



Tweed Economic Development Corporation Ltd

Submission to the

Legislative Assembly Standing Committee on Broadband in Rural and Regional Communities

Inquiry into Telecommunications Availability in Rural and Regional Communities

1 February 2010

Mr Paul Gibson MP
Chair - Standing Committee on Broadband in Rural and Regional Communities
Parliament House
Macquarie Street
Sydney NSW 2000

Attention: Ms Vicki BuchBach – broadband@parliament.nsw.gov.au

Dear Mr Gibson and Ms BuchBach

RE: Submission to the Standing Committee on Broadband in Rural and Regional Communities into the availability of telecommunications and other technology services in rural and regional communities.

Access to high quality, affordable telecommunications services is extremely important to the Tweed region if it is going to be able to keep pace with other similar growth regions of Australia, in managing and meeting the challenges associated with its predicted population growth, particularly in the ageing demographic, in a socio-economic sustainable manner.

The current 42% work participation rate, and associated lower than National and State average disposable incomes, confirm the need to attract substantial new employment generating investment to the Tweed and Northern Rivers region, and fundamental to this process is the availability of essential infrastructure including advanced telecommunication technology.

Telecommunications, and especially broadband communications, is a key enabling technology that successful countries, and in this case growth regions in Australia, will utilise more and more to allow their business and industry to gain a competitive advantage, to attract new investment in new product and industry development, to fully participate in international trade and to secure economic growth. It will also greatly enrich community life by allowing access to a wider range of information and services delivered with unprecedented convenience and flexibility, particularly significant in regions with higher than average aging demographics.

About Tweed Economic Development Corporation Ltd (TEDC)

The TEDC is an independent company limited by guarantee, established by Tweed Shire Council in 1997. The TEDC is governed by an independent Board of twelve (12) directors of diverse private and public sector backgrounds, qualifications and experience.

The role of TEDC is to inform “government policy processes” and to “facilitate job-creating investment growth”, “through leadership and direction”, principally at a local and regional level. The TEDC since inception has adopted a non-political, macro-economic, factually-based and innovative approach to the role of developing a sustainable Tweed economy.

TEDC in partnership with TSC, provides leadership to the economy of the Shire, through developing proactive and strategic directions, substantiated by the facts and which are designed to achieve Council’s Corporate Economic Goal, “to promote a strong economy and diverse employment opportunities”, by:

- Promoting the balanced development of the Tweed Shire;
- Retaining, expanding and diversifying existing industries and commercial activities and attracting new industries and commercial activities;
- Identifying and promoting sustainable investment;
- Identifying and rectifying cost disadvantages, which apply to existing and prospective industries and commercial activities;
- Assisting and encouraging business and industry growth with the objective of increasing job growth;
- Conducting research that assists sustainable economic growth and policy development at government level; and
- Advising all levels of government on problems and issues affecting sustainable economic growth and development in the Tweed Shire.

Some Facts on the Tweed Economy

- The Tweed is at the epicentre of the East Coast Growth Corridor of Australia, which stretches from Coffs Harbour in the south to Hervey Bay in the north, and is part of an ever-changing, dynamic, global market place. Projections suggest that by 2031 more than 38% of Australia’s population growth will occur in this dynamic coastal region.
- The Tweed is one of the fastest population growth regions on the east coast of Australia, however that growth is in the aging demographic, and research by TEDC using the Tweed and Northern Rivers Economic Modelling Tool, confirms the Tweed has a 92% serviced based economy and as such raises and brings into question the issue of long term economic sustainability of the shire.

- Population in June 2008, 86,833 Estimates as at end of 2009 suggest a current population of 90,000.
- Projected population 2031, - 120,000
- In 2006, 22% of population was over 65 years and 35% over 55 years of age
- Population projections suggest that by 2031, 38% of the Tweeds population will be over 65 years which equates to 45,600 people.
- The Tweed currently has - by state and national standards - one of the very lowest work force participation rates (WPR) at 42%, when compared to NSW at 62%, SEQ at 62.7% and the Northern Rivers at 55%
- These figures confirm the fact that if the Tweed is to achieve a moderate 50% work participation rate by 2031, then there is a need to generate some 25,000 additional new jobs by 2031.
- The Tweed has only 19,000 FTE people, self employed and employees, actually living and earning an income in Tweed Shire. 11,000 Tweed residents leave the Shire for work every day.
- Research by TEDC confirms that the economies of the Northern Rivers Region of NSW and the Tweed Shire in particular are inextricably linked to SE Queensland and to a large extent interdependent.
- TEDC research confirms that before the Tugun By-pass there were 44,000 vehicles crossing the NSW/QLD border daily and that this figure is expected to reach 151,000 by 2026. This indicates nearly a 350% increase in usage in less than 20 years.
- The SEQ Regional Strategy identifies the quantity of employment generating land zoned and available in SEQ, with no further plans to rezone any additional employment generating land in SEQ once that which is currently zoned is developed.
- In summary the local economy is simply a serviced based economy with service industries showing growth over the last 3 years at the expense of primary industries and manufacturing, which confirms the need to broaden and diversify the local economy, if the region is to achieve economic sustainability into the future.

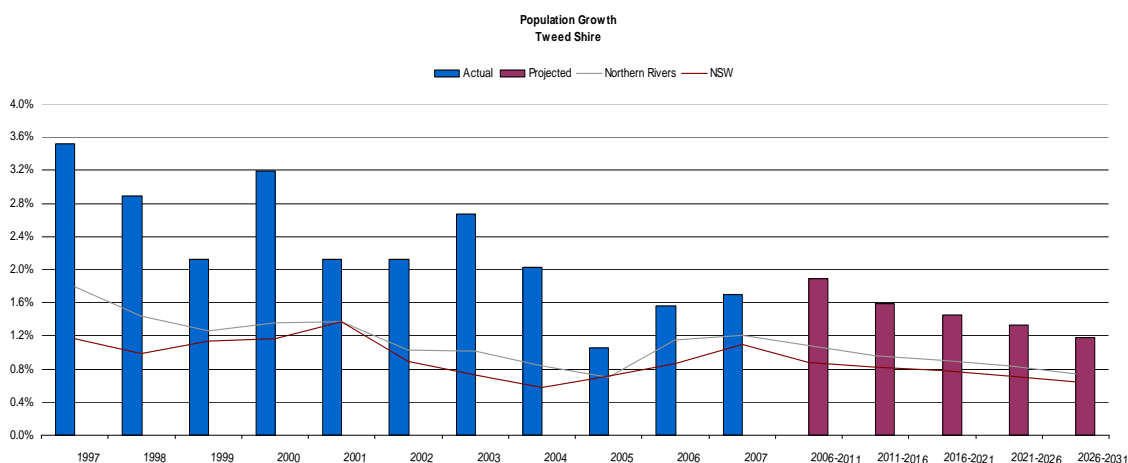
Growth Predictions

There are two main drivers that impact on Tweed Shire Council's need for advanced telecommunications. They are demographics and economic development.

Demographics

The two most significant demographic aspects affecting the Tweed region are growth and age. As can be seen in the below diagram, Tweed's current and projected growth is substantially higher than both the broader Northern Rivers Region and the State.

This expected growth will be further exacerbated by the projected increase in traffic generated by the Tugun Bypass and the reduced level of development proposed for the Gold Coast. Consequently this will cause ever increasing pressure on the region's telecommunications capacity in relation to the expectations of the availability of affordable high speed broadband services by new business and investment, as well as new residents who are considering relocating to the Tweed region.



The aging population is an area that affordable high speed broadband can transform a potential problem to an opportunity through the provision of eHealth services. eHealth has proven internationally to be a major beneficiary of broadband, as a result of an array of products and services enabling the aged infirm to remain at home much longer and with substantially improved quality of life. This will become a critical issue given that in 10 years the citizens in the region that are over 65 years are expected to number around 45,000.

Economic development / Self containment

A key detractor to the economic growth of Tweed Shire is the current level of self containment within the Shire. Of the current population of some 86,833 (ABS 2008), around 31,000 are employed. That relates to a work participation rate of only 42%, as compared with the Hunter Valley, with a participation rate of 59%.

However, given the population growth projections, if Tweed could achieve even a 50% participation rate, it will need to provide an additional 25,000 jobs over the next 20 years.

Of further significance due to the potential economic leakage, is the fact that of these people who are currently employed, only 19,000 are actually employed within the Shire, meaning that approximately 11,000 leave the Shire daily to go to work.

However, given the capacity of broadband as an enabler of business development, improved broadband infrastructure would be the catalyst to significantly increase the number of jobs within the region, greatly reducing the number of employees commuting to other regions for employment.

Telecommunications within the Tweed

The Tweed is currently experiencing a profound population demographic shift, driven by sustained growth in the tree and sea change population, as well as businesses seeking to relocate to the Tweed. All have an expectation that telecommunications infrastructure will be equal to that available in capital cities.

In response to this situation, TSC engaged TEDC to develop a Telecommunications Infrastructure Action Plan for the Tweed Shire. The report highlighted that in the case of the Tweed, there is a requirement to improve the telecommunications capacity across the region as it is currently underserved by choice of telecommunications service providers and broadband capacity. The opportunity therefore exists to bring together a number of stakeholders with the potential to develop a blue print for the development of a regional open access broadband network that will greatly enhance economic and social development throughout the region.

Unfortunately, the lack of modern and reliable telecommunications infrastructure (particularly high speed broadband and mobile services), in Murwillumbah and the rural areas of the Tweed has had a negative impact on potential new business investment and investors seeking to establish or relocate to the region. New economic generating businesses and employment opportunities have been lost as a result.

Furthermore, the unavailability of adequate telecommunications infrastructure in the Tweed Shire's rural locality of Pottsville, has resulted in a major aged and community care service provider (Feros Care) to relocate its facilities and staff across the border to Coolangatta in South East Queensland.

Murwillumbah is an established business centre about to experience major investment and employment growth due to the development of a large parcel of employment generating land. Local businesses, major government agencies and institutions such as Boral, NSW TAFE, Murwillumbah Hospital, NSW Ambulance and Police and Tweed Shire Council's Administration Centre at Murwillumbah are restricted in their service delivery and electronic transactions by a 2 Megabyte (Mb) copper cable bandwidth capacity.

The Action Plan identifies several large national telecommunications carriers that provide broadband services to the Tweed. Others have been identified who are open to establishing a presence within the Tweed. Table 1 below was presented in the Plan and identifies the current and proposed providers and the services which form their areas of interest.

Table 1: Broadband Providers within the Tweed Region

	Radio Microwave	WiMAX	2G/3G	FttP %	ADSL	Dark Fibre	Backhaul	Satellite
Cirrus Communications		?					?	
Soul	?		?		?		?	
Pivit #	?			?		?	?	
Macquarie Telecom Ø				?				
Optus	?	?	?		?		?	?
Telstra	?		?	?	?		?	?
Allegro Network #		?					?	
Fujitsu Australia #				?				
NextGen							?	
Country Energy						?	?	
Vodafone			?					

Source: (Télécommunications Infrastructure Action Plan, CDI, P. 29)

Notes:

- # No infrastructure currently in Tweed Shire
- Ø Only to large corporate clients in metropolitan areas
- % "Fibre to the Premises" (FttP).

As the table shows not all providers are interested in providing a full spectrum of services. Additionally costs associated with providing services to areas with limited populations may not prove commercially viable. As a result more remote rural areas are presented with far fewer options for broadband services.

The Action Plan states;

"Developers can play a significant key stakeholder role in the deployment of telecommunications infrastructure by including the provision fibre ducts along with other underground utilities such as water, power, sewerage' etc' within their developments.

This is particularly so given the latest development trends towards mixed-use developments and master planned communities. These forms of development bring together both residential and a diverse range of retail and commercial operations and institutions such as education within the same precinct. These precincts can provide an excellent environment not only for telecommunications but a broad range of broadband enabled content."

Below in Table 2 the consultants have contacted all of the major urban developers within the Tweed to canvas their position on providing broadband within their developments.

Table 2: Urban Developments in the Tweed and their Position on Broadband

Developer	Project Details	View on Broadband
Heritage Pacific	Pottsville Employment Land 50ha Service industry / Logistics / distribution / technology	Planning fibre to the premises. Planning open access Smart metering for power
Leda	Cobaki Lakes (5,500 lots) Kings Forest (4,500 lots)	Project manager is keen on fibre to the lot. Believe Council should have a fibre policy
Steve Macrae Developments	Pacific Heights (2100 lot equivalent) 184 ha Master Planned Community	Planned as community title offering fully integrated water cycle management and FttP telecommunications network
Peter Mitchell	Industry Central	Infrastructure for stages 1&2 already completed (30 lots) using Telstra's copper. However, interested in reviewing latest technology before stage 3 in late 2009
Metricon	Riva View Murwillumbah Seabreeze Pottsville Area E, Benora (900+lots)	Riva View and Seabreeze have Telstra copper deployed, there is interest in other opportunities for Area E.
Seaside City Developments	Seaside City	Several contact attempts unsuccessful
Zimmer Land P/L	Nightcap Village, 2954 Kyogle Road, Kunghur	Several contact attempts unsuccessful

Generally there is interest in providing some form of broadband as a service to their future land owners however there is a trade off. Providing the infrastructure comes at a cost which must be recouped from land sales. This will ultimately increase lot prices. However, through marketing, this can be promoted as a value added product and the higher prices can be justified.

The Way Forward:

“Where the private sector has deployed affordable and high-quality services, broadband is not an issue, but in other communities, local and regional governments have found many ways to involve themselves in encouraging the provision of broadband infrastructure access to their constituents, with the most successful beginning with the same first step: which is establishing a clear vision, and communicating why broadband access matters.

It is now a growing expectation that new residential developments are capable of being wired for broadband data access. However, many residential estates have been built without any adequate provision for the installation and establishment of appropriate broadband infrastructure. Installation of such infrastructure after an estate has been completed (retrofitting) is often costly and may in some circumstances compromise or limit the type of infrastructure that can be used to deliver broadband services.

The attached Telecommunications Infrastructure Action Plan presents a number of options to progress Telecommunications within the Tweed. Tweed Shire Council need to consider amending the planning regulations to require the provision of facilities in all new estates

and building developments to ensure that the rollout of broadband infrastructure can be performed as a matter of course as opposed to the current costly process of retrofitting.

This type of adjustment would encourage more thought and consideration by developers and infrastructure providers alike, to consider value added services to estates beyond simply the accommodation of minimum levels of broadband access to new residents and offices.

It is envisaged that in all the future developments, all residents and occupants will be able to regard access to digital broadband services as a right and the only issues to be determined will be choice of provider(s) and the level of choice of broadband service. Similarly and more importantly, as of right access to digital broadband services by industry and commercial operators moving into the business parks or master planned estates.

In the case of the Tweed Shire, there is a requirement to improve the telecommunications capacity across the region as it is currently underserved by choice of telecommunications service providers and broadband capacity. The opportunity exists to bring together a number of stakeholders with the potential to develop a blue print for the development of a regional open access broadband network that will greatly enhance economic and social development throughout the region.

Developers can play a significant key stakeholder role in the deployment of telecommunications infrastructure, by including the provision of fibre ducts (pit and pipe) along with all other underground utilities. It is important to educate the development industry on the importance of technologies such as broadband and increase their uptake of this service in the business, property development and community sectors. TEDC accepts it has a significant role to play with Council in the interface with developers in encouraging them to embrace the importance of providing this essential and critical telecommunications infrastructure.”

The Challenge for Australia and Tweed Shire

The main challenge facing Australia and subsequently, Tweed Shire, is that most of the fixed line infrastructure in Australia is owned by Telstra. As has been the case with many other countries, telecommunications development has been impaired by the market dominance of the incumbent carrier when it provides both wholesale and retail services.

Looking to other developments across the worlds, experience shows that the only way to diminish this control is by developing “open access” networks where telecommunications infrastructure is offered to any number of carriers and service providers on equivalent terms, and thus ultimately providing choice based on service, price and quality to the consumer.

In the case of the Tweed Shire, there is a requirement to improve the telecommunications capacity across the region as it is currently underserved by choice of telecommunications service providers and broadband capacity. The opportunity therefore exists to bring together a number of stakeholders with the potential to develop a blue print for the development of a regional open access broadband network that will greatly enhance economic and social development throughout the region.

Where the private sector has deployed affordable and high-quality services, broadband is not an issue, but in other communities, local and regional governments have found many ways to involve themselves in encouraging the provision of broadband infrastructure access to these constituents, with the most successful beginning with the same first step: which is establishing a clear vision, and communicating why broadband access matters.

It is now a growing expectation that new residential developments are capable of being wired for broadband data access. However, many residential estates have been built without any adequate provision for the installation and establishment of appropriate broadband infrastructure. Installation of such infrastructure after an estate has been completed (retrofitting) is often costly and may in some circumstances comprise or limit the type of infrastructure that can be used to deliver broadband services.

Tweed Shire Council are in the process of considering a number of options, including amending the planning regulations to require the provision of facilities in all new estates and building developments to ensure that the rollout of broadband infrastructure can be performed as a matter of course as opposed to the current costly process of retrofitting.

It is envisaged that in all the future developments, all residents and occupants will be able to regard access to digital broadband services as a right and the only issues to be determined will be choice of provider(s) and the level of choice of broadband service. Similarly and more importantly, an “as of right” access to digital broadband services by industry and commercial operators moving into the business parks or master planned estates.

In the case of the Tweed Shire, there is a requirement to improve the telecommunications capacity across the region as it is currently underserved by choice of telecommunications service providers and broadband capacity. The opportunity exists to bring together a number of stakeholders with the potential to develop a blue print for the development of a regional open access broadband network that will greatly enhance economic and social development throughout the region.

TWEED TELECOMMUNICATIONS INFRASTRUCTURE ACTION PLAN

Broadband technology is seen to be a key driver of economic growth over the next 20 years and it will support information services that will permeate community life and business. It will pave the way to open up new markets and achieve productivity gains across global economies.

For the Tweed it will:

- Enable and encourage the attraction of new jobs generating investment in the fields of commercial and industry development as well as encourage growth in home based businesses,
- It will assist and play a critical role in managing the future health and aging services, such as aging in place through tele-health and e-health,
- It will enable TSC to provide the type of telecommunication service interface necessary to enable improved delivery of services generally, but specifically in the lodgement, tracking and monitoring of DA’s and other like government services, and

- It is critical to encouraging and managing growth in education across the broad spectrum of tertiary and secondary services including trades and other skills development.

The importance of this technology has been realized by TEDC and TSC, who in collaboration have developed a Telecommunications Infrastructure Action Plan for the Tweed Region. It sets out to define broadband telecommunications from a global perspective and reviews approaches being undertaken to develop broadband infrastructure both internationally and domestically.

In most countries, broadband telecommunications infrastructure is delivered by private sector companies on a commercial basis and in most cases the private sector has not demonstrated a willingness to invest in regional areas without some strategic involvement by government.

Increasingly a view is being formed that broadband telecommunications infrastructure is a utility and strategic government involvement in its development is necessary.

The Tweed Telecommunications Infrastructure Action Plan has identified a number of common attributes across a broad spectrum of telecommunications infrastructure development projects both in Australia and overseas. These include:

- The identified need for strategic planning for telecommunications infrastructure to meet the future needs of business and residents,
- The need for government to take a leading role in facilitating the development of broadband infrastructure,
- The development of broadband infrastructure has been a partnership between key stakeholders from both the supply and demand side of the market,
- In all cases the focus of development of the broadband infrastructure is on the economic and social benefits derived from it, and
- The proponents have taken a long-term horizon view on the development of broadband, similar to the other utility infrastructure such as roads, electricity, sewage and water.

The Tweed Telecommunications Infrastructure Action Plan has identified a number of actions that Tweed Shire and TEDC can work together to facilitate the development of this critical infrastructure in conjunction with private and government partners. The following actions were identified:

1. *“Prepare policies within Council that support the development of communications precincts in both green and brown field developments to be used to establish/house telecommunications street furniture such as towers, nodes, cable cabinets etc.*
2. *Establish regulatory controls on property developers to work with telecommunications carriers to identify precincts that are to be used for telecommunications towers and to include these in their preliminary concept plans to be presented to Council prior to any formal applications for development approval. These precincts could then be allocated for the specific purpose of locating telecommunications towers, in a similar way to land within a development, excised for the purpose of some electricity transformers, etc. utility ie. Pumping station.*

3. *Establish regulatory controls on property developers mandating that ducting (pits and pipes) in all new green field developments suitable fibre cable reticulation with ownership being vested with Council. Infrastructure providers have advised that their business models show viability for green field developments of 300 lots or more.*
4. *Establish regulatory controls on property developers mandating that they lay ducting (pits and pipes) in all new urban renewal developments suitable for optic fibre reticulation with ownership being vested with Council.*
5. *Establish policies within Council to develop fibre optic infrastructure to connect its branch offices as part of its own telecommunications consumption requirements.*
6. *Establish policies within Council to facilitate telecommunications ducting (pits and pipes suitable for optic cabling) to be included in all future capital works programs.*
7. *Establish policies to make available volumetric spare capacity of Council own ducting for use by other parties on commercial terms.*
8. *Lobby the Federal Government to impose regulatory controls on Telstra to make available its last mile pits and pipes for use by other telecommunications service providers including lead-in cables.*
9. *Lobby both State and Federal Governments to achieve better coordination of Agency spending on telecommunications in the Tweed region to achieve improved telecommunications infrastructure development.*
10. *Lobby both State and Federal Governments for financial support to assist Council to facilitate the further development of telecommunications infrastructure.*
11. *Prepare a register of Council facilities that Service Providers can access for use to house telecommunications equipment.*
12. *Work with ACMA to educate property developers and planners on building cabling standards such as the Digital Building Guideline ([http://www.acma.gov.au/WEB/STANDARD/pc=PC 569](http://www.acma.gov.au/WEB/STANDARD/pc=PC_569)) along with ACIF's Building Access Operations and Installation Guideline. These guidelines are designed to encourage multi-carrier access by providing greater clarity to carriers, carriage service providers and property developer / owners of multi-tenanted, multi-storey buildings of standard procedures across the telecommunications industry, resulting in savings in the administrative costs of all parties involved, as well as providing improved certainty in terms of the timing for provision of services, access to adequate power supplies, facility documentation requirements and improved security for carrier and property owner facilities."*

The above actions are to provide guidance to Council in providing direction for the provision of Telecommunications within new urban developments. To progress the recommendations of the Action Plan Council is establishing a working group to assist in the implementation of a number of these actions. The delivery of fast, efficient telecommunications infrastructure is one fundamental step in the process of delivering future economic and social sustainability to the Tweed.

The NBN and its Applicability to the Tweed

The Governments realisation that access to affordable, fast broadband is essential to the way Australians communicate and do business is critical in achieving economic and community development for the nation.

The local councils from the Tweed on the Queensland border , to the Greater Lakes on the mid north coast are working collaboratively to embrace the NBN and have put a submission to Senator Stephen Conroy, Minister for Broadband, Communications and the Digital Economy for this region to be considered as the second region for roll out after Tasmania.

TEDC and TSC are committed to the delivery of this vital infrastructure to the Shire in an effort to secure economic growth and enhancing community life by allowing access to a wider range of information and services delivered with unprecedented convenience and flexibility and as a result are making the policy changes to start and facilitate the future-proofing of the Tweed region.

Conclusion

Broadband telecommunications in its various forms is now recognised as the roads and railways of the 21st century that will generate the next wave of economic expansion. Not only does its future availability have very positive implications for attracting new job generating business investment to the Tweed, which will assist in growing and diversifying the economic base of the Tweed economy, but of equal significance and importance, are the benefits to be had in managing the health and aging issues associated with the extremely high and growing ageing Tweed population demographic.

Economic sustainability, business and investment growth, job generation, growth in home based businesses, managing health and aging, education, national and international competitiveness, commercial office development as part of the development of master planned business parks and master planned communities, and improved technology driven service delivery at the local government level are all benefits to be had by encouraging and embracing advanced telecommunications services.

Governments at all levels are recognising the importance of embracing the latest broadband technology and pursuing avenues to make it more readily available to all parties involved in the public and private sector as well as the broader residential population.

At the local government level, regions which show the leadership and vision necessary to initiate policies and actions to provide this new and important infrastructure as a matter of urgency, will reap benefits at the economic and social level in terms of developing the capacity to move its community at the broader level to position it at the forefront of economic growth in a global economy which is not only stressed but changing rapidly in response to globalization.

Traditional approaches to manage economic sustainability, job generation and managing population growth are being challenged by external forces which are changing the nature of manufacturing and production, placing a greater reliance on technological advances, innovation, and advanced and diverse skills development, not to mention the desire for people to choose to

work in lifestyle regions as opposed to past tendencies to migrate to cities for employment and education purposes.

Yours faithfully,
Tweed Economic Development Corporation Ltd

A handwritten signature in black ink, appearing to read 'Tom Senti', written in a cursive style.

TOM SENTI
CHIEF EXECUTIVE OFFICER