

Consumers and businesses to benefit from telco industry reform

SMB's could expect price cuts of up to 40 per cent

Canberra, April 7, 2009 – Consumers and businesses across the country should see significant and rapid improvements in prices and services for communications services the Competitive Carrier's Coalition (CCC) said while welcoming the government's plans for the future of communications in Australia.

According to CCC executive director David Forman, the announcements today represented an historic economic reform that had the potential to turbo-charge competition in Australian communications and leap-frog Australia to the forefront of broadband technology in the world.

"We are very pleased that a process is now underway to reform the structure of the market in the short-term together with extending fibre to the front door. It is critical that with this new momentum for change comes regulatory reform that will be achieved this year and a new fibre build that starts as soon as possible."

"The reforms are long overdue, as evidenced by the internationally high prices and poor services Australians have suffered for more than a decade.

"Where ever competitors have been able to gain a foothold in Australia, prices and services have immediately been transformed and consumers have been the winners" Forman said.

"However, competition in the Australian market has been slowly suffocated during the past five

years, while other countries have leapt ahead. The regulatory reform agenda, with legislation this year, can reverse that trend.

"Once implemented, if the result of the market reforms announced today does nothing more than bring Australian prices into line with OECD averages, the result will be dramatic," he said.

"For example, small and medium sized businesses could expect price cuts of 40 percent.

"Australian communications competitors and consumer representatives have called for reforms to create a competitive level playing field for 15 years, and these changes have the potential to do that.

"Overseas experience shows that it can be confidently predicted that competitors will respond immediately even if the start date for some aspects of the reform package are ahead of us.

"We congratulate Minister Conroy and the Government on making such a far sighted decision on industry reform in a way that no Government had previously been willing to do," Forman said.

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