

Submission to the Senate Inquiry into the Telstra (Transition to Full Private ownership) Bill 2005 and related bills

1. I reserve my democratic right to make a properly considered submission to this enquiry after a careful reading of the legislation.
2. I object to the haste involved in the sale of Telstra makes all Australians deeply suspicious about the case for the sale of Telstra.
3. We are reminded of the rush by the government to establish a Free Trade Agreement with USA which was also hyped in terms of benefits and such benefits already have been found to be illusory.
4. I am one person amongst the 80% of Australians who oppose the sale of Telstra.
5. I believe the construction of improved telecommunications infrastructure is a vital need to catch up with other more advanced developing countries such as South Korea where, for example, high-speed broadband is essentially available to all its citizens.
6. Telstra needs a company structure where they are allowed to take commercial advantage of the existing monopoly and also to build the new infrastructure required. However the Telstra executives are correct in pointing to the artificial “talking-up” of Telstra performance and faking dividends in order to make it attractive for sale. This highlights political dishonesty and a conflict of interest by the Government. In such a climate how can we trust the government when they say they are acting in our best interests?
7. How would the government get Telstra to install the new infrastructure after the proposed sale? I can answer this-Telstra would ask for government funding to prop them up as soon as the future fund runs out. Future governments would have to bail out Telstra and future generations would pay.
8. With the distances involved and the number of remote services needed to develop our nation, the privatised Telstra driven by market forces will never be a suitable model for Australia.
9. The US fully privatised model is also not suitable as our markets are scattered and vary in size. The model where many privatised telecommunications companies in USA is not efficient and in my experience it is a complex task to even find a phone number in USA.
10. Unfortunately the market-driven model chosen by the government will not achieve the goal of providing suitable high technology solutions to all Australians regardless of their location.
11. It represents opting-out by the government in Australia’s most important infrastructure-rebuilding task.
12. Public ownership remains the only viable model for telecommunications.
13. I propose that Telstra be re-nationalised by a buy-back of existing Telstra shares. Then a program of infrastructure redevelopment should be undertaken to bring the existing network up to performance targets and the embark on the \$100 billion upgrade needed to catch up to the rest of the developed world.
14. Government needs to dictate the scope and pace of the rebuilding of critical infrastructure. Not through some market mechanism which has already failed during the past ten years to fix the Telstra problems.
15. I call on committee members to investigate the option of renationalising Telstra as a matter of urgency.

David Booth
9 September 2005