

Key Issues Brief

2.12 Norfolk Island Request for a Submarine Cable

Key Issues

- On the 20 October 2018 edition of the Norfolk Islander, Mayor Robin Adams raised again her approach to the Hon Dr John McVeigh MP, the former Minister for Regional Development, Local Government and Territories, to have Norfolk Island connected via a branching unit as part of the Department of Foreign Affairs' Coral Sea Cable System project.
- The Coral Sea Cable System project which will link Sydney, Port Moresby and Honiara.
- The Coral Sea Cable System project is being funded from Australia's overseas development assistance. A connection to Norfolk Island cannot be funded under this initiative.
- The Australian Government's position is any decision to build or extend a cable to a particular location is a commercial matter for the asset owners. For its part, the Australian Government is responsible for establishing protection zones around international submarine cables of national significance and issuing installation permits for submarine cables landing in Australia. This regime was established in 2005 and is administered by the Australian Communications and Media Authority.
- The Government's policy is that all Australian premises are able to access speeds of at least 25 Megabits per second. However, NBN Co Limited (NBN Co) has flexibility to choose the most appropriate technology given the costs of delivering services to remote areas. NBN Co has chosen to deploy satellite in some areas that have requested a cable, like Norfolk Island. The Island has a dedicated Sky Muster satellite spot beam.
- The Government is investing around \$2 billion on the National Broadband Network (NBN) Sky Muster satellite network. The satellites are optimised for broadband and are among the highest capacity internet-providing satellites ever built.
- As of 27 September 2018, there were 730 active services on the Island.
- The Department of Communications and the Arts is assisting Norfolk Telecom and the Norfolk Island Regional Council to understand the Australian telecommunications regulatory regime so it can decide its future role in service provision on the Island.
- Norfolk Island's relatively small population would make it extremely difficult to recoup these costs and it is likely that the Hawaiki cable would only be able to operate with a significant and ongoing subsidy from the Government.

Background:

- The Government has been approached on a number of occasions to consider supporting a proposal to connect Norfolk Island to the Hawaiki submarine cable.
- In 2016, the Norfolk Island Council requested \$15 million from the Government for a spur to connect to the Hawaiki cable and on 24 October 2016, Senator Pauline Hanson wrote to Minister Fifield requesting the Government financially support or underwrite the cable.

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- The Government rejected the proposal indicating that the Council did not provide a business case nor offer to invest any of its own money.
- The Hawaiki proposal has a significant cost beyond the estimated \$2.5 million for the branching unit from the main submarine cable. The estimated cost is likely to be \$15 million to extend a fibre spur and complete an installation of the cable to Norfolk's cable landing station. An upgrade to the landing station would also be necessary and would require additional investment.
- The Hawaiki proposal for the submarine cable was for less than one quarter of the capacity that the Sky Muster service is already providing on Norfolk Island. Increasing capacity to match that of the Sky Muster service would require a substantial amount of additional operational funding each and every year.
- More recently, the Norfolk Island People for Democracy activist group has been critical of the decision not to fund a cable to Norfolk Island. The group has made the point that the Government is funding a cable to PNG and the Solomon Islands, but not funding a lower cost cable to Norfolk Island, which is a part of Australia.

Sensitivities: Nil

Attachments: Nil

