

6 February 2018

Councillor Tom Tate
Mayor
Gold Coast City Council
PO Box 5042
GOLD COAST MC QLD 9729

Dear Tom

I refer to my letter of 1 December 2017 in which I outlined the benefits to Queensland of the Sunshine Coast Council's initiative to secure the delivery of an international broadband submarine cable that would land on the Sunshine Coast.

In my letter, I also indicated I would keep you informed of progress with this initiative and advise on opportunities for your Council to participate in this project.

As you are aware, the Sunshine Coast International Broadband Cable Network (SCIBCN) Project enjoys significant support across the political spectrum. The Premier has personally supported the project domestically and internationally and the Queensland Government has committed \$15 million as a contribution towards the delivery of the SCIBCN.

Furthermore, through *Shaping SEQ – the South East Queensland Regional Plan*, the Queensland Government has confirmed its commitment to work with our Council on the SCIBCN to facilitate the delivery of this project. The SCIBCN is also supported by the Queensland Opposition and minor parties and has received financial support from the Federal Government to facilitate the preparation of the detailed feasibility study, which was completed in October 2017.

You would also be aware that both the Local Government Association of Queensland (LGAQ) and the Council of Mayors South East Queensland (COMSEQ) have supported this project for some time and have recognised the SCIBCN as an initiative that our Council will potentially offer to other SEQ Councils to consider being part of, given its broader regional and State-wide benefits.

By way of an update on the status of this project I can confirm that at the present time:

- Our Council is completing the Expressions of Interest stage for the SCIBCN and detailed commercial negotiations have commenced with proponents that have the demonstrated capability to deliver the three major project components of the SCIBCN. For your information, our Council received 12 Expressions of Interest as part of this process;
- It is our expectation that these negotiations will be sufficiently advanced by April/May 2018, at which time our Council will be in a position to engage in commercial discussions with the LGAQ and interested SEQ Councils on the preferred transaction proponents, a proposed business model and commercial investment framework;

- Our Council anticipates making detailed presentations to interested Councils in May 2018 and will confirm its investment arrangements for the SCIBCN as part of its 2018-19 budget (which is scheduled to be adopted on 21 June 2018); and
- Discussions are well advanced with representatives of the Queensland Government in relation to securing the Government's financial contribution of \$15 million towards this project, with the funding available through the Jobs and Regional Growth Package.

This is an exciting project and one that will deliver significant benefits to south-east Queensland and indeed, state-wide. The support that we have enjoyed to date from the councils of SEQ has been of considerable benefit and has been instrumental in advancing both the process around this project and enhancing the awareness of the broader benefit that a submarine cable and associated infrastructure and connectivity would offer the State.

In this context, you would be aware of communications by your Chief Executive Officer, Mr Dale Dickson, with our Council and with the Honourable Mick de Brenni, Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport in relation to the Gold Coast City Council's (GCCC's) commitment to developing a feasibility study and business case for an international submarine cable to come ashore within the Gold Coast local government area. I understand you are also aware of Mr Dickson's letter of 19 January 2018 to Minister de Brenni conveying GCCC's readiness to progress an international broadband submarine cable project should the SCIBCN not proceed.

I note that in his letter to the Minister, Mr Dickson sought to convey what he pitched as "... *the significant benefits and potential savings that could be obtained if the international cable was to be landed on the Gold Coast*".

Tom – I am drawing this to your attention because quite frankly, there is no other way to describe Mr Dickson's actions as poor form.

I do not consider this action by Mr Dickson to be in keeping with the collaborative approach and previous commitments which you and the other SEQ Mayors have made through the COMSEQ. COMSEQ has long prided itself on its ability to work together and support its member Councils on matters of interest to the broader SEQ and to support initiatives of individual councils that further this objective. As you know, the COMSEQ has provided long-standing support for the SCIBCN and has featured this project as part of its regional priorities within both its State and Federal advocacy documents. You have been a part of that process and have previously committed your support to the SCIBCN at COMSEQ meetings.

I also understand the project that the GCCC is contemplating may involve a spur connection from a Gold Coast landing station to an existing international submarine cable that runs along the eastern seaboard (PPC-1). If it is, then you should be aware that this spur connection – which has previously been investigated by our Council – will not increase the bandwidth, capacity or redundancy currently available on the eastern seaboard of Australia, given its connectivity with an existing international cable.

My Council's Chief Executive Officer has written to Mr Dickson expressing our Council's concerns with his actions and that there is a potentially significant risk to the current procurement process and commercial negotiations that our Council presently has underway,

should the GCCC be conveying signals to the marketplace in relation to its interest in progressing its own international submarine cable project. As you would appreciate, the submarine cable marketplace is not extensive so the reality is that any signals conveyed by GCCC could seriously compromise our Council's negotiating position and undermine our current process.

I put it to you Tom – how would you and your Councillors feel if another local government in Queensland behaved in a manner that could potentially undermine a significant contractual negotiation or procurement process that your Council had underway for a matter of defining regional importance to the Gold Coast and potentially the State?

Given what has transpired and the potential implications, I am proposing that this matter be discussed at the next COMSEQ Board meeting on 23 February 2018. As you would appreciate, it is of significance to our Council that COMSEQ re-confirm its support for the SCIBCN at this critical time, hence my desire that this be discussed at the Board meeting in February.

I have also written to the Premier; the Treasurer; the Minister for State Development, Manufacturing, Infrastructure and Planning; the Minister for Innovation and Tourism Industry Development; and Minister de Brenni to convey this project update and to alert them to the implications for our Council of the actions being undertaken by Mr Dickson.

If you have any questions, please do not hesitate to contact me directly on 0418 775 841.

Yours sincerely



MAYOR MARK JAMIESON