



Internet Society of Australia
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National Broadband Network Panel of Experts
Department of Broadband, Communications and the Digital Economy
GPO Box 2154
CANBERRA ACT 2601
By email: nationalbroadbandnetwork@dbcde.gov.au

Re: Submission on *Request for Proposals for a National Broadband Network*

The Internet Society of Australia (ISOC-AU) welcomes this opportunity to provide a submission on the issues it believes should be addressed in the Panel of Experts' *Request for Proposals for a National Broadband Network* (NBN).

ISOC-AU provides broad-based representation of the Australian Internet community both nationally and internationally from a user perspective and a sound technical base. We also consistently promote the availability of access to the Internet for all Australians. Because the Internet is a central driving factor in the demand for broadband, ISOC-AU has a direct interest in the outcomes of the assessment of proposals for the national broadband network infrastructure.

The Internet has and should continue to be an important driver of innovation and economic growth in Australia. The investment of \$4.7 billion in a new fibre network for Australia should be used as an opportunity to maximise industry investment in high speed Internet under a competitive regulatory regime, supporting fibre to the premises with speeds greater than 12 Mbps if possible and without a regulatory holiday (that is, without any suspension of competition requirements and through an open access regime). For ISOC-AU, the NBN must deliver high speed Internet to Australians at their premises. It must support the implementation of Internet Protocol version 6 (IPv6) and it must support multiple service providers being connected to end users without discrimination based on the source or destination of the traffic. Our specific comments are as follows:

High speed transmission

ISOC-AU strongly supports the Government's commitment to provide up to 98 per cent of Australians with broadband speeds of up to 12 Mbps over the next five years and those speeds need to be fully available for Internet usage. We also support Senator Conroy's recent statement that the broadband speeds provided will be more symmetrical. Higher symmetrical speeds should be designed to deliver greater use of the Internet Government initiatives in health and education services, greater use of the Internet by business in its interactions with its customers and greater access by residential users in accessing newer Internet services and applications. More symmetric speeds will also support real time

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communications for the Deaf community and people with speech and hearing impairments.

Broadband coverage

Currently, the term broadband being used in Australia can be very limited, with some services of 256 Kbps being included. As the Government's policy has recognised, the definition of broadband should mean substantially increased speeds. Indeed, industry discussions of potential future needs have ranged from tens of megabits per second to tens of gigabits per second.

ISOC-AU strongly supports the Government's commitment to ensure that high speed broadband extends to regional and rural Australia provided that it is designed to deliver Internet access. Ultimately, that will mean the provision of fibre to the premises for most Australians. In the interim, we support the Government's commitment to continue the Australian Broadband Guarantee program, to provide regional and rural Australians with at least a minimum level of broadband access to the Internet using other technologies.

Because the Government will be supporting the provision of fibre through its commitment of \$4.7 billion of public money, it is important that those funds are targeted to maximise industry investment in high speed broadband without a regulatory holiday. As the Government recognises, there are areas, particularly in regional and rural areas, where the market has not, and is not likely to, provide high speed broadband. In those cases, ISOC-AU supports suitable application of benefits from the Communications Fund to foster the continuing application of advanced network technologies to Internet users throughout Australia.

A competitive network and regulatory change

The Government has flagged that there may be 'regulatory' changes to facilitate the provision of a broadband network, and has asked that any proposal for the NBN indicate what those changes should be.

ISOC-AU strongly supports effective competition in the provision of broadband services. It is because of competitive pressures that many Internet users have benefited from the choice of broadband provider and, with it, the ability to choose the type of service at a price range that meets their needs.

We welcome the Government's commitment that the provider of the NBN must facilitate competition through open access arrangements, including the equivalence of access charges, and allow competitors to differentiate their product offerings from the network provider. We would add there must also be equivalence in the non-price terms and conditions on which access to the network is provided.

The network provider of fibre may become, in effect, the monopoly provider of the NBN. This can occur because of regulatory changes, because of the way the NBN is technically configured, or because there would not be a sustainable business case for other fibre providers in the market. One issue that the Panel must consider is the proposed architecture of the NBN and its ability to accommodate non-discriminatory access by competitive access seekers. In any case, there may be a strong argument for a form of functional or operational separation between the infrastructure provider and retail service providers.

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In 2005, the Government set requirements on Telstra for a form of operational separation. Depending on the proposals for the provision of an NBN, ISOC-AU suggests that the Task Force seek advice from the Minister and ACCC on the effectiveness of that operational separation model and whether other models (such as that followed by BT, in New Zealand or as suggested by EU Directives) may be more appropriate in ensuring a competitive environment in the Australian market.

Affordability

One critical factor in user take-up of broadband will be value for money in the hands of Internet users, provided that the level of its retail price is also reasonable, together with the quality of the service(s) delivered for that price. Clearly, the Government's \$4.7 billion contribution will be a major factor to ensure that the NBN provider has a sustainable business case for provision of broadband, while keeping the costs charged to services providers down. This should result in users charges at an affordable level. However, some areas may be more difficult and costly to provide broadband, in which case there may be a case for Government 'safety net' provisions to address the affordability of broadband service to users in those areas.

ISOC-AU strongly supports this initiative as a means to provide public access to high speed Internet, and would look forward to being involved in any further consultation processes.

Yours sincerely

Holly Raiche
Executive Director, ISOC-AU