

Government Senators' Dissenting Report

Senators Cameron and Bilyk disagree with the view of the Coalition senators, particularly that expressed at paragraphs 1.16 and 1.17. It is just a bit glib to say that while sharing the concerns of submitters about the loss of Australian jobs and skills, nothing should be done to prevent the loss of those jobs and skills.

In our view, the effect of Australia's trade obligations against which it is said that a license condition such as that proposed might offend, are overstated. To say that DFAT's at best deeply equivocal advice about whether the proposed license condition would offend Australia's trade obligations should be considered "paramount" and should exclude consideration by the Committee of other relevant matters in the public interest; is to completely overstate our trade obligations while undervaluing public interest and job protection considerations.

As DFAT pointed out, the relevant considerations under Australia's trade obligations are whether Australia provides market access and will not discriminate against like services. A license condition requiring Telstra and/or Sensis to produce in Australia the directories they are required to produce is by no means a restriction on access to the Australian market. There may well be other potential market entrants who are willing to produce, as a commercial proposition, a directory for which there is no charge for a customer to list their phone number, which is available free of charge to anyone who wants to obtain a directory and which may or may not be in printed, bound form. But somehow we doubt it.

We do not accept Telstra's contention that it would be inconsistent with the original intent of the license condition that directories be produced in Australia. On the contrary, it is our view that a license condition requiring production of directories in Australia would be a useful supplement to the original intent of the condition that takes account of changed technology and consumer preferences while at the same time serving the public interest. This is especially so when the public interest will be very badly served by the loss of as many as 700 highly-skilled, well-paid jobs that will be transferred to India and/or the Philippines should Telstra proceed to offshore production of directories.

While it may be true, as submitted by DBCDE, that the intent of the policy direction taken by regulation of the telecommunications industry in recent years 'has been to gradually reduce the number of obligations placed on Telstra in areas where there is now a competitive market', we are not convinced that the limits of reducing Telstra's obligations may not have been reached in relation to production of directories. If the production of white pages directories are such a lucrative and profitable part of Telstra's business, then why is it that the continued production of them needs to be the subject of a license condition? The answer, of course, is that but for the condition, they wouldn't be produced in the manner they are required to be produced under the license condition. The license condition is intended to address a market failure. To

remove or weaken the condition and free Telstra of the obligation to produce the directories would give effect to market failure.

In our view, the government should give careful consideration to extending the license requirement for Telstra to produce directories; to require that they be produced in Australia; to protect Australian jobs in the public interest and, as a measure, to take account of changed technology and consumer preference.

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Senator for New South Wales

Senator Catryna Bilyk
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