



Submission to the Select Committee on the National Broadband Network

TASICT is Tasmania's peak industry body for the
Information, Communication and Technology (ICT) sector.

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Tasmania's ICT Sector

The ICT sector is important not only as a significant sector in the Tasmanian economy, but because ICT is an enabler for driving innovation, productivity and competitiveness across all sectors in the broader economy.

While the Tasmanian economy has been underperforming over a number of years, the ICT sector continues to grow with Tasmanian companies winning global business, awards and recognition.

Recent investment by firms like Vodafone has created large-scale additional employment in Tasmania. It is a clear sign the sector that can thrive in an environment of lower congestion, property prices and more competitive wages – particularly when incentivised by payroll tax concessions.

The rollout

Pre-election

TASICT received undertakings from Malcolm Turnbull and the Federal Coalition that it would honour all NBN contracts in Tasmania. That was widely accepted to mean that no matter who Tasmanians voted for, they would get the same NBN.

By the time the Federal Election was held, there was very little, if any rollout activity happening. Asbestos remediation issues and contractual disputes had caused significant delays.

Post-election

Post-election Minister Turnbull did not provide any firm answer on what the Tasmanian NBN would look like. The 60-day review shed no light on Tasmania's situation.

Instead, Minister Turnbull raised concerns about Visionstream's ability to honour its side of the contract. On 8 October 2013 Minister Turnbull told ABC local radio Visionstream had "basically downed tools" for at least two months.

Soon after that, issues were resolved and work recommenced on pits meaning that Visionstream was able to go back to work. By November, it was widely reported that Visionstream was working on the NBN in the south, north and north-west of the State with issues now resolved.

Despite that, on 14 December 2013 Minister Turnbull was still claiming that Visionstream were doing no work in Tasmania at all. In reality they were rolling out Fibre to the Premises (FTTP) NBN in West Hobart, Clarence, East Launceston and Somerset.

Only days later, on 18 December Visionstream announced that it would now be accelerating its rollout to a further 30,000 Tasmanian homes in the first half of 2014 after reaching an agreement with NBNco.

Work appears to be continuing as planned and TASICT would like to see Visionstream allowed to complete its contract to roll out a FTTP model NBN to the rest of the State.

It is an ongoing frustration for TASICT that we have no certainty for any further rollout after Visionstream completes its current schedule for an additional 30,000 premises in the first half of 2014.

Connections

Issues

The Process for connecting Tasmanian businesses to the NBN in particular does not appear to be working. NBN providers report that they have incredible difficulty in arranging connections and that a large percentage of connections require significant human intervention to achieve connection.

That is, the process simply does not work as it should and it's leading to significant delays in connecting customers to the network.

In some cases premises are just too difficult for contractors to connect and they walk away, leading to a lack of certainty and low utilisation of the new network.

In the worst of examples one business has been waiting for 13 months to connect to the NBN. The average wait time for ordering the service to actually connecting – for business customers – is around three months (but potentially more).

Examples

Whatsinaname Tasmania

Whatsinaname Tasmania is a small printing business employing four people, had its existing ADSL disconnected due to its provider leaving the Tasmanian market. On attempting to establish a contract with a new provider, the business was told that it could not be connected to ADSL because its premises had NBN available.

However, when the business attempted to connect to the NBN, it was told the service was not yet available, pending further remediation work.

This has led to a situation where a business with four staff is currently operating using inadequate 4G technology, having been unable to connect to fixed-line broadband for a number of weeks.

This is an important example that points to the potential for a much wider issue as more premises are passed by the NBN in coming years.

It is unreasonable for copper-based options to be taken away from business operators or households before there is a serviceable fibre connection available.

lonata

lonata is a web and application development business in Hobart's CBD. The business is desperate for the NBN and had connections booked and cancelled on three occasions over almost six months.

The Secret Lab

The Secret Lab waited for over four months and only received its connection after media reports of their difficulties in connecting. Despite ordering the product in June 2013 it was not connected until October.

The Secret Lab is arguably one of Tasmania's most innovative, exciting technology businesses, creating applications for business across the globe with an impressive collection of achievements. The fact that businesses like this are waiting so long to be connected is not good enough and needs to improve.