

**McMahon, Paul (REPS)**

From: Committee, CITA (REPS)
Sent: Monday, 23 December 2002 9:34 AM
To: McMahon, Paul (REPS)
Subject: FW: Inquiry into Telstra
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-----Original Message-----

From: Christopher Stephens [mailto:Christopher@stephens.name]
Sent: Sunday, 22 December 2002 11:40 AM
To: Committee, CITA (REPS)
Subject: Inquiry into Telstra

I would like to submit these comments to the Committee for the inquiry into Telstra.

<<The efficient provision of services to end-users, including businesses and residential customers in regional, rural and remote Australia;

At the moment, this is not happening due to the focus on the value of the share price. Telstra is operating purely for profit especially considering the problems in rolling out broadband access. Only a limited number of people will ever get a reasonably priced and quality broadband service. The one-way Satellite service is not effective considering it requires a dial-up service for the back-channel. The two-way service is too expensive for most people. The cable network has stopped its roll-out, this roll-out should be started again. ADSL has some technical issues but Telstra has limited the service qualification to the 1500/256 speed. By reducing the speed tests to the lower speeds, many more people who would be happy to get the lower speeds would be able to get ADSL.

<<Telstra's ability to continue to provide a full array of telecommunications and advanced data services;

In the past this has been good, but they are now lagging behind world standards into providing new and exciting technologies.

<<Ongoing investment in new network infrastructure;

This has been curtailed due to the problem caused by having to provide dividends to the Telstra shareholders. It would be far more effective to have the network in the hands of government control rather than private enterprise. The current management are ignoring the public demands for better customer service, equipment failure is regular and the wholesale companies are being handicapped by Telstra failing to provide better processes for churn (ADSL), failure to acknowledge network faults or provide sufficient support to fix faults in a short time frame.

<<The wider telecommunications industry;

Telstra used to be the leader. They are becoming a joke with the way that they deal with customers and competitors. Only because of their size do they remain one of the leaders. Their reputation has deteriorated so much that they have lost any confidence with the public.

<<The telecommunications regulatory regime;

Doesn't seem to have much effect. Telstra do what they want and never seem to get punished. The ACCC threatens but never seems to be able to force Telstra to make major changes to their operations.

<<Telstra's shareholder value and its shareholders;

Current the biggest cause to most of Telstra's problems. They have focussed purely on the shareholder but have forgotten that they need to provide a decent level of customer service. The

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biggest mistake made by the current government was to try to privitise the existing Telstra company. Telstra has also made investments into areas that are not core business and taken money away from providing a better quality of service. This is all driven by the share price.

Conclusion:

It would be much better to split the company into a wholesale company owned by the government and run at cost plus a small profit to allow new investment into infrastructure. The wholesale company would then be required to give equal and fair access to the network to all commercial companies. The wholesale company would own the network infrastructure. The second part would be the Retail area and they would be sold off to be a pure commercial operation. The Retail company would then have to operate on the same level playing field as every other telco and isp.

Regards,

Christopher Stephens

<mailto:Christopher@stephens.name>

<http://www.christopherstephens.net/cavalier.htm>