

31 July 2009

Regulatory Burdens: Social & Economic
Infrastructure Services
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

By e-mail: regulatoryburdens@pc.gov.au

Dear Sir/Madam,

Productivity Commission Draft Research Report, Annual Review of Regulatory Burdens on Business: Social and Economic Infrastructure Services

Optus welcomes the release of the Productivity Commission's Draft Research Report, *Annual Review of Regulatory Burdens: Social and Economic Infrastructure Services* (Draft Report), and the opportunity to respond to it.

In February 2009, Optus provided a detailed submission and contributed to and endorsed the submission lodged by the Australian Mobile Telecommunications Association (AMTA), of which we are a member.

Optus commends the analysis and views contained within the Draft Report. We support the draft recommendations, in particular draft recommendations 4.1 and 4.2 dealing with customer information requirements and prepaid mobile phone identity checks respectively.

With regard to draft recommendation 4.2, which proposes a review of the costs and benefits of identify checks for prepaid mobile services in consultation with law enforcement and security agencies, Optus provides the following additional commentary:

- We remain concerned that law enforcement agencies (LEAs) will continue to advocate for regulation in the area of prepaid identification based on their perceptions and anecdotes as opposed to evidence and objective assessment of the potential outcomes of such regulation. Optus encourages the Commission to emphasise in its final report that continued regulation in this area must be subject to a full Regulatory Impact Assessment (RIA) and note that such assessment will be critically reviewed by the Commission.
- LEAs' statements regarding the impact of prepaid mobiles were in fact made at the launch of the product, before any empirical evidence could be collected. The current regulations and Australian Communications and Media Authority (ACMA)

Determination are therefore based on assertion and perception of problems and not on evidence about the actual use of false identification.

- Under current regulatory arrangements, prepaid mobile service providers must collect customer name and address information at the point of sale and at the point of activation. With respect to the point of activation, the name information is not required to be verified and is not verified. (At activation, prepaid mobile service providers are required to collect this information to comply with separate Integrated Public Number Database (IPND) regulatory obligations.) The prepaid regulations were based on the assertion that this unverified information, as contained in the IPND, would be false and inaccurate. However this assertion has never been empirically tested by ACMA.

Optus also endorses the analysis and views expressed in AMTA's response to the Draft Report. We would particularly like to draw the Commission's attention to AMTA's analysis and commentary regarding the Commission's draft recommendation on prepaid mobile phone identity checks.

Yours sincerely

John Doyle
Manager, Regulatory Policy