SENATE ENVIRONMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS LEGISLATION COMMITTEE INQUIRY INTO Telstra Privatisation Bills 2005

The following comments are tendered in the absence of an opportunity to peruse the Bills, because of the extremely short time allowed between the Senate Inquiry announcement and the deadline for submissions.

Given the following aspects of Telstra's operational performance and the present Legislation under which Telstra operates, namely:
. that Telstra, the dominant carrier, has been allowed:

- to maintain unjustifiably high mobiles interconnect charges to its competing carrier clients ;
- to charge discriminatory high broadband rates to its competing carrier clients
- to increase telephone fixed line rentals by 150% in the past 5 years, despite the service being virtually obsolescent;
- to deliberately delay subscriber transfer to competing carriers;

. that Telstra is indifferent to improving unsatisfactory services, e.g. inadequate GSM and CDMA mobile telephone reception in various parts (from Roseville to Wahroonga) of the Lane Cove River valley in the Sydney metropolitan area, despite numerous complaints. Indeed, even the Communications Minister complains of poor mobile phone reception at her Sydney residence;
. that Telstra is tardy in servicing faults, e.g. Telstra took 6 days to repair a fault at a Telstra junction box, which outed our fixed-line phone;
. that the Telstra CEO has foreshadowed the reduction of products and services, yet unspecified;
. that Telstra has given priority to paying high dividends at the expense of necessary capital expenditure;
. that Australian Competition Policy has the effect of advantaging companies with substantial market power at the expense of competitors and consumers;

the new legislation should at least address the following:
. the provision of adequate regulatory powers to enable efficent operation of the proposed Telstra functional split of infrastructure services wholesaling from the rest of the business, so as to improve and maintain competition. Under such a split, Telstra would be expected to set wholesale prices as high as possible so as to disadvantage its competing carrier customers and maximise its own profits at the wholesale and, to a lesser extent, at its retail levels;
. the provision of adequate measures to address Telstra's reluctance to update technology in areas, e.g. outside metropolitan areas, where it operates as a monopoly;
. maintain at least the existing services ;
. give other carriers the opportunity to tender for the provision of new or replacement services, in areas presently served exclusively by Telstra.

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