



PARLIAMENT OF AUSTRALIA  
HOUSE OF REPRESENTATIVES

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## MEDIA RELEASE

28 July 2004

### **New Communications Minister admits market solutions won't fix rural and regional telecommunication services**

#### **Windsor commits to keep Government in 'Hot Seat' on Telstra**

The Independent Member for New England, Tony Windsor has welcomed statements made by the new Minister for Communications Senator Helen Coonan acknowledging that markets struggle to provide services where scattered and remote populations exist.

"It is about time that one of the three Ministers that has graced the Communications portfolio in the last year has finally worked out exactly what the opposition from country Australia to the full privatisation of Telstra has been all about.

We know that a fully private owner will not service even the existing regional needs let alone future technology for low population centres.

Judging from a response Senator Coonan made to a question put to her by Chris Clark on the World at Noon programme on Monday, Senator Coonan may yet be a breath of fresh air to this portfolio," Mr Windsor said.

**WORLD AT NOON**  
**Monday, 26 July 2004**

**HELEN COONAN:** *Governments provide targeted funding to assist people, who live in rural and regional areas, to get access to services that are available in metropolitan areas, at something like competitive prices. So unless the government does provide a subsidy it is almost impossible for people, who live outside metropolitan areas, to be able to access broadband.*

**CHRIS CLARK:** *Is there no market solution to this problem?*

**HELEN COONAN:** *Well, obviously if there is a market solution—what we believe in, in this whole area, is greater competition that drives better outcomes and greater choice. But where you are dealing with scattered populations across vast areas, it's extremely difficult for the market to be competitive in rolling out these kinds of services, and the government has always acknowledged that. We have a role to provide targeted services to deliver these kinds of outcomes to rural and regional Australia.*

"The difference between government involvement through majority ownership and a fully privatised ownership may finally be dawning on the Howard government but I will spell it out once again for the benefit particularly of the National Party.

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Where the financial bottom line is the policy rather than equitable services for all Australians, low populations centres with large physical distances will always lose out.

Regional Australians have experienced this situation consistently across all services over the past twenty years and this has happened on the National Party's watch with both Labor and Liberals in government.

We know that the injection of funding into mobile towers and broad band incentive schemes and the repair of a dilapidated regional landline network will only continue if the Australian Government remains linked to the problem by ownership of the problem.

If the Government is allowed of the hook by selling Telstra we will soon hear the statement from the Australian Government that it is inappropriate to interfere in the market place and country Australians will be left to the tender mercies of corporates maximising profits in densely populated centres," Mr Windsor said.