

# Repeal of Telstra Retail Price Controls

## Consultation Summary

### **Review of Retail Price Controls 2011**

In 2011 a review of retail price controls (RPC) for fixed-line telecommunications services was conducted by the then Department of Broadband, Communications and the Digital Economy (DBCDE). A report on this review was published on 28 June 2012. As part of this review, DBCDE also released a discussion paper in October 2011 to provide background on the current price control arrangements, explore a range of issues for the review to consider and invite submissions from interested parties on these matters.

### **Consultation on Telecommunications Deregulation Bill**

In November 2013, the Department of Communications (the Department) consulted with stakeholders on a number of initial measures, including RPC, for a proposed Telecommunications Deregulation Bill, which sought to reduce telecommunications regulation while maintaining or strengthening important consumer safeguards.

### **Telecommunications Deregulatory Measures Discussion Board**

On 15 April 2014, the Department released a consultation paper outlining proposed deregulatory measures, including RPC. Stakeholders were invited to comment on an online discussion forum on the Department's website. The RPC discussion page, which canvassed their repeal, was viewed 735 times and six submissions were posted. Submissions were received from Optus, Telstra, the Communications Alliance, the Australian Mobile Telecommunications Association, the Australian Communications Consumer Action Network and the National Farmers' Federation. All submissions supported repeal.

### **Telecommunications Deregulation Stakeholder Forum**

On 12 May 2014, the Department held a stakeholder forum that sought stakeholder perspectives on a range of proposed deregulatory measures. The forum supported the repeal of RPC.

### **Consultation on Economic Analysis Report**

The Department held a number of consultations rounds as part of the review undertaken by the Centre for International Economics (CIE). This included a number of iterations of the review report with Telstra and the Australian Competition and Consumer Commission, which both support the repeal of RPCs.

Additionally, the Department consulted on the report with the National Farmers' Federation (NFF) and the New South Wales Farmers' Association (NSW FA). The NFF supports the repealing of RPCs provided that the legislative power in the *Telecommunications (Consumer Protection and Service Standards) Act 1999* remains in place to reintroduce RPCs if required (as is the case).

The NSW FA did not support repeal due to concerns about lack of competition in regional areas resulting in price increases in regional markets. The analysis undertaken by the CIE does not support this view as it demonstrates that retail service providers not currently subject to RPC price on a uniform national basis, even where they are permitted to have differential pricing (such as the mobile telephone market).