

Review of Telecommunications in New Developments (TIND) policy

Comments prepared by Landcom for the Federal Department of Communications and the Arts (the Department)

Dear Sir/Madam

Thank you for the opportunity to review and comment on the 2015 TIND policy.

As the NSW Government's property development agency, Landcom is committed to providing the best available telecommunications infrastructure and services across our projects.

Landcom has worked collaboratively with NBN from the outset, making an early corporate decision to have NBN infrastructure delivered to all our projects. We believe this has future-proofed the telecommunications infrastructure in our communities and also provided access to the broadest range of retail service provider (RSPs)

We proudly partnered with NBN to help deliver the first national greenfields rollout at our Bungarribee project, near Doonside in Western Sydney.

Based on Landcom's significant land development experience and in-depth knowledge of our customer base, we offer the following comments which we trust will be addressed in the review process.

Overbuilding

Landcom's experience across a range of projects indicates that the current restrictions on NBN's ability to overbuild private networks is disadvantaging some consumers. The Department is aware of legacy issues associated with the private telecommunications network at Landcom's Prince Henry development at Little Bay.

While Landcom exited this project many years ago, we have been urged by the local community to address long standing telecommunications services complaints. More recently, community pressure intensified when it was proposed that the network be sold to another private operator.

In response to this, Landcom formed the view that the best option would be for NBN to overbuild the existing private network. We believed this would provide confidence to the community about network maintenance and future-proofing. To date, however, the 2015 Policy has served as a barrier to addressing the concerns of the Prince Henry community.

Competition framework

The flexibility afforded to the private networks on structuring their charges has contrasted with the restriction on NBN to negotiate charges.

Under the current policy, NBN's upfront costs per lot/unit are fixed and known to the development industry. However, private infrastructure providers are free to charge below these costs or even zero upfront costs. Under such a business model, it is anticipated that the end customers will ultimately bear the cost of such 'discounting'.

From Landcom's perspective, it would be preferable if NBN could tailor upfront costs, like any private operator.

Community expectations

Landcom's experience in creating new communities points to the importance our customers place on transparency, quality and consistency. In terms of telecommunications, our customers have come to expect the provision of NBN infrastructure and associated choice of RSPs. The current policy, whereby NBN's costs to the developer are fixed and the private providers are free to price below these costs, effectively incentivises developers to favour private networks, which may not be meeting community expectations.

For example, Landcom secured a master developer approval from NBN for the Edmondson Park project (4000 home sites). However, the town centre site was later sold by Landcom to a private developer, who has decided to install a private network, at a cost less than NBN could offer.

As residents and business operators begin to move into the town centre, we are anticipating that they will be surprised to learn that the telecommunications infrastructure and RSP choice is not consistent with the remainder of Edmondson Park. We also know from our experience at The Ponds that customers have a strong expectation that telecommunications services will be consistent across the entire development project and have difficulty understanding why this is not the case.

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