

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates February 2017
Communications Portfolio
Department of Communications and the Arts

Question No: 17

Program 1.1

Hansard Ref: Written, 14/03/2017

Topic: Approach to Co-location

Senator Urquhart, Anne asked:

How did the Department encourage mobile network operators to enable other mobile network operators to co-locate their services from base stations funded under this program?

Answer:

1. Base stations that were nominated by a funding applicant in their application as being suitable for co-location were given extra points in the base station by base station assessment process.

The round 1 funding agreements with the Commonwealth also include the following key co-location and backhaul provisions:

- Base stations awarded points under the assessment process for co-location must be able to support a co-locating carrier if another MNO wishes to co-locate.
- A co-locating MNO must have the opportunity to participate in the design of the relevant base station.
- There must be sufficient mains AC power provided to support the requirements of a co-locating MNO's equipment. If the site is to be powered by solar power, the base station must have sufficient space to install a solar panel.
- There must be a communications hut of sufficient size, or space for a communications hut available, to accommodate a co-locating MNO's equipment.
- MNO's are entitled to charge the co-locating MNO only incremental costs.
- If the MNO's cannot reach agreement the Commonwealth may refer the matter for dispute resolution.
- If it is in a position to do so, an MNO must offer a discounted backhaul service to any co-locating MNO.

Enhanced co-location and backhaul provisions have been included in the round 2 funding agreements. In general, the main changes are:

- The initial period in which an MNO is able to express an interest in co-locating on another MNO's base station has been increased by two weeks, to two months in total.
- If it is not feasible for an MNO to co-locate on a brownfield base station, the co-locating MNO has the ability to request a greenfield base station be built if it pays the incremental cost.

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- Minimum equipment co-location specifications are set out in the funding agreements. These are equipment specifications where an MNO has already agreed, under their funding deed, that the specified equipment can be installed on a base station at incremental cost.
- Where it is technically feasible to do so, an MNO must offer to provide a backhaul service to a co-locating MNO which has a minimum capacity that is equal to the capacity provisioned for the MNO itself.
- Subject to certain exceptions, an MNO must now offer to provide backhaul services to a co-locating MNO over its microwave connection (not restricted to just an optical fibre cable).
- The discount on backhaul that is required to be offered to a co-locating MNO is referenced to the latest Australian Competition and Consumer Commission Final Access Determination No. 1 of 2016 for the Domestic Transmission Capacity Service (DTCS). This is a lower regulated price than applicable under round 1 of the program.
- Where a backhaul discount is applied through a rental holiday, under round 2 there is greater discount up front.
- It is clarified that Special Linking Charges may only reflect the incremental cost of connecting the co-locating MNO to an MNO's backhaul. For example, this applies to the connection required to be built between an MNO's equipment shelter and the co-locating MNO's equipment shelter.
- It has been clarified that the relevant backhaul and co-location funding deed provisions will be shared between MNOs.