

Submission to the Fourth Review of the NBN Joint Committee

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The NBN is a highly politically-charged issue. I wish to state from the outset that I have no wish to become embroiled in the politics of this issue. As an educationalist, my interest is in exploring the capacity that the NBN has to enable the next generation of higher education learners.

There is no doubt that the NBN has the potential to provide high speed access to rich online educational opportunities. The realisation of this potential, however, is contingent on students gaining access to this important resource; and this is where my concern lies.

The higher education reforms introduced by the Commonwealth as *Transforming Australia's Higher Education System* (2009)¹ has encouraged all Australian universities to increase enrolments by low SES students as a basis for improving Australia's higher education attainment rate. Universities such as my own that have proven successful in supporting non-traditional students through to successful graduation tend to punch above their weight in this regard. The University of Southern Queensland serves a highly diverse student constituency. One-third of our students are from low socio economic status (low SES) postcodes from all over Queensland and Australia. A significant proportion of these students are financially disadvantaged.

At a forum on high-speed broadband and higher education held at the University of Melbourne on 27-28 September this year², Minister Conroy noted that higher education needs to determine how to respond to the new environment and challenged universities to ensure that models of higher education innovate and adapt to the NBN. In practice, however, such models will only be able to be utilised if the rates of access to the NBN amongst students are high. If this is not the case, then basing learning strategies that rely on high-speed broadband access that is not available to a significant number of students would severely disadvantage those students and run contrary to the Commonwealth's desire to broaden higher education participation and increase degree attainment.

However, what appears to be missing from the NBNCo business plan at the present time is a strategy for securing high rates of access to NBN by higher education students within a reasonable timeframe. In fact, current approaches appear to imply that access to NBN by financially disadvantaged higher education students is likely to be limited for a decade or more.

The NBN Co Corporate Plan for 2012-15 released 6th August 2012³ shows in exhibit 7-8 that base level NBN plans compare favourably with premium copper based services (ADSL 2+). This implies that upon NBN roll-out, base-level NBN access will be cost equivalent to current premium-based copper-based services. This will make NBN unavailable to students who are unable to afford a premium access service.

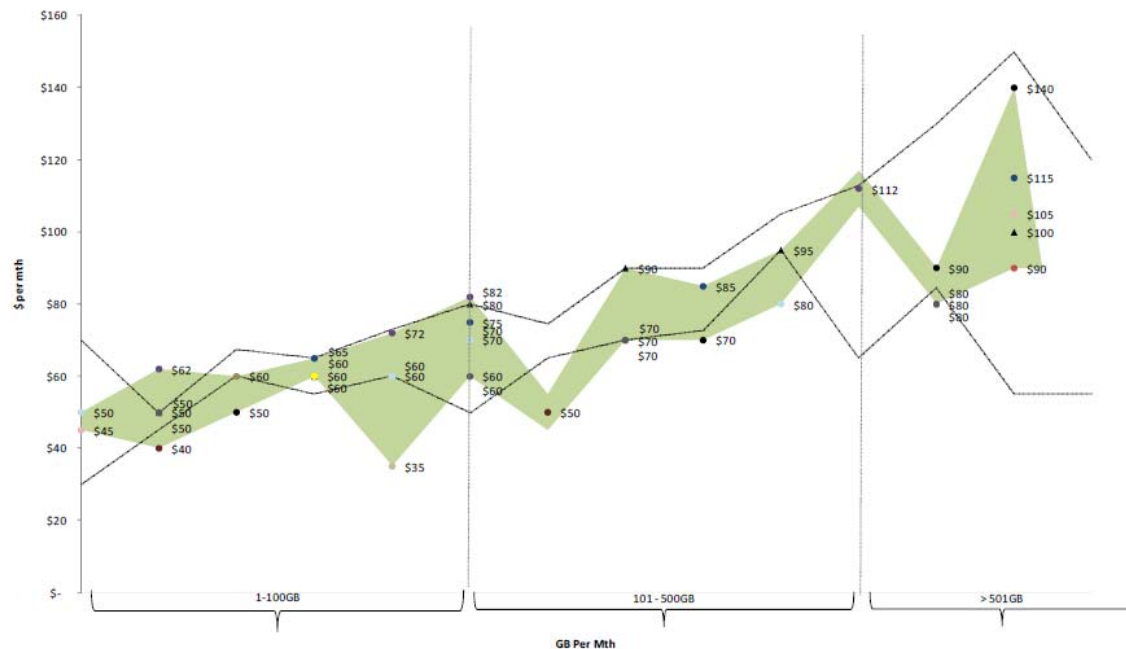
¹ Commonwealth of Australia (2009). *Transforming Australia's Higher Education System*: www.deewr.gov.au/HigherEducation/Pages/TransformingAustraliasHESystem.aspx

² Creating New Futures: High-speed broadband & higher education, 27-28 September 2012, University of Melbourne – Program: www.cshe.unimelb.edu.au/research/res_seminars/major_events/nbn_forum/NBN_web_program.pdf

³ NBNCo (2012). Corporate Plan 2012-15: www.nbnco.com.au/assets/documents/nbn-co-corporate-plan-6-aug-2012.pdf

In addition, all NBN retail service providers appear to require a minimum term contract (typically 24 months) which will serve to limit access for users with low housing stability. This will make NBN unavailable to students who are unable to commit to a 24 month internet service contract by the nature of their housing arrangements.

Exhibit 7-8: Comparative Bundled Pricing NBN Retail 12/1 Mbps – ADSL 2+



Source: NBN Co, Analysis based on RSPs published pricing as at June 2012, reflecting circa ~90% of market share.

Note: *The shaded Green area represents the range of bundled NBN plans in the market at the indicated speed tier.

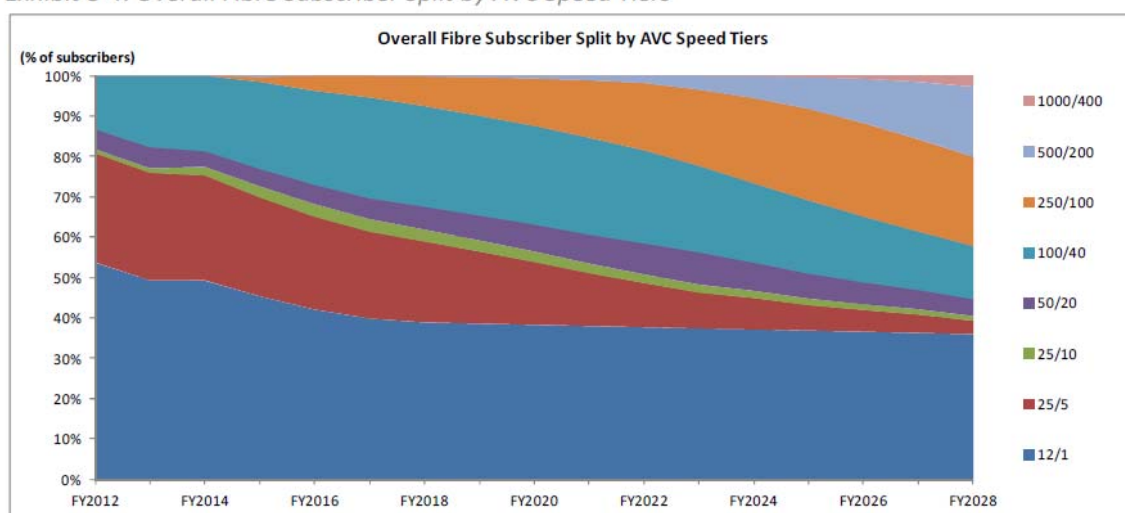
**The range of bundled ADSL plan price points in the market are depicted by the area between the 2 solid lines on the chart.

There is also currently a lack of clarity with regard to how the 'opt out' process will occur upon initial deployment of the NBN. It is not clear when copper services will be withdrawn following deployment – estimates range from one-to-three years – or what additional costs will be borne by individuals who initially opt out once they are obliged to connect to the NBN service once the copper services is removed. It is clearly possible that disadvantaged people will be further disadvantaged during the awkward transition period.

It terms of forecast subscribers the NBN Co Corporate Plan for 2012-15 exhibit 8-4 shows growth at the faster service levels, further supporting its value to premium services and user able to pay for high speed access. As the copper network is shutdown access to base level services becomes mandatory and low SES households are locked into higher service fees for low-end broadband and voice only End-Users.

The NBNCo strategy appears to be strongly based on attracting high-end users on the assumption that high take-up rates of the premium product will eventually drive down prices across the system. However, this delay in access by the most disadvantaged in society risks an extended period of a digital divide that will also be reflected in the higher education student population.

Exhibit 8-4: Overall Fibre Subscriber Split by AVC Speed Tiers



Source: NBN Co

From the perspective of my University, the potential for low access rates by the significant proportion of our students who are financially disadvantaged will mean that we will not be able to justify significant investment in higher education models centring on the NBN. Our investment instead may need to be directed towards alternatives to the NBN that our students are more likely to possess such as mobile devices, as these will be much more likely to ensure equitable access to higher education opportunities across our student constituency.

This would represent a missed opportunity to boost the future of low socio economic status students and those most in need of a quality education.

The Commonwealth currently has a program in place to develop learning models that fully exploit the potential of the NBN for those who have access to it.⁴ However, I urge more consideration to be given to considering strategies for securing broad access to the NBN within a reasonable timeframe as a basis for enabling our next generation of learners to benefit from this significant piece of national infrastructure as it is rolled out.

Recommendation:

That the Commonwealth work with the sector to address the issue of access to NBN by low SES students as a basis for ensuring continued equitable access to higher education by the next generation of learners.

⁴ NBN-enabled Education and Skills Services Program:
www.dbcde.gov.au/digital_economy/programs_and_initiatives/nbn-enabled_education_and_skills_services_program

In summary:

NBN has the potential to offer students an improved learning experience. However, its utility in a higher education context is dependent on high access rates to NBN by university students.

There is every indication that NBN will provide well for the premium end of the retail internet services market. However, for students either

- a) Unable to afford a premium access service, or
- b) Unable to commit to a 24 month internet service contract,

any potential benefit is unrealised.

An opportunity to digitally enable a generation of students and boost participation of low SES households is at risk of being missed. Boosting NBN participation in these groups allows Universities to provide richer experiences without risk of disadvantaging those unable to participate. Raising the minimum bandwidth requirements and technology access is vital to improve the educational experience for all participants.