NBN fixed wireless service plays in improving mobile coverage and competition?**

Refer to comments already provided above.