

# Getting up to speed on broadband

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**A**DMITTING defeat is never easy and it's particularly difficult when the battle's been going for more than 10 years.

Labor's decision to accept defeat on the battle over public ownership of Telstra has been pretty painful.

We've invested a lot of time and energy in the campaign, but four election defeats have taken their toll.

The Government's shareholding in Telstra is now only 17 per cent. That's not enough to allow major influence, let alone control. Buying it back would cost an enormous amount.

Whether we like it or not, John Howard has finally achieved his obsession. Telstra is a private company.

While the battle might be over, the reasons why we fought it haven't disap-

peared. Telstra still dominates the industry, so the threat of private monopoly power is serious.

And consumers in country Australia aren't as profitable as their city cousins, so they're likely to miss out in a privatised world.

These concerns are at the heart of Australia's appalling broadband performance. Lack of competition and the cost of servicing country consumers have helped create a broadband stalemate.

The Government and the major companies are all blaming each other, and nothing is being done.

Australia is only 17th in the developed world in broadband access, and many businesses and consumers are unable to get broadband.

Our speeds are ordinary, and our prices are high.

Why is this so important?

Because broadband is now a standard tool of business: it is like the telephone, or electricity.

Labor has announced a plan to solve the broadband stalemate.

In equal partnership with the private sector, we will build a national fibre network giving 98 per cent of Australians access to broadband at minimum speeds of 12 megabits per second.

Other countries in our region are doing things like this. Why can't we?

The Government has attacked our proposal, particularly the use of some of the remaining government shares held in the Future Fund.

The response has been a

little hysterical. In effect, we're proposing to do what the Government is already doing, but more so.

The Government has created a Communications Fund with \$2 billion that would otherwise have gone in to the Future Fund.

We're proposing to add up to \$2.7 billion more of remaining Telstra shares to finance the Government's investment in the broadband network.

The Future Fund will still easily meet its target of funding public service superannuation liabilities.

It is already way ahead of schedule.

Since 2002, the Government has announced 17 different broadband programs. And we're still only 17th in the developed world.

We simply can't allow this to continue. Australia's productivity is slipping. Our businesses need broadband to compete.

Our kids need broadband to study. Our future prosperity depends on it.

Just as railways drove economic development in the 19th century, broadband will drive it in the 21st.

John Howard claims Labor's economic management credentials have been blown apart by our broadband proposal.

There is a big economic responsibility issue in this debate, but it's about Howard's failure to equip our businesses and students with the tools they need to succeed in a highly competitive world.

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