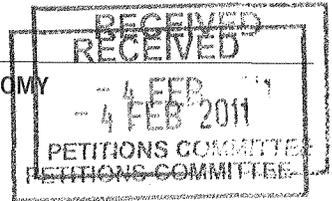




SENATOR THE HON STEPHEN CONROY

MINISTER FOR BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY
MINISTER ASSISTING THE PRIME MINISTER ON DIGITAL PRODUCTIVITY
DEPUTY LEADER OF THE GOVERNMENT IN THE SENATE



The Hon John Murphy MP
Chair
Standing Committee on Petitions
PO Box 6021
Parliament House
CANBERRA ACT 2600

28 JAN 2011

Dear Mr ^{John}/Murphy

Broadband access

Thank you for the opportunity to respond to a petition submitted for consideration by the Standing Committee on Petitions, concerning access to broadband services.

I am aware that there are some areas within the city of Redlands and its surrounds that do not have adequate access to ADSL broadband services.

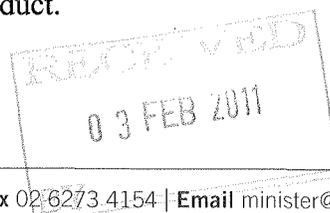
Access to ADSL can be limited or not available from certain telephone exchanges for a range of technical factors. These include the use of line sharing technologies such as pair gain or remote integrated multiplexer (RIM), the distance of premises from the exchange and the availability of spare ports in the exchange.

While I appreciate the concerns of residents of the city of Redlands, the decision to provide broadband services in a particular region and how these services are priced is a commercial matter for each service provider.

Telstra is a private company and the government does not seek to influence Telstra's decisions about the day-to-day management of its business. Consistent with corporation's law requirements, these decisions are left to Telstra's board and management.

Given the high demand in the Redlands area for ADSL services, I encourage the citizens of Redlands to contact Telstra in regards to upgrading the local exchange to support ADSL service.

As you may be aware, under the existing telecommunications-specific access regime, competing service providers are able to install their own ADSL and ADSL2+ equipment in Telstra's exchanges. If service providers encounter difficulties in competing with Telstra, including gaining access to Telstra's local telephone exchanges, they can approach the Australian Competition and Consumer Commission (ACCC), which has powers to enforce access obligations and address anti-competitive conduct.



The ACCC has released a draft record keeping rule requiring Telstra to keep records and give reports to the ACCC relating to access to Telstra exchange facilities. The purpose of this is to ensure that access seekers are not unreasonably denied access to Telstra exchanges by increasing the accountability of Telstra's decision making processes.

The Australian Government understands that access to affordable, high speed broadband is increasingly essential to the way Australians communicate and do business. It will help drive Australia's productivity, improve education and health service delivery and connect our cities and regional centres.

The government has established NBN Co Limited to build and operate a new high speed National Broadband Network. The National Broadband Network will be the single largest infrastructure investment made by an Australian Government and will be accompanied by historic reforms to Australia's telecommunications sector. The National Broadband Network is about more than having a faster internet connection. The productivity gains associated with this investment will mean that the full benefits will continue to flow for decades beyond the completion of the project.

The National Broadband Network will provide access to high speed broadband to 100 per cent of Australian premises. The government's objective is to connect 93 per cent of Australian homes, schools and businesses with fibre-to-the-premises technology providing broadband speeds of up to 100 megabits per second (mbps).

The government has recently enacted historic legislative reforms designed to separate Telstra, improve access regulation and enhance consumer safeguards in relation to telecommunications. These reforms will help to increase competition and service innovation, which will benefit all Australians and the citizens of Redlands.

The government is moving as quickly as practical to roll out the network, including to Redlands. However, consistent with any major project of this size and complexity, it is necessary that the planning and design phases are undertaken to ensure that the rollout occurs as efficiently as possible.

Indicative network coverage maps have been published by NBN Co Limited and are available at www.nbnco.com.au/our-services/coverage-maps. These maps provide an indication of the likely coverage and technology that is proposed in Redlands and indicate that Redlands may be served by next generation wireless technologies providing speeds of up to 100 mbps peak speeds of at least 12 mbps. Please note that these coverage maps are indicative only and subject to change.

On 7 September 2010, the Prime Minister announced that as the National Broadband Network is built, regional areas will be given priority to ensure they can more quickly overcome the 'digital divide' they currently experience. Fibre will be built in regional areas as a priority and NBN Co Limited will bring forward the introduction of wireless services and satellite services so that regional Australia can get access to better broadband as soon as possible.

The National Broadband Network will ensure that every community in regional Australia gets fair and equal access to affordable high speed broadband. This includes the delivery of a uniform national wholesale price. Wholesale broadband prices will be the same regardless of location and irrespective of the technology platform used to deliver the services. Retail pricing levels will be a matter for Retail Service Providers that utilise the network and it is anticipated the level and range of retail prices will be comparable to existing prices in the market today, while providing a better service.

The government is committed to high speed broadband for all Australians, not just those that live in the capital cities. Since the announcement of the National Broadband Network in April 2009, the majority of the network construction that has occurred, or is in the planning stages, has been in rural and regional Australia.

NBN Co Limited is developing a detailed rollout plan as part of its planning processes and is providing details of the rollout on its website as they become available.

The National Broadband Network will be Australia's first national wholesale-only, open access broadband network offering equivalent terms and conditions to all access seekers. This means NBN Co Limited will roll out the network and sell wholesale services to Retail Service Providers, who will then provide services to end users. This represents significant structural change in the telecommunications industry and will support vibrant retail competition. The National Broadband Network will be built and operated on a commercial basis, at arm's length from government, by NBN Co Limited.

The government uses regulatory reform and targeted funding programs to equitable, affordable access to telecommunications services.

Once such targeted program is the Australian Broadband Guarantee which aims to provide an effective transition to the high speed broadband services made available under the National Broadband Network. The Australian Broadband Guarantee provides equitable access to broadband services while the National Broadband Network is being rolled out.

The Australian Broadband Guarantee provides eligible Australian residential and small business premises with access to reasonably priced broadband services by offering financial assistance (in the form of incentive payments) to registered internet service providers to supply services to eligible premises.

Peak data speed of 1 mbps/256 kilobits per second (kbps) upload, and a data usage allowance of 6 gigabytes (GB) per month, with at least 3 GB available during peak periods and 3 GB during off-peak periods. Providers are also required to offer an extended warranty of at least three years on new customer premises equipment. Despite these increases in the minimum standards, the total cost to the consumer has not increased, and remains set at \$2500 over three years, including equipment, installation and monthly fees.

These improvements in the threshold service are designed to ensure that the Australian Broadband Guarantee continues to offer a safety-net for people without access to commercial metro-comparable broadband services. It is not intended to replicate the highest speeds, data allowances and prices that some commercial operators offer.

Many providers also offer services with faster speeds and higher monthly usage allowances, as well as 'entry level' services that offer lower speeds and data, but are also priced at lower levels.

My department operates a Broadband Consumer Support section which provides information about broadband services in general and about services available under the Australian Broadband Guarantee. I would encourage residents of the city of Redlands to contact the Broadband Consumer Support section on freecall 1800 883 488 weekdays between 8.30 am and 5.00 pm to discuss what options may be available.

Thank you for bringing the residents of the City of Redlands concerns to my attention. I trust this information will be of assistance.

Yours sincerely

Stephen Conroy
Minister for Broadband,
Communications and the Digital Economy