

Submission in Response to a Request For Public Comment on
The National Broadband Network RFP.

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I appreciate the Expert Panels decision to allow public submissions on the National Broadband Network RFP, the project will have significant national impact and in my experience, industry can often get carried away with self interest at the detriment of the consumer.

From my perspective I think there needs to be 4 main factors considered in terms of the end result;

1. The awarding of the contract must be in the interests of all Australians and future Australians.
2. The resulting services that are carried by the network must be able to compare favourably with services available in other developed countries.
3. Subscribers of the services must have choice of provider.
4. The price and quality must be comparable to currently available services.

1. Interests of All Australians

It is my opinion that such a major investment must provide benefits to the intended target market. Clearly the Australian Government exists to serve the Australian people, and it must be the people that are considered first

I would like to think that the Australians of the future are not locked into an error of judgement made today.

Sometimes the interests of large organisations that claim to have the public's interest at heart are taken above the average person. Any company that bids for this network will do so on the basis of their desire to reap the largest possible return for their shareholders. Whilst I would not deny them a fair profit they should not achieve strategic advantage over competitors. This would only drive inflated prices which will disadvantage the Australian public for many years to come.

Higher prices are not in the interest of the majority.

2. International Comparisons

Australia must be competitive globally if we are to attract investment, retail chains for example often run very tight cost controls and cannot invest where the cost of business is high. These types of businesses have recently found price points on DSL type services that have enabled them to take advantage of networked services.

Many of these chains now rely heavily on systems for point of sale transactions, stock control and customer orders.

They often utilise telecommunications services designed for the consumer market rather than business grade services as these services are often at a premium and beyond their reach.

Having spent a number of years working overseas and only returning to Australia in mid 2006 I can see the impact on businesses caused by the lack of competition in the Australian broadband market.

Where in other countries you can buy unlimited downloads at speeds in excess of 2mb on consumer plans, in Australia they are faced with down graded speeds once a level of download has been achieved and or are faced with excess usage charges.

What these businesses need is certainty of cost and quality, not monthly variations.

This is not as a result of technology limitations but pricing plans inherited from a less competitive market place.

3. Choice of provider

Very important is the ability to choose a provider without being disadvantaged by price, service or quality. It is of little use ensuring open access to competitors if certainty of provisioning and service assurance cannot be provided.

Customer need to be confident that when an order is placed it will be fulfilled in a predictable and efficient manner. Often customers need to make changes or install new shops at short notice, the ability to deliver is based on who controls the infrastructure. This knowledge can be used during the sales process to encourage customers to buy from company A as apposed to company B.

Service assurance is also important in customer buying decisions, if Company A can promise a 4 hour restoration because they control the field force or access to the infrastructure then they will be advantaged during the sales process. They also have the ability to escalate problems or call field force supervisors to ensure their customers have their issues resolved quickly and potentially inadvertently at the expense of those customers utilising Company B.

To achieve true choice of provider more than costs and network access to infrastructure must be considered.

4. Price & Quality Parity

This point is important because it cannot be assumed that the current quality of service is not adequate for business or consumer use.

It would not be acceptable for example to upgrade to a fibre based infrastructure and then force all consumers to pay higher access charges than they pay today.

Equivalency is important from a price and quality perspective as mentioned early, many retail and small business are only able to utilise network services because the broadband cost is at a point that they can afford. Increasing the cost will just push them out of the market, justifying the cost increase based on improved quality is not valid as existing quality is already fit for purpose.

Overseas experience has shown me that many carriers improve service & upgrade speeds with no incremental cost, why? Because competition is strong and unless they provide improved services customers will choose competitors. This would be great to see in our market place.

5. Conclusion

In concluding I would like to mention I have deliberately avoided matters of government policy, I leave this to those who are more knowledgeable than me. I do have real day to day understandings of the issues facing SME and large enterprises, some of these issues are directly impacted by policy decisions.

I appreciate the Australian geography is challenging and that it is probably right that some form of averaging of access costs should be inherent. I strongly believe that building a network partly funded by tax payer contributions must be seen as a form of levelling of the disparity of geography.

I truly believe that the controller of the infrastructure must not obtain strategic value from the RFP, this will be at the cost of competition, fair pricing and the Australian consumer.

The net result of the building of the National Broadband Network must be that no one pays more for broadband access than they do today for an equivalent service and an equivalent service must be available with choice of service provider after the network is deployed. The benefits of broadband are numerous but the main drivers for FTTN seems to be consumer driven services such as TV/VOD, Digital Photos, VOIP and Online Games not business or government services.

I would like to close by thanking the Panel for receiving my submission and I wish you all well with your deliberations.

Yours Sincerely

Mark Robinson