

2.4.1 The New Regulatory Environment

The new telecommunications regulatory environment described above creates some new opportunities for participation in the Australian telecommunications market. These include:

- * the possibility of becoming the second cellular telephone carrier, if AUSTEL recommends licensing of an additional operator and the Government decides that there should be such competition;
- * increased scope to supply CPE, particularly PABX, SBS and cellular mobile telephones. Prior to July 1993, entry would require suitable plans to be formulated to satisfy the IDAs described in 2.3. Otherwise entry could be through an existing supplier already satisfying the points requirements.

Note, however, that the CPE market is expected to be fragmented, with nearly all the major international suppliers vying for market share;

- * the provision of customer premises cabling and CPE maintenance services.

In many other respects the market described in Section 1.4 will remain the same. The three national carriers will retain their exclusive status as suppliers of reserved network services, and hence will continue to constitute the primary market for network switching and transmission equipment. The types of VAS which can be offered are not expected to change dramatically, unless (or until) AUSTEL produces a significant redefinition of VAS vis-a-vis reserved services. However the market may feel the impact of Telecom, OTC and AUSSAT now being able to compete freely in the provision of VAS, whether domestic or international.

2.4.2 The "New" Telecom

As the Australian Telecommunications Corporation, Telecom will have greater independence from government controls, and in many respects will be able to act like a private corporation.

In anticipation of its new powers, and in preparation for an increasingly competitive environment, Telecom has been entering into special business arrangements, including joint ventures, with a number of its suppliers. Until 1 July 1989, Telecom has required Ministerial approval to enter into such joint ventures, but after that date only approval by its own board will be required.