

This year's ATUG 2007 Conference comes at a time with Telstra in fast forward to have the government dismantle regulation including:

- the competition rules for telecommunications which have protected the long-term interests of end users against monopoly practices and prices since 1997.
- the regulations which have ensured universal service and,
- the regulation which controls the rate at which line rentals go up and mandates reductions in call prices.

A little inconvenient truth from the user perspective about the line rentals issue.

As shown on this slide, end users have faced increased in line rentals from \$11 per month in 2000 to \$27 per month in 2006 in order to fix one of the big problems in telecommunications – access prices below cost. One could say users have taken the pain, expecting the gain – sustainable communications services and viable competition.

BUT now we find a hole in the bucket – with Telstra saying it needs another \$13.63 per month to cover cross subsidies. More of this later.

In the continuing swirl of rhetoric about “rogue regulators” and “foreign owned ‘leeches’ ” it is easy to forget that the framework of regulation we have in place today was put there to address problems that were plaguing users – poor service quality, slow service times, very high prices.

The framework has delivered very significant benefits to end users and has seen good growth and profits for industry and ATUG is not keen to have it rolled back unilaterally!

Competition has delivered lower prices and better services for end users – and the access and anti-competition rules for bottleneck services have been important.

Lower prices for mobile services are a direct result of competition between Telstra, Hutchison/3, Optus, Vodafone and AAPT.

Faster speed, better priced broadband is a result of competition between more established players and the many new entrants we have such as Internode, Pacific Internet and iiNet.

The core of Telstra's current campaign is there call for an extra \$13.63 per month for access lines to cover their view of the costs for cross subsidies for regional services.

For ATUG there are two issues – identifying and agreeing the costs in a transparent way and then deciding who should pay and how.

The public debate at the moment is about recovering this cost from competitors who want access to the future fibre network. If that fails, it might be end users looking at increased line rentals. Hence ATUG's interest in this issue.

And in this context, last Friday's decision by the ACCC about wholesale line rental prices becomes very important to end users, as a way of providing choice in the access market.

Beyond these regulatory intricacies, ATUG thinks it is a great pity that the important discussion about fibre and a future high capacity communications capability for Australia has been hijacked by the campaign to destroy regulation

The choice is unhelpfully presented as "my way" or the "by way".

In reality, it is quite possible to believe that Australia should be thinking and planning for fibre without accepting Telstra's argument that competition rules should be rolled back.

ATUG was pleased to hear the Prime Minister's comment earlier this week:

"One of the most important responsibilities of the Commonwealth Government is to provide infrastructure for the future growth and development of our nation.

Mr Howard went on to say,

"Later this week there will be announcements made which will greatly enhance the access of Australians to broadband services. "

We await these announcements with interest!

Of course, ATUG shares this view that communications services are of vital importance to the country, to all users - commercial and community.

We would add that they are too important to be subject to the interests of any one company.

The one thing Australia doesn't need is a monopoly provider of high speed broadband over fibre without any protection for Australia's competitive telecommunications.

The core reason we need strong competition policy and continued regulation of bottleneck services in telecommunications is to deliver competitive, innovative markets for services and prices and choice for end users.

Government and regulators must stay focused on the long-term interests of end users and not be hijacked by the interests of a single company.

The Government should not roll back the rules, however loud the shouts.

Where infrastructure competition can deliver a sustainable environment, this can reduce reliance on regulation to get fair outcomes for end users. Mobile services are the best example of this.

Where infrastructure duplication doesn't make sense, services based competition should be promoted. Access rules make this possible.

2007-2008 is an important time for telecommunications users. There will be a review, and ATUG suggests a re-think, of Universal Service. Not the need for an obligation to ensure all Australians are connected but the way we deliver and fund the USO should be looked at.

The first regular review of Regional Services, agreed as part of T3, is slated for 2008. The outcomes of this review and the role of the Communications Fund in supporting good services for regional areas are yet to be determined.

And 2008 sees a review of the Price Control regulation I mentioned earlier.

Taken together this work could provide an opportunity to update Australia's approach to telecommunications regulation – provided competition is strong enough to deliver real choice to end users who can then protect themselves by taking their business to the best service provider.

The last thing we should do is to roll back competition regulation ahead of this work and put benefits to end users at risk.

We would truly make Australia a communications backwater by accepting the message of the BACK campaign to our policies BACK - to the 1990's era, before full competition.

Instead ATUG invites you to join our ATUG PACT campaign to Protect Australia's Competitive Telecommunications.

Make sure to wear your button badge with determination to see the interests of end users remain centre stage in telecommunications policy.

We are determined to keep the balance between innovation, investment and the interests of end users.

ATUG is also interested in having a more broadly based discussion on Australia's Communications Future and the role for fibre networks.

BUT we think the debate should start with the needs and interests of end users in all parts of the economy – finance, retail, construction, transport, health, education, community services, media, and services companies of all sorts. All sectors are looking to the innovations that will be possible in the coming decade with upgraded communications networks.

The question for Australia is how these networks are to be funded and built given the realities of space and people.

Our focus will be on exploring the issues involved in an infrastructure upgrade of such momentous proportion but without letting go of the benefits competition has delivered for end users.

We are keen to explore approaches from overseas, taking account of local market reality.

We are keen to understand how governments see their roles – Federal, State and Local.

How might governments and private companies partner in a national network solution?

What role could utility companies such as electricity play?

How major users of broadband such as Finance, Media, Health, Education see their future communications needs?

What financial/business models are working overseas?

How regulatory models can foster/hinder such an infrastructure overhaul and how they should be updated?

ATUG's work on "Australia's Communications Future – Fibre Forum" will be a multi-party dialogue to explore the issues from many perspectives, starting with end user needs, bringing together global thinking and experience, and developing options that will bring the benefits of a fibre future to Australia as a whole.