



More consumer clout for ACCC

by Senator Vicki Bourne, Australian Democrats

The Democrats see the Government's Telecommunications Policy Principles as a good start to telecommunications reforms for the post-1997 era. They offer the possibility of new players, a wider choice of services and lower prices. They also include consumer safeguards to ensure the public is not disadvantaged by the reforms and that the benefits of more competition extend to as many Australians as possible.

The detailed legislation implementing the Principles, however, will give a much clearer picture of the effectiveness of competitive safeguards and consumer protection measures and the Democrats will be carefully scrutinising the legislation to ensure that the promise of the Principles is realised.

At this early stage, the Democrats have some concerns with the Principles which we hope will be addressed in legislation.

As the Broadband Services Expert Group rightly said, Australia is living in a communications age and reforms to telecommunications structures should be made in that larger context.

In launching BSEG's report, the Prime Minister pledged that all Australians would have access to the country's national information infrastructure. The Principles should have reflected that pledge, giving more detailed connections between telecommunications reforms and public access to communications infrastructure. Hopefully, those links will be made clearer in legislation.

The proposed regulatory structure is another concern. Moving AUSTEL's competition policy functions to the ACCC, while leaving consumer protection and technical func-

tions to a merged AUSTEL assumes the possibility of separating competition issues from consumer protection and technical issues. It may not be that easy. One obvious example is the cross impacts of charges levied for interconnect and the retail prices carriers can charge their customers. Yet access charges for service providers will be handled as a competition issue, while prices charged to consumers will be dealt with under AUSTEL's consumer protection functions.

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The arrangements also amount to an admission by Government that, despite having the word 'consumer' in its title, the ACCC does not have sufficient consumer protection powers and functions to safeguard consumers' interests in the reform process.

The Democrats' main concerns centre on the adequacy of consumer protection measures, as they are outlined by the Principles.

Universal service will be the linchpin in the Government's promised public access to information infrastructure. The Government promises, as it did in 1991, departmental cooperation and funding for assistance programs for people with special needs. Unless the promise is turned into specific processes and programs, however, this threatens to be as hollow as the Government's 1991 promise.

The continuation of price controls is a welcome commitment. However,

the new prices cap regime proposed allows more flexibility in Telstra's pricing, including the ability to raise the price of connection and rental charges in nominal terms, yet still remain within the price caps. Given the importance of those charges to the affordability of the telephone for those on low incomes, the Government should at least monitor the extent to which changes in those prices prevent people on low incomes from having a telephone service.

Industry Codes of Practice will be the mechanism ensuring consumers are informed about prices, credit management policies, services and complaints handling procedures, including reference to the Telecommunications Industry Ombudsman. The effectiveness of codes will lie in how well carrier compliance is monitored and enforced.

Carrier installation and maintenance of infrastructure is another crucial issue for the Democrats. The Principles envisage a multi-carrier environment where there will be many more players - all with the right to install and maintain infrastructure such as laying cables or installing mobile towers. The Government, therefore, should have promised consumers much stronger protection than the watered down pledge simply to review current carrier powers and immunities from state and local environment, heritage and planning rules when infrastructure is installed and maintained.

The Democrats welcome many of the reforms in the Principles. We remain concerned, however, that the final legislative packages implementing those reforms ensure all Australians benefit from increased competition in the telecommunications industry. □