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HOUSE OF REPRESENTATIVES

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MEDIA RELEASE

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Telstra Inquiry not as rosy as political spin paints 'Scratch' still not clearly identified

Independent Member for New England, Tony Windsor believes that the Estens Telstra Inquiry is not as rosy as the political spin has painted it and further that it still has not clearly identified what 'scratch' is.

The report states, "In interpreting service performance against a range of criteria, the Inquiry's overall judgement on service adequacy is whether the identified key services are broadly accessible and 'fit for purpose'. In other words, whether they are provided in a timely way, are of good quality, are reliable, and are priced at a level that enables broad access and take up by regional, rural and remote consumers."

"This statement provides no objective measurement criteria to compare services in the country with that in the city.

The city-country comparison should be the yardstick used – not relevant international comparisons or the extent to which gaps between service levels in large regional centres, compared with metropolitan areas are being addressed.

Large regional centres comparisons do not help those in smaller regional centres get their message across that services are severely lacking, Mr Windsor said.

Mr Windsor points out that in particular, the report highlights the inadequacy of addressing new technology roll out to regional areas.

The Report states, "The Inquiry has noted particularly the growing priority, expressed in submissions, for equitable access in regional, rural and remote Australia to higher bandwidth services. This is a particularly important development, which has emerged since the TSI report (Besley Report) two years ago. Strong Government support for this objective would resolve much of the concern in regional Australia about slow Internet access."

"Broadband for data is a prime example of new technology not being covered adequately by current Consumer Service Guarantees (CSGs) or Universal Service Obligations (USOs).

This technology has come to prominence since the Besley Report and has therefore been missed. It also needs better infrastructure than is currently available to most large centres let alone to smaller centres and therefore further widens the gap between city and country instead of bridging it as falsely advertised on television and in other forms of promotion," Mr Windsor said.

The Report also recommends a minimum dial up Internet speed of 19.2 kilobits that Mr Windsor sees as being then adopted by Telstra as being the maximum that will therefore be delivered to country centres.

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“For the Inquiry to recommend a minimum speed of only 19.2 kilobits per second dial up Internet speed when many in the city receive 128 kilobits per second and most can access 56 kilobits per second will condemn the country to only ever getting 19.2 kilobits per second.

The Inquiry is therefore saying that the ‘adequate’ level of service for the country is 19.2 kilobits and any service provider will only ever deliver what it has to to meet its obligations so it doesn’t affect its licence in other more profitable areas.

How will the country compete with the city for high tech businesses to establish or expand in the country when it can only be guaranteed 19.2 kilobit speed compared to 128 kilobits and higher in the future,” Mr Windsor said.

Mr Windsor believes that for the Inquiry to recommend that the Government continue its satellite phone subsidy scheme beyond current arrangements is an admission of inadequacy of the roll out of the mobile phone service.

“Satellite phones whilst better than nothing are still problematic and even with subsidy are still expensive. The recommendation to continue the subsidy scheme shows the attitude of the Government that it would rather subsidise than invest in the future of inland Australia.

It certainly doesn’t address the needs of those without satellite phones and those having to visit the area on business or for other reasons,” Mr Windsor said.

Comments by the Inquiry believing that promoting competition is a key to ensuring improvements continue into the future has Mr Windsor confounded.

“Competition in the telecommunications sector is no different to competition in the provision of air services to country Australia. This has already been shown with the demise of so many regional airlines and the escalation of the cost of flying in to and out of regional centres, which are still serviced by air transport.

If it is uneconomic for the private sector to provide a service and get a solid rate of return to shareholders, then the service will be scrapped or priced out of the reach of everyone.

For the Inquiry to state that competition will fix the problem is naive and misleading aimed at metropolitan audiences where competition policy does work in driving prices down but not necessarily in improving service levels.

The gap between city and country therefore widens rather than narrowing as everyone hopes would happen with technology improvements,” Mr Windsor said.

As far as helping the Government in its relentless pursuit of selling off the rest of Telstra, Mr Windsor is not convinced that it will help.

“The Estens Inquiry has only served to convince me that Telstra must remain in majority Government ownership.

Without the ability of the Government to exercise its control over the direction of Telstra in providing the highest level of service to country people, country people will always have to accept a second rate service and be subject to the needs of shareholders as against being provided with a high quality essential service.

I will certainly be maintaining my strong anti sale stance and will do everything in my power to ensure that those who purport to represent country people get the message loud and clear that they will be in danger at the next election if they roll over and support this anti country proposal,” Mr Windsor said.