



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Federation Chamber

BILLS

Appropriation Bill (No. 1) 2014-2015

Consideration in Detail

SPEECH

Thursday, 5 June 2014

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker Fletcher, Paul, MP

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Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (12:10): I thank the member for Longman for raising a very important topic. When the Abbott government came to power, we looked at the question of mobile coverage and we went back and looked at the previous government's budgets. We looked at the 2008-09 budget and found that not one dollar had been spent by the previous government on upgrading mobile coverage—nor in 2009-10, 2010-11, 2011-12 or 2012-13. It was for those reasons that we took to the last election a policy to spend \$100 million on upgrading mobile coverage in outer metropolitan, regional and remote areas.

The three mobile carriers—Telstra, Optus and Vodafone—obviously spend very substantial amounts of money each year on expanding their networks. That is as it should be; they are all private sector corporations and they are all in the business of providing mobile telecommunications services to make a profit. But, of course, Australia is a very large country and, while those carriers continue to put large amounts of money into expanding their networks every year, there are always going to be some areas where there is a case for providing mobile coverage but it is not likely that the particular location is going to meet the business case requirements of the carriers. So the intention of this policy is that, in what we estimate to be around 250 to 300 sites around the country, we are in a position to provide a public subsidy so as to reduce the breakeven point so that it does become economic for the mobile carriers to put in base stations and provide coverage.

The important thing is to make sure that, through our allocation process, we identify and direct the funding to the areas of greatest need so that we can get the maximum possible benefit for this \$100 million of public money. The first thing to say is that we intend to allocate the money through a competitive selection process. The objective there is twofold. Firstly, quite explicitly, we have said we intend to put pressure on the mobile carriers. We expect to leverage, at least, an equivalent amount of money out of the mobile carriers. So we expect, at least, an additional \$100 million to be secured through the competitive selection process. The second point is that we need to make sure that we are identifying the areas of greatest need around the country, and the best way to do that is through a competitive selection process. At the moment, we are seeking community feedback. To date, we have had a large number of locations nominated through the process—locations where there is not mobile coverage but Australians are saying their ought to be. Next, we will go to a competitive selection process, and that is intended to be carried out in the second half of this year. In the first half of next year, we expect to be in a position to announce the locations which will be successful in securing funding. We anticipate that the rollout of the first base stations to be funded under this program will commence in the second half of next year. Funding was provided in this budget for this \$100 million program over the next four years. We expect that, by the second half of next year, we will be in a position to commence the rollout of the initial base stations to be funded.

It is very important to understand one of the key distinctions between the coalition's approach in this area and Labor's approach. Let us remember that Labor announced they were going to spend \$43 billion on a massive program that was going to solve every communications problem. Did they bother to check with regional and rural Australians what their priorities were? Evidently, they did not. I can tell you that in the locations all around Australia that I have been to, consulting on this program, people consistently say to me, 'What we heard from the previous government was that there would be a marvellous NBN that would fix everything, but they had nothing to say about mobile coverage.' The previous government had nothing to say about mobile coverage, yet that is what regional and rural Australians are saying is their priority.

This government—this side of politics—has a proud record in regional and rural communications. People who reside outside the capital cities know who they can depend on to solve their communication needs.