



The evolution of telecommunications regulation and competition in Australia

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Overview

- Where we started from
- Early regulatory reforms
- The current regulatory environment
- Some outcomes of reform
- Current debate on future reform

Starting point and early reforms

- Until 1989 - three non-competing public government entities covering domestic, international and satellite services
- Reforms in 1989 and 1991 provided for independent regulator, managed competition and emphasis on facilities-based entry
- Creation of merged government business, a competing private fixed carrier and three mobile networks
- Introduction of access rights, revised universal service arrangements and retail price controls on gov't incumbent

Current regulatory environment

- Open entry of carriers and carriage service providers since 1997
- Co-regulatory environment with a number of government regulators and self-regulation
- Competition regulation of telecommunications
responsibility of the general competition regulator (ACCC)
under specific provisions of the Trade Practices Act
- No general right of access - regulator declares services for which access is permitted
- Regulator arbitrates terms and condition of access where parties cannot agree commercially

Outcomes of reform

- 75 carriers and at least the same number of service providers
- Includes 4 mobile carriers
- Around 900 internet service providers
- 21.4% real reduction in the price of an average basket of telecommunications services between 1997-98 and 2000-01
- Greater number and diversity of services

Outcomes of reform (cont'd)

- Telstra is dominant by market share in nearly every market it operates in
- Large number of disputes over access terms and conditions brought to the ACCC
- Concerns about service standards in rural areas
- Regulatory tightening contrary to original expectations

Current debate on future reform

- Structural separation of Telstra
- Possible further privatisation of Telstra
- Service standards in rural areas