

**Department of Business and Employment**

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Ms Mary Jo Fisher  
Chair of the Senate Select Committee on the National Broadband Network  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Ms Fisher

Thank you for your letter dated 15 June inviting the NT Government to comment to your Senate Select Committee on the National Broadband Network (NBN). My response to your issues is at Attachment A, however I would like to outline the importance of broadband to Territorians as the context for my comments.

Territory businesses and householders communicate over greater distances, with suppliers, family etc than any other jurisdiction. The current predominantly distance based charging regimes for telecommunications together with the lack of competition for 'backhaul' communications links into the Territory, give Territorians the highest costs in Australia.

The advent of high capacity broadband (NBN) with its distance independent pricing, together with competitive 'backhaul' links into the Territory will help put Territory businesses on the same competitive footing as other states and remove price inequalities for householders.

In addition, broadband is an essential enabler in our remote communities to deliver health, education and employment outcomes to close the gap on Indigenous disadvantage. Market failure for telecommunications in these remote areas is the reason the NT Government had to invest \$7 million last year with Telstra and other stakeholders to deliver the benefits of broadband to nine communities in Arnhem Land with an 800km fibre optic link. There are still many communities without this benefit.

While we would like to see the NBN deliver 100mb to all Territorians we recognise the practical difficulties this may entail. However, I am keen to see need rather than just cost as the driver for the priority deployment of the NBN with the NT's needs for equity putting us high on the priority list.

Yours sincerely



Les Hodgson  
Executive Director, Information Communications Technology

### Summary of Responses to the Senate Select Committee Questions

Question	Response
A. Any economic and cost benefit analysis underpinning the National Broadband Network (NBN).	<ul style="list-style-type: none"> <li>The NT Government has not undertaken cost estimates for the NBN however we believe the likely cost of \$2 000-10 000 per premise for ten million premises would be of the order of \$40 billion. Apart from the recognised productivity benefit for business, a NBN would be an enabler of new government service delivery models (health/education community engagement in policy formulation etc) as well as community 'self help' common interest groups through on-line social networking.</li> </ul>
B. Ownership, governance and operating arrangements for NBN company.	<ul style="list-style-type: none"> <li>Difficult to comment until the NBN business model is articulated further.</li> </ul>
C. Use of bonds to fund NBN.	<ul style="list-style-type: none"> <li>Difficult to comment until the NBN business model is articulated further.</li> </ul>
D. Regulation/legislation pertaining to NBN.	<ul style="list-style-type: none"> <li>Difficult to comment until the NBN business model is articulated further.</li> </ul>
E. Availability, price service of current broadband and prospects for improvements.	<ul style="list-style-type: none"> <li>Current competition for broadband in the NT is constrained by having only one Back Haul provider into the Territory. High wholesale costs compared to other jurisdictions limit competitive services particularly to business customers. Urban areas of NT are reasonably well served by ADSL.</li> <li>Many remote areas rely on limited bandwidth satellite services.</li> </ul>
F. Effect of NBN on availability, price, choice etc, by geography.	<ul style="list-style-type: none"> <li>The delivery of NBN with 100mb for 90% of premises and 12mb for 10% would be a dramatic improvement for most Territorians particularly remote Territorians. Regardless of emerging technologies, fibre to the home is seen as a future proofed technology. When other technologies can economically deliver 100mb, fibre will deliver 1Gb and so on.</li> </ul>
G. Current demand/availability consumer choice and effect of demand for FTTP.	<ul style="list-style-type: none"> <li>Consumer's capacity to fill up what ever band width is economically available with new work and play applications will continue. FTTP and competing fibre backhaul into the NT will allow new service provider to afford to offer more choice for broadband content and services.</li> </ul>
H. Technical, economic social etc barriers to broadband availability.	<ul style="list-style-type: none"> <li>The task is substantial, however if Telstra and Optus can roll out cable past more than four million premises in three years in the 1990's, ten million premises in eight years is achievable.</li> </ul>

I. Public policy goals for telecommunications and regulation for competitive market conditions.	<ul style="list-style-type: none"><li>• For broadband to be ubiquitous, like water and power, with competitive supply at all levels of wholesale, retail and content, and 'light touch' regulation to cover areas of market failure.</li></ul>
J. Role of government and the private sector.	<ul style="list-style-type: none"><li>• To be a kick starter for a national network and gap filler where there is market failure.</li></ul>
K. Effect of NBN on the USO.	<ul style="list-style-type: none"><li>• NBN to become USO provider of last resort.</li></ul>
L. Potential impact of OPEL.	<ul style="list-style-type: none"><li>• Negligible in NT, as it was aimed predominantly at overbuild, with no new backhaul to make new competitive services viable.</li></ul>