

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Supplementary Budget Estimates Hearings November 2014

Communications Portfolio

Department of Communications

Question No: 99

Program No. 1.1

Hansard Ref: In Writing

Topic: Mobile Black Spots Programme

Senator Urquhart asked:

1. How many mobile blackspots have been nominated, in total?
2. Please provide a full list of all nominated blackspots. Please also provide a breakdown of nominated mobile blackspots by state and by electorate.
3. Earlier this year the Department contacted regional MPs to nominate priority locations. Please provide these nominated locations.
4. How much funding does the Department expect to leverage from third parties for mobile blackspots?
5. Have any third-parties committed funds or in-kind contributions already? If so, please provide name of third party and amount committed.
6. How will the Department administer the total funding available for the mobile blackspots program?
 - a. Will it be a 'winner takes all' approach, merit-based approach or a wholesale approach?
7. How many mobile blackspots does the Department expect will be addressed with the total available funding?
8. In a joint media release from the Minister and his Parliamentary Secretary on 13 May 2014, they said "the Victorian Government has committed \$40 million to address mobile black spots and to deliver Wi-Fi on selected trains in Victoria."
 - a. Will any of this \$40 million go towards the Mobile Black Spots Program?
 - b. Is this \$40 million going towards Wi-Fi on trains?
 - c. Are train lines in metro areas considered black spots?
9. Is there a relationship between the mobile blackspots program and the NBN fixed wireless rollout? If so, please describe.
10. Has the government considered using NBN Co to provide backhaul to mobile telcos?
11. How will the Department determine whether or not a blackspot will be fixed? What are the criteria to determine whether a location will receive funding?
12. How many towers does the Department expect will be built?
13. Is it just towers that will be built or will other infrastructure be built? If so, what infrastructure?
14. Are you encouraging applicants for the program to pre-commit to co-location?
15. Has the government committed to open access?
16. Has the Department considered roaming arrangements? If so, what arrangements will apply?
17. When do you expect to release the guidelines and call for applications from industry?
18. When will applications be due?
19. When will successful base stations be announced?
 - a. When will construction start on these?
20. What happens to areas identified as mobile black spots that do not receive funding?

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21. When will the program be completed in full? What date?
22. Has the Department considered planning approval issues in this program? For example, what will happen if there are community objections to towers being built?
 - a. What will happen if a successful location draws community opposition? Does the Department have a plan for this? If so, what is it?
 - b. What has Commonwealth programs have existed in the past that have sought to address this issue?
 - c. What was the result of these programs?
 - d. How is this program different?
23. Last financial year Telstra made a net profit of \$4.27 billion, Optus made \$835 million and Vodafone made \$4.94 billion. Does the government consider this program 'industry assistance'?
 - a. How does this program fit with the government's policy of no industry handouts?
24. In the Wimmera Mail Times on 22 September 2014, it is reported:

Member for Mallee Andrew Broad said he had been advocating strongly for improved mobile coverage.

"It was evident during the fires at the start of the year that for safety we need better phone coverage," he said.

Mr Broad expected the Federal Government would provide money next year to help fix the problem.

Northern Grampians Mayor Kevin Erwin said he was pleased to hear the issue would be addressed. "It has an effect on tourism because people use their phones a lot these days," he said. "It's vital for an area like the Grampians.

"I think we've had some indications that some of those spots around the Grampians would be fixed and if that comes to fruition that would be great news."

- a. What indications has the Government given to Mr Broad and Mr Erwin that these blackspots in this area will be fixed?
- b. Why do they say there have been indications that these will be fixed?
- c. Has this already been determined?

Answer:

1. 6,221 individual mobile black spot locations were reported to the Department of Communications between December 2013 and August 2014.
2. The database of reported mobile black spot locations is available as a downloadable spreadsheet and an interactive online map on the Department's website:

www.communications.gov.au/mobile_services/mobile_black_spot_programme/map

The following table includes a breakdown of the number of nominated mobile black spot locations by State/Territory:

State/Territory	No. of locations
Victoria	2,075
New South Wales	1,820

Queensland	975
Western Australia	533
South Australia	469
Tasmania	316
Northern Territory	25
Australian Capital Territory	5
External Territory	3
TOTAL	6,221

The following table provides a breakdown of the number of nominated mobile black spot locations by Federal electorate:

Electorate	No. of locations
Ballarat	94
Barker	174
Bass	34
Bendigo	87
Berowra	19
Blair	20
Bonner	3
Bowman	3
Braddon	93
Brand	4
Calare	149
Canberra	5
Canning	14
Capricornia	71
Casey	30
Charlton	13
Corangamite	141
Corio	16
Cowan	1
Cowper	36
Cunningham	10
Dawson	34
Denison	2
Dickson	7
Dobell	14
Durack	184

Electorate	No. of locations
Eden-Monaro	148
Fadden	3
Fairfax	14
Farrer	117
Fisher	32
Flinders	55
Flynn	159
Forde	5
Forrest	106
Franklin	32
Fraser	1
Gilmore	26
Gippsland	274
Gorton	12
Grey	172
Groom	30
Hasluck	1
Herbert	5
Hinkler	26
Hume	139
Hunter	99
Indi	293
Jagajaga	1
Kennedy	157
La Trobe	9
Lalor	3

Electorate	No. of locations
Leichhardt	61
Lindsay	4
Lingiari	27
Longman	23
Lyne	77
Lyons	155
Macarthur	2
Mackellar	1
Macquarie	43
Mallee	357
Maranoa	187
Mayo	76
McEwen	79
McMillan	163
McPherson	2
Menzies	1
Mitchell	1
Murray	151
New England	200
Newcastle	7

Electorate	No. of locations
Norfolk Island (External Territory)	1
O'Connor	176
Page	141
Parkes	207
Paterson	89
Pearce	47
Richmond	78
Riverina	171
Robertson	12
Ryan	4
Shortland	8
Sydney	1
Throsby	7
Wakefield	47
Wannon	309
Wide Bay	65
Wright	64
TOTAL	6,221

3. Under the Mobile Black Spot Programme, Members of Parliament (MPs) who represent electorates where less than 50 per cent of the electorate area is defined by the Australian Bureau of Statistics as part of a Major Urban Centre with a population of 100,000 or more, and which are not designated by the Australian Electoral Commission as 'Inner Metropolitan' were invited to nominate up to three priority locations for funding under the programme. As part of the assessment process to determine which base stations are recommended for funding, the assessment criteria includes five points being awarded to each proposed base station delivering services to an MP priority location.

The list of priority locations identified in eligible electorates (listed below) is being provided in-confidence to prospective proponents and will be released after all applications for funding are received from proponents.

Ballarat	Corangamite	Forrest	Leichhardt	Newcastle
Barker	Corio	Franklin	Lindsay	O'Connor
Bass	Cowper	Gilmore	Lingiari	Page
Bendigo	Cunningham	Gippsland	Longman	Parkes
Berowra	Dawson	Gorton	Lyne	Paterson

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Blair	Dickson	Grey	Lyons	Pearce
Bonner	Dobell	Groom	Macarthur	Richmond
Bowman	Durack	Herbert	Macquarie	Riverina
Braddon	Eden-Monaro	Hinkler	Mallee	Robertson
Brand	Fairfax	Hume	Maranoa	Ryan
Calare	Farrer	Hunter	Mayo	Throsby
Canning	Fisher	Indi	McEwen	Wakefield
Capricornia	Flinders	Kennedy	McMillan	Wannon
Casey	Flynn	La Trobe	Murray	Wide Bay
Charlton	Forde	Lalor	New England	Wright

4. The Government's \$100 million investment in the Mobile Black Spot Programme is expected to generate an additional \$100 million from industry, local and state governments, and communities.
5. A number of state and local governments have expressed a willingness to commit financial and/or in-kind co-contributions towards improved mobile coverage within their respective jurisdictions. Third party co-contributors and the amounts they are proposing to make available under the Mobile Black Spot Programme will be known once funding applications are received.
6. The Mobile Black Spot Programme will involve a merit-based assessment of all proposed mobile base stations for which applications are received. The assessment will be conducted on a base station by base station basis. The details of the assessment process are set out in the programme Guidelines which are available on the Department's website at www.communications.gov.au/mobile_services/mobile_black_spot_programme
7. The Mobile Black Spot Programme is expected to provide 250-300 new or upgraded mobile base stations across Australia, depending on the level of co-contributions that can be attracted. Many proposed base stations will be able to provide new mobile coverage to multiple black spot locations.
8. a-b. Questions regarding the Victorian Government's '*Regional Connectivity Program – Victorian Mobile Project*' should be directed to the Victorian Government.
c. The Mobile Black Spot Programme Guidelines state that areas located within the Urban Centres and Localities geographical units classified by the Australian Bureau of Statistics as 'Major Urban', i.e. with a population of 100,000 or more are ineligible under the programme. These areas are displayed on the Mobile Black Spot Programme Interactive Map which is

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available on the Department's website at:

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9. The Mobile Black Spot Programme Guidelines encourage potential applicants and NBN Co to identify opportunities to use NBN infrastructure to achieve mutually beneficial outcomes. This could include locations where NBN Co has already built, acquired land, or has plans for a fixed wireless base station in an area that has been identified as lacking adequate mobile coverage.

NBN Co has been working with mobile network operators to ascertain the extent to which NBN fixed wireless infrastructure can be utilised to improve mobile coverage through the programme.

10. NBN Co has been conducting a pilot with mobile network operators on a Cell Site Access Service which could be utilised by the operators to access NBN fixed wireless infrastructure. NBN Co released a consultation paper to industry on 15 December 2014. Feedback from this consultation (due 27 February 2015) will help determine the viability of the service and if further work should be undertaken to progress it to a commercial release.
11. The assessment criteria which the Department will use to determine which mobile base stations it recommends for funding under the Mobile Black Spot Programme are set out in section 8 of the Guidelines. To allow for an equitable distribution of mobile base stations across Australia, the Department will have regard to the equitable distribution principles set out in sections 7.3.6 to 7.3.10 (inclusive) of the Guidelines.
12. The Mobile Black Spot Programme is expected to provide around 250-300 new or upgraded mobile base stations across Australia, depending on the level of co-contributions that can be attracted.
13. Funding is available under the Mobile Black Spot Programme towards the capital costs of deploying and/or upgrading mobile base stations to deliver the services specified in the programme Guidelines. This could include for example, new or upgraded towers, ground facilities and backhaul infrastructure.
14. Yes, a key objective of the programme is to maximise the choice of mobile service provider for consumers. To help achieve this objective, proposed base stations for which two or more mobile network operators have expressed a willingness to co-locate have been given weighting in the assessment criteria. Successful applicants must also give other operators an opportunity to co-locate on greenfields sites.

Section 4.3 of the Mobile Black Spot Programme Guidelines outlines the programme's open access and co-location provisions.

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15. Yes, see answer to question 14.

16. Yes, additional weighting has been included in the assessment criteria for base stations if mobile network operators offer to make inter-carrier roaming available to other operators (although this is not a mandatory requirement).

Section 4.6 of the Mobile Black Spot Programme Guidelines outlines the extent to which roaming services are applicable to the programme.

17. The Government released the Mobile Black Spot Programme Guidelines on 8 December 2014.

In releasing the Guidelines, the Government called for funding applications from mobile network operators and infrastructure providers. The Guidelines are available on the Department's website at www.communications.gov.au/mobile_coverage.

18. Applications for funding under the Mobile Black Spot Programme are due by 16 April 2015.

19. It is expected that successful applicants and locations will be announced in the first half of 2015, and the first base stations under the programme are expected to begin to roll out in the second half of 2015.

20. As the programme is expected to provide around 250-300 new or upgraded mobile base stations, it will not be possible for it to provide funding for all nominated mobile black spot locations. Mobile network operators will be encouraged to identify unfunded locations on the database that may be commercially sustainable without Commonwealth subsidy.

21. The construction phase of the Mobile Black Spot Programme is expected to occur over a three-year period.

22.

- a. If negotiations cannot be satisfactorily concluded for a base station that has been approved for funding (for example, due to planning or development approval not being obtained), that base station may be removed from the list of approved base stations and an alternative base station selected (see Section 11.6.5 of the Mobile Black Spot Programme Guidelines).
- b. Planning approvals for free standing telecommunications towers are subject to state and territory planning laws which vary between jurisdictions. These laws allow local communities to provide important feedback regarding the proposed deployment of towers within their respective areas. There are no plans to alter these laws for the Mobile Black Spot Programme.
- c. See answer to question 22 (b).
- d. See answer to question 22 (b).

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23. The 2011-12 Regional Telecommunications Review identified that the Australian mobile coverage footprint is approaching the limits of commercial viability in regional Australia, and in the absence of incentives for carriers to increase the coverage footprint, there is unlikely to be any significant network expansion.

The Mobile Black Spot Programme is designed to extend mobile coverage and competition in regional areas where it is not commercially viable for mobile network operators to invest without financial assistance.

To ensure that applicants do not seek Commonwealth funding under the programme for base stations where they were already planning to invest, they will be required to provide the Department with their network expansion plans for 2014-2017.

For clarity, the joint owners of Vodafone Hutchison Australia Pty Limited (VHA), Hutchison Telecommunications (Australia) Limited and Vodafone Group Plc, report that VHA operated at a loss in 2013.

24. The Department cannot provide any information at this time regarding which individual locations on the database of reported mobile black spots that will receive new or improved mobile coverage under the Mobile Black Spot Programme. For a base station to be funded, it must be included in an applicant's funding proposal, be successful through the assessment process, and be approved for funding.

The Department will seek to ensure, subject to a valid application for a base station in the electorate, that funding is recommended for at least one base station in each eligible electorate (see answer to question 3), subject to other relevant provisions of the Mobile Black Spot Programme Guidelines (see Sections 7.3.8 – 7.3.10 of the Mobile Black Spot Programme Guidelines).