

Telstra cans Clayton tower

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TELSTRA has abandoned its controversial plan to build a 40,000-square-metre office building in the south-eastern suburb of Clayton.

Chief operations officer Greg Winn said the decision to build the tower was on hold until Telstra knew the outcome of the national fibre-to-the-node (FTTN) tender it applied for earlier this month. An announcement is expected at the end of the year.

"We have a responsibility to our shareholders to make sensible investment decisions," said Mr Winn. "As a result we have put this investment decision on hold until we have further clarity around FTTN and what that means for our business."

In March, Telstra announced it would relocate 4000 employees to a new Clayton office building, to be built on the site of its global operations centre at 770 Blackburn Road, next door to the Australian Synchrotron Facility and opposite Monash University.

The modest 4.5-star rating under the Australian Greenhouse Rating Scheme drew controversy from sustainable development advocates.

The building would also have given each Telstra employee just 10 square metres of space to work in, compared with the 15 sq m average in the CBD and inner suburbs. It had already earned the nickname "the sardine can" among local agents.

Sources expect Telstra will most likely sign on for leases at existing CBD and suburban offices, which were to become vacant as a result of the Clayton development.