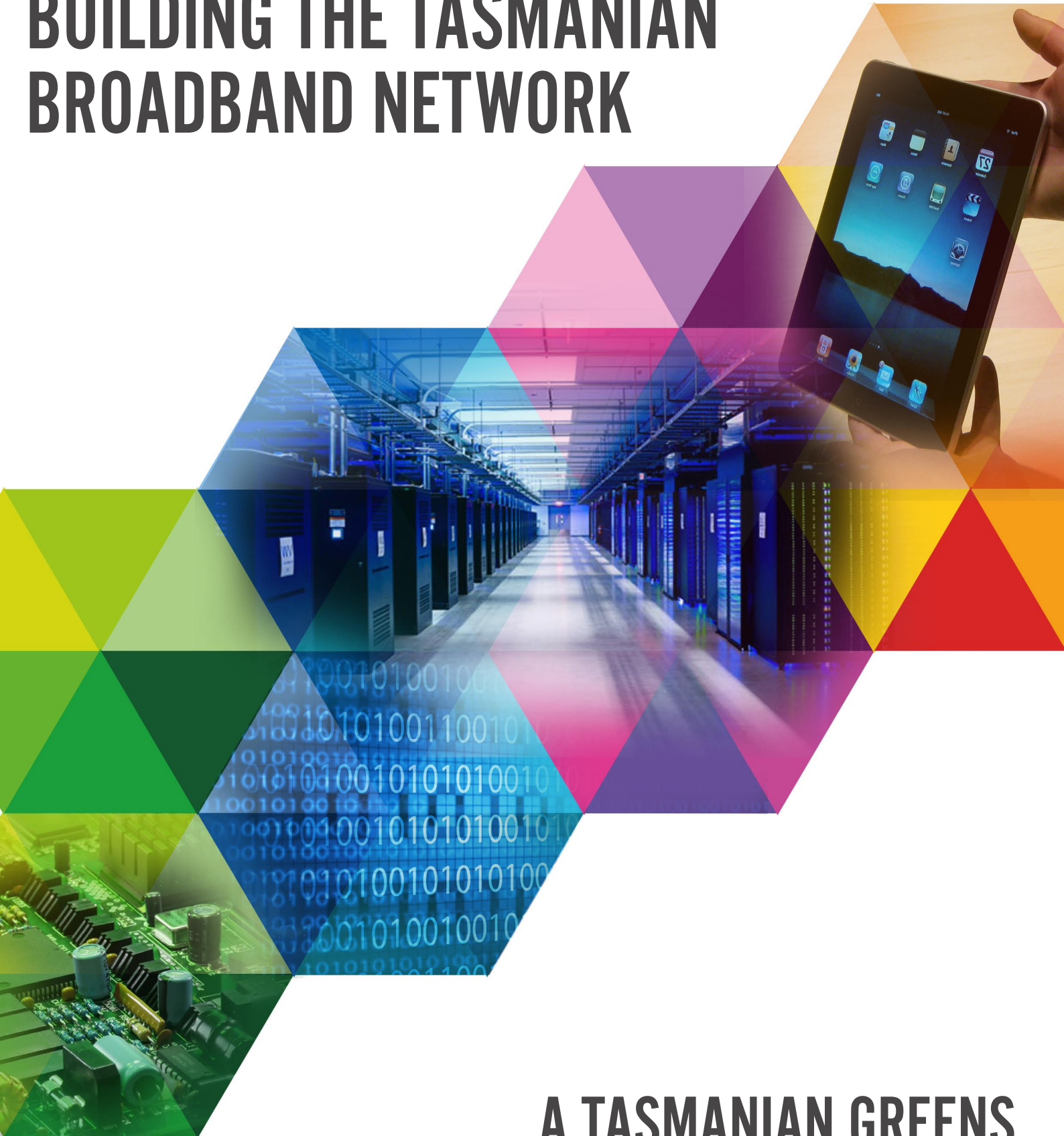


# BUILDING THE TASMANIAN BROADBAND NETWORK



## A TASMANIAN GREENS POLICY INITIATIVE

Launched by Nick McKim MP  
February 2014



TASMANIA.  
CREATE OUR  
OWN FUTURE



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## > YOUR TEAM IN STATE PARLIAMENT



## > WANT MORE INFO?

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# Delivering the TBN

## Building a Tasmanian Broadband Network

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*The Tasmanian Greens have a plan for a world class Tasmanian Broadband Network, connecting fibre-optics direct to Tasmanian homes and businesses.*

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The transformative power of high speed, reliable broadband delivered by fibre optics to the premises is being demonstrated around the world. Benefits include increased business and community connectivity, access to global markets, international collaborations, and more efficient, convenient service and business delivery.

The Commonwealth government has dropped the ball, and is now proposing to only deliver fibre to the node, not the full Fibre To The Premises (FTTP) as previously promised.

With the NBN rollout more advanced in Tasmania than anywhere else in the country, Tasmania now has a once in a generation opportunity to be the only state in Australia to have a comprehensive fibre to the premises network.

### >The Issue

- Australia's full NBN rollout promised to be one of the great transformative infrastructure projects of the 21st Century. Unfortunately, the Federal Coalition government is now only committing to fibre to the node.
- The benefits of near universal high speed internet are real and significant. From streamlining business operations to connecting communities, delivering healthcare to educating students in remote areas, the potential of fibre-optic speed internet to change the face of Tasmania's economy and the delicery of social services is vast.
- If we fail to invest in highest quality infrastructure now, and instead rely on a patchwork of tested and untested technology, we will deny many Tasmanians access to the transformative potential of fibre-optic internet. On top of the inequity of the proposed system, our copper and duct tape communication network will forever lag behind nations and jurisdictions that have invested now to build capacity for future generations.
- Tasmania has the capacity to construct large scale infrastructure projects, our hydro-electric schemes are a testament to our capacity to work together to give Tasmania a competitive edge.

- Completing the full rollout of the TBN would be a clear statement of intent to investors and interested parties that Tasmania was embracing the industries of the future, giving Tasmania a clear first-mover advantage and boosting ICT business confidence in the investment climate in the state.

### >Building the TBN

- In light of the Coalition government's reluctance to complete the full rollout of the NBN, the Tasmanian Greens will work together with a range of government and private sector stakeholders to deliver a Tasmanian Broadband Network to provide the infrastructure of the future for Tasmania.
- The Greens will establish a new State Owned Company to investigate the full range of options available for delivering the rollout, specifically determining the most cost effective way of bringing the wires to homes, be it from existing poles or underground.
- As the Commonwealth has already committed to building a fibre network to local nodes, and will have rolled out fibre to the premises of a significant number of homes and businesses by the time the current contracts are fulfilled.
- Tasmania has the expertise in laying the networks, both within our network GBEs and in the private sector companies involved in the rollout. Contractors are skilled up, have the equipment and need the work.

### >Establishment of the new Tasmanian Broadband Network Company

- The Greens would invest **\$3.42 million over three years** to establish the new *Tasmanian Broadband Network Company* as a state owned company. It would be tasked with examining all funding options to roll out fibre to the premises in Tasmania, and providing advice including a business case to the Tasmanian government by the end of 2014.



- The Company would examine all funding options including a range of partnership options with the private sector, and state investment.
- The company will have a Board comprising experts in ICT, finance, law, administration and governance.
- The CEO, a statutory officer holder appointed by the Governor and accountable to the Minister, will have responsibility for implementation of the Strategic Plan and any day to day management plans.
- The Board will consist of seven members appointed by the Governor on the nomination of the Minister, which provides for the appropriate skills and experience of Board members. The Board will report to Parliament on an annual basis.
- The Greens propose the Board members will include local Tasmanian ICT and infrastructure experts.
- The board would also be tasked with assessing the possibilities for using a fibre to the premises network for more streamlined, efficient and effective service delivery, giving Tasmanians access to 21st Century health, education and other social services.
- The TBN Board will be tasked with:
  - Negotiating with Telstra and NBN to secure access to their respective infrastructure already in place;
  - Developing a business case presenting advice to government on the range of funding options, costing, and delivery options for fibre from the node to the premises as previously proposed by the NBN.
  - The Board will be required to deliver this business case to government by the end of 2014.

## > Tasmania: A History of Building the Infrastructure of the Future

- Tasmania has completed many major projects on its own, without relying on the uncertainties of federal politics in the past.
- The great prosperity generator of the 20th Century were the large scale hydro-electric schemes, built and operated by Tasmania, that drove down power costs and supplied plentiful electricity to Tasmanian employers.
- Cheap electricity drove Tasmania's industrialisation and led to hundreds of thousands of jobs being created over many decades. Tasmania is ready for the next great productivity driving infrastructure to power Tasmania's shift to a high value, diversified and creative economy; the TBN is that infrastructure.

- Despite a reluctance in recent years for state governments to take on major infrastructure commitments, such as the hydro schemes, Tasmania has the history, know how and demand for a full rollout of the TBN.

## > Funding the TBN

- It would be the role of the Tasmanian Broadband Network Company to fully investigate and report on the funding options available to Tasmania to roll out the full fibre to the premises network. The Company will investigate and report on the range of existing funding options available, including partnerships with private sector, partnership with future large data users, issuing infrastructure bonds, attracting institutional investors such as superannuation funds, and state funding. Examples of these funding options include, but are not limited to:
  - Public-Private partnership: partnering with a private sector ICT company, or a range of interested companies.
  - Infrastructure bonds: providing low cost financing over the long term, infrastructure bonds could provide an option for Tasmanians to invest in their state and equitably share costs through the life of the project, reflecting the intergenerational importance of fibre-optic infrastructure.
  - Institutional investors: large institutional investors, such as Superannuation and investment funds.
  - Government borrowing: investing in the long term to deliver intergenerational infrastructure is equitable, and has traditionally delivered major infrastructure projects in Tasmania.
  - GBE debt: similar to the manner in which portions of the cost of building the hydro schemes of the 20th Century were borrowed by Hydro Tasmania to fund the construction of major electricity infrastructure.
  - Partnering with large users: would involve exploring options, similar to those used in Tasmania's recent large scale irrigation schemes, to provide cost certainty to high volume users, such as data centres or call centres, by locking in long term, lower cost contracts. These contract would provide cost certainty to the company tasked with rolling out the network and considerable cost advantages for large users.



> **TABLE 1: Building the Tasmanian Broadband Network Investment**

	2013-14 Budget	2014-15 Forward Estimate	2015-16 Forward Estimate	2016-17 Forward Estimate
	\$'000	\$'000	\$'000	\$'000
CEO salary and on-costs	-	200	205	210
Board Personnel	-	330	335	340
Staff, administrative and senior staff operating expenses	-	590	600	610