



Australian Government

Department of Broadband, Communications  
and the Digital Economy

The  
**Australian Broadband  
Guarantee  
2008-09**

**Discussion on the draft Guidelines**



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# Key themes

- Longer term certainty for providers
- Increased focus on terrestrial coverage
- Improved consumer benefits



# Proposed timelines

- 28 May 2008: submissions close
- Early June: launch final guidelines
- End-June: fast track registrations
- June-July: other registrations
- 1 July: new program starts
  - Seamless transition proposed



# What stays the same

- Demand-driven, incentive based approach
- Concept of metro-comparability
  - Both for commercial and program services
- Multiple providers
  - But rigorous assessment and need to be confident of viability in increasingly marginal markets



# What stays the same

- Consumer protections
  - Service testing
  - Minimum contract lengths
  - 3 year access to service
  - Price caps for Threshold services
    - And other services price approved
  - Right to new ABG service where service lost through circumstances beyond control of customer



# Proposed changes

## Mandatory services

- Threshold service
  - Remains at 512/128
  - But monthly allowance requirement has been lifted to at least 3Gb
- And at least one added value service
  - At least 1024/256
  - And at least 5Gb
  - Not price capped but has to appropriately take into account subsidy



# Proposed changes

## Mandatory services

- Also new requirement for excess data
  - Threshold service must be shaped at no additional cost
  - Excess data rate must not exceed 5 cents per Mb



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# Proposed changes

## Consumer protection enhancements

- Core contract requirements
- Direct consumer support and case management
  - 1800 number
- Loss of service provisions clarified
  - Upgrades
  - Metro-comparability



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# Proposed changes

## Incentive payments

- Standard payment for fixed wire \$1000
- Wireless terrestrial in metropolitan \$2000
- Wireless and satellite \$2500
- Upgrade payment \$600
- Special high cost payment up to \$6000



# More on incentive payments

## Upgrades

- For customers coming off 256/64 program services
- For commercial services that could be upgraded
- But these payments will be in exceptional circumstances where upgrade contribution is justified
- We will be benchmarking off efficient providers and not providing an upgrade payment to reward inefficiency



# More on incentive payments

## Special high cost payments

- Again only in exceptional circumstances
- Where genuine high cost situations exist
  - Cyclone prone areas in northern Australia
  - Some off-shore territories
  - Again we will standardise payments and expect efficient supply



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# Proposed changes

## Service areas

- Existing service areas rolled over
- Priority areas will be targeted for terrestrial service
  - ‘Heat map’ of underserved premises
  - Whole-of-region approach encouraged
- Strong focus on covering maximum number of underserved premises within a service area
  - With the potential support of special high cost payments



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# Proposed changes

## Service area timeframes

- Service areas will be rolled over into future years
  - Subject to continuing relevance: ie continuing presence of underserved premises
- Will be flexibility to allow for staged whole-of-region roll-outs
  - Improved by ongoing registration of service areas



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# Proposed changes

- **Funding agreements**
  - Looking at longer term agreements: two years seems reasonable
- **Systems and processes**
  - Further improvements to BSL
  - Online ‘one stop shop’ system for resolving all special payments and requests for time extension
  - Consumers to self-progress to Tiers 2 and 3



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# Transitional arrangements

- Fast track existing registered providers
  - Subject to compliance and financial issues
- Roll over existing service areas
- Process other applications as quickly as possible



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# Transitional arrangements

## Dealing with customers and claims 'in the pipeline'

- From 1 July claims relating to 07-08 connections will be assessed and paid as normal
- New customers connected in 08-09, but order taken in 07-08
  - Customers must be connected under the 08-09 guidelines and agreements
  - Therefore providers are urged to connect as many orders as possible in this financial year
    - But of course they must be legitimate connections
- Providers are urged to get all claims for connections in 07-08 into BCOMs before 30 June



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**Any questions??**