

# Government Members' Dissenting Report

Government Senators do not support the recommendations in the majority report. Government Senators are of the view that this inquiry was unnecessary given the large number of recent Senate inquiries into telecommunications. This is borne out by the fact that a number of the recommendations in this report are exactly the same as recommendations put forward in more than one previous report.

High quality, affordable telecommunications services are critical to the ongoing prosperity of Australia. Telecommunications, and communications services more broadly, have the capacity to transform the way people carry out business, interact with friends and family, engage with the world outside Australia, and receive education and health services. This has been clearly recognised by the Government in Australia, and it is why there has been a focus on liberalising the Australian telecommunications market and encouraging the development of competition.

The Australian telecommunications market was opened up to full competition in 1997. A critical part of encouraging the development of competition in telecommunications markets throughout the world has been establishing a regulatory regime that ensures that new market entrants can get access to, and use of, key services owned and operated by the incumbent provider. In Australia this is achieved through the access regime contained in Part XIC of the *Trade Practices Act 1974*. In addition to the access regime there are also telecommunications specific competition rules in Part XIB of the *Trade Practices Act 1974*.

There is substantial evidence to show that since 1997, all Australian consumers have experienced real benefits from the development of competition in the Australian telecommunications market. This in turn, suggests that the regulatory framework has served Australian consumers well.

There are now well over 100 telecommunications carriers in Australia and there are several hundred Internet service providers (ISPs). While Telstra holds the largest share of the legacy telephony market, there are encouraging signs of real competition in new and emerging services. There are four companies operating mobile phone networks in Australia – Telstra, Optus, Vodafone and Hutchison. These companies have formed into two joint ventures (Telstra and Hutchison, and, Vodafone and Optus) to rollout new 3G mobile services. The demand for broadband services in Australia has meant there are now a number of companies rolling out their own broadband networks – TransACT in the ACT, Neighbourhood Cable in Ballarat, Unwired in Sydney, Primus and Internode in capital cities.

Government Senators believe that it is important to focus not on competition for its own sake, but rather on whether or not consumers are receiving benefits as a result of the existing regulatory framework.

Research published by the former telecommunications regulator, the Australian Communications Authority, found:

... that the Australian economy was more than \$10.4 billion larger in 2003-04, in terms of total production, than it would have been without the telecommunications reforms [of 1997].

By 2003-04, these telecommunications reforms have resulted in:

- Around 29,600 extra jobs being created in the Australian economy;
- Private real consumption benefits of nearly \$720 per household, or \$5.5 billion for all households;
- Benefits to small business in excess of \$2.1 billion; and
- The output of the telecommunications industry being 96 per cent greater than if the telecommunications reforms (which commenced in 1997) had not happened.<sup>1</sup>

What this demonstrates clearly is that Australian consumers have benefited from the telecommunications reforms introduced in 1997. While this is not necessarily evidence to say that the regulatory framework does not need some adjustment, it does allow Government Senators to conclude that the current regulatory framework has worked reasonably well to date.

Government Senators appreciate that there is likely to be ongoing and rapid technological change in telecommunications. However, while it can be stated with certainty that there will be change, it cannot be stated with any certainty, just what this change will look like. As a consequence, Government Senators believe that any adjustment of the regulatory regimes needs to be cautious to avoid trying to predict what technologies are going to succeed in the future and what business models and market structures are likely to emerge. The regulatory framework should be flexible and responsive enough to adjust to changing market conditions, and robust enough to deal with significant changes in technologies.

With this in mind, Government Senators note that the Minister for Communications, Information Technology and the Arts has initiated a carefully considered review of telecommunications regulation.

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1 Australian Communications Authority, *Telecommunications Performance Report 2003-04*, p. 31.

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## Recommendations which Government Senators reject

### *Separation of Telstra*

#### Recommendation 1

**The Committee recommends that the Productivity Commission be asked to undertake a full examination of structural separation of Telstra.**

As the majority report notes, the Government has made it clear that it does not endorse the structural separation of Telstra, due to the cost and the complexity of such an exercise. This position has been supported in a report prepared for the former Labor Shadow Minister for Communications, Mr Lindsay Tanner who stated:

... the existence of the minority private shareholding in Telstra and the cost and complexity therefore associated with such separation, make [structural separation] an inappropriate strategy for reforming Telstra.<sup>2</sup>

Several witnesses to this inquiry also highlighted concerns over forced structural separation, and the Productivity Commission, itself, in its report in February this year, concluded that full structural separation would be both expensive and time consuming. Given the number of people who have considered the question of structural separation, and then concluded that it would be costly and complex, Government Senators reject this recommendation.

#### Recommendation 2

**The Committee recommends that if the Government decides to pursue operational separation of Telstra over structural separation, it should adopt a model that incorporates the features outlined by the ACCC, as this is the minimum that could be expected to have any prospect of success.**

Government Senators note that the Minister for Communications, Information Technology and the Arts is examining the possibility of introducing a model of operational separation that suits the Australian telecommunications market. The Minister stated recently that:

Operational separation can go well beyond the scope and impact of accounting separation without taking the heavy-handed and costly step of structural separation or forcing radical re-structuring of Telstra.

The aims for operational separation are that:

- It should provide wholesale customers of Telstra with greater certainty and clarity of Telstra's operations.
- It should also give them confidence that they will receive treatment from Telstra Wholesale equivalent to that provided to Telstra's own retail arms;

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2 Mr Lindsay Tanner MP, 'Reforming Telstra: The Next Step', *Press Release*, 6 February 2003.

- It should allow the regulator to more quickly and effectively scrutinise Telstra's activity and compliance with its regulatory obligations; and
- It should provide Telstra itself with greater regulatory certainty.

... Telstra can only benefit from more transparent operations, and from wholesale customers gaining a clear understanding of, and confidence in, their right to equivalent service

But the model needs to be workable, cost-effective and not completely re-engineer Telstra's existing structure.<sup>3</sup>

Given that the Minister is actively investigating possible models for operational separation, Government Senators do not believe it is either necessary or appropriate to pre-empt what might be under consideration.

### **Recommendation 3**

**The Committee recommends that the ACCC be given divestiture powers.**

Government Senators note that during hearings for this inquiry the ACCC was pressed at length by Senator Conroy as to whether they sought or required divestiture powers. ACCC representatives indicated that a divestiture power was not sought, as they considered that the real issue was transparency of Telstra's operations and that operational separation could overcome any need for more stringent sanctions. As the ACCC chairman noted:

I think we indicated that—to the extent that our thinking has gone as far as it has, which is not that far in terms of sanctions—the most important sanctions would be those of court orders requiring enforcement of or compliance with legislative or regulatory requirements...

So putting in place penalties, which for example, would have to be of hundreds of millions of dollars to be in any sense meaningful, because Telstra fails to adequately deal with operational separation, or putting in place a divestiture order because there is a failure to bring about operational separation, I might suggest with respect, tends to be focusing much more on the potential to do substantial damage to Telstra. Whereas it is far more important that we get the ultimate objective which is: clear, transparent and commercial arms-length dealings between Telstra's wholesale and retail operations. One of the simplest and certainly least damaging ways of achieving that is to have regulations that require those transparent accounting and commercial arms-length dealings to take place and to have those capable of being enforced by a court of law.<sup>4</sup>

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3 Senator the Hon Helen Coonan, Minister for Communications, Information Technology and the Arts, Address to the Adelaide Press Club, 7 July 2005.

4 Mr Graeme Samuel, Chairman, Australian Competition and Consumer Commission, *Committee Hansard*, 9 May 2005, pp 13–14.

While the majority report refers to the UK model in support of its argument for divestiture powers, the Minister has rightly pointed out that the Australian situation is not necessarily the same.<sup>5</sup>

Government Senators also note that the telecommunications specific competition rules in Part XIB of the *Trade Practices Act 1974*, are as far as possible, designed to be consistent with general competition law. Inclusion of a divestiture power in relation to telecommunication is, therefore, not appropriate.

As discussed previously, the Minister is currently undertaking a review of the telecommunications regulatory regime. As part of this process the Minister released an issues paper to which all interested parties were able to make submissions. Government Senators note that the issues paper, and the regulatory review that the Government has underway, explores the same broad issues that are the subject of many of the recommendations made in the majority report:

The purpose of this issues paper is to seek comments and views from the telecommunications industry and other interested parties about whether it would be appropriate or desirable to make further changes to the telecommunications competition regime at the present time, in light of:

- the level of competition and service development in the sector;
- the desirability of promoting efficient investment in new telecommunications networks (including high capacity customer access networks);
- the likely impact of existing market structures on the future development of such networks and on competition in newly developed and emerging markets for new telecommunications services, such as broadband and voice over internet protocol (VOIP) services;
- experience with the practical operation of Parts XIB and XIC of the *Trade Practices Act 1974* (the TPA) as they currently apply, taking into account the changes made by the Government in 2002...<sup>6</sup>

Government Senators consider that until this review has been finalised it would be premature to make specific recommendations about amendments to the TPA Act and accordingly do not support the following recommendations:

- **Recommendation 5**  
**The Committee recommends that funding to the ACCC for telecommunications competition issues be substantially increased as a matter of urgent priority.**

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5 Senator the Hon Helen Coonan, Minister for Communications, Information Technology and the Arts, Address to the Adelaide Press Club, 7 July 2005.

6 *Telecommunications Competition Regulation Issues Paper*, released April 2005, available at: [http://www.dcita.gov.au/\\_\\_data/assets/word\\_doc/25175/Issues\\_Paper.doc](http://www.dcita.gov.au/__data/assets/word_doc/25175/Issues_Paper.doc).

- **Recommendation 6**  
The Committee recommends that section 151AJ of the *Trade Practices Act 1974* be amended by inserting an inclusive list of factors to be considered by the courts in determining whether a carrier or carriage service provider has taken advantage of its substantial degree of power in a telecommunications market.
- **Recommendation 7**  
The Committee recommends that the third objective of the access regime as set out in subsection 152AB(2) of the *Trade Practices Act 1974*—encouraging the economically efficient use of and economically efficient investment in infrastructure—be given primacy.
- **Recommendation 8**  
The Committee recommends that in order to clearly satisfy the Commonwealth's obligations under clause 6(4)(e) of the Competition Principles Agreement, the *Trade Practices Act 1974* be amended to include a provision that requires the owner of a facility that is used to provide a service to use all reasonable endeavours to accommodate the requirements of a person seeking access.
- **Recommendation 9**  
The Committee recommends that to clearly satisfy the Commonwealth's obligations under clause 6(4)(m) of the Competition Principles Agreement, section 152EF of the *Trade Practices Act 1974* be amended to prohibit conduct that has the effect—and not just the purpose—of hindering the fulfilment of a standard access obligation or an obligation imposed by a determination made by the ACCC under Division 8.
- **Recommendation 10**  
The Committee recommends that the Government consider expanding the class of 'core services' in relation to which the ACCC must determine model terms and conditions for access. In particular, the Committee recommends that for the purpose of improving services in regional areas, certain transmission (or backhaul) routes be specified in the regulations as 'core services' under section 152AQA of the *Trade Practices Act 1974*.
- **Recommendation 11**  
The Committee recommends that the ACCC include prohibitions on behaviour that has the purpose or effect of impeding or unreasonably delaying access in any model terms and conditions for core services, particularly relating to the unconditioned local loop service.
- **Recommendation 12**  
The Committee recommends that the *Trade Practices Act 1974* be amended to require the ACCC to give greater importance to model terms and conditions in arbitrations. In addition to the ACCC merely 'having regard to' model terms and conditions determination, such determinations should apply presumptively unless the parties can show good reason to depart from them.
- **Recommendation 13**  
The Committee recommends that the ACCC be granted powers to set prices in addition to, or instead of, developing pricing principles.

- **Recommendation 14**  
The Committee recommends that subsection 152AQA(6) of the *Trade Practices Act 1974* be amended to require the ACCC to have regard to its pricing principles when it is assessing undertakings as well as in the arbitration of access disputes as is presently provided.
- **Recommendation 15**  
The Committee recommends that subsection 152AQB(6) of the *Trade Practices Act 1974* be amended to require the ACCC to have regard to any model terms and conditions when it is assessing undertakings as well as in the arbitration of access disputes as is presently provided.
- **Recommendation 16**  
The Committee recommends that further amendments be made to the undertakings scheme to prevent or discourage their use to delay access and to bring more certainty to the market. In particular, the Committee recommends the imposition of shorter target timeframes in relation to access decisions.
- **Recommendation 17**  
The Committee recommends that the present scheme of anticipatory exemptions and special undertakings remain unchanged for the time being.

### **Recommendations 18 and 19**

**The Committee recommends that Telstra be required to divest its shareholding in Foxtel.**

**The Committee recommends that:**

- (i) if Telstra is fully privatised, it be a condition of the sale that Telstra be required to divest its HFC network; and**
- (ii) if Telstra remains in public hands, the Government direct the Australian Competition and Consumer Commission to provide further advice on its recommendations in its report *Emerging Structures in the Communications Sector* that Telstra be required to divest itself of its HFC network.**

Any proposal to force Telstra to divest its interest in Foxtel or to divest its broadband HFC cable network would result in fundamental industry restructuring years after very large investments have been made. It is difficult to see that the claimed benefits of Telstra divesting its pay TV interests would be outweighed by the significant separation costs. Divestiture is not required to stimulate broadband competition in Australia. The Telstra cable network currently faces infrastructure based competition from the Optus cable network in almost every cabled street. Wireless broadband and infrastructure based ADSL competitors are also emerging.

A key question that must be asked, is who would buy the Telstra cable? It is quite possible that a forced sale of this network would actually make life for competitors like Optus more difficult. Also, who would buy Telstra's stake in Foxtel? Again, it is quite possible that the industry structure that emerged following a sale of Telstra

would cause more competition problems in the media sector. Accordingly, recommendations 18 and 19 are rejected.

### ***Broadband infrastructure***

#### **Recommendation 20**

**The Government should undertake a mapping exercise of optic fibre networks in Australia. Particular consideration should be given to mapping of 'dark' fibre and infrastructure owned by government authorities, local councils and utilities.**

Government Senators believe that it would be hard to justify such an exercise, as it would place an undue reporting burden on carriers and others, and divert significant Government resources for little obvious benefit. The information provided under such an exercise is also likely to be commercial-in-confidence and therefore limited in the purposes it could be used for.

### ***The Universal Service Obligation***

#### **Recommendation 21**

**The Committee recommends that the Government review the basis of funding for the Universal Service Obligation prior to setting the subsidies for the next three year cycle to commence from 2007-08.**

This is done anyway as required under the Act.<sup>7</sup> The Minister will take advice from the regulator before setting the USO subsidies. This happened recently when the Minister sought advice from the ACA before announcing subsidies for the next three years.

The USO has been reviewed to death. It was the subject of a major review in 2004. Following the review Cabinet decided that there would be no change to the USO costing and funding arrangements. The Minister also has recently confirmed that the Government will not change or water down the USO costing and funding arrangements<sup>8</sup> which require Telstra to ensure that all Australians, regardless of where they live, have access to a standard telephone service and payphones. Telstra is the provider of USO services in Australia and receives a subsidy from all licensed telecommunications carriers for doing so. Each carrier pays according to its share of industry revenue.

The USO is supported by other safeguards including the Customer Service Guarantee (CSG), the Telecommunications Industry Ombudsman (TIO), the Network Reliability

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7 *Telecommunications (Consumer Protection and Service Standards) Act 1999*, section 16A.

8 'Mexican stand-off: Telstra provokes rural showdown', *The Australian Financial Review*, 29 July 2005, p. 1.



Framework, and price control arrangements. These safeguards are enshrined in legislation and will remain regardless of who owns Telstra.

### ***Broadband infrastructure, including the Higher Bandwidth Incentive Scheme***

#### **Recommendation 22**

**The Committee recommends that the Government carry out a cost analysis of the Higher Bandwidth Incentive Scheme (HiBIS) immediately to ascertain how equitable universal broadband access can be ultimately provided.**

The answer to “how equitable broadband access can be ultimately provided” is HiBIS. There is no point carrying out a cost analysis of HiBIS to determine how to provide broadband access to people living in regional, rural and remote areas – HiBIS is already doing that. What the majority report should have recommended was for the Government to do a review of HiBIS to determine if there could be any improvements to the scheme.

However, Government Senators note that the Department of Communications, Information Technology and the Arts is already undertaking such a review as is normal practice for these targeted assistance programs.

Government Senators also note that HiBIS has been very successful in its first year, connecting more than 600 regional and rural communities to terrestrial broadband. HiBIS has been so successful that the Government recently committed a further \$50 million to the scheme taking total funding to \$157.8 million. Government Senators recommend continued Government support for HiBIS.

#### **Recommendation 23**

**The Committee recommends that funding the Higher Bandwidth Incentive Scheme (HiBIS) be broadened according to the following provider subsidy principles:**

- **a higher subsidy for a broadband service that creates suitable and sufficient infrastructure for immediate and future consumers in an area, such as those using ADSL via cable or wireless; and**
- **the existing level of subsidy for a broadband service delivered to individual consumers via satellite where other means such as ADSL and CDMA can not be utilised.**

Government Senators note that these subsidy principles are already in place. Under HiBIS, there are different subsidies for different circumstances and the subsidy levels are working well, with more than 600 rural communities connected to terrestrial broadband in the past 12 months alone. For people living further away from regional townships or who live in remote areas receive a higher subsidy. Many of these people are receiving wireless or satellite broadband. There are more than 25 wireless broadband providers and eight satellite broadband providers registered with HiBIS. Government Senators note that two-thirds of HiBIS customers are connected to a

terrestrial broadband service (e.g. ADSL, cable or wireless). Less than third are connected to a satellite service, which is reasonable considering the size of Australia's land mass.

#### **Recommendation 24**

**The Committee recommends that the ACCC examine the availability of access to, and cost of, backhaul services for carriers building or proposing to build new broadband infrastructure in regional Australia.**

Again, Government Senators point out that this is a recommendation that has already been addressed. The ACCC has already announced a review and declared a transmission which can be used for backhaul. Therefore, we can consider this to be another unnecessary recommendation.

#### **Recommendations 25 and 26**

**The Committee recommends that the Government consider simplifying the HiBIS application requirements in order to give regional broadband service providers more realistic opportunities to apply.**

**The Committee recommends that the Department of Communications, Information Technology and the Arts streamline the processing of applications from broadband service providers for registration with the HiBIS.**

Clearly these recommendations were determined without considering the facts. In less than one year, the Department of Communications, Information Technology and the Arts has registered more than 35 Internet Service Providers to HiBIS. This demonstrates that the Department's processes are working well and that HiBIS is promoting competition. The application and approvals process usually takes between one and two months, which is a reasonable time period to ensure that the provider can deliver a reliable and fast broadband service to eligible customers. Accordingly, we reject these recommendations.

#### **Recommendation 27**

**The Committee recommends that the Government fund local governments to develop business models that focus on delivering affordable local broadband services to regional and remote Australians.**

Again, this recommendation has already been addressed through the Australian Government's Demand Aggregation Brokers Scheme. Under this \$8.4 million program, brokers work with community and sectoral leaders to encourage investment by governments, the private sector and local communities in broadband infrastructure and services. Twenty three community-based brokers have been funded under the scheme and are working in regional communities, often closely with local councils or regional development boards, to bring together demand for broadband to increase the

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purchasing power of buyers and deliver lower costs and improved access to broadband.

### **Recommendation 28**

**The Committee recommends that the Government provide funding to ensure that deaf and hearing and speech impaired people have equal access to a suitable broadband service through HiBIS and through an independent disabilities equipment program.**

Government Senators agree with the sentiments set out in Recommendation 28 that deaf and hearing and speech impaired people have equal access to suitable services. We note that under the *Telecommunication (Consumer Protection and Service Standards) Act 1999* and the *Disability Discrimination Act 1992* the Government is ensuring that all Australians have reasonable access to a basic fixed line telephone service through such means as the National Relay Service.

In relation to broadband, deaf and hearing impaired people living in regional, rural and remote areas are eligible for the Government's \$157.8 million HiBIS program. For those people living in metropolitan areas, they will be able to benefit from the Government's \$50 million Metropolitan Broadband Blackspots Program when it is launched in early 2006. Therefore, there is already significant Government funding to provide suitable broadband services for everyone.

### ***The Estens Report***

### **Recommendation 29**

**The Committee recommends that the Government fulfil its promise to implement all 39 recommendations of the Estens Report. The Committee further recommends that an independent audit of the Government's implementation of the Estens Report recommendations be conducted prior to the introduction of legislation providing for the further sale of Telstra.**

Government Senators supports the first part of Recommendation 29 but note that the Government intends to implement all 39 recommendations from the Estens Inquiry anyway. We also note that 32 of the 39 recommendations have already been implemented, with the remaining seven to be completed shortly. Five of the remaining seven recommendations require the passage of legislation which has already been introduced to Parliament. The Minister has advised that the other two recommendations have almost been implemented.

Government Senators reject the second part of Recommendation 29 in the majority report. The Government has accepted every recommendation from the Estens Inquiry and is implementing each and every one of them. As the Minister recently noted:

No one could reasonably argue that the Howard Government has failed to respond to the urgent need to upgrade telecommunications services in rural and regional Australia. We Networked the Nation and then had two, major

independent inquiries – Besley and Estens – and backed that up with funding of \$163 million and \$181 million respectively...

When Labor dominated Senate committees were calling for billions to be spent on yesterday's technology – dial-up Internet services – it was the Howard Government that responded with a National Broadband Strategy and \$107.8 million to deliver broadband to the bush through our Higher Bandwidth Incentive Scheme (HiBIS).

Estens has long been considered the bench-mark for adequacy of services in the bush and the Government has accepted all 39 Estens recommendations. With Estens implementation almost complete our thoughts now turn to what Estens called 'future-proofing' – a term that captures the overriding concern in the current debate.<sup>9</sup>

### *Consumer issues*

#### **Recommendation 31**

**The Committee recommends that Part 6 of the *Telecommunications Act 1997* be amended to require the ACMA to enforce the development of codes within set time-frames.**

Government Senators note that the ACMA and the Minister already have the powers required to enforce the development of codes in a timely manner as well as to intervene and provide direction. Therefore, Government Senators find this recommendation to be unnecessary.

#### **Recommendation 32**

**The Committee recommends that the *Telecommunications Act 1997* be amended by inserting a new section 120A that requires annual reporting by suppliers or industry associations of compliance with industry codes and, where the ACMA considers that monitoring is not providing adequate or accurate data, monitoring by the ACMA.**

There are already provisions in place for carriers to comply with the requirements of industry codes. The ACMA also has the power to direct companies to comply. We note, however, that the ACMA is currently undertaking consultations on a guideline for establishing code failure.<sup>10</sup> Government Senators reject this recommendation.

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9 Senator the Hon Helen Coonan, Minister for Communications, Information Technology and the Arts, Address to the Adelaide Press Club, 7 July 2005, p. 6.

10 See [http://www.acma.gov.au/ACMAINTER.2163012:STANDARD:1961131216:pc=PC\\_1661](http://www.acma.gov.au/ACMAINTER.2163012:STANDARD:1961131216:pc=PC_1661).

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### Recommendation 33

**The Committee recommends that the Telecommunications (Consumer Protection and Service Standards) Act 1997 be amended in order to establish a single Communications Industry Ombudsman.**

Government Senators reiterate the comments made in their dissenting report for the inquiry into the provisions of the Australian Communications and Media Authority Bill 2004 and related bills and matters<sup>11</sup> that we do not disagree with the possibility that the TIO could be used to develop a simpler and more streamlined process of consumer complaint handling. However, we do not consider that the *Telecommunications (Consumer Protection and Service Standards) Act 1999* should be amended at this stage. The TIO scheme works very well and adding TV and radio content complaints to its jurisdiction is not supported by the TIO, because these types of complaints are very different to complaints about telephone billing disputes. Therefore, we reject this recommendation.

### Recommendations supported in principle

#### Recommendation 4

**The Committee recommends that one of the full-time commissioners of the ACCC be given specific responsibility for telecommunications, and that this person also be a member of the Australian Communications and Media Authority.**

Government Senators note that the ACCC already has a commissioner who has carriage of telecommunications issues. In relation to this person also being a member of the ACMA, we note that there are provisions for this to occur and it has happened in the past. However, it would be prudent to consider this matter only after the senior ACMA positions have been finalised, including the appointment of the ACMA Chair.

#### Recommendation 30

**The Committee recommends that the ACMA give immediate and urgent consideration to adopting the recommendations in the ACA research report *Consumer Driven Communications: Strategies for Better Representation* so that the rights of consumers are better protected than currently under the ACA, as previously recommended by the Committee.**

This is another recommendation that has already been addressed. The ‘Consumer Driven Communications: Strategies for Better Representation’ report was submitted to the ACA late in December 2004. The ACMA is considering those recommendations

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11 Senate Environment, Communications, Information Technology and the Arts References Committee, *A lost opportunity, Inquiry into the provisions of the Australian Communications and Media Authority Bill 2004 and related bills and matter*, March 2005.

which relate to its functions and powers and has developed a workplan for addressing the recommendations.

The Government is also considering the recommendations. The Government has met members of the group that prepared the report and expect to have further discussions in the near future. We understand that other bodies, such as the Australian Communications Industry Forum and the Telecommunications Industry Ombudsman, are also considering the recommendations that relate to their functions and powers.

#### **Recommendation 34**

**The Committee recommends that all carriage service providers make available a Basic Residential Package to households who want only a clear, cost-based package of local access services.**

The Government already has in place a number of measures which aim to assist low income individuals in regard to access to adequate telecommunications services. However, Government Senators consider that it would be beneficial if other carriage service providers were to put in place similar measures for people on low incomes as Telstra has developed, particularly in light of the ongoing move away from a monopoly in telecommunications service provision.

#### **Recommendation 35**

**The Committee recommends that the Government give urgent consideration to the recommendations of the National Emergency Communications Working Group, particularly in regard to new technologies such as VoIP.**

A review into generation services such as Voice over Internet Protocol (VoIP) has already commenced. In fact a consultative process was launched at the end of last year in which the Australian Communications Authority, the ACCC and the Department of Communications, Information Technology and the Arts issued public discussion papers and invited comments. As a result of that process, the Government is considering advice on the issue of the policy and regulatory framework for Voice over Internet Protocol services in Australia and will make a further announcement when that is done.

Government Senators support communications capabilities that enable individuals to rapidly and reliably be connected to the appropriate Emergency Services Organisations in times of emergency. We support in principle that ACMA also consider the recommendations of the National Emergency Communications Working Group.

**Senator the Hon Judith Troeth  
Deputy Chair**

**Senator the Hon Michael Ronaldson**