



Ensuring a smooth transition

Last month, *CU* published responses to the Government's telecommunications reform package by several industry representatives, politicians and regulators. This month, AUSTEL Chair **Neil Tuckwell** gives his perspective on life after 1997.

In its statement on telecommunications policy principles released on 1 August, the Government set out certain industry arrangements to apply post 1997. A second statement is expected soon relating to technical matters.

It is apparent from the August statement that a considerable amount of work needs to be done between now and 1 July, 1997 to ensure a smooth transition to the post '97 arrangements.

AUSTEL will be a key player in ensuring the success of this transition because of its involvement in:

- inquiries, the outcomes of which will be required to finalise some of the legislative details (eg carrier powers and immunities);
- contributing to the development of industry fora and codes of practice;
- liaison with the ACCC to hand over responsibility for competition issues post '97; and
- the merger of AUSTEL and the Spectrum Management Agency (SMA).

These activities will occur at the same time that AUSTEL must continue to effectively administer the requirements of the existing Act.

AUSTEL's Corporate Plan 1995-97 states that one of its goals for this period is to 'achieve a smooth transition to the post '97 regime through the implementation of appropriate regulatory processes'.

Accordingly, AUSTEL will adopt a forward looking approach to administration of the present arrangements.

While it should be recognised that the post '97 draft legislation is still

being developed, the policy principles provide sufficient guidance to allow planning for the transition to begin. AUSTEL is already actively involved in planning for each of the four activities listed above. Inquiries are already underway and regarding the AUSTEL/SMA merger, some early implementation will be undertaken through administrative processes (eg the co-location of AUSTEL and SMA regional offices).

Access and interconnection are central to the development of competition. In this matter, AUSTEL has already established an industry body (the Network Interworking Industry Forum - NIIF). While the focus of the NIIF is on technical, operating and billing issues, it provides the platform for the proposed access forum which will need to address matters including dispute resolution and commercial terms and conditions. The transition from the NIIF to the access forum may also require the establishment of processes to operate in parallel with present arrangements to test the success of these processes prior to reliance upon post '97 arrangements.

Secondly, in the area of pricing there is a need for transition from the dominance threshold and considerations relating to price discrimination and anti-competitive effect, to a new 'market power' threshold and total reliance upon anti-competitive provisions.

The post '97 arrangements place a reliance upon industry codes of practice, for example, access and interconnection, customer tariff information, and complaint handling and redress schemes. At present, the indus-

try has only one code of practice in place (the National Code) and another under development (mobiles churn). Experience to date indicates that much is still to be achieved in the development of, and adherence to, effective codes of practice. The transition will need to focus on results in this area to ensure the success of the post '97 policy objectives.

Consumer protection will remain a key element post '97 and as such, an appropriate consumer liaison process will be required. Following extensive consultation with consumer groups over the past six months, AUSTEL will soon implement revised and enhanced arrangements for consumer liaison. It is expected this process will provide a firm basis for the transition.

While the Government is still to announce its post '97 policy principles on these issues, it can be expected that they will reflect the direction contained within the broader competition principles, through fewer restrictions on supply and greater reliance upon industry self regulation. Under the present Act, and in accordance with its corporate goal, AUSTEL has recently initiated changes in cabling, and standards are currently under review.

Through the transition to the post '97 arrangements it will be essential to have industry stakeholders fully informed. Their support in the transition is required to ensure a smooth path to the effective and efficient implementation of the post '97 arrangements. AUSTEL will continue to provide information in the public domain and to maintain a high level of industry consultation. □