Looking Back at Telecommunications Regulation in Australia

Emilie Ditton

Emilie Ditton is a Senior Consultant at Ovum Consulting in Melbourne


*Australian Telecommunications Regulation* is a comprehensive reference manual of Australia’s telecommunications regulatory framework. The book describes Australia’s regulatory framework in detail. It concentrates on the historical background, legislative basis and implementation; focusing on key areas of Australia’s regulatory framework including interconnection, access, anti-competitive conduct, spectrum management and consumer and community issues. The focus of the book is squarely on the implementation of the current regime and its legislative basis.

This is a straightforward (slightly dry), thorough and informative account of Australia’s telecommunications regulatory regime. It is a valuable resource for anyone studying or working in telecommunications wanting to understand the current regime, how it was developed and how it is implemented. Its strength is that it is thorough, and provides a complete description of the application of the rules, procedures and legislation that make up the current regime.

First published in 1997, the second edition of this book was released in 2001 and the third edition (the subject of this review) in 2004. The description of Australia’s telecommunications regulatory framework is one focussed on the philosophies, requirements and market challenges of the late twentieth century in Australia, reflecting the time it was first written. This is despite updates to the book in 2001 and 2004.

This book is not the right one for those looking to understand the successes and failures of the current regime. Nor can it enlighten the reader about how the current regulatory regime best serves the interests of Australian citizens, or the policy considerations required to meet any particular policy challenge for the future. In all fairness, the policy objectives of the current regime are considered briefly at the beginning of the book, though not in great detail, and there is no consideration of future implications. The focus of the book is very reflective of the outlook of telecommunications regulation in Australia today. It tends to look backwards to a regulatory framework established in the late 1990’s and the progress made since then, rather than what is required to ensure that Australia’s citizens will continue to have access to world-class telecommunications infrastructure and services.

The book contains seven chapters that cover the following key areas.

**Industry structure and policy context**: Chapters 1 and 2 set out the industry structure and policy context for the rest of the book. The focus of these chapters is the historical development of the industry structure and legislative background of telecoms regulation, and how it has changed to bring us to where we are today. The topics covered reflect those areas that were of particular importance in the late 1990’s and early 2000’s. Topics discussed include distinction between service providers and content providers, number portability, pre-selection, use of CLI, Australia’s regulatory bodies, their responsibilities and licence conditions, for example.

---

**BOOK REVIEWS**

TELECOMMUNICATIONS JOURNAL OF AUSTRALIA, VOLUME 57, NUMBER 2/3, 2007 MONASH UNIVERSITY EPRESS 38.1
Regulating interconnection pricing: Chapter 3 defines interconnection pricing and discusses the use of and requirement for Long Run Incremental Costing (LRIC) in Australia and elsewhere to determine appropriate interconnection pricing levels. The chapter considers the nature of interconnection and why the regulation of its pricing is required, the differences between Total Service LRIC and Total element LRIC and why they are used, and where other approaches such as retail minus pricing are appropriate. The final part of the chapter looks at the application of the TSLRIC cost modelling approach in Australia, and particularly the ‘Access deficit’ and why it does not have useful economic meaning.

Access: In Chapter 4 the book covers Australia’s access regime. This is by far the longest and most thorough chapter of the book, and is the chapter that is most backward looking in its focus. This is probably because it is this area where current changes in network and consumer requirements are happening the most. The chapter steps through the legislative basis of the access regime, the process of declaration and what services are declared. It then details how Australia’s access regime has been applied.

Anti-competitive Conduct: Chapter 5 describes the treatment of anti-competitive conduct in telecommunications by Australia’s legislation and regulatory regime. The chapter covers the nature of anti-competitive conduct regulation in Australia including: legislation, definitions of market power and definitions of markets. The chapter also covers enforcement of the competition rules and a number of examples of the competition notices that have been issued by the ACCC at the time of writing.

Spectrum management: In Chapter 6 management of spectrum by ACMA is covered. This includes the legislative basis, the types of spectrum licences, management of the licences, and the powers of the ACMA.

Consumer and community issues: The final chapter of this book, Chapter 7, covers the consumer and community protection provided in the telecommunications regime in Australia. This includes the approach to self-regulation, Australia’s universal service regime and a range of other related areas of consumer protection.

As in many countries where liberalisation of telecommunications markets has been undertaken, in Australia the big policy issues in telecommunications are now changing from those faced at a time when competition was being introduced. This book provides a well written, clear, complete and thorough description of the regime as it stands, but it does not consider the policy conflicts, decisions and objectives required to take telecommunications in Australia forward or whether the current regime can meet these challenges. As regulation is not an end in itself, but a means to address market failure, to maintain its relevancy this book needs to consider what end it is that the regulatory regime should address. As a reference book in telecommunications today, it requires a discussion and assessment of the successes and failures of the current regime and the policy objectives necessary to ensure that the regulatory framework in Australia keeps delivering the best outcomes for end-users.
Key issues for the future of Australia’s telecommunication regulatory regime include promotion of infrastructure development whilst still enabling promotion of competition, ensuring that the regime is sufficiently flexible to allow for new technology development and innovation, and ultimately ensuring that the well-being of end-users in Australia is improved over the next 10 years, as it has been since liberalisation of telecommunications markets in the late 1990s.