

Category – Liaison to enter

NBN - PRIVATISATION

THE GOVERNMENT REMAINS COMMITTED TO PRIVATISING THE NBN AFTER THE ROLL-OUT

- The Implementation Study recommends that Government maintain flexibility in the timing of privatisation with an independent review to be conducted prior to privatisation.
- The Study recommends that the prime determinants of timing should be favourability of market conditions and readiness of the company for private ownership.
- The exposure draft of the NBN Companies Bill 2010, meets the Government's commitment to sell down its stake in NBN Co within five years of the NBN being built and fully operational, while providing flexibility to consider market conditions and NBN Co's governance arrangements and business record.

OPPOSITION POLICY

- We are not aware of the Opposition's views on privatisation.

BACKGROUND FACTS

- As part of the original announcement of the FTTP network, the Government committed to privatising the network five years after the roll-out.
- The Implementation Study recommended the Government, prior to privatisation, commission an independent review into the telecommunications market structure and competition safeguards.
 - The review would assess the achievement of the competition objectives under the NBN and recommend any adjustments to regulatory and other arrangements required to maintain an effective wholesale model under private ownership.
 - The Government would then determine its privatisation schedule on the basis of the review.
- The Australian Greens oppose the future privatisation of the NBN. Greens Spokesperson, Senator Scott Ludlam has said:
 - "the Government should pause and reconsider its thinking around privatisation, and learn not just from the mistakes of the past but also the direction in which the evidence is pointing right now,"; and
 - "at the very least, the Government should undertake a public interest test and require a vote in Parliament [prior to privatisation]."