

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Additional Estimates Spill-over hearing March 2017**

**Communications Portfolio**

**Department of Communications and the Arts**

**Question No: 337**

**Program 1.1**

**Hansard Ref: Written, 30/03/2017**

**Topic: Mobile Blackspots Programme**

**Senator Urquhart, Anne asked:**

1. Of the 429 base station sites Telstra is building under round one of the Mobile Black Spot Program, how many of these is Vodafone co-locating on?
2. Of the 70 sites that Vodafone is building under Round One, on how many of these are either Telstra or Optus co-locating on?
3. Can the Department outline the process and consultation it undertook before agreeing and settling the co-location clauses set out in funding agreements for grant recipients?
4. How has the Department made it easier for mobile network operators to co-locate under this program, as stated by Mr Patterson in the hearing on 24 March 2017? Please provide details.
5. In response to Question on Notice Answer No 36, in response to Sub-Question 8, Committee was informed that under Round 1, applicants were required to provide details about the type of backhaul and the structure and antenna height. Did the Department ensure that base stations were built with the capacity for more than one Mobile Network Provider? If not, why not?
6. What consultation with industry did the Department undertake before drafting the guidelines for the mobile black spots program? Please provide a list of the stakeholders consulted.

**Answer:**

1. As at 11 April 2017, Vodafone is not intending to co-locate on any of the Mobile Black Spot Program round 1 Telstra base stations. This may change over the life of the program.
2. Vodafone has advised that other Mobile Network Operators (MNO's) are intending to co-locate on 43 of its round 1 base stations. This number may increase or decrease over the life of the program.
3. In December 2013, the Department released a discussion paper seeking input from the telecommunications industry, all levels of government and other interested stakeholders on design and delivery options for the program. Co-location provisions were included in the discussion paper.

Over 170 submissions on the design of the program were received from a range of stakeholders including telecommunications infrastructure providers, consumer groups, government bodies, community organisations and member of the public. Submissions were published on the Department's website.

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Targeted consultation, including workshops, were also held with the MNO's, state and territory governments, industry associations and other relevant Commonwealth Government departments.

Feedback from submissions and the targeted consultations was considered in the development of the co-location clauses.

The final co-location clauses included in each participating MNO's funding deed was also the result of the funding deed negotiations undertaken with that particular MNO.

4. The round 1 agreements with the Commonwealth 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.
- 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.

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- 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.
5. Under the Mobile Black Spot Program Guidelines, a base station is not required to be built for co-location if no other carrier expresses an interest in co-locating at the specific location. This avoids imposing unnecessary costs on participating MNOs.
6. The consultation process for round 1 is detailed in question 3. For round 2, the Department undertook targeted consultations with the states and the Northern Territory and the MNOs.