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Committee Secretary
House of Representatives Standing Committee on
Infrastructure and Communications
PO Box 6021
Parliament House
CANBERRA ACT 2600
AUSTRALIA

Dear Sir/Madam

Inquiry into the Telecommunications Amendment (Enhancing Community Consultation) Bill 2011

Optus welcomes the opportunity to make a submission to the House of Representatives Standing Committee on Infrastructure and Communications Inquiry (the Inquiry) into the *Telecommunications Amendment (Enhancing Community Consultation) Bill 2011* (the Bill).

The Bill has significant implications for Australia's telecommunications industry and its future ability to efficiently deploy competitive mobile telecommunications infrastructure across Australia now and into the future.

Optus supports the submission made to the Inquiry by the Australian Mobile Telecommunications Association (AMTA) and the Mobile Carriers Forum (MCF).

Provided below is background on the Optus Open Network, our planned investments and approach to mobile site deployment. Optus also provides some additional information highlighting how this Bill will impose overly onerous obligations on the future deployment of mobile infrastructure in Australia.

1. Optus' mobile network – investment and deployment

Optus is Australia's second-largest telecommunications provider and has invested over $2.2 billion since 2006 in a mobile network. The Optus 'Open Network' provides mobile voice and mobile broadband services to 97% of the Australian population and serves over 9 million customers.

Throughout its 20 year history, Optus has seen two key trends in how people use mobile technology. Firstly, mobile phones are increasingly moving from the 'ear to the eye' as Australians gain more utility from the smart phones. And secondly, the workspace is moving from the desk, towards the device as our workforce becomes more flexible.

These trends represent an enormous opportunity to drive competition and innovation in Australia and involve a strong focus on the creation of intelligent national networks.

Australians are expecting more and more from their mobile phones, smart phones and tablets and in turn this places further demand on telecommunication providers to meet this growth through the deployment of mobile networks.

To ensure greater competition and choice for customers, mobile carriers must be able to meet the usage and service expectation of their customers. To adequately meet this demand, Optus is continually upgrading its network, and this includes the expansion of infrastructure as needed.

The Optus Open Network has over 9,500 mobile sites, including approximately 5,000 3G mobile sites, with fibre backhaul linking over 80% of our metropolitan base stations.

In the last financial year, Optus invested $575 million to add 660 new mobile sites, an increase of 15% year-on-year. During our last quester, the number of Optus 3G mobile sites increased 6 per cent.

Optus continues to make significant investments to increase the coverage and performance of its mobile network including:

- the introduction of competition in mobile services for the first time in at least 14 towns in regional Australia as a result of our ongoing regional network expansion;
- bringing 3G coverage for the first time to regional towns for example, such as Digby (Victoria), Kyalite (NSW), Dingo Beach (Queensland) and Carpenter Rocks (SA);
- a $25 million investment to roll out an additional 500 mobile sites across Australia, including in 45 Tasmanian towns over the next two years;
- investment to migrate capacity from its 2G network to 3G to provide wider metropolitan coverage for 3G;
- being the first Australian carrier to be awarded a licence to trial LTE services in the 700 MHz spectrum band;
- from April 2012: delivering its first 4G LTE services to Newcastle, Port Stephens, the Hunter Valley and Lake Macquarie areas; and
- commencing a 4G capital city rollout with Phase One to deliver services in Sydney, Melbourne and Perth from mid-2012 and Phase Two will see an expansion of 4G into other capital cities and selected regional centres.

This investment will add to the significant benefits being delivered to consumers with the ACCC reporting that since 1997, consumers have seen prices fall by 50% in the very competitive mobile phone market [1]

Optus also contributes to this competitive mobile market as Australia's largest wholesale provider of mobile voice and mobile broadband services.

2. Optus' approach to mobile site deployment

Optus works hard to balance the demand for greater mobile coverage and network performance with community concerns.

When proposing new mobile sites, Optus follows all relevant planning guidelines and actively consults with the community on the roll-out of mobile infrastructure.

[1] ACCC Annual Telecommunication Reports

This includes undertaking letterbox drops, advertising in local papers, placing signs on proposed site locations and holding consultation meetings and information sessions.

Many communities come to Optus seeking assistance to provide mobile coverage for the first time or to improve the coverage they have.

One recent example is Optus' announcement that it will expand its mobile coverage across the Lockyer Valley and provide the first dedicated mobile coverage to the community of Mt Sylvia by early 2012. This includes a new and dedicated mobile coverage for Murphy's Creek, the expansion to existing coverage at Gatton and Gatton South, and upgraded mobile services to Helidon.

This initiative was in response to approaches made to Optus by the local community of Mt Sylvia and the Lockyer Valley Regional Council to provide permanent mobile coverage solutions for the Lockyer Valley and the Mt Sylvia area.

The request for better coverage came after Mt Sylvia and Murphy's Creek were isolated by the January floods which left residents without reliable mobile communications. During the floods, Optus provided Mt Sylvia residents with mobile satellite phones and a temporary mobile facility was installed at the Murphy's Creek site which will now be expanded and made permanent.

Careful planning has been taken for the Murphy's Creek location to maximise coverage to the surrounding region. The tower is currently under construction and services are expected to be operational by January 2012.

Due to challenging terrain in the region Optus is working closely with the Lockyer Valley Council and the Mt Sylvia community to select a suitable location that will maximise the benefits to the communities in and around Mt Sylvia.

3. Electromagnetic Energy

Optus takes the issue of Electromagnetic Energy (EME) seriously and surpasses current safety standards relating to EME.

When rolling out new mobile base stations, Optus follows the guidance provided by reputable organisations such as the World Health Organisation (WHO).

The WHO statement:" Considering the very low exposure levels and research results collected to date, there is no convincing scientific evidence that the weak RF signals from base stations and wireless networks cause adverse health effects".[2]

Optus adheres to all relevant Australian standards set by the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) and enforced under the Australian Communications and Media Authority (ACMA) regulatory compliance regime.

An Optus representative is Deputy Chairman of the GSM Association Health Advisory Group and a member of the Australian Mobile Telecommunications Association (AMTA) Health and Safety Committee.

[2] Wold Health Organisation Statement http://www.who.int/mediacentre/factsheets/fs304/en/index.html

4. Impact of the Bill on Local Government

Optus notes that the consequences of the Bill will see significant increased pressure on local governments to approve particular sites. This would therefore likely require a substantial increase in resourcing needs of local governments.

5. Impact of the Bill on future deployment of mobile infrastructure in Australia

Further to the submissions made by Australian Mobile Telecommunications Association and the Mobile Carriers Forum, it is noted that:

- Optus is building solutions to enable Australians to take advantage of competitive high-speed mobile services in the future.

- The popularity of smartphones and mobile broadband has driven a sixfold increase in 3G data traffic on our network since 2008.

- Projections suggest that by 2020 there will be almost 20 million mobile broadband subscriptions on handsets together with another 6.3 million data cards. The corresponding mobile data traffic volumes are forecast to increase at a compound annual growth rate of 95 per cent to 2014[3].

- Mobile internet subscribers have now hit 50% penetration of the Australian population, [4]

Optus submits that this Bill will impede the ability of mobile network operators to meet this demand and also have significant future economic productivity impacts, for example:

- A recent study identified $62 Billion worth of cumulative productivity benefits from LTE between 2013 and 2020 if commercial launch of LTE over the 2.5GHz band occurs in 2013, with LTE over 700MHz a year later.[5]

- The mobile telecommunications industry contributed $17.4 Billion to the Australian economy in 2008-0, and it will contribute over $80 Billion and generate an additional 70,000 jobs over the next ten years[6]

Long Term Evolution (LTE) is the next milestone on Optus' technology roadmap that will provide customers with lower latency and faster mobile broadband speeds. This will improve the experience for real-time applications such as gaming and video conferencing, and access to the cloud.

In addition, the Bill's proposed alterations to "maintenance activity" will add an onerous administrative burden to the process. It will only serve to delay and drive costs in mobile network operator's ability to cater for the significant explosion in demand for mobile broadband services.

[3] AMTA Report, Network Strategies 2010.
[4] Nielson Online *Nielson's state of the online market: Evolution or Revolution*, Media Release, 9 March 2011
[5] 2.5GHz in Australia: The future deployment of mobile broadband services, commissioned by AMTA and developed by Network Strategies
[6] Access Economics, Economic Contribution of Mobile Telecommunications in Australia, June 2010

6. The draft Mobile Phone Base Station Deployment Industry Code

Optus also notes that the Communications Alliance (CA) has recently released a new draft *Mobile Phone Base Station Deployment Industry* Code.

CA has announced that this will be a framework to ensure that communities are properly consulted on changes to mobile network infrastructure in their local areas.[7]

Other improvements in the revised Code include:

- New and revised methods of communicating with local councils and the community (e.g. via the Radio Frequency National Site Archive (RFNSA) and Communications Alliance websites, simpler notification letters and better signage);
- Better guidance and examples of the type of letters, plans, signs and reports which Carriers will use when notifying and consulting with local council and the community;
- Up-to-date RF Electro-Magnetic Radiation (EMR) Health and Safety information, reports and signage in keeping with the current and relevant standards;
- Information on notices to inspect the land, maintain facilities and install low impact facilities, Facilities Installation Permit, compensation and land owners' rights.[8]

Optus looks forward to continuing to work through this process in relation to the development of this review and the implementation of the revised Code.

Thank you for taking the time to consider this submission.

Regards

Clare Gill
General Manager, Corporate and Government Affairs

[7] Communications Alliance Media Release "*Improved Mobile Phone Base Station Code Released for Public Comment*" 1 August 2011
[8] Communications Alliance Media Release "*Improved Mobile Phone Base Station Code Released for Public Comment*" 1 August 2011