

Media Release

SENATOR THE HON RICHARD ALSTON

*Minister for Communications, Information Technology and the Arts
Deputy Leader of the Government in the Senate*

National Bandwidth Inquiry - terms of reference

The Minister for Communications, Information Technology and the Arts, Senator Richard Alston, today released the detailed terms of reference for an inquiry into the issues associated with bandwidth availability and pricing within Australia and to and from Australia.

The inquiry will be conducted by a team within the Department of Communications, Information Technology and the Arts. This work will be overseen by the Australian Information Economy Advisory Council (AIEAC) which considered the terms of reference at the Council's inaugural meeting in Sydney yesterday.

The AIEAC study gives effect to the Government's recent commitment that it would establish a National Bandwidth Inquiry to consider these issues.

The Inquiry's work is intended primarily to provide an authoritative analysis of issues relating to the current and future capabilities of the Australian telecommunications network to deliver adequate infrastructure support for a full information economy. The major area of focus should be the 'backbone' telecommunications data networks and links within Australia, and between Australia and other countries ('the trunk network').

It is intended to ensure that this study complements as far as practicable, and without unnecessary duplication, recent reports presented to Government, including the Australian Communications Authority's digital data inquiry, which focussed on data capabilities and related issues in the customer access network. The primary timeframe for the report is the next five years, 1999-2004, although the Inquiry would also be expected to give its views on any matters going beyond that period where this is appropriate.

The focus on the current and future capabilities of the Australian telecommunications network, especially the trunk network, recognises that the availability of adequate, high quality and appropriately priced bandwidth is an important strategic issue for the development of the information economy in Australia.

The terms of reference are attached. Individuals or organisations wishing to make submissions to the inquiry should write to:

National Bandwidth Inquiry
Department of Communications, Information Technology and the Arts
38 Sydney Ave
FORREST, ACT 2603

Media Contact: Terry O'Connor, Minister's office 02 6277 7480
Website www.richardalston.dcita.gov.au

227/98 18 December 1998

TERMS OF REFERENCE

The Inquiry is to:

1. Report on the drivers of demand for bandwidth in a present and future Australian information economy, including:

- (a) the applications, in particular Internet-based services, which are most likely to drive demand for data communications on the network, especially the trunk network, from residential, business, community, academic and research and public sector users, including governments at all levels
- (b) the likely takeup of these applications within the timeframe outlined above, including an indication of the likely price sensitivity of the potential markets for these applications
- (c) the likely levels of demand for telecommunications bandwidth within Australia and between Australia and key overseas markets

2. Report on the constraints, if any, which exist on the ability of the Australian telecommunications network to meet the likely demand of an Australian information economy, including

- (a) providing a 'stocktake' of Australia's existing trunk network, and planned changes to that network by commercial operators and state governments, with information disaggregated regionally, as far as practicable
- (b) determining the current and reasonably anticipated data carrying capabilities of the trunk network
- (c) outlining the technological changes, which are likely to affect the data capabilities of Australia's trunk transmission network
- (d) analysing pricing for key high bandwidth services, including existing pricing structures, trends, and the benchmarking of current prices in Australia against those in comparable markets overseas
- (e) outlining relevant market structure and commercial issues, including the current level and likely development of competition in relevant wholesale and retail carriage service markets within Australia
- (f) determining relevant international market structure and commercial issues, including an assessment of the international settlement arrangements for Internet Protocol networking
- (g) analysing the implications of regulatory arrangements relating to the installation of trunk network infrastructure, in particular submarine cables, at all levels of government

The above analysis should consider both present constraints and any future constraints that may emerge in the move to a full information economy in the primary timeframe for the report.

3. On the basis of the foregoing, and any other matters the inquiry considers relevant, provide

- (a) its assessment of the degree to which there is a risk of constraint on the availability of bandwidth in any significant part of the Australian telecommunications network, especially the trunk network, over the next five years which is likely to have a material effect on the evolution of the information economy in Australia; and consideration as far as practicable of the costs of such constraints to the wider economy
- (b) its views on the options open to the Government to address those constraints, including its preferred option (if any).

The inquiry is to report to the Government by 1 October 1999, and sooner if practicable.

It is expected that the inquiry will prepare and publish interim reports or discussion papers on matters referred to above in order to facilitate industry and community discussion and encourage

input to the inquiry's work. In particular, the Group should prepare an additional and separate report on the matters relevant to term of reference 2(f).