

+61 8 8226 3203



MINISTER FOR TOURISM
MINISTER FOR SMALL BUSINESS
MINISTER FOR SCIENCE AND INFORMATION ECONOMY
MINISTER FOR EMPLOYMENT, TRAINING AND FURTHER EDUCATION

Submission No. 52

Education Centre
GPO Box 1152
Adelaide SA 5001
South Australia
Tel: (08) 8226 2604
Fax: (08) 8226 3203
Email: jls@saugov.sa.gov.au

Hon Dr Jane Lomax-Smith MP BSc, MBBS, PhD, FRCPA

Mr Christopher Pyne, MP
Chair
House of Representatives Communications, Information Technology & the Arts Committee
R1, Suite 116
Parliament House
CANBERRA ACT 2600

Dear Mr Pyne

I refer to your letter of April 15 2002 advising of the House of Representatives Inquiry into Wireless Broadband Technologies.

As a general comment, I would observe that Wireless Broadband technologies are but one means by which shortcomings in Australia's Telecommunications environment can be addressed and new services introduced. In particular, Wireless Broadband does not offer a general solution to the disappointing adoption of broadband Internet services by Australians. Nevertheless, the circumstances under which wireless technologies can offer advantages over terrestrial telecommunications channels are well understood, and, as these have no doubt been clearly identified in other submissions to the Inquiry, do not need to be repeated here. Suffice to say, wireless technologies can, in various guises, offer a viable alternative for mainstream deployment of alternative last mile infrastructure, capable of broadband capacity.

Furthermore, I would recommend that the committee does not overly concern itself with specific wireless technologies, as these are numerous, continuously changing and subject to market-driven selection. While Governments should not try to pick technological 'winners', they should on the other hand maintain an understanding of the changing technological constraints and opportunities as they affect development of effective policy.

This leaves the challenging area of regulation. I am persuaded that Australia's regulatory regime in regard to wireless telecommunications is fundamentally sound, but that it can be improved by adjustment rather than wholesale reform. In particular, I would recommend that the Inquiry examine the following issues:

1. Carrier Licences.

At present, the operator(s) of a wireless network used for anything other than strictly non-commercial purposes must hold a full-blown Telecommunications Carriers licence. The high cost and onerous conditions of such licences, while appropriate for large and medium Telecommunications businesses, effectively preclude participation by community groups, small businesses and firms for whom provision of limited wireless services is a not core business. An example of the latter is marina operators wishing to provide a practical LAN service to their floating customers. Some sort of limited low/no cost licence would seem appropriate in such cases.

Such a "restricted" Licensee would of course have to meet all of the statutory requirements such as interception, technical standards etc. The Australian Communications Authority (ACA) is best placed to be able to determine these, possibly on a case-by-case basis.

2. Spectrum Allocation.

Spectrum auctions in Australia and elsewhere have yielded very high prices which, while no doubt handing the Commonwealth Government a pleasing budgetary windfall, have effectively barred smaller start-up players from access to unencumbered spectrum and thus forced them to use the open 'Class Licensed' spectrum, leading to inevitable tension with non-commercial users of that spectrum. While strict competition theory as espoused by the Productivity Commission and others sees such outcomes as inevitable - even desirable, the fact remains that competitive process played out on a national stage inevitably favour participants in Sydney and Melbourne, connected as they are to their host cities' larger economies.

While I acknowledge that this is a difficult issue, I would strongly urge the Inquiry to give thought to how Australia's 'second tier' Telecommunications firms might be equipped to participate in the growing wireless broadband market without being relegated to 'amateur' status.

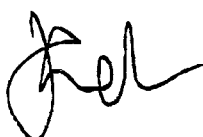
In addition to the above, I would encourage the Inquiry to give special consideration to the circumstances of regional towns, which are less commercially attractive to large Telecommunications carriers and thus often poorly served. At the same time spectrum suitable for wireless broadband applications is generally more readily available in regional Australia.

The State sees great potential for funding programs such as the Networking the Nation BARN fund to provide a vehicle to introduce new and innovative broadband wireless last-mile solutions to regional areas. The State understands that the guidelines for this program are currently being reviewed, and the State would be concerned if the new guidelines removed opportunities for alternative infrastructure such as wireless local-loop in regional centres. At present, there is lack of clarity in the interpretation of the BARN guidelines, resulting in wasted effort and cost by regional communities arising from fundamentally sound applications being rejected by the Networking the Nation Board.

As a final comment, I would hope that the Inquiry and its final report will be informed by the recent Productivity Commission Report on Radiocommunications, which while not identical in its scope, seems to present significant overlap with your own Inquiry.

Thank you for the opportunity to submit these observations, which I hope shall be of interest to the Inquiry.

Yours sincerely



Jane Lomax-Smith
MINISTER FOR SCIENCE AND INFORMATION ECONOMY

7/7/02