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A member of the
Australian Council of Professions

SUBMISSION TO THE NATIONAL BROADBAND NETWORK REGULATORY REFORM DISCUSSION PAPER

The ACS is the representative body for Information & Communications Technology (ICT) professionals, attracting a large and active membership from all levels of the ICT industry. As a member of the Australian Council of Professions, the ACS is the public voice of the ICT profession and the guardian of professional ethics and standards in the ICT industry, with a commitment to the wider community to ensure the beneficial use of ICT and to support and develop the local ICT sector.

In developing this submission to the National Broadband Network (NBN) Regulatory Reform Discussion Paper, the ACS has limited its comments to achieving the best use of the capability that will be delivered by NBN and for the need to deliver a Universal Service Obligation for the 21st century that will provide critical information, social networking, data and business services as well as traditional voice services. The ACS does not believe it is appropriate for it to enter into the debate on specific regulatory conditions for telecommunications companies nor the structural separation (or otherwise) of Telstra.

The Discussion Paper lists the overarching policy goals of a new regulatory regime as being:

- improving productivity across the economy;
- competition;
- consumer protection;
- rural, regional and remote Australia; and
- reducing unnecessary regulation.

The ACS considers that these are worthy goals and believes that e-security at all levels should be considered as an overarching policy goal to the same level of priority. Without adequate e-security businesses and consumers will not have the confidence to use the NBN to achieve its projected potential of expanding economic activity of 1.4% (after 5 years) as stated in the Discussion Paper.

An ACMA survey conducted in 2008, indicated that lack of expertise and knowledge in computers, lack of confidence in online security and the cost and time associated with e-commerce were the major concerns of SMEs about participating in e-commerce.

The ACS supports proposals put forward in the Discussion Paper for:

- introducing legislation and incentives for State/Territory Governments, Local Councils and Developers to require green field estates to include fibre optic networks. The ACS believes that this requirement should also include new and redeveloped apartment complexes, given the explosion in apartment living within Australian urban centres and cities. The costs associated with cabling at the time of building or refurbishment are going to be more favourable than having to undertake it at a later date once the building is complete. Where ever possible, legislation should specify underground cabling to improve continuity of service and reduce outages due to storm or other damage that remains an ongoing problem for overhead cabling.
- preparing a comprehensive implementation study, including network design, coverage and capacity and lifespan;
- as part of implementation study, develop a comprehensive access regime that will detail services to be provided, particularly to rural and remote Australia and pricing.

Price will be a fundamental factor to determining the extent of use of the NBN, particularly for rural and remote communities. The extent of small business participation in e-commerce is very sensitive to pricing.

The ACS also flags the issue of ownership and responsibility for operation and maintenance of the NBN infrastructure, which will need to be clearly articulated as part of the forthcoming implementation study being undertaken by the Government.

WIRELESS

The availability of spectrum for telecommunications technologies is particularly critical for rural and remote areas. Many remote communities are unlikely to get a FTTH service, at least not in the medium term, because of their remoteness and because of the cost and lack of economies of scale to make such services available at a reasonable price.

Wireless broadband services will be the only option to provide competitive low cost fast broadband services to many regional and remote areas. The ACS believes that the Government should allocate adequate spectrum, at appropriate frequencies, specifically for rural and remote communities and put into place the regulatory frameworks that will allow competitive access to that spectrum for the sole purpose of providing services to those communities.

Use of the spectrum should be determined by service providers in consultation with the communities they are going to service so that those communities get the services they need.

Policy development work is required to help guiding ACMA in the development of spectrum marketing plans and regulatory requirements to ensure spectrum access in regional areas which is NOT constrained and can be used by wireless access providers on a non-interference basis.

UNIVERSAL ACCESS

In addition to reserving spectrum, the ACS believes that the Government should overhaul the Universal Service Obligation (USO) to deliver a USO for the 21st century and beyond.

Essential services for personal and business use now encompass voice, email, high speed broadband communications across both fixed and mobile platforms to allow the delivery of essential services, critical information and social networking.

Australia's digital divide is growing. There is not only a huge disparity between the quality, type and reliability of telecommunication services available between urban and regional/remote areas, but also within the different socioeconomic levels in urban and regional centres.

A properly constructed USO can go some way to alleviating this disparity.

As more and more government, community and business services migrate to cheaper and more cost effective online models, so too does the digital divide grow – not only around access to the necessary telecommunication services but also in terms of basic ability to effectively use these services.

Concomitant with the introduction of ultra-fast broadband over the next decade will be the substantial migration of essential services in government, employment, health and education online. Global and domestic competition, decreased costs and improved productivity will drive more and more business to adopt online business models.

Broadband is an essential service for all Australians and therefore must be an essential element of the USO.

The review of universal access arrangements must also take into account the development of mobile communications platforms.

We are beginning to see a vast proliferation of internet and information processing applications being developed for mobile devices, including mobile phones. While many people can't and don't have desktop or laptop computers, mobile phone penetration is virtually ubiquitous and demand for mobile services is strong amongst Australia's remote communities.

Fixed line and optical fibre services are going to be difficult to provide and have limited application within remote communities in particular, because of the absence of reliable electricity and other basic facilities.

In these cases, mobile devices on wireless services can provide many of the functions of a laptop. They can provide communications, data manipulation capability and access to commerce and entertainment.

As a general principle, the ACS believes that both government and industry should contribute to the USO. All carriers should be required to contribute.