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PRIME MINISTER

27 June 1996

**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
ADDRESS AT THE OPTUS LOCAL TELEPHONE SERVICE LAUNCH
DARLING HARBOUR, EXHIBITION CENTRE, SYDNEY**

E&OE

Well thank you very much Geoff Cousins; ladies and gentlemen.

This is a very special day, not only for Optus, not only for the communications industry, but also in the several respects as a commentary of the character of Australia and the character of the Australian economy.

One of the great features of the Australian character and the Australian way of life is that we have always, amongst many other things, been great devourers of new technology. If you go back over the years to the way in which there was a massive take-up decades ago in vacuum cleaners, the advent of television sets, the onset of the use of videos, the absolutely voracious appetite Australians, particularly young Australians, have displayed for the mobile telephone, stamp us quite distinctively around the world as being tremendous devourers and tremendous addicts of new technology. And one of the great marketing skills that I believe Optus has brought to the telecommunications industry in this country is to understand that. And today is a triumph of Australian drive, Australian business skill, and the commitment especially of young Australians, to building a new enterprise. And of all the many things that Geoff Cousins said in his speech, none cheered me more than the remarks he passed about the dedication of Optus staff and the denial that that represented to the doomsayers, who we occasionally hear, about the capacities and the commitment of the Australian workplace.

This of course is also a great day for competition. And there's nothing that cheers the heart of a Prime Minister, particularly a new one, than demonstrations of competition in very sensitive sectors of the economy. And we've had today, and we had a few

weeks ago in another area, the best possible field evidence, that if you really want to develop the Australian economy, there is no better path than the path of competition.

We saw a few weeks ago in the banking industry, against all the predictions, all the trends, at a time when official interest rates were still hanging up, we saw a fall in housing interest rates as a result of the entry into the housing industry of new players and the competitive pressures that those new players demonstrated. And we have seen today with this quite dramatic entry, the breaking down of the last bastion you might say, of exclusive telecommunications activity; we have seen a dramatic challenge been thrown out by the Optus company to its competitive rival. And when you bear in mind that many studies indicate that after labour costs, telecommunications' costs represent the highest business input cost for Australian businesses. It does indicate very significantly just how important that decision is, and how important competition in the telecommunications industry is.

But it also is a very important social development. There are many great Australian icons, but as we are amongst the most urbanised communities in the world, the local telephone call is - the local domestic telephone call is - as Australian as the Gum tree. And there's something very special about its place, the way in which it demolishes isolation, the way in which it gives comfort and support, particularly for old people living on their own; the cost of a local telephone call is a very important thing in everyday life for Australians.

So I want to share the enthusiasm that Geoff has demonstrated. I want to join you in congratulating Optus. I want to remark on the great strides that the telecommunications industry has taken in developing competition. I want to reaffirm the commitment of the new government to greater competition in the telecommunications area. And I can't let the opportunity pass by without again commending to the Australian community the wisdom of the Government's decision to try and inject private money into at least one third of the ownership of the Optus rival that is Telstra. I think anything that can expose the telecommunications industry to increasing levels of private sector commitment, private sector involvement, is something that ought to be encouraged. And the technology that's been outlined today goes far beyond the competitive edge that's offered in relation to local phone calls, it also of course includes the other facilities that Mr Cousins described. I understand, for example, that Net surfers will be able to unload in just nine seconds, a two minute video clip, compared with the time of several hours using the old analogue technology and that is a quite remarkable thing. And it's a demonstration of how an Australian company with Australians and Australian private commitment is at the cutting edge of technology on a world level.

So ladies and gentlemen this is a great day for the industry. It's a tremendous tribute to the Optus company. I salute the contribution that Optus is making to the greatest force for consumer good and consumer benefit ever conceived in a free economy, and that is the force of competition. The demonstration affect of what is happening today speaks greater volumes than all the economic text books in the world about the value of competition in a free market, and it's a commitment that the Government has in so many areas. It's a salutary lesson to those in the community who still might believe that holding back the forces of competition are beneficial, and it's a reminder in a very

grassroots everyday level, that if you do have competition the people who benefit most are the consumers of the product. And the people who will benefit most of all from the competitive challenge that has been thrown out today are the everyday consumers of that most basic of all Australian utilities and that is the local telephone call.

So ladies and gentlemen, I have very great pleasure in formally commissioning the Optus local telephone service.

Thank you.