



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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MEDIA RELEASE

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Nats delay of Telstra separation Bill could backfire on country people

Indication by the National Party that it will delay but eventually support the passage of the Telecommunications Bill that will structurally separate Telstra's wholesale and retail arms could backfire badly on country people according to the Independent Member for New England, Tony Windsor.

Mr Windsor is at a loss to understand the Nationals strategy when the Nationals' Page Institute presented a report that recommended Telstra's structural separation when the previous Coalition Government was pushing to fully privatise the telco.

Mr Windsor believes that if the National Party allows itself to be used again by the Liberals to delay the passage of the Bill that country people are at risk of missing out on accessing the technology that will help them compete in the 21st Century.

"The National Party have been conned once before by the Liberal Party on the full sale of Telstra after an absolute guarantee was given to Senator Joyce and then President of the NFF, Peter Corish that there would be equity of access to broadband and telephone services for country people enshrined in the legislation.

"No such thing happened or letters ever seen and then the Nationals had to justify their decision by setting up a \$2 Billion 'trust fund' that would have only delivered about \$100 Million per year to 'future proof' the country's telecommunication needs – a long way short of \$7 Billion that even its own 'think tank', the Page Institute suggested was needed as well as recommending structural separation of the wholesale and retail arms of Telstra.

"The National Party is now at risk of further disadvantaging country people, the very people they continue to say that they and only they represent.

"I told the Parliament last week that we are not going to get many opportunities at this very important piece of infrastructure.

"There have been a few attempts in the past, under the old arrangements, which have failed.

"The National Party in particular has been led by the nose right through this Telstra debate.

"If they are led by the nose again and delay this Bill for reasons of city based interests within the Liberal Party and corporate interests, we may well see a scenario where country Australia misses the opportunity to engage in a true national broadband arrangement.

"I would therefore encourage the National Party not to delay the passage of the Bill in the Senate and later support it.

"Support it NOW. Show some independent spine from the Liberal Party and let's get on with the job of delivering the highest quality telecommunication services to country Australians.

"If this runs into the second half of next year and gets embroiled in the election period again we run the risk of missing the opportunity to have these services rolled out," Mr Windsor said.

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The following is the Hansard of the speech of Tony Windsor MP Member for New England on the Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009

It is with pleasure that I rise to make a contribution to the debate on the [Telecommunications Legislation Amendment \(Competition and Consumer Safeguards\) Bill 2009](#). I start by congratulating the Minister for Broadband, Communications and the Digital Economy, Senator Conroy, for having the intestinal fortitude to in fact bring a piece of legislation such as this before the House. This is long overdue. In my view, it is correcting a problem that was created some time ago and then encouraged by subsequent governments, so we have had this rolling problem in the sense that the structural separation should have occurred at the start of the privatisation of Telstra process. That did not occur as I think the Howard government and, I would assume, initially the Rudd government may well have found it too difficult to address—and we have had the unscrambling the egg issue brought up time and time again. So I am very pleased that Senator Conroy and the government have taken the opportunity to actually put in place something that is required if we are going to have a real competitive process in telecommunications, particularly in country areas.

We have had a whole range of debates on telecommunications in the last few years. One of those debates took place around the sale of the third tranche of Telstra shares—the full privatisation. At the time, the Howard government was suggesting that one of the reasons for the privatisation was that it would be a way of delivering competition to country areas. Anybody—and I know you are a very eminent country representative, Deputy Speaker Sidebottom—who has lived and worked with country people in recent years would fully recognise that there has not been competition, particularly at the smaller end of the market. Even though I do congratulate Telstra Country Wide, Telstra has been operating a business to make money, not necessarily to deliver services to the small end of the market.

The movement to a national broadband network will, in fact, deliver the most important piece of infrastructure that we will see this century. We quite often talk about roads and railway lines, and they are very important, but high-speed broadband services, particularly for the education and health areas but also for the corporate and personal areas, are going to be the infrastructure which, in country areas particularly, will negate distance as being a disadvantage.

We have lived in a time, in the last century at least, where distance, smallness and remoteness have been disadvantages. We have seen a series of governments move towards concentrating people in more or less a feedlot mentality in our cities. The development of a national broadband network will break that nexus. Where you live will become less relevant to your capacity to do business or to be competitive, or to deliver health and education services to our young people, our families and our elderly. So I am very supportive of this legislation. It is long overdue. I did not think any minister would have the intestinal fortitude to do it.

I see the games being played at the moment in this place and outside this place. I see the arguments of the Telstra shareholders. I would remind people who, all of a sudden, are concerned for Telstra shareholders, particularly in the Liberal Party, that their Prime Minister at the time encouraged the mums and dads to buy Telstra shares at something like \$7. Now they are worth less than half that. So to be running the argument that this will lead to a deterioration in the price of Telstra shares, given what has occurred in the past, indicates that this is more about frustrating the government than about trying to put in place a better policy by way of amendment. I will be supporting the legislation. Those who are attempting to delay it may well do country Australia a real disservice.

We are not going to get many opportunities at this very important piece of infrastructure. There have been a few attempts in the past, under the old arrangements, which have failed. The National Party in particular have been led by the nose right through this Telstra debate. If they are led by the nose again and oppose this for reasons of city based interests within the Liberal Party and corporate interests, we may well see a scenario where country Australia misses the opportunity to engage in a true national broadband arrangement.

Recently Senator Conroy came to my electorate and spent some time in Tamworth. It may seem that it was a big day for me and for Senator Conroy, but I congratulate him again—I will only do it twice—because he is the first minister I have seen to come to a public forum where he stood for 2½ hours answering questions from left, right and indifferent on some of the technical issues and the policy issues. Some of the people in the crowd would not have been supporters of the Labor Party and were probably not supporters of Senator Conroy, but they were very impressed with his capacity to deal with people who were asking legitimate questions—there were not many political questions. I thought it was a very good performance by Senator Conroy and I know the people in my electorate did as well.

Out of that meeting I have subsequently formed a small working group made up of an ex Telstra Country Wide regional operative, a man of great knowledge of our region, Alun Davies. With Alun, a fellow called David Jones and the University of New England, the small group will look at what optic cable we have in our area now and what could be put in place or assist in the rollout of the National Broadband Network in the future. That group will be working quietly to put a range of information and evidence together. Part of that may well involve—and we are dealing with Senator Conroy's office to gain some assistance here—travelling to Tasmania for a couple of days to talk to the people who are rolling out the network down there. For Alun Davies, with his technical knowledge, it will be invaluable to see what is happening there. I would appreciate any assistance from the Tasmanians who are here today.

The broadband network, as I said earlier, is the most important piece of infrastructure that we are likely to see this century. It will need a degree of government intervention for it to come about, particularly in the country areas. The city areas could get by through the competitive forces but the country areas will not. I know that there is argument, again by some of the country representatives, that, with the high-speed broadband that is being delivered, 90 per cent of the population will get up to 100 megabits and 10 per cent of the population, which will be regionally based, will get only 12 megabits. I just reflect, for those who are playing the political game in relation to this legislation, that 12 megabits was the top end of the coalition's ambitions for speed delivery—not just to country people but to all of us. Hence, there is a vast difference here.

I would be the first to say that it would be nice for every constituent in my electorate to have not fibre to the node but fibre to the house. There has been a lot of criticism of the potential \$43 billion cost of the current program. I think that cost will come down when we ascertain the infrastructure that Telstra and other telecommunications companies—as well as non-telecommunications companies—have put in place. Once we ascertain what fibre the nation has, the cost may well be significantly reduced. Obviously, we will not know that until we roll the company together—hopefully, with Telstra’s cooperation. We need them and others to come together in a cooperative way to deliver a wholesale network that everybody can be involved in, including the government.

The full privatisation of Telstra has proven that some degree of government involvement is needed for regulatory arrangements and active participation, particularly for country people, because the competitive processes will not take care of the delivery of those services at the small end of the market. We were given an assurance at the time the legislation for the sale of Telstra was going through the Senate. I remember it vividly, and I think I have mentioned it in this parliament once or twice before. I had heard that the then President of the National Farmers Federation, Peter Corish, was going to hold a press conference at the Senate doors late one afternoon. Prior to that, there had been activity, particularly in relation to Senator Joyce, with the Liberal Party trying to convince him that everything would be okay and that country people would be well looked after. They said: ‘Don’t worry about it. Remove government from it and competition between the various players will deliver the services to the country towns.’ We know that that has not happened, and it was never going to happen at the time. But, at that particular time, an assurance was given by the Howard government to Senator Joyce and to Peter Corish, the then President of the National Farmers Federation, that there would be an absolute guarantee enshrined in the legislation for equity of access to broadband and telephone services. That was to be in the Telstra sale legislation. And they—Senator Joyce and Peter Corish—apparently had been told that there was a letter to that effect. No letter has ever been sighted. The legislation never incorporated that enshrinement. And life went on.

I believe Senator Joyce has since recognised the folly of his ways and that he was conned at that time by the Liberal Party. I think it is time for Senator Joyce to reconsider his position on the passage of this legislation and not be conned by the Liberal Party again. Country people will not get many opportunities to have a system such as this. I recognise that some people will have to operate with wireless at 12 megabits or with satellite in the very remote areas, but our major centres—such as Tamworth, Armidale, Inverell and also much smaller towns—where our key health delivery and key educational services are will benefit from 100 megabits per second broadband speed. It is those areas that will actually drive the country economies. If we can deliver some of these educational services—and we probably do not even comprehend many of them yet—and put world specialists in the operating theatres to give information and assistance through real-time, high-speed service delivery, it will be an incredible breakthrough not only for government cost but also in health delivery to country people.

I urge Senator Joyce, and particularly some of the National Party and Country Liberals who have been rambling on about this great problem that the Telstra shareholders are going to have and the great injustice that the government is perpetrating upon them, to recognise that there has always been some degree of regulation from government, even in a fully privatised operation. I do not see this legislation as a sinister socialist takeover of a corporate giant at all, which some people are suggesting—

Mr Ripoll —Why not?

Mr WINDSOR —Why not? I do not see that as an issue at all here. What I see as an issue is that we have an opportunity to put in place a system that can really put this country upfront and we are having these sideline political debates to try and delay it. Some people are suggesting that this does need to be delayed whilst the government’s \$25 million implementation plan is put together. That has nothing to do with this bill. Some people are saying, ‘Let’s wait; let’s wait; let’s wait.’ It has nothing to do with this particular piece of legislation. What that will do is allow Telstra, and the camp followers who are in this building, to work a lather of sweat up into a campaign, some of which involves the shareholders, some of which involves this so-called ‘socialist’ policy they can see taking over the corporate sector. Telstra have had plenty of opportunities to be involved in the service delivery end of the business, particularly, in the electorate I represent, in the smaller communities. They know that they have had that monopoly power to keep others out of some sectors of the business area as well. So I would encourage country members in particular to think about their constituents in relation to this and put aside the politics of ‘the Labor Party is bringing in a scheme that is going to revolutionise broadband communications’.

The National Party, I am told, have been told by Senator Minchin and others that this particular bill reduces the universal service obligation. Talking to some people who should know, I am being told that the bill actually strengthens it. Those who are suggesting that it weakens it are going to have to articulate that position. Maybe the shadow minister will articulate where it is actually weakened. But I think anybody who has followed the debate in the past would fully recognise that Telstra, being the monopoly player, particularly in country areas, even though there was a degree of regulation virtually wrote their own USO. If I am incorrect there, I am quite willing to apologise to anyone I have offended. Someone might indicate that that was not the case. What this bill actually allows is the public, through their elected officials, to dictate the universal service obligation—not the monopoly corporate player. I think that is a significant benefit as well.

In conclusion, I think it is time that all country members stood up and supported this legislation. If this runs into the second half of next year and gets embroiled in the election period again we run the risk of missing the opportunity to have these services rolled out. I know there are some bits and pieces that do need tidying up, but I think we really need to get behind the process to have the National Broadband Network rolled out right across Australia.