



8 March 2011

Mr Andrew McGowan
Committee Secretary
House of Representatives Standing Committee on Infrastructure and Communications
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Mr McGowan

RE: Submission for the National Broadband Network

The National Farmers Federation (NFF) was established in 1979 and is the peak national body representing farmers, and more broadly, agriculture across Australia.

The NFF's membership comprises all of Australia's major agricultural commodities. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF. Each of NFF's members deal with state-based "grass roots" issues or commodity specific issues, respectively, while the NFF represents the agreed imperatives of all at the national and international level. The NFF also has an associate category that enables organisations involved or interested in the business of agriculture. Current associate members involve the breadth and the length of the supply chain.

Modern farming practices are increasingly reliant on information technologies for production, risk management and marketing activities. Information technology is used for applications as diverse as learning and education, trading, financial management and remote sensing. Services such as education and healthcare delivery are increasingly underpinned by state-of-the-art telecommunications.

In distant communities, telecommunication services are not "nice extras", they are necessities. Farmers and others living and working in regional Australia are looking for telecommunications outcomes and solutions that are affordable and can be upgraded as technology advances. Many of the issues raised in this submission are not specific to the National Broadband Network, but can be applied to the provision of telecommunication services in regional Australia generally.

The NFF is not in a position to comment on technical elements related to the development and specification of the National Broadband Network, but has maintained that people in rural and regional Australia need equitable access to reliable, affordable telecommunications, including broadband.

The NFF has continued to call for information on how the Government intends to roll out the National Broadband Network (NBN) to regional communities through fibre, satellite and wireless technologies, including where and when these different technologies will be rolled out. Key questions which the NFF has continued to ask throughout the development of the NBN include:

- How much will it cost people (including retail prices and service fees)?
- How will the NBN be upgraded as technology advances?
- Will upgrades be guaranteed?

Increasingly, questions will also be raised on what strategies the government will put in place to ensure the infrastructure is put to use to realise productivity gains and diversify regional economies.

The nature of agricultural industries means that farmers are not “tied to desks”. For this reason mobile phones and mobile broadband, where services are available and reliable, have become very useful business tools that assist in efficiency, productivity as well as in practical outcomes such as farm safety. It is important that these mobile technologies, and potentially the development and use of local wireless networks, are considered as part of the broadband solution for rural Australia.

Considerable frustration exists in the poor quality and reliability of existing landline and mobile services. The development and roll-out of new technologies must set new benchmarks for improved accessibility, reliability and quality of telephony and broadband communications in regional Australia.

In the terms of its inquiry the House of Representatives Standing Committee on Infrastructure and Communications has raised a number of questions related to how the National Broadband Network can contribute to the delivery of a variety of outcomes. The NFF is not in a position to comment on a number of the areas outlined, as they are outside of our expertise and experience. However, the NFF notes that whilst the NBN offers opportunities to deliver services remotely, we recognize that personal interaction is and will remain a key element in the delivery of a number of services, including aspects of health services. In this context it is important that technologies delivered through the NBN are complimentary to broader strategies for the delivery of these services, and the NBN should not be considered as an opportunity to reduce support and costs in the delivery of these services.

“e) impacting regional economic growth and employment opportunities;”

The NFF has a longstanding interest in promoting opportunities for the development and diversification of businesses and industries in regional Australia and to develop and improve the resilience of regional economies. The NFF has welcomed the increased focus on regional development following the 2010 election, culminating in a Government agreement with independent Members of Parliament which has a strong focus on regional development issues.

The NFF has been at great pains over many years to highlight the glaring inequities faced by people living and working in regional Australia. Our position is supported by research released in November 2009 entitled: Essential Services in Urban and Regional Australia – a Quantitative Comparison (conducted by the National Institute of Industry and Economic Research and commissioned by the Australian Farm Institute), that compared the costs of essential services between metropolitan, urban and rural residents. It found that, on average, it costs rural residents five-times more to access essential services than metropolitan residents pay.

Technologies such as the NBN provide an opportunity to build and diversify local economies as well as encourage decentralisation. NBN's role should be considered in this context, particularly how can it build regional economies. The roll out of the NBN must not result in an erosion of services in regional Australia. A strong focus of the roll out of the technology needs to be placed on encouraging development and diversification in regional Australia, and the development of strategies to avoid deterioration of community services.

In this regard, the roll out of the NBN in regional Australia must be considered along with a suite of measures to underpin regional development. The NFF advocates that genuine tax incentives and the commercial opportunities they drive are essential to major businesses setting up substantial and long-standing operations in regional areas. With businesses come more jobs, prosperity and growing communities. Governments can't make people move to regional areas, but they are able to create the case for businesses to start-up or relocate operations off the back of innovative and worthwhile tax advantages. People will follow the employment opportunities for themselves and their families.

"f) impacting business efficiencies and revenues, particularly for small and medium business, and Australia's export market;"

Regional Australia has not had access to the same level of broadband access as urban Australia, and this strongly suggests that opportunities exist to improve efficiencies and revenues in business. The 2002 Independent Regional Telecommunications ('Estens') Inquiry (RTI) "Connecting Rural Australia" reported that access to higher bandwidth services is becoming vital for the economic and social development of regional, rural and remote Australia. The Inquiry found that a major impediment to regional, rural and remote Australians having equitable access to higher bandwidth services is the higher prices that users pay for these services, but concerns were also raised during the inquiry about the reliability of the telephone network and the speed of available Internet services in regional, rural and remote areas.

The fundamental issues of accessibility, reliability, quality and affordability must be addressed if the benefits of the NBN are to be realized. For example, the benefits of using broadband to participate in markets which operate in 'real time' or in video-conferencing are lost completely if connections drop out or are not of sufficient quality. Failure to address these issues would result in poor take up and a lack of confidence in the network, and ultimately the potential productivity and efficiency gains will not be realized.

“g) interaction with research and development and related innovation investments;”

The agricultural industries have a significant engagement with research and development, working with the Rural Research and Development Corporations and other research organizations, including the CSIRO, to drive innovation in the sector. The issues currently faced in regional Australia related to reliability and quality of networks means that the NBN may offer opportunities for innovation which have not previously been considered.

Information technology has been used as a tool for the delivery of research and development and there may be opportunities to improve access to research and development information, but also new opportunities for the use of information technology.

Anecdotal evidence suggests that Australian farmers have also embraced the use of new technologies including GPS, remote sensing and spatial data collection. Commercial and export opportunities may exist in the development of information technology to process this information or develop new applications to improve the efficiency and productivity of Australian agriculture. Some work has been undertaken by the CSIRO ICT centre on the use of information technology in agriculture, including virtual fencing, bull separation, pasture management, water quality monitoring, and agricultural robotics. However, significant further work is required; particularly research and development work in partnership with farmers.

“h) facilitating community and social benefits;”

As the NFF has noted earlier in this submission, it is important that the roll out of the NBN is managed so that it provides opportunities for growth in regional Australia and that there is a focus on strengthening regional economies and growth.

The NBN is also likely to provide opportunities to link groups within the community across regional Australia and provide social services and support. Opportunities range from: connecting industry members (for example Dairy Australia’s web forum¹); to providing mental health support to individuals (for example the e-headspace counselling service²); to forums which connect and support individuals who may be isolated by circumstance or geography.

The NFF has been advocating a range of policies which would encourage regional development, and these need to be considered in conjunction with the NBN. However, as raised earlier, it is important that potential negative impacts on communities and social capital in regional Australia as a consequence of any loss of services are managed and avoided.

Education will be an important component of ensuring community and social benefits from the roll out of the NBN are realized. Given the relatively low level of broadband use in regional Australia, it is appropriate that there are programs to support the use of broadband, including programs to encourage the development of businesses which can take advantage of

¹ <http://www.dairyaustralia.com.au/Our-Dairy-Industry/Industry-Forums/Udderly%20Fantastic%20web%20forum.aspx>

² <https://www.eheadsace.org.au/>

improved access to broadband. Given the differences in people's experience and capabilities with information technology, and the variety of different uses to which broadband can be applied, a variety of communication packages will be required to properly inform people and support the roll out of the technology. Information packages, seminars, the use of mentors and local champions are all opportunities to improve awareness and support adoption of the new technology within communities.

"i) the optimal capacity and technological requirements of a network to deliver these outcomes."

As mentioned earlier in this submission, the NFF is not in a position to provide comments on technical aspects of the NBN. However, we would observe that the network should not perpetuate the digital divide between rural and regional Australia. There is the potential that the use of the fibre network will drive the development of applications that will leave wireless and satellite users will remain behind. It is important that the potential differences are kept in mind when guidelines for the development of applications for government and other service providers are developed to ensure all users can access these services, irrespective of the type of NBN connection they use. It is also important that there is an active strategy for identifying and rolling out upgrades to wireless and satellite services to manage these gaps and ensure that there are improvements to the network over time.

We appreciate the opportunity to comment and look forward to your response.

Yours sincerely

DENITA WAWN
Chief Executive Officer (Acting)