



Media Release

7 April 2009

Optus welcomes the end of Telstra's fixed line monopoly

Optus today welcomed the announcement by Prime Minister Kevin Rudd and Communications Minister Stephen Conroy that the Government will take a visionary, nation building step in undertaking its own build of a National Broadband Network (NBN) utilising Fibre to the Premises (FTTP) technology.

"The Government's new model has the potential to fundamentally change the competitive landscape and create a true level playing field. This is a very positive outcome for consumers and business right across the country. It will end Telstra's monopoly control of the national communications network into Australian homes," Mr Paul O'Sullivan, Optus Chief Executive said.

"The Government appears to have adopted a similar model to the one Optus put forward in our NBN proposal – a structurally separated, wholesale only, open access network – but taken to the next level of investment with FTTP technology.

"Optus has consistently maintained that regulatory change is the only way to ensure a truly competitive broadband industry that will deliver social and economic benefits right across the country – and we believe that today's announcement is a clear indication that the NBN will not be built without fundamental regulatory reform," Mr O'Sullivan said.

Optus has consistently advocated for a regulatory framework built around four pillars:

Structural separation: The NBN cannot be majority owned or controlled by any retail provider.

Open Access principles: The NBN should provide all Access Seekers with the right to receive the same products at the same prices on the same terms and using the same operational support systems.

Cost based pricing: Prices for services on the NBN should be set at levels which are sufficient only to recover the efficiently incurred capital and operating costs of providing access to and operating the NBN, plus a reasonable regulated return.

ACCC oversight: To ensure that the above obligations are enforced and competition and consumer interest are safeguarded the NBN must be subject to oversight by the ACCC.

"Optus will examine the announcement in further detail and ensure that the Government's new approach ticks all these boxes. Given the prolonged uncertainty in the industry around broadband it's essential that the legislation is enacted swiftly as promised and for the reform of the regulatory regime to be expedited," Mr O'Sullivan said.

Media Release

“Nevertheless, today’s announcement has all the hallmarks of a truly ground breaking decision in the history of Australian fixed line telecoms competition.

“The success of this model will ultimately be judged on whether a competitive market structure is established, offering broadband at attractive prices to as many Australians as possible,” he said.

Media contact:

Melissa Favero

Optus Corporate Affairs

Tel: (02) 8082 7850

Unless otherwise indicated in this document, it is Copyright of the Commonwealth of Australia and the following applies:

Copyright Commonwealth of Australia. This material has been reproduced by permission but does not purport to be the official or authorised version.

You should make independent inquiries and obtain appropriate advice before relying on the information in any important matter.

This document has been distributed by Capital Monitor. All queries regarding the content should be directed to the author of this document.

Capital Monitor is a division of LexisNexis Australia, and can be contacted on 02 6273 4899.