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Telstra

SPEECH

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BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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| Speaker Ciobo, Steven, MP | Question No. |

Mr CIOBO (Moncrieff) (4.07 pm)—Perhaps the truest words in this debate were spoken by the member for Gippsland when he said that Labor lacks conviction and credibility. If there is one key message that we hear from Australians about the high level of cynicism that they have towards the political process, it is the fact that so often the rhetoric does not match the action. What do we see from the member for Bendigo and the member for Melbourne? They like to make the talk. The Australian Labor Party will say how committed it is. Just a moment ago we heard from the member for Bendigo that the Australian Labor Party is apparently committed to Telstra remaining in public ownership.

Mr Deputy Speaker, you will note that the member for Melbourne was remarkably silent about the ALP's proposal with respect to the future ownership structure of Telstra. The member for Melbourne, the shadow finance minister, made no comment about what the Australian Labor Party would be doing with the balance of Telstra. We know from the shadow communications minister, Senator Conroy, that the Australian Labor Party would be looking at retaining the 30 per cent or so of equities that would be going into the Future Fund. Is that going to be the benchmark level of future ownership that the Australian Labor Party has?

Or perhaps we can go to what the member for Bendigo said. The member for Bendigo basically said that the Australian Labor Party's view is that Telstra should have either majority public ownership of some 50 per cent and over or ownership in the vicinity of 100 per cent. That is what the member for Bendigo was saying about Telstra ownership, with his traditional Labor Left approach and ideology.

Mr Hockey—Labor is unrepresented in the chamber.

Mr CIOBO—The Minister for Human Services, who is at the table, makes a very good point. The Australian Labor Party launched this MPI today. The Australian Labor Party came into the chamber and claimed that it is very concerned about the future of Telstra. At present there is not a single representative of the Australian Labor Party in the chamber for this debate. The Australian Labor Party, which says it is so concerned about the future of Telstra, is so unable to legitimise this rhetoric that it cannot even have a member sitting at the table for this debate.

Mr Hockey—Oh!

Mr CIOBO—Oh, finally we get a representative of the Australian Labor Party coming into the chamber. It is a delight to have a representative of the Australian Labor Party here to actually match the rhetoric. As I said from the outset, the whole thrust is that time and time again we see that Labor's actions do not match the rhetoric.

The member for Melbourne said that the major problem is that the government is selling shares when the share price is falling. But let us turn that on its head, Mr Deputy Speaker. Can you for one moment imagine the Australian Labor Party's reaction if the government was selling shares at a time when shares were increasing? If the government had a situation where we were actually putting equities into the marketplace when we thought we could get a higher price in 12 months or 24 months time, you can imagine the Labor Party's reaction. It would be a little odd for them to say, 'Well, now's a good time to sell because in two years time you'll be able to get more money for them.'

I do not know what the Telstra share price is going to do. I am not one of those who come into the chamber and profess to have some crystal ball and know where the share price is going. But I do know that on four separate occasions this government has been to the Australian people indicating our desire to privatise Telstra fully. The reason is the same reason we have heard from the Australian Labor Party, the same arguments that have been advanced by the Leader of the Opposition on privatisations: we know that privatisations are good for the Australian economy because governments should not be in business.

It is that simple. What we see as a result of the partial privatisation, and what we know will be the case through the full privatisation, of Telstra is that the Australian people will continue to benefit from a much more

competitive, robust telecommunications sector than they ever would have under a monopoly telecommunications company like the old Telecom.

Despite the rhetoric—and this is the reason why the member for Melbourne is completely silent on what Labor's policy is with respect to the ownership of Telstra—we know that the Labor Party would do exactly the same thing as the government: the Labor Party would privatise the remaining equity in Telstra. Despite the talk, the action does not match Labor's words. That is the reason why people become so cynical about politicians and why they should be so cynical about the Australian Labor Party. There can be no doubt that if Labor were in government their actual policy would be to privatise the remaining equity in Telstra. That is very clear.

With respect to the way in which Australians have benefited from the privatisation of Telstra, what we see is that the average price of telecommunications services has fallen by more than a quarter—some 26.2 per cent. Mobile phone prices have fallen by 36 per cent and mobile phone subscriptions have risen from around four million to 18½ million. Through a more deregulated telecommunications sector, the number of carriers in this country has increased from three to 153 telecommunications companies. There are now more than 600 internet service providers. All of these service providers—new entrants into the marketplace—come from a more deregulated telecommunications industry. When we go back and look at the GDP growth that is attributable to this more deregulated industry, it is very clear that there is some \$12.4 billion of value added to the Australian economy as a result of this government's commitment to the liberalisation, increased competitiveness and full privatisation of Telstra—money which would otherwise not be there if Telstra had been left in public ownership.

In addition to that, I was interested in comments that the member for Bendigo made. These are weasel words, if ever I have heard them, because the member for Bendigo made the remark: 'Labor is committed to maintaining a strong influence on Telstra.' What does that mean? Does that actually indicate in some way that the Labor Party is going to retain public ownership of Telstra? As I said, the member for Melbourne made no remark on it. Does that mean that the Labor Party is committed to retaining 30 per cent equity in Telstra? Or is the Labor Party's position a commitment to 51 per cent ownership of Telstra? Or is the Labor Party's commitment to actually nationalising Telstra again and taking 100 per cent? Which one is it? What do the words 'Labor is committed to maintaining a strong influence' actually mean? They are weasel words. They mean nothing. It is rhetoric. We see from the Australian Labor Party that their actions do not match their rhetoric. The Australian people have every right to be exceptionally cynical about an opposition that lacks conviction and that lacks credibility. When the Australian Labor Party stand up and say, 'We're committed to maintaining a strong influence on Telstra,' they know that those words ring hollow and that they mean nothing.

It is this government that has put in place the regulatory framework to ensure that we have a universal service obligation. It is this government that has put in place a Communications Fund. It is this government that has put in place the Connect Australia fund to ensure that we have regional communities with access to broadband. It is this government which actually moves beyond the rhetoric. It has invested billions of dollars in improving telecommunications and establishing a more competitive communications market in this country.

One of the key reasons that we have seen a decline in Telstra's share price is because of the inherent conflict that exists between a former monopoly that is highly regulated and the situation where, through that regulation, we are delivering the services that the Australian people desire. What is very clear is that had this government not been thwarted by the Australian Labor Party but had actually been able to sell off the balance of Telstra years ago, when we first sought to do it, there would not be a problem with respect to the share price. One could only speculate on what the share price would be. If there is anybody that T1 and T2 shareholders should be concerned with, let it be the Australian Labor Party, because the Australian Labor Party have kept in place and exacerbated this fundamental conflict between regulation and shareholder value. It is the Australian Labor Party that have kept that position entrenched. So the decline in the share value should be sheeted home to where it belongs, and that is the Australian Labor Party, who have stood in blanket opposition to this full privatisation.

I urge the Australian people to cut through the rhetoric and actually seek some kind of commitment as to what the Labor Party's position really is. They will attempt to weasel out of it, but they know a fully privatised Telstra represents a more competitive telecommunications market in the future. I am very, very pleased to support the full privatisation of Telstra.