

considerably.” Competitive Carriers’ Coalition executive director David Forman echoed Lindsay’s sentiments. “Frankly, I think people are reading too much into [the wholesale restriction exemption clause], I’m not too worried about it,” he said. “I think that you have to read it in the context of all the other things around wholesale-only; you have to read it in the context of how specific it is; and the fact that this is an exposure draft.”

Petroc Wilton

## **Libs sound alarm on NBN Co legislation**

Liberal senator Mary Jo Fisher and shadow communications minister Tony Smith have both rung alarm bells over the exposure drafts of NBN Co legislation, raising questions over the scope for exemptions from the company’s wholesale restrictions. Smith accused communications minister Stephen Conroy of ‘moving the goalposts’, while Fisher pledged to take the minister to task in the Senate over the bills.

“The concern is that the Minister appears to have discretion to be able to allow NBN Co to conduct retail services,” said Smith in a doorstep. “That was never the plan... but once again with everything this minister does there are more questions than answers. You’ve got respected telecommunications experts asking questions about this today...it’s raised serious uncertainty about exactly what it is he’s trying to do.”

“Lots of talk, no action and now they’re shifting the goalposts and just creating mass uncertainty in the industry.”

“From the explanatory memorandum, it looks like NBN Co can get an exemption from the minister to go into retail,” Fisher told CommsDay. “If that’s the case, what does that mean? And why has the minister done it? Those are the questions that can be ventilated through a Senate committee... it looks like ‘we’ll keep this promise, except where we don’t’.”

“And if it’s okay for NBN Co to be part wholesale, and part retail, why isn’t it okay for other players in the telco industry to be so?” she continued. “They’ve broken an election promise to get here, [Conroy]’s moving the goalposts yet again... I think it raises lots of questions that the minister needs to answer, and there are a couple of Senate avenues we can use to get him to answer.”

Petroc Wilton

## **Analyst: Separation dealt a “fatal blow” by NBN bill**

The government’s claims of the benefits of structural separation have been dealt a fatal blow by new NBN Co legislation, according to analysts. Financial and industry analysts have described legislation which could see NBN Co offering retail services as a new “negotiating ploy” against Telstra, with an exposure draft scrapping the government’s ‘wholesale-only’ promise by giving the minister the power to allow the NBN to offer retail services in certain cases, such as for government departments.

BBY analyst Mark McDonnell said the federal government was “making it up as they go along” on the NBN. “You can’t be an advocate for structural separation and argue that NBN Co is an instrument of structural separation, and then change it so it’s vertically integrated,” he said. “This also tells us the government’s commitment to structural separation has effectively been dealt a fatal blow by this change.”



The legislation was introduced the day before a separate bill designed to structurally separate Telstra, with McDonnell adding: “Investors will be concerned by the inconsistency here – the government says one thing and does the opposite in terms of core policy announcements,” he said. “We continually see the NBN redefined in radical ways... government policy has become volatile and unpredictable in this arena, there is no coherent policy or any settled framework for future service delivery.”

Ovum analyst David Kennedy said the legislation was “largely just regulatory plumbing,” but contained a couple of surprising elements: “One is the level of ministerial discretion, it’s clear the government really wants to keep its options open... [the other is the] particular clause about offering retail services to government agencies.”

“I don’t believe the government had in mind some ‘open slather’ policy for NBN to sell retail ser-

vices to government departments,” he said, noting the clause could be for either state or federal government services. “My initial reaction was I wondered if it might refer to security agencies, however it has to be said the government left themselves open by giving so little detail about how such an exemption may be exercised and in what circumstances.”

“The most striking thing is there’s a lot still remaining to be clarified before [we have a] broad picture of what the NBN actually is... we really don’t, yet,” said Telsyte senior analyst Emilie Ditton. Ditton said the bill showed the importance of having foundation customers to make a business case where the NBN is financially viable. “One way or another, the government needs those government customers on the NBN in order for it to be viable.”

“[We’re seeing the] government communicating through the media to Telstra,” she added, saying the government was “playing strong cards” but there was “still such a lack of clarity around what full picture will be.”

Luke Coleman

## Australia, NZ rank 15th, 16th out of 159 for ICT development globally

Prices for ICT services, and broadband access in particular, continue to fall worldwide but for most developed countries – including Australia and New Zealand – performance has stayed relatively constant compared to other countries, according to the latest ICT Development Index (IDI) released by the ITU.

Australia was ranked 15th in the latest IDI, down from 14th in the previous index released last year, while New Zealand was ranked 16th, the same position it held the year before. Singapore and Australia traded positions in the most recent index, with Singapore moving up to 14th position, although with very little difference in score between all three countries.

The ICT Development Index is included in a new report from the ITU: Measuring the Information Society 2010. The index ranks 159 countries according to their ICT level and compares 2007 and 2008 scores. The world’s Top 10 most advanced ICT economies features eight countries from Northern Europe, with Sweden topping the IDI for the second year in a row, while the Republic of Korea and Japan, rank third and eighth, are the only two non-European countries.

Economy	Rank 2008	IDI 2008	Rank 2007	IDI 2007
Sweden	1	7.85	1	7.27
Luxembourg	2	7.71	6	6.98
Korea (Rep.)	3	7.68	2	7.23
Denmark	4	7.53	3	7.18
Netherlands	5	7.37	5	7.06
Iceland	6	7.23	4	7.06
Switzerland	7	7.19	8	6.83
Japan	8	7.12	7	6.89
Norway	9	7.11	9	6.78
United Kingdom	10	7.07	12	6.70
Hong Kong, China	11	7.04	10	6.78
Finland	12	7.02	11	6.70
Germany	13	6.95	13	6.60
Singapore	14	6.95	15	6.47
Australia	15	6.90	14	6.51
New Zealand	16	6.81	16	6.38

“The report confirms that despite the recent economic downturn, the use of ICT services has continued to grow worldwide,” according to Sami Al Basheer Al Morshid, Director of ITU’s Telecommunication Development Bureau (BDT). All 159 countries included in the IDI have improved their ICT levels, and mobile cellular technology continues to be a key driver of growth.

In 2010, ITU expects the global number of mobile cellular subscriptions to top five billion. “At the same time, the report finds that the price of telecommunication services is falling – a most encouraging development,” said Al Basheer.

There was also not much change in the rankings for economies in Asia Pacific, with Korea and Japan again the top two countries, followed by Hong Kong, Singapore, Australia and New Zealand. The two main improvers in Asia Pacific were Macau, which jumped four positions on the global index, and Vietnam, which jumped seven positions in the overall index.

Australia was singled out in the report for its high mobile broadband penetration, although this also pulled back its overall score because of comparatively less growth in fixed broadband. According to the ITU figures, mobile broadband penetration increased significantly over the 12-month period, from 32.6 per cent in 2007 to 53.7 per cent in 2008, driving relatively stronger performance on the ITU’s “use” sub-