



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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Telstra profits reinforce its ability to fund better country services **Trujillo plan confirms 'sale rather than service' has been focus of Govt**

Independent Member for New England, Tony Windsor says that the \$4.45 billion profit announced this week reinforces his belief that Telstra has the ability to fund better telecommunication services in country Australia without the Government selling off its majority shareholding.

“Telstra has made its \$4.47 billion profit from its provision of telecommunication services to Australians without reinvesting adequate amounts into the delivery of comparable telecommunication services into country Australia.

If the Government had insisted on more profit being reinvested into the telecommunications network instead of focussing on keeping a high share price by paying artificially high dividends to share holders, then our country telecommunication services would be more than up to scratch – they would be in front of the game.

The Government has been complicit in allowing the telecommunication services gap to widen between city and country people as it blindly pursues its privatisation agenda instead of focussing on the service delivery to those who rightly expect to be able to access the same service as people in the city.

The Government has only done enough to keep up the façade that they are committed to providing the best telecommunication service to country people but the proof of the pudding is in the eating and country people are sick of being fed old cake!” Mr Windsor said.

Mr Windsor was complimentary of new Telstra CEO Sol Trujillo’s ability to quickly grasp the lack of infrastructure in country Australia in presenting a plan to spend \$5 billion on telecommunication infrastructure as it reinforces Mr Windsor’s view that Telstra has not been reinvesting in its provision of services.

“Mr Trujillo’s plan to spend \$5 billion on infrastructure indicates he has quickly recognised that there has been a huge lack of investment in telecommunication infrastructure as the Government has focussed on the sale rather than service of Telstra and as a result there is now a lot of work to be done and therefore a high cost to undertake the work needed to make services in the country the same as those in the city but the question is – who pays for it – Telstra or the Government?” Mr Windsor said.

Mr Windsor also points to the impact of the political imperative that the arrival of Barnaby Joyce has had on the Government and Telstra to perform in delivering telecommunication services.

“The political imperative to deliver telecommunication services to the country has been markedly illustrated by the arrival of Barnaby Joyce in Canberra.

His stance on this issue highlights that if Telstra is privatised we will not be able to put the same political pressure on Telstra to deliver city-similar services and by selling off Telstra we, the Australian people will lose our whip hand to demand the delivery of this essential service to country Australians,” Mr Windsor said.

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