

## **ATUG Opinion – 14 November 2007**

ATUG has held two policy breakfasts to give members an opportunity to hear directly from the Government and the Opposition about their plans for Communications during the next term of government. ATUG appreciated the shuffling of itineraries and the support of Pipe Networks that made these events possible.

The full text is available at:

Senator Helen Coonan  
Senator Stephen Conroy

The key messages from ATUG's perspective were:

### **SENATOR COONAN**

#### **COMMUNICATIONS POLICY COMMITMENT**

We have a strong ongoing commitment that all people in Australia have access to quality telecommunications services at affordable prices.

We have a strong ongoing commitment to robust competition and the long-term interest of end users, as well as encouraging efficient investment in next generation communications infrastructure.

We have a demonstrated record of effectively using targeted funding to encourage the market to investing in underserved areas.

#### **BROADBAND FUNDING**

We have been able to set up the \$2 billion Communications Fund to invest for the future of regional Australia in perpetuity.

The Australia Connected initiative will use almost \$2 billion of public and private funds to deliver a new state-of-the-art broadband network:

#### **99% OF PREMISES; 1% SAFETY NET**

The package includes a new, open-access wholesale network in regional Australia that will extend high speed broadband coverage to 99 per cent of premises right around the country within two years and provide services at city-comparable prices.

It includes a safety net to ensure Australians living in the most remote or difficult to reach areas—the remaining 1 per cent—are entitled to a subsidised broadband service of up to \$2,750 per household under the *Australian Broadband Guarantee*.

Funding for this safety-net is guaranteed until June 2008, and thereafter can be supplemented by the proceeds from the \$2 billion Communications Fund.

#### **REGIONAL AND RURAL FUNDING**

Our plan includes legislation to protect the \$2 billion capital in the Communications Fund thereby ensuring up to \$400 million is available every three years for future generations of regional and rural Australians and to ensure the bush has an ongoing, targeted funding source for future upgrades.

And it includes a process already underway to invite and assess proposals for a new commercial high speed broadband network upgrade in all capital cities and major regional centers to be built by the private sector.

## OPEL

OPEL, a joint venture between Optus and rural group Elders, will deliver a mix of ADSL2+, WiMAX wireless and fibre technologies that will extend high speed broadband to 99 per cent of the population within two years at a retail cost of between \$35 and \$60 per month.

The Department also commissioned independent testing by Enex Testlab which confirmed that OPEL's proposed network is capable of delivering the performance requirements to which OPEL has committed for coverage, speed and service quality.

These service commitments have been locked into the funding agreement announced on 9 September 2007 and the Department will undertake ongoing monitoring to ensure that this coverage is delivered

## EXPERT TASKFORCE

We have established an Expert Taskforce to develop and manage the assessment process for a new commercial high speed open access broadband network infrastructure in capital cities and major regional centers.

The Expert Taskforce has called for and will shortly assess commercial proposals for fibre broadband and any other high speed broadband platforms for capital cities and major regional centers industry wishes to put forward for consideration

Industry proposals will outline price and non-price terms and conditions of access and identify the regulatory conditions required to facilitate a commercial build of the broadband network.

Following an open and transparent examination, a re-elected Coalition Government would legislate to provide the regulatory settings that are necessary to enable the network build.

## COMPETITION

The Coalition is committed to a sustainable and competitive telecommunications market that ensures that industry gets a fair return on investments in next generation infrastructure so they will continue to invest in Australia's future.

In my view, this can be done consistently with maintaining a fair access regime that will ultimately benefit consumers and not force competitors off the field.

## CDMA - NEXTG

The Coalition has moved to place a license condition on Telstra so that there will be no CDMA switch off until the Coalition is satisfied that Telstra has met its own commitment of the Next G network providing as good or better coverage and services.

Senator Coonan's Q&A session dealt with extending broadband access, WiMAX, CDMA testing, competition, FTTN implementation, consumer broadband prices, content issues, internet filters, and structural separation among other issues. This will be available to members via ATUG This Week on Friday.

## SENATOR CONROY

### NATIONAL BROADBAND PLAN

Our broadband plan includes a fibre to the node network that will deliver minimum connection speeds of 12 megabits per second to 98% of Australians.

The remaining 2% of Australians not served by the fibre to the node network will receive a standard of service that is as close as possible to that provided by the new network and will be delivered via the best new wireless, microwave or satellite technologies.

The National Broadband Network will be funded by a public – private partnership.

It has been fully costed at \$8 billion dollars using detailed calculations of the number of nodes required to deliver the fibre network.

This includes the upgrades of existing exchanges and nodes, and the conversion of pillars into nodes, of which we expect there to be tens of thousands.

The new network would go to public tender following the upcoming federal election.

And I want to make it clear today that Labor will set up an open and transparent public tender process that best services the national interest.

Labor has committed up to \$4.7 billion dollars to see the National Broadband Network built.

\$2.7 billion will come from the Future Fund, and the remaining \$2 billion will come from the Communications Fund.

#### RURAL AND REGIONAL AUSTRALIA

But rural and regional Australia is in desperate need of a telecommunications overhaul.

Labor recognises this, and that is why we are prepared to invest \$4.7 billion to extend the state of the art fibre to the node network that telcos – including Telstra and G9 – are prepared to build in the major cities, to rural and regional Australia.

Under Labor's broadband plan, Australians living in rural and regional Australia will not just get metro-comparable pricing but also parity of service.

#### OPEN ACCESS

Firstly, we have stipulated that the new broadband network will be open access.

This would require the winning tenderer to provide equivalence of access charges for all telecommunication service providers using the network.

In addition the winning tenderer would provide full scope for providers to differentiate products through customisation of access speeds, contention ratios and quality of service.

#### CONSUMER PRICES

We anticipate that the increased competition induced by the open access nature of the network will drive consumer prices downward.

It is certainly not the job of any politician to set consumer prices.

Rather, this will be discussed between the winning tenderer of the National Broadband Network and the independent consumer watchdog, the ACCC.

Labor understands this, and that is why we have announced an inquiry into the underlying determinants of broadband pricing in Australia.

#### ALL AUSTRALIANS WHEREVER THEY LIVE

Once the winning bidder of the tender process is identified, we would move quickly to make the network open access, improve broadband across Australia and move to upgrade broadband technologies so that the coverage and speed targets are met

All Australians, no matter where they live, should have access to the best available telecommunications infrastructure.

We recognise that the market is not going to deliver a high speed broadband network to regional areas of Australia, and that is why we are prepared to invest up to \$4.7 billion to ensure all Australians have access to fast, affordable internet access.

## REGULATORY RED TAPE

Red tape and regulatory creep has become endemic in the Australian telecommunications sector – there are large swathes of overlapping, ineffective and unnecessarily duplicative regulation in the industry.

Not only is this an enormous burden on the telecommunication sector but also to consumers, who face a daunting task negotiating the regulatory apparatus.

Labor recognised this early on, and that is why we announced our policy “Reality Check on Red Tape”, that will reduce redundant reporting requirements in the sector.

## UNIVERSAL SERVICE

Finally, Labor has also announced in back in February a review of the Universal Service Obligation.

By transforming the telecommunications industry, through the implementation of a National Broadband Network combined with a regulatory overhaul, Labor will continue to consult with industry widely.

Senator Conroy’s Q&A session dealt with CDMA switch-off, WiMAX, Trade Practices Act, FTTN implementation and options, OPEL, ABG satellite services, the role of infrastructure competition. These will be available to members via ATUG This Week on Friday.

Senator Coonan and Senator Conroy will be taking part in a SkyNews Debate on communications televised at around 4pm this Friday, 16<sup>th</sup> November.