Australian Government

27th August 2019

Department of Communications and the Arts

Submission regarding the Regional Connectivity Program

Submitted by:-

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Preamble

GloNet Pty Ltd designed, developed and installed a 4G LTE Data Network on Norfolk Island, beginning operations in November 2018.

This network is currently operating from 2 sites on the island, providing coverage around the Burnt Pine - Central Business District and Kingston and Arthurs Vale Historic Area, including Kingston Wharf and Emily Bay Beach areas.

GloNet has licences to populate 12 sites on Norfolk Island and is currently waiting for permission from Australian National Parks to erect a mast on Mount Pitt. This will provide coverage to approximately 70% of the island's surface area including out to the Northern Coast of Philip Island, which lies to the South of Norfolk Island.

Recent History of Telecommunications on Norfolk Island

Prior to the Australian Government assuming responsibility for Norfolk Island governance in 2016, the Norfolk Island Government established a local telecommunications carrier, Norfolk Telecom, which installed and operated a 2G mobile telephone network. Although still operational, the 2G mobile network is a simple analogue voice and text service that is

no longer supported by the manufacturer (Ericsson), and which is substantially overpriced by mainland standards (65c per minute per voice call). This 2G service is supported by an equally obsolete telephone exchange (Ericsson AXE), which is also not supported any longer by the manufacturer.

Subsequent to the Australian Government assuming responsibility and forming a local council on the island, an approach was made by the Norfolk Island Regional Council to the Australian Government for funding to modernise the local telecommunications infrastructure, and $3.8M was made available for this purpose in 2017. Since that time, the local Council has been unsuccessful in attracting a supplier that will do the upgrade to both the mobile network and fixed network to enable the modernisation to proceed.

The backhaul of communications from Norfolk Island to the mainland has been handled by a C Band satellite earth station at Anson Bay and a KA Band MEO Earth Station on New Cascade Road, which has been fraught with technical difficulties since being installed in 2016. Unreliable backhaul continues to be a major contributor to the failure of both the 2G mobile network and the ADSL Internet service provided by Norfolk Telecom.

GloNet P/L and its decision to enter the 4G market

During 2016/17 the directors of GloNet Pty Ltd, were selected by NBN and Ericsson to manage the installation of the NBN Skymuster networks on both Norfolk and Christmas Islands.

This proceeded as planned with over 800 domestic and commercial installations on Christmas Island completed within 5 months and a similar number on Norfolk Island completed over a longer period as customers moved across from the local ADSL service provided by Norfolk Telecom, onto the much faster and more reliable NBN Satellite service.

During this time, it came to our notice that we could possibly develop and install an affordable 4G LTE Data service for Norfolk Island, our view being that this affordable technology could also be transferred to other island nations and even to mainland Australia, where major carriers couldn't/wouldn't provide a fast data service to remote regional communities due to economies of scale.

An exhaustive study of LTE technologies around the globe was undertaken by GloNet and the major components of an affordable 4G network were procured and modified to work in the small footprint environment of Norfolk Island, with great results.

GloNet has been providing 4G LTE data to customers on Norfolk Island on a continuous basis since November 2018 and the development of the network is constantly under review and modification, as we discover better ways to serve our customers.

As mentioned previously, a major stumbling block to the further rollout of the network on Norfolk Island has been the blocking action of the local Council to allow GloNet access (on a

commercial basis) to their excess infrastructure around the island and to the compound atop Mt Pitt.

Constant representation through all channels of Government and National Parks is ongoing to resolve this impasse, and we are hopeful of a resolution soon after 2 years of constantly battling this anti-competitive behaviour.

GloNet and the Regional Connectivity Program

As stated in the Introduction section of the Regional Connectivity Program – Discussion Paper, GloNet Pty Ltd is ideally positioned to:-

- Provide place-based solutions to regional digital connectivity issues through a range of mobile and/or broadband services.
- Complement the National Broadband Network, the Mobile Black Spot Program and the telecommunications industry's commercial investment plans.

Although bespoke in nature, we feel there is enough flexibility in our solutions to take advantage of the provision of high speed data services in 68% of the Australian landmass, that is not currently supported by the three national mobile network operators.

Regarding the questions within the Discussion Paper, we have the following comments:-

Question 1.

Currently the Australian Telecommunications Act does not apply to Norfolk Island and therefore the necessity to become a Licensed Telecommunications Carrier is not apparent. We believe that for smaller organisations providing reliable bespoke solutions, in its present form the Australian Carrier Licence may be a commercial impost that may preclude investment from these organisations. A review of this requirement would be recommended.

Question 2.

For organisations outside bonafide telecommunications providers to lead a bid for funding in this program, it would have to be considered on its merits and not to the exclusion of a valid partnership with an organisation that has the wherewithal to complete the technical aspects of the rollout to this area. In particular, Local Government Authorities could be most beneficial to a successful solution due to their local regulatory and practical expertise.

Question 3.

Although other organisations could be driven by self-serving desires in this area, it shouldn't be discounted that they may, within strict guidelines, be able to offer valuable information to identify local telecommunications priorities.

Question 4.

Without a doubt, the provision of linkages through the Department to local communities would be of huge assistance in identifying the key stakeholders and facilitating a more productive transition from initial idea to project planning and implementation.

Question 5.

The issues around co-contributions has been well covered in the Discussion Paper and, in itself, is a welcome initiative that could ease the financial burden for small businesses to develop and initiate a solution for a particular area.

Question 6.

Any projects that are fit for purpose in a particular community should be able to be considered for funding under the Regional Connectivity Program. The last point in the 'Key Points' section, Page 7 of the Discussion Paper, is considered vitally important i.e. a broad view must be taken of the likelihood of future capacity demands at a particular location, and that provision must be made for this during the solution design to enable an easy and affordable upgrade to be undertaken down the track.

Question 7.

This 10 year provision of Retail Services as a function of funded solutions is a sound idea. It may be beneficial to the supplier and to the Government that consideration be given to a funded upgrade path through this period, as 10 years is a long time in the world of technology and changes are occurring more rapidly as time progresses.

Question 8.

With regards to eligible and ineligible areas, this is another issue that seems simple in this snapshot of time, but provisos should be inserted to account for changes in technology, NBN ownership going forward and other telecommunications shifts that could affect the service through the 10 year period.

Question 9.

No, you seem to have covered the expenditure issue well.

Question 10.

Yes, it may be necessary for the Commonwealth to make a contribution for continuity of service should a Local Government Agency default on its agreement re co-funding. In this case, the Commonwealth should be available to make a contribution should it be necessary.

Question 11.

Definitely, with 4G LTE and the advent of the 5G high band technology, shorter range highly localised solutions could very well be suitable and funding under $200,000 would be of huge importance.

Question 12.

Only those more affordable backhaul solutions should be explored, particularly using Skymuster.

Question 13.

Nothing to add.

Signed

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