
Regulatory issues

Telecommunications

Notification of access disputes

Primus Telecommunications Pty Ltd and AAPT Limited have notified the Commission of access disputes under Part XIC, the telecommunications provisions of the Trade Practices Act.

Under these provisions, where a dispute cannot be resolved after private negotiations, mediation and/or conciliation, either of the access parties may refer the matter to the Commission for arbitration.

Primus' dispute relates to Telstra's supply of transmission capacity to Primus and the price Primus must pay to Telstra for access to the public switched telephone network (PSTN) operated by Telstra Corporation Ltd.

AAPT Limited has four access disputes relating to the price of access to the Domestic Transmission Capacity Service, the price of access to both the GSM Originating and Terminating Access Services, and the network elements to be included in the Digital Data Access Service. Each dispute relates to Telstra Corporation Limited providing these services by to AAPT Limited.

The Commission is conducting arbitration hearings to determine the disputes. The Commission's decision is final.

ACCC rejects Telstra's undertakings for mobile services

On 22 February 1999 the Commission issued draft determinations rejecting Telstra's proposed terms and conditions for other carriers to interconnect with its analogue and digital mobile networks. Mobile interconnection allows Optus and Vodafone's mobile phone customers to call users on Telstra's mobile networks.

Telstra submitted to the Commission undertakings proposing the terms and conditions for other carriers to interconnect with its mobile networks. Under the Trade Practices Act the Commission cannot accept an undertaking unless the terms and conditions are reasonable. It concluded that the non-price terms and conditions in the undertakings were not reasonable. These non-price terms and conditions are identical to those contained in Telstra's undertaking for its fixed telephony network, which were recently rejected by the Commission.

A report detailing the Commission's reasons will be available on its website.

The Commission will make its final decision once industry has had an opportunity to comment on the draft determinations.

Airports

Car rental services at Melbourne Airport

On 10 March 1999 the Commission issued a draft determination proposing that landside roads and associated vehicle facilities for dropping off and picking up passengers at Melbourne Airport be considered 'airport services' under s. 192 of the *Airports Act 1996*.

Delta Car Rentals had asked for a determination on the services it uses at Melbourne Airport. It is the first such request made under the *Airports Act*.

Delta Car Rentals operates off airport car rental services close to Melbourne Airport. It also offers short and long term car parking for airport users. Delta provides a shuttle bus service from its business site (on Mickleham Road) to the airport. This requires access to the airport to drop off and pick up passengers.

So far Delta has not been able to agree on terms and conditions of access with the airport.

A determination would open the way for the Commission to arbitrate the dispute if it cannot be resolved by negotiations between the two parties.

It does not follow from this, however, that Delta will be granted free access or access on its preferred terms. If the final determination declares services the Commission will in the first instance encourage parties to negotiate a mutually acceptable outcome. If the Commission is called on to arbitrate it will aim to set efficient and equitable terms and conditions.

Other users of the facilities for the purposes of dropping-off and picking-up would also have a right to arbitration.

A final determination will be issued following consideration of submissions from interested parties. The draft determination is available from the Commission's website.

National Competition Council

Appointments

On 4 February 1999 the Minister for Financial Services and Regulation, the Hon. Joe Hockey MP, announced the re-appointment of Ms Elizabeth Nosworthy and the appointment of Mr David Crawford and Mr Robert Fitzgerald as councillors for the National Competition Council. The appointments are on a part-time basis until 30 November 2000.

Ms Nosworthy has previously completed a three-year term as a councillor. She has considerable experience in the legal field and has fulfilled a diverse range of board positions.

Mr Crawford has held a range of executive positions with Ranger Minerals NL, Wesfarmers Limited and Western Colliers Limited. He is a member of the Western Australian Trade Advisory Body and the Board of Advisors to the Curtin University Graduate School of Management.

Mr Fitzgerald is a solicitor and has worked with the Australian Council of Social Services. He is an associate commissioner for the Productivity Commission's National Inquiry into Gambling.

The new appointments join Council President, Mr Graeme Samuel and councillor, Dr Paul Moy.

Report on effects of NCP

The NCC has issued a report outlining the social and economic effects of the national competition policy. The report, *National Competition Policy: some impacts on society and the economy*, found that reforms are starting to have positive results in terms of essential services and the environment. It also points out the positives of the reforms for rural Australia.

Launching the report NCC President Graeme Samuel argued that fears about massive job losses are unfounded. Although reform has caused job losses in some of the businesses directly exposed to reform, such as Telstra, there is job growth in new businesses entering what were formerly monopoly markets, such as telecommunications.

The reforms have also brought benefits to a range of industries in the form of lower costs for services like electricity and legal services, which has a flow-on effect on employment in those industries. Also, it appears that NCP policies are protecting Australian jobs by making the Australian economy more resilient against regional instability such as the Asian crisis.

In terms of the effects of NCP on the delivery of essential services, the report identifies a number of positive outcomes including:

- cheaper energy prices and improved service standards resulting from reforms in gas and electricity — New South Wales and Victoria, the States most advanced in electricity reform, supply the cheapest power in the country;
- construction of a new NSW-Victoria 'interlink' gas pipeline in 1998, in which gas reforms played a key role; and
- measures to improve drinking water quality, better monitoring standards and improved

catchment policies — the importance of these reforms was highlighted by the crises over drinking water quality in New South Wales and South Australia last year. New South Wales announced a package of reforms last year, consistent with the NCP framework, to address these issues.

Reforms are also shown to be sensitive to environmental issues. The public interest test that is applied before deciding to implement many key reforms includes consideration of environmental and other impacts of reform.

Key reforms in water include a package of measures to halt the degradation of Australia's rivers and water supplies. The reforms also recognise the environment as a user of water, with a right to a share of water allocations alongside consumers and industry. Under another key reform new rules for the construction of new dams require the prior appraisal of economic viability and ecological sustainability.

Other likely environmental benefits from NCP energy reforms include the promotion of 'green energy' trade, an expansion in natural gas consumption relative to coal and petroleum products, and by discouraging unnecessary investment in infrastructure such as power stations.

The report also focused on the impact of reform on rural Australia. Although it conceded that some reforms may impose costs on certain rural areas, it argued that they can bring significant benefits, for example by lowering the prices of many goods and services to rural communities. In addition, the public interest test acts as a safeguard to ensure that the impact on various interest groups is taken into account when weighing the costs and benefits of reform.

The report is available from the NCC website at <http://www.ncc.gov.au> and from Government Info Shops for \$14.95.