

## 2.2 (cont'd)

- \* technical regulation, including technical standards, permits for customer equipment, licensing of cabling service providers;
- \* investigations of complaints; and
- \* the constitution of AUSTEL.

In essence, the new Act reflects the intent of the May 1988 Statement. A copy of its Table of Provisions is attached as Appendix A.

## 2.3 The New Industry Development Arrangements (IDA's)

The new IDAs<sup>3</sup> are designed to provide a transition period for the CPE industry to adjust from the present regulatory environment to a more liberalised environment. They replace the policies and regulations which have hitherto been determined and administered by Telecom. These were designed to promote local industry and ensure a significant level of local content in CPE purchased by Telecom, and in competitively supplied PABX and CMTS terminals.

The IDAs are in the form of a points scheme which will apply from 1 July 1989 to 30 June 1993, and will be administered by AUSTEL. They only apply to first telephones, PABX, SBS and cellular mobile telephones. All other CPE will be free of such regulation.

Provided that their equipment is technically compliant, suppliers can qualify for authorisation for their CPE products to be connected to the public telecommunications network, if they earn sufficient points, which are allocated on the basis of:

- \* R&D expenditure in Australia;
- \* level of CPE exports from Australia.
- \* the level of local manufacturing content.

For Research and Development, points will accrue at the rate of 20 points per 1% of the supplier's turnover devoted to R&D on CPE of the designated types (first telephones, PABX, SBS and cellular telephones), to a maximum of 100 points. For export, 5 points will be allocated for each 1% of turnover derived from export of the designated CPE, again to a maximum of 100 points.