

**iiNet welcomes telco regulation decision**

WA Business News

iiNet Ltd CEO and founder Michael Malone has welcomed a federal government decision to not provide a "regulatory holiday" for Telstra's proposed fibre network.

Communications Minister Senator Helen Coonan said today that the "competitive framework has served Australia well", that the current regulatory arrangements will remain unchanged and that the government expects "all companies to plan and operate within the rules that have been set - including Telstra".

Mr Malone's comments follow his recent warning that changes to Telstra's pricing for services such as wholesale line rentals could have an adverse impact on iiNet.

It also follows the announcement today where Telstra has notified the ACCC of an access dispute with Optus Mobile Pty Ltd and Optus Networks Pty Ltd.

Mr Malone said: "We are pleased that Senator Coonan has indicated that she sees no need to provide a specific regulatory holiday for Telstra's proposed Fibre To The Node network and that it remains the responsibility of the ACCC to consider pricing for Unconditioned Local Loop."

iiNet noted Senator Coonan's statement that '...while the detail is being debated and contested, a fundamental point is that the Government sets the rules but does not adjudicate the rules'."

Mr Malone said the next few years would be important for the growth of broadband and next generation telephony.

"A stable regulatory environment, where all parties know the rules, is a critical requirement for investment," he said. "iiNet has every confidence that the ACCC will continue to ensure fair competition remains for fixed line networks.

"The current competitive environment has created a \$12.4 billion dollar telecommunications industry, despite Telstra's attempts to hold competitors back."

iiNet also welcomed the announcement of details concerning the next phase for operational separation of Telstra.

Mr Malone said he believed operational separation would enable transparency concerning issues such as wholesale pricing, resulting in greater competition.

"We are happy with the details of the current draft determination," he said. "But there needs to be a way to get new services added to those already listed. We intend to provide comments as requested by the Minister.

"As the Minister stated today: 'The Government's framework, while promoting competition has also been successful in encouraging investment by industry' and 'Companies like iiNet....have been investing in infrastructure that offers consumers high speed ADSL services...'.

"We need regulatory certainty to enable us to continue investing in faster, cheaper and better communications access for customers," concluded Michael Malone.