



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**  
**MATTERS OF PUBLIC IMPORTANCE**

**Broadband**

**SPEECH**

**Thursday, 22 March 2007**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Speaker** Ciobo, Steven, MP

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**Mr CIOBO** (Moncrieff) (4.03 pm)—I could not help but notice that because the speaker before me was reading from a prepared speech he finished three or four minutes early in his allotted speaking time on the matter of public importance. Listening to that entire speech, I was struck by the amount of waffle that we have heard from the Australian Labor Party when it comes to broadband. All we are hearing is populist waffle. When one analyses what the Australian Labor Party has put forward and applies a little bit of intellectual rigour to what it is saying about its fancy broadband network, one discovers a couple of things. The first is that the Labor Party is very big on smoke and mirrors and flashing lights. It has had the big announcement and the big launch of their broadband network, but when one pierces through that and passes through the light show one sees that the Australian Labor Party is completely lacking in detail.

We have seen already a clear instance of the inability of the Australian Labor Party to come up to speed when it comes to details and fact. A case in point is the shadow minister. The shadow minister, Stephen Conroy, spoke at the Press Club yesterday and said at lunchtime that the Labor Party's proposal to cover 98 per cent of the population at 12 megabits per second would cost \$8 billion. But by four o'clock that same afternoon the cost had gone up by a billion dollars. We had seen an increase of a billion dollars by four o'clock that afternoon. This is the way the Australian Labor Party throws money around. It throws money around because it is not up to speed with the detail. I say to the Australian people: this is far too important to get wrong. The Australian economy is far too important to be left in the clutches of the Australian Labor Party, because its fast and loose policy record when it comes to both the truth and economic management indicates that the Australian people will pay the price for the Labor Party's rush to try to get itself elected later this year. It goes out and says at lunchtime, 'We want to cover 98 per cent of the Australian population for \$8 billion.' By four o'clock we knew that it was going to be 98 per cent of the Australian population for \$9 billion.

What do we know about the actual costs involved? It is interesting that Bill Scales, who was Telstra's group general manager for corporate relations, said two years ago that he anticipated the cost of fibre to the node across Australia would be in the tens of billions of dollars. To quote from the evidence he provided to the Senate estimates hearing of the Environment, Communications, Information Technology and the Arts Legislation Committee on 14 February 2005:

The whole issue of cable is complex, as you began to discuss today. At the very least, it requires literally tens of billions of dollars of investment.

That is what was said two years ago. Independent experts have also suggested to the Senate that at the time the figure was not less than \$20 billion. For example, Caslon Analytics is an Australian research, analysis and strategies consultancy and it said:

Estimates of the cost of rolling out fibre to most households are problematical; it is likely that expenditure of over \$30 to \$50 billion would be required.

We also heard from Professor Gerrand from the University of Melbourne in the same inquiry, who said, 'I think a safer estimate'—that is, than Telstra's \$30 billion—'would be about \$20 billion.' So we have industry experts saying that they approximate the cost of providing broadband to the Australian community not at the \$8 billion we heard at lunchtime from Labor and not at the \$9 billion we heard at four o'clock from Labor but at the cost of at least \$20 billion. That is what industry experts say. That is the kind of detail that the Australian people rightly want to look at. Unfortunately, the Australian Labor Party turns its back on the costs.

Let us have a look at some of the comparisons internationally. We know the Australian Labor Party like to talk about South Korea. South Korea is a country that is less than half the size of Victoria with a population that is more than double the Australian population. There are 48 million South Koreans. Rolling out a fibre network cost them in excess of \$A50 billion. I think it can be pretty much taken as a given that, despite the light show from the Australian Labor Party, their prediction at lunchtime of rolling out a network to 98 per cent of the Australian population for a cost of \$8 billion—it was \$9 billion by four o'clock—should in fact be a lot closer to, say, \$20

billion or \$30 billion. That is the true cost of what Labor are throwing out there and saying they will be able to do for \$8 billion or \$9 million.

**Mr Tanner**—Which is it, 20 or 30?

**Mr CIOBO**—I will take the interjection, because the Labor Party obviously has no idea. I get a question from the shadow minister as to whether it is \$20 billion or \$30 billion. It is not my job to provide advice to the Australian Labor Party. What I can say to the Australian Labor Party is that it would be advantageous if the shadow minister actually spoke to his counterpart in the Senate and advised him of the cost, because your counterpart in the Senate does not know if it is \$8 billion or \$9 billion. You could start by telling Senator Conroy what the cost of your proposal is, because it changed from 12 o'clock to four o'clock. Your Senate counterpart did not even know the cost. Between 12 midday and four o'clock it had blown out by a billion dollars. That is the Labor Party's record—cost blow-outs all over the place.

More importantly, let us get back to the economic management. We know that the Labor Party is straight-out falling at the very first economic hurdle when it comes to good governance for the people of Australia. We know that because the Australian Labor Party intends to engage in a smash-and-grab, as we heard from the Treasurer. We know that part of the funding for this proposal that has been put forward is to steal from future generations of Australians, our public servants, our Defence Force veterans and our Defence Force employees, their superannuation. That is the Labor Party policy: to take \$2.7 billion out of the Future Fund.

Why was the Future Fund established? This government was proud to establish the Future Fund on one core principle, and that was recognition that the Australian population was ageing. With the ageing of the Australian population, we have a responsibility to future generations of Australians to provide for the costs that we are incurring today. And we did that, through the Future Fund, by saying that we will provide \$140 billion to meet future liabilities of previous governments, this government and governments after us that will have to be met with regard to superannuation expenses. That was the commitment of this government. We said that we would quarantine those funds and put them into the Future Fund.

The Australian Labor Party has turned its back on that principle. The Australian Labor Party is prepared to steal from tomorrow's generations in order to get elected later this year. The impact of that thievery, the impact of that economic irresponsibility and the impact of the Labor Party's inability to manage the Australian economy will be felt by every single Australian. So I say to Australians: look through the light show that the ALP likes to hold up and actually turn to the substance. They will see that there is no substance to the Australian Labor Party. If Labor can turn its back on costings in four hours and have a cost blow-out of a billion dollars, then I shudder to think what will happen between now and the election. The price will be borne when they take out any extra money they need from the Future Fund. If the real cost is not in fact \$9 billion but rather \$11 billion, \$12 billion or \$20 billion, the people who will pay that price are the future generations of Australians.

We know that the Labor Party has no problem turning its back on so-called Labor Party principles. For so long we heard from the Australian Labor Party that it was intractably opposed to the sale of Telstra. We heard the Labor Party in this chamber, occasion after occasion, say how it would fight to the death to ensure that Telstra was not fully privatised. Yet it turns its back on that at the drop of a hat. Why did it do it? It did it because it wanted to pursue the populist notion of a national broadband network. I say to the Australian people: we know that the shadow minister cannot even keep the costs under control between lunchtime and four o'clock. We know that the costs blew out by a billion dollars. We know the Australian Labor Party does not have detail and that it is willing to steal some \$2.7 billion—at the very least—from future generations of Australians. You cannot trust Labor on detail. You cannot trust Labor to keep its hands off the Future Fund. You cannot trust Labor to make the hard decisions about what is economically responsible for future generations of Australians. Australians should look past this light show and turn their backs on an irresponsible policy that would mean economic chaos in the future if Labor is re-elected. (*Time expired*)