



Assistant Secretary
Network Competition Branch
Department of Broadband, Communications and Digital Economy
Canberra ACT

15th June 2009

Dear Mr Buettel,

Please accept my apologies for this late response to the Regulatory Reform Consultation Paper. In the context of the wide debate on the issue of necessary regulatory and legislative reforms required going forward, AIIA simply wishes to record its support of the Government's recent NBN rollout decision and its clear intentions to implement that decision as effectively as possible. Our response assumes NBN Co will be, as announced, a wholesale-only, open access, universal provider, adopting location-independent pricing secured through open competition. To that extent, many regulatory questions are answered.

The Australian Information Industry Association (AIIA) is Australia's peak technology industry body. AIIA's role is to lead and represent the ICT industry in Australia to maximise the potential of the Australian economy and society. AIIA's membership encompasses all sectors of the ICT sector including hardware, software, services and telecommunications. It has almost 500 member companies, from individual consultants, small to medium enterprises to the world's leading multinational corporations. Members are vitally interested in the establishment of a high speed Broadband network, as we have said on many occasions in discussions with the Minister. The economic growth potential is evident in the attached Access Economics report which one of our members has commissioned, and which we shared with the Minister prior to its release.

AIIA member companies employ over 100,000 Australians, generate combined annual revenues of more than \$40 billion (approximately 5% of GDP) and export more than \$2 billion in goods and services each year.

AIIA strongly believes ICT is an "enabler" and a "transformer" for business – in the current financial crisis, facilitating business investment in computer systems that comprise telecommunications software, hardware and critical services, is one of many ways the government can boost economic activity by the business sector at the same time as ensuring the industry itself receives the benefit of an upturn in purchasing of its products and services.

To adequately realise the benefits of the rollout, AIIA believes that the following issues must be addressed:

- Ongoing commitment to the aggressive timetable set by the Government – any delay will lessen stakeholder support and compromise much-needed investment;
- Early regulatory and implementation certainty to encourage industry support – in this regard AIIA applauds the Minister's decision of 15th June to announce draft guidelines for the digital regions initiative;
- Appropriate access cost models that are not subject to any obstruction by incumbents;
- Appropriate pricing so that consumers are encouraged to take up the benefits of the rollout;
- Appropriate and flexible competition facilitation and speedy mechanisms to deal with anti-competitive conduct.

Whether the government chooses to adopt functional separation so as to deal with the issues of equivalence will depend largely on the commercial imperatives of NBN Co, and on the need to ensure that the wholesale-only approach is in no way compromised.

AIIA supports the Government's decision to act quickly on the NBN rollout. Industry is willing to continue working with the Government on this crucial initiative that will hopefully see Australia increase GDP growth and improve all citizens' access to online services.

Yours sincerely,



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