



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**Federation Chamber**

**PRIVATE MEMBERS' BUSINESS**

**Broadband**

**SPEECH**

**Monday, 26 May 2014**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Questioner**  
**Speaker** Rowland, Michelle, MP

**Source** House  
**Proof** No  
**Responder**  
**Question No.**

**Ms ROWLAND** (Greenway) (11:25): Looking at the motion that is before us, on every single point the mover has stumbled, perhaps unwittingly, into the realms of what I call Turnbullistan. It is almost as if this motion was drafted in the minister's office. It talks about the strategic review of the NBN. The minister—because this really does look like it was drafted in the minister's office—likes to claim that the strategic review tells him that Labor's plan for its NBN would cost \$72.6 billion, increase prices for consumers and not be complete until 2024. On every single one of these claims made by the minister, he is wrong. He is deliberately misleading the community. I am very concerned, also, that he is unwittingly misleading the member for Gilmore.

On the issue of cost, it is absolutely false to claim that the strategic review identified that completing the NBN under Labor's plan would cost \$72.6 billion, because the revised outlook in the strategic review did not represent the cost of building a fibre-to-the-premises network, which was Labor's NBN. It was a hypothetical exercise based on a series of forward projections and assumed that management of the project would not achieve any efficiencies. Furthermore, the minister continually and incorrectly refers to the three different concepts of cost used in describing the NBN, these being the sum total of all capital expenditure; the peak funding requirement, which is the sum of capital expenditure plus operating losses until the project becomes cash flow positive; and levered peak funding requirement, which assumes that only a portion of the peak funding is provided by government equity contributions, and that the portion raised by private debt funding includes costs incurred in raising the debt.

The minister's own strategic review reveals two things about the cost: firstly, that the only real difference in the cost to the Commonwealth between Labor's plan and the government's plan is less than \$1 billion in equity financing; and, secondly, that choosing levered peak funding inflates the result by including costs of debt. Therefore, it could be just as reasonably claimed that the strategic review showed that the fibre-to-the-premises NBN could be built for the capital expenditure included in the corporate plan.

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I would also note that this was the mob running around prior to the election saying the cost of the NBN was \$90 billion. Even the hapless member for Moncrieff used that figure in the House a few weeks ago. Just to make it clear how out of date he is, on the Joint Standing Committee on the National Broadband Network on 19 April last year—a hearing of the parliament—I asked:

... I want to go back to your briefing at the start, just to be crystal clear. The NBN costs \$37.4 billion. What veracity should then be given to assertions that the NBN cost could in fact be around \$90 billion?

He said:

I can only repeat that we are confident of the \$37.4 billion figure.

So I asked him:

Do you know how that \$90 billion figure was derived?

That is the figure that those opposite were running around talking about. The answer was no.

But perhaps the most galling point in this motion regards election commitments. Before this government became expert on breaking election commitments, they were breaking promises on the NBN. We all remember the laughable press conference with the then opposition leader and the member for Wentworth and Sonny Bill Williams. During that press conference the now Prime Minister said:

Under the coalition by 2016 ... there will be minimum download speeds of 25 megabits ... we will deliver a minimum of 25 megabits ... by the end of our first term.

That promise was broken in December last year. It barely lasted a couple of months.

I want to draw the attention of the member for Gilmore to the success story

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that is Labor's NBN in her electorate. The *Illawarra Mercury* recently featured a story on one of the member for Gilmore's constituents, Ms Maree Shepherd, who is enjoying the benefits of Labor's high-speed fibre broadband network, which has allowed her to work from home. The story quotes Maree:

"When I studied Australian history, we studied the tyranny of distance, about the problems for Australia being so far away," Ms Shepherd said.

"The internet and the NBN in particular for me down here in Kiama, that tyranny of distance is gone now. The world is right here in my living room because I've got a good connection."

These are the lived experiences of people enjoying the transformational and enabling powers of ICT investment.

I believe the member for Gilmore should be there listening to their needs rather than putting through these extraordinarily ill-thought out motions. I would like to point out that, while we talk about the regions and how concerned these people are about them, what are they doing about equivalent wholesale pricing? Gone. Selling out on equivalent wholesale pricing. We were supposed to end the disparity between metro and bush prices, and they have completely sold out the regions on each one of those. (*Time expired*)