



Australian Government

Department of Broadband,  
Communications and the Digital Economy

## Regulatory Reform of Telecommunications

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# Implementing change

- *Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009.*
- Introduced into Parliament on 15 September.
- Senate Committee is due to report on 26 October.
- Three main elements:
  - Addressing Telstra's vertical & horizontal integration
  - Streamlining the access & anti-competitive conduct regimes
  - Strengthening consumer safeguards



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# Telstra's vertical integration

- By international standards Telstra is highly integrated and dominant across multiple platforms.
- The Government's clear preference is for Telstra to voluntarily structurally separate.
- If Telstra does not voluntarily structurally separate, the company will be required to undergo strong functional separation, with divisions operating at arms-length from each other.



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# Telstra's horizontal integration

- Telstra will have to choose its future cross-platform path.
- It will be prevented from acquiring new wireless spectrum unless it:
  - Structurally separates
  - Divests HFC network
  - Divests Foxtel



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# Streamlining competition provisions

- Access to declared services and anti-competitive conduct mechanisms must be made more responsive.
- The ACCC will now be able to set up-front pricing and terms and conditions.
- If necessary, it can put in place binding rules of conduct in determining access.
- Determinations will apply to all, and last for 3-5 years.



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### Streamlining competition provisions (2)

- Fixed principles can be set for longer periods if required.
- No merits review of determinations.
- No consultation will be necessary prior to the ACCC issuing a competition notice.



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# Strengthening consumer safeguards

- Telstra will remain the Universal Service Provider.
- Tougher benchmarks for meeting the USO and CSG requirements will be put in place.
- Payphone removal guidelines will be strengthened.
- ACMA can issue infringement notices imposing spot-fines.



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### Strengthening consumer safeguards (2)

- CSG rights can be waived, but only with the customer's express agreement; CSG will apply to USO services.
- Customers in need must be offered a Priority Assistance option, or be informed of which providers can supply such a service.
- Some onerous 'red tape' requirements will be lessened.



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# In conclusion

- This is a very substantial package of reforms.
- It includes a range of structural and regulatory changes to increase competition and enhance consumer safeguards.
- The Government is fully committed to making these changes work.



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# Questions?