



7 October 2011

Mr Robert Oakeshott MP
Member for Lynne
Chair
Joint Committee on the National Broadband Network
Parliament House
Canberra ACT 2600
Email: jcnbn@aph.gov.au

Dear Mr Oakeshott

eBay is pleased to provide this submission to the Joint Committee on the National Broadband Network as part of its six monthly review of the rollout of the National Broadband Network (NBN).

eBay is part of eBay Inc which includes the following companies: eBay, PayPal, Gumtree and shopping.com

eBay is proud to be on record as a strong supporter of the NBN. The NBN is a fundamental infrastructure for commerce, and the growing vitality of the retail sector. It is estimated that there are 10 million Australians that shop online¹. As the Joint Committee would be aware, eBay's Vice President, Deborah Sharkey has been appointed as a NBN champion.

eBay welcomes the growth in Internet subscribers. According to the Australian Bureau of Statistics, at the end of June 2011, there were 10.9 million internet subscribers in Australia (excluding internet connections through mobile handsets), representing annual growth of 14.8 percent and an increase of 4.4 percent since the end of December 2010.

The future growth in retail will rely on having a strong NBN platform.

Online commerce in Australia

The top 2,000 eBay businesses in Australia grew by 38 percent in 2010, and employ an average of 4.4 paid staff. There are hundreds of success stories. Many businesses simply would not exist if they were not able to operate online.

The digital economy is creating new jobs, new businesses, that enhance existing structures.

Most people who shop online in Australia, will continue to purchase goods from Australia. That's why it is important that the Joint Committee's identification that 7 percent of the Australian population not receiving fibre to the home, still have the ability to access the Internet and online commerce through wireless or other services.

Speaking at a recent Digital Inclusion Summit, Minister Conroy referred to a report by the Allen Consulting Group commissioned by the Department of Communications, Broadband, and the

¹ Nielsen's Australian Online Retail Monitor report, 2010 Q2

Digital Economy, which found gains to Australian household consumption of \$148 a week in homes with an internet connection through time-saving activities.

In addition to benefiting consumers, the NBN will be fundamental for businesses, particularly in regional and rural Australia.

eBay has partnered with PayPal on the *“Driving Business Online”* initiative. The program is an initiative of PayPal and supported by other organisations including Optus, Australian Post, Symantec, Powerfront, MYOB, and ARA (Australian Retailers Association). This education campaign has travelled across Australia, including regional and rural areas, to encourage and help businesses have an online presence and improve their sales, thereby improving the digital economy.

To date the program has visited 14 towns, mainly in regional areas including: Armidale; Port Macquarie; Lismore; Casino; Tweed Heads; Bathurst; Mudgee; Dubbo; Muswellbrook; Kiama; Merimbula; Albury; Wagga Wagga; and Orange. The initiative has undertaken 335 business information sessions and 195 individual consultations.

Warwick Rolfe, business owner of Woolerina, near Dubbo, who participated in the initiative said *“Since the new site has been up and running, we’ve had much greater awareness of our brand and the level of repeat business has increased. Sales have grown from 600 units in the business’s first year seven years ago, to 10,000 units a year today.”*

The importance of a strong NBN particularly to regional areas for these businesses cannot be underestimated.

Pricing the NBN for these consumers and businesses at a competitive rate will be fundamental to ensure the NBN is fully leveraged.

We thank the Joint Committee for the opportunity to comment on its review.

Yours sincerely

Sassoon Grigorian
Head of Government Relations
eBay Australia and New Zealand