

Australia moves one step closer to a competitive national broadband network as G9 lodges a 'special access undertaking'

30 May, 2007 - In a move which brings Australia one step closer to a competitive national broadband network, the G9 consortium of telecommunications companies today announced the lodgement of a Special Access Undertaking (SAU) with the ACCC.

The SAU is an important step in the G9's plan to build a competitive national broadband network using fibre-to-the-node to deliver high-speed internet access.

The proposed network will reach more than four million households and businesses and then progressively roll out to more densely populated regional centres.

The network would be financed through domestic and international debt and equity markets and would not require Government funding.

Paul O'Sullivan, Optus Chief Executive said: "The roll out of a national high-speed broadband network is one of the most crucial infrastructure decisions of this decade. The G9 believes Australia's future is best served by a co-ordinated approach to building an open access network via an open tender process.

"The lodgement of the final SAU is the culmination of 14 months of intense work between G9 members, financiers, policy makers and the ACCC. It demonstrates the G9's unwavering commitment to competitive and open access broadband."

David Tudehope, Chief Executive Officer of Macquarie Telecom said: "The G9 is about promoting effective competition in line with Government policy. We have been working through the established regulatory process to ensure the SAU has the best chance of acceptance by the ACCC. We expect it to be viewed favourably by the ACCC because the undertaking gives consumers access to lower prices, improved broadband and is pro-competition."

Ravi Bhatia, Chief Executive, Primus said: "The G9 has a solid roadmap that guarantees choice and innovation. The G9 proposal will put an end to the unnecessary delays and deliver high quality high-speed broadband to Australian consumers at affordable prices."

The G9 is the only telecommunications group to make public a detailed plan for a FTTN network and to lodge an SAU with the ACCC.

The G9's plan is designed to ensure that Australia is a competitive broadband market giving consumers and businesses a wide choice of providers and offerings – all delivered over the one national network.

The purpose of the SAU is to set out the terms and conditions and give the ACCC the opportunity to approve or reject them. The price and other terms and conditions on which all telcos – including G9 members, Telstra and any other interested parties - are set out in the SAU.

The SAU contains a detailed description of the new network and the services to be offered on it.

Initially, access prices (per customer per month) will be in a range between \$15 and \$25 for basic telephone access service; \$19 and \$29 for the basic service plus a 1.5 Mbps broadband service; and between \$40 and \$50 for the basic service plus a broadband service of up to 24 Mbps. The network can be upgraded to higher speed (VDSL) over time as consumer demand dictates.

These prices are substantially lower than those Telstra is reportedly planning to charge if it were to build a national broadband network, because unlike Telstra the G9 is not trying to protect existing monopoly profits.

This means that the G9's model will deliver more competition than Telstra's model, higher take-up of broadband and faster realisation of the national productivity benefits which broadband can deliver.

The G9 aims to ensure that Australians have access to reasonably priced, high quality broadband services from a range of providers.

The SAU also describes in detail the corporate governance and investment models underpinning the G9 proposal.

Now that the SAU has been lodged, the G9 anticipates the ACCC will undertake a public consultation process. The ACCC will likely issue a discussion paper in around two weeks' time and then call for submissions from the industry and the public.

A copy of the G9 FTTN SAU will be available on the ACCC website. Go to www.accc.gov.au

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