

Submitter: Urban Development Institute of Australia

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“What approach should be taken in new developments? Do they raise particular structural regulatory issues?”

UDIA is generally comfortable with the current regulatory approach in relation to the roll-out of the NBN in greenfield areas, an approach which was developed following significant and extensive consultation and engagement between the Department of Broadband, NBN Co and the Industry.

Following some initial ‘teething’ issues, the major issue that some developers have experienced is in regard to delays in the roll-out of the NBN in greenfield areas, an issue that was also raised as a concern in the recent NBN Strategic Review.

UDIA notes in particular the proposal raised by the Review for NBN Co to provide a subsidy to developers to build the NBN network in their developments to NBN Co’s specifications and then transfer the network back to the NBN Co to operate.

Without additional specific information regarding how this proposal would operate in practice, UDIA believes that the proposal may be of benefit to some developers depending on their specific development and location, but may not be a viable option for others.

For example, in some regional areas, NBN Co installing the network may be the only viable option due to a lack of local expertise / labour capacity. Also, there may be situations whereby the subsidy is insufficient to cover the costs of installing the network.

Therefore UDIA believes that the best approach is a flexible arrangement whereby developers are given the option whether to apply for the subsidy OR have the NBN network installed by NBN Co as per the status quo. Any subsidy should not be automatic but be able to be applied for by any developer.

UDIA also notes and rejects the proposal to introduce a new premises activation fee as this would place additional costs on developers over and above the significant costs that are currently paid for the installation of trench pit and pipe.

Provider of Last Resort

UDIA is aware of a situation in WA whereby NBN Co and Telstra have been unable to agree on who is the provider of last resort for a development. Essentially NBN has refused the application because Telstra is in close proximity and have advised the developer to place an application with Telstra. Upon application Telstra have refused to service the development (unless the developer pays) as the development is greater than 100 lots and therefore Telstra is not the provider of last resort. At the time of writing this situation has yet to be resolved. There needs to be greater clarity and more timely co-ordination between NBN Co and Telstra over who is the provider of last resort. It is unacceptable that both NBN Co and Telstra both refuse to provide a service to a subdivision.
