



Australian Government

National Office for the Information Economy

# BROADBAND



The National Broadband Strategy

**EXPLAINED**

# Commitment to Broadband

The Australian Government is committed to improving the delivery of advanced telecommunications services across Australia. In this, the role of a competitive, innovative private sector will be paramount. The Australian Government will not tell citizens and businesses which technologies to use – but it will provide the environment that fosters the availability of fast networks.

The foundation for an advanced communications market was laid in 1997 with the Australian Government's introduction of a full and open competition regime. The number of telecommunications providers has since increased from only three to more than 80, resulting in improved choice and lower prices for consumers.

Many of these providers offer broadband infrastructure or services, and there are today more than 400,000 broadband subscribers in Australia, using a variety of technologies.

The Australian Government wants to make sure as many Australians as possible have access to these new services – an issue that was addressed in the response to the independent Regional Telecommunications Inquiry report. This response also follows the findings of the Broadband Advisory Group, which delivered its report to the Australian Government in January 2003.

The Australian Government has accepted all 39 recommendations made by the Regional Telecommunications Inquiry and in June announced a package including a \$142.8 million National Broadband Strategy comprising the following key elements to be completed over four years:

- \$2.9 million for a National Broadband Strategy Implementation Group
- \$107.8 million for a Higher Bandwidth Incentive Scheme
- \$8.4 million to group demand for broadband in regional areas
- \$23.7 million to accelerate broadband uptake in areas such as health and education

This document provides further details on the National Broadband Strategy and explains why broadband is important to Australia.

# Broadband and its Benefits

Broadband services are defined as always-on, high-speed data services. Broadband gives people instant access to the Internet or other data services 24 hours a day at speeds at least 10 times faster than a typical dial-up modem.

Broadband makes it easier to get online and its added speed makes it much more convenient for people to use Internet banking, news and other websites. It also enables use of more advanced applications, such as videoconferencing or the complex websites used by share traders and farmers to check real-time market prices.

Many broadband services also allow subscribers to make phone calls at the same time as using the Internet, increasing convenience, saving time and reducing costs.

In short, broadband services increase convenience and enable new and innovative interactive content and applications for Australian Government, consumers and businesses.

## BROADBAND FOR GROWTH

Harnessed effectively, broadband will lead to growth in jobs, wages and the economy. Broadband is a key piece of infrastructure for the 21st Century in the same way that roads and railways were for earlier generations. The OECD considers broadband plays an important role, providing economic benefits for countries like Australia.

## BROADBAND FOR BUSINESS

Broadband allows businesses to increase efficiency, reduce costs, overcome distance, and open up new markets and employment opportunities. A graphic arts firm can email a large file to a client in seconds, for example, rather than dispatching an expensive, slow courier to carry it on disk. In many sectors of the economy, companies are actually being required to use broadband in order to achieve productivity growth and join industry e-business initiatives. It is also enabling companies to expand the definition of the workplace by making it possible for employees to telework on a regular basis.



# The National Broadband Strategy

## BROADBAND FOR HEALTH

Australia faces expanding demand for health care, fuelled by the availability of new treatments and the ageing population. Broadband infrastructure can improve health outcomes and provide the platform to deliver services to all Australians, regardless of location. It reduces patient travel requirements and increases access to specialists. With personal computers and high-speed links, broadband can be used to deliver: remote consultation; diagnosis and patient monitoring; online access to test results and patient records; electronic prescriptions; and remote education for health professionals and consumers.

## BROADBAND FOR EDUCATION

High bandwidth applications are transforming distance learning programs in schools and allowing students and teachers to access interactive content here or overseas. It is also enabling tertiary students to use cutting-edge course materials from around the world and access in-depth resources located anywhere on the Internet. This is resulting in enhanced learning outcomes due to more compelling, visually exciting and engaging content as well as more productive learning experiences such as participation in virtual classroom environments and even online field trips.

The Australian Government has provided funding of \$142.8 million over four years for the National Broadband Strategy. The Strategy will improve access to broadband services across Australia and is a key step to 'future proofing' regional Australia's communications needs.

## A NATIONAL PLAN

The overriding objective of the National Broadband Strategy is to develop a plan, or framework, for broadband development in Australia. It will include identifying what has already been done and where additional action is required.



With broadband you'll have the world at your finger

The plan is key to ensuring that funding is invested wisely and targeted at those areas that will benefit most.

Central to achieving the Australian Government's strategic priorities will be the development of a constructive partnership with the private sector. Australian Government leadership and targeted funding will be important ingredients in:

- improving access to broadband services across Australia
- enhancing access to the full range of economic benefits that broadband makes possible

The National Broadband Strategy delivers a common plan that will allow for coordination of broadband investment across all levels of government.

## NATIONAL COORDINATION GROUP

There will be benefits from the Australian Government coordinating the development of broadband with national objectives in mind. \$2.9 million over four years is being provided for a *National Broadband Strategy Implementation Group* that will develop and oversee the National Broadband Strategy. The group will help determine the most effective application of Australian Government funding across the nation so that targeted and sustainable outcomes will be achieved. It will also be essential to consult with private investors in broadband infrastructure and applications.

## ENSURING EQUITY OF ACCESS FOR REGIONAL AUSTRALIA

Some regional areas can only access broadband services through technologies that are considerably more expensive than services available in metropolitan areas.

The Australian Government will spend \$107.8 million over four years on the *Higher Bandwidth Incentive Scheme* to provide financial incentives to broadband service providers to offer services in rural and remote areas. This will lead to many regional users being able to access broadband services at prices broadly comparable to those charged in metropolitan areas.

## BROKERING TARGETED LOCAL SOLUTIONS

The Australian Government is committing an additional \$8.4 million over four years towards a network of *Broadband Demand Aggregation Brokers*. These demand aggregation brokers will work with regions to develop a plan for mobilising broadband demand that reflects the needs of the community, its geographic location and technology requirements.

The effective aggregation of demand for broadband services has the ability to extend broadband network infrastructure into areas that currently lack services. Brokers will work to develop a market for broadband services and use bulk buying power to deliver better outcomes for users and service providers.

Demand aggregation allows infrastructure providers to adopt longer term plans, their revenue becomes more certain and advanced infrastructure can be deployed with greater confidence. For users, demand aggregation will lead to access to better broadband services, reduced cost for broadband access, or both.

## INCENTIVES TO ENCOURAGE INFRASTRUCTURE DEPLOYMENT

To provide an added incentive for broadband suppliers to invest in infrastructure the Australian Government has committed \$23.7 million over four years to a *Coordinated Communications Infrastructure Fund* to provide further leverage for the roll-out of broadband infrastructure into regional Australia.

The Fund will be combined with parallel investments from states and territories and other stakeholders for projects in areas like health and education to build on demand aggregation activities to transform non-commercial infrastructure deployment projects into viable realities.





## Improved Broadband Services

The Australian Government is committed to stimulating the take-up of broadband services in Australia as a key part of the nation's infrastructure. It has previously committed over \$170 million to stimulate the development of broadband in Australia, through initiatives focussing on key areas of public benefit such as education, health, and leading edge research.

- The National Communications Fund to improve education and health service delivery in regional Australia (\$50 million);
- The Australian Research and Education Network building broadband networks between universities (\$42.5 million);
- The Advanced Networks Program to establish leading edge research networks and applications (\$37 million);
- Online Curriculum Fund (\$34 million)
- Broadband connections for GPs as part of the Medicare reforms (\$9.2 million), and
- The Broadband Development Fund for broadband content (\$2.1 million).

Now, with the announcement of the National Broadband Strategy it has committed a further \$142.8 million over

four years to the further development of broadband services, particularly in regional areas. The strategy will deliver:

- The faster rollout of national broadband infrastructure in collaboration with industry
- More accessible broadband services and cheaper prices, especially in regional areas
- Improved delivery of Australian Government services, including education and health services
- A focusing of resources on areas that will not be adequately served by the market within a reasonable time period
- A national plan for broadband development in Australia developed by all levels of Australian Government



# More Information

## ABOUT NOIE

NOIE is the Australian Government agency aimed at helping Australians create a world-class online economy and society through its work developing, overseeing, and coordinating Australian Government policy on e-commerce, online services, broadband and the Internet.

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