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The Full Circle Group (www.fullcirclegroup.com.au) has released a series of thought provoking articles about the future of telecommunications in Australia.

NBN – Deregulation Begins Now

In the early 1990s, we were optimistic and believed that deregulation would foster an era of real competition in the telecommunications industry. For the most part that optimism has long been replaced by cynicism and pessimism.

The reality is that for the vast majority of Australian Businesses there is, and has only ever been one game in town.

True competition and innovation in Australian telecommunications required a levelling of the playing field. With Telstra holding all of the aces, vigorously defending access to its copper network, competition has been, at best, superficial.

From 2004 onwards Australia should have been taking lessons from the UK in how to effectively split the “monopoly” player and use the regulator to underpin competition policy. However, Telstra clearly understood its options and an aggressive Telstra, led by Sol Trujillo, took on the Australian Government.

Telstra sought to protect the declining revenues of its fixed line network in what appeared to be an ugly, public and futile battle. In actual fact, this stance resulted in Telstra being victorious, successfully protecting its dominant position. Telstra staved off attacks on its core revenues exceedingly well and continued to squeeze competitors, its own assets, the regulators and the Federal Government.

The public interest position at the time, at least on paper, mimicked that of the UK; foster greater competition through structural separation. And, Senator Coonan, if re-elected, would have continued to work towards this eventuality. However, Telstra’s gamble paid off. The Howard Government was not returned and the Trujillo years of “shareholder returns” solidified Telstra’s place as the dominant market force and resulted in Australian telecommunications industry aimlessly ambling towards its place as a broadband backwater.

And so it begins. With the NBN change is imminent and an opportunity for real deregulation, for real competition, for real choice and for the competitive forces to drive technological advancement in Australia’s telecommunication industry.

The opportunities that the NBN will provide, on both sides of the telecommunications divide, are already vast. Most opportunities are currently unimaginable. The pricing benefits to Australia and Australians are going to be incredible, as is the ability to be creative and flexible at all levels of the value chain.

With a ubiquitous network, carriers will be free to differentiate themselves by levels of customer satisfaction and by the value that they add to their customers. Telco’s will

have the ability to focus on business solutions rather than the management and maintenance of a network. “This is a seismic shift and the limitless possibilities are genuinely exciting.”

The Australian Government, the NBN and the Telecommunications carriers have an opportunity to make real change for the benefit of Australia. They have a responsibility to safeguard this opportunity and make sure that lessons are learnt from past mistakes, and model the best parts of the NBN on the success of others.

We cannot afford one monopolistic player to replace another and we should not gloss over existing shortcomings. The world is moving rapidly, and we have the chance to lead from a position of strength. If we seek only to create a faster version of the current landscape, a golden opportunity for a generation of wealth creation will be lost.

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About the author and The Full Circle Group:

Tony Simmons has worked as an IT & Telecommunications lawyer for Minter Ellison, British Telecom (London) and Telstra.

At British Telecom, Tony helped oversee BT’s rollout of “Broadband Britain”. This included infrastructure roll out across Europe, software development and commercialisation and M&A activity.

After being recruited to Telstra Legal from the UK, Tony then founded The Full Circle Group. Five years later he continues as Managing Director.

The Full Circle Group creates software used by Australia's biggest and most dynamic organisations from both sides of the Telco divide (carriers and businesses). FCG has also built consumer solutions www.billbreaker.com.au.

Tony Simmons is an expert in the area of Telecommunications billing and broadband rollout issues and is well qualified to write on these topics.

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