

**McMahon, Paul (REPS)**

From: Tim Smith [tim@itank.com.au]
Sent: Wednesday, 22 January 2003 11:51 AM
To: Committee, CITA (REPS)
Subject: Ownership of Telstra's core network
Follow Up Flag: Follow up
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I am writing to express my support for the concept of separating Telstra's core network from its other operations.

In my view the provision of telecommunications services is a basic right for all citizens and should be undertaken by the federal government. It is a large scale infrastructure issue in which losses in some areas are offset by profits in others. To maintain quality of service throughout the country it is necessary to accept some of these losses, something which is in direct contravention of private companies' duty to their shareholders. Therefore it is a perfect candidate for public ownership. Furthermore, it is profitable and therefore doubly valuable to the public. The partial selling of these services has proven to be a false economy.

The same is not true of some of its newer and more entrepreneurial activities. Rather than being necessary services, these are often areas requiring the daring and innovation of private enterprise to reach their potential. They can be risky, but the rewards can be great - ideal candidates for commercial competition.

High among government aims should also be the avoidance of infrastructure duplication which we have seen so much of in the years since deregulation. The competition in recent years for various telecommunications networks has resulted in effort and money being wasted on no more service to the consumer. Retaking control of Telstra's network would be a vital first step in redressing this waste.

Thank you for the opportunity to participate in this matter.

Regards,

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