



**NBN Senate Inquiry**  
**National Broadband Network**

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## **Introduction**

ATUG is pleased to make a submission to the Senate Select Committee on the National Broadband Network.

The provision of ubiquitous, affordable next generation broadband for Australia is a key policy issue for the Government, Parliament and Australian businesses and consumers.

It is about much more than the interests of shareholders of telco stocks, however important these may be. It is about the transformation of the Australian economy, Australian Government service delivery and community sector activities in delivering services and support to complement business and government services.

## **Background on Broadband**

ATUG has been focused on improved broadband access for all Australians for many years and has participated in and made many submissions to Government, Departmental and Regulatory inquiries into broadband and related issues. Examples include ATUG's submission to:

- the Expert Panel (29/03/2008),  
<http://www.atug.com.au/submissions/ATUGNBNReglssSub/ExPanNBN.pdf>
- the Expert Taskforce (20/08/07),  
<http://www.atug.com.au/submissions/ATUGNBNReglssSub/HSNBNInfrPro.pdf>
- a number of earlier Senate Inquiries into Broadband

ATUG has been discussing issues relevant to Broadband with members, industry, policy makers and regulators since 2000. Some examples of these discussions are:

- ATUG Opinion on Bottleneck Assets (17/08/05),  
<http://www.atug.com.au/submissions/ATUGNBNReglssSub/BNAssets.pdf>
- ULL and FTTN Developments (19/04/2006),  
<http://www.atug.com.au/submissions/ATUGNBNReglssSub/ULL.pdf>
- FTTN Plans (09/08/06),  
<http://www.atug.com.au/submissions/ATUGNBNReglssSub/FttN.pdf>
- FTTN Pricing (02/07),  
<http://www.atug.com.au/submissions/ATUGNBNReglssSub/SenEst07.pdf>
- ATUG 2007, March 2007  
<http://www.atug.com.au/submissions/ATUGNBNReglssSub/ATUG07Add.pdf>

- ATUG 2008, March 2008  
<http://www.atug.com.au/submissions/ATUGNBNReglssSub/ATUG08Add.pdf>
- ATUG Regional Conference 2008, May 2008  
<http://www.atug.com.au/submissions/ATUGNBNReglssSub/RegConf08Add.pdf>

## Regulatory Issues

ATUG's key messages are contained in our submission to the NBN Regulatory Issues process established by the Expert Panel overseeing the development of proposals for Australia's NBN. ATUG's submission was based on member discussions and Forums during 2007 and 2008 and on our assessment of global developments and trends.

ATUG and its members are focused where the Government has said it is focused - on the critical importance of future telecommunications regulatory settings, including ongoing consumer safeguards, **to ensure the best outcomes for all Australians and the competitiveness of the economy.**

ATUG's key suggestions are

- **Policy objectives** for the NBN regulatory framework must include being in the Long-term Interests of End Users and be complemented by an effectively competitive services market place.
- **Affordability** is the key to take-up. Regulation must support the cost effective building of the NBN as well as recognise that effective competition is the strongest tool for delivering affordable prices. An entry level "safety-net" package should also be developed.
- **End User Choice** – network design is central to competition and choice. Only designs that promote competition should be accepted. When infrastructure competition is not possible, services competition based on open access and service equivalence at a wholesale level must be ensured.
- **Wholesale Service Equivalence** in wholesale services together with effective services competition can only be assured by establishing:
  - clear separation between wholesale and retail units and
  - a new pro active, pro competition independent oversight body, NBN Australia, with the task of implementing the Open Access and Equivalence Frameworks for Australia's NBN, using facilitation and mediation

- **Customer Experience** in the NBN environment must be carefully managed to ensure a successful transition and good end user outcomes. Service quality and security standards must be established at a level to reflect the key role of the NBN in the lives of all Australians.
- **Ubiquity** – all Australians must be connected to the NBN. Ubiquity is not only about network availability but also about affordability and accessibility. When all Australians are connected to the NBN, the real potential of this for productivity, growth and innovation will be open to end users in every sector of the economy and community, and in all regions of Australia.

More detail is provided in the submission at:

<http://www.atug.com.au/submissions/ATUGNBNReglssSub/NBNSubReglss.pdf>

## **Rural and Remote Broadband**

ATUG has also been focused on ensuring all parts of Australia have access to improved broadband at affordable prices.

ATUG has conducted Regional Roadshows since 2003, visiting 56 towns and speaking to over 2000 people interested in bringing broadband services to regional, rural and remote end users. ATUG has worked with Federal, State and Local Government officials during these events. The Summary Reports from the 2007 and 2006 Roadshows are attached for to provide the background from which ATUG makes a number of suggestions for consideration. ATUG's summary of the issues arising from the 2007 Roadshow in Powerpoint format is also attached.

It is important to understand that rural and remote end users have seen a number of Funding Programs start, stop and change over the last few years. **Whatever solution is developed now for bringing advanced broadband services to ALL Australians needs to be long-term, sustainable and relevant to rural and remote areas.** If more time in the planning and co-ordination phase is needed to achieve this outcome, that time should be taken.

ATUG supports the direction of Government policy that all Australians should have comparable broadband outcomes and that these should be benchmarked against the outcomes of the National Broadband Network.

More detail is provided in the submission at

<http://www.atug.com.au/submissions/ATUGNBNReglssSub/RurRemNBNIrq.pdf>

## **International Developments**

<http://www.atug.com.au/submissions/ATUGNBNReglssSub/NBNSenInqGD.pdf>

ATUG as a member of INTUG has been able to follow global debates and developments of relevance to Australia's national Broadband Network. Issues include work on

- Value of Next Generation Broadband
- Models for Public Sector intervention
- Community Models – Sweden
- Infrastructure Sharing – UK, France, WIK Report for ECTA
- Consumer Issues – Broadband speeds, Broadband switching,
- Consumer Policy developments – OECD Roundtable and Reports

## **Conclusion**

The policy driver for Australia's National Broadband network has to be the long-term interests of end users of broadband. Fair returns for infrastructure investors are a given. But high prices for broadband will deter uptake and use, and delay Australia's transformation to a Digital Economy which should be a priority.

A number of telcos and economists are discussing rebalancing policy to emphasise investment ahead of other consumer outcomes. ATUG does not accept the basic concept that regulation (or holidays from regulation) are a suitable the driver for investment. Competition provides a much stronger incentive for sustainable investment and the best outcomes for end users.

Australia needs BOTH a National Broadband Network AND a competitive telecommunications industry – not one or the other.