

Additional Comments - Senator Fiona Nash

- Many of those submitting to this inquiry have expressed their support for the separation legislation. A number of submissions overwhelmingly indicated that Telstra's level of vertical integration and consequent monopoly has been detrimental to competition in the telecommunications industry. The submission from the Australian Telecommunications Users Group (ATUG) is a clear example of how the lack of competition has led to higher prices for the consumer.
- ATUG made the point very clearly that they believe regional Australia stands to be a beneficiary from a more effectively competitive market structure.
- The central arguments from those submissions that oppose the bill are that separation will discourage investment or cause losses; and that separation transitional costs are too high for Telstra. In my view this reflects short terming thinking. Companies in other jurisdictions that have undergone separation have adapted to, and in some cases welcomed, their new regulatory environment.
- As highlighted by the Department of Broadband, Communications and the Digital Economy, the three Telstra sale prospectuses were clear about the potential of regulatory changes in the telecommunication sector that might affect Telstra's competitive position.
- Having attempted measures to encourage operational separation of Telstra in 2005, it is apparent that that policy did not yield the results hoped for in terms of allowing for greater competition. Therefore, stronger separation is the only logical way forward.
- I agree with the conclusion that previous "negotiate and arbitrate" models in dealing with access by the ACCC have not been effective. The changes regarding this in the legislation are a welcome step forward.
- Evidence to the inquiry showed that there was agreement for the consumer safeguards in the bill. I believe these safeguards will prove efficient protection mechanisms, particularly for regional areas.

- In 2005 the Page Research Centre, through the Regional Telecommunications Inquiry, identified there was a lack of competition in the telecommunications sector in rural and regional Australia. Its research found that lack of access to infrastructure at a fair price was inhibiting service providers entering into the regional market.

Senator Fiona Nash
Senator for New South Wales