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Senator the Hon Stephen Conroy
Minister for Broadband, Communications and the Digital Economy
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CANBERRA ACT 2600

Dear Senator

Thank you for the opportunity to comment on the Implementation Study for the National Broadband Network.

It is a most comprehensive and professional assessment of the key issues confronting the National Broadband Network and the consequential direction to proceed in. I am supportive of most of the recommendations, particularly the following that will both facilitate the National Broadband Network take up and ensure operational longevity:

- The statement on page 33 that 'Prices for NBN services should be set uniformly across the fibre footprint to deliver affordability across the country' is very important to the Northern Territory. This will go a long way to eliminating the distance based pricing for telecommunications that has always disadvantaged Territorians with higher costs to do business and keep in touch.
- The building of some 70 000 kilometres of backhaul network infrastructure is a significant and positive step in enabling competition. The long sought additional fibre connection to Darwin is expected to bring significant opportunity to the business sector and improved retail services.
- Ensuring customers can use multiple retail service providers simultaneously, if they chose to, for current services and next generation video services, is an important National Broadband Network improvement to today's networks that usually constrict customers to a single service provider.



- While supporting recommendation 30 to determine how the Universal Service Obligation may apply to NBNCo, I don't believe it can wait until the end of 2011. As you are aware there are substantial parts of the Northern Territory that rely on the cross subsidisation inherent in the Universal Service Obligation and the comfort that is brought to consumers by the Customer Service Guarantee.

Whilst I understand the proposed legislation strengthens the Universal Service Obligation requirements on Telstra, I believe there is a need for further discussion with a broad audience as to how the Universal Service Obligation and Customer Service Guarantee will apply once the National Broadband Network has a presence. Market failure for equivalent services is an issue for remote areas for many years to come and it is my view that the Northern Territory will require access to the Universal Service Obligation and Customer Service Guarantee for some time to come.

There are just three main areas where there needs to be more discussion for the full benefits of National Broadband Network to be realised to make it a truly visionary and transformational nation building initiative:

- The fundamental value proposition of the National Broadband Network isn't so much its speed (although important), but its potential ubiquity, to connect every household and small business in Australia to enable a transformation in the way services are delivered.

It could connect the 25-30 per cent of homes that are not internet connected and enable a whole range of services, including some government services, to be delivered to householders regardless of whether they have subscribed to a retail broadband service or not.

It would significantly boost the Education Revolution whereby the value of every child's school computer could be substantially enhanced if they could all use them on an education internet at home.

Such a transformation in how governments and other organisations could deliver services to homes, rather than continually expanding hospitals, prisons and schools etc. would require NBNCo to connect to all premises.

The study recommends only connecting on demand as a lower cost option (and not requiring legislation changes), although they do recommend such legislation to connect all multi-dwelling units.

To ensure the success of Smartgrids and government delivered services to the home, I would welcome an exploration for ubiquitous National Broadband Network connections.

- The roll out and the basis for prioritising the deployment of the National Broadband Network has not been dealt with in the report. At the Online and Communications Council meeting in November 2009 I raised this issue. I believe that if the full benefits of the National Broadband Network are to be realised, it's socio economic value needs to be recognised as an important factor, in the priority deployment of the National Broadband Network and the associated backhaul network. This is an issue that needs development and socialisation.
- Additionally the question of how and where access to satellite communications will be required is also a significant issue for the remote areas of the Northern Territory. For many years we have been developing applications for delivery over communications systems that have markedly different performance behaviour to terrestrial services. This experience is something that I am confident will be of value to the NBNCo in the planning for the rollout of the network.

I congratulate you on the success to date of a highly challenging initiative that has the potential to radically change the way governments, businesses and citizens interact.

I look forward to continuing opportunities in working with you to improve telecommunications to all Territorians.

Yours sincerely



KARL HAMPTON

27 MAY 2010

CC.

Implementation Study for the National Broadband Network
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