



# Paying to Network Australia

Despite being launched with the considerable fanfare of the prime ministerial presence on the eve of his trip to Hannover for CeBIT'95, the final report of the Broadband Services Expert Group *Networking Australia's Future* has received remarkably little press or specialist commentary, and even less acclaim.

David Sless described it in *The Australian* (7 March) as a 'salesmen's report' which 'merely adds to our stock of ignorance'. Stewart Fist, also in *The Australian* (14 March) characterised it as full of 'wishy-washy generalisations', about which the best that could be said is that it 'has done a good job of taking the hype out of the superhighway, and putting some evolutionary perspective into the discussion on our national requirements'.

## Short on Specifics

This is probably because it is long on enthusiasm and vision, but quite short on specifics of cost, demand, and the practical options for government intervention in shaping the market for broadband services. Indeed, we are facing convergence with remarkably little assistance from policy makers.

The report gives the government specific advice about how to participate as a 'leading edge user', and useful advice on the priority to be given to linking schools and community centres to libraries using narrowband digital (ISDN) technologies in advance of broadband network roll-out, but remains vague on key policy recommendations.

It notes that the two main issues for user choice and delivery of services are the prices consumers have to pay, and the opportunity for content providers to reach consumers. But, beyond recommending open and equitable access, based on flexible pricing and commercial connection charges, there are no clear policy prescriptions. While noting that consumer safeguards, including the definition of the standard telephone service and funding of universal service obligations, 'must be comprehensively examined as part of the Telecommunications Review', the report has nothing to say on questions such as the meaning of equitable access. In a remarkably brief paragraph on page 65 it says that the objectives of 'achieving diversity of opinions and content so that the concerns and interests of Australian society are reflected' will be 'no less relevant in the future'.

The lame conclusion is that open access arrangements will 'provide an important check on the dominance of a few participants'. The government, it says, should continue to monitor the efficacy of the regulatory regime in restricting concentration of influence, and in supporting national culture and debate. Nowhere does the report even glance at regulatory options.

So what is it about? It is probably accurate to say that the report's strength is its identification of what government

should be doing now to ensure that the worst predictions of the information poverty gap are not realised. This is where the evolutionary path is important. The report floats the concept of the community's 'right to an effective standard of communications' and a concept of universal reach that involves making enhanced communications available to as much of the community as possible as quickly as possible. Narrowband digital -ISDN - links to community access points in schools, which could be provided for \$60-\$90 million, would get people involved in learning about and using on-line services, and make on-line delivery of government services and educational services more cost efficient. These services can be provided by adapting existing infrastructure.

## User Pays

But the report gets vague again when discussing how to pay for community access. Basically, it's user pays for 'user interface equipment' (computers, modems, TV set top units) and for commercial users, government contributions to costs of delivery of program services, and government funding for community based training programs and facilities. State and federal governments should share the capital costs of installing ISDN links to schools. Access and carriage costs? They will be down to competition-driven flexibility in pricing, with subsidies from government for services which benefit government, such as education. Indeed, one of the consistent themes is the role of government - not, as traditionally the case, in paying for the installation of infrastructure, which should be the responsibility of the private sector, but in making it worth the private sector's while, by becoming a 'leading edge user'.

## Australian Content

One of the least-noticed recommendations would oblige providers of broadband entertainment and information services to commit at least 10 per cent of their content expenditure to new Australian content. This has attracted about as much attention as the existing obligation on pay TV operators to commit 10 per cent of their movie channel program budgets to new Australian content. It is characteristic, and disappointing, in this report that far-reaching principles are given no sustained regulatory attention, or shape. □

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