

*Working in partnership to protect and preserve life, property and the environment in the ACT*



**IPART review  
of  
Pricing NSW Government mobile  
radio services**

**ACT Emergency Services Agency  
Response to discussion and  
development topics**

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**1 Do the trends in GRN's operating and capital expenditures appear reasonable?**

*The ACT has no comment on this matter at this time.*

**2 Is there another feasible method for establishing the GRN's total efficient costs other than the building block approach?**

*The ACT has no comment on this matter at this time.*

**3 In determining the allowance for regulatory depreciation, is 'straight line' depreciation appropriate, or should we use another approach?**

*The ACT has no comment on this matter at this time.*

**4 In determining the allowance for a return on assets, are there grounds for departing from our usual WACC approach and its standard parameter valuations?**

*The ACT has no comment on this matter at this time.*

**5 Should we allocate costs between categories of users primarily on an impactor pays or a beneficiary pays approach, or on an approach that blends the 2 or on some other approach altogether?**

*The ACT has no comment on this matter at this time.*

**6 What is the appropriate balance between fixed and variable charges? What is the justification for this balance?**

*The ACT has no comment on this matter at this time.*

**7 What is the most appropriate unit of consumption? If it is terminal numbers, are there grounds for setting different prices for active and inactive terminals?**

*The ACT has no comment on this matter at this time.*

**8 Is some form of time-of-use pricing, distance-based pricing or a premium for high-priority connection to the GRN appropriate?**

*The ACT has no comment on this matter at this time.*

**9 What would constitute equitable pricing of the GRN services used by the ACT Emergency Services, RailCorp, other essential service providers and isolated infrequent users?**

*The current strategy of the ACT agreement based on proportional access to equipment is a straight forward and simple calculation. The ACT supports the continued use of this model.*

**10 What was the size of your charges and bills for access to the GRN in 2009/10 and 2010/11, and what proportion of the total business operating costs (excluding depreciation and interest) did the bills represent in those years?**

*As stated in the IPART document "Pricing NSW Government mobile radio services Developing a pricing methodology and recommending prices from 1 July" the ACT pays the NSW government \$259K annually for access to central site equipment. The document does not disclose the full cost of engagement with the NSW GRN. The annual data link cost payed to connect the ACT to the NSW GRN is \$643,654 excluding GST, for various reasons this figure is more than double the original cost established in 2004. In addition to this \$902,654 cost of engagement the ACT builds and maintains its own sites and equipment which brings our annual support budget to \$1.65M.*

**11 If you were funded by statutory contributions, what was the size of those contributions in 2009/10 and 2010/11 and what proportion related to the charges levied on you by the GRN?**

*The ACT is not fund in this manner. The ACT has no comment on this matter at this time.*

**12 Whether it is justified to phase in full cost recovery or to recommend Community Service Obligations, and how either approach should be applied?**

*The ACT government choose to fully fund support to the ACT Trunked Radio Network (TRN) from its inception in 2004. New or replacement terminal equipment is however purchased by user agencies. This simple arrangement has been very successful.*

**13 What are the implications of national developments and the application of competitive neutrality principles for this review?**

*The ACT TRN operation does not user-charge and therefore is not considered a business as per the terms of Commonwealth Competitive Neutrality Policy Statement of 1996.*

**14 Are there other issues relevant to this review, and, if so, what are they?**

*The ACT engagement with the NSW GRN has been very successful over the last 6 years. The cross border seamless interoperability between ACT and NSW emergency services has been a national reference point for cross border communications. However escalating link costs and the falling cost of central site equipment is moving the cost point towards the establishment of an ACT owned NOCC within the ACT. The ACT is currently investigating cost reduction options in the area of interstate communication links; however the long term continued involvement with the NSW GRN cannot be assured.*