

**Dr. David Robertson  
Presiding Commissioner  
Australian Productivity Commission  
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Melbourne VIC 8003  
Australia**

**March 12, 2002**

**Dear Dr. Robertson:**

**Thank you for the copy of the Draft Report on “Radio Communications” and the further invitation to make a written Submission on the Draft Report. This is my Submission.**

**The Productivity Commission in the Draft Report concludes that it “does not intend to recommend changes to the amateur radio operator licence conditions to allow the use of WinLink 2000” in Australia.**

**This decision must be judged against the guiding principle in the Charter that governs the Productivity Commission’s inquiry. It is “*that legislation should not restrict competition unless it can be demonstrated that the benefits of the restriction to the community as a whole outweigh the costs, and the objectives of the legislation can only be achieved by restricting competition.*”**

**The examination of the Draft Report shows that the Productivity Commission has failed to demonstrate that the restriction on amateur radio operators results in benefits to the “*community as a whole.*” Quite to the contrary: Australia at large; the community as a whole; the information technology and communications sector; amateur radio operators; and recreational cruisers in Australian waters and nearby high seas all suffer *disbenefits*.**

**Participation in the Inquiry was, however, not a total waste of time. Such inquiries are now conducted in the international forum provided by the Internet. All with an interest in the subject matter can review the Productivity Commission’s reasoning and recommendations. It is in that vein that these concluding comments are offered.**

## **Introduction**

For a start, it is necessary to dispute the Productivity Commission's statement that "*The submissions' main argument is that WinLink could provide a safety-of-life service for recreational cruisers in Australian waters or nearby high seas.*" While this is obviously important, the case is made on much broader grounds:

1. **National Security**: Australia is a huge, and almost indefensible, continent. A strong and active amateur radio community can play a significant role during national emergencies and public events. Amateur radio in Australia is now withering on the vine. One would have hoped that this had been taken into account in the Productivity Commission's deliberations; and
2. **Productivity**: Australia needs to improve its productivity in the fields of information technology and communications. No less than the Australian Academy of Sciences has stated that Australia is regarded as an economic backwater. Amateur radio has long been regarded as a means to attract young talent into electronics. Allowing Australian amateur radio operators to participate in WinLink 2000 operations would have been a step in that direction.

The text concerning "*Restrictions on amateur radio operators*" is given in pages 236 – 237 of the Draft Report. Whatever the source, the Productivity Commission, as the Australian Government's advisory body, carries the ultimate responsibility to critically examine the evidence to ensure that its recommendations pass a "reality" check. This test, in my opinion, was not applied.

Each of the topics that the Productivity Commission raises in defense of its decision is quoted below and a comment is given.

### **Topic I: Hams as a national security risk**

The Productivity Commission builds its case on the observation that "*Amateur radio operators in Australia are unable to use the WinLink 2000 system because they are prohibited from connecting to the public switched telecommunications network.*" In this context, this refers to the prohibition on linking amateur radio to the Internet (but see **Threatening WinLink 2000** below). The Productivity Commission then states that the restriction to connect stems from consideration of "*national security reasons*" that were "*imposed during World War II.*"

**Comment:** It is not unreasonable to have expected the Productivity Commission to examine the *current* validity of the premise upon which it builds its case for rejecting WinLink 2000. World War II was concluded some 57 years ago. In the meantime, there have been significant developments in communications technology. Whatever may have been appropriate more than half a century ago, when spies used Morse Code that has since been abandoned, seems oddly out of place in the 21 century.

Today anyone in the world can communicate via the Internet to anyone else, wherever in the world, even passing on messages on behalf of others (third party traffic) and do this, if they wish, in encrypted form. The Internet is not regulated – except under the most totalitarian regimes.

It seems an anachronism that within Australia's democratic system of government, and with electronic surveillance at a level that no message sent by electronic means can escape scrutiny by internal security services, that an agency of government would still single out the Australian amateur radio community as a national security risk.

## **Topic II: Volume of Additional Traffic**

The Productivity Commission opines that WinLink 2000 has “*the potential to generate significant additional traffic, resulting in congestion in the amateur bands.*” One should be excused for asking what calculations it made to support this conclusion?

**Comment:** Evidence placed before the Productivity Commission shows that, *worldwide*, via about 30 Participating Mail Box Offices (PMBOs), an average of about 2,600 messages are processed per day via WinLink 2000. If the Productivity Commission had made the heroic assumption that with an additional WinLink PMBO in Australia, total traffic would have increased by, say, five percent, that would comprise 130 messages per day. In this context, it should be mentioned that anyone with access to the Internet would use this inexpensive and convenient method rather than using the more expensive and uncertain route of amateur radio communications.

There are hundreds of frequencies available for amateur radio and many are specifically allocated for digital communications, such as, those by WinLink 2000. Allowing WinLink 2000 operation in Australia would actually have lead to a *more* efficient use of the spectrum because operators would not have to repeatedly try to access more remote PMBOs.

Obviously, *by no stretch of the imagination*, could the minimal additional traffic result in “*congestion in the amateur bands.*”

### **Topic III: Unlicensed Use**

The Productivity Commission further opines, in an almost naïve way, that messages via WinLink 2000 “*could be generated by unlicensed users.*” Would an Inquiry into transportation conclude that roads should be outlawed in Australia because these “*could be used by unlicensed drivers?*” After all, unlicensed drivers can and do kill and maim many on the roads at random. A *digital* message sent by an unlicensed user, at worst, is no more than just a nuisance to the *single* individual to whom the message is addressed.

**Comment:** The Productivity Commission was informed that only radio amateurs, licensed at the appropriate level of proficiency by government agencies, are admitted to connect to Winlink 2000. In fact, their national callsigns become the first part of their WinLink 2000 address; thus: <KN4VM@WINLINK.ORG>. Unlicensed operators would find it difficult, if not impossible, to penetrate the system and if they did, they would be easily exposed and locked out.

### **Topic IV: Threatening WinLink with Fees**

The Productivity Commission singles out the potential Australian WinLink 2000 PMBO for the threat that it “*may be regarded as a network unit*”, that “*would be required by law to obtain a carrier licence from the ACA, pay carrier licence fees (\$10,000 a year) and contribute to funding the universal service obligation.*”

**Comment:** As an agency without executive powers, is not the role of the Productivity Commission to single out and threaten just one party. If “fair dinkum”, it should issue that warning to all amateur radio networks already operating Australia. This includes the Wireless Institute’s Civil Emergency Network (WICEN) and the Internet Radio Link Project (IRLP) that, incidentally, already connects amateur radios to the Internet. Then there is the Australian National 4WD Radio Network; operators of repeater stations that create national networks; and numerous Bulletin Board Services. In addition there is the semi-commercial SailMail shore station in Australia that provides “network” services, exactly like WinLink 2000.

### **Topic V: Third Party Traffic**

The Productivity Commission regurgitates the bogey of third party traffic via amateur radio.

**Comment:** Third party traffic is already allowed within Australia and the third party agreement between Australia and the USA allows any Australian station to pass any third party traffic on to any US-licensed station, and it is in the US where WinLink's Central MBO is located. More importantly, though, is that a WinLink 2000 PMBO in Australia would process all its traffic from and to other countries via the Internet, and the Internet is *not subject* to third party restrictions.

#### Topic VI: Safety Features

The Productivity Commission, against the overwhelming evidence provided by respondents, discounts the safety features of WinLink 2000. Instead, it recommends that vessels be equipped with an Emergency Position Indicating Radio Beacon (EPIRB).

**Comment:** The Productivity Commission seems to not know that EPIRBs are activated only *after* there is an emergency of such catastrophic proportions that massive air and sea rescue operations (at Australia's expense) must be launched. The fact that WinLink 2000, including its weather and position reporting features, might actually *prevent* emergencies, *before* these happen (a much more cost-effective solution), was apparently overlooked.

#### Topic VII: Restricting Competition

Finally, the Productivity Commission claims that "*other commercial email services are available to all yacht owners.*" It uses this dubious argument as its final point to support its stance.

**Comment:** There is indeed a "semi" commercial service available in Australia. However, it would certainly not be commercially viable if the ACA were to impose the "*network unit*" and other fees. Accordingly, the longer-term reliability of this service is not as yet proven. If it were to fold up, and with WinLink not available in Australia, there would be no service at all.

More significantly though, is that the Productivity Commission is well aware that its charter provides that "*legislation should not restrict competition*". Australia has a sorry history of hiding behind tariff barriers and "infant industry" arguments. These arguments do not apply here and now. A "Productivity" Commission should not seek to *force* users onto a possibly non-viable, non-regulated, monopoly service provider; especially not, when selfless amateur radio operators, as volunteers, are prepared to provide this service for free to their fellow radio amateurs in the wider international fraternity at no cost to the Australian government.

**Conclusion:** 450 respondents have expressed their support for WinLink 2000. Not even one credible respondent, not even the ACA in its Submission, has argued against allowing WinLink 2000 operation in Australia. In fact, the ACA in its Submission, under the heading “Looking to the Future” (page 37) recognizes that *“there has been a significant convergence between formerly distinct sectors such as computing, telecommunication and broadcasting. This trend is almost certain to continue.”* The ACA is to be commended for this foresight. Its role is to now use its power and intellect to broaden the horizons for amateur radio in Australia.

The Productivity Commission’s “safe” approach to stick with the “status quo” will not help Australia’s productivity; neither in its physical nor in its intellectual dimensions. It will actually hinder it. For this, and the other reasons given above, the Productivity Commission’s decision, using a nautical expression, is unfathomable. It is hoped that more enlightened views prevail at higher levels of government.

I am not encouraging the more than 450 supporters to respond to the Draft Report. There is no apparent purpose in providing further evidence to this Inquiry.

Respectfully submitted.

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