



**Senator the Hon Helen Coonan
Minister for Communications,
Information Technology
and the Arts**

**Deputy Leader of the Government
in the Senate**

Represented by Senator Gary Humphries

Address to ATUG Regional Conference

**Canberra
Tuesday 15 May 2007**

- 1. Thank you Rosemary [Sinclair, Managing Director, ATUG] and I acknowledge the presence of Shadow Minister for Communications and IT, Senator Stephen Conroy.**

- 2. It is a pleasure to be here today representing the Minister for Communications, Information Technology and the Arts, Senator Helen Coonan.**

- 3. This year's conference focuses on sharing the success stories, encouraging more regions to become involved and ensuring Government programs are well supported by end users.**

- 4. These are really important goals and I applaud ATUG for their vision and outstanding support for telecommunications**

in Australia. A spirit of enterprise and innovation is vital in an industry such as this – ATUG fosters this.

- 5. There is no doubt that communications technology and broadband are transforming the way we work, the way we are entertained, the way we learn and the way we socialise.**
- 6. Communications technology and broadband are critical for all sectors to operate in a modern economy, whether it is the government, private or the not-for profit sector.**
- 7. They will underpin Australia's productivity gains and help to lock-in Australia's continuing economic prosperity.**

- 8. It is for that reason that the Australian Government has developed an integrated strategy that will provide all Australians with access to high speed broadband regardless of where they live.**
- 9. However, before I outline the package of measures that the Government is pursuing to deliver broadband to all Australians, I do have to say a few words on the opposition proposal.**
- 10. I refer of course to the Labor proposal to gift \$5 billion of taxpayers money to the private sector.**
- 11. I refer to it as a gift, because it is just that. Sometimes only government can provide vital infrastructure (because the investment is too long term for the private sector to regard as a reasonable proposition).**

- 12. However, you are undoubtedly aware that there are two commercial proposals on the table for a fibre high speed broadband network in Australia –one by Telstra and another by a group of nine leading telcos, called the G9.**
- 13. Both of these proponents have, over the last couple of weeks, taken out full page national ads highlighting that they do not need Government money.**
- 14. The industry and analysts have also slammed Labor’s claim of reaching 98% of the population and are predicting a massive cost blowout. Nowhere in the world has anyone rolled out broadband with such high speeds and over such a vast area at such a low cost as Labor is suggesting.**

15. Telecommunications provider, Pipe Networks has said:

- **even a basic “back of the serviette” costing of the network would reveal the problems with Labor’s costing model.**
- **Labor has under under-costed its proposal by at least a factor of two and would need upwards of \$16 billion.**

16. Telecoms analyst, Market Clarity has also added:

- **Their cost estimates lacked the detail required to build “any sort of realistic network cost model.**

17. Even just this weekend there was an article in the Adelaide Advertiser where another

industry player was quoted as saying that he “didn’t believe Labor had done their homework properly.”

- 18. This industry player went on to say that they would be looking at “\$20 billion plus” but it would also take longer than 12 years.**
- 19. Vision is great, but the economic ineptitude inherit in realising it is breathtaking.**
- 20. With respect, Labor has miscast the terms of this debate.**
- 21. This is not a debate about whether Australia can or should have a new high speed broadband network. We will.**

- 22. The question is how we do it and what commercial incentives are needed to get the network build underway.**

- 23. Throwing money at the problem is a dangerous practice (a sure-fire way of turning surpluses into deficits!) Remember the ALP proposal to invest in dial-up internet!**

- 24. The difference between the Government and Labor's broadband proposals for built-up commercial areas is simple:**
 - Labor will raid the Future Fund and the Communications Fund and waste \$5 billion of taxpayers savings on a fibre network to capital cities and major regional centres that the industry is already prepared to build.**

- **Whereas the Coalition Government will let the industry invest in a fibre network to the same footprint – capital cities and major regional centres – at no cost to the tax payer.**
- 25. The Australian Government will be taking a responsible and measured approach.**
 - 26. We will not make policy decisions based on half the facts.**
 - 27. We will not pick technology winners.**
 - 28. It is also the case that we will not be pressured into a reckless knee jerk reaction like Labor did last month.**
 - 29. I know there was some nervousness, even from people in this room, that Labor's head-**

line catching plan could force the Government to do a 'behind closed doors' agreement on fibre deployment.

30. Nothing could be further from the truth. Let me outline what I think is the cautious but responsible approach the Government plans to take.

31. In a fast paced environment we need to be ahead of the game, so that Australians can connect (wherever they are) to use the Internet to meet their ever increasing needs.

32. Clearly we need to create a climate that encourages and rewards investment in communications infrastructure.

33. Our objective is to reach the right balance between achieving regulatory certainty and a

fair return on investment while maintaining a healthy competitive market.

- 34. If broadband in Australia becomes unaffordable then it won't matter if it is widely available.**
- 35. People won't buy what they can't afford.**
- 36. The healthy future of Australia's competitive communications market and the need to maintain choice and affordability for consumers is the key element in the broadband challenge.**
- 37. To date, consideration of the Telstra and G9 proposals has been a matter for the regulator and government but ultimately, it will be the level of consumer take-up that will determine**

the business case for any new high speed broadband service.

- 38. Therefore, the Government supports the detail of the competing proposals being put into the public arena so that everyone has an opportunity to consider the merits of each proposal, including the proposed prices.**
- 39. The future of Australia's competitive communications market and the need to maintain choice and affordability for consumers is more important than political point scoring.**

Government programs

- 40. Commencing with Networking the Nation in 1997, the Government has a proud history of**

delivering telecommunication services to all users, regardless of where they live.

- 41. The Networking the Nation program provided over \$320 million to 762 projects.**
- 42. It enhanced telecommunications services and infrastructure in regional Australia and reduced the disparities in communication services between regional and metropolitan areas.**
- 43. More than 260 mobile phone facilities were installed through NTN funding of \$36 million, with industry providing matching funding.**
- 44. An estimated 2.2 million people have used the 2,000 public Internet access facilities established across regional Australia.**

- 45. More than 87,500 people used NTN videoconferencing facilities in 693 locations, mainly for health services and educational purposes.**

- 46. Almost 950,000 people were trained through computer and Internet training courses.**

- 47. And technical support services provided valuable IT assistance, often at no charge, to nearly 300,000 individuals, businesses and institutions.**

- 48. All of this helped bridge the technology gap between the city and the bush, and thanks to the various Networking the Nation programs Australians living in rural, regional and remote areas are now largely Internet-literate.**

National Communications Fund

- 49. The National Communications Fund provided \$50 million over three years from 2002–03 to support significant telecommunications projects in the education and health sectors in regional Australia.**

- 50. Eight projects were funded across all states and the Northern Territory.**

- 51. The Fund was responsible for 469 regional towns receiving new or improved broadband infrastructure.**

- 52. Improved broadband access was also provided to over 900 education institutions, many of them in remote communities, more than 280 School of the Air students and nearly**

240 health facilities such as regional hospitals and community health centres.

- 53. The Government's commitment to supporting equitable broadband access in regional Australia through the HiBIS and Broadband Connect program has significantly increased the opportunities in these areas.**

- 54. Over 1500 additional exchanges have been enabled with ADSL, over 225,000 homes and small businesses in regional areas have received a Government-subsidised broadband service and well over a million more premises now have equitable access to broadband services from infrastructure rolled out under these program.**

Connect Australia

- 55. The \$1.1 billion *Connect Australia* package of programs builds on these earlier investments to make a real and lasting difference for telecommunications consumers in regional, rural and remote Australia.**

- 56. This is the largest ever Government investment in regional telecommunications.**

- 57. The *Connect Australia* package consists of the *Broadband Connect, Mobile Connect, Clever Networks* and *Backing Indigenous Ability* Programs.**

- 58. The Government has a comprehensive strategy, *Broadband Connect*, that ensures that all Australians, regardless of where they**

live, have access to affordable high speed broadband.

- 59. In Remote Australia, and anywhere a commercial broadband service is not currently available, affordable broadband is already available via the \$163 million Australian Broadband Guarantee.**
- 60. In Rural and Regional Australia the \$600 million Broadband Connect Infrastructure program will leverage private sector investment to transform the way communities access broadband.**
- 61. This will be a new step forward for regional Australia.**
- 62. It will break down distance barriers.**

- 63. It will open up access to the latest communications technology on the farm, for small businesses and in the home for education.**
- 64. This program aims to extend affordable high speed broadband coverage to well over ninety percent of premises in Australia, even as high as 98 per cent of all premises.**
- 65. In particular it will bring this level of service to many hundreds of thousands of premises in rural areas that have been inadequately served in the past.**
- 66. Our objective is to build a new national broadband network that will enable rural Australians to access high speed broadband at prices equivalent to metropolitan Australia.**

- 67. The network will be open access so that it promotes competition and provides a choice of services for regional Australians.**

- 68. We expect retail broadband services to be equivalent to those available in metropolitan areas, both when the network starts being rolled out in the next year, and when it is completed in 2009.**

- 69. The guidelines encourage the provision of improved access to backhaul networks, widely recognised as being vital to sustainable competition in regional Australia.**

- 70. The Coalition Government knows that Australia's future prosperity includes having access to fast broadband for all Australians regardless of where they live.**

- 71. The Government will continue to take the lead in shaping Australia’s broadband future through a stable, yet responsive regulatory environment, through targeted and effective investment in uncommercial areas and by ensuring there is appropriate incentive to invest in next generation broadband infrastructure.**

Clever Networks Program

- 72. The Government recognises that there are real “human dividends” that can be delivered through the innovative use of broadband.**
- 73. The Clever Networks program is providing \$113 million to rollout innovative broadband applications to enhance access to and use of broadband for the delivery of health,**

education and other essential services in regional Australia.

- 74. The two projects announced last week illustrate the range of improvements that Clever Networks is supporting.**

- 75. Clever Networks funding will allow the South Australian Government's Department for Transport, Energy and Infrastructure to improve broadband communication between state government agencies in the regional centres of Berri, Murray Bridge and Port Pirie.**

- 76. As part of this a fibre link will be constructed between South Australia's major prison complex at Murray Bridge, allowing pre-sentence hearings to be held in a more secure environment by limiting prisoner movement.**

- 77. Importantly, it will also allow Aboriginal Health Clinics in all seven regional centres in South Australia to be provided with video link equipment for teleconferencing, helping medical workers deliver better health care to Indigenous people.**
- 78. The second project announced on Monday, TAFE South Australia's Clever Training, will use broadband in an innovative way to break down the barrier of distance that limits access to technical education.**
- 79. These are just a few examples of what is possible with broadband and shows how important universal access is.**

Looking to the future

- 80. Finally I would like to touch on the importance of the communications fund for the future of telecommunications users in regional, rural and remote areas.**
- 81. The Government has legislated for robust arrangements so that regional, rural and remote telecommunications keep pace with the rest of Australia.**
- 82. An independent committee has been established through legislation to regularly review the adequacy of regional, rural and remote telecommunications.**
- 83. The committee's first review must commence before the end of 2008 and further reviews**

must be held at least every three and half years.

- 84. The independent reviews will include consultations with regional communities across Australia as well as considering submissions from stakeholders.**
- 85. But just identifying the problems and solutions isn't enough – there needs to be assured funding available to implement those solutions.**
- 86. For this reason the Government has put \$2 billion in the bank to provide an ongoing income stream to future proof the bush.**
- 87. The original \$2 billion will not be spent. Instead, only the interest will be used to**

implement the Government's response to the independent committee's recommendations.

- 88. Of course, taking this money out of the bank, removes the income stream.**

- 89. The \$2 billion Communications Fund forms part of the Government's ongoing commitment to continuing improvements in telecommunications in regional, rural and remote Australia.**

- 90. These arrangements will help to ensure that services keep pace with those in other parts of the country and provide a level of certainty for regional, rural and remote telecommunications consumers into the future.**

- 91. So, as you can see, this Government's commitment to providing communications services to all Australians has delivered very clear and tangible results.**
- 92. Our commitment to ensuring these results continue into the future is also very clear.**
- 93. I would once again like to thank ATUG and all those involved in organising this very important conference.**
- 94. Senator Coonan and I look forward to hearing the results of your discussions over the next two days.**

Thank you