



Asia-Pacific  
Economic Cooperation

# ***APECTEL REGULATORY TRAINING PROGRAM***

*Program Resource*

**MODULE THREE**

**COMPLIANCE PROMOTION & MONITORING**

**APEC Telecommunications & Information Working Group**

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## MODULE SPECIFICATIONS

### MODULE CODE AND TITLE

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03 Telecommunications Compliance Promotion & Monitoring

### Module Description

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This module will provide the participant with the knowledge and skills necessary to contribute to the operations of an effective telecommunications regulator compliance promotion and monitoring framework.

### Module Objectives

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For the participants to be able to:

Objective 1 – Recall and explain the principles of compliance promotion and monitoring

Objective 2 – Describe how compliance promotion and monitoring can work effectively in a national telecommunications regulation program

Objective 3 – Recommend methods to resolve non compliance issues

### PRE-REQUISITES

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Introduction Module 01

### SUGGESTED REFERENCES

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The Sixth APEC Ministerial Meeting on the Telecommunications and Information Industry (TELMIN 6) 1-3 June 2005 Lima, Peru, LIMA DECLARATION, Annex C.

APEC TEL Compliance and Enforcement Principles; *APEC Telecommunications and Information Working Group*, 30th Meeting 19-24 September 2004 Singapore

Effective Compliance and Enforcement Guidelines and Practices; *APEC Telecommunications and Information Working Group*, 31st Meeting 3-8 April 2005 Bangkok, Thailand

APEC TEL Best Practices for Implementing the WTO Telecoms Reference Paper, *APEC Telecommunications and Information Working Group*, 31st Meeting 3-8 April 2005 Bangkok, Thailand

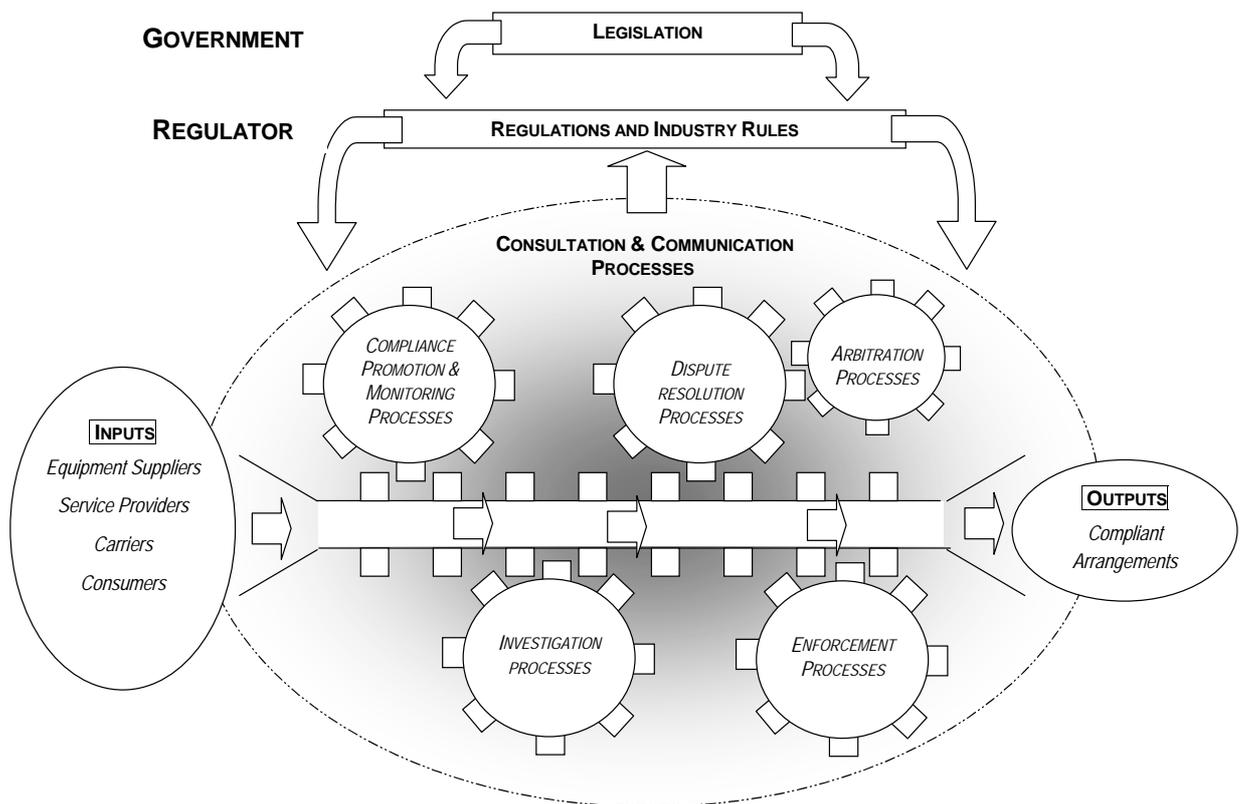
Telecommunications Industry Monitoring and Reporting Discussion Paper, *Australian Communication Authority*, December 2003; available at [http://internet.aca.gov.au/acainterwr/aca\\_home/issues\\_for\\_comment/discussion/archive/industrymonitoring.pdf](http://internet.aca.gov.au/acainterwr/aca_home/issues_for_comment/discussion/archive/industrymonitoring.pdf)

## Using this Guide

The presenters, facilitator or workshop coordinator will present and discuss the content in this module. They will also advise you on the learning activities to undertake.

You will have this guide as a reference over the duration of the workshop and when you have completed the workshop.

There are some built in guidelines to help you use this resource after the completion of the workshop.



## MODULE OVERVIEW

### Components of an Effective Compliance Arrangement

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In brief, a compliance promotion and monitoring regime would include the following:

- a) A mechanism that allows industry stakeholders (the regulator, industry and consumers) to work together to determine what constitutes a rule, including a quick response framework;
- b) A clear statement about the purpose, benefit and anticipated outcome of each rule;
- c) A framework to encourage industry to sign up and comply with the rules;
- d) Clear and transparent rules including making public information on companies that have agreed to comply together with information on consequences on non-compliance;
- e) A rule on complaint handling processes; and
- f) A system of compliance management by the independent regulator to monitor code compliance and use its powers where breaches are identified.

A compliance regime for voluntary rules is not a substitute for enforcement, but rather complements a robust enforcement system. Where a company has failed to comply with voluntary rules, procedures protecting the interests of consumers and promoting competition should be in place.

### Module Topics

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This module is made up of five topics, namely:

#### TOPIC 1 - CASE STUDY: THE SCENARIO

This topic looks at a typical telecommunications industry serving a modern economy which is moving from wholly government owned monopoly to a free market competitive system. It reviews some of the issues that emerge and may be addressed through compliance monitoring.

**TOPIC 2 - PRINCIPLES**

This topic looks at a set of principles drawn from an established compliance promotion and monitoring program which may be used as a foundation for newly initiated compliance monitoring programs.

**TOPIC 3 - PROCESS MODEL**

This topic looks at the implementation aspects of initiating an effective compliance promotion and associated monitoring program.

**TOPIC 4 - CASE STUDY: OUTCOMES**

This topic reviews the results of the original case study of compliance monitoring.

**TOPIC 5 - APPLICATION**

This topic looks at customising the principles and applications of compliance monitoring to help develop a specific newly initiated compliance monitoring program.

This module may require 4 to 6 hours to complete.

## TOPIC 1 – CASE STUDY: THE SCENARIO

*The example used in this case study is set in Australia which is nearing the end of devolution of monopoly telecommunications services to a fully privatised environment.*

### Introduction to the ACCC and Telstra

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*The report from which this case study is taken can be obtained from the reference website listed in the introduction to this module.*

In 2002–03 the Australian telecommunications sector generated more than \$30 billion in revenue. The level of competition in the sector influences the price and quality of telecommunications services and investment in new services. As almost all Australian households and businesses buy telecommunications services, both household welfare and business performance are affected either directly or indirectly by the level of competition in the sector.

Since open competition was permitted in the Australian telecommunications market in mid-1997, many new infrastructure and service competitors have entered the sector along with new technologies and means of service delivery. This has contributed to more choice and reduced prices for telecommunications services.

However, some of the new carriers operate in niche markets and have relatively few directly connected customers. This means that the telecommunications regulatory regime has had only limited success to date in creating robust and sustainable competition across a range of markets. Contrary to expectations when the regime was implemented, this has meant that more rather than less regulation has been required over time to enhance effective competition.

Competition has developed unevenly across different areas of Australia and different services. For example, widespread facilities competition in local loop infrastructure outside of central business districts (CBDs) and some metropolitan areas remains elusive. In several services, effective competition is limited principally to access or services-based competition where service providers compete at the retail level only. These include fixed network voice services and broadband internet services. The Australian Competition and Consumer Commission (ACCC) considers that such competition, while undoubtedly beneficial, is not as effective in the long term, as facilities-based competition (where economically viable) in driving efficiency, wider choice of services and price competition.

In this environment it is Telstra, the original monopoly service provider, which still provides the majority of fixed Customer Access Network (CAN) services. This makes Telstra the subject of specific and exclusive regulatory requirements for monitoring and reporting of practices related to the supply of basic services – pricing or tariffs for carrier services in particular.

While the Australian Communication Authority (ACA) regulates the technical and service aspects of the telecommunications industry in Australia, the ACCC also has telecommunications specific information-gathering powers related to competition in the industry. These powers, including tariff filing provisions and the power to make record keeping rules, allow it to monitor the conduct of carriers when there are concerns about anti-competitive conduct, or when determining appropriate access prices for declared services. The minister can also require that the ACCC monitor and report on various aspects of competition within the industry.

In summary, the ACCC plays a key role in monitoring the competitive behaviour of the former monopoly service provider Telstra as a means of encouraging a fair and truly competitive environment.

#### **DISCUSSION POINT**

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*How does this scenario compare with the circumstances that you may be aware of in an economy? How is competition monitored and regulated in such an economy?*

We will return to this case study when we have looked at the principles and methods of compliance monitoring to see how the ACCC monitors Telstra's performance.

## TOPIC 2 – PRINCIPLES

These principles create a foundation for effective compliance monitoring.

### Compliance Framework

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In this topic there are ten principles that apply in compliance monitoring. Before examining these there are some elements that are important to an overall understanding of compliance promotion and monitoring. These elements are stated in brief below.

Discuss these in a small group. You may want to add to them in your own words.

- Compliance Monitoring - when carried out by a regulator - is a process of collecting information to satisfy regulation and compliance obligations. This activity enables the regulator to be fully informed.

- Compliance Monitoring may also be used to set and analyse performance against performance indicators which are themselves, part of the compliance process.

- Compliance Monitoring – as a regulatory tool – promotes a climate of self-regulation.

- Compliance Monitoring should not impose undue cost burdens on industry members – suppliers of services – or on the industry as a whole.

- Compliance Monitoring promotes the long-term interests of both the supply industry and end users or customers.

These are important elements when considering the Principles for Compliance Monitoring.

## Ten Principles for Compliance Monitoring

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### 1) THE PURPOSE PRINCIPLE

The purpose of compliance monitoring is to facilitate fair and efficient markets as well as informed consumer choices. In that context, there should be specific reasons for undertaking a monitoring activity that relate to:

- assessing regulatory compliance;
- assessing the effectiveness of a specific requirement;
- informing Government on policy development;
- public interest or accountability requirements; or
- providing information to consumers to enable effective consumer choice.

### DISCUSSION POINT

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*Which of these purposes apply in a telecommunications environment you are familiar with?*

### 2) THE USE PRINCIPLE

Information that is recorded and collected for monitoring purposes will be used for analysis of industry activities. However, not all information that is collected and recorded for analysis needs to be publicly reported, acknowledging commercial sensitivities and the limits of general interest in detailed data. Judgements about what monitoring information is reported will be based on assessments of information needed to improve market operations and inform consumer service choices.

**DISCUSSION POINT**

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*What monitoring information would not be reported in the telecommunications environment you are familiar with?*

**3) THE REPORTING PRINCIPLE**

Whilst the regulator may monitor activities at a detailed level to assess regulatory compliance and consumer detriment, the optimum level for public reporting of information will be guided by regulatory and accountability requirements and provision of useful information to consumers (as described in principle 2 above). Further, comparative reporting will only be provided where there is comparability in service and type and consumer markets served by service providers. Reporting should be targeted to specific audience requirements.

**DISCUSSION POINT**

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*Identify two or three primary audiences when reporting monitoring information.*

**4) THE FREQUENCY PRINCIPLE**

Annual monitoring is preferred, unless the matter is highly sensitive or poor performance justifies a need for more regular monitoring, such as quarterly monitoring. In the case of new monitoring matters, quarterly data collection for 12 months, with a review of performance may be useful in establishing a performance benchmark before moving to annual monitoring. The frequency of monitoring will also be guided by an assessment of risk.

**DISCUSSION POINT**

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*What are normal reporting cycles you are aware of (or what are they likely to be)? Can you suggest any changes to these?*

## 5) THE FIT-FOR-PURPOSE PRINCIPLE

Monitoring scope and scale should match the significance of the matter and should be targeted at relevant industry participants. For example, industry participation should be determined by whether a service provider is a significant provider of the service that is subject to monitoring, with significance related to the number of customers in a specific geographic or consumer market. If the participant is a reseller, but monitoring requirements relate to the network performance of the wholesale provider and information can be efficiently sourced at the wholesale level, then the reseller should not be asked for separate service data. In general, new entrants should be in the market for a full financial year before participating in regulator monitoring and reporting arrangements.

### DISCUSSION POINT

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*Think of a service provider or operation in an telecommunications environment and outline what monitoring information they would be expected to supply and what they would not be expected to supply in relation to their services. (Similar to the example given.)*

## 6) THE COMPETITIVE NEUTRALITY PRINCIPLE

The regulator will ensure that monitoring arrangements are applied in a competitively neutral manner to all significant industry participants where practical, recognising that there are distinct roles played by different service providers in contributing to service delivery and service quality outcomes in a multi-layered services market.

### DISCUSSION POINT

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*In an telecommunications environment when or how might it be possible to monitor in a way that fails to meet this principle and is not competitively neutral? What could the consequences be?*

## 7) THE RISK PRINCIPLE

Monitoring priorities will be based on an assessment of significance or risk, including the risks associated with not monitoring or reporting on an industry activity. These are determined by the likelihood of an unwanted outcome combined with the potential impact of an issue which is assessed on the basis of complaint levels, public concern or suggestions of systemic problems.

### DISCUSSION POINT

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*List some of the low risk areas that don't require monitoring and high risk areas that do in a telecommunications environment you are familiar with. Does the monitoring program reflect these lists?*

## 8) THE COST EFFECTIVENESS PRINCIPLE

Monitoring demands on industry or the regulator should not impose costs that are out of proportion with the benefits derived by consumers, industry participants, Government and the public in general. The regulator will avoid regulatory duplication of monitoring information whenever practical. That means the regulator will make use of existing industry information systems that provide service and performance information used to satisfy other regulatory monitoring and reporting whenever possible.

### DISCUSSION POINT

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*Some methods for reducing cost of monitoring will be discussed later. What methods are used at present that you are aware of? Who benefits?*

## 9) THE STANDARDISATION PRINCIPLE

For monitoring purposes and where practicable, the regulator will seek to standardise the presentation of reported information from reporting sources.

**DISCUSSION POINT**

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*Standardisation is the use of standard measures and formats. How standardisation be applied in current reporting systems that you may know about?*

**10) THE SCOPE AND SCALE PRINCIPLE**

In many areas of industry performance, the scope of monitoring and reporting is determined by legislative requirements, such as annual reporting requirements or by carrier licence conditions. For example, a regulator may be involved in monitoring the following activities where a monitoring requirement is outlined in specific regulatory instruments:

- Competition practices
- Assistance to law enforcement agencies
- Effectiveness of industry rules
- Equipment Standards and Conformity Assessment
- Consumer satisfaction
- Network reliability performance
- National interest matters
- Number portability
- Priority services
- Universal Service

The regulator usually has discretion in relation to setting the scale and scope of individual monitoring matters.

**DISCUSSION POINT**

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*Compare the list above with current or planned monitoring activities you may be aware of. Which are done?*

*Can you think of an example of the scale and scope of one or two of those that are done?*

*This will provide valuable ideas for the next section when methods are discussed.*

## TOPIC 3 – PROCESS MODEL

### Prioritising

The matrix approach to prioritising monitoring activities seeks to promote:

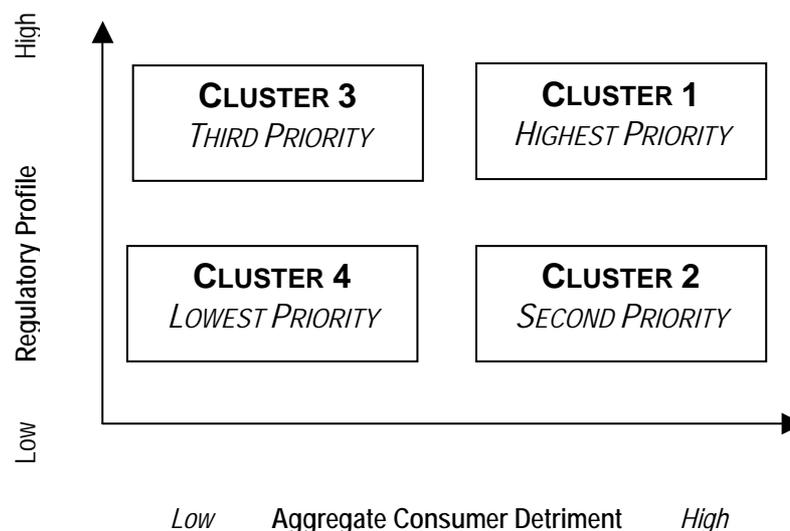
- the long-term interests of end-users; and
- the efficiency and international competitiveness of the domestic telecommunications industry.

More intense monitoring scrutiny is directed to activities with a high regulatory profile and high level of consumer detriment which is characterised by large numbers of consumers adversely affected by an activity or systemic problem. This approach provides a way of balancing the long-term interests of end-users against the resource costs for industry participating in monitoring.

The relationship of these clusters to the broader parameters of:

- Regulatory Profile – the level of importance of a matter in the overall regulation arrangement, and
- Aggregate Consumer Detriment – how many consumers are effected and how much they are effected,

can be seen in Fig. 1..



**Figure 1 Priority Setting Based on Cluster Method**

The matrix approach identifies four ‘clusters’ into which matters for monitoring are grouped. These groups are then given priority in order from 1 – highest priority - to 4 – lowest priority. The characteristics of these four clusters are:

**CLUSTER 1 – NETWORK PERFORMANCE AND MINIMUM SAFEGUARDS**

- Matters of high regulatory profile
- Matters of high consumer detriment determined by large numbers of consumers adversely affected by an activity.
- Monitoring is focused on an assessment of service or network performance and compliance with legislated safeguards.
- Activities are subject to detailed data specification including quantitative and qualitative measures.
- The major focus to date has been on fixed voice services.

**CLUSTER 2 – CUSTOMER SERVICE EXPERIENCE**

- Analysis of customer service experience.
- Analysis of service trends on alternative access technologies.

**CLUSTER 3 – PUBLIC INTEREST**

- Monitoring of public and community interest matters to ensure compliance with regulatory obligations.

**CLUSTER 4 – SERVICE AVAILABILITY**

- Industry and service scope, including regional service availability.



## Monitoring Methods

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### DATA COLLECTION

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Data collection is a diverse activity encompassing a number of methods – see table below for suggested methods. Underpinning these methods the regulator should apply some simple principles to facilitate the acquiring of data. These principles include:

- verifiable data – reliable and auditable sources
- industry-sourced data – reduces costs and ensures that the information supplier is accountable for data accuracy
- sourcing network performance information from network operators - rather than resellers of the service
- avoiding duplication of data sourcing

Data collection methods and strategies can be aligned to the four clusters used in setting priorities. Options identified in each cluster may be used in various combinations to align with the principles outlined above.

#### Data Collection Methods – aligned to Priority matrix

<b>CLUSTER 1</b>	<ul style="list-style-type: none"> <li>• Quarterly monitoring and reporting including complaints data; provide information and analysis</li> <li>• Detailed data requests</li> <li>• Customer surveys</li> </ul>
<b>CLUSTER 2</b>	<ul style="list-style-type: none"> <li>• Annual reporting; service quality and availability</li> <li>• Detailed data requests</li> <li>• Customer surveys</li> <li>• Background briefings</li> </ul>
<b>CLUSTER 3</b>	<ul style="list-style-type: none"> <li>• Annual reporting; provide information and comment</li> <li>• Consumer surveys</li> <li>• Self reporting</li> </ul>
<b>CLUSTER 4</b>	<ul style="list-style-type: none"> <li>• Annual reporting or monitoring; provide information, not comment</li> <li>• Secondary data sources</li> <li>• Descriptive reporting</li> </ul>

Activities identified in Cluster 1 may be subject to more rigorous qualitative and quantitative data collection methods. By comparison,

activities that have a less sensitive regulatory profile or which pose a lesser risk of consumer detriment may be monitored through secondary source information

### **DISCUSSION POINT**

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*The data collection methods outlined in the table are quite general.*

*Select one or two examples and note a specific data collection method that is or could be used in a telecommunications environment you know.*

### **RKRS AND PERFORMANCE INDICATORS**

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There are a number of regulatory mechanisms available to request or require industry bodies to record, collect and retain information on service availability and service performance. Implementation of the most effective mechanism needs to have regard to regulatory policy and reporting parameters.

One option is the development of an Industry Rule to inform sections of the industry about information recording and collection requirements. Whilst Industry Rules are consistent with good regulation, key disadvantages include the lengthy development time involved in code development and the practicalities of determining a representative body capable of addressing the breadth of services and industry participants envisaged under service availability and performance reporting. In addition, compliance with a Rule may be voluntary so that consistency and comparability of information across industry participants may be difficult to achieve and enforce.

Another option is to make general record keeping rules (RKRs) for one or more specified carriers and carriage service providers to retain and keep records. The advantage of RKRs is that the mechanism provides flexibility to tailor different information rules to different industry participants. Further, use of RKRs provides certainty to industry about information requirements needed to support planned reviews of

telecommunications service adequacy, as well as providing a transparent mechanism to ensure that information is available to support the regulator’s monitoring and public reporting obligations. The use of RKR needs to be complemented by use of alternatives to industry-sourced information, such as the use of surveys.

Use of RKR to clarify data collection requirements does not preclude the use of Rules or other industry self-regulatory models as a mechanism for specifying the type of information to be collected and recorded, nor prevent industry self-reporting on performance or service availability information kept under an RKR requirement.

RKR has the capacity to function as performance indicators for industry members. The RKR identifies the required performance and the methods of reporting actual performance.

### **SAMPLE RKR**

The case study includes a sample RKR for Customer Service Quality – review this in association with the table below.

Typically an RKR includes the following headings:

<b>Heading</b>	<b>Description/explanation</b>
Specific Performance Indicator	Title of the performance indicator
Description of indicator	Text to explain the indicator
Entities required to record information and report	Description or titles of industry bodies required to meet the performance indicator
Frequency of information recording and reporting:	Usually annual or quarterly. Could be monthly for important matters
Measurement methods:	Details of statistical records or other descriptive data to be gathered.
Geographic collection requirements:	Where the telecommunications environment is regionalised areas for collection can be identified.

Reporting formats for industry information provision	Who, what, when and how of reporting requirements by supplier of data
Public reporting format	Who, what, when and how of reporting requirements by the regulator

**DISCUSSION POINT**

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*How effective are or could RKR be in a telecommunications environment you are familiar with?*

*What barriers might they present?*

## TOPIC 4 – CASE STUDY: OUTCOMES

*We return to the case study introduced at the start of the module. We will look at more information about the monitoring methods the ACCC uses to monitor Telstra’s performance and compare these with some of the principles and practices outlines in this module.*

### Application of Monitoring Principles and Processes

---

When we introduced the Australian case study we said:

..... the ACCC plays a key role in monitoring the competitive behaviour of the former monopoly service provider Telstra in the industry as a means of encouraging a truly competitive environment

What are some of the monitoring methods the ACCC uses?

Under legislation, if the ACCC is satisfied that a carrier or Carriage Services Provider (CSP) has a substantial degree of market power in a telecommunications market, it may direct them to provide information on charges for specified carriage services and/or ancillary goods and services. This is referred to as ‘Tariff Filing’.

#### **TARIFF FILING BY TELSTRA UNDER DIVISION 5 OF PART XIB OF THE TELECOMMUNICATIONS ACT**

Legislation requires Telstra to give the ACCC a written statement setting out any proposed pricing changes for basic carriage services (BCSs) seven days before the change occurs. These are services that allow for communication between two or more distinct places, supplied by fixed line or satellite-based facilities, but not including supply of customer equipment.

In June 1998 the ACCC and Telstra agreed that relevant information would be provided for certain BCSs, those identified by the ACCC as assisting it in detecting potential anti-competitive behaviour. The agreement consists of the following four elements:

- Telstra is to provide its standard form of agreement (consumer contract) on a weekly basis, along with a list of all amendments that have taken place during that week
- Telstra is to provide a monthly summary report of any non-standard form of agreements that it entered into for that calendar month
- Telstra is to brief the ACCC if it has introduced, varied or withdrawn an offering for a BCS and considers that change to be significant

The ACCC may also request a briefing to obtain information about any amendments to Telstra’s standard form of agreement or about a non-standard form of agreement.

*How else does the ACCC monitor competition?*

### **RECORD KEEPING RULES (RKR)**

Under legislation, the ACCC has the power to make an RKR by written instrument and require that carriers and service providers comply with it. The rules may specify what records are kept, how reports are prepared and when these reports are to be provided. The ACCC cannot require the keeping of records unless they contain information relevant to its responsibilities.

The ACCC issued RKRs under its powers under the *Trade Practices Act 1974*, requiring Telstra to provide the ACCC with reports on:

- current costs in addition to historical costs under the telecommunications industry accounting framework
- analysis comparing Telstra’s retail prices and the costs faced by access seekers in purchasing core telecommunications services
- key performance indicators that compare Telstra’s customer service performance between specified retail and wholesale supplied services

It is a requirement of the direction that the reports be made available to the public.

*Are there other RKRs in operation?*

There are three more RKRs that the ACCC uses to monitor competition.

### **REGULATORY ACCOUNTING FRAMEWORK**

In 2001 the ACCC introduced the Telecommunications Industry regulatory accounting framework (RAF), a vertical and horizontal accounting separation model that required revenue and cost information for wholesale and retail services to be reported to the ACCC. The RAF also required that service usage information, such as the number of local calls and the number of national long distance minutes, be reported.

## **UNBUNDLED LOCAL LOOP SERVICES RECORD KEEPING RULES**

In December 2001 the ACCC issued two non-financial RKR to Telstra regarding the unbundled local loop services. The first requires Telstra to give detailed information on how it provides its competitors with access to its copper network and the second requires information about deployment and fault handling of ADSL services.

## **BUNDLING RECORD KEEPING RULE**

Bundling refers to the combined supply of two or more telecommunications services. In March 2003 the ACCC issued a RKR to Telstra seeking information to assess the effects of bundling on competition in telecommunications markets and requires Telstra to provide detailed information about its Rewards and Home-Line residential packages.

The RKR requires Telstra to provide quarterly reports in relation to its 'bundled' service products, including information on matters such as the discounts given on a bundle of services, the number of customers receiving bundled services and whether customers currently receiving a bundle of services previously received individual services from Telstra or another provider.

## **PUBLICATION**

The ACCC collects a range of financial and service usage data from the major telecommunication carriers operating in the Australian market.

The ACCC made a decision to publish extracts of this data in a market indicator report to be released bi-annually. The information to be published includes revenues, usage and market share information in relation to a range of retail and wholesale telecommunications services.

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*The information provided above gives an indication of some of the competition monitoring processes used by the ACCC. There are many others they use – too many to discuss here. The purpose of this has been to give an overview of how one regulator operates. We will compare this with some of the principles and methods outlined earlier in the module.*

**DISCUSSION POINT**

---

**TASK 1**

*Looking at the way Telstra is singled out for monitoring activity where do you think the ACCC places Telstra's operations in the monitoring prioritising matrix? Why is Telstra placed there?*

*Is there a similar incumbent carrier in economies that you are familiar with?*

**TASK 2**

*Briefly list the methods the ACCC uses. Can you suggest any alternative methods that would suit the examples given?*

## TOPIC 5 – APPLICATION

This application activity is included to help address the practical aspects of implementing a successful compliance monitoring program in an economy.

You may work with others in a small group reviewing monitoring procedures and methods, sharing ideas with other people from other economies and, finally, considering how the results can be put into practice.

### Application Activity Option

---

#### TASK 1

In small groups, review the information on:

- Principles
- Priorities
- Methods

and select a set of each that suits an economy that you are familiar with. It may be possible to suggest alternative principles, priorities or methods.

*(Please use the tables provided to record your outcomes.)*

#### TASK 2

In small groups, compare the outcomes of Task 1 with actual practice in a specific economy. What is the same, what is different, what do you consider needs to be changed?

#### TASK 3

Report this back to whole group and note suggestions from other economies.

#### TASK 4

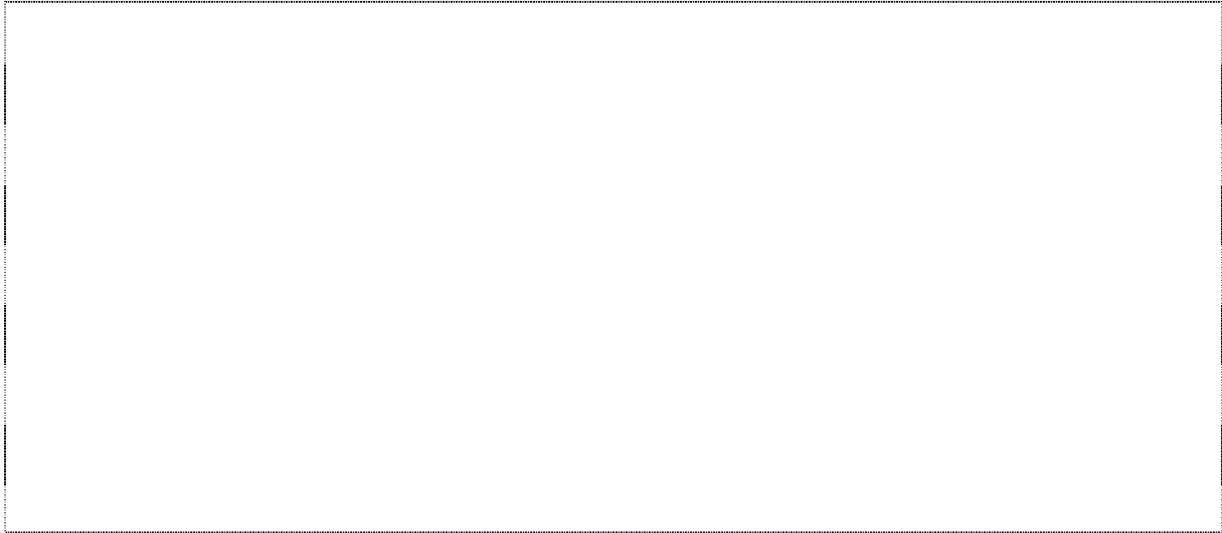
In small groups, consolidate your ideas on an economy specific monitoring program and discuss the capacity for incorporating these ideas into compliance monitoring operations in your specific economy. Create a list of action points that can be used by individuals or can be reported back to the economy's regulatory authority. In short, what actions will you or can you take?

**DISCUSSION POINT**

---

*To finish this activity block discuss the questions:*

*What are the major barriers to implementing effective compliance monitoring and what are some of the potential solutions?*



## Application Activity Record Table 1 – Principles

*Which principles apply in the environment you know?*

*Please note the reasons why these principles apply and why not.*

<b>PRINCIPLE</b>	<b>COMMENTS</b>
1) The PURPOSE principle	
2) The USE principle	
3) The REPORTING principle	
4) The FREQUENCY principle	
5) The FIT-FOR-PURPOSE principle	
6) The COMPETITIVE NEUTRALITY principle	
7) The RISK principle	
8) The COST EFFECTIVENESS principle	
9) The STANDARDISATION AND DISAGGREGATION principle	
10) The SCOPE and SCALE Principle	

## Application Activity Record Table 2 – Priorities

*Align compliance monitoring tasks to priorities in an environment that you are familiar with.*

<b>PRIORITISED TASKS</b>	<b>COMMENT</b>
Cluster 1  • . • . • • .	
Cluster 2  • . • . • • .	
Cluster 4  • . • . • • .	
Cluster 4  • . • . • • .	

**Application Activity Record Table 3 – Methods and Strategies**

*Suggest methods for prioritised tasks in the environment you are familiar with.*

<b>METHODS</b>	<b>TASKS</b>	<b>COMMENTS</b>
RKR or Detailed Data Requests		
Surveys		
Secondary Data Sources		
Briefings		
Annual Reporting		
Quarterly Reporting		
Other .....		
Other .....		
Other .....		



# Asia-Pacific Economic Cooperation

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