

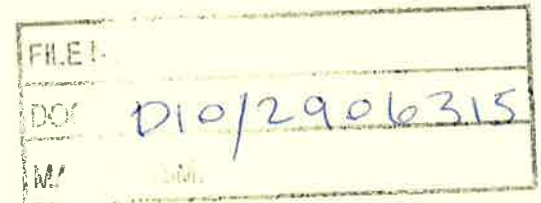
**Australian Information and Communications
Technology in Education Committee (AICTEC)**

AICTEC Secretariat
14 Mort St
Canberra ACT 2601
GPO Box 9880
Canberra ACT 2601

Phone (02) 6240 8634
Fax (02) 6123 7206
Email aictec@deewr.gov.au
<http://www.aictec.edu.au>



Tina Pigliardo
Australian Competition and Consumer Commission
GPO Box 520J
Melbourne VIC 3001
Fax: (03) 9663 3699



Dear Ms Pigliardo

Review of Telstra Price Control Arrangements

The Australian Information and Communications Technology in Education Committee (AICTEC) welcomes the opportunity to comment on the current price control arrangements applying to Telstra.

AICTEC is a national, cross-sectoral committee that advises Australian, state and territory Ministers for education and training through the Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEECDYA) on the economic and effective utilisation of online technologies in Australian education and training.

The Government has committed to a number of fundamental education and training reform initiatives that aim to support the long term productivity and economic growth of Australia through facilitating the integration of information and communications technologies (ICT) to support teachers and students to communicate, collaborate and access education resources. Affordable, high speed broadband connections – to educational institutions and to students and learners in their homes and workplaces – will be essential if this potential is to be realised.

It is important that the competition regulatory framework provide strong incentives for the provision of sufficient capacity for the needs of the education sector under affordable and predictable terms. This is essential to encourage full utilisation of broadband connections and, thereby, deliver the educational outcomes available in a digital world.

AICTEC's views on regulation of the NBN were outlined in its submission made in response to the Department of Broadband Communications and the Digital Economy discussion paper: *National Broadband Network: Regulatory Reform for 21st Century Broadband*.

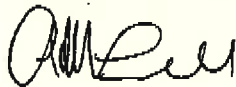
AICTEC notes that one of the price controls being reviewed by the ACCC requires Telstra to offer a line rental service to schools at a price at or below the standard line rental offered to residential customers.

As noted in AICTEC's above submission on regulatory arrangements, a key principle for education relates to affordable ongoing pricing. To this end, it may be useful for schools to have a price cap on standard line rental. However, it is also important that pricing for usage of this line and fibre connections is predictable. It may therefore be preferable to have a larger up-front cost relating to line or fibre rental with smaller daily usage related costs. Alternatively, a higher one-off installation charge would be preferable if it enabled lower monthly line rental and lower usage charges.

However, AICTEC considers that at this point in time it is not possible to determine whether competition will provide the range of options necessary to provide schools with the desired predictable pricing outcomes. Therefore it supports retention of the price cap in the transition period. Once the competitive NBN environment is settled, the necessity for the existing price cap, or indeed, the need for an extension of the price cap to relate to wholesale access could be re-examined. At that stage it could also be considered whether it is necessary to have some independent assessment of pricing (whether this is part of the access regime or a separate mechanism).

In the intervening period, there may be benefit in defining the term 'standard line rental' in the price control arrangements to enhance the ability of school authorities purchasing communications services to make comparisons by between the variety of pricing plans that are offered to homes and businesses.

Yours sincerely



Alison Sewell
Secretary, AICTEC

17 February 2010