



Regional Telecommunications Independent Review Committee
Request for Submissions on Access to Broadband Services in Rural and Remote Areas
remotebroadband@dbcde.gov.au

Request for Submissions on Access to Broadband Services in Rural and Remote Areas

Google appreciates the opportunity to provide comments on access to broadband services in rural and remote areas of Australia. Google strongly believes in the critical importance of improving broadband services in rural and regional areas, and specifically to the two per cent of homes and businesses which may not be covered by the National Broadband Network (NBN).

Google is a leading provider of Web-enabled software applications, content and services. Google initially became familiar to most Internet users as the provider of the Google search engine which enables hundreds of millions of users around the world to find information quickly at the click of a mouse.

Google now provides various well known specialist search and information services, including Google News, Google Earth and Google Maps. More recently Google acquired the well-known YouTube service. Google is also the provider of numerous other services that help Australians find, share and organise information.

Google's self-defined mission statement is straightforward, if not daunting: to organise all of the world's information and to make it universally accessible and useful.

There are three aspects of Google's mission. In many ways, fulfilling two aspects of this far-reaching corporate goal (organising the world's information, and ensuring it is easy to use) are largely within the purview of the employees of Google – in Australia and abroad, along with hundreds of thousands of small business partners, vendors, and of course our customers. The greater challenge is the central component of our mission: universal accessibility. Like other Internet-based companies, Google relies on the communications infrastructure provided by underlying carriers in order to reach our ultimate end users.

As such, Google has a strong interest in access to broadband services in rural and remote areas of Australia – both to advance its own mission and also to ensure that Australian consumers have the best possible access to fast and affordable broadband services.

Google imagines an Australia in which broadband Internet is truly universally accessible, at world class speeds, at affordable prices. Faster broadband, in more places, delivered over a wider range of technologies, at prices that enable the services to be fully used as part of Australians' daily lives, will ensure that Australians – irrespective of where they live or work - can fully engage in the global digital economy and that all Australian businesses can more effectively compete on the world stage.



The vibrant ecosystem of innovation that lies at the heart of the Internet has fueled unimagined economic, social and personal growth. Google agrees with the Australian Government that “Australia’s future productivity, wealth competitiveness and wealth creation relies on world class infrastructure. In the global economy of the 21st century, no infrastructure is more crucial than advanced communications networks.”¹ Indeed, the United Nations has recognised broadband as essential infrastructure: as a utility that is just as necessary as water and electricity.²

In many ways, the Australian communications and regulatory environment is unique, not least because of the size of the country and the geographic isolation experienced by many Australians.

In many respects, the Internet has the capacity to overcome Australians’ isolation and to contribute vast social and economic benefits for all Australians, including those in remote areas. As our CEO Eric Schmidt recently told reporters in a visit to Sydney in March 2008:

“Google is helping Australians overcome the tyranny of distance. We measure distances not in hundreds of kilometres, but in milliseconds.”

Google prepared a detailed submission regarding regulatory issues associated with the National Broadband Network, which is enclosed for the consideration of the Regional Telecommunications Independent Review Committee in the preparation of its report to the Minister of Broadband, Communications and the Digital Economy.

In its regulatory submission, Google suggests several key points that the Government should consider in both selecting the operator of the NBN and designing the best regulatory environment to achieve the Government’s vision for broadbanding Australia. Many of the points made in that submission are highly relevant to a consideration of access to broadband services in rural and remote areas of Australia. Some of those points are mentioned below.

Affordability of broadband services

As important as the goal of universal access to fast broadband is, it will also be the affordability of broadband services that will ensure that Australians will be able to fully embrace the significant benefits of participation in the digital economy.

Key issues that impact on affordability of broadband services include:

- the regulatory measures in place to ensure that providers of wholesale broadband services provide those services on an equivalent basis (including price and non-price terms and conditions) to all retail providers, including (if relevant) their own retail operations;
- the level of infrastructure competition; and
- the availability of access to and cost of backhaul services. This is particularly relevant for rural and remote services where backhaul services are at a high cost,

¹ALP Policy Document *New Directions for Communications. A Broadband Future for Australia – Building a National Broadband Network* March 2007, www.alp.org.au.

²United Nations Conference on Trade and Development *Information Economy Report UNCTAD/SDTE/ECB/2006/1*, November 2006



especially in light of the fact that distance based charging is not a characteristic of the Internet. Indeed, Mr Graeme Samuel, Chairman of the ACCC, identified the costs of backhaul as a possible impediment to access seekers providing competitive DSL services in rural areas as recently as March 2008.³

Availability of broadband services

Google has suggested that the NBN should be rolled out first to the areas least served with existing broadband infrastructure.

Google submits that an audit should be conducted of broadband availability by existing Telstra exchange area, and the Commonwealth portion of the funds required to build the NBN should be directed to serve the neediest parts of Australia first.

It is simply not in the national interest for Commonwealth funds to be used in a way that enables the NBN operator to simplistically ‘cherry pick’ the most commercially viable areas first. Google believes that investment decisions and the NBN rollout schedule should be made in accordance with agreed public criteria that balance the technical realities of network build with ensuring that the NBN makes a real difference to areas that are currently unserved, or underserved by broadband services.

Phased transition

Google believes that the NBN rollout should be phased in so that existing competitive broadband is maintained during a specific rollout period.

Google is concerned to ensure that the Government’s well-intentioned investment in the NBN does not inadvertently lead to decreased competition and access to broadband services in the short term. For example, if exchanges with existing copper-based competitive infrastructure are converted to fibre-based technologies early in the NBN rollout period, Australia may in fact see a net *decrease* in broadband service availability and competition, with corresponding price impacts for consumers.

Google submits that, similarly to the analog–digital television switchover strategy, it is necessary to undertake a phased conversion of Australia’s broadband infrastructure from copper wire to fibre optic cable. For example, in many metropolitan areas of Australia, competitive broadband services delivered by copper technologies are able to deliver broadband speeds in excess of the minimum 12 MB/second mandated for the NBN.

Careful consideration should be given to ensure that the NBN rollout does not adversely impact on the availability of existing broadband services. It is essential that existing ADSL 2+ and similar competitive copper wire based broadband services continue to co-exist with the NBN, at least during an agreed transition period.

³ *Graeme Samuel, ACCC, Regulatory Update for 2008, Speech to Australian Telecommunications Users Group Annual Conference, Sydney, March 13 2008*



Achieving outcomes comparable to the NBN for the remaining 2% of Australia

Australians are increasingly accessing the Internet using wireless and mobile devices. These modes of access can provide a critical service to Australians in rural and remote areas. Wireless broadband technologies will play an important role in ensuring that broadband services are available to the 2% of Australians that are unlikely to receive broadband services through the NBN.

Google believes that any consideration of the best mix of technology to serve the broadband needs of rural and regional Australians must involve targeted investments to extend the reach of existing mobile and wireless technologies. Google believes that spectrum represents an important opportunity to deliver broadband services in Australia, including to the 2% of Australians who will not be served by the NBN.

Google understands that spectrum management is the subject of a separate review by the Australian Communications and Media Authority. Google encourages the Regional Telecommunications Independent Review Committee to consider in its analysis the issues being considered in the spectrum management review and whether any adjustments to Australian spectrum management policies might support the availability of broadband across rural and remote Australia.

Australia now has an incredible opportunity to ensure that all Australians are able to access world class broadband services at the fastest possible speeds and the lowest possible prices. It is important that the broadband networks available to Australians in rural and remote Australia are supported by a regulatory, market and technical framework that allows those Australia to harness the full benefits of an open Internet.

Google would be pleased to discuss any of the issues raised in this submission with the Review Committee.

A handwritten signature in black ink, appearing to be "CD" followed by a long horizontal line.

Carolyn Dalton
Head of Public Policy and Government Affairs
Australia and New Zealand

Ph: 02 9374 4482
Mobile: 0402 791 031
E: carolyndalton@google.com