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Mr P Mason
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Dear Philip

Quality Telecommunications Outcomes in New Developments - Draft Regulation Impact Statement and Draft Declarations

On behalf of the Housing Industry Association (HIA) I would like to provide the following comments in relation to the draft Regulation Impact Statement and draft Carrier Licence Conditions Declarations proposed to apply to telecommunications delivery in new developments where fixed line infrastructure is installed by carriers other than the National Broadband Network (NBN) and Telstra.

HIA members are involved in the construction of new developments in the form of both residential estates (subdivisions) and multi-unit residential developments that will be directly affected by the proposal.

Given the Government's commitment to the ongoing delivery of the NBN, it is considered appropriate that the delivery of fixed line telecommunications infrastructure be of an equivalent standard regardless of the infrastructure provider or owner/operator. However, in the absence of a such a standard, HIA's preference would be the creation of industry standards developed through a consultation and consensus process, rather than the application of arbitrary standards that provide vague references to quality and services comparable with the 'fixed line NBN'.

New developments currently have an obligation to deliver 'fibre ready pit and pipe infrastructure'. The decision regarding what type of infrastructure is then provided through a new development falls to the NBN and Telstra, unless the developer chooses to enter into an agreement with an alternative infrastructure provider.

It is correct that alternative infrastructure providers (carriers) currently have scope to deliver fixed line infrastructure at any level of service they believe appropriate, in consultation with the developer for a project. However, the presumption in the draft Regulation Impact Statement (RIS) that infrastructure which is not 'high quality' is or could be delivered under the current regime is not sufficient evidence to prove there is a market failure that requires action through regulation or other means. The draft RIS must provide evidence that such market failure is occurring in the current environment to justify a regulatory response.

Setting a minimum delivery standard as proposed in Options 2, 3 or 4 is likely to have a direct impact on the construction price of infrastructure delivered to new developments. Even where carriers are currently delivering a level of quality comparable with the NBN, the additional steps to certify, report, repair and activate, will be considered additional imposts on carrier and the associated costs will be passed onto all customers.

To allow the industry to accurately understand the potential implication of minimum standards on carriers it is essential that the RIS provides evidence and quantification of the extent to which carriers are not currently installing high quality infrastructure that meets an equivalent standard to the NBN, Without this information, an accurate assessment of how costs may alter over time cannot be undertaken, making it impossible to determine which of the four options delivers a positive net cost benefit to the community.

In relation to the delivery of services to individual property owners, it would appear that this proposal will only capture the installation of fixed line infrastructure to the property boundary, and does not include the connection from the property boundary to the home, and within the home. On this basis, certification by a carrier will be limited to the potential capability rather than the actual delivery to an individual property.

The questions set out in the draft RIS appear to confirm that there are still many issues to be addressed in the consultation process before a decision can be made on whether to proceed. HIA is of the same opinion and we would be pleased to reconsider the proposals once further evidence of market failure, or otherwise, and information on the potential costs and benefits, can be provided to industry.

I would be pleased to discuss these issues in more detail and can be contacted on k.brookfield@hia.com.au or 02 6245 1314.

Yours sincerely
HOUSING INDUSTRY ASSOCIATION LIMITED



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