



Australian Government

**Australian Government response to the Joint
Standing Committee on the National Broadband
Network report:**

**The rollout of the National Broadband Network in
rural and regional areas:**

2nd report of the 45th Parliament.

February 2019

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Overview

The Australian Government notes the report by the Joint Standing Committee on the National Broadband Network (the Committee) into the rollout of the NBN in rural and regional areas.

The Government is pleased the Committee has acknowledged the ongoing work of Government, NBN Co and industry in delivering the National Broadband Network (the network) to rural and regional areas, and that NBN Co continues to develop its products and services to support the needs of all Australian families and businesses.

The Government's commitment to providing world-class telecommunications services to all Australians has delivered significantly improved connectivity for those living in rural, regional and remote parts of the country. The rollout of the network is nearing completion outside major urban areas, providing fast and reliable internet to locations which, in 2013, had some of the poorest access to broadband services in the country.

The Government's \$5.5 billion investment in NBN Co's satellite and fixed wireless networks is helping to close the digital divide, ensuring that regional Australians can benefit from online business opportunities, connect with family and friends, and access important education and health services. Last year, the Government's Mobile Black Spot Program also delivered hundreds of new mobile base stations, improving coverage and connectivity for regional Australians.

Delivering high-speed broadband in the regions

NBN Co's regional network deployment is nearly complete with around 98 per cent of regional homes, farms and businesses now able to connect or under construction. Since the beginning of 2018, more than half a million premises outside major urban areas have been activated on the network.

The Government is pleased that the Committee acknowledged the 70 per cent of regional premises being serviced by fixed line technology. Overall there are now over 1.8 million regional homes and businesses benefitting from the use of an NBN service across all technologies. By 2022, the Government will have invested more than \$3.55 billion to provide fixed wireless services across rural and regional Australia and around \$2 billion in NBN Co's next-generation Sky Muster satellite service.

Improved consumer experience

NBN Co is working hard to improve its processes and services, and these efforts have had significant positive impacts for consumers, from the ease of getting connected, through to an enhanced online experience. In November 2018, 94 per cent of homes and businesses had their NBN Co equipment installed right the first time, compared with 87 per cent a year earlier. In November 2018, average network congestion had dropped to just 29 minutes a week, from 3 hours and 51 minutes in November 2017.

There has also been a strong improvement in customer take up of higher speed plans on the NBN in the last year. As the Committee acknowledged, NBN Co's December 2017 Focus on 50 promotion that boosted bandwidth and reduced the price of its 50 megabits per second (Mbps) wholesale service, led to a significant increase in the take up of higher speed services. As at November 2018, 55 per cent of homes and businesses were on a 50 Mbps speed plan or higher, compared with just 16 per cent in November 2017. These improvements have benefited consumers throughout Australia.

To further support the consumer experience, the Government is progressing a comprehensive review of telecommunications safeguards, which is being conducted in three parts. The first part of the review has resulted in 32 recommendations which are in the process of being implemented. These

recommendations will ensure that consumers can access an effective redress and complaints handling scheme that requires transparency and accountability of telecommunications providers.

The second consultation examining arrangements to support reliability of communications services is currently underway. The third and final part of the review will consider choice and fairness in the retail relationship between consumers and telecommunications providers, with consultation expected to commence later this year.

Satellite

In November 2018, the Government welcomed NBN Co's plan to provide increased data allowances for Australians using Sky Muster satellite services. The new Sky Muster product, Sky Muster Plus, will provide unmetered data for essential daily tasks such as web browsing, email and software updates. This means internet banking, reading the news and staying in touch via email will not contribute to a household's monthly data allowance. This increase in capacity follows NBN Co's doubling of wholesale total data limits in 2017.

NBN Co is also expected to begin providing its Business Satellite Service in 2019. This new service is intended to provide access to reliable and flexible networking and internet access products to support eligible business customers in rural and remote Australia. Additionally, the company is working on applications to further facilitate remote telehealth and distance education.

Fixed Wireless

On 18 December 2018, NBN Co announced a new Fixed Wireless Plus product that will enable wholesale download speeds of up to 60 Mbps in 2019 and up to 75 Mbps once NBN Co has made technical changes by early 2020. This will exceed the Government's Statement of Expectations, which requires the network to provide peak wholesale download data rates of at least 25 megabits per second to all Australians, including those in regional and remote areas.

NBN Co is constantly monitoring fixed wireless performance and looking at ways to improve the network so that it can provide the best end-user experience possible. There are approximately 8,000 cells in NBN Co's fixed wireless network. As at 31 December 2018, over 3,300 cells had capacity upgrades completed in 2018. NBN Co's latest Corporate Plan also outlines \$800 million in further capacity upgrades on the fixed wireless network prior to peak funding to help address congestion.

The bulk of NBN Co's fixed wireless network is uncongested and most of the connected customers are receiving a good service. NBN Co is accelerating its upgrade of NBN fixed wireless towers where end users are experiencing congestion. NBN Co has reduced congestion on the fixed wireless network from 6.7 per cent in April 2018 down to 3.8 per cent in November 2018. As the company further invests and improves the network, NBN Co expects the number of cells experiencing average busy hour speeds of less than 6 Mbps to fall to less than 1 per cent by late September 2019.

On 12 September 2018, NBN Co committed to a higher level of transparency with respect to the fixed wireless network and is now providing weekly reports to retailers and the ACCC about each cell in the network, and monthly public reports on the overall level of congestion on the fixed wireless network.

Improving regional mobile coverage

The Government notes that developments and improvements on the NBN are complementary to the Government's highly successful Mobile Black Spot Program, and that combined, they are delivering improved connectivity to the regions.

The first three rounds of the \$220 million Mobile Black Spot Program are nearing completion, with more than 660 new mobile base stations now live and on air, helping to keep people in regional and remote

communities connected. The rollout of Round 4 of the program is expected to commence following the completion of the competitive assessment process in early 2019, with up to \$25 million committed to deliver more mobile coverage across Australia.

Vital health check on regional telecommunications

Last year also gave Australians living in regional areas a chance to have their say on telecommunications issues through the Regional Telecommunications Review. More than 380 public submissions were received and 22 face-to-face consultations were held across the country. The report puts forward 10 recommendations for improving regional connectivity, which the Government is now carefully considering before responding in 2019.

The Coalition Government is committed to delivering fast and reliable telecommunications for the whole of Australia and will continue working hard to improve connectivity nationwide.

Australian Government response

The Australian Government's response to the report into the rollout of the NBN in rural and regional areas is set out in detail below.

Generally, the response is set out in the same order as the recommendations, however, where several recommendations relate to substantially similar issues, those recommendations are addressed together.

The Government supports 12 of the recommendations in principle, on the basis that work is underway or processes already exist. The Government does not support 8 of the recommendations on the basis that there are existing processes in place for NBN Co to manage the issues raised, and the company is best placed to use the flexibility and discretion provided to it to determine how to roll out the network and manage service quality. The Government notes that some recommendations it has not supported would be addressed by immediate passage of legislation already before the Parliament, specifically the Telecommunications Reform Package.

Recommendations 1 and 2:

- 4.10 The committee recommends that NBN Co materially expand its 'Layer 3' capabilities to better utilise satellite capacity and improve the customer experience.
- 4.11 The committee recommends NBN Co use expanded 'Layer 3' capabilities to deliver a significant increase to monthly data allowances for households and businesses on Sky Muster satellite in conjunction with prudent traffic management during peak periods.

The Government **supports** these recommendations **in principle**.

Action consistent with the recommendation is already underway. On 12 November 2018, NBN Co announced that it was consulting with industry on a new product called Sky Muster Plus that would give regional Australians access to more data and higher speeds. Once the product is made available in 2019, regional Australians will be able to access unmetered data for web browsing, email and software updates on their computers and phones.

The Sky Muster Plus product utilises Layer 3 capability via a new operating platform developed through significant work by NBN Co with its industry partners. Sky Muster Plus is an optional product that enables a move away from a sole reliance on data caps to control usage and will allow unmetered access to web browsing, email and smartphone and personal computer operating system software updates. Metering will apply to other applications like video streaming.

The new product also has the potential of bursting above 25 Mbps wholesale speed when applications and network support allows it. NBN Co advises that it will continue to optimise the pricing model and data plans on the Sky Muster service. The company is also continuing to consult with industry on Sky Muster wholesale product updates with additional features to better support distance education and telehealth expected in the next 12-18 months.

Recommendation 3:

4.12 The committee recommends NBN Co work proactively with retail service providers to promote the take-up of Sky Muster services in areas where no alternative connectivity options exist.

The Government **supports** this recommendation **in principle**.

Action consistent with the recommendation is already underway, with a number of avenues available for rural and regional people to find information about Sky Muster if they want a satellite service where no other option is available to them. NBN Co undertakes targeted communications engaging with local communities and key stakeholder groups through roundtable sessions, field visits and the NBN Local team. NBN Co also supports retail service providers to provide a wide range of information to existing and new customers.

The Government notes that Recommendation 10 from the 2018 Regional Telecommunications Review proposed a number of methods for assisting regional, rural and remote Australians to access appropriate telecommunications services. Additional details will be provided as part of the Government's response to the Regional Telecommunications Review.

Recommendation 4:

4.14 The committee recommends NBN Co release the Sky Muster Business Enterprise Plan as a matter of urgency.

The Government **supports** this recommendation **in principle**.

Action consistent with this recommendation is already underway with NBN Co working towards connecting rural and regional businesses to its wholesale business satellite service. In February 2018, NBN Co announced it had signed a deal to deliver wholesale business and enterprise satellite services to regional and remote Australians. In line with usual and necessary practice, NBN Co consulted with industry about development of the product during 2018. Commercial launch is expected in the first half of 2019.

NBN Co's business-grade satellite service is intended to provide access to wholesale, reliable and flexible high-bandwidth and internet access products to support eligible business customers in rural and remote Australia. This new service will be delivered using dedicated capacity on NBN Co's Sky Muster satellite service and separate ground infrastructure.

The new services are designed to complement existing services, will use less than 15 per cent of the total capacity of the Sky Muster satellites, and will not impact data allowances available to residential customers.

NBN Co has advised that the business satellite service will include two offerings:

- Bandwidth services designed for businesses with more complex networking requirements including providing connections to multiple locations.
- Broadband internet designed for businesses requiring more broadband data, higher speeds and business-grade service levels.

The plans are being designed at the wholesale level with options for voice and mobility solutions, and varying levels of support, depending on the needs of the business.

Recommendation 5:

- 4.16 The Government should provide the committee with data around how many premises which previously or currently have an ADSL connection fall into the Sky Muster footprint, so the committee can assess concerns raised about the future arrangements for ADSL services.

The Government **supports** this recommendation.

Based on desktop analysis of data provided to it by industry, the Department of Communications and the Arts estimates there were approximately 60,000 ADSL services in operation within the NBN satellite footprint as at September 2018. These services form part of the approximately 235,000 ADSL broadband services still in operation on Telstra's copper network outside the NBN fixed-line footprint.¹

As some addresses may have more than one ADSL service, the number of individual premises is likely to be slightly lower than the number of services. Given these numbers are likely to change over time, the Department is continuing to work with industry to refine this data.

As part of its announcement on the Universal Service Guarantee (USG) in December 2018, the Minister for Communications and the Arts noted that the Government will undertake further work with consumers and industry on ways to improve the USG over time.

¹ Department of Communications and the Arts, *Development of the Universal Service Guarantee Summary Report* November 2018, page 10.

Recommendation 6:

4.19 The committee recommends NBN Co, in light of increasing congestion over its fixed wireless network, consider moving away from replicating wholesale fixed-line product tiers on fixed wireless if that is shown to deliver sub-optimal outcomes for consumers. In considering this, NBN Co could review the structure of its fixed-wireless wholesale offerings with the aim to optimise spectrum use towards delivering the best possible consumer experience.

The Government **supports** this recommendation **in principle**.

NBN Co constantly monitors fixed wireless performance and looks at ways to improve the network so it can provide the best end-user experience possible. As outlined in its 2019-22 Corporate Plan, NBN Co's top priority for its fixed wireless network is to focus on capacity upgrades, spectrum optimisation and technology evolution investments. To this end the company has committed \$800 million to capacity upgrades prior to peak funding. A capacity management program is adding more capacity at the wholesale level to existing fixed wireless sites with a focus on supporting broadband retailers to deliver a consistent customer experience during busy hours. As part of this program, NBN Co is evolving its design criteria to target a minimum average download wholesale speed across all active users on a cell of 6 Mbps during busy hours.

NBN Co began consulting with industry about a new fixed wireless product in August 2018. In December 2018, the company announced plans to launch a new product called Fixed Wireless Plus, which is designed to boost potential maximum speeds on the fixed wireless network. Fixed Wireless Plus is intended to fully utilise the capabilities of the NBN fixed wireless network according to the available capacity, instead of having a capped wholesale speed tier.

The new Fixed Wireless Plus product is designed to better reflect user demand for higher download speeds, with NBN Co's analysis indicating people connected to the fixed wireless network are using their service at a ratio of 10:1 downloads compared to uploads. Fixed Wireless Plus will initially support maximum potential wholesale download speeds of up to 60 Mbps and upload speeds of up to 20 Mbps compared to the current maximum potential speed tier of 25-50/5-20 Mbps.² NBN Co expects to launch the product in mid-2019. In the longer term the product will offer maximum potential wholesale download speeds of up to 75 Mbps, with upload speeds of up to 10 Mbps. This longer term development reflects changes required as a result of synchronisation of spectrum interference management conditions.

On 20 July 2018, the Government issued a direction to the Australian Communications and Media Authority (ACMA) to take necessary steps to ensure spectrum users in the 3.4 GHz to 3.6 GHz bands conform to standard interference management conditions. A uniform configuration adopted by all operators across these spectrum bands will allow for more efficient spectrum use across the bands by reducing the need for "guard bands" (unused spectrum) between frequency-adjacent licensees.

Following synchronisation, which licensees must implement by March 2020, NBN Co will be able to reallocate capacity to better utilise existing spectrum by offering higher download speeds on the Fixed Wireless Plus product.

²Note the maximum potential network speed does not equate to end user experience, which can be affected by a number of factors. The FW Plus product will provide the best available speeds the network can achieve at the time of use, but such available speeds will fluctuate during the day, and end users may receive speeds significantly less than the maximum potential network speed, particularly in the busy period.

Recommendation 7:

4.20 The committee recommends that NBN Co examine the merits of expanding its 'Layer 3' capabilities to better utilise fixed wireless capacity and improve customer experience during peak hours.

The Government **supports** this recommendation in principle.

As NBN Co advised at the 4 June 2018 hearing of the Joint Standing Committee on the NBN (Hansard pages 41-42), the company is considering all available options to improve consumer experience and address congestion. In addition to the fixed wireless upgrades currently underway and planned, the company is also considering longer term plans to improve fixed wireless customer experience during busy hours. These options include traffic management (which would require Layer 3 capabilities) and a more effective Fair Use Policy. NBN Co has indicated that detailed consideration of all the options, including comprehensive liaison with broadband retailers, would be required prior to such a service being implemented.

Recommendations 8 and 15:

- 4.24 The committee recommends that non-NBN carriers explore opportunities with NBN Co, where applicable and technically feasible, to provide cost effective access to existing fibre backhaul with the aim to reduce current and future congestion on fixed wireless cells.
- 4.39 The committee recommends that NBN Co works with the Northern Territory Government and Telstra to investigate how existing optic fibre can be used to expand the fixed-line and fixed wireless footprint in the Northern Territory and other relevant areas.

The Government **supports** these recommendations **in principle**.

NBN Co's current Statement of Expectations was issued in August 2016 and provides the company with flexibility and discretion in operational, technology and network design decisions. This includes considering use of infrastructure owned by other organisations. This flexibility and discretion lies within the broader policy requirement to complete the network as soon as possible, at affordable prices, and at least cost to taxpayers.

NBN Co already considers access to existing infrastructure owned by other parties as part of its network design process. For example, the company has co-located fixed wireless equipment on telecommunications towers owned by a number of other telecommunications carriers. However, the company is required to take financial as well as technical requirements into account when designing the network. NBN Co advises that it has previously investigated the cost of using third-party fibre to support its fixed wireless network (where applicable), but generally the cost was prohibitive. The company has advised that it remains open to negotiations on the use of third-party fibre or managed transit links as part of the fixed wireless network if prices to buy this access were lower than the cost for the company to build the infrastructure itself.

Similarly, NBN Co has been investigating options to expand NBN fixed wireless coverage in the Northern Territory. Work is ongoing, and some options would require a commercial agreement to access the Telstra fibre at a reasonable cost.

Recommendations 9 and 10:

- 4.28 The committee recommends that NBN Co include as part of its Monthly Progress Reports on its website reporting on the number of cells in the fixed wireless network which do not meet the six megabit per second metric.
- 4.29 The committee recommends NBN Co provide retail service providers with clear information on congested locations together with advice on the proposed remedial program.

The Government **supports** these recommendations **in principle**.

Action consistent with this recommendation is already underway. On 12 September 2018, the Australian Competition and Consumer Commission (ACCC) announced it had accepted a court enforceable voluntary undertaking from NBN Co to make changes to its wholesale service level commitments to support positive consumer experiences on the NBN.³ The undertaking included a commitment to enhanced reporting on fixed wireless congestion including adding information to the company's Monthly Progress Report and improving reporting to broadband retailers.

From December 2018, NBN Co's Monthly Progress Reports now include the percentage of fixed wireless cells experiencing monthly busy hour performance of 6 Mbps or less. In November 2018, 47 per cent of premises on the fixed wireless network had download speeds equal to, or greater than, 25 Mbps, and just under 80 per cent of these were receiving speeds over 12 Mbps. Less than 4 per cent of premises were accessing speeds between 6 Mbps and 3 Mbps. Only 0.12 per cent of premises on the wireless technology were getting less than 3 Mbps during busy periods.⁴

Since February 2018, NBN Co has been providing broadband retailers with a monthly report on all cells experiencing monthly busy hour performance of less than 6 Mbps, and a report on the program to provide capacity improvements to these cells.

In line with the enforceable undertaking, from 17 December 2018 NBN Co began providing a series of weekly reports to broadband retailers that show:

- 1) All cells with monthly busy hour performance of <3 Mbps, 3-6 Mbps and >6 Mbps, and the forecast upgrade date for cells with monthly busy hour performance of <6 Mbps. In addition, NBN Co provides information on other actions the company is undertaking to resolve cell performance below 6 Mbps.
- 2) For each broadband retailer, all unique Location Identification numbers for its services in cells not meeting monthly busy hour performance of over 6 Mbps.
- 3) The forecast of any new cells in the next six months predicted to fall below monthly busy hour performance of 6 Mbps.

³ The full version of the Undertaking is available at <https://www.accc.gov.au/system/files/public-registers/undertaking/Undertaking%20s87B%20-%20NBN%20Co%20Limited%20-%2011%20September%202018.pdf>

⁴ NBN Co's Monthly Progress Report
<https://www2.nbnco.com.au/content/dam/nbnco2/2018/images/how-we-are-tracking/documents/nbn-november-2018-monthly-progress-report.pdf>

Recommendation 11:

4.29 The committee recommends that NBN Co in consultation with RSPs, develops a policy to govern the addition of new customer sign-ups on highly congested fixed wireless cells.

The Government **does not support** this recommendation.

NBN Co advises that a policy to limit the addition of new customers to the fixed wireless network when cells are congested is something the company considered but did not progress given the potential to negatively impact consumers without access to alternative broadband services. The company has instead focussed on improving service capacity to ensure it can provide quality services to consumers.

As noted in recommendations 9 and 10, NBN Co already provides information on congestion to Retail Service Providers (RSPs) and RSPs can use this to inform customers of the performance they can expect from individual fixed wireless towers.

As noted on page 35 of the Committee's report, at its appearance at a Committee hearing on 5 June 2018, the ACCC noted it was already considering investigating advice being provided to consumers looking to acquire services on congested cells. The ACCC noted on a number of occasions through 2018 that it is focussed on ensuring telecommunications companies provide clear and transparent advertising and information to consumers.

Recommendation 12:

- 4.32 The committee recommends that the Government ensures that regional Australians are not disadvantaged by the auction of the 3.6 GHz spectrum currently used by WISPs and that alternate, equivalent spectrum is identified for these services.

The Government **supports** this recommendation **in principle**.

The Minister for Communications and the Arts carefully considered the impacts on regional Australians before deciding to put the 3.6 GHz spectrum to auction. The auctioning of this spectrum was designed to pave the way for the rollout of 5G services in Australia in both metropolitan and regional areas.

The decision to auction the 3.6 GHz spectrum was underpinned by significant consultation undertaken by the ACMA. Before recommending that the Minister issue reallocation declarations, the ACMA considered a range of factors including the benefits of reallocating the band and the impact on incumbents.

In considering competition settings for the auction, the Minister imposed a higher limit in regional areas than in metropolitan areas, in order to encourage investment in regional areas. The results of the auction, which were announced by the ACMA on 10 December 2018, indicate there was significant competition for regional spectrum in the auction, indicating that carriers have a strong interest in investing in regional areas.

In recognition of the services currently provided by wireless internet service providers (WISPs), the Minister provided an unprecedented 7 year re-allocation period in regional areas, well in excess of the statutory minimum 2 year re-allocation period. Incumbent WISPs in the band can continue to operate within the re-allocation period (which extends until March 2025) and beyond it if agreed with the new licensees.

In addition, the ACMA is working with WISPs to identify suitable spectrum in other bands. The ACMA has already engaged with the WISPs in the course of its consultations on the 5.6 GHz band, the 26 GHz band and the 28 GHz band. In addition, the ACMA plans to release a discussion paper on potential future use of the 3.7-4.2 GHz band in the first half of 2019.

Recommendations 13, 14 and 17:

- 4.35 NBN Co should provide consumers mapped for satellite services with better information about options for moving to fixed wireless where an adequate signal exists.
- 4.36 The committee recommends that NBN Co undertakes an assessment of those premises mapped for satellite that are adjacent to fixed wireless services and reports on how many premises allocated to satellite are capable of receiving a fixed wireless service at a level that meets the Statement of Expectations.
- 4.44 The committee recommends NBN Co, particularly through NBN Local, engage more closely with rural and regional communities to explain the selection of technology to ensure communities have a greater visibility of NBN Co's decision processes and in relevant areas of the satellite footprint, explain to customers how to check for potential access to fixed wireless.

The Government **does not support** these recommendations on the basis that there are existing processes already in place.

NBN Co has applied an advanced integrated planning model to determine which technology each premises is designated and carefully assigns network capacity across each of the technologies (fixed line, fixed wireless and Sky Muster satellite).

NBN Co uses sophisticated, predictive analytic tools to determine fixed wireless coverage footprints. There are a range of considerations in calculating whether a premises can be serviced by a particular fixed wireless tower. However, from time to time NBN Co recognises there are instances where the desktop analysis designates a premises to another technology. An example of this might be the inability of desktop models to adequately predict the movement of radio signals in a specific environment. There is a defined process for these premises to request a further check, which is outlined at www.nbnco.com.au/regional. In some cases, NBN Co's rollout map will identify a property as having some NBN fixed wireless coverage, yet the residents are not able to order a fixed wireless connection from a phone and internet provider because of poor signal reception. Alternatively, the map does not show an area has coverage because it is based on desktop analysis, yet the residents are aware their neighbour is connected, or they can see an NBN fixed wireless tower close to their property.

In cases like these, NBN Co can conduct additional analysis to confirm the availability of access to the NBN fixed wireless service at their actual premises. Whilst the company would not want to preclude premises from accessing a particular technology if they are indeed eligible, NBN Co does need to consider the impact to the broader network.

There are a range of other factors NBN Co has to consider when adding premises to the coverage of a fixed wireless tower including:

- Number of premises covered and active
- Service qualification failures
- Distance
- Elevation
- Azimuth
- Clutter
- Terrain, and
- Future network designs

It is important to note that fixed wireless coverage areas were designed to serve a set number of premises ensuring there is sufficient capacity per user. It may not be optimal to add premises which

were not included in the original design estimates. Premises need direct line-of-sight contact with a tower and adequate signal for a fixed wireless service. If a premises could be served by fixed wireless this should have been identified in the design phase; it is generally not an option to switch services from satellite areas to fixed wireless without further funding or investment. However, where there are provisions to conduct additional analysis if fixed wireless coverage may be a possibility, it is preferable for this analysis to take place before a satellite service is installed to reduce the cost. Coverage is based on predictive analytical tools and actual coverage will not be known until a site visit by a technician following an order. It may be that due to topography or vegetation a clear line-of-site cannot be obtained and only a satellite service can be offered.

Further to the above, the Government notes that Recommendation 10 from the 2018 Regional Telecommunications Review proposed a number of methods for assisting regional, rural and remote Australians to access information about suitable telecommunications services. Additional details will be provided as part of the Government's response to the Regional Telecommunications Review.

Recommendation 16:

4.41 The committee recommends that the government and ACCC should examine the feasibility of undertaking an audit into fibre infrastructure across Australia and making the geospatial data publicly available where it does not compromise national security or other legitimate interests.

The Government **does not support** this recommendation on the basis that the ACCC already collects this information and arrangements for its release are governed by existing legislation.

The ACCC maintains records of fibre infrastructure assets under the *Audit of Telecommunications Infrastructure Assets Record Keeping Rule* (RKR) from nominated record keepers.⁵ The audit captures a range of infrastructure assets from a number of providers as at 31 January each year. There are around 25 telecommunications providers which report under the RKR.

The RKR does not cover all fibre infrastructure and only includes those telecommunications providers and other companies with significant fibre assets. It captures the major telecommunications providers which report on:

- radio communications networks (microwave links etc.)
- access networks such as the NBN
- optical fibre infrastructure (including that provided by major utility companies such as rail and electricity networks).

The ACCC uses its RKR data for its own regulatory purposes. The information is 'protected' information under the *Competition and Consumer Act 2010* (the Act) and can only be disclosed under certain circumstances set out in the Act.

Additionally, by 2020, the NBN rollout will present the most extensive fibre infrastructure in Australia. NBN Co already publishes information about its rollout on its website, including via an interactive map.

⁵ *Audit of Telecommunications Infrastructure Assets Record Keeping Rules*

<https://www.accc.gov.au/system/files/Audit%20of%20Telecommunications%20Infrastructure%20Assets%20RKR.pdf>

Recommendation 18:

4.45 The committee recommends that NBN Co should make geospatial data for each technology footprint publicly available on the national map.gov.au website.

The Government **does not support** this recommendation.

The Government does not support this recommendation on the basis that NBN Co already publishes geospatial information about the rollout on its website. Australians can search for their address using NBN Co's *Check your address* web page⁶. This provides information on the timing and type of technology planned for their premises. NBN Co's website also includes a national map that shows areas where NBN services are available or under construction⁷.

The Government notes that the provision of geospatial information on the NBN Rollout is under consideration by Parliament as part of the Telecommunications Reform Package. Section 360D of the *Telecommunications Legislation Amendment (Competition and Consumer) Bill 2018* would require NBN Co to publish information about existing ready for service areas and provide a monthly update as new areas become ready for service. The Bill requires the information to be published on NBN Co's website and section 350LA of the Bill sets out the geospatial format that must be used to describe the data.

⁶ <https://www.nbnco.com.au/connect-home-or-business/check-your-address>

⁷ <https://www.nbnco.com.au/residential/learn/rollout-map>

Recommendations 19 and 20:

- 4.51 The committee recommends the Government update its RBS levy modelling to account for the cost increases that have occurred since the original modelling was undertaken in 2015. The Government should report to the committee within two weeks of the tabling of this Report to advise what the updated levy amount is.
- 4.52 Following the provision of updated modelling, the committee recommends that the Parliament pass the Telecommunications Legislation Amendment (Competition and Consumer) Bill 2018, and amend the Telecommunications (Regional Broadband Scheme) Charge Bill 2018 in recognition that the RBS levy does not constitute a sustainable funding mechanism, and is better re-purposed as a level playing field competition measure.

The Government **does not support** these recommendations.

The Regional Broadband Scheme (RBS) legislation, currently before parliament, already provides a mechanism for the RBS charge to be regularly re-modelled by the Australian Competition and Consumer Commission (ACCC) based on contemporary industry data. The best way to expedite a remodelling of the charge is to pass the legislation as soon as possible.

Under the *Telecommunications (Regional Broadband Scheme) Charge Bill 2018* (Charge Bill), the ACCC will be required to review the charge at least every five years. Carriers will be required to report their network size to the ACCC within the first 3 months after commencement of the *Telecommunications (Competition and Consumer) Legislation Amendment Bill 2018*. This will allow the ACCC to undertake an early recalculation of the charge. The ACCC is best placed to undertake this review because it will then have contemporary industry data upon which to base the modelling and will also be able to collect detailed updated information on costs. The Bills provide for the charge amount to be adjusted by the Minister to reflect the results from the ACCC's modelling.

As noted in the Explanatory Memorandum for the Charge Bill, a key and stated aim of the RBS is to establish a level playing field in the high-speed fixed-line telecommunications market. The RBS as introduced to the Parliament achieves this outcome by making the net costs of NBN Co's fixed wireless and satellite networks transparent and ensuring NBN-comparable networks contribute to the costs of providing services in regional and remote Australia.