

List of Committee Comments and Conclusions

Chapter 2

2.14 The committee acknowledges that broadband benefits will facilitate the government's social inclusion agenda, particularly for those Australians living in isolation. However, the committee also acknowledges that the extent to which these benefits are felt will be highly dependent on the extent to which the NBN will be accessible by those in regional and remote Australia.

Conclusion 1

2.26 The committee is of the opinion that, in order to prevent a difference of measurement modelling, similar to that which occurred with the assessment of the OPEL bid, possibly resulting in a consequential delay to the NBN implementation, it would be beneficial for all stakeholders to know which modelling the department will use to assess the coverage footprint.

2.38 It is the committee's view that it would be an extremely unsatisfactory result for the NBN, such a significant government investment, which has been contributed to by all Australian taxpayers, to reach only a small percentage of a state's geographical area while leaving a very high proportion of rural and remote citizens without access to the NBN.

Conclusion 2

2.42 At the time of this report going to print, neither the department nor the Australian Government had provided any guidance or further clarification of the composition of the 98 per cent NBN coverage footprint. The committee believes that the government needs to provide this clarification to proponents and stakeholders alike to ensure a level of confidence that the significant \$4.7 billion funding will benefit in particular those Australians that are already underserved or unserved. Particular attention is required to address the needs of those remote areas that are currently generating a large percentage of Australia's wealth yet are in the most underserved areas.

Conclusion 3

2.73 The committee believes that submissions received and evidence taken to date strongly support the need for the term 'open access arrangements' to be more clearly defined. The committee calls on the government to provide a clarification of this term, which is critical to encouraging ongoing competition in the industry. This would ensure that there is no potential for a successful bidder to interpret the term to its own competitive advantage.

2.109 The committee acknowledges concerns of affordability and service provision, which have the potential to impact on the long-term sustainability of the NBN operator in providing a viable return of investment.

Conclusion 4

2.127 The committee questions the appropriateness of the timeline for the evaluation of the RFP, believing it will not permit the necessary level of scrutiny by either the Expert Panel or the ACCC to select the successful proponent for the NBN.

Chapter 3

3.48 The committee considers that the government should have provided a regulatory framework within the RFP; this would have provided proponents with greater certainty in building their business case for the NBN, while also providing a legal framework for the assessment of proposals.

Conclusion 5

3.56 The committee concludes that omitting to specify the structure of the new network has caused confusion and uncertainty among potential bidders and industry stakeholders.

3.88 The committee supports the general consensus that any new regulations that underpin the NBN should ensure that any operator/owner of the new network cannot participate in anti-competitive behaviour.

3.112 The committee encourages the government to effectively utilise this historic opportunity for regulatory change.

Conclusion 6

3.124 The committee believes that it is in the interest of the government, the industry and the Australian people to ensure that delays to the timeframe for implementation of the NBN are kept to a minimum. Notwithstanding this, the committee considers that the government should incorporate appropriate and timely opportunities for consultation with the industry on suggested regulatory changes.

Conclusion 7

3.125 The committee also believes that the government could easily remove several avenues of possible legal challenge by incorporating industry consultation into the process, even at this late stage.

Chapter 4

Conclusion 8

4.55 The committee believes that the requirement in the RFP for the NBN design to be based on a FTTN or FTTP platform should be broadened to enable a greater level of technology convergence where this is more appropriate than fibre.

Conclusion 9

4.76 The committee acknowledges the complexity of the deployment of the NBN. However, the committee concludes that the most effective use of this substantial expenditure would be to ensure that those Australian homes and businesses that are currently most disadvantaged should be prioritised for initial deployment of the NBN. That is, areas that are currently underserved or unserved should have broadband deployed first, with infrastructure subsequently rolled-*IN* towards the cities from those underserved areas, which are generally in regional, rural and remote communities.

Conclusion 10

4.77 The committee concludes that the best model for planning the deployment schedule would incorporate high levels of coordination and ongoing involvement by local and state governments with the Commonwealth Government. This would also provide assurance of support through appropriate regulatory changes within each tier of government.

Conclusion 11

4.78 The committee also concludes that there needs to be a carefully considered transition plan to migrate both existing service providers and their customers to the new network over the five year period specified in the RFP. The aim of this transition would be to ensure that it occurs seamlessly, with a no disadvantage test over the five years and that it minimises the issue of stranded assets and stranded customers.