

Broadband Connect and Clever Networks

Response to Discussion Paper

By Wheatbelt Area Consultative Committee

Wheatbelt – Western Australia

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Wheatbelt ACC Inc



An Australian Government Initiative



BROADBAND CONNECT AND CLEVER NETWORKS

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Introduction:

This Submission is made on behalf of the Wheatbelt Area Consultative Committee (ACC) Inc, a stakeholder-based organisation representing community interests in the Wheatbelt area of Western Australia. The Wheatbelt ACC is part of the Australian Government's regional development ACC network and its activities are managed through the Department of Transport and Regional Services (DOTARS). With offices and staff in Merredin, York, Wongan Hills and Northam, the Wheatbelt ACC has been operating very successfully for 10 years and manages a portfolio of community-based programs.

The Wheatbelt ACC is responsible for a demand aggregation broker (DAB) project as a result of a submission made to the DAB second round of DCITA funding. The Wheatbelt community broadband program has been operating for five months and has been successful (with the support of the HiBIS program) in facilitating the installation of ADSL in 23 Wheatbelt communities, and broadband wireless in 20 communities.

The Wheatbelt area of WA is made up of 44 Shire Councils, and is represented in the Australian Parliament by the electorates of Kalgoorlie, O'Connor and Pearce. The Wheatbelt has a diverse and vibrant economy, with key activities including broadacre farming, intensive horticulture, mining, manufacturing, fishing and tourism.

Current Status of Broadband Infrastructure in Wheatbelt:

Prior to the commencement of the Demand Aggregation Broker program in July 2005, the Wheatbelt was one of the most disadvantaged regions in Australia, in terms of the lack of broadband infrastructure and services. This unfortunate situation was confirmed by the 2005 State of the Regions (SoR) Report prepared for the Australian Local Government Association. This Report confirmed that the Wheatbelt was one of the three most disadvantaged regions in Australia in terms of the lack of Broadband infrastructure and services, while also pointing out that the Wheatbelt would benefit very significantly in terms of employment and economic growth from improved broadband infrastructure. The SoR Report also drew attention to specific examples of business opportunities and potential exports that had been lost due to the lack of Broadband infrastructure.

A major structural factor in the Wheatbelt is the relatively low population densities to be found in many Wheatbelt Shire Councils, and small towns (town populations under 400 persons are common). In the eastern Wheatbelt, where broadacre farm sizes are the largest, typical population densities are 0.1 to 0.2 persons per square kilometre. Hence, a

Wheatbelt Shire Council covering an area in excess of 5000 square kilometres may have a population of less than 1000 people and only 250 households.

Even in geographic areas that are favorable for deployment of wireless Broadband, these small population densities mean that the economics of wireless Broadband are marginal, even with assistance from Australian Government programs such as HiBIS. Nevertheless, through a combination of Community Broadband Broker activity, availability of HiBIS and enthusiastic stakeholder support, significant progress is being made in improving the availability of Broadband services and infrastructure.

Broadband Requirements in Wheatbelt:

The 2005 “State of the Regions Report” prepared by the Australian Local Government Association identified substantial economic benefits to the Wheatbelt if improved Broadband infrastructure and services could be delivered. The economic benefits were measured in terms of Value Added Impact, percentage increase in Gross Regional Product and increased direct and indirect employment.

The Small Town Survival Conference that was held in York on October 19 confirmed that improved access to Broadband telecommunications services and infrastructure is an essential aspect of future Wheatbelt prosperity and community development.

Hence, the current focus in developing Broadband services and infrastructure in the Wheatbelt is first to “catch up” to Australian Government minimum standards for Broadband, and then to “raise the bar” in order to provide Broadband infrastructure and services equivalent to Australian and world’s best practice.

In the past five months, significant progress has been made in improving Broadband infrastructure and services in the Wheatbelt. Nevertheless, a great deal more remains to be achieved. For the next 12 to 24 months, it is anticipated that the priority will be to improve the availability of Broadband infrastructure, and also to build community awareness of Broadband Connect and Clever Networks, and capacity to continue to lobby for improved Broadband. The Wheatbelt ACC has established a series of targets and Key Performance Indicators (KPI’s), and achievement of these KPI’s will be a priority focus for the remainder of the current Wheatbelt Community Broadband Broker program, and in future for outcomes from Broadband Connect and Clever Networks.

Achievement of these KPI’s will result in the availability and take-up of Broadband infrastructure and services in the Wheatbelt being brought more closely into line with Broadband outcomes in metropolitan areas.

Key Performance Indicators for Broadband in Wheatbelt:

In consultation with stakeholders and with the Community Broadband Broker, the Wheatbelt ACC has established the following Vision, targets and KPI’s for the availability of Broadband infrastructure and services:

Vision:

By 2009, 95 percent of the population of the Wheatbelt will have access to Broadband infrastructure and services capable of delivering at least 10 Megabits per second and above to individual Broadband customers, supporting a full range of high-speed Internet applications including medical imaging, VoIP and entertainment video, at prices comparable to those in the Perth metropolitan area.

KPI's

- Broadband take-up rate (% of premises connected)
 - 20% of premises with a Broadband connection by 1 July 2006
 - 40% of premises with a Broadband connection by 1 July 2007
- Availability of ADSL
 - 30 largest communities to have ADSL by 1 July 2006
- Availability of Wireless Broadband
 - Next 35 communities to have wireless Broadband
 - 50% of Wheatbelt area covered by wireless Broadband by 1 July 2006
 - 85% of Wheatbelt area covered by wireless Broadband by 1 July 2007
- Combination of ADSL and wireless Broadband
 - 10 largest communities to have ADSL and wireless Broadband by 1 July 2006
 - At least one Broadband infrastructure deployment in each of the 44 Wheatbelt Shires
- Satellite Broadband
 - 800 customers to have Broadband satellite services that are regarded by customers as satisfactory for price & performance

Future Broadband Objectives in the Wheatbelt:

In addition to the above KPI's, the Wheatbelt ACC will be seeking to achieve the following future objectives, through Broadband Connect and Clever Networks programs:

- Minimum standard for Broadband Internet to be improved progressively up to 10 Megabits per second to individual customers, at prices comparable to those available in Perth metropolitan area
- Support for full range of high-speed Internet applications, including medical imaging, remote sensing, VoIP, entertainment video
- By July 2009, at least 60% of homes, businesses and broadacre farms will have a Broadband connection that meets the above minimum standards

- Broadband infrastructure and services provided within the Wheatbelt by at least two sustainable licensed service providers, registered under Broadband Connect
- Regulatory regime that facilitates sharing of Broadband infrastructure by retail service providers, and prevents monopolistic infrastructure “choke points” (e.g. wireless towers, backhaul links)
- Broadband infrastructure and services available at metro comparable prices to 95% of Wheatbelt area and 100% of Wheatbelt population
- Wheatbelt ACC facilitates Information Technology and Telecommunications skills and awareness programs for Wheatbelt small businesses and farmers, in order to promote effective use of Broadband
- Increased awareness and focus on benefits and applications of Broadband, anticipating the impact of
 - convergence of fixed and mobile Broadband
 - convergence of Telecommunications, Information Technology and Entertainment video

In order to achieve the above objectives, the Wheatbelt ACC is likely to make application for Clever Networks funding, probably as part of a consortium involving interested stakeholders and Broadband Connect service providers that can demonstrate a strong commitment to the Wheatbelt region.

Future Evolution of Demand Aggregation Broker Program

The preferred approach of the Wheatbelt ACC is that future Broadband Brokers should be geographically based to cover entire regions, with a holistic, inclusive and community-based approach. The Broker role should continue to evolve in the direction of developing synergies between Broadband Connect and Clever Networks, and close engagement with State managed programs (e.g. Telecentres).

The view of the Wheatbelt ACC is that Clever Networks funding should be allocated on the basis of demonstrated need and capacity to effectively manage Australian Government funding. These principles should apply to funding for both innovative Broadband infrastructure deployment and also continuation of Demand Aggregation Broker activity.

In further developing Demand Aggregation Broker activity, the ACC network (comprising 56 ACC’s nationwide) is recommended for further consideration as a possible management and administrative framework. The ACC network provides Australia-wide coverage, has strong credibility and is accustomed to working according to Australian Government principles for the prudent management of Australian Government funding and resources. It also has the ability to provide a Whole of Government response to issues in regional Australia through contracts many ACCs have

with other Departments such as AusIndustry, DOTARS, DEWR, FACS, DAFF, DIMIA and DEST, enabling multi skilling of staff to provide maximum resources to promote the DCITA programs. There is also the opportunity for cross promotion and project synergies with telecommunications for example and the Small Business Field Officer program.

Where current Community Broadband Broker programs can demonstrate effective progress and future demand, it is recommended that arrangements be established to “roll forward” (i.e. continue) these arrangements in order to draw upon the relationships and intellectual capital that has been established.

Principle of “Matching” Funds for Clever Networks

Recognising that telecommunications is an Australian Federal Government responsibility, the Wheatbelt ACC generally does not support the principle that applications for Clever Networks funding would require “matching” funds. The principle of matching funds appears likely to work against the interests of the most disadvantaged communities, especially those that are small and isolated.

The Wheatbelt ACC does recognise the importance of encouraging “in-kind” contributions from relevant stakeholders, including State Governments, Shire Councils, Area Consultative Committees and other relevant community or industry bodies. Such “in-kind” contributions can lower overall expenditure and also encourage greater stakeholder commitment to Broadband Connect and Clever Networks programs, together with an increased sense of local “ownership” of outcomes.

Many in kind contributions are also worth a lot more to the Brokers than cash contributions. For example, 44 Shire newsletters including broadband information would covering an entire region would cost in the vicinity of \$20,000 to print and disseminate. This can be achieved at no cost with in kind contributions.

For a new provider, management time to set up databases of key stakeholders in the region would involve a significant overhead. ACCs already maintain these databases. Establishing a rapport with key stakeholders through initial meetings throughout a region as diverse and large as the Wheatbelt would take at least three-six months. ACCs already have a solid rapport with the region’s key stakeholders.

This means that quality outcomes can be generated more quickly through appointing an established network with other benefits such as Whole of Government responses to community needs.

Summary of Recommendations:

Key recommendations submitted on behalf of the Wheatbelt ACC are summarised below.

- HiBIS and Demand Aggregation Broker programs are seen to have provided an effective policy framework for improving regional Broadband. Therefore, Broadband Connect should be designed to build upon the policy framework established by HiBIS. However, current HiBIS threshold models for speed and usage are now too low, and Broadband Connect should progressively “raise the bar” in terms of minimum Broadband speeds, monthly usage allowance and new services and applications. Many expert analysts and commentators have observed that Australia’s broadband speeds are lagging those available in other countries, and that a significant increase in broadband minimum speeds is essential if Australia is not to be placed at further economic and social disadvantage.
- Continue the roll out of Broadband infrastructure and services in the Wheatbelt, supported by Demand Aggregation Broker activities, in order to achieve Key Performance Indicators for Broadband availability; these KPI’s to be based on consultation with stakeholders.
- Future Demand Aggregation Broker activity under Clever Networks should be geographic based, with a holistic and community-oriented approach.
- Demand Aggregation Broker activity in the Wheatbelt should continue to support Broadband infrastructure roll out, and in particular, be directed towards reducing and mitigating supplier risks. As KPI’s for Broadband availability are progressively achieved, Broadband Broker activities should transition to a focus on effective use.
- Broadband delivered via fixed wireless is seen as a highly promising technology in meeting the specific needs of the Wheatbelt, because it addresses the distance limitations of ADSL and also appears to have potential to be sustainable in areas of low population.
- Clever Networks funding in regional Western Australia should be directed towards accelerating the deployment of wireless Broadband “backhaul” corridors, noting that wireless Broadband appears to be a particularly suitable technology for many parts of regional Western Australia.
- For any new infrastructure created through Clever Networks, there should be specified access arrangements. The requirement is for access arrangements that provide fast turnaround times for access requests, low bureaucratic and legal overhead costs to access seekers, and prompt and equitable dispute resolution. An effective access regime established through the Clever Networks program will bring substantial benefits to all Australian citizens and taxpayers.

Specific responses to the questions in the Broadband Connect and Clever Networks Discussion Paper follow.

Chapter 3 Broadband Connect

Q1 How can the design and delivery of Broadband Connect be optimized to achieve long term sustainable quality Broadband solutions for regional, rural and remote Australians?

Virtually all stakeholders in the Wheatbelt are of the view that HiBIS has proved to be an effective policy response to the problems associated with Broadband infrastructure and services in Regional Australia. However, in the Wheatbelt area of Western Australia, there is still a very significant imbalance between strong levels of interest and demand for Broadband, and the supply of Broadband infrastructure. A great deal more needs to be achieved. In the next two years, key requirements are to continue to improve the availability of Broadband infrastructure and services, in order to gradually reduce the current imbalance between demand for Broadband services, and supply.

Broadband delivered via fixed wireless is seen as a highly promising technology in meeting the specific needs of the Wheatbelt, because it addresses the distance limitations of ADSL and also appears to have potential to be sustainable in areas of low population density. It is also recognised that the correct approach for both Australian Government policies and also specific Broadband activity in the Wheatbelt, is to remain neutral in respect to Broadband technologies and service providers.

Therefore, the key policy objectives of Broadband Connect are strongly supported.

In addition, it is recommended that Broadband Connect provide incentives for service providers to “raise the bar” in terms of offering higher bandwidth, increased monthly usage allowances and new applications.

Improving the supply of Broadband infrastructure and services, and ensuring price and performance parity with metropolitan equivalents, are seen as fundamental requirements.

It is also highly desirable that DCITA continue to work with Demand Aggregation Brokers in marketing the benefits of broadband to the wider community in regional Australia. By engaging in a marketing program to show the benefits and uses of broadband, this would increase demand and bring our standards in regional Australia up to the rest of the nation in cities and the rest of the world. But if people don't understand the benefits and applications, or how easy and cheap it is to use broadband, we are likely to remain with the status quo of a nation falling behind in regional areas with regard to broadband technology. Wheatbelt ACC recognizes that market forces, economics, supply and demand will determine broadband outcomes, but there will be insufficient demand for broadband in the absence of effective marketing of the benefits.

Q2 What means can/should be used to encourage further capital investment in infrastructure that will support competitive networks and services under Broadband Connect and beyond?

Generally, it is recommended that funding be directed on the basis of need and capacity to manage Australian Government funds. Both HiBIS and Demand Aggregation Broker programs are seen as effective policy frameworks. Therefore, future policy initiatives should be evolutionary, and build upon the many successful and effective aspects of both HiBIS and DAB programs.

Broadband wireless appears to be an effective solution in many areas of regional Australia where there is low population density. However, a major challenge in extending the deployment of Broadband wireless is to establish wireless Broadband “backhaul corridors” extending over significant distances through regional Australia. It is therefore suggested that Clever Networks funding be directed towards establishment of these Broadband wireless “backhaul” corridors, with a strong preference for an effective open access regime to facilitate shared use of assets that have been created with Australian Government funding.

It would be extremely valuable if DCITA could develop and make available a database of the wireless towers funded in the past by Networking the Nation as this could assist further investment in wireless, if especially if negotiations about access could include the fact that the Commonwealth has already paid for part of the tower costs.

Further capital investment by the private sector and therefore private service providers will only be achieved when they see a high demand in certain areas, and clearly aggregated demand remains a critical success factor. In some small and isolated towns aggregating demand may still be insufficient to attract private providers and this will need to be taken into account in policy and program decisions otherwise we will be creating two classes of people – those with broadband in larger regional communities while small and more isolated communities become even more disadvantaged (see also response to question 8 below).

Q3 How can Broadband Connect funding be structured to provide the best incentives for investment?

The current distance limitations of ADSL are a major source of frustration in the Wheatbelt (and also elsewhere in other parts of regional Australia). In view of the current distance limitations of ADSL, current HiBIS funding appears to over-compensate for ADSL deployment. It is therefore proposed that consideration be given to reducing payments for ADSL, unless the range of ADSL can be significantly extended (for example, to at least 20 kilometres from exchange).

Current HiBIS funding arrangements appear to provide a reasonable incentive for investment in fixed wireless Broadband infrastructure, but appear not to provide adequate incentive for investment in additional services, such as Voice over IP to a standard approaching first-phone capability and entertainment video.

It is recommended that a significant incentive be offered to encourage service providers to offer improved choice in voice services and entertainment video.

Current HiBIS threshold models for speed and usage are now too low, and Broadband Connect should progressively “raise the bar” in terms of minimum Broadband speeds, monthly usage allowance and new services and applications

The current linking of HiBIS payments to the availability of ISDN is now seen as obsolete and unnecessary, and possibly sends inappropriate pricing and marketing “signals”.

Current arrangements whereby HiBIS payments are made per customer connected, are seen as providing an appropriate incentive for service providers to continue to promote and upgrade their products and also offer effective customer service.

Q4 Is terrestrial or satellite the most appropriate means of delivering Broadband in regional, rural and remote areas?

Terrestrial technologies are considered to be more effective than satellite in delivering Broadband services. Satellite technology should be positioned as a “last resort” in the delivery of Broadband.

Q5 Can satellite be delivered as competitively as terrestrial services?

No.

The exception may be in very remote areas, where satellite is the only option.

Q6 Should participating providers be required to commit formally to service the areas they identify in registration applications?

Yes, subject to certain conditions being met in the relevant service areas.

There has been some evidence of competitive “gaming” by service providers, and of competitive behaviour that borders on predatory and/or is aimed at deterring market entry by innovative providers.

For example, a group of Shire Councils conducts an EOI process and then enters into an MOU with HiBIS-registered service provider “A”. However, HiBIS-registered service provider “B” suddenly announces that it has deployed Broadband in two of the largest towns in the area covered by the MOU, thus potentially fragmenting the market for service provider “A”.

Formal commitments to service deployment should be conditional on effective demand aggregation broker activity designed to ameliorate service provider risks. In the case of

wireless Broadband infrastructure deployment, availability of suitable wireless towers might also be a condition associated with formal commitments to service deployment.

In summary, formal, written deployment commitments by service providers are to be encouraged, provided that regional customers and stakeholders accept that they have responsibilities to assist participating service providers to achieve commercially viable outcomes.

Q7 Should annual renewal of funding agreements specify timeframes for commencement of services in areas of greatest need?

Yes, subjective to principle of mutual responsibility. See response to question six above.

Q8 Should a system of prioritised funding for services connected in areas of greatest need (beyond what has been provided under the HiBIS two-tiered incentive structure) be introduced?

Yes, the concept of prioritised funding for areas of greatest need is supported. One possibility is that prioritised funding could be directed towards the establishment of wireless Broadband “backhaul” corridors that would be subject to an access regime.

It is suggested that prioritised funding needs to be closely linked to Demand Aggregation Broker activity, to the establishment of Key Performance Indicators for Broadband infrastructure deployment and take-up of Broadband services, and to progressive service improvement (e.g. higher bandwidth).

Q9 What can be done further to overcome barriers to capital investment in sustainable technologies in less commercially viable regional areas?

In the case of Broadband wireless technology, access to suitable wireless towers currently appears to be a major obstacle. Providing specific-purpose funding to Shire Councils to assist with the acquisition, construction and rehabilitation and maintenance of suitable wireless Broadband towers is worthy of consideration.

It is also suggested that the legal team at DCITA could conduct a review in order to consider whether the Australian Government can exercise any influence or ownership or access rights to the existing towers they have funded.

Telstra owns many suitable wireless towers in regional Australia, but for practical purposes, generally appears unwillingly to make these towers available to wireless Broadband service providers. This represents a significant barrier to investment in Broadband wireless in regional Australia. It is suggested that the Australian Government should give consideration, before selling its 51% shareholding in Telstra, to establishing arrangements that facilitate dual use of these towers.

To avoid this problem in future, ownership of wireless towers by Shire Councils is recommended in order to avoid future monopolistic behaviour regarding tower access and co-location of wireless Broadband infrastructure.

Q10 How can the high cost of some technologies be reconciled with increasing customer expectations for higher speeds and usage allowances especially in more remote areas?

It is recommended that the policy of aiming for parity between Broadband performance and pricing available in metropolitan and regional Australia be maintained.

Current indications are that for the next two-three years, delivery of Broadband via fixed wireless will be economical in many areas in Regional Australia. Hence, it is recommended that Clever Networks and Broadband Connect funding be utilised to maximise coverage by fixed wireless Broadband. If this can be achieved, only a relatively small number of communities and individuals in Regional Australia will require satellite Broadband services, which is presumably the high cost technology referred to in Question Ten.

Q11 Should it be mandatory for program participants under Broadband Connect to provide additional information as listed below as a condition of registration?

- *intended future service areas (with approximate dates of commencement of supply);*
- *the viable geographic reach of Broadband services from central transmission points for service delivery;*
- *technical barriers limiting the application of providers' technology in regional communities;*
- *the capacity of providers' technology to support varying types of Broadband traffic and use;*
- *the range of service speeds providers' technology would be able to support;*
- *the capacity of providers' technology to provide services now and to accommodate new developments such as increased speed, usage and applications in the future;*
- *the particular relevance of the technology to other communication services (for example, capacity to be used also for supporting mobile telephony services);*
- *a summary of the broad nature of technology they employ; and*
- *anticipated timing and target areas for their technology deployment in regional Australia.*

Yes, to all of the points listed above. It is possible that making the first and last “dot points” above mandatory may result in a loss of flexibility in the roll out of broadband infrastructure. Therefore these two specific points might be considered “highly desirable” rather than mandatory.

In the Wheatbelt area of Western Australia, it has been particularly difficult to obtain any information from Telstra about dates for the availability of ADSL Broadband, even when communities have passed through all stages in Telstra's ADSL demand register and confirmation process.

To provide just one example, in August 2005 Telstra announced ADSL would be available in the exchange at Brookton (Western Australia), but at time of writing (early January 2006), ADSL had not been made available and despite repeated enquiries, no confirmed date for ADSL availability in Brookton was available from Telstra. If service providers are receiving funding from the Australian Government for regional Broadband infrastructure, it **should** be mandatory for them to be accountable about how they plan to spend this Government funding.

Q12 On what basis would you argue that certain specific technologies will have the most impact on the delivery of regional Broadband services in the next three to five years?

Currently, fixed wireless Broadband appears to be a highly suitable technology for the Wheatbelt area of Western Australia. Broadband (fixed) wireless overcomes the distance limitations of ADSL (a major source of frustration in the Wheatbelt and also elsewhere in regional Australia), and can provide effective Broadband services to meet the needs of broadacre farmers and smaller communities.

With further enhancement, Broadband wireless also appears to have the potential to provide customers in regional Australia with greater choice in a range of telecommunications services (e.g. Voice over IP).

Q13 How would you compare the effectiveness of these technologies to others in the market place?

Fixed wireless Broadband technology currently appears to be the most effective Broadband technology available to regional Australia, and indications are that fixed wireless will continue to improve in respect to price and performance over the next 2 – 3 years. Fixed wireless Broadband appears to have significant potential for continuing improvement in performance and range of services.

ADSL is a well-proven Broadband technology with some potential for improvement in range of Broadband speeds offered, but distance limitations of ADSL are severe in regional Australia.

Mobile Broadband solutions (for example, based on so-called 3G mobile technology) appear to offer some future potential, but indications are that mobile Broadband will be significantly more expensive to deploy than fixed wireless Broadband. Fixed wireless solutions (using directional antennas at the customer end) can service greater coverage areas than mobile technologies that must of necessity use omnidirectional antennas. As a consequence, the cost per customer can be much lower with fixed wireless Broadband.

In addition, fixed wireless technology does not have the same complexity of implementation and is therefore more economical to set up and operate, especially for higher bandwidth services.

Mobile broadband solutions are an expensive alternative where the customer does not require the functionality of mobile broadband. It seems likely that mobile Broadband solutions will at best offer niche corporate solutions over the next three years.

As has generally been the case with mobile telecommunications in Australia, achieving 98% coverage of regional Australia with mobile Broadband most likely will require at least another five years.

Fibre to the Node and Fibre to the Premises (FttN and FttP) technologies are highly desirable, but realistically will be deployed first in the major conurbations on the Australian eastern seaboard, and may begin to make an appearance in regional Australia through niche deployments in new estates (i.e. Greenfield deployments).

Digital power line solutions offer some potential, but appear to work best in new underground power installations. By contrast, the low-voltage power network in regional Western Australia is aging and in very poor condition in many areas.

Satellite Broadband is seen as the least effective technology, but is nevertheless essential for the estimated 2%-3% of regional Australia that will not have access to any other form of Broadband.

These comparisons are based on information that is currently available in the public domain, and may be subject to modification as new information becomes available from technology suppliers.

Q14 To what extent will Broadband technologies be able to augment capacity to meet rapidly expanding consumer expectations for higher bandwidth and more advanced applications?

As noted above, fixed wireless Broadband appears to have the most potential to deliver augmented capacity to meet consumer expectations in regional Australia (subject to availability of suitable wireless tower sites). ADSL may have some potential if distance limitations can be overcome.

Q15 Can complementary technologies provide better solutions for delivery of services in regional Australia?

Continued maintenance of a policy of technology neutrality is recommended.

The linkage of State and Federal Government sector-specific programs such as those for health and education may be an example of complementary programs. The linkage to Broadband Connect of infrastructure (such as wireless towers) funded and created

through previous Australian Government programs such as CCIF NTN, NCF and Wireless West may also be an example of complementary programs.

Q16 What innovative approaches should Broadband Connect adopt in its program design to utilize these technologies most efficiently and effectively?

It is suggested that close links be maintained between Broadband Connect and Clever Networks programs, and that Demand Aggregation Brokers appointed under Clever Networks be able to exercise some influence over the allocation of funding (see also response to Question 11 above). For example, Demand Aggregation Brokers could be asked to provide reports to DCITA on the extent to which service providers are delivering on their commitments as outlined in Question 11.

Activities designed to promote information sharing among Demand Aggregation Brokers are seen as highly valuable in order to facilitate the rapid dissemination of innovation.

Q17 What capacity do existing technologies have to accommodate the introduction of new developments such as increased speeds, usage and other applications?

Currently, fixed Broadband wireless appears to offer the best potential. See also responses to questions 12-16 above.

Q18 Should the current system of incentive payments to providers for the supply of Broadband services be retained?

Yes, the current system of HiBIS payments is generally seen to be working effectively by all stakeholders in the Wheatbelt. Some fine-tuning of the current system would be supported, as indicated below.

Q19 Would an up front method of payment be more effective?

No, an up-front method of payment would not be preferred by Wheatbelt ACC.

The view of the Wheatbelt ACC and its stakeholders is that an up-front method of payment would require a formal tender process, and this would create significant uncertainty and delay for all current HiBIS-registered providers. The result of introducing the possibility of up-front payments may halt broadband investment activity by current HiBIS-registered providers. There would also appear to be other significant risks associated with up-front payments, including the potential loss of flexibility that is currently provided through technology and service provider neutrality; the loss of which may be an undesirable consequence of up-front payments.

See also response to Q21 below.

Q20 How else could the method of payments to providers be adjusted to achieve more satisfactory outcomes for providers and people living in regional, rural and remote Australia?

It is recommended that the method of payment should continue to encourage investment in sustainable Broadband infrastructure, facilitate and encourage some choice of service providers and be technology neutral.

It is strongly recommended that consideration be given to reducing payments for Broadband infrastructure that has significant distance limitations (alternatively, provide greater incentive for Broadband infrastructure that **overcomes** distance limitations).

Q21 Should funding be provided:

- *based on the number of customers?*
- *the number potential premises with potential access?*
- *a combination of both methods?*

At the risk of introducing additional administrative complexity into Broadband Connect, it is recommended that funding should be based on a combination of both methods.

The advantage of including an element of funding based on number of premises with potential Broadband access is that this may provide additional encouragement for investment in sustainable Broadband infrastructure. It may also provide additional certainty to service providers considering investment in Broadband infrastructure, without all of the disadvantages that may be associated with up-front payment.

Q22 If funding was based on the number of premises with potential access should it then only be provided for infrastructure?

Yes.

Q23 How can methods of payment under Broadband Connect be better structured to ensure that providers are not overcompensated for the supply of Broadband services?

The 12-month limit on the period that service providers can claim HiBIS subsidies is supported by Wheatbelt ACC, provided that special consideration is given to investment in Broadband wireless backhaul corridors.

The following re-structuring arrangements might also be considered:

Reduce HiBIS incentive payments for ADSL, unless current distance limitations of ADSL can be overcome.

Reduce or eliminate incentive payments for providers that do not offer traffic shaping (i.e. option of reduced download speeds when approaching monthly usage allowance).

Provide an additional incentive payment for ISP's that introduce new classes of services such as Voice over Internet Protocol (VoIP), or entertainment video services. It is recommended that a significant incentive be offered for introduction of VoIP services, with VoIP services being required to meet a minimum service specification established by DCITA.

Provide an additional incentive payment for higher speed services (e.g. 512 kilobits per second and above).

Q24 Should the current HiBIS threshold model for speed and usage be maintained at existing levels under Broadband Connect?

No.

The current model is considered to be sound in terms of a policy framework. However, the current thresholds for speed and monthly usage allowance are now considered to be too low.

Q25 Should the model be retained with increased minimum speed and/or usage requirements?

Yes.

Q26 Should two separate minimum speeds with two subsidy levels be introduced?

The view of the Wheatbelt ACC is that the current Australian Government minimum Broadband standard of 256 kilobits is now too low and needs to be increased in stages, probably to a minimum threshold of 10 Megabits per second by say end of 2009.

We would support the concept of two separate subsidy levels, based on several minimum performance frameworks, if these levels can be progressively improved across the life of the Clever Networks initiative.

A key policy issue is that services available in regional, rural and remote Australia should be comparable to those available in metropolitan markets.

Q27 Do threshold requirements need to be expanded to accommodate other issues such as latency?

Yes, improvement in latency performance is a very important issue in Wheatbelt of WA.

Q28 Should the Broadband Connect Stage 1 price caps be retained under Stage 2?

Yes.

Q29 Should a greater range of price caps be introduced than the two currently available?

No.

Q30 Should the current funding cap level of 60 per cent continue under Broadband Connect?

If this question refers to the limitation that no service provider is eligible for more than 60% of total payments under Broadband Connect, then this is strongly supported by Wheatbelt ACC.

Chapter 4 Clever Networks

What form of broker network will provide the best outcome?

Q1 Considering the current DAB program structure – involving State, community and sectoral brokers – is the current arrangement the best model for catalyzing Broadband developments in regional, rural and remote Australia or how should it evolve?

The Wheatbelt ACC strongly supports an approach based on geographically regional Broadband Brokers. A holistic approach is supported, as is a gradual transition from demand aggregation activities to a focus on effective use strategies.

The current approach in Western Australia appears to be working reasonably well, in that Community Broker regions are based on Geographic Regions that have traditionally been identified as having shared interests and concerns (e.g. Peel, Goldfields-Esperance, Wheatbelt, etc.). These Regions have also traditionally been recognised for statistical reporting and delivery of some Government services.

In Western Australia, there is informal collaboration between Community Brokers and the WA State Broker, and such collaboration is likely to be of greater importance in the next two-three years.

The network of Broadband brokers in WA has also considered the on-going role of the State broker and defined a role in some detail.

As noted above, the Australian Government's network of Area Consultative Committees appears to offer considerable potential as a framework for a consistent approach to management and administration of DAB activities. The ACC network provides Australia-wide coverage, has strong credibility and is accustomed to working according to Australian Government principles for the prudent management of Australian Government funding and resources. It also has the ability to provide a Whole of Government response to issues in regional Australia through contracts many ACCs have with other Departments such as AusIndustry, DOTARS, DEWR, FACS, DAFF, DIMIA and DEST, enabling multi skilling of staff to provide maximum resources to promote the DCITA programs. There is also the opportunity for cross promotion and project synergies with telecommunications for example and the Small Business Field Officer program.

Q2 What role can/should brokers play in promoting or facilitating the effective use of Broadband applications in order to enable communities and businesses to capture the transformational benefits of Broadband?

In the first instance, promoting effective use of Broadband applications means finding particular ways of addressing specific needs and hence becoming relevant to groups of

stakeholders. In the Wheatbelt, key stakeholder groups will include small businesses, broadacre farmers, local Government, education, healthcare and senior citizens.

Community Broadband brokers need to develop a level of knowledge and understanding of the Broadband applications that are of relevance to each group of stakeholders. It is not feasible for community Broadband brokers to develop in-depth expertise in all relevant Broadband applications; hence networking with key stakeholder groups will be an increasingly important role for Broadband brokers.

Continuity of Community Broadband Broker roles and appointments will facilitate the development of intellectual capital and relationships that will in turn promote increased knowledge and understanding of Broadband applications. Managing Demand Aggregation Broker activities through a consistent framework, such as that provided by Area Consultative Committees, may also develop increased knowledge of a range of Broadband applications and further enhance community Broadband capability.

A fundamental role of Broadband brokers should also be to develop community capability to lobby for improved Broadband infrastructure and to facilitate effective use. In the Wheatbelt, this means working with Shire Councils, Telecentres, health professionals and farmers' organisations, among others, to develop enhanced skills and awareness with respect to Broadband telecommunications.

As new broadband applications, services and technologies evolve, the CBBs are in a unique position to offer their knowledge and information to local communities to encourage awareness and uptake of these new technologies especially where there is an economic benefit.

Q3 What other resources or programs should be brokers be aware of in this role?

Community Broadband brokers should develop a rapport with Shire Councils (i.e. local government), Federal and State Parliamentary representatives, and any Broadband programs being developed through sector specific programs (e.g. Broadband for Health).

In the Wheatbelt area of Western Australia, there are 44 Shire Councils and 41 Telecentres, and these have both proved to be invaluable resources in developing DAB activities.

Shire Councils have facilitated broadband awareness activities initiated and resourced by the Community Broadband Broker. In many Wheatbelt communities, the local newsletter is produced and distributed either by the Shire Council or telecentre, and is a vital source of information and updates on broadband topics.

In addition, Shire Councils have provided information to brokers and service providers about infrastructure such as wireless towers and mains power supplies. Telecentres can play a useful role in encouraging local broadband demand register activities and also in

providing feedback on any emerging customer service issues (e.g. delays in customer connections).

Brokers should also be aware of other Australian Government complementary programs and services such as the Small Business Field Officers funded by AusIndustry and the Regional Partnerships program facilitated by ACCs and funded by DOTARS as these two programs are just two of many that offer closely linked service delivery and project funding respectively to areas that would benefit from new broadband technology.

Q4 Should the broker role include an increased focus on 'effective use' outcomes and, if so, how can this best be achieved?

Yes. It is considered that broker role should evolve to an increased focus on “effective use” outcomes. This can best be achieved through engaging with the key stakeholder groups in a Region, and by identification of Broadband applications or benefits that are relevant to each stakeholder group.

One advantage of embedding Broadband Demand Aggregation activity within an Area Consultative Committee is that there will already be a portfolio of projects addressing key stakeholder needs, and “effective use” of Broadband can be developed through each of the projects in the portfolio. The ACC’s are also stakeholder-based organizations, and can therefore assist in facilitating identification of and engagement with Broadband needs of stakeholder groups.

The definition of “effective use” may also require further clarification, as there are a number of different ways in which “effective use” could be defined and measured. If a community-based approach to Demand Aggregation Broker activity is adopted, “effective use” needs to have some focus on maximizing community take-up of broadband, as percentage take-up may be an effective indicator that effective use is being achieved across multiple stakeholders.

Q5 Should uptake and effective use of Broadband by specific groups be targeted and, if so, which ones?

In the Wheatbelt area of Western Australia, the current urgent requirement is the provision of additional Broadband infrastructure in order to address basic Broadband access needs of communities. Currently, demand for access to Broadband far exceeds available supply, and current indications are that this excess of demand over supply is likely to persist for at least the next two-three years, hence evidence of the need for the continuation of the DABroker program in our region.

Targeting of specific groups for effective use of Broadband should be part of a four-year program, but care needs to be exercised that this does not result in sector-based Broadband programs that actually have the effect of fragmenting demand and “quarantining” potential anchor tenants.

A community (rather than sector-based) approach to Broadband demand aggregation is recommended, at least until basic targets are met in respect to availability of Broadband infrastructure and services.

Nevertheless, as noted above in responses to Questions 2-4, Demand Aggregation Broker activity should also be directed towards addressing the specific needs of particular stakeholder groups and hence promoting broadband applications that are specifically relevant to small business, broadacre farmers, horticulture and mining sectors, families and senior citizens.

There is also a role for capacity building in the community services sector, including both paid and unpaid (i.e. volunteer) staff.

Q6 How might the brokers play a role in facilitating/supporting community-wide connectivity and community-wide (cross-sectoral) networks?

Broadband Brokers need to identify and engage with the relevant stakeholders in their geographic region. Locating the Broker role within an Area Consultative Committee may facilitate a holistic approach to community-wide networks.

Governance of Broker programs by a Management Committee representative of key stakeholders can also facilitate cross-sectoral networks, and it is recommended that future Broker Work Plans include a Strategic (if funded longer than one year) or Business Plan (if funded for one year only) incorporating Vision, Objectives and Key Performance Indicators for both Broadband infrastructure and services **AND** effective use by a range of stakeholder groups and sectors.

Key tasks to be performed by Broadband Brokers may include:

- Aggregate broadband demand on behalf of communities and geographic regions
- Persuade broadband service providers to invest in broadband infrastructure for the geographic region, by demonstrating strong demand for broadband services
- Focus on the broadband applications and requirements of specific stakeholder groups, in order to stimulate more demand for broadband, and to facilitate effective use
- In order to develop community capacity to lobby for improved broadband outcomes, transfer broadband skills and awareness to leaders within communities, regions and sectors
- Work in conjunction with a regional Broadband Management Committee that represents a broad group of stakeholders, in order to establish and achieve a

Vision, Objectives and Key Performance Indicators for improved broadband infrastructure and services

- Work with DCITA to ensure progress reporting and compliance for all Clever Networks activities

See also response to Question 3 above.

Q7 Should future demand aggregation activities be focused in areas that have yet to receive terrestrial Broadband services under HiBIS to support the delivery of the new Broadband Connect program?

To some extent, yes.

In the Wheatbelt, the task has only just commenced of bringing Broadband infrastructure and services up to parity with comparable Broadband services in metropolitan areas, and a great deal more needs to be achieved.

It should be recognized that some regions in Australia are unique and it will take longer than 12 months to achieve terrestrial broadband services across most of the region due to the tyranny of distance a CBB must travel and the number of communities in that region (eg the Wheatbelt has 160 towns which cannot be covered in 48 weeks of the year).

Q8 Are health, education, emergency services and local government the appropriate services for Clever Networks to target?

These Broadband services are of relevance in the Wheatbelt, although small business, broadacre farmers, families, the unemployed and senior citizens should also be given priority attention. See also response to Question 5 above.

An advantage of targeting particular Government services is that this may ensure that resources and focus in the Clever Networks initiative are building community capacity for the long term, and promoting effective use of Broadband.

Western Australia has had an effective State Government program that has largely met the Broadband needs of schools, but ownership of the assets by one telecommunications company together with restrictive customer contracts means that the communities around the school can't use the infrastructure to gain improved Broadband access. The schools program in WA provides an example of the limitations that can be associated with a sector-based approach.

Q9 Should there be priorities within this group?

Generally, the establishment of rigid priorities is not favored by the Wheatbelt ACC, as this probably will be in conflict with a holistic, community-based approach. Attempting to set priorities between (for example) health, emergency services and local government

could have a divisive impact in small communities and may undermine sustainability. And it may also result in them competing against each other, instead of working together.

Q10 What other sectors, if any, should also be considered?

Generally the Wheatbelt ACC prefers a community-based approach that is holistic and inclusive. See also comments provided in response to questions 4, 5, 8 and 9 above.

Q11 Should there be a focus on particular applications/sectors which will require and drive network or industry capabilities?

A key focus should be to identify and promote Broadband applications that are relevant to all key stakeholders. Such a holistic approach offers best prospects of sustainable Broadband infrastructure.

There are emerging software applications for broadacre farming that are driving interest and awareness in Broadband in the Wheatbelt. Over the next 2-3 years, it is anticipated that a range of other Broadband applications will also emerge as the number of Broadband users in regional Australia gains “critical mass”.

Q12 What strategies could be incorporated into the program design to ensure that investment under Clever Networks provides the greatest holistic community benefit?

It is recommended that management of Demand Aggregation Broker activity and Clever Networks funding focus attention on the progressive achievement of a series of Key Performance Indicators for availability and take-up of Broadband services. Investment can be directed progressively into an application focus once certain KPI's have been achieved for availability of Broadband infrastructure (for example, 40% of premises in a region have access to Broadband).

Q13 Is there an ideal balance between infrastructure and applications streams and, if so, how can it be identified?

An initial priority should be to improve access to Broadband infrastructure and services in Regional Australia. This can be encouraged through the establishment of KPI's as targets. Once certain thresholds for Broadband access have been achieved, investment can be progressively directed towards applications streams. It is important to ensure that Broadband Connect and Clever Networks funding continues to be allocated primarily on the basis of need.

Directing the majority of Clever Networks investment to Broadband infrastructure is strongly endorsed by the Wheatbelt ACC.

See also response to Question 12. above.

Q14 What is the best balance between competitively determined and strategic investment funding?

In the opinion of the Wheatbelt ACC, there is no ideal balance. The appropriate balance is likely to vary between regions, having regard to factors such as population density, and type of economic activity.

The Wheatbelt ACC supports the concept of **SOME** Clever Networks being strategically determined, but generally also endorses the principle of competitive selection.

The view of the Wheatbelt ACC is that strategically determined investments should be directed towards consortiums that already have a good track record of delivering improved Broadband outcomes, consulting with and representing stakeholder interests and proven capability to manage effectively Australian Government funds. Strategically determined investments also require appropriate governance, reporting, audit and compliance arrangements.

Both the initial HiBIS and Demand Aggregation Broker Programs are seen by stakeholders to have worked well, and to have delivered significant improvements in Broadband availability in regional Australia.

Therefore, it is recommended that key elements of the existing programs should be retained. Funding should continue to be directed towards areas of greatest need. Having regard to questions of sustainability, it is recommended that a significant proportion of funding will need to be directed towards strategic investment in long-distance transmission of high bandwidth (e.g. wireless Broadband “backhaul” corridors, wireless towers, etc.).

Q15 Would potential proposals be improved if the guidelines permit proposals which encompass both infrastructure and applications aspects?

To some extent, yes.

It is strongly recommended that in the next two years, the priority should be on Broadband infrastructure, as a great deal still remains to be achieved in order to reduce the imbalance between demand for Broadband and the currently available supply of Broadband infrastructure and services.

Q16 What key strategic investments in Broadband infrastructure have the potential to provide the best outcomes?

Wireless Broadband “backhaul” corridors, and the availability of Voice over IP, at close to first phone standards.

A related investment could be in wireless towers that support deployment of fixed Broadband wireless services. Investment in wireless tower infrastructure may also

require upgrades to local power supplies. Where wireless towers are funded by the Australian Government, a condition of funding **MUST** be shared use agreements on reasonable commercial terms (i.e. monopoly rents and denial of access must be prohibited).

Where Clever Networks funding is directed towards wireless “backhaul” corridors and wireless towers, ownership of the assets should not be on the basis that the telecommunications service provider that receives the funding and/or manages the initial project can determine in perpetuity, terms and conditions for shared access to the assets.

Modest investments in Internet Service Provider “peering” at regional and local level also have the potential to improve Broadband throughput and latency, and make more efficient use of Broadband infrastructure at regional level.

See also response below to Questions 22-24.

Q17 Are there complementary sources of funding/contributions which should be considered in developing the guidelines for the Clever Networks program?

The general principle of “matching” funding is not supported by the Wheatbelt ACC, for the reasons set out below, although the value of “in-kind” contributions from consortium partners is recognised and endorsed.

The possibility of financial or in-kind contributions from industry stakeholders is also recognised, particularly if the on-going (new) Broadband infrastructure investments of registered Broadband service providers can be included.

The most likely source of matching funding is the State Governments. In Western Australia, relatively high rates of economic growth have placed considerable pressure on the WA Government to fund major infrastructure projects involving water, power, port facilities and land release for new housing and industrial estates. Inevitably, these new infrastructure projects also generate flow on cost pressures for Local Governments.

To seek matching funding contributions for Broadband telecommunications from State and Local Government entities appears to represent cost shifting from the Australian Government to the alternative tiers of Government.

There are also political issues associated with a region such as the Wheatbelt attempting to get matching State funding when the region has four very safe national party seats in the Legislative Assembly and a WA State Labor Government.

It should also be strongly noted that the communities and Shire Councils that are most in need of assistance with Broadband infrastructure probably have the least capacity to generate complementary funding. Local Government is being increasingly burdened with more financial responsibilities and more administrative responsibilities requiring more staff and has no capacity to contribute more to telecommunications. Some Local

Governments in the Wheatbelt are spending 60% of their rate base on roads and with recent legal action in Toodyay, they are being forced by threat of legal action to spend more.

Because of lower population densities in these areas that are most in need of assistance with Broadband infrastructure, the State Parliamentary electoral representation of these communities and Shires is extremely limited; hence any State matching funds for Broadband telecommunications may be directed to other communities.

All levels of Government are abrogating their responsibilities back to the community and there is a stage where the community has to say “no” they cannot do any more. Volunteers are becoming more burnt out and few and far between. Local solutions to local problems and the current policy of grass roots development does not mean that Governments need to find matching funding for all of their programs from the community. At some stage, telecommunications included, the Government must take on the full financial responsibility and work with the community to achieve the grass roots solutions.

Utilising new and emerging technologies

Q18 Should there be specified minimum Broadband specifications (eg bandwidth, latency etc) for Clever Networks and, if so, what should they be and how should they be determined?

Yes.

Current DCITA processes for specifying HiBIS “approved” Broadband services provide a sound foundation for enhanced Broadband minimum specifications.

Specifications should be developed by DCITA in consultation with Broadband Connect registered service providers and Demand Aggregation Brokers.

Q19 What steps/mechanisms can or should be incorporated, if any, into Clever Networks to enable regional, rural and remote communities progressively to transition to high/higher bandwidth networks?

It is recommended that DCITA work with applicants for Clever Networks funding in order to incorporate a Vision and Key Performance Indicators (KPI’s) for higher performance Broadband into Funding Deeds and Work Plans. It is essential that all Clever Networks programs incorporate the principle of “raising the bar” in terms of delivering higher bandwidth, enhanced services and applications.

Q20 New technologies are showing considerable promise in providing Broadband access to users well outside the current DSL limitations. What strategies should be adopted to encourage and support deployment of these new technologies, and to ensure newly emerged technologies are not precluded during the lifecycle of the program?

Some Clever Networks funding could be directed towards pilot projects that evaluate new technologies. For example, funding could be provided for a trial of so-called 3G mobile Broadband, and also for a pilot project involving a full Fibre to the Home deployment.

Selection of service providers and technologies for these trials should involve competitive tenders.

It is also highly desirable that any pilot projects evaluating new technologies place emphasis on uses and applications of broadband. For example, a fibre to the home pilot project might also incorporate several display homes in a new housing development. A pilot of 3G mobile broadband could a farm machinery business and broadacre farmers in the surrounding area in order to demonstrate homes and businesses using the latest technology to make their lives easier and more productive.

Sustainability of Clever Networks initiatives

Q21 What supporting information should be required in Clever Networks proposals in order for their sustainability beyond the life of the program to be evaluated effectively, and what factors should be considered in determining sustainability?

The current Broadband Connect registration process provides an effective starting point for evaluating the potential sustainability of Broadband service providers. As BC-registered service providers receive Australian Government funding, it should be a requirement that they provide regular financial statements and progress reports to DCITA, and that the effective use of Australian Government funds be subject to regular performance testing, monitoring, reviews and occasional visits by DCITA program managers.

In monitoring sustainability, it is recommended that DCITA seek regular input (perhaps in the form of formal, written reports) from Demand Aggregation Brokers, and that priority be given to suppliers that can demonstrate a track record of delivering effective Broadband infrastructure and services in regional Australia. Consideration should be given to requiring that service providers obtain Demand Aggregation Broker endorsement as a condition of obtaining Australian Government funding under Clever Networks.

As noted above, low population density in many parts of regional Australia means that the economics of Broadband infrastructure will continue to be at best marginal. In the case of fixed wireless Broadband, strategic investment in wireless backhaul corridors may be essential in order to achieve sustainable outcomes.

The organizations that successfully manage the CBB program should have ongoing staff that are multiskilled to be able to answer ongoing CBB type questions or know who to refer these questions to. ACCs provide this option.

New infrastructure access arrangements

Q22 For any new infrastructure created or made available, should there be specified minimum infrastructure access arrangements for parties other than infrastructure owners, such as a wholesale-rate for backhaul?

Yes.

Q23 How realistic is such a requirement, and how tangible are the likely benefits of the approach?

The requirement is realistic, and will be strongly supported by regional stakeholders who are frustrated that earlier programs such as NTN and NCF have provided funding for telecommunications assets that are now subject to monopolistic ownership and practices, and hence are not available for broader community benefit in regional Australia.

The current Australian telecommunications open access regime has for the most part been a clear failure in delivering community benefits and shared infrastructure in regional Australia. For any new infrastructure created through Clever Networks, the requirement is for open access arrangements that provide fast turnaround times for access requests, low bureaucratic and legal overhead costs to access seekers, elimination of legalistic “gaming” of the regulatory system, and prompt and equitable dispute resolution.

If an effective open access regime can be established through the Clever Networks program, there will be substantial and tangible benefits to all Australian citizens and taxpayers.

Q24 How can an appropriate charging regime for such access be determined?

Determining an appropriate open access charging regime may depend upon the extent of Australian Government funding. Where Australian Government funding is predominant, it can be a condition of that funding that recipients must provide open access and wholesale access on commercial terms that are subject to mediation by an Australian Government agency (e.g. DCITA).

An experienced Community Broadband Broker (or telecommunications consultant) can provide input on the reasonableness of wholesale charging regimes, and DCITA is also well positioned to consult with HiBIS-registered service providers in order to work towards consensus on wholesale charging regimes.

Links to other initiatives

Q25 What other program activities should be taken into consideration in determining Clever Network program eligibility and entitlement?

There are advantages in building upon successful Community Broadband Broker programs, and also leveraging established relationships with Broadband service providers that are registered under HiBIS and Broadband Connect, and can demonstrate effective

service delivery in Regional Australia. The current Demand Aggregation Broker program has resulted in the development of significant knowledge and intellectual capital, and the opportunity to leverage this knowledge should be a factor taken into account in considering applications for Clever Network funding.

It is recommended that favorable consideration be given to applications that can demonstrate strong stakeholder involvement, effective relationships with HiBIS-registered service providers and a track record of success in improving Broadband services and applications. Demonstrated capability to mobilize State and Local Government support and resources might also be considered.

Embedding and undertaking program evaluation

Q26 Having regard to the possible diversity of the activities under Clever Networks, what strategies can/should be considered?

The current framework utilized by the Demand Aggregation Broker programs provides a sound platform upon which to develop program evaluation. It is recommended that Clever Networks projects continue to require a Funding Deed, Work Plan and Milestone Reports. In addition, other reporting and compliance measures could include Project Progress Reports (e.g. template to be developed for each category of project), reports of progress against Key Performance Indicators and possibly occasional independent customer surveys.

Response submitted on behalf of Wheatbelt Area Consultative Committee

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