

12 April 2013

The Hon Rob Oakeshott MP
Chair
Joint Committee on the National Broadband Network
PO Box 6021
Parliament House
CANBERRA ACT 2600

By email: jcnbn@aph.gov.au

Dear Mr. Oakeshott

The NSW Business Chamber (The Chamber) welcomes the opportunity to make a submission to the Fifth Review: Rollout of the National Broadband Network (NBN).

As you may be aware, the NSW Business Chamber (“the Chamber”) is one of Australia’s largest business support groups, with a direct membership of more than 12,000 businesses, providing services to over 30,000 businesses each year. Tracing its heritage back to the Sydney Chamber of Commerce established in 1825, the Chamber works with thousands of businesses ranging in size from owner operators to large corporations, and spanning all industry sectors from product-based manufacturers to service provider enterprises. The Chamber is a leading business solutions provider and advocacy group with strengths in workplace management, occupational health and safety, industrial relations, human resources, international trade and business performance consulting.

Operating throughout a network of offices in metropolitan and regional NSW, the Chamber represents the needs of business at a local, regional, State and Federal level, advocating on behalf of its members to create a better environment for industry.

The NBN is a critical infrastructure project for Australia and is one of the highest priority developments driving Australia’s business future and economic growth. This submission will seek to review the rollout and highlight the effectiveness of service levels to date and offer a unique insight from all businesses across NSW.

The Chamber regularly engages with our members right across regional NSW who have reported that while they welcome the proposal to provide over 93% of Australia with fixed NBN connections, the projected delivery of these services in regions such as the Central West, Northern Rivers, Murray-Riverina and New England have a commencement date of up to 2015 or beyond, which means that these areas remain significantly disadvantaged in terms of telecommunications services.

Doing business in these particular regions is critically affected by the accessibility and speed of data. Slow speeds are a huge impediment and often the cause for abandonment of important online education services such as training, seminars and webinars, as well as new business opportunities.

As has been acknowledged by the NBN Co. itself, the rollout of the network has been slower

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than anticipated. The revising down of rollout numbers has been keenly felt in regional areas with many businesses expressing their disappointment in the slower connection to the network. However, part of this frustration with delays may also be due to the keenness of businesses to get connected as soon as possible.

The Chamber contacted a local chamber representative from one of the first active NBN sites, Kiama Downs, NSW for feedback regarding the implementation and connection phases of the rollout and to determine whether any initial or on-going service faults have been experienced by NBN customers.

The Chamber has been advised that while current measurement data in relation to business uptake is unavailable for the Kiama Downs rollout, the Chamber understands that the roll out has been generally well received. BRW reported a 44% uptake of NBN in just over a year in Kiama Downs and Minnamurra. This represents the highest penetration in Australia.¹

The Chamber is also aware that many Kiama businesses initially engaged with the NBN through an NBN expo in March 2012. The local engagement and education of businesses on the opportunities and benefits of high-speed broadband through the NBN Discovery truck has assisted many businesses in understanding the role the NBN can play in their businesses future success and should continue. The Chamber would be pleased to assist in this process through its network of members and affiliates across NSW.

The Chamber has however received a number of complaints from contractors in relation to the NBN Co. cabling tender process and the poor logistics capabilities of some companies that have signed individual contracts with the NBN Co. One particular contractor from the Sydney region advised that since the cancellation of the cabling tender process more than 18 months ago, there has been extremely poor rates of work for contractors, as well as a lack of communication between the NBN and contractors about when work opportunities of this nature will actually be made available.

Some businesses have also reported issues as a result of Telstra selling off its exchanges to the NBN Co., with no stop gap before the rollout of the NBN in 2015. In particular, Wauchope is being significantly affected by the lack of upgrade funds prior to the NBN construction and as the town has run out of outlets, many businesses have been forced to use substandard wireless internet services. NBN Co. should be considering appropriate transition mechanisms (including the leasing of exchanges) in these circumstances to ensure service continuity for users.

Furthermore, there have been reports of several connection problems being faced by businesses in a variety of regions such as Thirroul (north of Wollongong), Edgeworth (west of Newcastle) as well as many Sydney regions including Parramatta, Camperdown, Dulwich Hill, Kellyville, Northmead, and Kensington. These suburbs are located in internet black spots, despite a relatively close proximity to large urban centres. Often these internet users have to rely on dial-up and ADSL connection rather than more efficient or tolerable wireless or broadband until the NBN is available. It is these areas that should be identified as requiring urgent roll outs.

The Chamber requests that the NBN Co. continues to deliver the NBN as soon as possible to the areas most in need. The benefits of the NBN to Australian business will be significant and it is in the interest of the national economy to ensure the best connection opportunities are available for these customers.

¹ Fitzsimmons, C. (2012) 'Kiama ready for NBN roll-out', BRW Magazine ([Link](#))

We welcome any further correspondence on this matter. If you require more information regarding this issue please contact Craig Milton on (02) 9458 7913 or Craig.Milton@nswbc.com.au

Yours sincerely,

A handwritten signature in black ink that reads "Paul Orton". The signature is written in a cursive style with a large initial 'P' and 'O'.

Paul Orton
Director, Policy & Advocacy