



## OFFICE OF SENATOR THE HON STEPHEN CONROY

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**MINISTER FOR BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY**  
MINISTER ASSISTING THE PRIME MINISTER ON DIGITAL PRODUCTIVITY  
DEPUTY LEADER OF THE GOVERNMENT IN THE SENATE

### MEDIA RELEASE

#### **Conroy defends uniform pricing model for NBN**

The Gillard Government will keep the National Broadband Network (NBN) affordable for all Australians no matter where they live, the Minister for Broadband, Communications and the Digital Economy, Senator Stephen Conroy said today.

Responding to an Australian Government Competitive Neutrality Complaints Office (AGCNCO) report released today, Senator Conroy said the Government is committed to giving all Australians fair and affordable access to the NBN.

“We make no apology for delivering uniform and affordable prices across the nation for each level of broadband service under the NBN,” Senator Conroy said.

“The Australian Government has established NBN Co to build the NBN because the private sector was unable to do so.

“We are building a single wholesale platform to ensure fair competition at the retail level, keeping downward pressure on prices for consumers.

“We are already seeing the benefits of our approach with NBN retail packages now available to consumers at prices comparable or lower than existing broadband services such as ADSL, and often delivering faster speeds.”

Senator Conroy was responding to claims by the AGCNCO that NBN Co was potentially in breach of the Commonwealth Competitive Neutrality Policy.

Senator Conroy said that in relation to the NBN Co’s role in new developments, the AGCNCO found that NBN Co was not in breach of the policy.

He said the AGCNCO was misguided in its view that the government’s target rate of return for the NBN could be a potential *ex ante* breach of the competitive neutrality policy.

“The Australian Government has established NBN Co to build the NBN because the private sector was unable to do so,” Senator Conroy said.

“While the company is to operate as a commercial entity, it is not expected to earn a private sector rate of return.

“To expect it to earn a private sector rate of return would fail to recognise the reasons the government decided to make this intervention and would defeat the purpose of doing so.

“In order to earn the commercial rates of return that the report is recommending, higher prices or lesser services would be necessary in rural and regional Australia.

“The alternative of funding of rural subsidies from the Budget would create permanent uncertainty. These are not acceptable outcomes.

“The government does not agree with the AGCNCO’s findings in these areas and will not be adopting the related recommendations.

“The AGCNCO report fails to reflect an overall principle, which is that competitive neutrality is not intended to prevent government from pursuing policy objectives where there is a legitimate reason for intervention in a market.

“Faster, better broadband, a platform for fair and effective retail competition and equitable, affordable pricing outcomes are key goals of the government and key benefits of the NBN.

“To seek a higher rate of return would mean that people, not just in the bush but in large regional centres and outer-suburban parts of capital cities, would be unable to access affordable telecommunications services.

“This Government does not seek to profit from its investment in this infrastructure; nor do we intend to subsidise it.

“As the government has said many times, it is doubtful these benefits, which are so self-evident and pervasive, could be meaningfully quantified, and if even they could, whether there would be any particular merit in doing so.

“To spend time trying to do so would just delay our top priority - the rollout of the NBN.

“The government considers that regional Australians want and deserve certainty that essential, affordable broadband services will be available to them. That is what the NBN is achieving.”

For information about the broader benefits of high-speed broadband and the NBN, go to **[www.nbn.gov.au](http://www.nbn.gov.au)**

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