

Dear Sir,

Re the Senate Inquiry into The Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill

I, my wife and my Family Trust own 87,702 Telstra shares.

I oppose the passage of the Bill partly for the following reasons:

1. The Minister has criticized Telstra for being “the most highly integrated telco in the world.” Once being “integrated” was a good thing, now it is a bad thing (according to the Minister). One of the reasons that our telecommunications network needs to be integrated is that the telecommunications task in Australia is more onerous than in many other nations cited as examples. For example, compare the population density (persons per sq km) of Australia (2.74) with South Korea (486.45), Japan (336.25) and the U.K. (250.86). These are commonly cited as having gained great benefits from structural separation and ubiquitous high-speed broadband. This is not supported by the most recent World Bank PPP GDP per capita US\$ figures which are: Australia \$34,040; South Korea \$28,120; Japan \$35,020; UK \$36,130. Not much perceived advantage there.
2. The Minister intends to exclude Telstra (and Telstra alone) from bidding for extra wireless spectrum. This of course is partial and corrupt by nature and will reduce the value to Australia of the sale of that spectrum and will advantage foreign owned competitors and other bidders. It will be interesting to discover the legality of the Minister’s ploy. However, the Minister seems to contemplate no possibility of successful bidders on-selling spectrum to other organizations (including Telstra) at lower prices than would have been obtained in an initial sale with Telstra included.
3. The substitute network proposed by the Minister has the unfortunate characteristic (for Australia) of requiring independent power supply (e.g. batteries) to operate a basic handset. How many more lives this would have cost in the recent Victorian bushfires is anyone’s guess.

There are legions of reasons why this is a bad idea, but to list them would, I believe, leave the Minister none the wiser.

Thanking you for this opportunity,

Tom Knox