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:	**Cathy McGowan AO MP**
Name of organisation:	Federal Member for Indi
Phone:	███████████
Email:	████████████████████████
Website (if applicable):	www.cathymcgowan.com.au
Date:	27 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

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.

Tuesday, 25 March 2014

The Hon. Malcolm Turnbull
Minister for Communications
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Dear Minister

On behalf of the people of Indi, I am pleased to present a submission to contribute to the Mobile Coverage Programme.

Finding ways to fix the vast areas of my electorate that do not currently have mobile coverage was one of the key reasons I was voted in to Parliament by the people of Indi. Indi needs better communication infrastructure. The lack of current communications infrastructure has huge risks for health and safety due to emergency services being un-contactable in parts of Indi because of these coverage black spots. Many people in Indi are also missing out on the innovations that mobile phones can provide.

I would like to briefly draw your attention to the three main points relevant to the people of Indi. Firstly, there is a great need in Indi. New infrastructure has the potential to help everything from business and manufacturing to health and education. Secondly, there is a strong community support for this development. The small communities of Indi are ready to provide in-kind contributions and to work alongside the Government and the chosen service providers to make the future possibilities of telecommunications a reality. Finally, Indi has a bright future full of opportunity and it is an area of Australia that will only continue to grow, both in its permanent residents and its rise as foremost tourist destination.

I would welcome the opportunity to talk with you about this programme and extend an invitation for you to tour Indi with me in the future.

Yours Sincerely

Cathy McGowan

Relevance

Issues of mobile coverage are a key concern for the residents of the electoral division of Indi. This submission reflects my views as Independent Federal Member for Indi and the views of residents (and ex-residents) as extended to me in person, through communications to my office, and via social media.

The submission seeks to provide general comments on the issues raised in the Mobile Coverage Programme Discussion Paper (2013). Where relevant, the submission also responds to specific questions raised in the discussion paper.

General background

The electoral division of Indi is located in North-Eastern Victoria. It covers an area of approximately 28 500 square kilometres, and is made up of eight distinct valleys. Indi also includes three of the main ski fields of Australia. Major towns include Alexandra, Benalla, Bright, Eildon, Mansfield, Myrtleford, Rutherglen, Tallangatta, Wangaratta, Wodonga and Yea. Major industries include tourism, manufacturing, agriculture, food and fisheries, health and community services and retail.

Despite population decline in much of rural Victoria, the statistical local areas of Goulburn and Ovens-Murray (which incorporate the seat of Indi) have been recognised as having greater opportunities for population growth than others, with a projected change in population between 2006 and 2036 as approximately 80 000 and 22 000 additional persons respectively.[i] It is expected that this increase will reflect more people moving to the region for both work and lifestyle reasons.

Defining the problem

As raised by ACCAN[ii] and the Sinclair Review[iii] the adequacy of mobile voice services is a predominant concern to regional Australians.

Supporting these reports, reliable telephone and internet coverage has been identified as a significant infrastructure need for Indi. Black spots and unreliable mobile coverage persist in large parts of Indi. Of particular concern, and of direct relevance to the Discussion Paper, is that these problems exist:

- along major transport routes (e.g. The Hume Highway, Midlands Highway, Goulburn Valley Highway)
- in small communities surrounding major towns (e.g. Whitlands, Yackandandah, Yarck, Marysville)

- in small communities that experience increased population and thus high demand during peak seasonal periods (e.g. Bright, Mount Beauty, Eildon, Rutherglen)
- in recognised bushfire zones and flood vulnerable zones along the Goulburn, Broken, King, Ovens, Keiwa, Mitta Mitta and Upper Murray River catchments.

The Sinclair Review also concludes that more than ever people are demanding broadband through mobile devices. In Indi this demand is driven by:

- the poor quality and availability of existing fixed (fibre based) broadband
- continued levels of uncertainty surrounding the roll out of the National Broadband Network (NBN) as well as concerns regarding the adequacy and quality these services. Notably, the availability of satellite
- improved awareness of the technology and capabilities of mobile internet service, particularly with respect to business, health and education

Additionally, the lack of mobile coverage in Indi has significant economic and social implications. For instance, local manufacturing and agricultural businesses advise that they are unable to capitalise on advances in technology to improve productivity. And in 2012 a group of young people known as the Indi Expats identified poor mobile phone coverage as one reason for not returning to work and live in the region. Aboriginal people from Indi's communities are also justly concerned that inadequate mobile phone coverage will exacerbate the recognised digital divide between Indigenous and non-Indigenous Australia, particularly given the recognised growing trend to access the internet using mobile phones due to prepaid options, mobility across locations and transferability between people.[iv]

Having made these points it is important to note here that any improvements to mobile coverage should concurrently be matched with improvements to fixed (fibre-based) services. This will help to avoid disadvantage, maximise choice and enhance competition for all.

Questions raised in the Discussion Paper

The Discussion Paper identifies a number of broad options for the allocation of the Government's $100 million funding commitment, divided into an $80 million Mobile Expansion Project and $20 million Mobile Black Spots Project.

With respect to the $80 million Mobile Expansion Project three options are provided for consideration. This submission does not make representation as to the best delivery model or respond to questions of a technological nature; however it does respond to the following:

Questions One through Eight

- This submission supports the Government's proposal in Delivery Option 1 [$80 million] to prepare a list of locations that have poor, or no, mobile coverage based on representations made by citizens, organisations and elected representatives, advice from state and territory governments, and mapping, drive test and other relevant data.

  To complement this list, it is also recommended that mobile network operators (MNOs) be asked to provide information they hold with respect to areas of poor, or not, coverage.

- This submission notes with some concern that Delivery Option 1 makes reference to the bidder having 'regard' for this list. The term 'regard' is unclear and open-ended.

- This submission supports the Government's proposal to establish a similar list of locations for the $20 million Black Spots Project. The submission also supports the proposal to call for Expressions of Interest [EOI] from local communities for locations that were not funded under the $80 million component, as well as the directive that bidders may only propose new base stations from the list of locations that were nominated in the EOI process.

- This submission supports the Government's aim to generate competitive tension for the available funding, and accordingly is concerned with the 'winner takes all' (p. 5) approach outlined in Delivery Option 1.

- This submission notes that Delivery Options 2 and 3 propose that bids (by MNOs, consortia of MNOs, specialist network infrastructure providers) will be assessed by an external assessment committee according to pre-determined criteria. Of concern is that these two options are dependent on the bidder identifying and nominating locations that meet the assessment criteria. The implications of this are that areas not identified or nominated by bidders for improved coverage (for financial or other reasons) may not gain access to the $80 million expenditure.

  While this problem is addressed in part through the Black Spots Project (see point 2 above), it could result in eligible communities not receiving improved services, particularly given that the demand for Black Spot funding will probably exceed the allocated funds. On this basis, this submission suggests if either Deliver Options 2 or 3 are taken up then the external committee should be required to undertake the preparation of a list (as proposed in Delivery Option 1) to inform their decision making with respect to the $80 million, and if necessary, to call for more

bids in areas assessed as a priority but not nominated by bidders. It is also noted that The Sinclair Review committee recommend the expansion of the mobile coverage footprint in regional Australia, focusing on "priority regions selected with community input."[3]

- Funding under the Black Spots Project is dependent on bidders securing third party co-contributions with other parties such as local governments, state or territory governments and commercial entities. In other words while the $80 million allocation is assessed (in part) according to the amount of co-contribution, bids for a Black Spot project must secure a co-contribution. This submission supports in principle the notion of a co-contribution, however, suggests that (where appropriate) funding be provided to assist in the preparation of funding bids. The intent here is to open the way for local community groups to engage directly and proactively in improving services in their area. This submission also supports in principle the Regional Mobile Communications Project developed by the Western Australian Government using the Royalties for Regions funding and believes that this model of co-contribution has potential to be adapted to other areas of Australia.

- This submission notes with concern that the Discussion Paper does not specify the makeup of the external committee. Additionally, while Delivery Option 1 (p. 5) advises that the assessment process would make use of independent engineers who would test coverage and related claims, reference to the use of independent engineers is omitted from Options 2 and 3.

  On this basis this submission suggests that relevant stakeholders be involved in the process of determining the make-up of the external committee, and that the process be transparent and open to review. Clarification is also required on whether this body is to be a panel [p. 5] or committee [p. 11]. The use of independent engineers to assist the deliberations of the committee is also recommended for all Delivery Options.

Questions Fifteen and Sixteen

- The Discussion Paper proposes that seven assessment criteria will be used by an external assessment committee as the basis for advice to the Government: (1) Priority programme locations, (2) new coverage (3) extent of coverage benefit (4) co-contributions (5) value for money to the Commonwealth (6) open access and (7) commitment from more than one MNO.

  This submission endorses these nominated criteria and proposes that the assessment criteria be weighted with an emphasis on points 1, 2, 3, and 5. However, it is worth noting that what constitutes "value for money" in point 5 is subjective.

Question Seventeen

- It is proposed that [for the $20 million Black Spot component] the number of sites/rooms/cabins offered by accommodation providers [e.g. motels, caravan parks] be used (in part) as a basis for determining the extent of coverage benefit. This submission suggests that this criterion will fail to account for the coverage needs of people visiting regional areas on day trips and/or passing through regions via major arterial roads.

   On this basis it is suggested that assessment be made with respect to both accommodation *and* figures provided by relevant bodies (e.g. tourism associations, RACV).

Question Eighteen

- This submission strongly supports the co-ordination and sharing of the NBN and mobile phone infrastructure; including co-locating mobile equipment on NBN facilities and having NBN Co play a more active role to encourage MNO's to work collaboratively to take advantage of these locations.

   It is noted, however, that this support relies on NBN Co providing adequate and quality services.

Question Twenty One

- This submission proposes that there may be a role for local community groups to facilitate early engagement between NBN Co and MNOs. This will help to ensure that proposals and decisions are jointly made by relevant stakeholders, rather than merely in consultation with them.

References

[i] Victorian Submission to the 2011-2012 Regional Telecommunications Review, December 2011

[ii] Australian Communications Consumer Action Network (ACCAN) Position Statement on regional and remote mobile coverage, April 2013.

[iii] 2011-2012 Regional Telecommunications Review (Sinclair Review), presented to the Australian Government by the 2011-2102 Regional Telecommunications Independent Review Committee

[iv] ibid: 29