ACCC Communications Market Study: Competition in evolving communications markets [1]

Changing landscape and emerging issues:
ref 1.6 "Fixed-line voice and broadband services:
Market consolidation and the changing market structure as the communications sector transitions to the National Broadband Network (NBN) is significantly changing the dynamics of competition for fixed-line [and satellite] services. We will look at how retail competition on the NBN is developing, the effect of economies of scale and other potential barriers to entry for small players."

Submission: M & S Consultants Pty Ltd

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Confidentiality	This submission is not confidential. I give my consent for my name to be used in report along with excerpts or quotes from this submission.

Brief:

Because of the consolidation of the communications sector - businesses wishing to offer services in that sector are constrained by the policies enforced by NBN.

Explanation:

We are an Australian software company that develops Interactive Distance Learning (IDL) software that provides multi-way video conferencing over satellite primarily for use by Schools of the Air. All

Schools of the Air in New South Wales and the Northern Territory use our software as their primary means of contact with their students using each departments' private satellite network.

There is considerable need for the use of our software in other Australian distance education schools however due to NBN policy we are unable to trial or demonstrate our software working on the NBN satellite network.

Our software uses Multicast IP to deliver the video streams to school students. Multicast provides a very efficient use of often limited (satellite) bandwidth and guarantees synchronisation of audio and video streams across school students often separated by hundreds of kilometres and who are reliant on satellite with its known transmission issues such as latency, as their only means of contact with their teacher and peers.

NBN require a purchase order to be submitted to them by an RSP on behalf of a State or Territory Government Education Department before they will provision multicast. This means as an innovative Australian company we can neither trial or run proof of concept or even demonstrate to education departments our IDL software working on the NBN Sky Muster network.

This is despite the NBN Corporate Plan Final recognising the need for innovation and claiming their development process accommodates the wide variety of innovative future ways that the NBN network maybe used [for] ... education ...

NBN Corporate Plan [2]: Page 97

8.6 Product Development and Product Roadmap

The NBN Co product development process is based around three principles, which together combine elements of world's best practice product development. These three principles are:

1. **Customer-Driven Product Design:** The current NBN Co product construct has been created after several rounds of consultation with prospective Access Seekers (over two hundred hours of consultation with more than twenty five Access Seekers).
2. **Traditional Technology Product Design Methodologies:** The NBN Co product development process incorporates key activities from technology product development processes, e.g. requirements gathering, solution definition, and change requests. Access Seeker requirements and product value propositions developed and identified during the product development phase feed into the technology build processes.
3. **Product Innovation Pipeline:** The product development process accommodates the wide variety of innovative future ways in which the NBN network may be used (e.g. health, education, security, utilities and entertainment) – it ensures that potential

> product requirements can be quickly gathered and summarised in 'Product Concept Papers', to allow NBN Co to make decisions around future product offerings or refinements.

This claim is contrary to their efforts to support development to aid distance education delivery and the results can be witnessed in Queensland Education Department. Using a video conferencing software product that was never designed for use over satellite has led to the Department recently issuing instructions to students on the NBN Sky Muster satellite service to effectively minimise or 'Turn Your Video Off'. Using iConnect on Sky Muster [3]: Page 6

NBN has been clearly aware of the technical requirement for successfully and efficiently delivering of IDL over satellite, in July 2011, I made a submission to the federal government "Joint Committee on the National Broadband Network" [4] outlining the technical requirements and pointing to Australia Research Council study praising the use of IDL in distance education.

With the consolidation of broadband services, NBN policies effectively **dictate** where and when and if innovation will occur.

- This is hurting Australian business,
- restricting innovation and
- negatively affecting the end user experience.

Supporting Documentation:

Communications Market Study: Competition in evolving communications markets [1]

https://www.dropbox.com/s/zk7ceeu4wfyt4xm/Comms%20Market%20Study%20%20Issues%20Paper%20%20September%202016.pdf?dl=0

NBN Co Corporate Plan Final [2]

https://www.dropbox.com/s/woe6812qasuwafs/NBNCoCorporatePlanFinal.pdf?dl=0

Queensland Department of Education and Training: Using iConnect on Sky Muster [3]

https://www.dropbox.com/s/159ufk2i8jyai3z/using_iconnect_on_skymuster.pdf?dl=0

M&S Consultants Pty Ltd Submission to the Joint Committee on the National Broadband Network. [4]

https://www.dropbox.com/s/1bifhqfzeif4hmz/NBN%20Submission.pdf?dl=0