ARC CENTRE OF EXCELLENCE FOR CREATIVE INDUSTRIES AND INNOVATION

A Broadband Advisory Services Council (BASC)

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Revised Submission to the
Select Committee On The National Broadband Network

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Introduction

This revised submission to the Select Committee on the National Broadband Network (NBN) has its primary focus on the implications of the announced FTTP policy for prospective broadband consumers, and the long term benefits to the nation. Comments are especially directed to sections 2 (a), (g), (h), (i) and 3 (vii) of the revised terms of reference (14 May, 2009).

Some brief personal background. I am currently involved with a major broadband project for the ARC Centre of Excellence For Creative Industries and Innovation, have addressed national and international broadband conferences, written commissioned articles for *The Age,* and have also presented to industry forums convened by the Australian Telecommunications Users Group (ATUG) and the Telstra Consumer Consultative Council (TCCC). Further details are outlined in Attachment One, and any of those papers or speeches can be made available upon request to members of the committee.

The recently announced Rudd government $ 43 billion National Broadband Network (NBN) policy is paradoxically brilliantly visionary in overall policy intentions but generally lacking in key consumer considerations that might eventually ensure the success of NBN. The NBN expert panel was mainly involved with infrastructure choices, prospective stakeholders, investment and regulatory practices. However, almost no attention was given to what services are likely to be acceptable to, or needed by, future Australian broadband consumers.

Summary of key points made in my submission of September 20008:

- Almost all of Australia's major trading partners and competitors are investing in higher capacity fibre-based broadband networks to ensure that they share in the opportunities to grow and diversify their economies and gain from the associated social benefits.

- Broadband is not Internet – they are related, but different.

- Operationally, broadband systems have three categories of services: Managed services (strongly commercial i.e film and sports pay services), unmanaged services (i.e Internet services – You Tube, VoIP) and publicly supported services (ie., e Health, eGovernment, e Education).

- A misconception about higher capacity broadband services is that they are best conceived and run as totally commercial operations. Note the view of Jonathon Adelstein, when Chairman of the Federal Communications Commission (FCC) in the USA, a body whose track record has long been to promote free markets and unfettered competition. He has argued that the normal rule that the development of 'a technology should be left solely to the market place does not apply in the case of broadband, which promises an array of social and economic benefits, ranging from distance learning, to telemedicine, to public safety to democracy'. [i]

- Collaborative partnerships are likely to be needed between commercial broadband providers, community groups, and government to develop and market an attractively diverse range of broadband benefits to Australians.

Recommendation: Create a Broadband Advisory Services Council (BASC)

Since the Rudd government's major NBN announcement in April 2009 the focus of political and public interest has shifted away from examination of the supply side of broadband to the demand side issues – to questioning what services might be offered, by whom, how, and at what cost to consumers. This presentation argues that for the NBN project to eventually succeed, public policy must comes to terms with the complexity of consumer issues and provide positive support to foster new services. The best new technologies and services will be those that are created, designed, constructed, and marketed in ways that will be highly *adaptive* to human needs in user environments of the future. The management of most of the telecommunications carriers, who are also potentially new broadband fibre network operators and suppliers, including Telstra, are seeking dialogue with, and advice from, informed consumer advocates and applied researchers.

Surely Australia as a nation does not intend to spend $43 billion just on fibre?

In practical advisory terms the following might be explored with the creation of a Broadband Advisory Services Council (BASC):

- The Broadband Advisory Services Council (BASC) would be constituted as a unit within the Department of Broadband, Communications and the Digital Economy.
- The essential role of BASC would be to create ongoing specialist working groups with great expertise related to innovation, equity of access and affordability of NBN services.
- Special attention would be given to those services that are most likely to initially need forms of public support and facilitate their policy implementation.
- The Council would need to have at least a small core staff who could call upon the expertise from many sources, notably industry broadband specialists, researchers from different disciplines, select policy makers, and some staff from telecommunications regulators.
- BASC would need a strong research arm that offers assessment of the outcomes of current Australian state government broadband initiatives.
- Now that the government has opted for a 100 Mgbps FTTH system a great deal of planning work needs to be undertaken into those services that have great potential in the higher speed range (i.e., 50-100 Mgbps). These include streaming video (notably IPTV services), faster file transporting (such as the transport of big files for infrastructure projects, financial data, film and television production contents, architectural projects and real time collaboration tools (i.e, telepresence in education and research). This, collectively called the Innovation Layer, must

eventually find strong market demand for an NBN/FTTH system to be a commercial success.

- Studies need to be undertaken by BASC of overseas case studies of particularly innovative broadband applications and services, successful and unsuccessful, in the context of possible lessons for Australia at the higher end of the range of FTTH broadband services.
- The Department of Broadband, Communications and the Digital Economy. could initially take advice on the charter, membership and work tasks from comparable bodies in the Netherlands, United Kingdom and Canada.
- It is recommended that the newly created consumer peak body, the Australian Communications Consumer Action Network (ACCAN), has such an extensive set of important responsibilities that it is not the appropriate body to be given an additional range investigations into complex issues related to national broadband policy as described above.

This enquiry provides a commendable opportunity to find the best public policy processes for in this major national initiative. I am willing to expand further on this submission with a presentation to this committee.

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Attachment One.

Journal Articles

"User Centred Broadband: the Kenniswijk Experiment", Telecommunications Journal of Australia, Vol. 3, No. 6, Summer 2006 (Barr)

"Broadband: Directions and Dilemmas" (Editorial), Telecommunications Journal of Australia, Vol. 3, No. 6, Summer 2006 (Barr)

'Broadband: Towards A Universal Service' Telecommunications Journal of Australia, Vol. 4 Summer 2007 (Barr). Forthcoming.

Conference Papers

"Crisis of Innovation:Looking elsewhere", Communications Policy Research Forum, Sydney, September 25, 2006 (Barr)

"Crisis of Innovation: Broadband", ISR Seminar, Swinburne University, 1 September 2006 (Barr)

'Broadband: Towards A Universal Service' Telecommunications Journal of Australia, Vol. 4 Summer 2007 (Barr).

"Broadband Is Not Internet", World Internet Project Annual Partners meeting, Melbourne July 2007 (Barr)

"Broadband: Towards Understanding Users' Communications Policy Research Forum, Sydney, September 24, 2007 (Barr)

Media/Industry

"Broadband For All", Australian Conference of Optical Fibre, 11 July 2006 (Barr)

"Broadband: Lessons from Overseas", Telstra Consumer Consultative Council, 2 August 2006 (Barr)

'Broadband: So What about the Users?' ATUG Broadband Expert Task Force Review, July 2007

Barr, Trevor, 'Australia Is Way Out Of the Loop With Broadband', The Age, March 9, 2007

At, http://www.theage.com.au/news/business/australia-is-way-out-of-the-loop-with-broadband/2007/03/08/1173166895751.html

Also there is a lead in about broadband being an election issue on the same day which attributes comments to Trevor Barr at:

http://www.theage.com.au/news/business/broadband-looms-as-an-election-issue/2007/03/08/1173166895703.html

Barr, Trevor, 'Telstra must offer broadband trade-off', The Age, February 15, 2008

Government

'Broadband: The Netherlands Model', Government News, Vol 26, no 9, October 2006

'Re-Thinking Universal Service Obligation (USO) Policy' Submission to the Telecommunications Universal Service Obligation (USO) Review, October, 2007

Written submission to the Senate Select Committee on the National Broadband Network titled 'Forgotten Agendas: Broadband Services for Australians', September 2008.

For Testimony in the Senate Select Committee on the National Broadband Network Hansard, October, 2009 Transcript see:

> http://www.aph.gov.au/hansard/senate/commttee/S11372.pdf, p 75-88

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[i] Aspen Institute (2008), 'A Framework for a National Broadband Policy', Washing ton, DC.