



# Regulatory certainty the key: Telstra

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**T**elstra believes that the Government's decisions in relation to post-1997 regulation of telecommunications are positive. Removing barriers to market entry and bringing telecommunications under the umbrella of the amended *Trade Practices Act 1974*, with the Australian Competition and Consumer Commission (ACCC) administering competition policy, will deliver increased price and service benefits to consumers and business, and boost industry growth. The use of mandatory carrier access undertakings, within the conceptual framework of Part IIIA of the Act, will ensure any-to-any connectivity and open access to telecommunications services and facilities.

There are two major implementation challenges arising from the Government's decisions. The first is to develop legislation which promotes regulatory certainty. Giving effect to the Government's intention that telecommunications law be aligned as far as possible with trade practices law should deliver this outcome and ensure the benefits of open competition. The second challenge is for industry to develop effective cooperative mechanisms to support the Government's endorsement of self-regulation.

These implementation issues will affect the final outcomes for the industry, consumers and business. A critical issue is the development of the proposed market conduct rules, giving the ACCC a power of direction and tariff filing powers. Inappropriate implementation of the Govern-

ment's conduct decisions could increase regulatory risk for all players, constrain competition and limit the potential benefits of the new regime. Soundly based implementation, reflecting established trade practices law, will create a fair regime and, most importantly, promote certainty.

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Perhaps the single greatest opportunity presented by the reform package is to move from a system of regulatory intervention to a system of managed self-regulation within a trade practices consistent framework. For such a system to work effectively, the industry as a whole will need to adopt a mature and cooperative approach to generating rules for itself.

Overseas experience shows that this approach to telecommunications regulation can work. The Chairman of the USA's Alliance for Telecommunications Industry Solutions (ATIS) stated that “while the [member] companies. . . are fierce competitors, they put aside - in the meeting rooms - narrow company inter-

ests in search of practical, consensus-based, industry-wide voluntary solutions. And, they do a remarkable job”. The Network Interfaces Co-ordination Committee (NICC) in the UK is another example of this self-regulatory trend.

Self-regulation has gained momentum in Australia with the creation of the Network Interworking Industry Forum (NIIF), a cross-industry body aimed at achieving a consensus approach to the interworking of Australian telecommunications networks. Cabinet's policy principles contemplate the creation of a new industry forum based on the NIIF concept, with responsibility for the development of interconnection and access codes and appropriate standards.

This body may also have responsibility for generating consumer related codes of conduct arising out of the Government's decision. These codes relate to such areas as prices and pricing information; bonds, credit management and disconnection; complaint handling mechanisms; and privacy matters.

The Government's decisions reflect its confidence that the telecommunications industry as a whole can develop responsible and responsive approaches to self-regulation. Only if the industry fails to achieve this will regulatory intervention occur.

The challenge for the industry is to embrace this new approach to regulation and begin the task of preparing for 1 July 1997. The equal challenge for legislators is to develop a legislative package of the Government's reforms. □