

are met without hobbling industry?

It makes sense to have a reliance on industry responsibility as one of the key elements of the regulatory approach. We recognise that industry itself is often best placed to evaluate and handle trade-offs that might be needed.

As a relative newcomer to the world of telecommunications, I was struck by the continuing debate around the use of 'self-regulation' and 'co-regulation' to describe the regulatory environment in which the industry operates.

Let's look at what is intended: it is that industry as a community has the first responsibility for acting to ensure social objectives are achieved. These social objectives will in the main be consistent with your long-term economic interests.

We hope to provide you with the space to address them so they do not undercut your commercial interests—you are best placed to do this. But where the social objectives are not met or where some parties are not meeting their obligations, we will act.

We want to make 'industry responsibility' work, so we are reviewing the way we interact with you—we aim to be more research-based in assessing what social objectives are appropriate and how they can be effectively met, to have early discussions about these with you and your representatives, but to leave the method by which you address issues more in your hands.

But if industry is to accept this responsibility with confidence, it is important that we as the regulator are more open about where we have intervened, both broadly or in individual cases, and in what ways, and make clear why we

have done so and what we expect.

We will do this because:

- we need to be accountable for our actions and
- you need to know what we are thinking and why we are acting.

We will be more active in generating research which will go to the general issues where we may consider intervening. And we will be more active in making public the details of individual cases where we use our regulatory powers.

We will not make everything public without consideration—there is often a fine balance to be struck between transparency and privacy—but the bias will be towards transparency. This may well be uncomfortable in individual instances, where the transgressions (in our view) of particular companies are revealed, but we consider that in the main, good public policy commits us to this approach.

TELECOMMUNICATIONS ISSUES

So what do we see as the telecommunications issues facing us over the next 12 months?

A raft of new policy changes is being considered by government across all aspects of ACMA's responsibilities, from the requirements for high definition television broadcasting through to the regulatory obligations associated with the privatisation of Telstra, our major telecommunications provider.

In particular, the full privatisation of Telstra, which is currently majority owned by the government, and the likely relaxation of the cross and foreign ownership restrictions in media may well transform our broadcasting and telecommunications players.

As well as these changes, we

seem finally to be on the edge of a significant growth in broadband penetration and digital television take-up.

We need to continue to monitor performance by Telstra's network services in rural Australia and have set up a special team to focus on this.

The advent of VOIP or voice over internet protocol telephone calls has forced us to look at whether the current regulatory framework is adequate. One of the big challenges to regulation here has been how to facilitate the entry of a useful new technology without stifling it with the regulatory imperatives of the previous generation of fixed-line and even mobile services.

Mobile communications continues to present new challenges, especially its relationship with the internet and the question of how content should be regulated.

Telecommunications regulatory costs are a continuing concern and we are conscious that 'because you pay' is not an excuse for lack of concern by us.

We recognise the role of conferences such as this one and the need for openness. And we need to do more to encourage consumer participation in the regulatory process.

The challenges are significant, but they also provide exciting opportunities for both the industry and the regulator. We need to improve the way ACMA operates so it can be a 'state of the art' regulator.

And for Australia to take full advantage of the social and economic opportunities presented by technology and service developments, it must have a communications and media industry that is constantly challenged to

develop innovative services, increase quality and reduce prices.

EMERGING CHALLENGES

How will ACMA manage the emerging challenges posed by the telecommunications, radiocommunications and broadcasting sectors?

ACMA is operating in a regulatory environment that is highly dynamic, unpredictable and varied. It is likely to be a regulator defined by its awareness of those new realities implicit in the converged broadcasting-telecommunications marketplace. We want to be evidence-led in our approach and so will put a high priority on research and analysis.

The changing environment may mean starting to look at things quite differently and developing new strategies. We need to use our regulatory powers flexibly and cleverly to be able to handle emerging issues.

Regulators play a vital role in informing consumers of their rights and opportunities so that they can better navigate the marketplace. And education plays a central role in an authority's ability to regulate in the public interest because consumers require information and knowledge in order to make informed decisions.

So in conclusion, the characteristics of the environment we are operating in have changed. As regulators, our aim should be to create a regulatory framework that encourages the creation of innovation and competition.

To respond to the demands of a changing market environment, regulators must continue to evaluate whether the market that we have created allows competition and innovation to flourish.