



A policy of drift: Alston

by **Senator Richard Alston**

Shadow Minister for Communications and the Arts

Last month's announcement was more like an Expression of Interest in the development of a post-'97 telecommunications framework than a genuine policy.

This policy of drift reflects the leisurely pace of telecommunications reform in Australia, in contrast to the frenetic level of activity in places like Malaysia and Singapore - our competitors for the role of Asia-Pacific information hub.

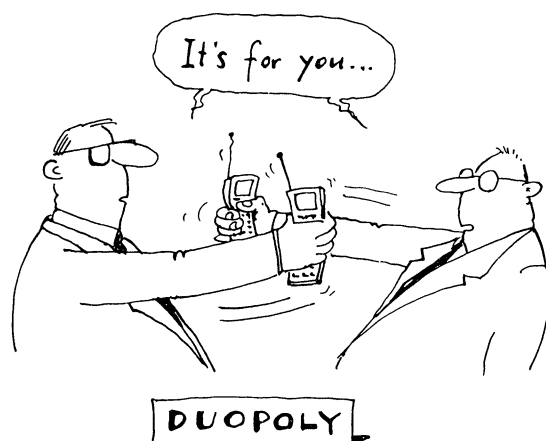
Despite the Government-orchestrated hype, standard telecommunications prices today are falling more slowly than they were before the 1991 introduction of the Government's 'two-airline' telecommunications reforms. Instead of saving Australians money, the policy has left them worse off!

The climate of uncertainty created by the Government can be demonstrated by asking one simple question: was there anything in Mr Lee's announcement which has given any prospective carrier renewed incentive to invest in preparation for 1997?

The answer is obviously 'no'. Prospective entrants will wisely await the 'devil in the details', which by Mr Lee's admission will probably not be available until after the next election. The announcement will now disappear into a bureaucratic limbo until next year - the worst possible outcome for the industry and for Australia. There is no guarantee that the Government would stick to its approach if re-elected. This 'policy' is pure electioneering.

Three of the most important policy issues remain glaringly unresolved.

First, the Government has reserved its decision on the terms and conditions of new carrier licences, despite its rhetoric on 'full and open competition'. No prospective entrant will consider preparing for a July 1997 launch as long as the details of licence conditions remain as vague and threatening as the Minister has left them.



Second, the Government's position on open access to infrastructure for service providers remains ambiguous. Mr Lee's unforced error on *Lateline* in early August, when he confused 'open access' for service providers with 'open tendering' for network software, gives the industry little confidence that this crucial issue will be handled competently.

The Draft Carrier Associates Direction released earlier this year exposes the Government's intention to set up a two-track access regime, abandoning the unbundling provisions of the *Telecommunications Act* for broadband services at least until 1997, and possibly for good.

This retrograde step, which would turn the cable networks into carrier reserve, is a direct contradiction of the 'common carrier' principle. It

would free the carriers and their associate companies to price their service competitors off the infrastructure, and monopolise the new broadband service industry.

Third, the Government's policy on universal service is simply a cruel hoax. A nebulous commitment to four-yearly reviews of the standard telephone service - to be renamed the 'standard telecommunications service' in line with the Coalition's 1994 private member's Bill - is patently inadequate.

The Coalition calls on the Government to initiate such a review immediately, in preparation for the entry of new carriers in 1997. Such a review is long overdue, and should examine options such as ensuring G3 fax performance nationally, or even the national availability of a 64kbps digital link.

If this review is not completed within the next twelve months, prospective carriers will be completely in the dark about their post-'97 obligations, discouraging investment. At the same time, customers (particularly rural customers) will continue to be denied access to technology which is becoming an important social and business input.

The Government's position on the 1997 telecommunications framework remains ambiguous. The terms of entry to the industry remain vague. The competitive framework is still a twinkle in the parliamentary draftsman's eye. There is reluctance to open up network access, and Australia's social and business needs for the Information Age have gone begging. □