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TELCO/ISP

## Quigley and Conroy at odds over NBN pricing

Ben Grubb | Oct 2, 2009

Quigley bristles at the idea of subsidising regional access.



National Broadband Network Company CEO Mike Quigley has thrown cold water on a suggestion made by Senator Stephen Conroy that NBN Co should subsidise internet users in regional Australia.

According to an article in *The Northern Leader*, Senator Conroy said the NBN would "unashamedly and explicitly" offer "a cross-subsidy to deliver equivalent services to all Australians."

"My ambition is that there will be the same wholesale price for every household for the same speed across satellite, wireless and fibre-to-the-node," Conroy said. "This is about bringing every Australian up to speed, so to speak, after years of Australian telecommunications being far slower and more expensive than most of the rest of the world."

Liberal senator Mary Jo Fisher quoted these comments to NBN CEO Mike Quigley at a Senate Hearing into the NBN yesterday.

Mary Jo Fisher said her reading of Conroy's comments was that "NBN Co is going to have to provide ... wholesale customers with cross-subsidies".

But Quigley said this would not be the case.

"We won't be setting pricing policies in the company on the basis of quotes," Quigley said. "We'll be having discussion with the shareholders around those sorts of issues, as you would expect us to do. These are very important decisions."

Quigley agreed there were still question marks as to how to cross-subsidise rural customers so that they could be offered similar pricing to those in cities.

"This is exactly the issue that's the balancing act that we need to address if we are going to serve those rural and remote communities that are not so attractive commercially to serve," he said.

A spokesman for Senator Conroy told the *Australian Financial Review* last night that Senator Conroy stood by what he said.

"The national broadband network will offer uniform wholesale prices for the fibre network and, as was described by Senator Conroy at the broadband forum in Tamworth, there is an ambition to have a single price for the same speed across satellite, wireless, and fibre," the spokesman said.

"Final arrangements for national broadband network pricing will be determined as part of the implementation study."

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