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Department of Further Education,  
Employment, Science and Technology

*Information Economy  
Directorate*

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National Broadband Network Panel of Experts  
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## **RE: NATIONAL BROADBAND NETWORK REQUEST FOR PROPOSALS**

The South Australian Government welcomes the opportunity to provide comments relating to the request for Proposals for the National Broadband Network (NBN). Many of these comments were contained in our earlier submission to the previous Expert Taskforce in August 2007.

The comments from South Australia are in short form and can be further elaborated on if the need arises. Our comments, highlighting the key issues and principles that we feel are necessary for the successful planning and implementation of an NBN are outlined below.

This submission strongly supports the recognition of communication infrastructure as an essential component of future prosperity and well-being. In 2003 the South Australian Government's Economic Development Board recognised broadband as essential infrastructure and recommended government action to address any shortcomings in the available access to broadband. That view continues today.

Developing a long term view for the NBN and the future of Australian broadband telecommunications is of overriding importance. It is an opportunity to establish a platform for telecommunications for several decades. This opportunity is unlikely to be repeated and the importance of this initiative should be reflected in the tender process by ensuring that it accommodates the needs and views of a wide audience. For that reason,

suitability and structure for the long term must be given far greater significance in the process than immediate speed of action.

Fundamentally, the RFP process must not be seen as an independent and isolated process within the totality of strategies and policies for next generation broadband by the Federal Government. There is a pressing need for a holistic and unifying framework for the plethora of current initiatives, including regulatory processes and legislative redrafting. The total future environment (regulatory and competitive) in which the RFP will operate is as important as the RFP specifications for the process of determining the successful bidder(s).

Even with an optimistic assessment of the timeframes required, it will take some years for the NBN to fully deploy. In the meantime there are a number of regions, including in metropolitan areas with no access to competitive broadband. Therefore the NBN must be implemented in conjunction with a range of programs which address the immediate, short and medium term needs of users especially in currently underserved areas.

Specific points for the Panel to consider include the following:

- Consideration should be given to future-proofing the NBN by anticipating Fibre-to-the-Premises (FTTP) as the ultimate solution. Any design, including regulatory and technical/technological aspects, for the NBN should accommodate the expectation of an eventual FTTP solution within its design (assuming that the initial build was limited to FTTN).
- It is desirable to avoid a “one-size fits all” solution because there are differences in the requirements across different market and geographic sectors. This is particularly true between metropolitan and regional areas and between consumer and business sectors. A choice in priorities between, for example, greater speed or greater coverage is not consistent across these sectors. The need for competition is the only factor that would be consistent across all sectors and regions, but the priorities for the characteristics of coverage, speed and competition could not be specified as a single ranking that would be applicable to any large geographic area. This has implications for the evaluation criteria that might be used in the assessment of proposals.
- Despite differences between sectors and regions, equity of access between metropolitan and regional areas should be a specified requirement.
- South Australia is currently developing an approach to bring a cohesive solution in metropolitan Adelaide for both fibre-to-schools and the NBN. The Australian Government approach to an NBN network should be flexible enough to take advantage of synergistic opportunities to maximise outcomes and reduce the potential for duplication.
- Major application areas that will require the types of speeds available from the proposed NBN, such as health, education, business and

government services, typically require not only faster broadband speeds (or bandwidth), but will also depend on: as broad-based coverage across Australia as possible; symmetric speeds (i.e. equivalent upload and download speeds); and high quality business-grade services with guaranteed quality of service specifications.

- The design and regulatory structure of the NBN must allow the interconnection and integration of other networks to service the 2% not covered by the NBN. It also needs to allow for a variety of local access network connection technologies from the node, other than copper.
- Competitively priced backhaul is a major imperative to ensure a competitive market is established and maintained for the end consumer. Regardless of the technology employed to deliver the NBN, the existence of competitive backhaul from the point of interconnect will be one of the most significant issues in determining the level of competition in the market, particularly in regional and rural areas.
- A critical aspect for a competitive environment will be the point at which the connection to an open access fibre environment is specified (such as in FTTP-enabled greenfield developments). The decision on the point(s) of interconnect, will, among other things, impact on the importance of competitive backhaul issues.
- The requirement for open and non-discriminatory access should be applied to a full range of services so that there is no restriction on the services accessible (i.e. no walled-garden by primary supplier).
- Whilst it is disappointing that there appears to be no qualified consumer advocate on the Panel, the RFP should contain specific measures to ensure that consumers' issues such as affordability, choice and protection are contained in the selection criteria. Cost is an important criterion because high installation and/or ongoing costs will be a significant barrier to take-up and usage.
- There is therefore a need for wide-ranging consultation process incorporating the telecommunications industry, business, State and Local Government and consumer groups.

The South Australian Government would welcome the opportunity to meet with the Panel of Experts to expand on these and any other related issues, should such an opportunity arise.

I trust you find these comments useful and wish the panel well in undertaking its task.

Yours sincerely

Carolyn Anderson  
DIRECTOR