

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Estimates, November 2004

Question: Supp 42

Topic: ACCC – Competition Notice to Telstra

Hansard Page: Written

Senator Conroy asked:

On 19 March 2004, the ACCC has issued a competition notice to Telstra relating to the pricing of its broadband internet services. The ACCC has announced that it has decided not to withdraw the competition notice and that it is in the process of gathering evidence from Telstra's competitors. Can you advise:

- Whether the ACCC has reached a decision on this matter and the outcome of the inquiry by the ACCC?
- If no decision has been reached, when will a final decision be made?

Answer:

- In light of Telstra's revised wholesale broadband pricing which took effect from 1 January 2005 and Telstra's contemporaneous request for revocation, the ACCC is again determining whether or not it should revoke the competition notice issued to Telstra on 19 March 2004.
- The ACCC expects to reach a decision on whether to revoke or maintain the competition notice by early February 2005. The ACCC must determine whether it continues to have reason to believe that Telstra's current conduct is in breach of the Notice. The ACCC is not considering as part of this assessment whether or not Telstra's previous pricing was anti-competitive.
- The ACCC has yet to reach a decision regarding whether to issue proceedings in relation to Telstra's previous pricing under the competition notice.
- The ACCC expects to reach a decision by end-February 2005 on whether to issue proceedings in relation to Telstra's previous pricing under the competition notice.