

Dr David Gillespie MP
Member for Lyne
Chair of the Standing Committee on Communications and the Arts
Parliament House, Canberra ACT 2600

29 May 2020

Dear Dr. Gillespie,

I am writing to you in regard to the House of Representatives Standing Committee on Communications and the Arts report ***Next Gen Future - Inquiry into the deployment, adoption and application of 5G in Australia.***

Given the broad range of issues covered in the report we have decided to raise only the most relevant of them in our response to you. In our view the most critical issue facing us is delivering 5G connectivity into regional and rural Australia.

Regional and rural Australia are the heartbeat of our economy helping us export hundreds of billions of dollars of product every year from the agriculture and resources sectors and yet have traditionally had access to telecommunications services inferior to that being delivered in urban Australia.

To be quite frank, unless we see some decisive action from the Federal Government in terms of investing in the deployment of 5G in rural and regional Australia then they will miss out on 5G as well.

In the report the committee says that you see, "Great value in the deployment of 5G technology in rural and regional Australia, and is excited by the use cases presented by the agricultural sector...the Committee is concerned, however, that 5G will not be rolled out to regional areas until urban areas have been fully serviced."

As we move forward the lack of 5G in rural and regional Australia may not be such a problem for the resources sector given companies in that industry are often able to afford the construction of their own private mobile networks on their worksites. For example Huawei supplied one of the world's largest private 4G networks in the Cooper Basin for a mining company.

However, the agriculture sector is in no such position and yet, as the Department of Agriculture says in its submission, "*The deployment of 5G and its capacity to facilitate digital agriculture has the potential to transform the sector with precision agriculture optimising production practices and driving productivity gains.*"

As WA Farmers notes in its submission the key technologies enabled by 5G will deliver real and tangible benefits to our farmers that will ultimately enable them to be much more productive by adopting new technologies such as Artificial Intelligence that could, for example, enable autonomous vehicles that operate continuously and be remotely monitored.

In addition, the usage of IOT technology to deliver wide-scale sensor network on farms to monitor crop development and water levels and gather key data would also play a huge role in helping farmers boost their productivity levels.

Based on the conclusions of the committee and the comments from submissions from Federal Government departments and WA Farmers it is abundantly clear that the telecom industry, farming sector and Federal Government believe that 5G is going to be a key enabling technology for our agricultural sector.

To put it bluntly, given that we know farmers have already complained about coverage of 4G networks, with your own report citing that 43% of farmers had little or no mobile coverage in a 2017 survey, it is almost certain that rural and regional areas will miss out on 5G as well without intervention from the Federal Government. Research by [Oxford Economics](#) shows that up to 3 million Australian's (in regional and rural areas) will miss out on 5G technology.

The very successful Mobile Blackspots program has helped to reduce this lack of coverage in some areas but the program is largely focused on delivering mobile voice/mobile broadband connectivity and not the kind of more robust connection required for industrial usage.

As we outlined in our own submission to the committee the decision to exclude Huawei from the 5G market has already increased the cost of deployment here in Australia by around 30% by reducing critical vendor competition.

These additional deployment costs for 5G are going to make it even more difficult to deliver 5G coverage in rural and regional Australia and it is critical that the Federal Government finds ways to lower the cost of deployment for operators.

Indeed, we have already seen public comments from one mobile network operator reported in industry publication Commsday making it clear that they will need to access Federal Government funding in order to fund 5G deployment in rural Australia.

That being the case we support your recommendation on infrastructure sharing in regional areas in order to lower costs but as you will doubtless be aware there will be resistance from some stakeholders from delivering this outcome.

We also support your recommendation for wide-scale 5G trials to be deployed in regional and rural Australia in order to find out more about what kind of network design will be necessary to deliver the kind of 5G access that will actually enable our rural industries to do what they need to do online.

However, the brutal reality is that at a time when they are facing the strongest headwinds they have faced in a century many in our rural and regional farming communities are almost certain to miss out on 5G in the same way they missed out on 4G.

The Federal Government has staked over \$50 billion on building a National Broadband Network that may deliver better Internet than was previously available in the bush but data-caps and speed limits of 25Mbps are not sufficient for the type of industrial applications that our agriculture sector will need to be able to access.

As you may be aware the UK Government has already outlined a plan to deliver nationwide 1Gbps broadband – using both fixed-broadband and 5G technology – by 2025 with a key part of their focus being on delivering rural connectivity for their farming communities.

The reality is that 5G represents a chicken-and-egg situation for our farming communities, until they know for sure that they are going to be able to access 5G technology then there is no way that they can start planning to invest in new technologically advanced equipment that can boost their productivity.

At present there is no plan on the table to deliver truly nationwide 5G and – as noted above – mobile network operators have already made it clear that without Federal Government funding that they will not be able to deliver such an outcome.

At Huawei we have already seen how 5G technology has enabled farmers in markets like Switzerland and South Korea transform their operations and become more productive – these are competitors to our own farmers and we need to make sure they are playing on a level playing field.

That being the case it makes it even more vital that the committee make recommendations that could actually enable 5G deployment in rural and regional Australia – our firm view is your recommendations do not go far enough.

We would be very happy to meet with yourself or any other members of the Committee to discuss this important policy area.

Yours Sincerely



Jeremy Mitchell

Director Corporate & Public Affairs

Huawei Australia

Cc: The Hon Paul Fletcher MP, Minister for Communications
Ms Fiona Simpson, President of the National Farmers Federation

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