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CAMPBELL ACT 2612

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The Hon Luke Hartsuyker  
Chair, 2021 Regional Telecommunications Review Committee  
CANBERRA act 2600

via email: secretariat@rtirc.gov.au

Dear Committee

## Two Perspectives for Consideration

Having served on two of the last three submissions, I have been sensitised to some of the key telecommunications-related issues that are faced by many regional and remote Australians. I apologise for not making this submission earlier, but hope that you may be willing to consider the two key perspectives I would like to contribute as you finalise your deliberations.

### Mobile Coverage

This remains a key issue for many non-urban Australians – and whilst coverage has been improved in some areas through various blackspot programs, around two thirds of Australia’s landmass still has no coverage. It is not realistic or sensible to aim for ubiquitous coverage, but extending coverage beyond the present footprint has the potential to deliver significant socio-economic benefits to many Australians. Indeed, the economic value of connectivity away from towns and homesteads is growing as smart technologies start to transform sectors such as agriculture, mining and forestry. It can also be a life-saving technology – for example, when accidents occur on remote highways. The 2011-12 RTIRC heard tragic evidence of this in its consultations, though details were not published in the report out of respect for the individuals involved.

The problem is that low population density and limited revenue generating traffic makes it uneconomic for any one carrier to invest in additional infrastructure in remote areas. The present policy framework – attempting to stimulate competition in these areas – is fundamentally flawed. If it doesn’t make commercial sense for one carrier to invest in infrastructure in these areas without substantial public subsidies, encouraging duplicate or triplicate investment makes even less sense. Where blackspot programs have delivered improved coverage, it is often the customers of only one carrier that benefit.

Competition in these areas is not a sensible objective. The vigorous competition that prevails between mobile operators in urban areas extends automatically to regional, rural and remote customers.

There are approaches to drive further investment in extending mobile coverage without requiring the same level public subsidy. Two possibilities:

1. NBNCo’s fixed wireless technology is inherently a mobile network technology, currently adapted to support only fixed customer locations. NBNCo is also inherently a whole-sale only operator. If it were authorised to offer mobile services on a wholesale-only basis, the economics would be significantly improved over those faced by any individual mobile network operators:
  - each new tower installed could attract the traffic (and revenue) from all three mobile network operators;
  - a fourth stream of revenue could come from any additional fixed wireless customers in the coverage footprint; and
  - any customers transferred from NBNCo’s satellite service would benefit from better performance (especially lower latency) and the pressure on NBNCo’s satellite capacity would be eased – with potential longer-term savings in maintaining satellite capacity for those Australians in the most remote areas.

I recognise the sensitivities such an arrangement might raise with the dominant mobile network operator in non-urban Australia. These could potentially be moderated by limiting the arrangement to that part of Australia where there is currently no mobile coverage – and nothing planned in the near future.

2. Mobile roaming between network operators could be mandated on towers established with public funding as a condition of any future blackspot programs – a “stroke of the pen” solution, that whilst no doubt still contentious, would capture at least some of the benefits of the solution outlined above.

### **Affordability**

I doubt I need to convince anyone on the Review Committee of the socio-economic benefits of advanced broadband. The environmental benefits have also become more apparent during the pandemic, with many Australian’s able to work from home – easing traffic congestion, lowering carbon emissions and the like.

Despite these benefits, about a quarter of Australians are still not connected to the NBN, and many of those who are connected have opted for speeds well below those of which their lines are capable.

It is true that a tiny proportion may want and be willing to pay for higher speeds than they can currently get, and there is a vocal cohort that continues to lament departure from the original FTTP93 plan - sometimes for political reasons, sometimes for ideological reasons. Despite this, the NBN as built has served Australia well during the current COVID pandemic. Furthermore, over time the technology in any network evolves, and fibre tends to be pushed deeper into the network to further improve performance potential.

The far bigger issue affecting uptake of high-speed services is affordability! If Australia is to harvest the full benefits of its multi-billion dollar investment in the NBN, every Australian needs to be able to afford a high speed connection. Whilst this may be at odds with the goal of the NBN becoming a commercially self-sustaining entity, the Australian Government is uniquely positioned, through the tax system, to harvest the economic benefits that broadband can unlock. If the experts who have attempted to assess the economic benefits of broadband, the additional tax revenue generated from a thriving economy could more than outweigh what is forgone in direct revenue to improve affordability.

In contrast, a fully commercial owner of the NBN would have no way to monetise the indirect societal benefits through the tax system. As a result, the goal of making the NBN commercially self-sustaining would be entrenched forever and costs would inevitably rise. This would put further pressure on affordability – and Australia would ultimately be the loser – falling behind other countries that better recognise broadband as vital community infrastructure.

I hope the committee will consider the challenges faced by many Australians for whom NBN connectivity is simply too expensive.

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Once again, I apologise for a late submission – and understand that you may not officially be able to recognise it. However, I hope the committee will be given the opportunity to consider the perspectives offered.

Yours sincerely'



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