

CHIEF MINISTER'S DEPARTMENT
Chief Executive



National Broadband Network Panel of Experts
Department of Broadband Communications and the Digital Economy
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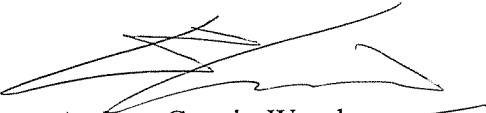
The Chair
NBN Panel of Experts

I refer to the Minister for Broadband, Communications and the Digital Economy media release of 17 March 2008 inviting public submissions to assist in the development of the National Broadband Network Request for Proposals.

Attached is a submission from this Department which responds to this request.

If you have any enquiries please contact Mr Dan Stewart, Director, Economic, Regional and Planning Branch (ph 620 50468).

Yours sincerely



Andrew Cappie-Wood
Chief Executive



March 2008

ACT Comments on National Broadband Network proposal (February 2008)

Context

The National Broadband Network (NBN) is a once in a generation infrastructure proposal which will provide and support the communications (voice, data, video) requirements of government, non government organisations, business/industry/manufacturing, the services sector, community sector and residential users across Australia in the early 21st century.

The NBN will enable both wholesale and retail services to businesses and end users.

It is vitally important that the key principles for the NBN are those which will ensure that the new infrastructure is accessible, affordable, usable and sustainable for all sectors of the community. It should promote competition and increased choice of services to all users in both the telecommunications and broadcasting sectors.

The Proposal

The NBN proposal as outlined involves rolling out fibre optic cable to curbside nodes (FTTN) to 98 per cent of the population to provide a minimum speed of 12 megabits per second to users. The FTTN would however principally rely on last mile access to the existing copper wire network (which provides the standard fixed line phone service and dial up/ADSL broadband services) to premises. This requirement would not apply in the case of those premises which already have a direct fibre to the home (FTTH) type arrangement.

The remaining 2 per cent of the population is to have improved broadband services provided through other means.

Federal Labor's Digital Education Revolution package includes a proposal to provide Australian schools with fibre to the premises broadband connections, to deliver internet speeds of up to 100mbps. As outlined, this proposal is to be a component of the NBN proposal.

Key elements of NBN

The ACT supports the following requirements (as outlined by the Australian Competition and Consumer Commission) as key elements for the NBN proposal.

Addressing last mile bottleneck issue

A solution is required to satisfactorily address FTTN network upgrades to the last mile. This solution requires appropriate terms and conditions of third party access to the bottleneck to promote competition in downstream retail communications markets and promote the long term interests of end users, including households and businesses.

The solution should provide access seekers with greater control over their own business and products, to the extent that it is economically efficient, promotes competition, innovation and investment in new services, and be in the long term interests of end users.

Reasonable Access

An access service over the last mile which gives the access seeker as much control as possible over its own customer traffic, to enable it to innovate and compete. This should offer high levels of flexibility and configuration to enable market place competitors to control their operations. This should include:

- a range of network speeds;
- provision of a voice service;
- appropriate interconnection protocols for voice, broadband and video to enable access seekers to provide their own interconnecting facilities to end users;
- no barriers to multicasting and IPTV by access seekers;
- transparent and robust arrangements for access seekers and end user support, access seeker control of end user configuration; and
- additional points of interconnection to facilitate backhaul needs

Access prices which reflect efficient costs (actual or estimated) and give investors a return that reflects their investment risk.

Non price terms and conditions of access that meet minimum quality of service standards and do not discriminate anti-competitively.

The NBN should also enable a smooth migration to the new services for existing access seekers and their customers.

Specific issues

A number of more specific issues also arise in the context of the NBN proposal. These will also need to be appropriately addressed in consideration of the proposal. These include:

- the future of existing telecommunications infrastructure(s), both government and private owned;
- ownership arrangements for NBN where state governments use the network;
- whether existing state planning arrangements will require review;
- whether regulatory areas outside the telecommunications sector also require review to facilitate the NBN proposal, for example tax regulation review;
- schools coverage arrangements if NBN and Opel are separate networks;
- peering between schools to exchange data at zero or reduced costs;
- whether the 100mbps speed for schools should also be specified for other high end users which have similar bandwidth requirements (eg the health sector, business); and
- NBN specifications which will effectively address scalability and redundancy issues to ensure that the Australian taxpayer obtains the maximum value during the 21st century for the \$10b spend.