

# Preface

## Terms of reference

On 26 June 2003 the Senate referred the following terms of reference to the Committee for inquiry and report by the last sitting day in March 2004:

- (a) the current and prospective levels of competition in broadband services, including interconnection and pricing in both the wholesale and retail markets;
- (b) any impediments to competition and to the uptake of broadband technology;
- (c) the implications of communications technology convergence on competition in broadband and other emerging markets;
- (d) the impact and relationship between ownership of content and distribution of content on competition; and
- (e) any opportunities to maximise the capacity and use of existing broadband infrastructure.

The Senate subsequently agreed to the Committee reporting by 12 August 2004 to ensure that it had the opportunity to give full consideration to the matters raised and to adequately take account of some significant developments that arose in the course of the inquiry.

It should be noted that at the time that the Senate had referred the inquiry, the Committee was engaged in a comprehensive inquiry into the adequacy of the Australian telecommunications network, including an assessment of the network's capacity to provide all Australians with reasonable, comparable and equitable access to broadband services. Rather than repeat that discussion, contained in the Committee's report entitled *The Australian telecommunications network* tabled on 5 August 2004 much of which was of a highly technical nature, in this report the Committee has concentrated on the regulatory environment as it relates to competition.

## Conduct of the Inquiry

The Committee advertised the inquiry in the national media in July 2003 and also wrote direct to a number of organisations and individuals to invite submissions.

Some fifty-five written submissions were received as cited at Appendix 1.

In order to gain a better appreciation of the issues, the Committee undertook a series of public hearings with some 66 witnesses in Canberra (on three occasions), Sydney,

Nerang and Ballarat. A list of individuals and organisations who gave evidence at these hearings is at Appendix 2.

In the course of the hearings, a number of documents of relevance to the inquiry were formally received by the Committee. These exhibits are detailed in Appendix 3.

## **The report**

The Committee has found its terms of reference as a convenient basis for this report.

In Chapter 1 the Committee introduces the concept of broadband, addressing definitional issues and reviews other reports and inquiries relevant to the terms of reference.

Chapter 2 examines the policy and regulatory framework which has been developed in Australia to encourage competition in telecommunications. The mechanisms of regulations within the telecommunications sector are complex. Chapter 2 of this report provides an overview of these regulations, while additional information on the regulatory bodies themselves is provided in Appendix 4.

In Chapter 3 terms of reference (a) and (b) are examined in relation to the current levels of broadband technology uptake, the current levels of competition in broadband services and any impediments to competition and to the uptake of broadband technology.

Chapter 4 addresses the remaining terms of reference. It first examines communications technology convergence, the relationships between ownership of content and distribution of content and how these issues impact on broadband industry competition, before discussing possible future directions and the opportunities to maximise the capacity and use of existing broadband infrastructure.

## **Acknowledgements**

The Committee wishes to express its appreciation for the cooperation of all witnesses to its inquiry, whether by making submissions, by personal attendance at a hearing or, as in many cases, by giving both oral and written evidence. It stresses that all evidence has been taken into account in the preparation of this report, while noting that it was not possible to cite all evidence in the report.

The Committee also wishes to express its appreciation to those who hosted it during its interstate hearings. Special mention is made in this respect of the Gold Coast City Council who provided the venue for the Committee's hearings in Nerang and to Delfin Lend Lease who hosted the Committee on a tour of its Varsity Lakes mixed use urban precinct, which incorporates state of the art broadband facilities for use by businesses and residents alike.

Finally, the Committee records its appreciation to the officers of the secretariat who assisted with the conduct of the inquiry and the drafting of this report.

Senator John Cherry  
Chair

