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15 September 2017

Dear Sir/Madam,

Regional Development and Decentralisation

Please find attached a submission in regards to the above mentioned inquiry.

Yours sincerely



Claire Wiseman
Chief Executive Officer

SUBMISSION FOR REGIONAL DEVELOPMENT AND DECENTRALISATION

Background

The Far North SA Region

The Far North region of South Australia, as per Regional Development Australia Committee boundaries, covers approximately 80% of South Australia. The area has a land mass of just under 800,000km² with a population of ¹27,500 and incorporates the Anangu Pitjantjatjara Yankunytjatjara Lands. The region takes in the iconic Flinders Ranges and Outback region, popular and well visited tourism destinations in the State. The Flinders Ranges is also now recognised as a National Landscape.

The main townships in the region include (but are not limited to) Port Augusta, Quorn, Hawker, Leigh Creek, Copley, Lyndhurst, Marree, Innamincka, William Creek, Oodnadatta, Marla, Mintabie, Coober Pedy, Glendambo, Pimba, Woomera and Roxby Downs. Some of these remote townships are between 800 - 1,000 kilometres from Port Augusta, the largest city in the region (population of ¹13,808).

A region's comparative advantage can stem from various resources, such as its geographical location, availability of natural resources, the existence of industry clusters, access to infrastructure or the skill profile of the local population. These underlying attributes influence the types of economic activity that are likely to be successful. They also have implications for development initiatives, which are generally more effective where they build on an existing strength.

The worth of the regions'

According to the Regional Australia Institute ²regional Australia accounts for around 40% of national economic output and employees around one third of Australia's workforce. This is a significant contribution from sometimes very remote and sparsely populated areas. The regions house some of the largest contributors to that economy, those being mining and construction industries.

The challenge regional areas face is that often with economic data for Gross State Product/Gross Regional Product is it is counted in the area it where it was sold/shipped or final value added, not always in the region where it was originally produced. This is a challenge which frustrates many regional areas and regional researchers alike. Therefore, gauging the correct value add of regions to these end results is skewed and hard to accurately calculate.

The Regional Australia Institute also state that ³the co-operative development of joint regional level implementation structures has emerged as a preferred method for implementing change. Key examples of this now established preference include:

- Health and Hospital Networks and Medicare Locals
- Natural Resource Management Organisations

¹ ABS Census Data, 2016

² The Economic Contribution of Regions to Australia's Prosperity, Regional Australia Institute, Talking Point

³ Regional Australia Institute Submission, December 2013 Optimising regional investment: opportunities for reform, innovation and efficiency

- Regional Development Australia Committees
- Indigenous Coordination Centres and Regional Operations Centres
- Enterprise Connect
- Job Service Providers.

However, whilst there has been some reform in the area of creating regional offices for these main Commonwealth Government services, keeping it at this current level will not benefit regions or regional populations in the long term. The provision of these services and more needs to be considered if regions are to continue to grow.

Regional Australia provides the electricity to power cities and urban areas, it's where the food is grown and sourced and it's where the greatest wealth comes from in terms of major industries such as mining. Mining is undoubtedly the Far North region's dominant industry with ⁴78% of operating mines in South Australia located in the Far North region 53% of developing projects.

Industry Output in the Far North SA Region

Economic modelling undertaken by SC Lennon and Associates in preparation of Economic Growth and Investment Strategies for the Outback Communities Authority and Roxby Downs Council shows the following estimated value of regional exports in some areas in the Far North SA region is as follows:

- ⁵Outback Communities Authority - \$3.6b (84% of the region's economic output) with mining the largest contributor with 85% of total export value compared to 72% for the wider Far North region.
- Roxby Downs - \$927.5m (77% of the region's economic output) with mining the largest contributor with 89% of total export value compared to 72% for the wider Far North region.
- The Flinders Ranges Council - \$42.3m (42% of the region's total economic output) with accommodation and food services, agriculture and transport generate over 70% of those exports.

There are many opportunities emerging in the region, particularly in the field of renewable energy generation, defence and intermodal transport hubs. Now is the time to build on and support these as best we can to ensure the long term viability of the regional economy, which in turn feeds into the State and Commonwealth economies.

Terms of Reference

Best practice approaches to Regional Development that support:

- **Growing and sustaining the rural and regional population base**
- **The benefits of economic growth and opportunity being shared right across Australia**
- **Developing the capabilities of regional Australians**
- **Growing and diversifying of the regional economic and employment base**

⁴ <http://www.minerals.statedevelopment.sa.gov.au> August 2017

⁵ Economic Growth and Investment Strategies (Outback SA, Roxby Downs and Flinders Ranges, SC Lennon & Associates, 2016/17

- **An improved quality of life for regional Australians**
- **Vibrant, more cohesive and engaged regional communities**
- **Leveraging long-term private investment**
- **A place-based approach that considers local circumstances, competitive advantages and involves collective governance**

Following a recent independent review of the Regional Development Australia (RDA) Programme, Senator the Hon Fiona Nash announced a new charter for Regional Development Australia. This charter contains the following directions for RDA committees based across Australia:

1. Collaborate with relevant stakeholders to identify economic opportunities and leverage private and public sector investment to the regions;
2. Connect regional businesses, councils and industry sectors with international trade partners, financial markets and potential investors;
3. Promote and disseminate information on Australian Government policies and grant programs to state and local governments and industry, business and community sectors;
4. Support community stakeholders to develop project proposals to access funding;
5. Develop and maintain positive working relationships with the local government bodies in their regions;
6. Facilitate public and private sector decentralisation;
7. Assist in the delivery of Australian Government programs, where relevant and where requested by the Minister;
8. Engage with regional entrepreneurs and emerging business leaders to explore new opportunities to grow local jobs in their regions;
9. Provide information on their region's activities and competitive advantages to all levels of government, industry, business and community sectors; and
10. Provide evidence-based advice to the Australian Government on critical regional development issues positively and negatively affecting their regions.

This new charter directly links with the terms of reference for this Inquiry and whilst this charter lays out a relatively new direction for some RDA committees, it is something that RDA Far North has been successfully doing since its beginning. The funding model that South Australia RDA's currently use, that being a tri-partite funding agreement between Local, State and Federal Governments is very effective and successful in bringing together all levels of Government with the RDA playing a critical brokerage role in linking the levels and undertaking on the ground work with local businesses and organisations. This funding model is often looked at as a best practice model as it works well as is evident from the history of the model and that funding partners are committed to the future and working together to sustain the model.

International research published by OECD Publishing into ⁶Best Practices in Local Development, support the building of various partnerships as follows: *Partnerships help bring synergies between different actors operating within the local area, and a level of co-ordination between agencies and policies that was not achieved with nationally designed, segmented and sectoral policies. Such national programmes that provided the same services*

⁶ OECD (2001), *Best Practices in Local Development*, OECD Publishing, Paris.
<http://dx.doi.org/10.1787/9789264193369-en>

in each supported area did not have the flexibility to adjust to different local conditions or to react quickly when the local conditions changed.

Taking on this new charter will prove to be successful as long as all RDA's embrace it. As mentioned, RDA Far North already performs these roles with the following outlining some of the successes and performance indicators that were achieved in the Far North SA region in the 2016/17 financial year that relate to the charter:

- Carried out nine investment attraction activities with over \$650m worth of major projects assisted
- Facilitated over \$216m worth of regional investment
- Facilitated over \$160m worth of potential regional investment
- Disseminated information on 21 State and Federal Government grant programs to a database of over 650 clients and stakeholders
- Assisted 22 proponents with funding applications including assisting with gathering information, going through application process, discussing eligibility for funding, writing applications, submitting applications, assistance with required documentation including business plans, timelines etc and seeking and providing letters of support.
- Facilitated the Local Government Roundtable meetings for the Far North SA and held nearly 40 separate meeting with Council CEO's regarding local issues and services and support being provided by RDA Far North.
- Produced, in partnership with Local Government partners Economic Growth and Investment Strategies for Port Augusta, Flinders Ranges, Roxby Downs and Outback SA.
- RDAFN has also made submissions to the following Senate and Parliamentary Hearings:
 - Telecommunications Universal Service Obligations – including CEO presenting at regional hearing in Port Augusta on 9 February 2017
 - Transitioning Regional Economies
 - Impact of Defence Activities and Facilities on Rural and Regional Communities - including DCEO compiling a panel and presenting to the Senate at a hearing held on 8 June 2017 in Port Augusta
 - Draft Indigenous Business Strategy – including DCEO attending national roundtable meeting on 29 June 2017 in Darwin
 - Location of Commonwealth Entities
 - Rollout of NBN – including RDAFN compiling a panel and BDM presenting to Senate at hearing on 26 June 2017 In Port Augusta
- Held 97 briefings with Local, State and Commonwealth Government.

As is evident from above, RDA Far North and other RDA's that already perform tasks in relation to the new charter will embrace it easily, however, not all RDA's are the same in terms of staffing and available resources. This is where using a "one size fits all" approach may not be successful. RDA Far North has a number of staff which perform these roles including a Chief Executive Officer (CEO), Deputy CEO/Economic Development Manager, Business Development Manager, Tourism Development Manager, Workforce Development Officer, Career Practitioner and administrative staff support. Being able to maintain these roles is critical to being able to meet the requirements of the charter. However, some RDA's

simply have a CEO role that is overseen by the Board. Therefore, it may be unrealistic to expect one person to be able to perform duties to meet all areas expected.

Another outcome of the RDA review is for all RDA's to employ a Director of Regional Development. The general feeling is that this role will be absorbed by current CEO's role, which may include a new title for the CEO. A concern for many RDA's is that they do not have the funding support to be able to create this new role and employ another person, as the funding from the Commonwealth Government is unlikely to increase, hence the absorption of the role into the current CEO role. The requirements of this position are yet to be fully advised by the Commonwealth so how it works and whether it is best practice will need to be gauged in the future.

⁷Appendix D of the Issues Paper highlights the Sundrop Farms project in Port Augusta. As a lead on from this project, RDA Far North works closely with Sundrop Farms on employment programs. As of August 2017 Sundrop Farms employ some 260 employees. RDA Far North recently carried out an employment recruitment program with Sundrop Farm which saw 20 out of 21 locals gain employment at the plant, with some of them being long term unemployed. This is just one example of how diversity of industry in regions can benefit the local and regional population.

Decentralisation of Commonwealth entities or functions, as a mechanism to increase growth and prosperity in regional areas, considering Australian and international examples

Attached as Appendix A is a copy of RDA Far North's submission to the operation, effectiveness, and consequences of the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016, March 2017. Attached as Appendix B is a copy of RDA Far North's submission into the Inquiry into the Australian Government's Role in the Development of Cities.

These submissions contain examples of and reference various case studies carried out into decentralisation as well as key regional information to support the idea.

In addition to these an important factor in the ongoing success of decentralisation is the long term commitment across different governments and leaders. To be successful, decentralisation needs to be committed to beyond the current Government, too many times we have seen decentralisation take place, with centralisation to take place a few years later when a new government comes in and then the cycle starts again. This is not only very disruptive to all concerned but the to-ing and fro-ing has an effect on the long term sustainability of regional cities and areas where they can never really be sure of the long term future.

As mentioned in the submissions, the ability for regional areas to adapt to new industries is very key to decentralisation. Take the Upper Spencer Gulf region for example, Port Augusta is fast becoming known as a renewable energy hub, following the closure of the coal fired

⁷ Parliament of Commonwealth Australia, Issues Paper, House of Representatives Select Committee on Regional Development and Decentralisation

Port Augusta Power Stations. The following are some of the renewable energy projects that are underway in the region:

- **Reach Solar Energy - Bungala One and Two** – funded and underway, approval received December 2016 for this 2 x 110MW tilting solar facility. The utility scale power plant will be the largest in Australia, and the 13th largest in the world with around 900,000 solar panels. It is designed to support the grid and will be energy storage ready for retro-fit in the future. Work is expected to be completed by early Quarter 4 2018. Around 400 people will be required during construction and the project will provide material direct and indirect benefits to the community local to Port Augusta.
- **DP Energy** – Port Augusta Renewable Energy Park – Funded and underway, unique hybrid renewable energy development integrating wind and solar PV technology, total installed capacity of up to 375MW, including up to 206.5MW of wind generation capacity on land situated on the coastal plain south-east of Port Augusta. Mid-April 2017 saw the announcement of Stage 2 for the project which includes a significant additional solar panel component, generating up to 500MW and a battery storage element of around 400 MW capacity. Stage 2 is to be submitted to the Development Assessment Commission by July 2017. Both stages combined will create over 600 jobs during construction and 10 ongoing maintenance jobs.

The recent announcement of the Aurora Solar Energy Project, which is a 150 megawatt solar thermal plant and \$650m investment, to be built in Port Augusta, with construction scheduled to commence in 2018 is a major coup and cements the foothold of the region as a renewable energy hub.

These new projects and industries bring challenges and opportunities for the region in terms of attracting new businesses and new skills. Making use of local and regional employees is key and ensuring that regional people have the necessary skills and knowledge to undertake future roles in these new industries is a challenge that we are starting to address by working with the new companies.

In the report published by the OECD as referred to above ⁸ *In recent years many OECD countries have sought to decentralise certain powers or deconcentrate administration to the regional and local levels, in line with the concept of subsidiary (OECD, 1988a). Key reasons are to ensure strong and flexible regional and local economies, to support good governance and democratic participation and to increase the effectiveness of public expenditure. Overall, the trend may be seen as a response to the relative inflexibility of national organisations in responding to local needs and wishes. Decentralisation and deconcentration has been carried out in some form by most OECD countries during the last 20 years in the field of economic development. This has been an active trend in Australia, Belgium, Denmark, Finland, France, Mexico, Spain and the United Kingdom.*

Decentralisation and deconcentration can be seen as part of a process that divides powers and responsibilities and allows governments at different levels to be independent but co-ordinated within an overall framework. The precise nature of this territorialisation of policy

⁸ OECD (2001), *Best Practices in Local Development*, OECD Publishing, Paris.
<http://dx.doi.org/10.1787/9789264193369-en>

depends on the country. In some cases local and regional authorities have been given responsibilities for raising their own funds and have genuine local accountability. In other cases they simply have autonomy in the allocation of budgets. New local institutional networks and development agencies have been emerging as part of this process.

National Broadband Network

Attached as Appendix C is a copy of RDA Far North's submission into the Rollout of the National Broadband Network (NBN).

In addition to this submission, RDA Far North presented to the Inquiry committee in Port Augusta on 26 June 2017. An extract of RDA Far North's Hansard recording is attached as Appendix D.

As referred to in the extract, RDA Far North has recently carried out a survey across the Far North SA region into the NBN Rollout with the following questions being asked of respondents:

1. Township
2. Business, residential, business and residential, other
3. If NBN is available in your area now, what technology does it use?
4. If NBN isn't available in your area yet, please comment below if you know when it will be available have you researched what technology will be used and what different providers offer?
5. If NBN is available, have you connected?
6. If you have connected, were you satisfied with you NBN connection experience? Why?
7. If you haven't connected to the NBN and it is available, please comments as to why you haven't connected.
8. If you have connected to the NBN, which provider are you with?
9. What speed plan did you purchase from your service provider?
10. Is the NBN service what you expected it to be in terms of download and upload speeds, reliability etc?
11. If you are not fully satisfied with your service, have you contacted your service provider? Please comment.
12. If you have contacted your service provider, are you satisfied with the response of have you taken/are taking your issue further e.g. telecommunications ombudsman, local Member of Parliament etc? Please comment.
13. Do you have anything further to add?

A summary of the responses is as follows:

- 56 responses
- Residents were the highest responders with 42.86%, with business and resident next on 32.14%, business on 17.86% and other (schools) on 7.14%.
- In terms of technology 27.27% were unsure of the technology used, 20% reported fibre to the house, 25.45% fibre to the node, 3.64% fixed wireless and 16.36% are connected to nbn via satellite.

- Of the respondents where NBN is available to connect 71.7% reported themselves as having connected with 26.42% not connected and 1.89% currently in progress.
- Telstra is top of the providers with 52.17%, followed by 'other' at 39.13% (made up of Spintel, Harbour ISP, Activ8, ACN, Skymesh), followed by Internode at 6.52% and iinet at 2.17%.
- 56.25% of respondents who are connected reported that they know what plan they have signed up for with 43.75% not knowing.
- Of the respondents that reported knowing what plan, 22.2% of them were happy with their connection speeds with 77.8% not being happy with their speeds with them not being up to standard, reliable, or as promised. Of the ones that didn't know 33.3% were satisfied, 28.6% were not happy and 38% made no comment. This data shows that whilst the majority reported being unsure of what plan they were connected via, the ones that do know are closely monitoring the upload and download speeds.
- Township

Port Augusta	17
Innamincka	1
Quorn	14
Woomera	2
Roxby Downs	9
Cooper Pedy	2
Andamooka	2
Billa Kalina Station	1
Stirling North	2
Beltana	2
Blinman	1
Leigh Creek	1

Summary

It is difficult to determine the real value that regions add to the supply chain due to the origin of products not always being recognised as 'regional'. However, information is available that includes the value of certain industries within a region, which then has on flow affects for the nationally and internationally.

There are many different models for best practice regional development. The RDA model in South Australia is an example of a tri-partite government funding model that works well. The recent review of RDA will not have a huge impact on RDA's in South Australia as some of the regional RDA's already carry out work that fits under the new charter. The success of the new charter across all the RDA's will be an interesting study to see if the "one size fits all" approach is right for regional development.

Decentralisation needs to be supported in the cities and in the regions for it to be successful. It also needs the ongoing support of forward governments to ensure that once a

commitment is made to decentralise services or entities to regions that it is supported by the next government, should leadership change.

The rollout of the NBN has had mixed success and in particular in the Far North SA region. The vastness of the region means that all available technologies are utilised and the success and consistency of these technologies is something that can only be gauged in time. Many businesses and residents in Far North SA have connected however the service is still inaccessible for many part of our region and speed issues are still being ironed out.

We invite and would welcome the Regional Development and Decentralisation Committee to visit the Far North Region and undertake a tour to provide an opportunity for further input via presentation to this submission.

APPENDIX A



9 March 2017

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Dear Sir/Madam,

The operation, effectiveness, and consequences of the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016

Please find attached a submission in regards to the above mentioned inquiry.

This submission represents the Far North SA region and takes into account the status quo, the worth of region, case studies and views of governance in remote Australia.

Yours sincerely

A handwritten signature in black ink that reads "Wiseman".

Claire Wiseman
Chief Executive Officer

SUBMISSION FOR THE OPERATIONS, EFFECTIVENESS, AND CONSEQUENCES OF THE PUBLIC GOVERNANCE, PERFORMANCE AND ACCOUNTABILITY (LOCATION OF CORPORATE COMMONWEALTH ENTITIES) ORDER 2016

The Far North SA Region

The Far North region of South Australia, as per Regional Development Australia Committee boundaries, covers approximately 80% of South Australia. The area has a land mass of just under 800,000km² with a population of ⁹28,212 and incorporates the Anangu Pitjantjatjara Yankunytjatjara Lands. The region takes in the iconic Flinders Ranges and Outback region, popular and well visited tourism destinations in the State. The Flinders Ranges is also now recognised as a National Landscape.

The main townships in the region include (but are not limited to) Port Augusta, Quorn, Hawker, Leigh Creek, Copley, Lyndhurst, Marree, Innamincka, William Creek, Oodnadatta, Marla, Mintabie, Coober Pedy, Glendambo, Pimba, Woomera and Roxby Downs. Some of these remote townships are between 800 - 1,000 kilometres from Port Augusta, the largest city in the region (population of ¹13,985).

A region's comparative advantage can stem from various resources, such as its geographical location, availability of natural resources, the existence of industry clusters, access to infrastructure or the skill profile of the local population. These underlying attributes influence the types of economic activity that are likely to be successful. They also have implications for development initiatives, which are generally more effective where they build on an existing strength.

Introduction

It is worth noting that the information contained in this submission is not specific to the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016 made by Mathias Cormann, Minister for Finance on 23 November 2016. It is in response to an invitation to submit received from Senator the Honourable Fiona Nash and the Honourable Barnaby Joyce MP. Ms Nash and Mr Joyce sought our submission based on providing regional information on the operation, effectiveness and consequences of relocating corporate Commonwealth entities, as well as the economic, environment and capability implications.

¹⁰Commonwealth Entities Currently in the Far North Region

The following Commonwealth Government Departments and Entities have a presence in the Far North region:

Non-corporate Commonwealth entity – commonwealth entity that is not a body corporate

Department of Defence (M, #)

- Cultana Training Facility

Department of Education and Training (M)

⁹ ABS Census Data, 2011

¹⁰ Australian Government Department of Finance, Public Governance, Performance and Accountability Act 2013 (PGPA Act) Commonwealth entities and companies 1 July 2015. www.finance.gov.au/flipchart

- ¹¹Department for Education and Child Development – 18 schools (not including preschools, child care centres, occasional care centres or after school hours care) with 7,650 students (including School of the Air).

Department of Employment (M)

Australian Electoral Commission (M, #)

Department of Human Services (Centrelink and Medicare) (M)

Department of Infrastructure and Regional Development (M)

- Regional Development Australia Far North

Department of the Prime Minister and Cabinet (M)

- Department of Social Services (M)

Commonwealth Company – Corporations Act 2001 company that the Commonwealth Controls

Outback Stores Pty Ltd (^)

- Mimili, Oak Valley and Yalata

²(M – Material entities (comprising 99% of revenues, expenses, assets and liabilities of the total General Government Sector). All Departments of State are considered material in nature.

- Entities can engage officials under enabling legislation as well as *Public Service Act 1999*. These include Defence under the *Defence Act 1903*, the *Naval Defence Act 1920* and the *Air Force Act 1923*.

^ - Entities that do not engage staff under the *Public Service Act 1999*)

The total employment figures of these Commonwealth entities is unknown, however the contribution of these entities to the overall employment figures for the region is worth noting and taking into consideration.

The worth of the regions'

To understand why Commonwealth entities should be located in and service regional and remote Australia, we must consider the worth and contribution to the economy of these regions.

According to the Regional Australia Institute ¹²regional Australia accounts for around 40% of national economic output and employees around one third of Australia's workforce. This is a significant contribution from sometimes very remote and sparsely populated areas. The regions house some of the largest contributors to that economy, those being mining and construction industries.

The challenge regional areas face is that often with economic data for Gross State Product/Gross Regional Product is it is counted in the area it where it was sold/shipped or final value added, not always in the region where it was originally produced. This is a challenge which frustrates many regional areas and regional researchers alike. Therefore, gauging the correct value add of regions to these end results is skewed and hard to accurately calculate.

¹¹ Department for Education and Childhood Development, www.decd.sa.gov.au, 2015 site summary statistics

¹² The Economic Contribution of Regions to Australia's Prosperity, Regional Australia Institute, Talking Point

The Regional Australia Institute also state that ¹³the co-operative development of joint regional level implementation structures has emerged as a preferred method for implementing change. Key examples of this now established preference include:

- Health and Hospital Networks and Medicare Locals
- Natural Resource Management Organisations
- Regional Development Australia Committees
- Indigenous Coordination Centres and Regional Operations Centres
- Enterprise Connect
- Job Service Providers.

However, whilst there has been some reform in the area of creating regional offices for these main Commonwealth Government services, keeping it at this current level will not benefit regions or regional populations in the long term. The provision of these services and more needs to be considered if regions are to continue to grow.

Regional Australia provides the electricity to power cities and urban areas, it's where the food is grown and sourced and its where the greatest wealth comes from in terms of major industries such as mining. Mining is undoubtedly the Far North region's dominant industry with 15 operating mines in South Australia, nine (9) of which are located in the Far North region and of the 34 developing projects, 18 of these are in the Far North region.

Industry Output and Value-Added

Economic modelling undertaken by SC Lennon and Associates in preparation of Economic Growth and Investment Strategies for the Outback Communities Authority and Roxby Downs Council shows the following gross revenue and value-added estimates:

- Outback Communities Authority – Gross Revenue = \$4.4b with the regions mining sector accounting for over three quarters of economic output. Total value-added estimate = \$1.7b, which is 55% of the total for the whole Far North region. The majority of the Outback Communities Authority region industry value-added is attributable to mining, which accounts for around three quarters (74%) of the regions total value-added.
- Roxby Downs - Gross Revenue = \$1.2b with the regions mining sector accounting for over two thirds (70%) of economic output. Total value-added estimate = \$400m, which is 13% of the total for the whole Far North region. The majority of the Outback Communities Authority region industry value-added is attributable to mining, which accounts for 60% of the regions total value-added.

¹³ Regional Australia Institute Submission, December 2013 Optimising regional investment: opportunities for reform, innovation and efficiency

The total estimated value of regional exports is as follows:

Outback Communities Authority - \$3.6b (84% of the region's economic output) with mining the largest contributor with 85% of total export value compared to 72% for the wider Far North region.

- Roxby Downs - \$927.5m (77% of the region's economic output) with mining the largest contributor with 89% of total export value compared to 72% for the wider Far North region.

There are many opportunities emerging in the region, particularly in the field of renewable energy generation, defence and intermodal transport hubs. Now is the time to build on and support these as best we can to ensure the long term viability of the regional economy, which in turn feeds into the State and Commonwealth economies.

Case Studies

¹⁴“Accessibility to the APS is one indicator to gauge citizens’ levels of satisfaction. Since the 1977 Coombs Commission, Australian citizens have expressed dissatisfaction with their level of access to Commonwealth public servants, about one-third of whom are based in Canberra. Citizens residing outside state capitals and in remote and rural areas are most likely to report this source of dissatisfaction, and calls to situate public services offices in rural areas are not uncommon.”

In 2003 the Western Australian Government initiated a program to roll all corporate services into one department, with the program being implemented in 2005. The amalgamation was to include 80 of the 150 government agencies corporate services such as payroll, human resources, finance and procurement with health, education and police-related agencies excluded from the program. The basis of this program was to centralise services. It was believed that the implementation of the program would result in \$54 million/year savings, after an initial set-up cost of \$82 million. As of 2011, 58 agencies and 37% of the public sector staff included in the review were transferred. However, due to massive cost blowouts, reported to be in the vicinity of \$401 million, and with only minimal savings achieved the shared services review was decommissioned.

Another example of an unsuccessful attempt at centralising and sharing services was the Queensland Government's health payroll upgrade. With an original budget of \$98 million and due for completion in July 2008, the project was the subject of a royal commission in 2013 and the cost to tax payers was estimated to be \$1.2 billion by 2020.

South Australia also tried its hand at centralising services through a shared services arrangement which had a focus on Adelaide-based centralisation, with the announcement for the program being made in 2006. The original business case estimated that the implementation of the program would save \$130 million over four years, offset by costs of \$60 million over the same years. The 2006 budget promised savings of \$60 million per year. In 2008 the project was already behind on its timeline as were its estimated savings, however, these were considered attainable over a longer period. In the 2009/10 financial year the project had suffered more delays which results in the expected savings being \$43

¹⁴ The State of the Australian Public Service – An alternative report, James Whelan, Centre for Policy Development, August 2011

million less, and an additional \$8.3m required for implementation. At this stage the timeline was still unclear.

There are several reasons as to why these above examples have ultimately failed. The first could be seen to be that the Government's didn't learn lessons from the start and previously failed reforms and made the same mistakes again. Also, these were conducted at a State level therefore it could be seen that they may not have had the necessary Commonwealth backing and support needed to successfully implement them. There is also the view that as Government agencies tend to work as individual organisations, attempting to bring some services together may highlight issues with them not having the same goals or issues. The reason for doing the reviews may also be an issue e.g. cost savings as the main focus when maybe a focus on service improvement should be considered a driver.

In December 2009, the Department of Human Services (which incorporates Medicare Australia, Centrelink, Child Support Agency, CSR Australia and Australian Hearing Services) looked at improving its service delivery by reforming areas such as the creation of single point access to a wider range of Government services with co-locating offices, taking services directly to Indigenous community and remote Australia through mobile offices and implementing a "tell us once" system. This reform has been successful. Why? It is believed that the reform had strong leadership and committed backing from the Government and its key staff which drove the reform. It also adds benefits to the end customer who now have a multi-agency access point, hence a focus on service improvement and delivery as a key driver, as mentioned above.

Remote Australia Governance

Many studies and research has been undertaken into the past, present, failings and successful governance models for remote or regional Australia.

In September ¹⁵2012, Desert Knowledge Australia, through their RemoteFOCUS entity, produced a report entitled *Fixing the hole in Australia's Heartland: How Government needs to work in remote Australia*. Some poignant and relevant findings of this report are as follows:

- Remote Australia's diverse regions are confronted by common issues: issues globally familiar and presenting complex local challenges. They are common to regions where people reside remotely from centres of economic and political power but are facing rapid social and economic change. Whilst it is important to recognise the limited influence that public policy can have on some aspects of these issues, present governance arrangements which have developed incrementally over 20 years or more are not well attuned to the current circumstances and emerging trends in remote Australia. There are many potential ways of remedying these structural governance problems, but the more promising prospects involve greater degrees – and varying patterns – of community engagement and decentralised governance.

¹⁵ Fixing the hole in Australia's Heartland: How Government needs to work in remote Australia, Desert Knowledge Australia, RemoteFOCUS, September 2012 Dr Bruce Walker, Dr Douglas J Porter, Professor Ian Marsh

- The key outcome of the developing of new governance principles should be the creation of locally appropriate institutions that have sufficient authority, legitimacy and effectiveness to fulfil their functions. The current three-tiered system of government fails to do this adequately in remote Australia.
- What is required is an intense regional engagement around issues, needs, objectives, responsibilities and capabilities, and structures to develop new governance arrangements that meet the criteria outlined above. Such engagement across all sectors has to be mandated by political leadership in those sectors.
- A Desert Knowledge Australia remote FOCUS workshop in November 2010 gathered a large and diverse group of community people and public servants from remote Australia to frame and refine eight key concerns that would have to be addressed in order to judge success of public sector governance reforms across remote Australia:
 - Key Concern 4: Sustained Long Term Investment in Local Communities and Institutions (Civil Society). Remote Australia is characterized by inadequate institutional capacity and governance arrangements that significantly undermine efforts to improve outcomes, deliver meaningful service and improve underlying conditions. Local communities, regions and institutions too often struggle to effectively engage with governments and with the issues that government is trying to tackle. Governments, likewise, too often do not have the capacity, capability, perspective or governance arrangements to effectively engage with the issues and with local communities and institutions.
 - Key Concern 5: Ensuring Continuity and Effectiveness of Public Servants Servicing Remote Australia. Public servants do not have attractive or rewarding career incentives to work in remote Australia. As a result remote Australia suffers from a chronically high turnover of public servants. Consequently little accumulated knowledge is retained in public institutions. There are few incentives to 'see through' specific initiatives and there is weak accountability for achieving tangible outcomes. The result is a fragmented unduly high cost and inconsistent interface between governments and remote citizens in which frustration erodes positive working relationships.
 - Key Concern 6: Closing the Gap between Intentions and Outcomes. Governments contract other institutions to deliver services in remote Australia. This model does not work. The transparency and accountability of the contracting process and the relationship between the service purchaser and provider plays a significant role in the ongoing difficulties in achieving effective service delivery and development of realistic and effective programs that address local needs and conditions. It also skews data and policy development.
 - Key Concern 7: A National Social and Economic Strategy for Remote Australia. There is no strategy, no considered development framework and, despite many successive attempts, little coordination amongst the tiers of government, the various jurisdictions or the people and communities that make up remote Australia.
- We demonstrate that governance arrangements are a threshold cause of policy failure. Centralised protocols and siloed departments undercut local responsiveness. Effective governance can ultimately be achieved with the active involvement of the affected citizens.

- Nonetheless, based on our review of experience of remote Australia, and global trends in how generically similar problems across a wide range of situations are being tackled, we feel that a higher degree of local autonomy – possibly including the creation of new authorities on a regional basis – will be required. If coupled with greater clarity and stability in the assignment of responsibilities amongst local, regional and higher level authorities and, crucially, adequate and predictable financing, this is likely to both improve the quality of outcomes and increase accountability for the achievement of those outcomes.

Whilst the above extracts relate to a study undertaken in 2012, the findings are still relevant to today. The people that know how our regions work, what the issues are, who to connect with regionally etc are based in our regions, not in capital cities. The people that work ‘on the ground’ have the knowledge and connections. This is evident when government departments that come to the regions to consult with residents and businesses do so through their regional counterparts or organisations, such as Regional Development Australia committees. If you want to know what our regions want....ask us. Only those that live and work in the regions can really tell you what is needed, what works well and what doesn’t and what service they would like to see from government.

Regions and remote areas of Australia should have the same standard of service delivery as the metropolitan and urban based residents. In other words, they should be able to talk face to face with a Commonwealth Government/Department employee they require assistance from in the same way you can walk into an office in the city and do so.

There are some 180 Commonwealth entities and companies in total, with only approximately 4% of these having regional offices in the Far North SA region. Whilst the majority of Commonwealth entities and companies can be accessed via telephone or the internet, this in turn poses a problem for many in the remote and regional areas who do not have reliable access to phone lines or the internet. Creating more regional Commonwealth offices in the regions brings more employment options, which in turns lifts housing affordability and supports local small and medium business. It increases the population which also has flow on effects for schools and educational institutes. Whilst regional placement of staff may not save money, it may lead to increased efficiency and effectiveness as there will be a greater understanding of local delivery nuances.

Not only does it have all the economic benefits as mentioned above, but the regions offers safe and clean environments for families, easy access to schools and parks, affordable housing, no traffic jams, quiet and laid back lifestyles and a chance for residents to be part of supportive and thriving communities.

We invite and would welcome the Finance and Public Administration References Committee to visit the Far North Region and undertake a tour to provide an opportunity for further input via presentation to this submission.

¹⁶There is a critical need for a different governance structure to be implemented for the Outback. A structure that is essentially one of support for the Outback, agreed to by the Australian people with implementation carried out at the regional or local level. This

¹⁶ Gavin, J. (2015) Outback Policy Paper. *The Future of Outback Australia*. Remarkable NRM

requires a structure that has the authority to focus solely on Outback Australia, to provide regional coordination and address the current imbalance at a cross jurisdictional level.

APPENDIX B



31 July 2017

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Dear Sir/Madam,

Inquiry into the Australian Government's Role in the Development of Cities

Please find attached a submission in regards to the above mentioned inquiry with a focus on growing new and transitioning existing sustainable regional cities and towns.

Yours sincerely

A handwritten signature in cursive script that reads "Wiseman".

Claire Wiseman
Chief Executive Officer

AUSTRALIAN GOVERNMENT'S ROLE IN THE DEVELOPMENT OF CITIES

Growing new and transitioning existing sustainable regional cities and towns

Background

The Far North region of South Australia, as per the Regional Development Australia Committee boundaries, covers approximately 80% of South Australia. The area has a land mass of approximately 800,000km² with a population of ¹⁷28,212 and incorporates the Anangu Pitjantjatjara Yankunytjatjara Lands. The region takes in the iconic Flinders Ranges and Outback region, popular and well visited tourism destinations in the State. The Flinders Ranges is also now recognised as a National Landscape.

The main townships in the region include (but are not limited to) Port Augusta, Quorn, Hawker, Leigh Creek, Copley, Lyndhurst, Marree, Innamincka, William Creek, Oodnadatta, Marla, Mintabie, Coober Pedy, Glendambo, Pimba, Woomera and Roxby Downs. Some of these remote townships are between 800 - 1,000 kilometres from Port Augusta.

A region's comparative advantage can stem from various resources, such as its geographical location, availability of natural resources, the existence of industry clusters, access to infrastructure or the skill profile of the local population. These underlying attributes influence the types of economic activity that are likely to be successful. They also have implications for development initiatives, which are generally more effective where they build on an existing strength.

Far North SA Case Studies

Leigh Creek

Leigh Creek is a township situated in the unincorporated areas of the northern Flinders Ranges in SA which does not fall under the traditional form of Local Government management. Leigh Creek is a purpose built town to support mining in the immediate area. The township was moved in 1982 from its original location to allow expansion of the mine and as a result, most facilities and buildings in town are a little over 35 years old. Due to a downturn in mining production, the population of the township has slowly decreased over the years with the population dropping approximately 55% from 2001 to 2016. (¹⁸In 2001 the population was at 618 and down to 245 in 2016.) Due to the closure of the Leigh Creek mine in April 2016, management of the township was handed back to the South Australian Government under the Outback Communities Authority (OCA) as of 1 January 2017. The majority of mine workers sought employment elsewhere and they and their families left the township and area. However, a few of them remain with some of them having sought other work locally. Some residents have also stayed to manage the town's assets such as the Caravan Park, service station and post office etc.

RDAFN is working with the Outback Communities Authority, other organisations and government entities to look at sustainable options for the future of the Leigh Creek Township, which include diversifying into tourism. A major hotel company (1834) has taken on the lease on the old tavern, which is now known as the Leigh Creek Outback Resort, for a

¹⁷ ABS Census 2011

¹⁸ ABS Census Quick Stats Data

term of two years which will assist in the transition and allow time for the other businesses to survive and develop.

Leigh Creek is a prime example of a township that was purpose built for the mine/resources industry, and when that industry no longer exist the township has to fight to stay viable with less resources and financial support.

Roxby Downs

Roxby Downs, like Leigh Creek, was built in 1987 to support the Olympic Dam mine and processing plant, which is located 16km north of the township. The town is subject to a specific Indenture Act and is administered by the Municipal Council of Roxby Downs. Roxby Downs has many community facilities including swimming pool, schools, cultural precinct, shopping centre etc. The population of Roxby Downs has fluctuated over the years from 3,803 in 2001; 4,055 in 2006; 4,702 in 2011 and 3,884 in 2016. The fluctuations are in line with downturn and increased production at the mine.

Most of the residents and families that live in Roxby Downs work at the mine site, or own or work at a business that supports and services the site and township, this includes teachers, doctors, hairdressers etc.

The township is quite young in terms of its life span and certainly in terms of the long term life span of the mine. As a township it continually develops and reassess its priorities to keep in line with other towns and cities that are in similar circumstances. It is predominantly a drive-in drive-out (DIDO) mine operation for the mine employees that do not live in Roxby Downs. This DIDO market comes from not only locally (Woomera, Andamooka), or regionally (Port Augusta, Quorn) but also from as far away as Adelaide.

Whilst the town is still thriving in its current economic environment, it is still reliant on the mine operations and like Leigh Creek, should the operations ever cease, the town would shrink back to a skeleton. If the mine operations were to cease, considerable research would need to be undertaken into the sustainability of the township beyond the mine life, especially considering its remote location and the support services it provides to other regional and outback townships.

Terms of Reference Responses

Promoting the development of regional centres, including promoting master planning of regional communities

One issue that regional areas face is competing against city counterparts which are classed as “regional” e.g. Adelaide City or Sydney. The release of the recent, and still going, Building Better Regions Fund had a good focus on what you would call “pure regional” areas in terms the requirement of being a certain distance from a major city, including Adelaide or Sydney, to be eligible. However, quite often these “cities” are included in “regional” funding programs, which poses challenges and in some cases places regional areas at a real disadvantage in competing with metropolitan areas who have much larger resources and capacity.

In terms of development and master planning, Leigh Creek is a great example of the master planning and the promotion of such in terms of a township that was purpose-built. Forums such as Leigh Creek Futures, which consists of representatives from relevant State Government bodies and other support organisations, such as OCA and RDAFN, work together to plan for the long term future of the township. The original planning of the township incorporated a hospital and school, that are no longer viable to run, therefore access to these services is required to be considered for now and the future. With a switch to tourism as a prominent industry, instead of mining, considerable effort has been, and is still to be put into the development and promotion of possible major attractions such as the Aroona Dam to attract tourists and visitors to the area and therefore the town can feed off the flow on effects of the increase in visitation. Leigh Creek also still serves as a service centre for many of the outlying outback stations in terms of access to fuel and grocery supplies etc.

RDAFN assists Local Government bodies in the Far North SA region in supporting and lobbying for infrastructure, both hard and soft, which is included in their strategic plans. RDAFN also works closely with regional businesses and community organisations to gain access to funding that enable them to build new or expand current facilities.

Promoting private investment in regional centres and regional infrastructure

RDAFN also plays a key role in promoting the region as a place for investment. For example, in the 2016/17 financial year RDAFN facilitated the following investment for the Far North SA region:

- \$216,861,357 worth of investment including solar development, business upgrade, new infrastructure for tourism business, community infrastructure, not for profit organisation kitchen upgrade, new construction industry training facilities, visitor facilities upgrade and community facilities construction.
- \$160,000,000 worth of potential investment including new aquaculture development, mining development, tourism development and food industry development.

RDAFN has achieved the above by working with potential new investors in gathering information about the key aspects of the project including land availability etc and connecting the investors with other key personnel and organisations that will assist with the ease of the consultation process.

Whilst private investment plays a major role in regional development it is also important to provide support for businesses and other regional organisations and entities that are seeking funding through Local, State and Federal Government programs. In the 2016/17 financial year RDAFN assisted 23 regional businesses and community organisations with funding applications with nine of these being successful with funding to the value of \$1,307,432 received (total project cost over \$27.6m). Ten of these projects are still pending announcement.

The high dollar value of the Government investment can't be overlooked and whilst the potential investment and attracted investment is of a high dollar value, there is no guarantee of longevity of the invested projects and no guarantee of the potential investments proceeding.

Promoting the competitive advantage of regional location for businesses

RDAFN has produced Economic Growth and Investment Strategies (EGIS) for Port Augusta, Flinders Ranges, Outback SA and Roxby Downs with work still underway on Coober Pedy. The EGIS's are designed to build towards a robust, sustainable economic future for the region.

The EGIS show a collated forward looking approach to the future of the Far North Sa region and will inform a targeted approach to project selection to maximise the economic benefits to the region of any form of funding packages or other resources directed to the region. Executive Summaries of the four completed EGIS are attached as Attachment A.

The worth of regions'

According to the Regional Australia Institute ¹⁹regional Australia accounts for around 40% of national economic output and employs around one third of Australia's workforce. This is a significant contribution from sometimes very remote and sparsely populated areas. The regions house some of the largest contributors to that economy, those being mining and construction industries.

The challenge regional areas face is that often with economic data for Gross State Product/Gross Regional Product is it is counted in the area it where it was sold/shipped or final value added, not always in the region where it was originally produced. This is a challenge which frustrates many regional areas and regional researchers alike. Therefore, gauging the correct value add of regions to these end results is skewed and hard to accurately calculate.

Industry Output and Value-Added

The estimated value of regional exports in some areas in the Far North SA region is as follows:

- ²⁰Outback Communities Authority - \$3.6b (84% of the region's economic output) with mining the largest contributor with 85% of total export value compared to 72% for the wider Far North region.
- Roxby Downs - \$927.5m (77% of the region's economic output) with mining the largest contributor with 89% of total export value compared to 72% for the wider Far North region.
- The Flinders Ranges Council - \$42.3m (42% of the region's total economic output) with accommodation and food services, agriculture and transport generate over 70% of those exports.

There are many opportunities emerging in the region, particularly in the field of renewable energy generation, defence and intermodal transport hubs. Now is the time to build on and

¹⁹ The Economic Contribution of Regions to Australia's Prosperity, Regional Australia Institute, Talking Point

²⁰ Economic Growth and Investment Strategies (Outback SA, Roxby Downs and Flinders Ranges, SC Lennon & Associates, 2016/17

support these as best we can to ensure the long term viability of the regional economy, which in turn feeds into the State and Commonwealth economies.

Examining ways urbanisation can be re-directed to achieve more balanced regional development

RDAFN made a submission to the Inquiry into the operation, effectiveness, and consequences of the Public Governance, Performance and Accountability (Location of Corporate Commonwealth Entities) Order 2016, see Attachment B.

Whilst this submission focusses on the location of Commonwealth entities in regional areas this is certainly a critical point for redirecting urbanisation.

Identifying the infrastructure requirements for reliable and affordable transport, clean energy, water and water in a new settlement of reasonable size, located away from existing infrastructure

The examples outlined previously e.g. Leigh Creek and Roxby Downs are prime example of townships being built for a single purpose, that is to support a major development/project e.g. mines. The issue with these custom built townships is that once the project life is over, the town and its population go through extreme transition onto the next phase in their lives, whatever that may be. This places huge amounts of stress on the population and in the case of Leigh Creek, leaves behind a few that are left to try and maintain the businesses and infrastructure. In turn, pressure is then places on the outback and very remote stations and businesses, and in the case of Andamooka, that came to rely on these townships as their major service centres.

RDAFN would like to see investment in the current towns and settlements in the regional areas, NOT the creation of new ones. The existing towns and settlements have the required infrastructure, or in the case of building new infrastructure to support new developments, are in a better position to expand on what they already have.

The creation of new settlements also places extra strain on support services in regional areas, where resources are already stretched. Significant investment needs to be made into building existing regional towns and cities into the best they can be to attract new development to their area and ensuring they have the capability to support these. In particular is water quality and renewable energy options. Many outback and very remote townships do not have access to potable water and rely on very little rainfall each year for that water. In addition, regional Outback SA is perfectly positioned to take advantage of the sun for solar projects.

Summary

The economic value of existing regional areas and townships is important to factor in when considering future investment opportunities and the value of this investment to the regional, state and federal economy.

Towns which are purpose built for a project/development need to take into account life beyond the project and the pressures this puts on the immediate population and provision of services outlying populations.

A considerable amount of effort is currently being put into the attraction of new investment and the growth of current businesses and developments in regional areas by organisations such as RDAFN.

We invite and would welcome the expert panel to hold a hearing within the Far North SA region in order to highlight the value of regional areas and to undertake a tour to provide an opportunity for further input via presentation to this submission.

APPENDIX C



16 June 2017

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Dear Sir/Madam,

Rollout of the National Broadband Network

Please find attached an amended submission in regards to the above mentioned inquiry.

Yours sincerely

A handwritten signature in black ink that reads 'Wiseman'.

Claire Wiseman
Chief Executive Officer

SUBMISSION FOR THE INQUIRY INTO THE ROLLOUT OF THE NATIONAL BROADBAND NETWORK

The Far North SA Region

The Far North region of South Australia, as per Regional Development Australia Committee boundaries, covers approximately 80% of South Australia. The area has a land mass of just under 800,000km² with a population of ²¹28,212 and incorporates the Anangu Pitjantjatjara Yankunytjatjara Lands. The region takes in the iconic Flinders Ranges and Outback region, popular and well visited tourism destinations in the State. The Flinders Ranges is also now recognised as a National Landscape.

The main townships in the region include (but are not limited to) Port Augusta, Quorn, Hawker, Leigh Creek, Copley, Lyndhurst, Marree, Innamincka, William Creek, Oodnadatta, Marla, Mintabie, Coober Pedy, Glendambo, Pimba, Woomera and Roxby Downs. Some of these remote townships are between 800 - 1,000 kilometres from Port Augusta, the largest city in the region (population of ¹13,985).

A region's comparative advantage can stem from various resources, such as its geographical location, availability of natural resources, the existence of industry clusters, access to infrastructure or the skill profile of the local population. These underlying attributes influence the types of economic activity that are likely to be successful. They also have implications for development initiatives, which are generally more effective where they build on an existing strength.

NBN Readiness Program

In 2012 Regional Development Australia Far North (RDAFN) in partnership with Regional Development Australian Yorke and Mid North was successful in gaining \$50,000 funding under the Funding for Regional Development Australia committees to maximise the benefits of a digital economy enabled by the National Broadband Network (NBN), NBN Readiness Projects Round Two, for the development of localised websites and supporting roadshows.

The development of the localised websites was focused on providing a more 'cut-through' content. They were central hubs of NBN information and resources which featured rich video content for educational and instructional elements of the NBN rollout, directories of NBN service providers, service provider registration forms, news and comments features, local stories and case studies, categorized online tools and software, roadshow calendar and event registration. Websites were created for each township that was part of the program e.g. portaugustanbn.com.au, roxbydownsnbn.com.au etc. The websites proved very popular as a central portal to go access to seek localised NBN information and was heightened by businesses/service providers having access to upload their own profiles and keep the information up to date. Unfortunately, due to the unavailability of ongoing funding, the websites were shut down 12 months after they were launched.

²¹ ABS Census Data, 2011

Roadshows, which were conducted with RDAFN staff, Stellar Digital (website developer) and nbn co staff were rolled out around the Far North and Yorke and Mid North Regions in the following townships:

- Coober Pedy
- Roxby Downs
- Port Augusta
- Port Pirie
- Kadina
- Clare

The roadshows proved very popular with very good attendance numbers at each session and the added bonus of having nbn co as a presenter enabled businesses and residents to ask questions about the rollout in the early stages.

RDAFN and nbn co Partnership in 2016/17

RDAFN has kept in close contact with nbn co staff in the last few years, as NBN has been rolled out in the Far North region. In the 2016/17 financial year the following promotion of NBN has been carried out in conjunction with nbn co:

- nbn co had a stall at the Augusta Markets event on 26 November 2016
- RDAFN held a Flinders Ranges Business Forum on 3 April 2017, of which nbn was a key presenter
- In addition to the forum above, nbn co had a presence in the township of Quorn over a couple of days to answer any queries from residents and businesses. RDAFN assisted in the majority of the promotion for this initiative.
- nbn co travelled to Coober Pedy and Roxby Downs from 23-25 May 2017 and held information sessions with local businesses and residents. RDAFN accompanied nbn co staff on this trip and also carried out the majority of sponsorship and organisation of the sessions.

It is worth noting that RDAFN is also currently working with the Polaris Centre and rolling out a series of Digital Growth workshops across the region. These workshops are designed to assist businesses realise the potential possible via the NBN and for digital growth in their business.

Rollout in the Far North Region

According to the nbn.com.au website the following applies for major townships in our region as far as connection to the NBN:

- Quorn – available end of June 2017 (to the node connection with some out of town areas via fixed wireless)
- Coober Pedy – available now (some to the node connection and some via Sky Muster)

- Port Augusta – some areas are available now, however, some will not be available until early 2018 (to the premises connection)
- Roxby Downs – available now (to the node connection)
- Hawker – available now (via Sky Muster only*)
- Other areas – available now (via Sky Muster only)

*Whilst it is reported on the nbn.com.au website that residents and businesses in Hawker are able to connect to the NBN via Sky Muster this is not the case. No service for NBN is currently available in Hawker. When discussing this issue with nbn co staff they are unable to explain why Sky Muster is not available. It is also important to note that RDAFN, along with The Flinders Ranges Council, is currently lobbying to have the connection mode in Hawker upgraded to Fixed Wireless. Attached as Appendix A is a copy of the letter RDAFN has submitted to nbn co, however, no formal response has been received to this date. RDAFN are also lobbying State Ministers to see support regarding this issue.

Key Issues and Challenges

As a result of RDAFN's extensive history with working with nbn co and with businesses regarding the NBN rollout, the following are some of the key issues and challenges that we believe are pertinent to this Inquiry:

- Misinformation and confusion on the differential between nbn co the wholesaler and who are the retailers/service providers.
- Explaining to residents who don't have fibre to the premises what service is provided and why e.g. fibre to the node, fixed wireless, satellite etc, and who decides who gets what and the process for this decision making.
- What are the real costs associated with connection. There is currently confusion with residents predominantly in the satellite only regions and they believe they were misinformed about the cost of installation.
- No businesses seemed to be aware of the "prepare your business for the NBN" checklist.
- Informing business on how to measure their existing service versus what they will receive/currently receive via the NBN service.
- Ongoing engagement with businesses and residents is required, way beyond the actual commencement date of NBN in locations.
- Earlier communication with locations prior to going live, e.g. some locations are receiving notification that NBN will be going live only 2-3 days before it actually happens. This doesn't give adequate lead in time for them to liaise with providers and connect to the network as soon as possible.
- Service providers need to provide accurate information around the speeds that customers can realistically expect and be cleared on how the plans relate to the data speeds offered.
- Educating businesses should be a priority.

Summary

Overall, RDAFN has built good relationships with nbn co staff regarding the NBN rollout and businesses and residents have reported both positives and negatives in relation to their dealings with nbn co and service providers. NBN uptake in our regions will add to business growth, economic growth, potential new business, upgrading of operating systems, being able to diversify to new technologies which might lead to better business transition planning or succession planning, training and upskilling opportunities, industry growth and most importantly, employment opportunities.

13 February 2017

Tim Saul
Community Affairs Manager – South Australia
NBN Co
Level 2, 31-33 Richmond Road
Keswick SA 5035

Dear Tim

RE: NATIONAL BROADBAND CONNECTION WITHIN THE FLINDERS RANGES COUNCIL BOUNDARIES

RDA Far North has had involvement with the rollout of the NBN in the Far North SA region since 2013 when we were successful in receiving funding under the NBN Readiness Program to carry out a series of workshops and information sessions in conjunction with NBN staff across the region.

Part of this consultation was meeting with stakeholders such as Councils and discussing requirements and possibilities within the townships under their jurisdiction.

When a meeting was held with The Flinders Ranges Council, proposed NBN connections in Quorn and Hawker were discussed. It was put forward by the Council that fibre optic be rolled out in Quorn and fixed wireless be available in Hawker. At the time these proposals were agreed to by the NBN team.

Rollout has commenced in Quorn and we understand that connections will not be made to the home as first thought rather connections only to the street nodes. This is acceptable as long as this doesn't incur extra costs to the residents. We also understand that fixed wireless will also be available to those residents on the township edges.

It is also our understanding that connection via satellite only is now being proposed for Hawker, in lieu of fixed wireless. Hawker is a thriving township in terms of new business growth and tourism. Half a million tourists per year pass through or stay in Hawker on their visit to the Flinders Ranges. Hawker is the last main service township before heading further north and as such visitors use it as their last chance to contact family or undertake business transactions before they go into areas that have little or no mobile or internet coverage. Therefore, they expect coverage here to be just as good as in the metropolitan or urban areas they come from. Satellite coverage only will not meet these expectations.

We also need to take into account the residents and businesses in Hawker as well. Despite a few recent setbacks, Hawker businesses are now expanding and growing. Through a recent funding pool Hawker businesses are set to receive approximately \$1.34m in funding to grow and expand. This is a huge win for the township and with some of the unique attractions planned, more tourists and travellers will stop and spend more time in the township. In addition to this, these new and/or expanded businesses will need to be able to use a reliable internet service.

The region currently lacks high-speed broadband infrastructure, limiting the capacity of local businesses and individuals to interact with the global economy. For businesses in the region, and in this case in Hawker, to remain competitive consideration needs to be given to the provision of fixed wireless in lieu of satellite service for the Hawker township.

The proposed satellite communications systems and coverage in the area will pose many challenges for business operators with the biggest being reliability. Sub-standard telecommunications services are disruptive and costly to a business's trading. A reliable service for business owners is required for the general running of the business and is crucial for businesses regulatory requirements and to keep in contact with, and provide an online service for their customers including financial transactions, online booking systems, social media interactions and responding to enquiries via electronic mail etc.

RDA Far North wholeheartedly supports The Flinders Ranges Council in their request for the planned NBN satellite services at Hawker to be replaced with fixed wireless, to ensure the best outcome for both residents and businesses.

Yours sincerely

A handwritten signature in black ink that reads "Wiseman". The signature is written in a cursive, flowing style.

Claire Wiseman
Chief Executive Officer

APPENDIX D**SLATTERY, Councillor Peter, Flinders Ranges Council****WILLIAMS, Mr Greg, Business Development Manager, Regional Development Australia Far North**

CHAIR: Welcome. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. Regional Development Australia Far North has provided a submission. It is No. 175 on the committee's website, so thank you for that. Mr Williams, do you wish to make any amendments or alterations to that submission?

Mr Williams: No.

CHAIR: In which case, I invite each of you to make a brief opening statement, and then the committee will ask you questions. We can start with Mr Williams.

Mr Williams: Thank you for inviting me to speak. Overall, RDA has built a good relationship with the NBN Co staff regarding the NBN rollout, and business and residents have reported both positives and negatives in relation to their dealings with the NBN Co and service providers.

The NBN uptake in our regions will add to our business growth; economic growth; potential new business; upgrading of business; operating systems; business able to be more diversified; new technologies, which might lead to better business transition planning or succession planning; training; upskilling opportunities; industry growth; but, most importantly, for our region, employment opportunities.

Some of the feedback we have had is misinformation and confusion about the differential between the NBN Co, the wholesaler and the retail service providers; explaining to residents, who do not have fibre to the premises, what service is provided and why—fibre to the node, fixed wireless, satellite—and who decides on what service and what the process for the decision-making is. What are the real costs associated with connection—there is currently confusion with residents, predominantly, in the satellite regions. They believe they were misinformed about the cost of installation. No business seemed to be aware of the prepare your business for the NBN checklist.

Other feedback was: informing business on how to measure their existing service versus what they will receive currently and then via the NBN service; ongoing engagement with business and residents is required way beyond the actual commencements date of the NBN in its locations; and early communication with locations prior to going live—some locations receive notification that NBN will be going live only two or three days before it actually happens. This does not give them adequate time to prepare and liaise with providers, and connect to the network as soon as possible. Service providers need to provide accurate information around the speed that customers realistically can expect and be clear on how plans relate to the data speeds offered. Most importantly, educating business should be a priority. Thank you.

CHAIR: Councillor Slattery, would you like to make an opening statement?

Councillor Slattery: We very much support what RDA have said. We have worked fairly closely with them in working through this rollout. We, again, have found a series of frustrations in communication to us and our residents about what is going on. Quorn was initially slated as a fibre rollout. Obviously, that changed but, when it got crossed off one list, it was not put anywhere else, so for two years we were unable to find out what was happening and where we were likely to be. One of our other communities still has no certainty. We are anticipating it will be satellite even though they have got a really big radio tower in—

CHAIR: Where is that?

Councillor Slattery: Hawker. But, as yet—and including advice late last week from NBN in South Australia—there is no certainty about what is happening at Hawker. So, if it is satellite, the community should be able to connect now, but that advice certainly has not been made available. All indications are that in Quorn we were switched on this morning. We have not been notified by NBN, but—

CHAIR: We will take the credit for that.

Councillor Slattery: Our rollout is about to commence.

Senator URQUHART: Do you mean the satellite has been switched on for Hawker this morning?

Councillor Slattery: No. Quorn is fibre to the node, and it is available for connection as of this morning, we believe. But, for Hawker, we still have no indication of what technology is likely to be provided. It is a reasonably

compact town with half a million visitors a year. We are not convinced that satellite is an appropriate solution, and there is a really big radio tower in the middle of the town. It is flat and compact, but there is insufficient transmission there to provide discrete paths. On that basis, we are expecting that it is going to end up as satellite, and that will clog the satellite up pretty rapidly. That is it. Thank you.

CHAIR: Greg, you talked about the opportunities, and obviously RDA looks at those and has some sense of what businesses might take advantage of faster broadband. Can you just go into that in a little more detail about where you think those opportunities are and what some of the challenges might be for the region.

Mr Williams: The opportunities, from where we see it, are business planning and growth. Clearly, a lot of our region is quite reliant on the seasonal tourism industry, so I think the ability for our businesses to better market themselves is the No. 1 thing. No. 2, from my point of view as business development manager, is about business operations and what functionality the NBN can bring as far as efficiencies, training and all those sorts of add-ons that come with that connectivity.

CHAIR: Have you talked to any businesses that are not here but might consider making this a base which may not have considered doing before, or are any existing businesses describing how they might upscale to do more than they did before?

Mr Williams: Yes and no. Attracting new business is very much in the primary stages. We have certainly talked to businesses that would be interested that have not been able to come here because it would be too inefficient and too disconnected from their normal operations. Certainly on a local level, we see opportunities for existing businesses to expand and offer more through that conductivity. That is probably our main focus: actually developing our existing business and therefore potential and capacity, whether that be tourism, accommodation, small manufacturing or any of those industries. We are probably concentrating more on ensuring that those are strong businesses than on trying to attract new businesses.

CHAIR: What is the feeling in the region generally? Obviously there have been some challenges. There is lots of talk about power generation and there are some opportunities in renewable energy. Are people optimistic? Are they are anxious?

Mr Williams: I think there is a general feeling of optimism but certainly there is still uncertainty. That goes for a raft of things for business in general, from seasonal factors to the NBN to some of the solar investments that might be coming in to the region. The feeling is of optimism but there is still some uncertainty around that.

CHAIR: Councillor Slattery, do you know the tourism numbers that go through your shire every year or season?

Councillor Slattery: The tourism statistics show about half a million visitors a year. It is predominantly domestic tourism but certainly there is a wide mix in that. We are a bit concerned, particularly in Hawker, which is a small service centre but quite important within that tourism operation, that fixed wireless does not provide much access for visitors. If we are able to get some growth in tourism operations within that area, it is probably not ideal. I am conscious that that provides a fairly heavy load on the satellite, which is not readily upgradable whereas—

CHAIR: At the moment Hawker tourists would make use of the 3G network; you would not be 4G there, I am guessing.

Councillor Slattery: Telstra has 4G; Optus has 3G.

CHAIR: Is the 4G network supporting what you describe tourists do on their way through—stop, send emails, and do a few of those sorts of things and then keep moving—or is it just not enough?

Councillor Slattery: They would primarily either be accessing it on their mobile services or be using wi-fi connection through local businesses.

CHAIR: Are you hearing that Telstra's 4G network is at capacity at set times when it comes to smart phones?

Councillor Slattery: We do get quite a bit of anecdotal feedback that it is very slow and people who are not with Telstra find it frustrating that it does not actually work.

CHAIR: That is fairly consistent throughout regional Australia if you are not with Telstra.

Councillor Slattery: At a recent Telecom USA hearing—admittedly, that is a slightly different issue—there was some real concern from operators and families living further north that there is an assumption that the NBN is just going to do everything for everyone. At this stage, we have some reservations about making that assumption.

Mr JOSH WILSON: Are businesses and households coming to local government a lot with these kinds of issues? We are hearing that people encounter problems or are wanting information about the NBN, when it is going to

arrive and in what form, and they are not always getting the answers that they would like as quickly as possible. Is the government within South Australia one of the conduits through which people pursue those things?

Councillor Slattery: I would think so. We have had a pretty good relationship and get quite regular updates from NBN staff about what is going on and where, including last week's. That includes evidence that we do not know what is going on, but they are at least chasing that for us. We have been making that information available to our residents. We are aware that has been a fairly widespread process, that local government has been used as a channel to get that information out and to make people aware of what is happening.

Mr JOSH WILSON: And when works have occurred, particularly physical infrastructure work, has that been coordinated with local governments? We have heard in regional Victoria that it has been a bit hit and miss. I know, because I come from a local government background myself, it is frustrating if a council has a particular kind of work scheduled and then someone else, whether it is water or gas or telecommunications, comes along—sometimes those things are better coordinated and sometimes not.

Councillor Slattery: We have had dealings with them through the works areas. I am not aware of any great level of coordination; it was just a matter of opportunity when the time arose. It was a contract arrangement: they came in and did what they had to do and then left without necessarily reinstating to my satisfaction.

Mr JOSH WILSON: That is a sort of secondary issue. I am interested in if there is anything more you would say about that because in some cases the works have involved modifications to the landscape that have not—

Councillor Slattery: We had quite a few, particularly for fire reticulation and pit work, redone or opened up over the course of the construction some months ago, and the reinstatement was relatively casual I think. Primarily, it is just sinking footpaths and loose dirt left on footpaths where there were reasonably stable surfaces and that sort of thing.

Mr JOSH WILSON: Where those examples have been at the more intrusive and/or expensive end of the spectrum, have you been able to go back and have those addressed?

Councillor Slattery: No, not at this stage.

Mr JOSH WILSON: So you are just sort of copping it, essentially?

Councillor Slattery: Pretty much, yes.

Mr JOSH WILSON: Mr Williams, you have a business development role, but my question is from that regional development view or perspective. In addition to the different sectors of the economy, do you have a sense of how a better form of the NBN delivers for social, education and telehealth and those sorts of things in other areas?

Mr Williams: How it would be better delivered?

Mr JOSH WILSON: Yes, or the gap between where we are now and where we could be and how, if that sort of expectation or promise is not met by the current rollout, we are going to end up with rural and regional areas underserved.

Mr Williams: I think the expectation in a lot of regions has not been met. The assumption, as Peter alluded to a while ago, was that the NBN would be the saviour for everyone. Clearly in a lot of cases what has been promised or what has been discussed has not been or is yet to be delivered and, from an economic point of view, that is certainly causing us to slip well behind in a lot of our regional areas as far as what the NBN could be, and should be, doing.

Mr JOSH WILSON: At its best, this kind of infrastructure and what digital technology offers could be the means by which the rural-regional-metropolitan divide is closed, or it could be the means by which that divide is fixed in place and, in some cases, maybe even widened. In the areas where it has been delivered, do you think that is something that community and either ordinary householders and/or business people are able to measure?

Mr Williams: It is a little bit hard to say. A lot of the regions that we have covered have gone on only quite recently. I recently travelled with the NBN to Coober Pedy and Roxby, where they had recently been turned on. Certainly it is for the regions that will have access to the best speeds, but it is very hit-and-miss in some other towns. Clearly that is to do with money and the rollout and the population and whatever else, but in a lot of cases that is creating a divide within townships and within council regions—to take Peter's example, between Quorn and Hawker. It could be the saviour in a lot of cases, but certainly it is a possibility that it could become quite divisive as well if it is not managed better into the future. That is my personal opinion.

Mr JOSH WILSON: It seems trivial, but one of the ways you often see these things is in the form of real estate advertising. It can become one of those things that people will use as something that is attractive about their property. Is that starting to creep in? Is that something you are seeing—that is, if someone is in an area where they might have fibre to the premise or good high-quality fibre to the node, then those things are being listed in rural and regional properties?

Mr Williams: They are starting to, yes. From a business development point of view, we have concentrated quite closely on the advantages and making sure that people are in a position to take advantage of the service that they have and the opportunities that it will provide. So whether that is ongoing business or selling business or attracting new business partners, there is no doubt there is—and that is the issue, the fact that it might be available for one person and not available for someone 400 metres down the road. Fibre to the node, for example: as you get further away, the slower it gets.

Senator GRIFF: Mr Williams, you mentioned in your introduction about many being misinformed on the cost of Sky Muster. In what way are they being misinformed?

Mr Williams: Good question. Realistically, that is more to do with misinformation. The assumption by a lot of people that I have spoken to is that they would have to front the costs for a lot of the services being provided, when clearly that is not the case. I think that has been a drag on the uptake of the satellite in a lot of regions, the fact that a lot of people had not built that extra cost in. The misinformation was that that would be quite significant when clearly it is actually not the case; depending on your internal business operations or residential operations, there is clearly not a massive output required. My understanding is that that is part of the rollout process, that you get the satellite and everything installed. It is only if there is any work over and above what is required that the cost comes in. That comment is more based around the fact that obviously the message is not clear to people that get connected, because it is actually potentially not going to cost you anything.

Senator GRIFF: What would you like to see in Hawker?

Mr Williams: It has got to be something better than satellite.

Senator GRIFF: You are pretty much the gateway to the Flinders, so you have got—

Mr Williams: Hawker is an extremely important part of our region as far as what is assessable there: the fact that there are some real growth opportunities for business and business changeovers there; that business transition to newer, invigorated, younger people looking at starting businesses is there. It is in that divided area, where you can turn right and head to Blinman or continue up the track, so clearly it is required. That relates to what we were talking about previously, about opening a gap that could be very detrimental not only to Hawker but also to the Flinders Ranges council region because there are two towns not very far apart with very significant opportunities, and one will have an opportunity for those and one will not.

Senator GRIFF: And these 500,000 visitors, the bulk of them are seasonal?

Councillor Slattery: Yes. Traditionally it is Easter to October. People come to the Flinders when it is nice up there, and they go to the beaches when it is hot.

Senator GRIFF: The digital ready workshops that you ran, are you are still running these?

Mr Williams: The digital readiness workshops are being rolled out. We have our first one in Quorn next week for two days. We have had a very good uptake.

Senator GRIFF: Are you determining the content of that or is it following a particular format?

Mr Williams: It is following a particular format. That is set as part of a state government program run through the Polaris Centre in Adelaide.

Senator GRIFF: What are you doing in the Indigenous space with this?

Mr Williams: Pretty much the same as what we are with everybody else. Once again, we are looking at opportunities and business growth. The key one for all of our regions is employment. We are looking at growth in employment outcomes for those communities or groups.

Senator GRIFF: Thank you.

Senator URQUHART: Mr Williams, I note that you attached to your submission a letter that was sent on 13 February to the NBN community affairs manager of South Australia. You indicated in your submission that at that time you had not had a response. Have you had a response to date?

Mr Williams: My understanding is no.

Senator URQUHART: It concerns me a little that you have had meetings with the council with NBN Co and have sent a letter off and you are pretty positive that you have not had a response to that. In that letter you say:

It was put forward by the Council that fibre optic be rolled out in Quorn and fixed wireless be available in Hawker. At the time these proposals were agreed to by the NBN team.

In February or whenever this meeting was—I presume it was January or February—the NBN team, which I assume is the Adelaide based team—

Mr Williams: Yes.

Senator URQUHART: They agreed that fixed wireless would be available in Hawker.

Councillor Slattery: We have had reasonably regular briefings from the NBN team about this and they agreed that fixed wireless is probably an appropriate solution, but technologically it looks unlikely to happen because there is insufficient transmission capacity into Hawker.

Senator URQUHART: So that was agreed to at that meeting but they have subsequently come back and said that that is not appropriate.

Councillor Slattery: They have agreed that it would be a good idea, but they have never suggested to us that that was what was going to happen.

Senator URQUHART: So it was the idea rather than what was going to happen?

Councillor Slattery: Yes, Hawker has just sort of been left drifting a bit.

Senator URQUHART: Also that letter, which is signed by Claire Wiseman, CEO of the organisation, says: It is also our understanding that connection via satellite only is now being proposed for Hawker, in lieu of fixed wireless.

It concerns me that you have not had any feedback at all in relation to that.

Mr Williams: It concerns us as well.

Senator URQUHART: Yes, well it should because obviously there is something happening that you are not aware of.

CHAIR: Sorry, I interject to say that, as I understand it, in certain locations, including Hawker and some in my locality as well, NBN Co is looking to deload the satellite beams—and that probably makes more sense to technical people than it does to me—and free up space on the satellite and, therefore, free up fixed wireless, so I do not think you should be despondent about it at all.

Councillor Slattery: I am a technician. I know what their problem is.

CHAIR: So do you know what needs to happen to deload satellite beams?

Councillor Slattery: No. They need a bigger fibre between Quorn and Hawker, and no-one is likely to put that in.

CHAIR: A bigger fibre, okay.

Councillor Slattery: There was only a single pair fibre put in the ground 25 years ago, and that is all that is there. It did not anticipate these sorts of things. Everything north of Hawker runs either on radio or on those two fibres. The NBN's technological requirement is their own discrete fibres, and they are not available without putting another cable in the ground.

Senator URQUHART: They are available. They just have got to put them down.

Councillor Slattery: Yes. Without putting another fibre in the ground, there are not any, so yes.

Senator GRIFF: What they might have laid 25 years ago. That is a long time ago for that fibre, if it was done such a long time ago.

Councillor Slattery: Most of our fibres are older than that. At the time, Hawker was primarily run on digital radio up through Orroroo, whereas the re-parenting of the most of the phone connections was being migrated into Port Augusta. So a fibre was run through the pass and then up as far as Hawker, and then a spur was put into Wilpena at that time.

Senator URQUHART: I would be very concerned about it—even though the chair has indicated that they are going to try and de-load the satellite—because I have been involved with NBN Co for a very long time during estimates, and I have learned that they might be de-loading in one area but they are loading up in another area, and there are many places around the country that were slated for other technology which are now being slated for satellite,

which means it just loads it all up. So I would be concerned about that. Have you followed up with NBN Co to try and get a response back?

Mr Williams: To my knowledge, yes. There have been many discussions but we have received no formal response.

Senator URQUHART: So it nearly takes as long for you to get a reply to your letter as it does for us to get answers to questions on notice in estimates. I will certainly take it upon myself to query NBN Co on that as well, because I am quite concerned that you have not had feedback. At least if you knew what it was going to be, you could then plan.

CHAIR: They probably have not assessed the situation sufficiently to make a decision, which I agree is frustrating, but I think that indicates that you are still in the hunt for fixed wireless.

Senator URQUHART: They could at least say that. They could at least say, 'We have not yet made a decision about technology.'

CHAIR: I thought that is what they had said to you.

Councillor Slattery: Our last advice, last week, from our NBN contact was that he is still unable to get an answer, which means that no decision has been made. But, given what they have advised us about their requirements, I reckon the writing is on the wall. I say again that Hawker is a reasonably strategic and quite flat and quite small community, with a big radio tower in the middle of it, so it does lend itself fairly readily to that if transmission were made available.

Senator URQUHART: If I could give you both some advice, I would tell you to have a look at the example of Queenstown in Tasmania that was slated for fibre to the premises under the Labor government. Under the Liberal government, it was then slated for satellite—an area with 4,000 residents. The community revolted, if I can use that terminology, and they are now getting fibre to the node. It might be an example that people in Hawker might want to take up. Thank you.

Senator HANSON: Just for those people that are listening, and I am not familiar with the area, explain to people where you are actually situated. It is north-east of Port Augusta. Is that right?

Councillor Slattery: Yes. Quorn is pretty much across the ranges from Port Augusta. The main spine of the Flinders Ranges runs between us and Port Augusta, and then Hawker is probably another 65 kilometres further north. The Flinders Ranges Council area is about 4,200 square kilometres.

Senator HANSON: And how many people?

Councillor Slattery: Seventeen hundred.

Senator HANSON: So you really need some NBN service there. You say it has been hooked up today but you are not online yet?

Councillor Slattery: I am not, but we have been advised that Quorn is now available for connection.

Senator HANSON: Is that just Sky Muster where you are?

Councillor Slattery: No. Part of Quorn is fibre to the node and part of it will be fixed wireless.

Senator HANSON: I am picking up that you are not terribly happy with it.

Councillor Slattery: It has been pretty frustrating—the consistent changes in what is being arranged. It is equally frustrating that—

Senator HANSON: You have got your chance now to put it on record.

Councillor Slattery: a historical line around town was determined to be the boundary for fibre to the node. There is an ancient township boundary which really does not have much relevance to where people live now. We have had significant development on the township fringes all around that, but anyone outside that footprint will be eventually connected to fixed wireless. A tower will be erected later this year probably.

CHAIR: You are talking about Quorn, aren't you?

Councillor Slattery: Yes. And then anyone outside that footprint will be able to access satellite. At Hawker, we still do not know what technology will be made available.

Senator HANSON: Did you have enough consultation with NBN and people involved in this? Or do you feel that you were not consulted enough?

Councillor Slattery: I think the people we are dealing with know exactly what we want and why, but they are not technical people; they are PR people. So, we are not meeting with people we can have those arguments with, and certainly not before the plans are drawn up.

Senator HANSON: How interesting. You should be dealing with people who know the technicalities of it. And you have actually made a comment that the fibre—there is only one line there. Is there anything else that you see that is not compliant? What I am asking is: do we have a service now that is being delivered in your area that is not going to work, that is not going to deliver what you expect and there should be improvements?

Councillor Slattery: Well, without having it connected, it is a little bit difficult to say. But it is a bit frustrating that in Quorn we are going to have people with different levels of services. Arguably at houses that are a kilometre apart there will be three different levels of service provided, or three different technologies, and we will wait and see what service levels that means. And at Hawker we still do not know.

Senator HANSON: Is the cost of the service that is provided going to be a factor in this? We are hearing so many—

Councillor Slattery: From NBN's perspective, or from the customer's perspective?

Senator HANSON: From the customer's perspective, because for the retail services provider we are hearing that the cost is extremely high. Have you heard that?

Councillor Slattery: We have had no experience with that, because we were advised only on Friday that the network would be available for connection as of today. We knew it was coming, but we have not had any experience with that yet.

CHAIR: Are you happy that the network is going to be switched on today?

Councillor Slattery: I am happy with that bit. I am not looking forward to explaining to the people who cannot why they cannot connect to it. But for those who can, I think it is a great start.

CHAIR: How many households in Quorn are now able to connect to fibre to the node—fixed fibre?

Councillor Slattery: Probably about 400.

CHAIR: Have you a sense of how many will?

Councillor Slattery: No, I do not. It will not be long before everyone has to do something, I suppose. But no, I do not know.

CHAIR: And Greg, you mentioned cost, which has been discussed a little bit. Could you just clarify the point you were making? Was it that the cost of connecting to satellite NBN was expected to be higher than it actually was?

Mr Williams: That is correct, yes.

CHAIR: And for those who are connected and have been able to resolve the issues around connection—and this committee has heard lots of evidence around the difficulties of getting connected—is it your impression that they are satisfied with the service?

Mr Williams: I think so, yes.

CHAIR: Have you spoken to anyone who has compared it with the previous interim satellite service and whether they have compared it favourably or unfavourably?

Mr Williams: My impression is that it clearly has improved and is improving all the time, but our biggest concern is that as it rolls out and more and more people become connected to the two satellites, that will cause issues as far as speed goes.

CHAIR: Do you have any evidence that that is going to happen? Have you had any information to suggest that is actually going to happen—that more people connecting is going to cause—

Mr Williams: My understanding is that that is why there are limitations on plans and specific user times when you connect to satellites. So, even though you may be able to connect to the satellite and get the minimum 25/5, that is only specifically available during certain times, and there is only a certain amount of data available for those users.

CHAIR: You are correct, but I had just wondered whether you had spoken to anyone who was experiencing that and saying, 'I've only got 25/5 and that's not enough.'

Mr Williams: I have not spoken to anyone who has said they have only 25/5 and that is not enough, because clearly when that is available and everything is working well then that is traditionally, in most circumstances, better service than had previously been available.

CHAIR: Did you know that NBN Co is reviewing its fair use policy—in other words, looking at who requires different access—so, those restrictions that you talked about might be changed?

Mr Williams: Only recently, having spent a week with the NBN staff—the community affairs manager and the liaison officers through Coober Pedy and Roxby.

CHAIR: Do you have the impression that they are keen for your feedback about what you think a fair use policy should look like for the businesses and households in your area?

Mr Williams: I think they would be keen for our feedback, but I am not sure that we have enough available data at this stage to provide an appropriate response that could be acted on. But certainly any changes that can better spread the load, I suppose, and make it more accessible—

CHAIR: Did they let you know that about 40,000 people have migrated off the satellite and on to fixed wireless, therefore increasing the data that is available through the satellites?

Mr Williams: Certainly the indication—and I am not aware of the figures—that there has been a transition as certain services have been rolled out in specific areas, yes.

CHAIR: So, do you feel that it is quite early days—particularly, for your council, Peter—for the region in assessing? The rollout is new and not everybody who is going to be connected is connected yet, so it is all going to happen from here, so to speak?

Mr Williams: That would be a fair statement, yes. Clearly the RDA region is quite a bit larger than the Flinders Ranges Council area, but clearly they are coming online now. Clearly it has recently become available in Roxby and Coober Pedy. So I think the satellite regions will give it to us earlier, because obviously that has been available for a long period. But, having said that, that service has transitioned dramatically from when it was first rolled out to now, I think, with the extra satellites.

Mr JOSH WILSON: In relation to your satellite services, obviously if somebody is able to get 25/5—25/5 in many parts of metro Australia would be considered quite good; a lot of people in metropolitan areas are not getting that. Are people who have access to the satellite consistently getting 25/5?

Mr Williams: Not always, but we have been very much indicating that if they are not then they should be contacting their provider, because that is what should be available, under the assumption that they have the correct data plans and appropriate operating times.

Mr JOSH WILSON: And have you been able, in terms of Regional Development Australia Far North or its subsidiary local government areas, to take any steps to put in place some sort of tracking of outcomes? As the chair says, we are in this process of the rollout occurring and people seeing whether it meets their expectations and their needs or not. You have done a certain amount of advocacy work in advance around the basic technology delivery, which makes a lot of sense. But the next stage I guess is going to be making a realistic assessment of how it has all turned out, and being able to raise that as required. Have you taken any steps as an organisation to collect that information or to seek it out?

Mr Williams: Certainly that is something we have very much recently discussed—specifically the fact that obviously with nearly all our regions being turned on now it gives us the appropriate opportunity, based around some of the business workshops and things we have done within the region since April, once we understood that the service would be available pretty much for our whole region, that is something that we are very much looking at. Now that it has been rolled out, we have tried to advertise opportunities and work with businesses, but now we really need to find out whether the businesses or the community in general are taking up that service and at what rate, and I suppose trying to rate what that service might be as far as satisfaction rating is concerned.

Mr JOSH WILSON: You know that the ACCC was successful in gaining government approval and funding for this broadband performance monitoring program, which will really help to determine what the infrastructure is delivering and whether or not there are other factors in the end user experience, because that is a lot of the issue. When people are converting the infrastructure is notionally available to deliver a certain service. The RSPs are having some impact on that, particularly in areas where there is fixed-line broadband. Then there is people's own equipment and so on. But the ACCC program ought to provide all of us with a better sense of what speeds people are actually getting, and why. As they establish the program over the next little while communities like yours might do well to seek to ensure that some of your businesses, householders, farms and so on participate in that so that you can get that kind of accurate picture.

CHAIR: Thank you for attending today.