

**Presentation by iiNet – spoken by David Buckingham, Chief Financial Officer**

**5 May 2011**

***House Standing Committee on Infrastructure and Communications' Inquiry into the role and potential of the National Broadband Network***

iiNet is a national provider of Internet, telephone and subscription television services. We are headquartered here in Perth, where we commenced operations in 1993. In the subsequent years, we opened up offices in Sydney, Melbourne, Auckland and Capetown where many of our over 2000 staff now work. We also employ contract staff in Indonesia (for software development) and the Philippines (for customer support).

iiNet has been frequently recognised for our commitment to both innovation and customer service, which are our driving strategic principles. This recognition has come in the form of multiple and repeated industry awards.

iiNet is on the record as being an active industry participant and has willingly engaged in the ongoing public debate about:

- Customer service;
- The competitive environment;
- The regulatory framework;
- The provision of legal on-line content;
- Cyber safety, including Internet filtering; and of course
- The evolution and development of the NBN.

iiNet is a strong supporter of the NBN in its current format. We, however, see the NBN as much more than a step improvement in the technical performance of Internet services.

For us, the accompanying legislation which allows for:

- the restructuring of the industry (including the separation of Telstra);
- the creation of an open-access, wholesale-only national network; and
- revised ACCC regulatory powers

are as welcome and as important as the significant performance improvements.

In fact, the regulatory and structural changes provide immediate benefits to the community, while the network itself will provide a gradual benefit to Australians as the construction takes place over several years.

Together with the backhaul, black-spot funding program, market failures that have been poorly addressed for many years are now being focused on. For example, the backhaul fibre



into Geraldton that was only lit up in February is finally giving 2000 households access to competition through iiNet adsl2+ super fast broadband for the first time.

Thousands of customers living in Tasmania can now access high speed NBN broadband at competitive prices. Soon, customers in Armidale in NSW will be switched on to the NBN. Real tangible examples of immediate benefits flowing back to our communities.

In addition, NBN Co. promised us openness and a chance of input into the design phase of this project. They have delivered. Our engineers have worked closely with NBN co over the past two years and we're very happy with the technical specifications that have been delivered to date.

With our strategic focus on customer service and innovation, we see the changed industry structure, improved competitive regime and a higher performance network as both a great opportunity for our business, and culturally satisfying.

Can I tell you what Australians will use the NBN for in ten years time right now? No; but history shows that when you provide essential infrastructure, innovation transpires – and fast.

Five years ago Twitter and YouTube didn't exist. It's barely ten years since Google and peer-to-peer became part of the Internet and they have simply revolutionised the way that consumers access information.

As construction continues, we now need to turn our eyes to application. What's coming next? The power of the NBN is not just about speed and reliability. The huge advantage it offers is ubiquity.

When we knew that all homes had power sockets, we were able to mass produce electrical appliances. When we know that every home has a grey NBN box, what will start being created? If we had more certainty, then our academics, researchers, hackers and businesses will turn their eyes to that vision.

As attractive as it might be for us a company and our customers, NBN network is not the objective. Its potential use is the real objective.

For iiNet, the fibre network is an important enabler of improvements in the way personal, commercial and government transactions will drive communications over the next 5, 10, or 15 years. It will be intrinsic to our way of life, just as is electricity or any other utility.

We ask: what is it that we want to achieve? What are our National objectives? What will be the measure of our success?

We are of the opinion that the missing component in the debate is a National online or digital economy strategy. We would like to see this debate switching fast to fundamental questions, like: Where does Australia wish to be in a global digital economy? Or does



Australia want to create jobs, improve domestic productivity, increase exports and advance its competitive position in a global digital economy?

iiNet is a strong supporter of the NBN but we also of the opinion that a National Online Strategy should be a matter of priority that should be developed in order to give the NBN, government agencies and the economy at large, purpose and direction.

**- ENDS -**

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**About iiNet**

iiNet is Australia's second largest DSL Internet Service Provider (ISP) and the leading challenger in the telecommunications market. We employ more than 2000 inquisitive staff across four countries and support over 1.3 million broadband, telephony and Internet Protocol TV (IPTV) services nationwide.

We're a publicly listed company and we maintain our own super-fast broadband network. Our vision is to lead the market with products that harness the potential of the Internet and then differentiate with award-winning customer service.

To achieve this, we employ creative thinkers and true advocates of technology. Our people are a huge part of the iiNet success story, so we've developed a unique and stimulating work culture to ensure they remain engaged and inspired.

A lot has changed since our CEO founded iiNet in a suburban garage back in 1993 and the broadband landscape continues to evolve. What hasn't changed is our passion for the transformative benefits of the Internet and our commitment to helping Australians connect better.