



Australian Government

**Department of Broadband,
Communications and the Digital Economy**

**SUBMISSION TO THE
JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND
TRADE**

INQUIRY INTO AUSTRALIA'S RELATIONSHIP WITH ASEAN

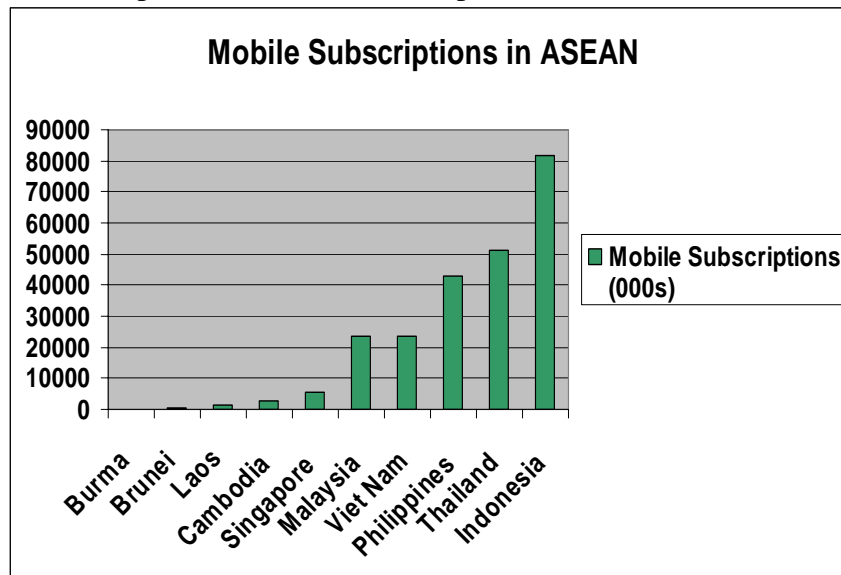
22 August 2008

Introduction

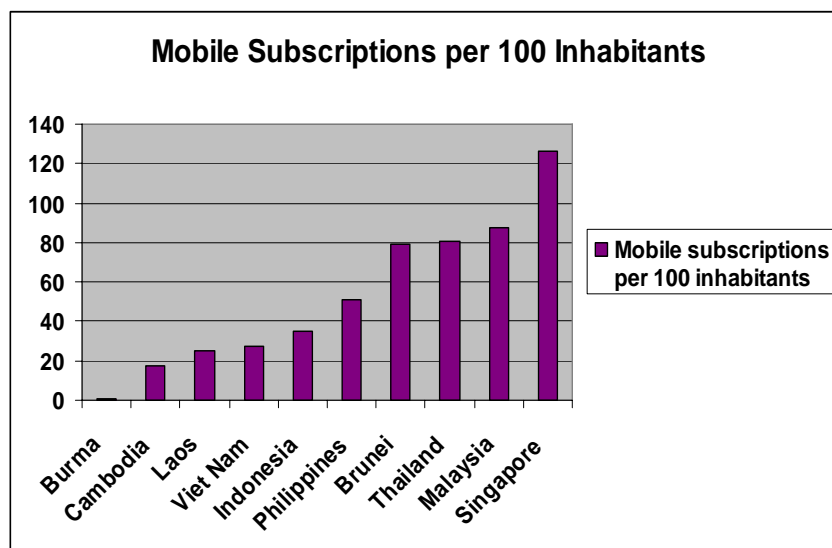
For the Department of Broadband, Communications and the Digital Economy the main opportunities for relationships with countries of ASEAN are through Asia-Pacific Economic Cooperation (APEC), the International Telecommunication Union and the Asia-Pacific Telecommunity rather than the ASEAN organisation itself. This submission provides information on these links and also information on the related activities of the Australian Communication and Media Authority.

Economic development in the ASEAN region is underpinned by telecommunications growth. According to statistics available from the International Telecommunication Union, ASEAN countries have on average:

- a 53% mobile penetration rate for ASEAN countries (compared to less than 37% for Asia as a whole);
- a growth rate in the number of mobile phone subscribers – from 2002 to 2007 of nearly 42% (compared to 27% Asia-wide); and
- 19.7 internet users per 100 inhabitants (compared to 14.3 for Asia as a whole).

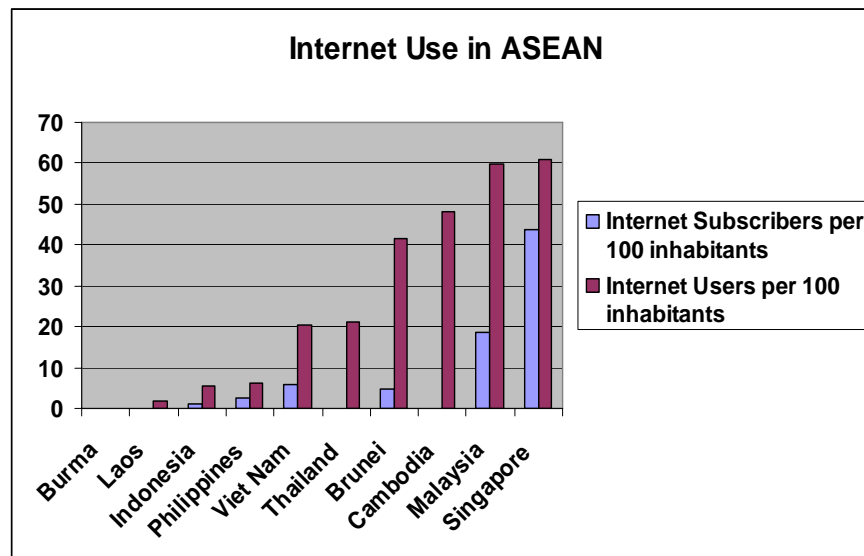


ITU Figures 2007



ITU Figures 2007

There are wide differences between ASEAN countries, for example, Burma has a mobile penetration rate of less than 0.5% compared to Singapore's rate of over 100%, but a high rate of growth in the number of mobile phone subscribers is evident across all ASEAN countries.



ITU Figures 2007

Countries such as Laos, Vietnam and Cambodia that have lower than average mobile and internet penetration also tend to have higher growth rates demonstrating potential as future markets for communication and information services.

Comments against the Terms of Reference

Free trade agreements with individual ASEAN countries

The Department of Broadband, Communications and the Digital Economy maintains contact with Australian telecommunications companies with an interest in expanding their business opportunities in the region.

The Department, together with the Department of Foreign Affairs and Trade, has engaged with relevant telecommunications Ministries and regulatory bodies of the ASEAN region throughout the Australia-New Zealand-ASEAN Free Trade Agreement negotiation process. Telecommunications trade negotiations with ASEAN countries have been supported by capacity building activities involving experts from Australia and the World Trade Organisation (WTO). Australia has encouraged organisations such as APEC and the Asia Pacific Telecommunity to facilitate these activities as well as more general capacity building efforts to support liberalised regulatory frameworks.

Australia's Free Trade Agreement (FTA) with Singapore, which was concluded in 2003, contains strong disciplines on telecommunications and e-commerce. When FTA negotiations were suspended with Malaysia in 2006, significant progress had been made on attaining similarly strong telecommunications commitments.

A FTA feasibility study with Indonesia is underway which has included discussions on telecommunications and e-commerce.

Opportunities to enhance the regional economy

Australian efforts have encouraged international agencies to work in partnership with ASEAN and its member countries to liberalise telecommunications regulatory frameworks and to build secure and accessible communications as a key foundation of economic development.

The APEC Telecommunications and Information Working Group (TEL) has provided opportunities for cooperation with ASEAN such as the April 2007 joint ASEAN-APEC TEL workshop on network security in the Philippines. ASEAN participated in the APEC Ministerial Meeting on Telecommunications and Information Industry in Bangkok in April 2008 which set APEC's agenda in the telecommunications and information sector for the next two years, with an emphasis on regional integration, telecommunications liberalisation, and cooperation on internet safety and security. ASEAN members have also responded positively to Australia's initiative in APEC TEL to share information on measures to protect undersea cables from physical damage, with a view to developing best practice guidelines. These discussions have been led by the Department in conjunction with the Australian Communications and Media Authority.

While only seven ASEAN countries are APEC members, all are members of the International Telecommunication Union (ITU) and Asia Pacific Telecommunity (APT). The Department directs a portion of its financial contribution to these international organisations towards capacity-building activities in the Asia-Pacific region to promote good-practice regulatory frameworks and to support the development of accessible and secure communications services in a competitive market environment. Examples of the activities supported by Australian contributions include:

- assisting Laos to develop its telecommunication licensing arrangements in 2007;
- assisting Vietnam to draft its telecommunications law in 2007;
- a feasibility study on wireless and broadband communications for emergencies in the Philippines;
- spectrum management training in Cambodia in 2007;
- an ITU Regional Cybersecurity Forum in Brisbane in July 2008 to assist ASEAN and other Asia-Pacific countries in developing their national cybersecurity strategies; and
- a joint APT-WTO Workshop on Telecom Trade Rules and Regulatory Disciplines in Singapore to assist ASEAN and other regional countries develop telecommunications trade commitments in August 2008.

ASEAN member countries are also invited to attend the International Telecommunication Training Program hosted by the Australian Communication and Media Authority (ACMA). The Program provides an introduction to Australia's telecommunications, broadcasting and radiocommunications regulatory environment. It provides a model for developing countries of the region that are liberalising their policy and regulatory frameworks and builds confidence in the Australian regime to support wider trade and development links.

Industry interests including telecommunications companies and the Australian Telecommunications Users Group have expressed their support for the Department's and ACMA's activities of the kind outlined above. In the telecommunications sector, trade negotiations and capacity building activities are mutually supportive in promoting regulatory good practice, secure access to communications services and business expansion in the growing markets of the region.

Technical Regulation - Mutual Recognition Agreements

The Department and ACMA work together in Australian delegations to APEC TEL where ACMA leads for Australia on Mutual Recognition Agreements (MRAs) on technical regulatory issues. These arrangements facilitate trade in telecommunications equipment and reduce the cost of regulation while still maintaining confidence that necessary technical standards are met by imported equipment. Although Australia does not have an MRA on conformity assessment with the ASEAN group of countries, it does, through its membership of the APEC TEL MRA Taskforce, have MRAs with certain ASEAN countries that are also APEC members, namely Brunei Darussalam, Malaysia, Philippines, Singapore, Thailand and Vietnam.

Australia has led the work programme of the APEC TEL MRA Taskforce in recent years, promoting greater understanding of member economies' conformity assessment and testing requirements.

Anti Spam activities - Memoranda of Understanding

ACMA also has links with Malaysia, the Philippines and Thailand through MoU groups supporting cooperation in anti-spam regulation and enforcement activities.

Conclusion

Overall, the Department and ACMA have a range of regular and constructive contacts with ASEAN members through a variety of regional and international structures. Telecommunications trade negotiations and capacity building work to support good regulatory practice have enjoyed the support of Australian suppliers and users of communications services with an interest in doing business in the region. A growing awareness of issues such as Internet security and spam that call for solutions that go beyond the borders of any one country has also supported growing links with ASEAN economies to build cooperation and share good practice in these areas.