

## Hansard Questions Without Notice 10/11/2005

### Telstra

**Senator CONROY** (2.43 pm)—My question is to Senator Coonan, the Minister for Communications, Information Technology and the Arts. I refer the minister to Telstra's recent decision to slash over 200 jobs from Telstra Research Laboratories. Is the minister aware that TRL played a key role in developing Australian ICT intellectual property and ICT skills? Is the minister also aware that one of TRL's key functions was to adapt international technologies to the uniquely harsh Australian environment—a crucial role in maintaining service standards in rural and regional Australia? Isn't the gutting of TRL just a further example of Telstra fattening up the cow to increase its short-term share price for privatisation? Will the minister accept responsibility for the crippling of TRL as a direct result of the government's extreme privatisation agenda?

**Senator COONAN**—What comes to mind in dealing with Senator Conroy's question is just how little he really understands about rural and regional Australia. If he knew anything about cattle he would know that you milk cows; you do not fatten them up for slaughter.

*Opposition senators interjecting—*

**The PRESIDENT**—Order! Senators on my left will come to order. I think there is something wrong with the microphones on this side. I have had trouble hearing Senator Patterson today, and Senator Coonan's microphone does not seem to be at the normal level because it is very hard to hear her—albeit there are a lot of interjections on my left.

**Senator COONAN**—I am aware of media reports that Telstra is considering the restructuring of its research and development operations as part of the broader review of the organisation. There are further reports that include a comment from Telstra stating that it is not closing its research labs and has absolutely no plans, for example, to close the lab at Clayton. I welcome the commitment from Telstra to research and development, but ultimately commercial decisions about the structure of the organisation have to be a matter for Telstra's management and the board, irrespective of how Telstra is owned in terms of its shareholding. The government expects Telstra and the rest of the industry to continue developing and offering innovative services to all Australian consumers. Part of the \$1.1 billion Connect Australia package that I referred to in my previous answer to Senator Joyce has a component for continued research and some R&D, with the \$113 million Clever Networks program, which will go towards funding the delivery of innovative telecommunications solutions in regional, rural and remote Australia. The government also continues to fund innovation in the ICT sector through a range of initiatives that I would be very glad to remind the Senate of. There is the \$60 million advanced network program which funds advanced communication networks, including Australia's first 3G network and the high-speed grid network. There is the \$380 million ICT centre of excellence, NICTA, and ICT research undertaken within the cooperative research centres, DSTO and CSIRO. The government provides significant incentives for private sector research, including the 125 per cent R&D tax concession and the \$1 billion Commercial Ready program. Under this government, business investment in ICT R&D has risen dramatically from \$1.3 billion in 1995-96 to \$2.1 billion in 2002-03. So, whilst the government welcomes Telstra's contribution to R&D and the fact that Telstra will continue to make this commitment, this is by no means the only measure of the level of R&D that takes place in this country or of the importance that the government places on research and development. It is a critical part of ensuring that Australia can take advantage of innovation and technological development and that we can continue to make available far-sighted policies that will enable people in rural and regional Australia to have access to an equal share of the results of innovation. The government will continue to be committed to not only R&D but also the delivery of R&D throughout Australia on an equitable and fair basis.

**Senator CONROY**—Mr President, I ask a supplementary question. Is the minister aware that these cuts—these 200 at TRL—are in addition to the following already announced redundancies: around 800 job losses in Telstra's technology group, more than 200 redundancies at Sensis, the abandonment of its 2006 graduate program and, particularly for Senator Joyce, the closure of Telstra's call centres in Roma and Goulburn, taking to over 1,000 the number of job cuts announced by Telstra since the sale legislation was passed by the Senate? Can the minister confirm predictions that more than 9,000 jobs will be slashed in Telstra's strategic review to be announced next week?

**Senator COONAN**—It is very difficult to believe that the Labor Party could actually ask a serious question about the loss of jobs. Labor has absolutely no credibility on jobs. With today's

results we know that our unemployment rate is steady at five per cent. What we have seen over the last 9½ years is 1.7 million extra jobs created in Australia. **Senator Conroy**—Mr President, I raise a point of order on relevance. I asked specifically about Telstra job cuts and about closing down the Roma Telstra call centre, and the minister is giving us a brief about employment statistics from somewhere else.

**The PRESIDENT**—You know the answer to that: there is no point of order.

**Senator COONAN**—When Labor was in government Telstra staff numbers fell from 90,000 in 1990 to 75,000 in 1996. The Labor Party's questions on jobs have no credibility— not only on Telstra but on any part of the Australian economy. It is this government that has revolutionised the way in which people can have a decent job and a decent livelihood in this country.