

Recommendation:

The Trade Practices Act Part 1, 2 states:

“The objective of the Act is to enhance the welfare of Australians through the promotion of competition and fair trading and provision for consumers’ protection.”

The Trade Practices Act (the Act) should be completely redrafted with the objective as follows.

“The objective of the Act is to enhance the welfare of Australians by ensuring fair trading and the protection for Australians from unscrupulous and abusive commercial, financial and social behaviour relating to business practices.”

The problems with the Act are far more serious than can be repaired by additional amendments. Australians are in desperate need for its total revision.

Too often it has become an impossible task for the ACCC and the ASIC or even the police, to resolve the complexities and conflicts of interest between issues involving the “welfare of Australians” and “fair trading” and “the promotion of competition” as defined in the objectives of the Act. The Australian business environment now exists with major and most serious conflicts between these objectives. Therefore the Act is unworkable.

Market competition has existed since the beginning of trade and commerce. It is the nature of trade and commerce. Also unscrupulous and abusive business behaviour has existed since the beginning of trade and commerce.

The steady decline of the public ethos within the Australian political system is a public frustration and is contributing to the severe costs, waste and loss of Australians’ democratic control over social and economic objectives and opportunities for Australians. This is a worsening trend since the “market” reform policies post 1996. This paper will show how this has come about and why these are resulting in uncorrected constraints on Australians and abuse as a consequence of the political philosophy behind the “Market Economy” doctrine.

The proposed objective for the Act will allow the ACCC and the ASIC to delegate problems, when they see fit to do so, as tasks for other government agency responsibilities to share, or the police to follow through. This will reduce the burden of responsibility on the ACCC and the ASIC and reduce the need for “special case” legislation as recommended even in the Act itself (the amendments) and elsewhere in other related legislation.

Nations Best Interests

Australia has a special example of abusive use of market power over the nation’s objectives and over special opportunities for small businesses.

This example is used to explain why the phrase in the Acts’ objective: “through the promotion of competition” conflicts directly with the objectives for the Act.

This phrase could also be used by an overriding government authority to direct that corrective action cease, based on the idea of “Market Forced” freedom from government intervention, “Governments cannot and should not manage businesses”. This is the conclusion based on the National Competition Policy Reforms and its support for the “Market Economy” doctrine, the result of the Hilmer report of 1997.

The public’s \$64 Billion dollar Telstra, local, national and intentional telecommunications utility for Australians, with its revolutionary technical breakthrough from its well advanced FTTN cable investment and build, was then permitted to be a partner in the foundation of Foxtel. This was an exclusive opportunity for News Ltd to confidentially achieve a private monopolistic authority over Telstra’s new FTTN national cable infrastructure.

This build was engineered and contracted to international standards by Telecom Australia for revolutionary social and economic opportunities for Australians and especially for new entrepreneurial and small businesses. Instead, Australians are now locked out from these revolutionary opportunities due to this interference from a global media “Market Power”.

Surely this is a clear demonstration of an unethical misuse of “market power” and “unconscionable” behaviour that hits at the very centre of the Australian federal government and the bureaucracy itself. It is politically and commercially totally unethical that a public telecommunications company, a public foundation, can be permitted to become a media marketer in partnership with a global media cartel to act in direct competition within the Australian markets it is expected to service and support! Surely it is abuse to the public to deny Australians to be world first with their major investment for revolutionary telecommunications objectives.

For federal government, the “out” for aborting the original objective of Telecom Australia, was by calling upon the “Market Economy” doctrine with its economic conceptual evaluations that excludes the intelligence from sciences and engineering to convince the public, for example that a public telecommunications network is a market.

This was the federal government’s rationale for the privatisation of Telstra with its new vast and virtually unlimited expansion of the electromagnetic spectrum, as built by Telecom Australia, to be openly shared by Australians for Australians. This new superhighway must have competition so federal government created competition. The first creation was by auctioning satellite spectrum, followed later by auctioning terrestrial electromagnetic spectrum promoted by economists to be of great value for private and competitive opportunities. Another was by refusing Optus’s request to share the public’s newly founded vast expansion of the useful electromagnetic spectrum for communications. Optus was forced into a political obligation to build its own cable in parallel, later, due to its economic collapse was also monopolised for Foxtel PayTV services! ¹

The economists’ proposal that this new and vast expansion of the electromagnetic spectrum for the public’s superhighway broadband should be privatised was a new and startling political development.

¹ See Hansard ERC&448 – 576 Thursday 12th June 1997

It directly conflicted and frustrated the revolutionary science and engineering objectives committed over two decades ago by the Australian federal government for one world standard national “superhighway” for Australians digital telecommunications and interactive multi media revolutionary opportunities!

Would federal government auction physical road networks to privatise roads and then expect private owners to build in parallel, to create competition?

The reason how and why a public telecommunications utility should have competition has never been costed and modelled using scientific and industrial engineering intelligence and experiences for practical evaluations and to explain to the Australian public why and how this is “for the public good”. Universities were once openly involved with established industrial objectives and new scientific research and engineering, openly shared with government agencies, to understand and to reason what, why, how and when government and industrial proposals, plans and commitments are “for the good of the nation”.

Like water trading and carbon trading, telecommunications policies are economically promoted concepts based on political and economic figments of the imagination that market forces promote for their private commercial objectives. Australians best scientists and engineers and the students within the public educational foundations have been excluded from even access to the related new sciences for learning, studying, experiencing and evaluating whether these imaginative concepts were possibly real or not. The public laboratories, previously involved were closed down, equipment sold and engineers placed into other occupations or accepted positions overseas. Public universities were once the foundation of the nation’s science and engineering intelligence, where the learning, thinking, reasoning and proposals should start. The economic evaluations and commitments should then follow. This is the most efficient approach for the public’s nation building, the approach as recently adopted for instance by China.

Instead, over about the same time period, with its new reform policy based on the “Market Economy” doctrine, Australian commercial media promote that universities should be profitable commercial operations. Universities are markets to be privatised and to act in competition. Markets should have minimum government intervention. Students are market commodities. Students must now “buy” intelligence and the higher their intelligence the higher their commitment to federal government debt before their entry into the workforce for income generation! For nation building, the exact opposite should apply. By performance testing the achievers deserve free education as Australian investments to add values to Australia industry and commerce to be shared by its public.

Australia is becoming a nation with policies that support private and confidential arrangements for the selfish and greedy. Australians are being forced to pay the increasing costs for the material and energy and spectrum wasted in Australia on huge volume of commercial advertising, TV, newspapers and radio and magazines, even with PayTV (electronic subscription) that was once legislated to exclude advertising. Media market forces changed that political promise post cable TV! Advertising has become an unscrupulous intrusion into families and family welfare and an ever-increasing compulsory expense.

Families and individuals have no option than to commit to this private media “tax system” like GST, a built-in added cost on goods and services. It is an inefficient and biased “one way” information system with little knowledge and even used by federal and state governments as a guaranteed revenue stream of tax payers money to media market forces. Small businesses have no means to access their consumers with intelligent information about their business with such huge costs to communicate with its markets.

Australia is a nation that has lost its integrity and adult obligation to our youth and their entrepreneurial business opportunities. It no longer respects world benchmarking as the social objectives for Australians for the highest of intelligence to be openly shared with the public. These are Australia’s most valuable investments. The Australian federal government does not value universities as public foundations, the producers of the nation’s human assets and human intelligence as to what Australians can and should do with Australians natural assets. This intelligence is not openly and transparently shared within community or industrially organised teams for nation building objectives, openly shared between the public sector and the private sector of Australians.

Australia is a world laggard in developing the human assets relating to the exponentially expanding intelligence, as examples, for telecommunications and nuclear sciences! Federal government’s faith is in private companies and private investors (local or global) and in advertising and “one way TV” for decisions and commitments as to how, when and where education, infrastructures, social and commercial objectives and interests are formulated. This is not nation building. It is a nation open to private global exploitation.

The “Market Economy” is a simple system to offset government debt and a simple antisocial system for private commercial organisation to exploit nations and commit nations, not governments, to huge debt to finance their objectives without public sharing in the profits from their private authority over publicly shared assets. This is the politics of the new market economy.

China’s rapid growth is claimed in Australia to be due to cheap labour. China has had cheap labour for centuries. The major change in recent times is that China places top priority on science and engineering, as members of its government, within its bureaucracy, within its state universities, and within its community values to industry and agriculture. To support this, China builds an internationally standardised public communication network, one public rail network. In Shanghai today Chinese are building rail to move workers across their city at speeds up to and over 200 Klm per hr. They are building world’s second highest skyscraper. They are building plants to pump sea water to central farming districts, where it will be desalinated to support farmers with water for stock and crops when droughts occur. They are developing mobile phones with built in smart cards. They are building third generation nuclear plants that, with nuclear enrichment, automatically manage nuclear waste.

Openly shared teamwork is their priority for social and economic progress based on science and engineering knowledge. Australians’ nation building team spirit was Australia’s political philosophy to realise the objectives of Telecom Australia! These programs are not possible without openly involving publicly organised teams of highly educated and intelligent people!

Over the last decade, Australia is developing the opposite approach. Sciences and engineering are matters for private market forces to evaluate. Farmers without water must buy water from private water traders. The private partner, General Motors, closed down the Australians' decade of investment as a PPP for a hybrid car. Australians who financed this research were excluded from any industrial opportunity and even any sharing of knowledge and intelligence from this decade of research.

General Motors should not expect Australians to subsidise their research. Australians' money should finance research for Australians that may also assist General Motors!

The fuel cell and nuclear energy and electrification and water are major programs available as global opportunities for Australia's intelligent people! But the "Market Economy" promotes that these are matters for private market forces like General Motors! The Australian entrepreneurs have little public support. Australian entrepreneur and small business must battle alone through this maize of constraints while federal government confidentially communicates, negotiates and uses public funds to subsidise commercial market forces! This is not democracy working to build a nation!

Over three decades of openly shared knowledge and intelligence intensive work for a public investment, Australians achieved world's first and most progressive digital FTTN telecommunications system. After confidential arrangements between federal government and private market forces the intent of this program was aborted. Without public involvement in this decision, Telstra infrastructure operates for the objectives of a private media market force. This has little effect on today's wealth of the average Australian, but it will be a major cause of decline of wealth for the average Australians in three decades time! This is not nation building. This is for private exploitation of the nation and is a program to destroy small businesses and new businesses, a prime objective of the founders of the "Market Economy" doctrine, a program to reduce or eliminate their competition, globally.

With this policy of little intervention with the objectives of private market forces, federal government still receives GST and profit tax from growth in consumption of goods and services and the huge expansion in share trading, no matter how fair or foul the businesses develops. But this is not a socially responsible and democratic objective even if Australia processes compulsory political voting as the means to be seen globally as a democracy.

Telstra was a public Telecommunications Corporation. Telstra should never have been permitted to market media ("content" as it is described in the legislation). This was a confidentially organised strategy so that the public subsidises News Ltd for its private marketing objectives that is to monopolise the nation's vast expansion of the electromagnetic spectrum for PayTV! This new Telstra FTTN national cable with far more than ample broadband for all Foxtel programs and BigPond cable, the first national system of its kind in the world is an exclusive News Ltd monopoly. This is in stark and direct opposition and most seriously conflicts with the original national objectives for this advanced network to be shared by all Australians. But it gets worse.

A most abusive act against a nation is to deny the nation a major productivity and efficiency opportunity that is the national standardisation by the rule of law for advanced sciences and engineering for the convergence of telecommunications and interactive multi media.

Over two decades ago, this was once the national commitment of the Australian federal government to the digital transition program, the international program to move from an analogue to a digital environment. Federal government aborted this revolutionary opportunity for internationally standardised digital telecommunications that includes the revolutionary means to transport and to switch huge volumes of anyone's interactive "content" with telephony over standardised public electronic highways, a most essential element for nation building and productivity improvements for Australians.

To protect a foreign media cartel after its unscrupulous technical interference with the nation's telecommunications network and commitments to the digital transition program, so that Telstra is converted instead to support a private monopoly for cable TV, has to be political, social and economic damage of the worst kind.

To make matters even worse, to publicly finance a company owned by the Singapore government to compete with now privatised Telstra, is a nation that has little ethical understanding and ethos (the public intelligence) relating to its responsibilities and accountabilities for its peoples' social and economic objectives.

The exclusion of accepting scientific and engineering intelligence for Australian social and economic commitments has to be Australians most serious defect that remains unaddressed by the ACCC and the ASIC.

It seems that Senator Coonan and the Australian federal government has no means to understand that proprietary networks in parallel across Australia cannot be "open access". ("Open access" are words repeatedly used by the Minister as a claim that they are. This is giving the public false information about a most serious national problem). Digital telecommunications includes the carriage and revolutionary means to switch huge volumes of interactive multi media with telephony and to interface this with already internationally standardised home and office equipment. Open access and seamless interfaces are only possible when public networks conforms to international standards throughout, mandated to be so by the rule of law.

Surely Senator Coonan and the federal government must understand that without mandating national standards for roads, rail, water, gas, sewage, transport, airports, seaports construction, money, etc the efficiency and productivity of Australia would be a shambles! So without this digital telecommunication standardisation, Australians are totally committed to continually expanding waste and confusion, a complete telecommunication shambles!

The revolutionary opportunities from digital telecommunications technologies are not available to the people of Australia without mandating international standards. The real objective from the internationally shared electronic industrial investments in research and engineering that once included Australia, for this revolutionary breakthrough for digital electronic communications for Australians has been aborted!

The best of these marvels discovered so far from the electromagnetic spectrum, (a discovery program totally supported by the United Nations), have only been discovered within the last three decades! These international industrial objectives, with Australians' direct participation over three decades provide the world with a continually progressive standard package relating to digital electronics.

This opportunity has been destroyed for Australians by political neglect in science and engineering that permitted private and confidential technical interference with the Telstra's huge expansion of its electromagnetic spectrum from the Telecom Australia engineering for the national FTTN cable network across Australia. Mr Murdoch is the foreign "Market Power" that dispersed media and money market propaganda to exploit Australians into unwittingly financing Telstra to become his private media monopoly!

This is the objective and the political process used by the supporters of the "Market Economy" doctrine. It is a social and economic abusive political policy of deregulation to remove nations' rules of law and privatisation to unscrupulously abuse and exploit nations' human and natural assets and to remove the public ethos that should be supporting democracy and social justice. Many Australian engineers once involved with this national program have left Australia to employ their intelligence and skills in other nations.

In the past, Australians democratically managed their participation with these science and engineering marvels, better than any other nation! Now under the authority of Mr Murdoch and an expensive imported management team, Australian telecommunications policies are totally out of control! Australians should decide, using the intelligence within Australian universities shared with industrialists for the drafting of proposals and options before committing plans and expenditures to be funded by the public. The democratic means for political processes and public commitments was most efficient in the past as deployed with Telecom Australia. It can and should be re established.

The federal government no longer supports open two-way communications channels and shared participation between the public and its bureaucracy in nation building objectives. Instead by increasing the confidentiality between the bureaucracy and private "Market Forces" the nation's commitments are established. This is the objective of the private forces behind the "Market Economy" doctrine. The private control of Telstra is a major and possibly the most powerful tool available to a private "Market Force" to control the political agenda with media propaganda to manipulate the financial markets with promotions that re enforces their private objectives and private income streams!

In the spirit of Christianity, the natural assets for telecommunications is the God given marvels within the electromagnetic spectrum that have existed since the beginning of time, marvels to be shared between all Australians. God gave humans the freedom, the only freedom available to human kind, and only to human kind. This is the freedom to choose between good and evil, and to reason why and how for instance, Australians apply the discovered values within God's "free gifts" to mankind, the electromagnetic spectrum, the sciences of the light we see all around us!

The secular view is that people want to be free, the new idea of "freedom", to be free from government intervention. This is faith in a belief that human nature is always for the good. Human nature tempts humans, in total privacy within oneself, to choose between good and evil objectives and opportunities. This is the basic problem with the "National Competition Policy Reform" legislation. It is based on political trust that private market forces that demand to be "free" have the knowledge and experience to expand the economy and will always be "good" when released from government and democratic intervention.

Using their dramatically increased convergence of media companies to increasingly dominate over communications to the public, they now continually harass governments through their new media power by demanding that any government intervention be removed!

Market forces do expand the economy but at huge costs to the nation, with huge social damage and by exponentially expanding private and personal debt and with excessive self rewards while doing so! Telstra is an example to the world of this as a reality, as the consequences of the “Market Economy” doctrine after a decade of experience in Australia.

Commercial television and commercial Newspapers and radio can be organised in a way so that they dominate over the nation’s political process. It is a simple matter to maximise one face, one voice and one opinion, and minimise another so the public remembers one and not the other at election time of compulsory voting. It is a simple matter to flood the public with ideas and entertainment that excludes the time to think and reason why! This psychological media manipulation is far from democracy. This market power over the public is a new and extremely dangerous use of private media in the wrong hands. The extreme one way communications power of television and commercial media is destroying democracy and social justice. It is a system for one way debate with no interactivity. It is a political and commercial market power of the most powerful kind ever invented by humankind, to influence the social and economic behaviour of people.

Democracy on the other hand is an open and transparent two-way partnership between government and its people. Any less of a partnership is a compromise. Partnership is a paradigm. They could involve confidential partnerships for public and private good, for nation building. Partnerships could involve private perverse objectives, for exploitation, for corruption, for terrorist activities. They can be open and transparent for the public good. Or they may be confidential to contrive privileged opportunities for a few. They can be partnerships to destroy opposition and competition. Therefore confidentiality in governments have no place in a democracy, except when at war between nations. But Australia is not at war with another nation.²

But to promote propaganda that privatisation and deregulation is for “Nation’s best interests”, without any opportunity for the public and its universities to reason why, is undemocratic. The political excuses include “We now live in a global economy” as though our globe previously never had an economy. The “Market Economy” doctrine is a new form of global cold warfare. It is a new cold war between private “Market Forces” that in 1971 set out the “Market Economy” doctrine to act globally against the undervalued and disrespected “little” people who vote for the support of democratic nation building principles on the basis that this intent must be true.

For their self interests, commercial media influence public attitudes and beliefs with fear mongering, with massive conflicting information and entertainment and temptations, with little knowledge for them to know or even have time left over, to learn otherwise and to reason why.³

² Dr Peter Shergold, post the exposure of the AWB scandal speaks to defend confidences within the bureaucracy. “Meet the Press” address “Pride in Public Service”, 15th February 2006.

³ Professor Schwab Klaus, an economist, established the World Economic Forum (WEF) in 1971. The “Market Economy” doctrine is based on the WEF privately promoted objectives.

Therefore, in Australia, the political defence using the “market Economy” doctrine is a major defect in itself, and it continues with privately promoted propaganda that is increasing the complexities, costs and charges against Australians only to ensure, as one example, that the media cartel monopoly over Telstra remains intact. This most expensive telecommunications mess of activities against Australians exists only because of News Ltd “Market Power” over Telstra. The “Market Economy” political propaganda over the Australian federal government policies started with the privatisation of the stock exchange and now continues to include the privatisation of the public’s self developed revolutionary telecommunications “super highway”.

With private and proprietary networks, private monitoring of telecommunications, direct interference with communications and traffic, the sale of pornography to children, etc are serious business and social problems and are difficult to police. The national standardisation of one open public telecommunications network provides the means to control and police adverse behaviour as is possible with public main roads.

The public sector has available now, far more than ample spectrum that should be openly shared between politicians without commitments to advertising that constrains democracy by its powerful influence over social and economic behaviour and confidential participation in policy reform for commercial private objectives. The massive Telstra spectrum is now available to be openly shared between political parties without Foxtel intervention!

There is no need for financial contributions for political party advertising and promotions by way of commercial media, an expensive and biased system for the “middleman” between the public and the politician who collects the money and has “market power” to filter information! This Australian political system is a major unnecessary expense on the public that is used to diminish the objectives of democracy. It places major political opportunity on wealthy market forces that finance political parties and allows private and confidential arrangements to act against the objectives of small businesses and new entrepreneurial ventures.

Political advertising and party donations are a tax on the public who must pay indirectly through the goods and services they purchase. The current Australian system is a most expensive, inefficient and undemocratic scheme that is a most valuable economic and strategic opportunity for the commercial media. Political party funding by big business is a direct and undemocratic act against small businesses. When it is coupled with public private partnerships with political arrangement in confidence that favours those with market power, it is wide open to political and commercial corruption.

All businesses started as small businesses. Many of the largest businesses started as back yard industrial operations only a few decades ago. One prime strategy of the managers of big business is to remove new competition in their markets. This is achieved through acquisitions, mergers or directly by politically contrived privileges in confidence with government as was the case with Foxtel and the Telstra / federal government PPP.

The huge expansion of electromagnetic spectrum via Telstra’s FTTN cable is not open to competitors of News Ltd and its cartel partners, only to Foxtel.

This same contrived confidential scheme has totally blocked the democratic opportunity for the vast new electromagnetic spectrum to be deployed for political party interactive communications directly with its electorates, without the intervention of commercial media. This has destroyed the ability for Australia to be a democracy with social justice. It is not possible while the main stream communication system is monopolised by a global media market force!

Standardisation and open interactive modems sold by retail stores throughout Australia ensures that the public is not locked into the proprietary and socially abusive use, for instance Foxtel “set top boxes”. Australians would then have a major breakthrough opportunity with media diversity to reform Australia to a democratic nation. Public educational foundations will then be open to support social justice by the rule of law re these new sciences and engineering, to stimulate the start up and protection of open and diverse communications channels to markets, without being forced to subsidise the ruthless media system of advertising. This will permit many new small businesses to be established and openly support the expansion of existing small businesses in a new environment of open markets and fair trade!

Another major defect in Australia is private interference with the return path (back haul) for service providers. With international standards, return paths are available when required for all service providers. Today, this is not possible in Australia. This is another major marketing abuse that News Ltd proprietary monopoly over Telstra places on all its competitors, on Australians industry and commerce, on component and equipment manufacturers and on consumers. International standards provide the means for free to air service providers, (denied by Senator Coonan), educationalist and for any public or private need for interactive multi media, a return path for this interactivity, not just for Foxtel PayTV services!

This is an outrageous attack against the intent of the digital transition program for the public, when Senator Coonan repeatedly defines “PayTV” as a special case! This hits at the source for dishonest statements between government and its public. The major opportunity for digital convergence of TV and telephony is exactly that interactive multi media is a revolutionary opportunity to be open to any and all Australian! For this return path to be a special case, a special privilege from federal government to News Ltd that Senator Coonan seems to accept as normal and ethical business practice is politically, socially, technically and commercially unscrupulous abuse of advanced science and engineering!

Serious questions relate to compulsorily superfunds. Their owners have no democratic involvement as to how fair or foul be the objectives from its deployment. They know that only via third parties can they use their own funds for private funding of their own small business or their own home. Their own money is only available to them via third party involvement and costs. Why should they pay fees to third parties to manage and have private authority over their own money to finance their personal and private business and home and family objectives?

A democratic nation would not constrain opportunities for small business investors or homebuyers the use of their own money without obligation to expensive third party financial “Market Forces” or humbling subsidies from federal government? Australians have ample proof that these enormous funds are not being deployed for Australians nation building objectives, the original intent behind the concept of the compulsory super savings scheme.

Super is a compulsory tax or unsecured loan system forced onto the Australian public to finance exclusively local and global private market forces without compulsory federal government insurance while having to do so!

Contrary to the publicly promoted intent of the NCP Act, Telstra and major retail chains are supported by the NCP regulations not to facilitate competition but actually to reduce or destroy competition, to inflate profits, management salaries and share values from the most populated and wealthier market locations. Australian markets include excellent examples of abusive use and private exploitation of compulsory super funds used to monopolise commercial and financial opportunities. Telstra is an extreme example. OneTel is another yet unresolved example, (a failure or program of exploitation?) that should easily be resolved by the process of tracing share trading.

Big businesses and their unionised affiliations in Australia are processing the opposite objective to the intent of the Act. Deregulation and self-regulation is the private and confidential mechanism to do so. By careful study of the deregulated regulations it is easy to find why and where these conflicts of objectives exist. The amendments to the Act add to the complexities of understanding the intent of the Act. This problem exists throughout the deregulated regulations.

The political processes of formatting deregulation and re regulation is now a process to exclude the public and includes confidential partnerships between governments and “commercial stakeholders” with their complex and legalistic and voluminous details, virtually making legislation impossible for the public and even parliamentary members to read with understanding! This is to hide the conflicts of interest between public objectives and private commercial and financial objectives to the “legal advantage” of these private market forces.

The three pieces of legislation for the fire sale privatisation of Telstra is an excellent example of this most serious problem against the principles of democracy and its social justice objectives. These were rushed through federal parliament without public scrutiny while Mr Howard had time to dine with Mr Murdoch in New York. Social justice is unlikely unless the political processes of elected governments are socially shared with open and transparent public insight, overview and understanding. This worsening defect in Australia is spreading to become a new global problem!

What is not understood by those that support this new globally promoted doctrine is that people run businesses, whether the business is for public shared objectives or privately shared or competitive objectives. The productivity of a nation is dependent on the knowledge, intelligence and skills of its people and on the awareness of its “leaders” in understanding the power within a nation from the open sharing of knowledge and intelligence and the civilised disciplines to do so!

The public question for Australian leadership is what are the nation’s public and private objectives and how to educate its people for the achievement of these objectives. Australian people are the nation’s prime assets for Australians’ welfare and Australian nation building. The prime task of government is to facilitate the most efficient deployment of Australia’s human capital to world benchmarked best practices, whether they are employed within a public sector as willing members to openly service the needs of the public or in the private sector for privately targeted objectives.

Instead, commercial media domination over Australian attitudes and beliefs and politics is stimulating ideas for division and conflict and confidentialities and confusion between public intent and private intent, the inherent objectives of the privately founded “Market Economy” doctrine, now a commercial religion.

Directors who believe that shareholders are not entitled to knowledge relating to their business objectives should not expect Australian capital to finance their global ventures. Private companies that borrow rather than call on market capital must explain to Banks what their objectives are and how it is going to be achieved. Shareholders should be given the same respect. In democratic nations laws exist to protect “private property” so that companies can openly disperse new knowledge to the public and universities without risk of unscrupulous exploitation.

By deregulation, in Australia, these laws and public conformance testing to these laws are no longer laws available to producers and consumers. For instance the industrialists’ patents for digital subscription (“PayTV”) systems and mobile phone systems deployed in Australia are not used as patent law expects. Private market forces slightly modify industrialists’ technologies to abuse consumers by monopolistic proprietary schemes and then, use commercial contracts to lock in consumers and lock out producers from what should be openly shared markets.

Private industries need government agencies to formulate these laws and apply conformance testing to police abusive practices. There is then no need for litigation to challenge foul play, a task beyond the average citizen to finance even beyond the ACCC. The knowledge from patents and intellectual property can then be openly available to educate the public and students. This is essential for any industrial venture. Unless communities learn and understand these technologies, a nation’s industries cannot grow as knowledgeable and skilled technicians and engineers are not available to expand industry. This civilised scheme to develop and expand the social and economic objectives of a nation is aborted in Australia as experienced with telecommunications and electronic media!

Private and confidentialities between private market forces and federal government has suffocated this potential. These “Market Economy” doctrines promoted by commercial and financial forces are to hide from public attention abusive practices against small business and their opportunities to exploit the public, socially and economically as we experience with Telstra. Australian “PayTV” and mobile phone businesses, by using proprietary schemes, avoid government supervision over their obligations to patent and royalty law, GST, and lock in “no choice” contracts.

The policy of minimum government intervention with the private objectives of “free” market forces is in conflict with the democratic principles of “free markets”. Free markets principles are for open markets and fair trade with industrial and consumer protection by the “rule of law” (patents, royalties, standards etc). “Free” commercial market forces, on the other hand, align in confidence with governments to dismantle the rules of law for example the removal of national standards for telecommunications. Similar parallel laws exist for the motor and physical transport industries, (conformance to standards and patents etc). Instead, media propaganda demands commercial “freedom”, freedom by deregulation, for even less government intervention with electronic communications, commercial and financial trade and commerce!

With proprietary telephone networks, each with a proprietary media channel to its customers, the new Australian system, “contracts” have to be cancelled and renegotiated for a consumer to change to another “network”. These private networks, each with its proprietary scheme, contract consumers for access to their proprietary network for the sale or rental of their proprietary phones and set top boxes, price bundled with telephony fees, media sales, proprietary applications and proprietary Internet services with abusive intrusion and advertising schemes.

They are not “universally” open. This is a most inefficient and unscrupulous system for public interactive media with telephony and electronic commodity transport services! There is no way for Senator Coonan, as the Minister claims to know the real cost and price of a phone call! The political propaganda and public deception continues unabated!

The objective for the digital Transition Program, is one open one world standard for all producers and consumers to access suppliers and customers without the monopolistic middleman as we have with Foxtel and mobile phones in Australia! Nokia and Sony and Samsung and Apple and any manufacturer of phones and any supplier of applications for Australian electronic media do not have an open market in Australia with fair trade between market competitors and their consumers. They must first negotiate with each private network operator before manufacturing a phone to the private network’s proprietary specifications.

This is not an efficient industry! It is not an efficient means to ensure lowest prices for consumers. It is a system that contracts consumers to lock them out of universal choice. Senator Coonan’s “Universal service obligation” is technically, mythical propaganda to support private monopolistic objectives against the public’s best interests.

Digital telephony with interactive media could not be more constrained than by this Australian market system. Mr Murdoch is totally aware that no competitor could compete with Telstra in the densely populated markets of Australia. He knows that the Australian federal government has to subsidise private companies with public funds and knows that federal government is most willing to do so, even when it is just a token service for remote locations!

This was Mr Murdoch’s clever trickery with his private confidentialities within governments and with their understanding (and fear) of Mr Murdoch’s political market power, in the first place. Mr Murdoch did not enter the PayTV play in Australia until the Telstra cable was ready, knowing that it was the world’s most efficient system. Telstra was the first national telephone network in the world with FTTN cable for a revolutionary expansion of the electromagnetic spectrum.

Telstra is a most essential national public utility. When Telstra is converted to FTTP networking within two to three years, PayTV as we know it from analogue systems is totally redundant. With digital and Telstra’s huge expansion of broadband spectrum, this most inefficient system of “start in the middle finish in the middle 24 / 7” PayTV was obsolete a decade ago! Mr Murdoch targets that Telstra remains his monopoly for the next market activity of electronic media, “at call” media, a far more efficient use of electromagnetic spectrum than the Foxtel system. This opportunity should be available to all producers and consumers, not exclusively to Mr Murdoch!

The artificially organised competitors, created at tremendous cost to Australians could never compete with Telstra! (See table, page 25).

Surely for government Ministers to promote to the public that this unique Australian policy is “for the good of the nation” must be a political risk based on the commercial media support and the belief that the public will never know. It is a most expensive and socially and economically devastating outcome for Australians.

Either the Australia’s bureaucracy is completely ignorant of these world-benchmarked sciences or engineering, a major political defect in itself, or it has been corrupted to then falsely support the Minister! In a democracy even to attempt this contrived interference with public investments would with no doubt be understood as an attempt for unscrupulous market abuse and market corruption!

Public and private investments in telephony and electronic media networks in Australia is a total shambles! At least in USA private telephone companies (because of a historically inherited system that Australia never had) are “regulated” for efficient use of capital, not to operate as parallel networks. Their Federal Communications Commission (FCC) also regulates prices. The FCC is a bipartisan appointed operational regulator to ensure minimum foul play and to ensure standardisation between private networks that can not compete, as they operate in series, not parallel.

USA does not have a national fibre FTTN network to homes and offices. It seems likely now that they could soon have a national FTTP network instead. After Australia has its own house in order, (one national public telecommunications network to international standards), the intelligence within Australia will be available as business opportunities to support software developed to manage telecommunications systems and public infrastructures in other nations.

USA and many nations have yet to build FTTP networks with seamless mobile radio interfaces. This is a new major field for industrial growth and energy reduction around the world! With sound Australian leadership and open business support from federal and state government bureaucracies and Australian public universities, Australia still has time and opportunity to be world leader in this field of technology as Telecom Australia once was!

Australian consumers, new and small business enterprises will then be protected by conformance to standards by the rule of law, so that this knowledge can be included in progressive public education to develop the essential human capital in readiness for employment to support industry and commerce.

What is the true price of a litre of petroleum when the price displayed is subjected to the customer possession of the discount coupon, if it has not expired? What is the true price of petrol to fill a 100 litre tank after coupon discount plus \$5 dollar store purchase that doubles the available coupon discount for a litre of petrol. What is the price to the consumers to wait for twenty minutes or more in a cue for petrol? Why does the price of petrol differ by 5 – 10% between local districts, too far to expect “market competition” to benefit consumers by driving a vehicle 20 – 30 Klm to do so. Therefore, is it true that these major price variables are dependent on Singapore fuel prices?

The Woolworths / Westfield groups can easily align their market strategies even as a global “market power”, to rapidly gain private control or “market power”, not only over distribution channels but also over the locations of their market outlets, a combined and coordinated strategy for extreme market power. Both objectives are stimulated by the easily available finance from the substantial Australian compulsory super funds that are not available for public infrastructure developments or local community shared shopping centre developments.

There is no shadow of doubt that Woolworths (and its alliances with Westfield and financial institutions) are operating with increasing global “Market Power” over small businesses and producers. Small businesses, to survive at all, are forced out of their original location and into the new nationwide corporately owned shopping centres with chain retailers. Small shopkeepers are no longer independent owners of their shops as they are locked into a scheme of renting, fees over their income, compulsory advertising and compulsory upgrades from time to time.

Small shopkeepers are denied in Australia their independence by this “shopping centre” system organised by private deregulated market forces as confidential arrangements with governments and councils for “get rich quick” market schemes. Australia does not support that the shopping centres be a corporate body owned and operated by the shopkeepers within a local shopping centre, financed independently from their own super funds for family objectives, as local community team spirited independent enterprises.

The price differential between farm prices and retail prices seems excessive. Farmers are fighting for their survival while their products provide directors of Woolworths, Westfield and Macquarie Bank, with their confidentially aligned objectives as examples, with world leading incomes. It was only after the Queensland government’s involvement in the marketing of Fish, that the industrial activity of “fishing” has been protected against unscrupulous commercial trade practices. The food retail system placed price pressure on suppliers possible because of a minimal diversity of market channels. This pressure threatened the survival of the Australian fishing industries.

The Trade Practices Act did not find that this was an abusive problem. It appears that the ACCC found that “Market Competition” was the overriding consideration, not whether the fishermen were being unfairly exploited but that “competition” did exist. The retail price of fish hardly changed from pre to post this Queensland Act to protect the survival of the fishing industry.⁴

Are distribution channels really efficient? The revised Act could be used as a tool to also test the efficiencies between various possibilities for channels to markets. By taking into account the prices and profits earned by producers and the costs to consumers for their financial commitments at store, and then the social costs for their travel time, shopping time to buy goods and services, transport and storage costs and their cost of debt, problems or opportunities should be exposed. This intelligence, made public and delegated to university students to study may be useful to correct energy and productivity policies and solutions for the emerging global shortage of food and water.

⁴ *Queensland cooperative Act, updated 2002*

It can be used to monitor the social gap between the over privileged and underprivileged in Australia, which is expanding at an alarming rate. This problem is frequently described as the global digital divide, the successful but antisocial outcomes for the private “market forces” that globally promote the “Market Economy” doctrine.

By analysing the “body corporate” make up of a commercially aligned or unionised or affiliated “market forces” is a complex way to search for market abuses (predatory pricing, market power and unconscionable conduct). One thing for sure is that the social and economic transgression is a human “top down” condition, not a “body corporate” condition, just as terrorism is a human condition.

To expose and fine a “body corporate”, for the discovered transgressions, as the ACCC has applied to Telstra, that eventually recover these costs from their customers or deny shareholders their dividends, does not remove the true cause. It only removes temporarily, the effect. It is not the human transgressors that are punished who survive to collect their salaries and bonuses another day or for another opportunity, possibly to “lead” in devious behaviour in another private or public business.

This is an issue of high priority that also relates directly to whether a company (or a private consortium or coordinated commercial or market union) is abusing its market power. By knowing the contracts, arrangements and understandings between corporate bodies will not in itself expose the problems. The market power (and the efficiency and productivity) of a company is easily and efficiently evaluated. It can be speedily done by simple inspection and conformance testing of information flow, money flow, and goods flow (and even share trading flow per the real owners not their nominees) relating to the interconnected chains of systems and related processes (and financing) from source to final destination of the goods or services (or equity trading) under question.

The revised Act should be in a simple but clear format of only a few pages so that even secondary school students could read, understand the intent and reason with it, to increase their confidence and understanding of the processes and objectives of industry, commerce, and law for democratic nation building.

Australians need all the opportunities possible to ensure the welfare and democratic principles are recovered for Australians by sound principles, benchmarked as world’s best business practices for the social and economic welfare of Australians.

The Broadband Fiasco

The Broadband Fiasco, is an outline of a case study of Telstra and demonstrates the ineffectiveness of the Act and the cause of frustration for the ACCC and ASIC. This covers a decade of experiences relating to “market reform” as recommended by the Hilmer report that was the basis in 1997 of the Act that set out directives for National Competition Policies.

To demonstrate where Australia was planned to be by now from its federal government commitment near two decades ago, the International Telecommunications Union of the United Nations Assembly had demonstrated this year, that FTTP, (Fibre To The Premises) is ready as a viable replacement of telephone wires and exchanges.

This low cost system for the replacement of copper wires and telephone exchanges, was the Telecom Australia commitment for Australians, the first national commitment in the world, to these advanced technologies.

This demo was at the conference in Chicago, sponsored by NXTComm, June 18-21st, 2007. Visiting members and guests to the International Telecommunications Union (ITU-T) team witnessed a demonstration for fibre to the premises with the industry standards already established. ITU, a department of the United Nations, collaborated to organise this multi company interoperability demonstration featuring gigabit passive optical network equipment.

This engineering is used in the local loop environment to cost effectively and seamlessly connect residential and small and medium enterprises (SME's) end users premises in an all fibre network.

This technology to international standards (open access) for extremely low cost telecommunications for the transport and switching of telephony and interactive television services over national all fibre cable network is now a small step from Telstra's FTTN (Fibre To The Node) as presently utilized exclusively for "Foxtel" and "BigPond Cable". Telephone exchanges and copper wires are now redundant and should be replaced by Fibre!

Telstra's current standing as a commercially driven company working in close partnership with the World's largest media group, Rupert Murdoch's News Limited, belies its origins as a publicly-owned institution driven by a clear public service ethos. That public service mission has been subverted by its commercial relationship with News Ltd. This has seen the public's once \$64 billion telecommunications network effectively monopolised by Foxtel. Although jointly owned by Telstra, News Ltd controls Foxtel. Telstra's cable network to the home carries both Foxtel's PayTV programs and Telstra's Big Pond Cable Internet service, which is little more than advertiser-dominated news medium.

The question is how did a publicly owned institution that stood for universal service, the provision of telephone services to all Australians at a uniform affordable tariff and consequently non-discriminatory access to digital communication and interactive media services become so distorted that it now serves the monopolistic ambitions of News Ltd?

The answer lies in the very success of the public service vision of Telstra's predecessors. Initially a government department, the Post Master General's Department, and then as the corporatised but wholly publicly owned Telecom Australia, it embarked on significant research into the digital future. That vision of a nationally-owned information superhighway was encapsulated in Telecom 2000, a report published in 1976 which foresaw a broadband future with open access for telephony as well as Australian digital interactive service providers via fibre optic cables of practically unlimited capacity that reached all Australian homes and offices.

Telecom Australia stood at the international forefront of fibre optics and digital understanding with leading edge research laboratories that were undertaking research on digital switching and transmission. Its engineers were world leaders who participated in international forums making their research publicly available so that it acted as an Open University.

By the 1980s internationally shared research within an international open forum of about 300 companies, universities and government agencies had demonstrated that information – whether speech, video or data – could be digitally encoded as packets of information that could be addressed to individual users. Most significantly their labs demonstrated that digital technology could automate the distribution and administration of electronic commodities by carrying them efficiently on a shared telecommunications infrastructure at very low cost which had not been possible with analogue technology.

By 1983 the revolutionary opportunities from the natural characteristic of the electromagnetic spectrum for digital television and telecommunications was made public.⁵

For the first time, they discovered that electronic services and products could be logistically managed as experienced with physical services and products.

This is possible because of four major science and technology breakthroughs.

One, intelligence, as sounds, words, text, static and moving pictures, can be converted (encoded and decoded) into standardised digital formats.

Two; digital engineering employs very low cost software programs for packet switching in networks to logistically manage the distribution of electronic goods and services and operate telephony at the same time over the same infrastructure. This revolutionary approach is not possible with analogue or circuit switching copper wires and telephone exchanges or with a mix of proprietary networks.

Three; new optical fibre science and technologies provides the means to use light frequencies through cable as the nation's primary transport and switching infrastructure and provides seamless interchange across any satellite, cable and terrestrial digital carrier systems that operate to international standards.

Four; and this is critical to Australia's social and economic objectives. Public (ITC) programs must now educate students as to how the new "packet-switching" relates to standards for digital automation of public and private logistics and administration.

After government rulings to standardise codes as for instance applies in Australia with Customs and with barcodes, to identify goods and services etc, and as per the Internet names and addresses, all goods and services within and between organisations can be automated! This is only possible after a publicly transparent system of codes essential to digital electronics, a public "register" to the standards, that ACMA should have provided, to service and support local state and national industry and commerce.

⁵ *The Telecom Australia "open education" program for schools and its open relationship with universities and private industrialists was closed down by Telstra management, and federal government, post February 1996, - see "Telstra Classroom" website. Instead public schools now educate from "The Market Economy" text books as compiled by Tim Dixon, a senior economic policy advisor in Canberra and John O'Mahony, an economic advisor in Sydney. This HSC text book promotes economic philosophies without real world examples.*

This should not remain as it is now in Australia, a confidential activity between unionised or affiliated market forces for private exploitation of their consumers!

As the car replaced the horse, so with digital telecommunications highways, the nation must learn new knowledge and skills for the public and small businesses to share in this revolutionary opportunity for automation of administration and logistics. News Ltd should not have private authority over this essential process within Telstra.

This coding process exists. It is an essential part of managing digital free to air TV, digital telephony and digital PayTV. PayTV is not a special case! Currently these processes are confidentially managed for proprietary objectives to block revolutionary public opportunities and competition. This is privately and proprietary management in confidence from the public and from federal and state governments.

This is social and economic abuse that is severely constraining productivity, market efficiency and consumer choice!

As roads and motor registration and licensing is a public service so must a code registration and licensing for services over the public telecommunications network be a public service. The ACMA has been informed many times of this essential element for the convergence of electronic media transportation and switching with telephony, even by direct representation sponsored by the EEC council. ACMA does not support the public by promoting the public understanding of this essential element of the digital transition program! Instead this department, no longer a public agency keeps from the public the confidential objectives of News Ltd relating to public telecommunications as a publicly financed task to support the private objectives of News Ltd.

This agency is not a public agency acting to service the industrial and commerce needs of the public! Public open and transparent control over this task will revolutionise telecommunications as automobile standards and registrations revolutionised open markets and fair trade for physical transport and the motor industry.

News Ltd private technical interference has become a decade old roadblock to this opportunity for one national superhighway network. (In psychological terms for business behaviour, the federal government response to this abuse against Australians is called cognitive dissonance, a mental process that re enforces false commitments rather than a mental admission to error and re evaluation of defects and their causes for correction and improvement)!

By the mid 1990s, Australia was in an ideal position to 'leapfrog' into the digital age with fibre optic cable being the medium for the convergence of services such as digital interactive TV and telephony. As a publicly owned entity Telecom Australia's digital vision had enjoyed federal government support. There were no real barriers to rolling out the fibre superhighway because – unlike the United States, UK and many nations – Australia had not invested in public utilities (Europe) or private cable for analogue or hybrid (MAC) TV networks (without telephony) to carry free to air and pay TV.

Telecom Australia's 'superhighway' was built to international standards as an open access or common carrier. It offers the means to deliver true media diversity, as it is capable of carrying telephony and multiples of digital interactive TV programs while also offering new opportunities in commerce and the delivery of services.

Significant progress was being made by the early 1990s in replacing the slow, limited capacity and expensive copper wires and circuit switching exchanges.

With the deployment of fibre optic cable on inter-city trunk, intra-urban links and major parts of the city and major towns, the superhighway was within reach of 6 million Australian homes before year 2000. Its build was a technical showcase to the world and was planned to be a showcase to visitors to the Sydney 2000 Olympics. This never happened!

Given that by the mid 1990s Australia had achieved a world's first by implementing this revolutionary network what went wrong and why are we now arguing over broadband investment, and public subsidies?

The vision of a digital future with the unlimited capacity to carry information (including interactive TV) to all households clearly threatened the media oligopoly, which had taken over vast amounts of publicly owned radio spectrum for their commercial gain. Faced with a clear threat to their interests, the media companies, lead by News Ltd began a relentless campaign against what they called a huge public monopoly.

Is it rational for Australian nation leaders to accept the accusation that the Australian national telecommunications utility is a monopoly that acts against the best interest of Australians and therefore should be privatised and have competition?

However this was the campaign, underpinned by the rise of free market ideology expressed in deregulation and privatisation, which were supposed to increase efficiency and offer consumer choice. While the twin policies were enacted, starting with deregulation in 1991 and privatisation in 1996, the federal Labor government also walked away from its earlier commitment to an open access superhighway by acceding to the News Ltd request for pay TV.

The Keating government agreed that Telstra should support Mr Murdoch's proposal for Foxtel's analogue PayTV objectives over Telstra's new FTTN network, dependent upon proprietary analogue set top boxes supplied by Foxtel. Under the Howard government these analogue boxes have been progressively replaced by proprietary digital set top boxes, rather than flexible open access cable modems utilising international digital standards. The Howard government refused to mandate international standards as requested by the electronic industrialist for industry and consumer protection and for the digital transition program to be realised.

The News Ltd proprietary box locks Telstra into Foxtel's programs and blocks others from distributing interactive digital TV over the cable that was originally contracted to be underground as per the regulations at the time. In spite of this regulation, later builds include cable strung on power poles as demanded by News Ltd for an earlier opportunity for News Ltd's PayTV enterprise, Foxtel, to connect consumers. (Actually this was only by about 6 months earlier, resulting in the continuing cost to the public as property devaluation by ugly cables and costs for tree trimming for the ugly twisted trees at home frontages, an abusive scheme, far from efficient engineering practice!)

This meant that the additional public capital (at least \$4 billion) used to extend Telstra's network, to the home by way of fibre cable to the curb or pole, and from there, high frequency cable to the home, has been monopolised by News Ltd.⁶

The public's \$4 billion additional public funding for Telstra's FTTN cable that connects exclusively Foxtel and BigPond cable services to the home has been squandered.

Following the establishment of Foxtel as a PPP, the ideas were promoted for the privatisation of Telstra. Now both political parties believe the "free market" will drive investment in the telecommunications network. Consequently, given the low costs and vast productivity potential for Australians, of building an all-fibre to the home network (FTTP), none of the current proposals for broadband foresee at the earliest possible time, the complete replacement of the copper network.

Nor do they draw upon the most advanced and low cost virtually unlimited broadband technologies as demonstrated June 2007, in Chicago.

Having enjoyed its windfall gains from the sale of Telstra the federal government has left the national Phone Company in the hands of overseas managers who have no commitment to public service even though they enjoy vastly inflated salaries. Part of the windfall gain from the sale has been used to compensate for broadband failure in the bush by subsidising, relative to cable, extremely low speed broadband (but called high speed by Senator Coonan and most competitors to Telstra). Now another \$Billion of public funds are being made available by the federal government to Telstra's competitor, Optus, owned by the Singapore government.

How this business arrangement that attacks the uninformed Australians who bought federal government shares in Telstra, is also permitted as ethical by the ACCC and the ASIC is alarming. In the cities, by international standards, Australians pay high prices for relatively small amounts of bandwidth to access the Internet on the same cable as Foxtel enjoys virtually a free ride! The conflict for the ACCC is that through all this, the federal government consistently claims that this is "competition" for "nation's best interests".

The accumulated waste heading rapidly towards \$100 Billion of Australian funds continues unabated. It includes the near \$30 Billion from financial losses of the public's investment in Telstra within the public sector and near \$15 billion for those that purchase Telstra shares.

It includes the major investments in collapses and lost share values of the many companies who paid exorbitant prices for auctioned spectrum for PayTV unaware that later they must compete with News Ltd who was permitted exclusive access to Telstra's FTTN cable for a private PayTV venture. This is the cable that was publicly financed and built, not by News Ltd, but by the Australian public well before the foundation of Foxtel.

⁶ See Hansard ERC&448 – 576 Thursday 12th June 1997 and elsewhere in Hansard

No competitor to News Ltd could survive against this publicly subsidised program, with News Ltd virtually the major user of this \$64 billion public infrastructure without News Ltd having to build its own cable to do so!

It includes the losses with Optus post public sale for privatisation. It includes the negative results of the investors in newly licensed telecommunications companies, the many “competitors” who purchased auctioned spectrum for artificially creating “competition” and networks in parallel when one is more than sufficient!

It includes the social and economic maintenance cost and ugliness that for much of the build is above ground that was engineered and contracted to the regulations that specified telecommunication cable to be underground. This is the cost to Australian, without counting lost opportunity costs, to support federal government’s faith in the “Market Economy” and in Mr Murdoch’s private authority over Telstra to block the original objectives and to lock out competitors’ use of the once public utility.

This loss and waste could build for Australia a national public FTTP system with seamless extension to GSM mobile radio, about 10 times over! One public network, the completion of the original Telecom Australia program, is more than sufficient to support Australia over the next four decades or more and would be the world’s most efficient broadband!

The Labor Party also has announced it will commit \$3.7 billion of taxpayer’s money to a PPP. This is a proposal to build yet another fibre to the node network (FTTN) in a nation that does not support or mandate international standards. Yet despite the lack of transparency with this PPP’s confidential objectives, costs and reporting to the public, and because of omissions related to public education and standardisation for Australians, the real and most revolutionary productivity opportunities for Australians, has been aborted and wasted.

It is quite clear that under foreign direction and given that it is only answerable to shareholders, Telstra has no interest in nation building and cannot be expected to build the national information superhighway. Nor can we look to the superannuation enforced savings that were initially to be used for infrastructure development, in part to finance a public network. Super funds are being siphoned off into Public Private Partnerships, which raise infrastructure costs, or are being mobilised for private objectives by funding mergers, takeovers and private equity. They are not available for projects of national significance.

Effectively the vision of a democratic communications medium, an open access, universally available fibre optic superhighway to the home has been subverted so that Mr Murdoch can dominate and shape Australian political life and culture. And following Telstra’s privatisation the Australian public is almost powerless to stop this process because Telstra, now only answers to its 1.5 million shareholders who enjoy the \$4 billion annual profit that used to be distributed to all Australians.

Given this complete lack of understanding, which is now obvious at a national level, a radical yet highly feasible plan is needed to deliver the superhighway to Australians. Telstra should be returned to public ownership and mandated to operate to international standards.

Telstra must be a publicly owned fibre optic network for all fixed line connections. With seamless interfaces from cable for people on the move, Australians' will have access at very high-speed broadband to thousands of interactive multi media suppliers and services with telephony, between the public and its industries, businesses, educationalists, politicians, homes, families and friends. This one nationwide seamless system will interface throughout the home or office with already available equipment without the Australian messy and inconvenient boxes, plugs, cables and controls, the accumulating waste of duplicated equipment and frustrating inconvenience.

This corrective action could be achieved without exposing to the world this \$64 Billion politically contrived corruption. This national objective could be completed in short time, (3-4 years) under COAG council authority, just by doing so, without a board and with an "all Australian" operational management team who would best serve the nation building objectives of Australians. The most expensive imported management team and its board are only interested in maximising profits from the Telstra assets for News Ltd media marketing objectives in more densely populated regions. They are not necessary.

By transferring free and subscription commercial and public television to "fibre to the home", which has almost unlimited bandwidth, large amounts of wireless spectrum could be released. This could be used to service the exponential needs relating to mobile and telemetry, the remote control of equipment and machines as radio extensions from cable nodes and hubs. This would yield large economic gains from long-term national objectives without resorting to further auctions of spectrum to offset federal government debt! Auctions have technically, socially and economically severely distorted the flexible use and efficiency of this finite resource. Telstra must sell its equity it has in Foxtel and media marketing to ensure no conflicts against the public and against Australian industry and commerce.

Foxtel boxes can be phased out and replaced by equipment sold in retail markets to Australian mandated standards. Issuing Telstra bonds to current shareholders could fund a public buy-back of this essential public infrastructure. This could be partly underwritten by state governments who would benefit from the creation of a national fibre network. When operating to international standards Australian digital telecommunications will be the most advanced of its kind in the world.

As the fibre is being rolled out to rural regions, the existing HFC sectors of the FTTN cable system (the last kilometre to the home) could also be replaced by fibre cable. Telstra in a short time (2 – 3 years) could be re established, as a national public owned FTTP networks with "seamless" links between mobile radio and related internationally standardised public radio networks licensed to service operators.

Telstra could absorb its smaller (mostly unprofitable) "competitors" to ensure there was no loss of service. Its largest competitors, Telecom NZ and Optus, (Optus is owned by the Singapore government), could be encouraged at inter-government level to work cooperatively with Telstra on this national project. Even without this cooperation Telstra's massive cash flows mean that a national fibre network including rural areas could be funded without recourse to public funds or subsidies.

A national asset would again be in public hands, accountable to the Australian people and serving the national rather than foreign interests.

Public authority over the digital public highway that operates to international standards opens many opportunities for vast efficiency improvements for the administration within public and private organisations. As a rough guide to this potential (to be separately studied) should be in the order of \$80 Billion lower than existing annual costs for Australians, a major opportunity to boost the productivity from Australian industries and commerce in a way not possible without one public network.

It provides the means to offer business licences to many new competitors who venture into electronic marketing without abusive popup advertising and abusive monitoring and intrusion into people's social and economic behaviour. It provides a most efficient means to collect GST from commercial electronic trading that would not be feasible or even possible with many private non-standardised networks operating in parallel.

Conclusion

Market competition has existed since the beginning of trade and commerce. It is the nature of trade and commerce. Also unscrupulous behaviour has existed since the beginning of trade and commerce.

Promoting competition, the major flaw in the Act, is a political paradigm that with deregulation and private authority over public shared utilities and educational foundations, facilitate schemes that blinds the public from knowing and understanding the nature of unscrupulous commercial and financial abuse and corruption.

Mature businesses are fully qualified and experienced to operate in international markets without public subsidies and special privileges from the governments of nations that act with a new religious belief in the "Market Economy" doctrine to facilitate a new commercial "freedom". It is a scheme that reduces government's social obligations to its public and removes publicly developed practices by the rule of law to protect fair trade and open markets within and between democratic nations without the need of costly litigation to do so.

It is the entrepreneurial spirit from knowledge and intelligence within nations that gives rise to new and innovative opportunities for industry, commerce and social objectives. Democratic nations finance public education and research foundations to support these objectives. With these foundations under private authority for profit objectives, the sharing of knowledge and intelligence throughout a nation for nation building objectives is most unlikely.

Telstra is the key elements for Australian nation building objectives and an essential element to all Australians trade, commerce and social objectives. While it remains under foreign commercial media authority, the nation building objectives for Australians are subjected to private scrutiny and private commercial and political interference and privately "engineered" propaganda. Telstra is now Australia's most powerful tool for the promotion of propaganda that could be used to support the undemocratic "Market Economy" objectives. For Australia to be a democracy, the first and most critical step is to re nationalise telecommunications.

This is the catalyst for a new national focus on industrial and commercial productivity and social and economic progress.

The recommended objective for the Act in a simplified form gives the ACCC, the ASIC, and the police the necessary power in the most efficient way. This is to ensure that Australians stand high in international forums, open to global observation of the principles at work to support democracy social justice and the rule of law.

With Australians' long term objectives for nation building, openly shared with federal, state and local governments and their communities, with open and transparent channels of communication, and foundations for knowledge expansion, Australians will be properly equipped to expand industry and commerce into international markets to profit Australians. With this experience Australians will share in achieving the objectives of democratic nations, the Australians' objective for a better and self-sustainable world.

ASX 5010 Sector Telecommunications Jul 3rd 2007:

Security Name	Tick	Price	Income	Day trades	Market Capital	% inc
Telstra	TLS	\$4.61	\$2,274,371,328	\$94,324,224	\$47,229,063,168	5%
Telecom NZ	TEL	\$4.22	\$494,495,584	\$63,065,512	\$8,524,392,448	6%
Singtel *	SGT	\$2.61	\$105,856,200	\$9,175,079	\$1,191,909,760	9%
REF	REF	\$6.00	\$0	\$264,114	\$553,415,936	0%
SP TELEMEDIA LTD	SOT	\$0.90	\$16,613,556	\$898,262	\$364,687,808	5%
Powertel	PWT	\$2.29	\$10,858,101	\$0	\$318,782,688	3%
linet Ltd	IIN	\$1.91	-\$62,928,104	\$370,133	\$239,905,552	-26%
PIPE NETWORKS	PWK	\$3.42	\$5,319,160	\$80,411	\$151,722,480	4%
Amcon Tele	AMM	\$0.22	\$8,352,499	\$81,120	\$111,366,656	7%
Hutchison Tele	HTA	\$0.14	-\$759,449,664	\$6,556	\$91,614,432	-829%
Entertainment Media & T	ETC	\$0.08	-\$174,988,816	\$45,241	\$90,000,760	-194%
FRESHTEL HOLDINGS	FRE	\$0.39	-\$11,141,518	\$20,768	\$79,291,824	-14%
UNWIRED GROUP	UNW	\$0.28	-\$30,375,480	\$37,293	\$69,901,736	-43%
ENGIN LIMITED	ENG	\$0.18	-\$12,184,133	\$237,706	\$61,447,360	-20%
M2 TELECOMMUNICAT	MTU	\$0.78	\$2,479,178	\$24,960	\$46,935,888	5%
FUL	FUL	\$0.05	-\$1,830,874	\$12,430	\$24,716,802	-7%
MACQUARIE TELECOM	MAQ	\$0.92	-\$5,945,126	\$2,116	\$18,731,218	-32%
Broadband Comm	BRO	\$0.01	-\$12,328,524	\$109,331	\$18,189,626	-68%
PEOPLE TELECOM	PEO	\$0.06	-\$22,101,752	\$214	\$17,545,958	-126%
ORION TELECOMMUN.	OTL	\$0.22	-\$3,904,982	\$42,140	\$16,397,875	-24%
NAMBERRY LIMITED	NMB	\$0.05	-\$431,829	\$0	\$14,574,234	-3%
EFT	EFT	\$0.09	-\$710,269	\$9,000	\$14,205,377	-5%
Stratatel	STE	\$0.15	\$469,466	\$46,094	\$11,935,575	4%
Tele-ip	TEE	\$0.02	-\$7,743,527	\$1,900	\$11,584,804	-67%
Mithril Res	MSO	\$0.03	\$1,035,200	\$3,300	\$10,352,003	10%
Queste Communications	QUE	\$0.36	\$2,474,065	\$0	\$10,083,732	25%
CAPE RANGE WIRELES	CAG	\$0.00	-\$18,752,428	\$0	\$8,428,058	-222%
IC2 GLOBAL LIMITED	ICC	\$0.13	-\$11,007,644	\$52,000	\$7,932,338	-139%
ACCESS PROVIDERS L	APV	\$0.10	\$244,358	\$7,800	\$6,981,654	4%
BGL	BGL	\$0.09	-\$643,675	\$0	\$5,793,073	-11%
Future Corp Australia	FUT	\$0.01	-\$11,292,804	\$13,815	\$3,208,183	-352%
MNF	MNF	\$0.17	-\$542,146	\$8,253	\$2,981,802	-18%
Sirius Telecommunicati	SIU	\$0.06	-\$504,983	\$0	\$2,570,820	-20%
CIRCLECOM LIMITED	CCO	\$0.00	-\$730,484	\$0	\$2,434,946	-30%
			\$1,773,029,933	\$168,939,772	\$59,333,086,572	3%

* Excludes Singapore Government 57% holdings
Telstra excludes federal government holding.