

TELSTRA

WHAT BROADBAND MEANS FOR YOU

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The world of telecommunications is constantly changing, and Telstra's employees are at the cutting edge.

Who will build the National Broadband Network?

The next key challenge for Australia's telecommunications industry is the Labor Government's plan to roll out a high-speed, fibre-to-the-node broadband network.

The Government has called for proposals from companies to build the new network, which has to offer data speeds of at least 12Mbps available to 98 per cent of the population.

Our taxpayer dollars are at stake: the Government will chip in \$4.7 billion to make the national broadband network a reality.

It will be one of the biggest investments in infrastructure in Australia's history and will make a huge difference to the nation's productivity.

The Telstra wireline network is still the only one which has a truly national reach, so the company can argue that it is well-placed to get the national broadband network contract. It also recently rolled out its mobile Next G network on a national basis

However, Telstra has competitors for this contract. Terria, the new name for the consortium that used to be called G9, has paid its \$5 million bond to launch a bid. Optus, one of the 8 service providers that make up Terria, has also launched its own separate bid to build the network.

Structural separation?

Terria and some commentators have called for "structural separation" of the broadband network provider.

This means the company that builds the actual fibre-to-the-node infrastructure should be a wholesale provider, structurally separate from the companies which sell broadband.

Terria has argued that such separation would help foster competition, leading to lower prices for consumers. Others argue that structural separation would

- Inhibit investment and innovation
- Be inefficient because it would reduce economies of scope and scale
- Create a more expensive network as a result.

Significantly, if the Government insisted on structural separation and Telstra won the bid to build the network, Telstra would have to be split up.

Structural separation is just one of many complex legal and regulatory issues inherent in the national broadband rollout, but it is the one that is being debated most intensely at present.

Unions: ensuring telecommunications employees and consumers are heard

Unions realise that Telstra is operating in a complex, demanding and competitive environment.

We also think that the National Broadband Network is critical for Australia's future.

Representing 2 million workers and their families, the ACTU is working together with Telstra's unions – the CEPU, CPSU and APESMA – to make sure employee and consumer voices are heard.

Unions have allocated unprecedented resources to this task. Five researchers are investigating the legal, regulatory and political aspects of the broadband rollout to make sure the following principles are upheld:

- a) Promote telecommunications investment to ensure quality of consumer service and technological innovation;
- b) Ensure a trained and fairly compensated workforce positioned for telecommunications in the digital age;
- c) Universal access for all Australians — including rural and regional, disabled, low income, and small business.
- d) Fair pricing to promote competition that spurs innovation, consumer quality and lower prices.
- e) Australian control of this key national infrastructure.

If you have any comments or questions on what broadband means for you, please get in touch
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