The Department of Industry, Science, Energy and Resources' Office of Northern Australia (ONA) and the National Measurements Institute (NMI) appreciates the opportunity to provide comment on round 5A of the Mobile Black Spot Program (MBSP).

The Office of Northern Australia (ONA) coordinates the implementation of northern Australia policy, including the *Our North, Our Future: White Paper on Developing Northern Australia*, which sets out key policies and measures to drive growth in the north. Under the next phase of development, one of the strategic priorities is 'Connective and resilient infrastructure' to enable industries in the north to be internationally competitive; and to build the resilience of communities to provide stable infrastructure through natural disasters and other disruptions. Improving telecommunication infrastructure will play a key role in northern Australia development.

The case for northern Australia

MBSPs which assist in improving connectivity through mobile technologies are crucial to unlocking northern Australia's full economic.

The economic impact of COVID-19 has thrown into sharp relief the connectivity issues faced in northern Australia. Increased and improved connectivity in the north is needed to support residents and business to continue to navigate COVID-19 restrictions, capitalise on changed business conditions, and better engage in the digital economy. Telecommunications are essential for participation in economic and social activities whilst safeguarding community health.

Previous rounds of the MBSP have been welcome and somewhat successful in improving coverage across northern Australia but there are still significant gaps in the level of coverage and provision of basic telecommunications services. For example, in previous rounds of the MBSP, approximately 15 per cent of funded base stations were located in northern Australia, yet this region comprises 50 per cent of Australia's landmass.

Many residents and businesses in northern Australia are still unable to access reliable telecommunications and data services that are comparable to what is available in metropolitan areas and regional areas in the south. We understand the commercial issue faced by telecommunications and internet service providers is that high coverage of the majority of the national population already exists, and that increasing geographical coverage to service the population in regional and remote northern Australia confers little commercial benefit.

The digital inclusion index measures access to information and communication technologies that deliver social and economic benefits. On this measure, remote communities, and some towns and cities in northern Australia score lower than the Australian average, and significantly lower than their state capital cities. Non-metropolitan communities in north Australia score particularly low on 'digital ability'. As previous programs have demonstrated increased quality and access to connectivity improves community wellbeing, expands opportunities for businesses, and increase access for training, education and employment. This is particularly relevant for Indigenous communities, the majority of which are located in remote and very remote communities across northern Australia.

While many remote towns and Indigenous communities have 3G/4G mobile coverage, they remain 'under serviced', with over-crowded networks, and voice and data plans comparatively more expensive than fixed-line services. ONA supports the program's requirement for minimum 4G coverage.

Design of Round 5A

ONA broadly supports the proposed design of Round 5A of the MBSP. In particular, we strongly agree with the three priority areas identified under delivering coverage benefits for non-commercial regional and remote areas. We also support the principles for promoting competition outcomes, and the proposed changes to the Commonwealth funding caps.

This response to the consultation paper is focussed on consultation issues 1, 2, 3 and 6. We have also provided some general comments on the assessment criteria.

1. Delivering coverage benefits for non-commercial regional and remote areas

Priority one: High priority natural disaster prone areas including those affected or prone to bushfire

ONA strongly supports targeting areas prone to natural disaster. Extreme weather conditions, such as flooding and cyclones, are prevalent across northern Australia. Without reliable telecommunication infrastructure information on wellbeing and safety cannot be communicated in during disasters.

For example, during the 2011 Inquiry into the Queensland floods, residents raised concerns about the lack of mobile phone reception in the rural areas outside Toowoomba and implications for reduced community and individual safety before, during, and after disaster events. The 2020 Queensland Bushfires review also identified that individuals and communities have a high expectation that in the lead up to a forecasted disaster event, and in the event of an immediate local threat, they would expect a text message to their phone in addition to other public announcements. This sentiment regarding telecommunications as an essential service, particularly during a natural disaster, is an issue that is equally applicable to northern Australia.

Priority two: New technology solutions in areas where low population densities have discouraged applications under earlier rounds

ONA strongly supports this priority – particularly as much of northern Australia fits into this category. During the 2011 Inquiry into the Queensland floods, telecommunication providers outlined that there is limited mobile coverage in regional areas "because they regard it as not economically viable to provide more base stations, given the sparsity of the population"[1]. This situation where economic benefit for telecommunications companies to increase geographic coverage is equally applicable to many areas in northern Australia.

ONA agrees that the MBSP should encourage applications from areas where there is low population density. However, we also consider that in order to attract applications from remote and regional northern Australia, an active engagement campaign is required that reaches into the community to generate interest. This requires engagement with community leaders to raise awareness of the benefit of the MBSP and where necessary provide assistance to develop high quality applications. In particular, outreach into regional and remote communities with a high Indigenous population and lower business capability would help to increase participation and generate applications.

Priority three: Major regional and remote transport corridors

ONA supports targeting improved telecommunications connectivity along regional and remote transport corridors for reasons of public safety, education and economic

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[1] Queensland Floods Commission of Inquiry Interim Report, Aug 2011 , pg 244
http://www.floodcommission.qld.gov.au/__data/assets/pdf_file/0006/8781/QFCI-Interim-Report-August-2011.pdf viewed 18 June 2020

opportunity. This is one way of maximising the benefits of mobile black spots towers for multiple users from smaller communities to major project developers.

COVID-19 has increased reliance on the digital economy and economy recovery is likely to require generate different business opportunities with higher reliance on digital presence. It is critical that businesses and communities in northern Australia can participate in this sector of the economy particularly for those located within existing supply chain and transport corridors. Reliable telecommunications along major supply chain routes would also open up opportunities for improved supply chain efficiency technological applications.

Some popular tourist routes in the north, such as the Stuart Highway and Barkly Highway, have no mobile reception for several hours of travel. The CSIRO TraNSIT model provides a tool for identifying high traffic routes and could be used as an additional source of data for identifying black spot locations which might be in unpopulated areas but could potentially 'capture' a larger number of transient connections.

2. Promoting competition outcomes

ONA generally supports improving competition amongst service providers in regional and remote areas, and recognises that genuine price competition can help to put downward pressure on prices. However, ONA considers that the benefits of increased competition are likely to be limited to large regional centres where there is a sufficient market base to compete for customers. Without competition in areas with smaller populations there is still likely to be issues of affordability.

ONA agrees with the principle of prioritising solutions that provide coverage from more than one mobile network operator, including sharing models and proposals that offer complementary services. However, given the highly dispersed population in northern Australia proposals from some regions in the north may not be able to attract a sharing component. This means that some proposals from northern Australia may not be able to compete on a value-for-money basis with proposals from more commercially viable regions, particularly in more highly populated southern regional areas. While sharing models may result in improved competition for some regions, explicitly including an emphasis on sharing in the assessment criteria may discourage proposals from regions with a high need but low commercial prospects.

3. Funding is available for the capital costs of proposed solutions with funding recipients and some ongoing costs

ONA strongly supports a higher Commonwealth funding cap for solutions in remote or very remote areas, in areas that show difficulty in attracting providers due to lack of commercial outcomes, and for solutions that provide broader regional outcomes (e.g. through investment in multiple base stations in an area).

ONA also supports permitting funding recipients to capitalise the costs of satellite backhaul, leased optical fibre and microwave backhaul in order to improve the commercial viability prospects, particularly for regional and remote areas.

4. Mobile services need to be provided for a minimum period after asset completion.

ONA advocates for 10 year plus minimum operational period to ensure the continued connectivity of the region, and replacement with new technologies when available. The replacement of technology solutions is likely to lag in remote and regional Australia, and therefore requires a longer operational period. However, ONA notes that in some remote and very remote regions, a minimum operation period may discourage proposals from regions with a high need where the operational costs may reduce commercial viability.

Comments on the proposed assessment criteria

ONA supports proposed assessment criteria 1 and 2. However, ONA considers that Criterion 3 – overall value for money will not adequately recognise the disadvantage faced by regional and remote regions in northern Australia which makes it difficult for some regions to satisfy this criterion.

Using the Australian Bureau of Statistics measure for remotes, northern Australia scores high on remoteness compared to the rest of Australia since there are long distances between small population centres. This characteristic has resulted in a need for towns and communities to be self-sufficient which often requires higher levels of service than towns of a similar population in more closely settled areas in southern regional Australia.

This means that it may be harder for applications to meet overall value for money under the third criterion, particularly in relation to:

- degree to which the proposal provides service from more than two providers
- cost to the Commonwealth of the Proposed Solution
- amount of new and overlapping handheld coverage (km^2)
- number of premises to receive new and overlapping handheld coverage.

There are inherent challenges that come with living in the most remote part of the country that need to be recognised in assessing the merit of applications. These differences could be overcome in a number of ways. For example, an additional criteria specific for northern Australia could be established as an alternative to criterion 3, and/ or there could be quarantining of a proportion of the funding for dedicated investment in northern Australia. Either of these approaches will help to level the playing field whereby regions in northern Australia are constantly disadvantaged by having to compete against more commercially attractive options in southern Australia.

ONA would be happy to engage further with Infrastructure on articulating a specific criterion for northern Australia, or how to identify which regions might qualify for the quarantined funding.

The National Measurement Institute

The National Measurement Institute (NMI) is the Australian Government's national authority on measurement.

NMI has a presence across Australia and is interested in remote communications for its own work as its officers undertaking inspections across regional Australia and access to mobile connections is essential for conducting this work. Inspectors log their work online on mobile enabled systems such as laptops and tablets and safety check-ins are required in remote areas. The department also regulates measurement of mobile systems that industry could use if enabled such as internet enabled points of sale (cash registers), energy and water meters, and fuel dispensers.

NMI also offers a range of measurement services to industry relating to communications and power systems. This could be used as a potential support for businesses that sign up to program and NMI would be happy to provide further engagement and advice in this regard.