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Our Reference:
Your Reference

25 June 2008

Attn Regulatory Section
Department of Broadband, Communications & the Digital Economy
Via email to regulatory@dbcde.gov.au

Dear Sir/Madam,

Re: National Broadband Network – Regulatory Environment

The Sunshine Coast Regional Council is the recipient of Clever Networks (ISD) funding and with its partners (public & private) is investing in new broadband infrastructure, both backbone and customer access network. Optical fibre cables and wireless broadband infrastructure are being installed at the Sunshine Coast, Queensland, to service one of the fastest growing areas in Australia. The Council views this infrastructure as critical to continuing development of the local economy. It is for this reason that Council has a focus and priority on broadband and has committed its own funds to the current project. In addition to Clever Networks ISD funds

The Sunshine Coast Regional Council is raising three issues for the Australian Government to consider as part of the public submissions on the National Broadband Network (NBN) regulatory issues. Our practical experience in broadband infrastructure build, partnering with telecommunications suppliers and interaction with 'greenfield' developers has helped form the opinions expressed below.

Issue 1: Overbuild

The Clever Networks project is an open access broadband project under the Australian Government program. It has been funded by Australian taxpayer contributions, local government contributions, education sector (University of Sunshine Coast) contributions and commercial investment. By adopting the following principle, Australians will gain maximum investment return on previous Australian Government programs and greater benefits will flow from the \$4.7 billion NBN fund. It is essential that any decision on the selection and consequential conditions applied to NBN provider(s) makes it mandatory that existing open access networks be integrated into the NBN infrastructure. Given the significant taxpayer contribution into this Clever Network broadband infrastructure Council believes use of this network by the NBN provider should take preference over other 'open access' infrastructure. If new or other existing other 'open access' infrastructure were favoured it could have severe detrimental impacts on the sustainability of the Sunshine Coast project.

Issue 2: Local Government Regulations

As part of its Clever Networks project the Sunshine Coast Regional Council has become aware of local government practices and regulations that must be changed. One change Council recommends is the requirement for local government to mandate that road construction and maintenance (e.g. installing traffic lights, intersection redevelopment etc) require the installation of telecommunication ducts. A minimum of 2 x 50 mm ducts is recommended.

Through this minor change significant civil works savings can be achieved. This initiative has the potential to add a multiplier effect on the available NBN funds and hence produce extra benefits to the Australian community. The Sunshine Coast Regional Council is implementing this and other measures to help reduce the cost to the community of broadband infrastructure builds.

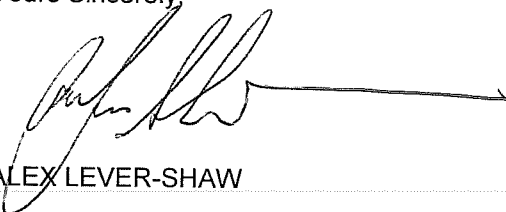
Issue 3: Greenfield Developments

Council is aware of existing practices by telecommunications providers whereby they seek to 'lock in' residents of new developments by negotiating infrastructure provisioning arrangements with developers. Whilst these arrangements appear 'at first glance' attractive they do not benefit the long term interests of the consumer. A key issue is that developers are not literate in telecommunications infrastructure and their priority is to seek to ensure basic telecommunications services are available. It is recognised that developers see the competitive advantage of broadband connectivity to their estate. However their interests, and those of the telecommunications providers, are not consistent with the objectives of the NBN. Lock in contracts that do not provide open access options or scalability will create islands of monopoly that will rapidly fall behind the open NBN environment.

It is recommended that as part of the NBN process the Government instigate a process to prevent inferior copper builds in new estates by mandating optic fibre infrastructure with open access options for residents and businesses.

I welcome the opportunity to discuss these issues in more detail should the need arise.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Alex Lever-Shaw', with a long horizontal line extending to the right.

ALEX LEVER-SHAW

MANAGER ECONOMIC DEVELOPMENT (CENTRAL)
SUNSHINE COAST REGIONAL COUNCIL