



## TAKING NOTE OF ANSWERS IN QUESTION TIME BROADBAND

By Senator Mathias Cormann on 25 June 2008

**Senator CORMANN** (Western Australia) (3.26 p.m.)—I also rise to take note of the answers by the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. We had a plan, a plan to ensure access to fast and affordable broadband to 99 per cent of the Australian population—99 per cent of Australian households and small businesses—by the end of 2009. We had a plan to extend fast and affordable broadband to regional Australia. Labor has scuttled that plan. Labor will replace that plan with a vague citycentric promise of a national broadband network, which will cost Australians an arm and a leg—not just the \$4.7 billion that is in Labor’s policy but between \$897 million and \$1.4 billion in additional costs to be incurred by Australian families.

*Senator Mark Bishop interjecting—*

**The DEPUTY PRESIDENT**—Senator Bishop, you have had your go. Senator Cormann is entitled to be heard in silence.

**Senator CORMANN**—Our plan, with a \$958 million investment, would have delivered better broadband coverage to almost 900,000 people across Australia. But we have a minister who, after Labor won government, was desperate; he was itching to give the OPEL contract the chop. He could not wait. He was desperate to come up with an excuse and of course he got the advice that he wanted and he chopped the contract that would have delivered better services to people right across rural and regional Western Australia—and I can see why Senator Bishop would be leaving the chamber after interjecting as violently as he did, because he cannot handle the truth when it comes to the impact of this decision by this government on people in rural and regional Western Australia.

It was a cruel blow to rural and regional Western Australia indeed. We get this constant song now, this lazy song from the government that is already starting to become arrogant, that we did not do anything over 12 years, that we did not do a thing on broadband. I can tell you this: between 1996 and 2007 we invested \$4.1 billion in better broadband technology and better broadband services. But of course that technology has significantly evolved over those 12 years. Through you, Mr Deputy President, I would remind Senator Ruth Webber that that is exactly what has been happening over the last 12 years, that there has been significant change. We had a plan prior to the last election to bring faster broadband services to 99 per cent of the Australian population. Of course now, under Labor’s vague citycentric plan, people in regional WA will have to wait until at least 2014 to get access to what will be, even then, less reliable services.

I asked the Minister for Broadband, Communications and the Digital Economy whether Australian families would have to pay between \$897 million and \$1.4 billion more a year to access high-speed broadband services under Labor’s

broadband network, and he looked at me blankly. He did not know what I was talking about. He said, 'Can you perhaps explain to me what you are talking about?' Well, I draw his attention to the study by the Centre for International Economics, with offices in Canberra and Sydney, which released the report in June 2008 *The Telstra return on a national FTTN network: community impacts*. We clearly have a minister that is not on top of his portfolio. When I asked him a very simple question—'How much is this going to cost Australian families every year?'—he was not able to answer. I urge the minister to have a close look at the *Herald Sun* article of 5 June, which states:

Consumers and the economy would be \$897 million worse off if Telstra builds a national broadband network, according to an economic report.

... ..

If the network was to cost \$15 billion, a figure used recently by Telstra boss Sol Trujillo, Australians would pay an additional \$1.4 billion a year for broadband services.

So there it is in black and white. The minister today, being asked a question, did not even know what I was talking about. This is clearly right at the heart of his portfolio responsibilities. He could not wait to scuttle a plan that would have delivered fast broadband to 99 per cent of the Australian population. He could not wait to tear up the contract that delivered a solid and credible plan to replace it with something that is going to cost taxpayers \$4.7 billion to start off with. We do not even know whether it is going to deliver what the government intends it to deliver, because they said, 'Whatever else it costs, our commitment is limited to \$4.7 billion'—whether it is \$15 billion or \$25 billion, they have no idea. I got the impression that the government had not done any serious modelling to assess the impact on Australian families to assess whether their plan had any financial or fiscal credibility in terms of actually implementing it. The study by the Centre for International Economics actually tells us that consumers—Australian families, Australian working families—will be between \$897 million and \$1.4 billion worse off—*(Time expired)*