



Australian Government

**Department of Broadband,
Communications and the Digital Economy**

Government Response to the 2011–12 Regional
Telecommunications Review
(the ‘Sinclair Review’)

23 August 2012

Government statement of Response

Introduction

The Government is committed to the development and success of regional Australia and recognises the important role of telecommunications services in achieving these goals.

The first independent inquiry to review telecommunications across Australia took place in 2000 in order to assess telecommunications services prior to the sale of Telstra. It found that many people in parts of rural and remote Australia had inadequate access to telecommunications services.

In 2002, a second inquiry focused on regional telecommunications recommended the introduction of a legislated process of conducting regular reviews of regional, rural and remote telecommunications services.

The 2011–12 Regional Telecommunications Review, chaired by Ms Rosemary Sinclair, is the second legislated regional telecommunications review and follows on from the 2008 review led by Dr Bill Glasson AO. A review is required to take place every three years.

The Sinclair Review found that much has changed for the better in regional telecommunications since the Glasson Review, mainly as a result of the Government's investment in the National Broadband Network (NBN) and related regulatory reforms.

In undertaking its review, the independent committee took a snapshot of existing telecommunications services and identified what future measures are needed for regional Australia to take advantage of future broadband services.

The Sinclair Review also had particular regard for the opportunities created by the NBN and provided advice on specific initiatives that will enable regional communities to participate in, and realise the opportunities of, the digital economy.

Between September 2011 and March 2012, the Sinclair Review undertook an extensive public consultation process, involving public consultations in 20 regional locations and roundtable stakeholder meetings in every state and territory capital city. Drawing on this widespread consultation and the 222 submissions received, the committee prepared a report containing 33 recommendations, which was tabled in Parliament on 23 May 2012.

Key messages of the Sinclair Review

The committee's report, 'Regional Communications: Empowering Digital Communities' outlines three main themes:

- Strong recognition of the importance of the NBN, particularly its capacity to improve the lives of people living and working in regional Australia and the commitment to uniform national wholesale prices.

- The importance of digital literacy for regional Australians, particularly Indigenous communities, and the need for early engagement in the digital economy for businesses and local economic development.
- The importance of mobile phone coverage in rural and remote areas.

The Government's response to the Sinclair Review

The Government is immediately progressing 23 of the 33 recommendations of the Sinclair Review, with the remaining 10 recommendations requiring further consideration.

National Broadband Network

The Sinclair Review found that there is a genuine desire across regional Australia for the fast, affordable and reliable broadband services that the NBN provides. There is a growing recognition in regional Australia that better broadband will support regional economic development, improve health and education outcomes as well as help small businesses.

Regional Australians strongly support the Government's commitment to uniform national wholesale pricing and the Government has reaffirmed this commitment in its response to the review. For the first time, people living in regional, rural and remote Australia will pay prices based on the same wholesale charges for fast and reliable broadband as those living in capital cities.

The Sinclair Review confirmed that people living in regional Australia have welcomed the Government's decision to prioritise the rollout of the NBN in regional areas. NBN Co has released its network extension policy, a process for a community, business or individual to fund an extension for the fibre or fixed wireless network. This will enable increases to the fibre and fixed wireless network in regional communities that would otherwise be outside of these footprints. The Network Extension Policy directly addresses a recommendation by the Sinclair Review.

The Government has also implemented a recommendation to allow remote schools and health facilities to access the NBN Co Interim Satellite Service (ISS). Many people are already using the ISS, with over 12 000 active services as of August 2012. Since they became eligible to apply on 1 July 2012, 62 remote schools and educational facilities and 88 remote health care facilities have expressed interest in the service.

Regulatory reforms

In addition to the NBN, the Government is transforming the telecommunications regulatory framework to enhance competition in the Australian telecommunications industry, by facilitating the structural separation of Telstra, and strengthening consumer safeguards.

As part of this reform, the Telecommunications Universal Service Management Agency (TUSMA) was established to manage contracts to deliver universal service outcomes and other public interest telecommunications services. This represents a significant move from a regulatory model for delivery of universal service, with obligations imposed directly on Telstra and other service providers, to a more accountable and flexible contractual model.

The Government agrees with the Sinclair Review that consumer safeguards for telecommunications services should be closely monitored during the transition to the NBN. The Government has also committed to raising awareness of the consumer safeguards in regional Australia.

Fixed telephone services

The Sinclair Review found that industry should have an increased focus on improving permanent repair timeframes for fixed-line services. The Government supports this recommendation and is working with industry, the Communications Alliance and the Australian Communications Consumer Action Network to make improvements in this area.

The Government has also committed to continuing the provision of untimed local calls in the Extended Zones in 2012–13, in line with the Sinclair Review’s recommendation.

Mobile communications

The NBN fixed wireless network provides an opportunity for carriers to expand their mobile phone coverage in certain locations across regional Australia by co-locating equipment in new towers built to support the network. The Government agrees that NBN Co and mobile carriers should work together to take advantage of the NBN fixed wireless towers to improve mobile coverage. The Government will seek advice from the NBN Co Board and the Australian Mobile Telecommunications Association on progress in this area. The Government will review the impact of the NBN fixed wireless towers on improving mobile coverage before considering the desirability of any further action.

The Government agrees with the Sinclair Review about the importance of direct access to the Triple Zero (000) service from a satellite phone. To address the committee’s recommendation, the Australian Communications and Media Authority is investigating the feasibility of ensuring direct 000 access to all satellite phone users through the Telecommunications (Emergency Call Service) Determination 2009.

The Satellite Phone Subsidy Scheme is funded to 30 June 2013 and the Government will further consider the future of the program. Through this program more than 20 000 subsidised satellite phones have been provided to people living, working and travelling for extended periods in rural and remote areas.

Indigenous Australians' access to communications services

The Government has a longstanding commitment to improving telecommunications services in Indigenous communities. The Indigenous Communications Program (ICP) has successfully provided 214 community phones (in addition to the pre-existing 245 community phones which continue to be maintained under this program), 83 mobile satellite handsets, 106 public internet facilities and training to approximately 3200 Indigenous Australians living in remote communities. The public internet access element of the program has been allocated forward funding of approximately \$6.3 million from 2012–13 to 2014–15 to maintain and monitor these facilities. Training in basic computer use is also a key component of this funding.

The Government is looking at the future direction of the program, including trialling the use of wi-fi hotspots and internet kiosks using the ISS in selected communities, as recommended by the Sinclair Review. There are also plans to conduct a trial of wi-fi enabled phones in six remote Indigenous communities, with the results available in 2013.

Digital Economy

The Sinclair Review recommended a number of measures to better prepare regional Australians to take advantage of the opportunities offered by high-speed broadband.

The Government has allocated funding of \$45.7 million to the Digital Hubs, Digital Enterprise and Digital Local Government programs which provide training and assistance to businesses, not-for-profit organisations, councils and individuals in 40 of the first communities to benefit from the NBN.

In 2011–12 the Government allocated \$200 000 to seven Regional Development Australia (RDA) committees in the first and second NBN release sites to help develop digital economy strategies for the rollout of the NBN in their communities. These outcomes are to be shared across the entire RDA network. A second round of funding worth \$400 000 was announced on 18 May 2012, to support on the ground community and business awareness activities.

In April 2012, the Government launched a NBN regional campaign using TV, press and radio advertisements to inform people about the NBN and the prioritisation of its rollout in regional areas. The campaign also aims to raise awareness of the digital economy and its benefits for regional Australians through the development of a local advocate network, regional case studies and information on the nbn.gov.au website.

The Sinclair Review recommended the creation of a National Digital Productivity Council of Experts in regional service delivery to address digital productivity issues. In order to avoid any duplication, the Government is investigating whether there are existing forums that could undertake this work or whether it is necessary to create a new body as recommended by the Sinclair Review.

Response to individual recommendations of the Sinclair Review

Existing Telecommunications Services

Recommendation 2.1 The new consumer safeguard arrangements should be closely monitored to ensure that they are achieving their purpose and, if required, any refinements over time can be identified and implemented to minimise any difference in service delivery.

Response:

Telecommunications consumer safeguards provide a necessary safety net to ensure the availability of telephone services to all individuals and organisations in Australia. These consumer safeguards encourage providers to supply reliable services quickly, restore faulty services promptly, and provide quicker responses to assist in meeting the telecommunication needs of people with life-threatening medical conditions.

The Government will continue to monitor regulated telecommunications safeguards. The Government has also established the Telecommunications Universal Service Management Agency which will have an ongoing role in managing contracts for delivery of key public interest telecommunications services.

Recommendation 2.2 The committee recommends that carriers commit to improving permanent repair time frames through an industry code of practice. If industry commitment to improvements in this area is not agreeable or forthcoming, the government should consider additional regulation in this area.

Response:

The Government notes this recommendation is directed at carriers. However, the Government will work with Communications Alliance, the Australian Communications Consumer Action Network and other relevant stakeholders to develop an acceptable definition on what constitutes a permanent repair, and to progress this recommendation.

Industry will have the opportunity to work with government to improve permanent repair timeframes before regulation is considered in this area.

Recommendation 2.3 The government should develop and implement a comprehensive communication strategy to raise awareness of consumer safeguards for people in regional Australia.

Response:

It is important that telecommunications consumers in regional areas are well-informed of their rights and service provider obligations. The Department of Broadband, Communications and the Digital Economy will work with the Department of Regional Australia, Local Government, Arts and Sport to develop and implement a strategy

to disseminate information on consumer safeguards to people living in regional Australia, for example through Regional Development Australia committees and the 'myregion' website.

Recommendation 2.4 That the government and Telstra, as the current USO provider, commit to maintaining at a minimum the current quality of service for non-copper USO standard telephone services in NBN Co non-fibre served areas.

Response:

The Telecommunications Universal Service Management Agency (TUSMA) will monitor ongoing delivery of the standard telephone service by Telstra as part of its overall management of the TUSMA agreement.

Recommendation 2.5 The government should continue the provision of Untimed Local Calls in the Extended Zones.

Response:

Untimed local calls are a longstanding consumer safeguard for customers living in rural and remote areas of Australia. It ensures that the large regional call charging zones do not result in regional consumers paying more for a telephone call to, for example, their neighbour or local service town. The Government has determined that in 2012–13 the Telecommunications Universal Service Management Agency will manage arrangements to continue to provide for untimed local calls in the Extended Zones.

Recommendation 2.6 There should be a continuation and expansion of the Indigenous Communications Program, with sufficient flexibility to allow for tailored localised training and digital literacy solutions. The program should include a trial of wi-fi hotspots using selected community phones.

Response:

This recommendation will require further consideration.

The Indigenous Communications Program has successfully provided 214 community phones, 83 mobile satellite handsets, 106 public internet facilities and training to approximately 3200 Indigenous Australians living in remote communities.

The public internet access element of the program has been allocated forward funding of approximately \$6.3 million from 2012–13 to 2014–15 to maintain and monitor these facilities. Training in basic computer use is also a key component of this funding.

The Department of Broadband, Communications and the Digital Economy (DBCDE) is conducting a trial of internet kiosks using the Interim Satellite Service in three remote Indigenous communities. DBCDE is also planning to conduct a trial of wi-fi enabled community phones in six locations, with the results available in early 2013.

Recommendation 2.7 The ACMA and DBCDE should report on the status of remote Indigenous communities in respect of telecommunications to monitor the digital divide, including through the collection of data on availability, take-up and usage.

Response:

This recommendation will require further consideration.

The Government recognises the important role telecommunications services play in Closing the Gap in Indigenous disadvantage.

The National Partnership Agreement on Remote Indigenous Public Internet Access contributes to the Closing the Gap targets agreed in the Council of Australian Governments National Indigenous Reform Agenda. Since July 2009, the Indigenous Communications Program (ICP) has provided vital telecommunications assistance to remote Indigenous Australians through the telephone and public internet access elements of the program.

Recommendation 2.8 That the Standing Council on Police and Emergency Management note the committee's finding on unresolved communications deficiencies in vulnerable areas.

Response:

The Emergency Communications section of the committee's report will be submitted to the Standing Council on Police and Emergency Management (SCPEM) for noting at its next meeting in November 2012.

Considerable work has been undertaken on emergency communications under the auspices of SCPEM and its predecessor committee, the Ministerial Council for Police and Emergency Management – Emergency Management.

In December 2009, the national telephone-based emergency warning system, Emergency Alert, was launched. Emergency Alert enables state and territory authorities to issue voice messages to landlines, and text messages to mobile telephones, based on the customer's registered service address. The Commonwealth contributed \$26.3 million to its development.

In addition, on 13 January 2012, the Commonwealth and Victorian governments announced that the Victorian Government had executed a contract with Telstra to build the Location Based Solution (LBS) interface for Emergency Alert. This enables Emergency Alert to send emergency warnings to Telstra customers based on the last known location of the mobile handset at the time of an emergency. An LBS capability for Telstra customers is expected to be operational in November 2012. Victoria is continuing negotiations with Optus and Vodafone Hutchison Australia for development of an LBS capability on their networks.

It should be noted that emergency service agencies take a multi-modal approach to warnings, and the public should not rely on receiving any single warning. The public should tune in to the radio, watch television, check emergency services websites and stay aware of local conditions.

Recommendation 2.9 The ACMA should explore the feasibility of making 000 access a condition for a satellite carrier obtaining and/or maintaining a carrier license.

Response:

The Government recognises the importance of direct access to the Triple Zero (000) service from a satellite phone.

All Australian satellite phone operators provide access to 000. However, some satellite phone providers that use an international gateway do not. As a result, a small number of satellite phones operating in Australia do not currently have the ability to access 000.

The Australian Communications and Media Authority is investigating the feasibility of providing 000 access to all satellite phone users through the Telecommunications (Emergency Call Service) Determination 2009 (the Determination), rather than imposing additional conditions on the relevant carriers' licences. It is anticipated that this assessment will be completed in the fourth quarter 2012. This would be followed by a public round of consultation to finalise any amendments to the Determination.

Recommendation 2.10 Major telecommunications providers, such as Telstra, Optus and NBN Co, should work with local government emergency management planners to identify critical infrastructure priorities and communications challenges that could affect local emergency warning systems and emergency responses.

Response:

The Government notes this recommendation is directed at the major telecommunications providers and local government. However, a key strategic imperative of the Commonwealth Government's Critical Infrastructure Resilience Strategy (the Strategy) is the operation of an effective business-government partnership. Under the Strategy, the Trusted Information Sharing Network (TISN) for Critical Infrastructure Resilience provides an environment where business and government can work together and share vital information on issues relevant to the resilience of our critical infrastructure, and the continuity of essential services in the face of all hazards.

The Communications Sector Group (CSG) within the TISN comprises owners and operators from the telecommunications (including all major providers), broadcasting, international submarine cable and postal sectors, as well as government representatives at the federal and state and territory level. The CSG shares information on and develops best practice to mitigate communications vulnerabilities.

Since 2010, a key focus of the CSG has been working with state and territory governments to improve communications with industry and raise awareness of communications infrastructure and requirements. To date, exercises have been held in NT (Aug 2010), WA and SA (Sept 2010), Victoria (June 2011) and the ACT (May 2012). The CSG is working with other sector groups through these and other exercises to better understand the interdependencies between sectors that can impact on the delivery of communications services.

Recommendation 3.1 DBCDE should be funded to develop a methodology, conduct audits and report on problem mobile phone coverage areas in response to complaints from the public.

Response:

This recommendation will require further consideration.

The Government recognises that there are strong concerns in regional Australia about the mobile phone coverage claims made by carriers.

The Department of Broadband, Communication and the Digital Economy (DBCDE) has previously operated a compliance framework for the Australian Broadband Guarantee program, which included conducting technical audits to determine whether 3G wireless coverage was capable of providing metro-comparable broadband services in regional and remote areas.

Recommendation 3.2 The committee recommends a co-investment program, jointly funded by the Commonwealth and interested states or territory governments, to expand the mobile coverage footprint in regional Australia, focusing on priority regions selected with community input. Open-access arrangements for other carriers to tower infrastructure and/or domestic roaming arrangements should be a feature of the program.

Response:

The Government is aware of the importance of mobile phone coverage in regional Australia and is undertaking a number of activities which have the potential to increase the regional coverage footprint.

The construction of the NBN fixed wireless tower network provides mobile carriers with an opportunity to negotiate access to these towers and improve their mobile phone coverage in certain locations across regional areas.

The Department of Broadband, Communications and the Digital Economy is working with industry to improve consumer understanding of mobile coverage limitations including a review of point-of-sale material and complaints processes.

The Government will review the impact of the NBN fixed wireless network on improving mobile coverage in regional areas before making any commitments to fund a new program to extend mobile coverage.

Recommendation 3.3 The government should continue the Satellite Phone Subsidy Scheme.

Response:

This recommendation will require further consideration.

The Satellite Phone Subsidy Scheme subsidises satellite phone handset purchases for people living, working or travelling extensively in areas without terrestrial mobile phone coverage. The scheme has been very successful with over 20 000 subsidies provided since 2002. The scheme is due to end in June 2013.

National Broadband Network

Recommendation 4.1 The principle of a uniform national wholesale price for like services across technology platforms is essential on an equity basis and should be a fundamental tenet of future policy in this area.

Response:

The Government is committed to every community in regional Australia receiving fair and equitable access to affordable high-speed broadband through the National Broadband Network (NBN). The NBN is Australia's first national, wholesale-only, open access broadband network offering equivalent terms and conditions to all access seekers. Uniform national wholesale pricing provides equitable pricing outcomes for regional, rural and remote Australians.

The Government has committed to uniform national wholesale pricing through the agreement it made with Independent Members of Parliament, supported by amendments made to the *Competition and Consumer Act 2010*. Uniform national wholesale pricing is also reflected in the Statement of Expectations issued to NBN Co by the Government, and NBN Co's Wholesale Broadband Agreement and Special Access Undertaking.

Recommendation 4.2 Industry, through the Communications Alliance and in collaboration with ACCAN, should develop materials to assist customers in making informed choices about NBN broadband products.

Response:

The Government notes this recommendation is directed to the Communications Alliance and the Australian Communications Consumer Action Network (ACCAN).

A major recommendation arising from the Government's review of ACCAN is that ACCAN develops a greater focus on communications that would have relevance to a general consumer audience.

In January 2012, ACCAN developed the NBN - Guide for Consumers, which compiles publically available information on the National Broadband Network from a number of sources including: NBN Co, government agencies, industry forums and standards bodies.

The Communications Alliance and NBN Co are well-placed to provide product information and assist ACCAN in the development of materials to assist consumers in understanding different product types as they become available under the NBN.

The Department of Broadband Communications and the Digital Economy will continue to work with ACCAN, the Communications Alliance and NBN Co to progress this recommendation.

Recommendation 4.3 The ISS should be reviewed to determine whether there is scope to allow remote schools, health facilities and Indigenous communities to apply for the ISS.

Response:

The Interim Satellite Service (ISS) has been operating since 1 July 2011 and provides eligible rural and regional Australians faster broadband services ahead of NBN Co's long term satellite service in 2015.

The ISS targets customers without access to a metro-comparable broadband service. It uses existing satellite capacity and new ground infrastructure to provide peak speeds of six Mbps download and one Mbps upload.

NBN Co manages customer eligibility for the ISS using a set of business rules. The first priority is to provide services for those without alternative commercial broadband access. From the outset, home users, small business, Indigenous community organisations and not-for-profit organisations have been able to access the ISS.

As at 7 August 2012, over 12 000 homes and small businesses in remote and rural areas are already using the ISS. This is part of the Government's commitment to prioritise the National Broadband Network (NBN) rollout to regional Australia.

On 24 May 2012, the Government announced that remote schools, health clinics and local government facilities would be eligible to connect to the NBN through the ISS.

By extending the eligibility for the ISS, approximately 250 schools, 800 health clinics and 200 local government facilities in the most remote parts of Australia will now be able to access faster and more reliable broadband.

For schools in regional and rural Australia this will mean students can get more reliable broadband, with speeds up to six times faster than they have now. This will significantly assist them in maximising their educational opportunities.

Health clinics in regional Australia will be able to access the ISS. This will offer them much needed capacity to provide improved healthcare services for people living in their local community.

The new eligibility rules for the ISS took effect from 1 July 2012. Further information on the ISS, including eligibility criteria, is available from www.nbnco.com.au

Recommendation 4.4 The committee recommends that, as a priority, clear information about the ISS and the long-term satellite solution should be provided to people and organisations in areas that will be served by satellite. There will be benefits in developing case studies that demonstrate, in real-life situations including shared connections, the range of broadband applications that can be used effectively over satellite technology.

Response:

The Government recognises that a range of reviews and inquiries have encouraged the provision of clearer and more extensive information about the National Broadband Network (NBN). The Government has conducted a regional NBN campaign to inform people about the NBN and the prioritisation of its rollout to regional areas. Such information enables communities in regional Australia to better understand the opportunities provided by the NBN, including quality of service, cost and potential uses.

The Government's campaign was launched on 29 April 2012 using TV, press and radio advertisements, as well as the NBN website and a call centre to provide more detailed information. All materials produced, including case studies demonstrating the use of NBN satellite services, will continue to be used for ongoing activities. Case studies featured in the campaign are available from www.nbn.gov.au

NBN Co's communication activities include an ongoing campaign for non-fibre technologies, with the aim of both building understanding and increasing connections. This campaign is targeting local communities receiving wireless or satellite services under the NBN rollout, and therefore includes the provision of information on NBN Co's Interim Satellite Service and Long Term Satellite Service and case studies that demonstrate use and benefits.

NBN Co has also commenced work on public outreach campaigns including:

- the Public Information on Migration (PIM) to facilitate continuity of telecommunication services when the copper network is retired. NBN Co is working with government and industry on an appropriate governance and consultation structure to underpin implementation of the PIM;
- sectoral benefits campaigns targeting education, small business and health as beneficiaries of the NBN; and
- a campaign to generate interest in, and build understanding of, the NBN.

Recommendation 4.5 NBN Co should engage with mobile carriers about using NBN fixed-wireless towers to also improve mobile coverage.

Response:

The Government encourages further engagement between mobile carriers and NBN Co on the use of NBN Co fixed wireless towers for mobile coverage. As noted by the Sinclair Review, the Government's substantial investment in the fixed wireless network also has the potential to improve mobile phone coverage in certain locations across regional Australia.

The Minister for Broadband, Communications and the Digital Economy, Senator Conroy will refer this matter to the NBN Co Board and the Australian Mobile Telecommunications Association (AMTA) for their advice.

Recommendation 4.6 NBN Co should:

- **Consider community reference groups as a means of gathering local community input and advice on the network rollout.**
- **Actively seek opportunities for collaboration with state and territory governments to achieve better results or efficiencies in the network rollout.**

Response:

NBN Co has a dedicated team to engage with communities and stakeholders throughout the rollout process. The company is building relationships with local authorities and utilities to ensure it takes full account of their requirements, and develops community understanding of the company's plan for providing broadband services as the project progresses.

In March 2011, NBN Co published a Community Consultation paper that outlined its engagement strategy for the National Broadband Network (NBN) rollout. The paper is available at www.nbnco.com.au/assets/documents/community-consultation.pdf

NBN Co's key community relations objectives are to:

- ensure all key stakeholders are identified and engaged in an appropriate, timely and consistent manner, and their needs and interests recognised;
- foster open and ongoing channels of communication with stakeholders during each project phase;
- understand issues and concerns and resolve or escalate them in an appropriate manner;
- provide stakeholders with information about construction and / or environmental impacts that will affect them, and create awareness of mitigation measures to minimise these impacts; and
- educate the community and key stakeholders about the benefits of the NBN.

NBN Co has also provided a hotline (1800 881 816) and a public website (www.nbnco.com.au) where the community and stakeholders can contact NBN Co directly with questions, queries and problems. The engagement model provides a framework for the delivery of engagement activities in a coordinated and aligned manner.

NBN Co has also been actively seeking opportunities for collaboration with state and territory governments to achieve better results and efficiencies in the network rollout through its capacity as a member of the NBN Liaison Group (NBNLG). The NBNLG was established to facilitate communication between state and territory governments, the Commonwealth and NBN Co to support the NBN rollout. Complementing this, NBN Co has encouraged states and territories to form internal coordination groups or taskforces to facilitate cross-government liaison.

Recommendation 4.7 NBN Co should develop a clear network extension policy. NBN Co's network extension policy should make provision for community contributions.

Response:

The Government, through its Statement of Expectations for NBN Co publicly released on 20 December 2010, encouraged NBN Co to explore mechanisms for a community to fully or partially fund the extension of the fibre network. On 12 July 2012, NBN Co released its network extension policy, a process created for a community, business or individual to fund an extension for the fibre or fixed wireless network to their premises. There are three types of network extensions: Adjacent Fibre Network Extensions, Large Fibre Network Extensions and Fixed Wireless Network Extensions. Applicants can be individuals, businesses, incorporated associations, government bodies and other similar entities. More information about the extension policy and the application process can be found at www.nbnco.com.au/getting-connected/network-extension.html on the NBN Co website.

Recommendation 4.8 The government should work with industry and NBN Co towards ensuring at least an equivalent quality of broadband service is available under the NBN as was available prior to the NBN.

Response:

On 20 December 2010, the Government publicly released its Statement of Expectations to NBN Co setting out the Government's NBN Vision and Objectives. The statement sets out the framework for how the Government expects the company will implement the National Broadband Network (NBN) policy objectives. This includes NBN Co's coverage objectives and the premises NBN Co is required to offer a connection to in order to meet these objectives. To support reporting against coverage objectives, the Government also expects NBN Co to establish and maintain a publicly-available and regularly-updated coverage register.

According to the Australia Bureau of Statistics (ABS), ADSL is currently the most popular fixed broadband technology in Australia. The fastest variant of this, ADSL2+, has a nominal peak download speed of 24Mbps and upload speed of 1Mbps. On average, however, speeds delivered to the end user are considerably below this and are largely dependent on how far the end user is from the telephone exchange.

According to the NBN Implementation Study, for most end users, the existing customer access network is a missing link in superfast broadband connectivity. The legacy copper customer access network is insufficient to deliver superfast broadband speeds to all but a few premises. DSL technologies (such as ADSL2+) are capable of delivering data at broadband speeds over standard copper pairs for premises that are within about 5km of an exchange. For those premises located extremely close to the exchange, speeds of 20Mbps or more may be possible, but this is true for only a small minority of homes and businesses.

To achieve faster speeds across the majority of premises in Australia, fibre infrastructure is the most reliable technology. The electronics deployed on fibre can deliver speeds well in excess of 100Mbps today, with an upgrade path to much faster speeds over time.

NBN Co's next-generation fixed wireless and satellite networks, to be delivered to those outside the fibre footprint, are being engineered to specifically deliver high-speed broadband to regional and remote communities. These services are expected to be the equivalent of, or better than, what many experience with ADSL technology today, including through support for the provision of health and education services.

Under agreements reached between Telstra and the Commonwealth, as administered by the Telecommunications Universal Service Management Agency (TUSMA), Telstra will have a contractual obligation to maintain the copper network and provide voice-only services to locations outside the fibre footprint for a period of 20 years from 1 July 2012. A review into these arrangements is scheduled in 2018.

NBN Co's 2013–15 Corporate Plan highlights that it will be providing 100 per cent of Australian premises with access to high-speed broadband by June 2021. The fixed wireless and long term satellite service will be in place as soon as 2015. During the 20 year period for maintenance of the copper services, NBN Co's long term satellite service will use the next generation of ground equipment and acceleration techniques to maximise broadband performance in regional, rural and remote Australia.

Over this period, it is expected that NBN Co will continue to upgrade its satellite network, including deploying commercial grade services over the long term satellite service and through other technological improvements, delivering further services of importance to regional and remote Australia.

There is no expected reduction in capability in regional areas as a result of the NBN rollout, but rather an expectation of significant improvement in capacity. According to the ABS, demand for broadband services is expected to increase as regional and rural Australians continue to take advantage of broadband technologies. As a result, it is unlikely that current commercial services will be withdrawn in advance of the rollout. These communities will be able to take advantage of the increased capabilities offered by NBN Co's long term satellite service.

Recommendation 4.9 The provision of fibre access points offers future opportunities for communities passed by backhaul infrastructure. NBN Co should include additional fibre access points in any future provision of backhaul.

Response:

The Government notes this recommendation will be progressed by NBN Co as part of its network extension policy (recommendation 4.7 refers).

Recommendation 5.1 It is critically important to better understand the economic, social and workforce participation challenges faced by vulnerable and disadvantaged groups. The ACMA should develop metrics and collect data on these challenges, including the contribution improved access to high-speed broadband could make to increasing the workforce participation of these groups.

Response:

This recommendation will require further consideration.

The Government acknowledges the potential of high-speed broadband to improve the workforce participation of vulnerable and disadvantaged groups, and the importance of data collection to monitor progress in this area.

The Digital Hubs program is helping communities, including vulnerable and disadvantaged groups, to gain the skills needed to maximise the benefits provided by the National Broadband Network (NBN).

Recommendation 5.2 To provide practical assistance to improve digital literacy in regional Australia, the government should expand the Digital Hubs program into additional regional areas, not limited to NBN release sites.

Response:

This recommendation will require further consideration.

The ability to confidently use and understand digital media and services is an important prerequisite to effective participation in the digital economy.

The Government is currently providing \$13.6 million over three years to a Digital Hubs program that is helping communities to gain the skills needed to maximise the benefits provided by the National Broadband Network (NBN). The program is establishing a Digital Hub in communities that first benefit from the NBN. Local residents are being provided with free online training and the opportunity to experience NBN-enabled services and technology.

The Government's Broadband for Seniors initiative is also designed to help older Australians become confident in the use of computer technology.

Recommendation 5.3 Not-for-profit organisations should be supported to work together to strengthen their digital literacy capabilities and develop local strategies to take advantage of the digital economy.

Response:

This recommendation will require further consideration.

Not-for-profit organisations play an integral role in assisting disadvantaged groups to access services. To provide further assistance, it is important for not-for-profits to be digitally confident, and to assist these groups to participate more fully in the digital economy.

The Government has already provided \$10 million over three years to establish the Digital Enterprise program. The program will help small-to-medium enterprises and not-for-profit organisations in 40 communities to first benefit from the National Broadband Network (NBN). The program will provide local not-for-profits with assistance and advice on how to:

- access and influence online audiences
- undertake online fundraising activities
- provide online services
- achieve administrative efficiencies using online tools.

The Government has also established www.digitalbusiness.gov.au to support business and community organisations to develop an online presence and strengthen digital access.

Recommendation 5.4 DBCDE, in conjunction with the Department of Regional Australia, Local Government, Arts and Sport, should raise awareness about digital economy benefits as well as the emerging opportunities for regional communities.

Response:

The Government is committed to increasing effective use of the internet by consumers to drive higher productivity growth and community participation in the digital economy.

The Government has recently conducted the National Broadband Network (NBN) regional campaign to inform people about the NBN, and the prioritisation of its rollout to regional areas. Such information enables communities in regional Australia to better understand the opportunities provided by the NBN (response 4.4 refers). A central component of this campaign is raising awareness of the digital economy and its benefits for regional Australians through the development of a local advocate network, regional case studies and information on the nbn.gov.au website.

The Department of Broadband, Communications and the Digital Economy (DBCDE) in conjunction with NBN Co has conducted a series of business forums to discuss the benefits of high-speed broadband and talk about rollout schedules in local communities. These events are held with a Broadband Champion or local advocate to help explain the business benefits of the NBN, a popular approach with these audiences.

DBCDE is collaborating with the Department of Regional Australia, Local Government, Arts and Sport (DRALGAS) on effective awareness raising activities, including promoting information on the departments' websites and sending updates through Regional Development Australia (RDA) committee newsletters and communication materials. The RDA network was used during the recent campaign to find local advocates and case studies recommended by the RDAs. The DBCDE and DRALGAS communication teams meet regularly to discuss upcoming plans and events to ensure synergies in communicating with regional Australia.

Recommendation 5.5 A National Digital Productivity Council of Experts in regional service delivery should be established to ensure significant digital productivity issues are addressed and to provide a formal coordination mechanism for the Commonwealth, states and territories.

Response:

The Government recognises the importance of improving digital productivity and capturing the benefits it will create for a wide range of sectors in regional Australia. There are opportunities for businesses, industries, not-for-profit organisations, health, education and emergency services, local governments, and Indigenous communities.

To take advantage of all the opportunities the digital economy provides it is necessary to identify and overcome barriers such as access technology limitations, interoperability of systems and the digital literacy of users, that prevent the systemic adoption of initiatives such as e-learning, telehealth and e-government.

The Digital Regions Initiative was established in 2009, and has been conducting a number of telehealth trials and NBN-enabled tele-education trial projects in regional areas. These enable expertise to be developed locally, and help identify potential systemic barriers to the adoption of national digital productivity initiatives.

The Minister Assisting the Prime Minister on Digital Productivity is investigating whether there are existing forums that could perform this function, or whether it is necessary to create a new body.

Recommendation 5.6 Regional Development Australia committees, in conjunction with local councils, should develop digital economy plans for their regions and identify digital economy champions. Cooperation in developing these digital economy plans should be sought from other local and regional institutions such as universities and national organisations such as the CSIRO and National ICT Australia.

Response:

The Government is already making progress in this area. In 2011–12 the Government allocated \$200 000 to seven Regional Development Australia (RDA) committees in the first and second National Broadband Network (NBN) release sites to help develop digital economy strategies for taking advantage of the rollout of the NBN in their communities. These outcomes are to be shared across the entire RDA network.

A new round of funding worth \$400 000 was provided in 2012–13 to support on the ground community and business awareness activities, with payments of up to \$25 000 per RDA committee. The RDAs are being encouraged to identify local digital economy champions and work with other local and regional institutions as they develop their plans.

A number of RDA committees and local councils have already realised the potential benefits of participating in the digital economy and are developing digital economy strategies for their regions. These include the RDA Mid North Coast, RDA Far West NSW, the Northern Melbourne RDA, as well as the Coffs Harbour City Council, the Kiama Council and the seven northern councils of Melbourne.

Recommendation 5.7 To enhance the digital literacy and preparedness of regional small businesses, the Digital Enterprise program should be expanded into additional regional areas not limited to NBN release sites. DBCDE should also work with state and territory governments to encourage businesses to participate more fully in the digital economy.

Response:

This recommendation will require further consideration.

Small business owners and operators, including those in regional areas, often lack the skills and knowledge necessary to take advantage of the benefits and opportunities presented by the digital economy. There is an important role for government to assist small businesses to develop the skills and knowledge required to maximise these benefits and capitalise on these opportunities.

The Government has already provided \$10 million over three years to establish the Digital Enterprise program. The program is helping small-to-medium enterprises and not-for-profit organisations in 40 communities to first benefit from the National Broadband Network (NBN). The program will help these communities to better understand how they can maximise the opportunities from greater digital engagement, enabled by the NBN.

Recommendation 5.8 The government should work with the agriculture sector to encourage the sector to develop digital strategies. These strategies should include how best to deliver specific training opportunities and demonstration sites.

Response:

The Government supports the use of digital strategies to capture productivity gains in the agricultural sector.

The Government will work with peak industry bodies for the agricultural sector, as well as research and development bodies to address this recommendation.

Recommendation 5.9 To increase the capacity of local governments in regional and remote areas to take advantage of digital technologies to provide a wide range of services on-line, the Digital Local Government program should be expanded into additional regional areas not limited to NBN release sites.

Response:

This recommendation will require further consideration.

The Government recognises the important role local councils will play in the delivery of more innovative services across regional Australia, as well as the opportunity provided by the National Broadband Network (NBN) for the more efficient and effective delivery of existing local council services.

The Digital Local Government program assists 40 local councils to deliver NBN enabled services in communities that are among the first to benefit from the NBN. The program

currently funds local council projects that are both replicable and scalable and therefore have the potential to be implemented by local councils across Australia. For example, the City of Onkaparinga in South Australia is using interactive high-definition videoconferencing to dramatically speed up building and development application processes.

Complementary to the Digital Local Government program, the Government has been conducting workshops with some local councils where construction on the NBN is expected to commence in the next twelve months. The Broadband Today Alliance is supporting these workshops.

Recommendation 5.10 The National Digital Productivity Council of Experts in regional service delivery should develop joint strategies and mechanisms for more systemic adoption of telehealth in regional Australia. The council should consider the lessons learnt from previous telehealth trials and also assess possible barriers to telehealth adoption such as access technology limitations, interoperability, the need for a national telehealth directory and the digital literacy of GPs.

Response:

Refer to recommendation 5.5

Recommendation 5.11 The work program of the National Digital Productivity Council of Experts in regional service delivery should include identifying systemic barriers to e-learning and cross-border vocational training.

Response:

Refer to recommendation 5.5