
Regulatory issues

Telecommunications

Charges in Australia

The Commission has issued its report on *Telecommunications charges in Australia* as required under s. 151 CM of the Trade Practices Act.

The report covers three distinct issues in price monitoring for telecommunications services in Australia. Firstly, it examines the standard prices charged by Telstra between 1992 and 1998 for the majority of its price capped services. Second, it compares the prices of Telstra services with those of similar services of carriers in comparable countries. Third, it recommends an appropriate framework for future price monitoring.

The report's general conclusion is that Australian consumers have benefited from price reductions across almost the full range of Telstra's price capped services since 1992, with the largest falls occurring in the price of long distance and international calls. The overall weighted average STD call price has fallen by 26 per cent whilst the corresponding fall in international calls has been 27 per cent.

However, prices for mobile services and local calls have not reduced to the same extent as for other services. For local calls no nominal change in prices has occurred since 1992. For mobiles, no change in nominal terms has occurred for activation charges and, in relation to the flexiplans analysed, overall only minimal changes have occurred in call and access charges. The price of handsets was not included. The Commission is currently reviewing the state of competition in both the mobile and local call markets, and the findings will be used in this review.

The report also compares the prices for Telstra services with prices in other countries. Telstra was found to rank in the middle of the carriers

in the sample countries for all fixed telephone service charges except international calls. The prices of Telstra's international calls from Australia appear to be consistently more expensive than identical calls initiated in other countries. Telstra's charges also appear to have a middle ranking for cellular mobile access services. However, it appears that cellular national long distance calls made in peak periods are generally more expensive than in other countries.

Copies of the report are available from the Commission's Canberra and Melbourne offices and its Internet website.

Competitive safeguards 1997-98

Under Division 11 of Part XIB of the Trade Practices Act the Commission is required to review competitive safeguards in the Australian telecommunications industry and to report on these at the end of each financial year. The Commission reported to the Minister for Communications, Information Economy and the Arts, the Hon. Senator Richard Alston, in January 1999.

The report details the issues dealt with by the Commission under Parts XIB and XIC of the Act during 1997-98. Part XIB deals with anti-competitive conduct in the telecommunications industry and Part XIC is concerned with access provisions.

The Commission investigated a number of complaints about anti-competitive conduct during the year and in some cases issued competition notices. The report provides details of the complaints and the outcomes of the investigations. It also discusses the Commission's role in determining whether certain telecommunications services should be declared.

The report is available free from Commission offices.