

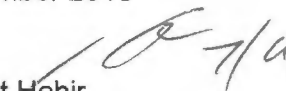


CEG  
7 SEP 2015  
9.15

## Michelle Rowland MP

Shadow Minister for Citizenship and Multiculturalism  
Shadow Assistant Minister for Communications

1 September 2015

  
Mr Grant Hehir  
Auditor-General for Australia  
Australian National Audit Office  
GPO Box 707  
Canberra ACT 2601

Ms Jackson  
FOR RESPONSE PLS.

Dear Auditor-General

### Administration of the Mobile Black Spot Program

I am writing regarding the Australian Government's Mobile Black Spot Program.

I have concerns regarding a lack of transparency around the Program and how the funding was allocated. More than 80 per cent of the locations for new mobile phone towers announced are in Liberal or National electorates with less than seven per cent in Labor electorates.

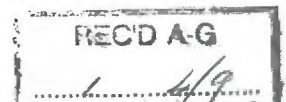
I attach for your reference at **Attachment A** the relevant extract from page 67 of Budget Paper No. 2, Budget Measures 2014-15 in which this expenditure appears.

On 25 June 2015, the Australian Government announced the successful sites that will receive funding under the first round of the Program. The relevant media release is provided at **Attachment B**.

I make the following request to the Australian National Audit Office to inquire into the administration of the Program and specifically investigate the following aspects:

#### 1. Selection criteria

- a. How the successful locations were chosen.
- b. What Federal electorates received funding.
- c. The percentage of eligible Federal electorates that received funding which are held by Liberal Party, National Party, Independent, other minor parties and Australian Labor Party Members of Parliament respectively.
- d. The weighting given to recommendations for site selections submitted by Federal Members of Parliament.
- e. The involvement, if any, of the Prime Minister, the Communications Minister, or the Parliamentary Secretary to the Minister for Communications (or their respective offices) in the selection process for any successful sites.
- f. The public availability of the points system used to select sites, which specifies the points allocated to each site examined as part of the selection process.



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**2. Measurements of effectiveness**

- a. The best practice measures of effectiveness to which a specific funding program of this nature should have regard to, for example, similar tender processes conducted by The World Bank or other donor agencies and their output-based criteria.
- b. The processes the Department of Communications has initiated to measure the effectiveness of each successful site selection and associated performance standards, including with respect to consumers.
- c. The contractual provisions between the Government and the successful mobile network operator bidders (Telstra and Vodafone) which cause the funding to those bidders to be contingent on satisfying specified performance standards.
- d. The contractual provisions between the Government and the successful mobile network operator bidders which specify sanctions for failure to meet performance criteria.

**3. Participation**

- a. The reasons why some retail service providers were selected and others were not and are there any competitive implications of that outcome.

**4. Announcement**

- a. Whether the Commonwealth had finalised all its contractual arrangements with the successful mobile network operator bidders (Telstra and Vodafone) at the time of the Government announcement on 25 June 2015.
- b. Whether any negotiations for funding arrangements under the Program were outstanding on 25 June 2015.
- c. The date on which all funding arrangements between the Commonwealth and the successful mobile network operators were concluded.
- d. The public availability of those contractual funding arrangements.

**5. General**

That all proper protocols and procedures have been followed in the administration of the Program, and that appropriate protocols and procedures are in place to ensure the same in future.

Your consideration of these matters is greatly appreciated. I look forward to your response.

Yours sincerely



Michelle Rowland  
Shadow Assistant Minister for Communications

**Enhancing Online Safety for Children**

Expense (\$m)	2013-14	2014-15	2015-16	2016-17	2017-18
Department of Communications	-	1.3	3.2	3.1	2.2
<i>Related capital (\$m)</i>					
Department of Communications	-	0.2	-	-	-

The Government will provide \$10.0 million over four years to improve the protection of children online. Funding will be provided in three parts: \$7.5 million to provide online safety programmes for schools; \$0.1 million to support Australian-based research and information campaigns on online safety; and \$2.4 million to establish and operate the Office of the Children's e-Safety Commissioner.

The independent Commissioner will provide a national leadership role for online safety issues for industry, families and groups responsible for the wellbeing of children.

This measure delivers on the Government's election commitment.

Further information can be found in the *Coalition's Policy to Enhance Online Safety for Children*.

**Mobile Black Spot Programme**

Expense (\$m)	2013-14	2014-15	2015-16	2016-17	2017-18
Department of Communications	-	10.0	30.0	30.0	30.0

The Government will provide \$100.0 million over four years to improve the coverage and competition in the provision of terrestrial mobile voice and wireless broadband services in regional areas of Australia.

Co-contributions to match the grant funding provided will be sought from industry, state, territory and local governments and local communities with the implementation details of the programme to be determined after consultation with these stakeholders.

This measure delivers on the Government's election commitment.

Further information can be found in the *Coalition's Mobile Black Spot Programme* policy document.

# **Mobile Black Spot Programme to deliver almost 500 new or upgraded base stations with total investment of \$385 million**

25 June 2015

## **JOINT PRESS RELEASE**

**THE HON. TONY ABBOTT MP, PRIME MINISTER  
THE HON. MALCOLM TURNBULL MP, MINISTER FOR COMMUNICATIONS  
THE HON. PAUL FLETCHER MP,  
PARLIAMENTARY SECRETARY TO THE MINISTER FOR COMMUNICATIONS**

The Abbott Government's Mobile Black Spot Programme will deliver almost 500 new or upgraded mobile base stations around Australia – 429 Telstra base stations and 70 Vodafone base stations.

This is the most significant one time increase in mobile network coverage to outer metropolitan, regional and remote Australia delivered by a single public funding programme in the history of mobile communications in Australia.

The new and upgraded base stations will provide new handheld coverage to 68,600 square kilometres and new external antenna coverage to over 150,000 square kilometres, and over 5,700 kilometres of major transport routes will receive new handheld or external antenna coverage.

There will be handheld or external antenna coverage to all or part of around 3,000 of the black spot locations nominated by Australians, in the public consultation phase of this Programme, as not having mobile coverage – almost half of the 6,221 black spot locations originally nominated. This is because many base stations will serve multiple nominated black spot locations.

The total to be invested in new and upgraded base stations under the Programme is \$385 million, significantly exceeding expectations. This reflects close cooperation between the Commonwealth Government and other levels of government, and strong proposals from the mobile network operators in response to the competitive selection process.

The Commonwealth funding commitment of \$100 million (ex GST) was supplemented by funding commitments from the governments of NSW (\$24 million), Victoria (\$21 million), Queensland (\$10 million), Western Australia (\$32 million) and Tasmania (\$0.35 million), as well as around \$1.7 million from local governments, businesses and community organisations.

In addition to the Commonwealth and state government funding commitments, the Programme has leveraged significant private sector investment – Telstra will spend \$165 million over three years and Vodafone \$20 million over three years.

There is a broad national spread of new and upgraded base stations across NSW (144), Victoria (110), Queensland (68), Western Australia (130), South Australia (11), Tasmania (31) and Northern Territory (5).

The successful locations were chosen following a competitive selection process, with the mobile network operators asked to nominate sites where they would build new or upgraded base stations to serve the black spot locations nominated by the public. The Government selected the locations in accordance with the ranking process in the Programme guidelines issued publicly in December 2014.

The first base stations funded under the Programme will be rolled out before the end of 2015 and the rollout will continue for a three year period. The rollout sequence will be determined by Telstra and Vodafone based on various factors including obtaining local government planning approvals for new base stations; the Government will closely monitor rollout performance and ensure that regular public updates are provided.

This Programme aims to stimulate competition in mobile services in regional and remote Australia, and it is pleasing that two of the three mobile network operators secured significant funding. In addition, under the Programme rules the mobile network operator selected to build a base station must give the other mobile network operators the opportunity to co-locate on that base station, in advance of the design for the base station being settled.

The Abbott Government has separately announced today that it will fund a Mobile Black Spot Programme Round 2, with an allocation of \$60 million.

In addition, as part of Telstra's proposal, it will build up to 200 4G mini base stations in locations in small towns around Australia where suitable infrastructure is available, with the locations to be mutually agreed between Telstra and the Government. These mini base stations will provide mobile data coverage in a radius of around 200-300 metres and will support voice services as the technology for 4G based voice becomes available.

The Government expects to agree the locations for the 4G mini base stations with Telstra during the second half of 2015, with the rollout of the 4G mini base stations to commence after that.

Both the Mobile Black Spot Round 2 Programme, and Telstra's commitment to build 200 new 4G mini base stations, offer further opportunities to meet unmet demand and provide coverage to more locations around regional and remote Australia, in addition to the new or upgraded base stations announced today.

A map of locations which will receive new or upgraded coverage under the first round of funding of the Mobile Black Spot Programme is available from <http://nationalmap.gov.au/>

**Date: 25 June 2015**