

30 July 2009

The Manager
NBN Legislation, Networks Policy and Regulation Division
Department of Broadband, Communications and the Digital Economy
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NATIONAL BROADBAND NETWORK COMPANY LEGISLATION AND ACCESS REGIME

Dear Manager

The Energy Networks Association (ENA) welcomes the opportunity to provide a submission to the Department of Broadband, Communications and the Digital Economy on the legislative framework for the National Broadband Company.

The Energy Networks Association (ENA) is the peak national body for Australia's energy networks which provide the vital link between gas and electricity producers and consumers. ENA represents gas distribution and electricity network businesses on economic, technical and safety regulation and national energy policy issues.

Energy network businesses deliver electricity and gas to over 13.5 million customers, employ more than 40,000 people and contribute approximately 1.25 per cent to Australia's gross domestic product. Energy is delivered across Australia through approximately 48,000 km of transmission lines, 800,000 kilometres of electricity distribution lines and 81,000 kilometres of gas distribution pipelines. Energy network businesses are valued at more than \$48 billion and annually undertake investment of more than \$25 billion in network operations, reinforcement, expansions and greenfields extensions.

ENA supports the Government's plans for a National Broadband Network (NBN) and, in particular, the efficient use of infrastructure assets and services. The energy industry has extensive infrastructure assets and capacity, which may be useful in assisting with the rollout of the NBN. Some electricity network businesses also have significant experience in the commercial rollout and installation of cable television infrastructure and fibre using electricity assets, as well as the commercial sale of fibre network capacity to telecommunications carriers.

ENA believes that the Government needs to recognise the benefits of existing fibre infrastructure and ensure that these benefits are maximised in the roll-out of the NBN. It is also crucial that any legislative framework providing for the utilisation of existing network businesses' infrastructure occurs on fair and reasonable terms. Access to energy network businesses' assets must occur on a commercial basis, with transparent and cost reflective pricing arrangements. It is essential that the legislative framework provides sufficient safeguards for energy network businesses, ensuring that any existing long term commercial arrangements that may underpin some network investments, are not affected by the new legislation.

The rollout of the NBN provides a number of opportunities for the further development of, and integration with, "Smart Networks", particularly in jurisdictions that have yet to commence reform in this area. The ENA definition of 'Smart Networks' encompasses advanced metering,

communications and data management infrastructure as well as smart grid elements. Advanced communication infrastructure is also a key enabler.

ENA notes the recent Federal Budget announcement in which the Government announced its intention to invest up to \$100 million, in partnership with the energy sector, for the development of a new National Energy Efficiency Initiative. It is ENA's view that the rollout of the National Broadband Network, in conjunction with the National Energy Efficiency Initiative, may provide for a number of opportunities for further development and integration of "Smart Networks".

The industry is facing a step change in the way electricity is produced and consumed. Smart Networks will facilitate that change and will allow automated real-time interactions between all elements of the energy market. Given ENA's significant involvement in this emerging area, we believe it would be beneficial for Government and industry to work together closely to assess the impact of the NBN on our existing communications networks and identify potential opportunities for synergy between Smart Networks, the NBN and other strategic network projects.

Electricity network businesses are able to assist the Government in optimising the benefits of the NBN rollout on fair and reasonable terms. ENA and its members would bring valuable experience and expertise to the consultation process, particularly in the commercial rollout of fibre networks.

It is important to recognise that electricity network businesses have a business critical need to maintain their management and control of the communications infrastructure that enables the delivery of essential services. This is primarily for the purposes of security, continuity of supply, operational control and safety. It is important that this need is reflected in the legislative framework for the NBN Company and any outcomes arising from optimising the available synergies between the NBN and energy networks. This heightened awareness and management of high availability issues and security of supply would support the electricity network business participation in the design, implementation and ongoing management of the network. It would also seem prudent to have both the NBN and electricity network strategic projects aligned to ensure that the utilisation of Government investment, both state and Federal, is maximised.

ENA and its members are able to work closely with the Government in developing the arrangements governing the access to electricity networks infrastructure from a technical, compliance and service standards perspective. ENA members have knowledge of council and land management methods and systems. They also have experience with the technical issues and risks associated with the deployment of certain types of fibre infrastructure and are able to assist in Government consultation.

ENA is also eager to actively contribute and participate in the regulatory reform process that will result from the rollout of the NBN, as well as maintain involvement in all the planning consultation and construction stages of the NBN rollout.

Should you wish to discuss the issues raised in our submission please contact Mr Simon Bourke of ENA on 02 6272 1513 or sbourke@ena.asn.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Andrew Blyth', with a large loop at the end.

Andrew Blyth
Chief Executive