

Dude, Where's My Pay Phone?

So Telstra is definitely going to scrap nearly a thousand public phones and could get rid of up to 5000, on the grounds that they are not profitable.

The provision of public telephones was never, when they were first installed, considered as a means of making a profit. Since the partial privatisation of Telstra, however, this has been the overriding motivation for every decision made by the company. There is no doubt that the removal of these public phones will cause a lot more people to use mobile phones, and Telstra can expect a healthy slice of that extra business.

Telstra for their part can argue that it is because so many people are already using mobiles that hundreds of their public phones are becoming surplus to requirements, but that line of argument would carry little weight with somebody in an emergency situation whose mobile phone is out of credit, out of range or out of battery.

While a number of federal politicians on both sides of Parliament have expressed their outrage at the announcement, the Prime Minister, Mr Howard said, "I can't and won't give a running commentary on every reported business decision of a publicly listed company."

This comment smacks of arrogance and lack of care for the interests of Telstra's consumers (aka the Australian public). The Federal Government is still the majority shareholder in the company, so it would be entirely appropriate for the head of that Government to make a statement. It is as if Mr Howard is pretending that the complete sale of Telstra has already happened, so cost-cutting and profit-maximising decisions are entirely a private matter.

With what sounds more like wishful thinking than convincing reassurance, the Federal Communications Minister, Helen Coonan, has said that she wants "to make sure that no one is disadvantaged by having a pay phone removed from their community." Looked at closely, this statement is nonsense. Of course, if you need to use a public phone and it is no longer there, you are disadvantaged. It is a matter of the degree of disadvantage and the number of people affected.

As with any service provided for public convenience, there has to be a sensible balance between cost and benefit. Increases or decreases in accessibility and efficiency have to be looked at in the light of what we as a society are prepared to pay. But herein lies the real problem of privatisation. As long as those who foot the bill are those who use the service there is likely to be a consensus and general community satisfaction. As soon as the operation is profit based rather than service based, and consumers are disenfranchised, there is a conflict of interest between supplier and user.

Neo-liberal free market theory (which has been driving the push for privatisation) says that consumers exercise ultimate power in such circumstances, but this would only be true if they had real choices and real bargaining power. Claims by Telstra management that they will engage in "community consultation" before removing any more phones are meaningless because there is no way the outcomes of such discussions, however well-intentioned, can be binding.

Only a complete change of direction by the Board, a renunciation of the grab for profits and a return to seeing Telstra as primarily a service provider, will make a difference. Despite the

fact that we, the taxpayers, still own just over half the company, the likelihood of this happening is about the same as the likelihood of one of Telstra's public phones turning itself into a time machine and flying us back (or should that be forward?) to the days when governments cared more about the public than about big business.

This decision is just the latest in a growing list of reasons why the partial privatisation of Telstra was a wrong move and why the completion of the process must be resisted.