



MEDIA RELEASE

SENATOR THE HON NICK MINCHIN

Shadow Minister for Broadband, Communications
and the Digital Economy

Wednesday, 8 April 2009

LABOR BROADBAND – NO PRICE OR TAKE-UP PROJECTIONS, NO CREDIBLE COSTINGS, NO IDEA

Labor's Finance Minister Lindsay Tanner has today confirmed that the Rudd Government's \$43 billion broadband is little more than a 'back-of-the-envelope' job, Shadow Minister for Broadband, Communications and the Digital Economy Senator Nick Minchin said.

"In an extraordinary performance today on *Sky AM Agenda* Mr Tanner confirmed what many have suspected; that Labor's latest broadband plan announcement is big on promises but embarrassingly light on for detail," Senator Minchin said.

In the most painful moment Mr Tanner was asked but we aren't seeing any projections of likely revenue at this stage? To which he responded "Ah no", after a pregnant pause.

Asked if he could provide any indication of network take-up rates he said it would be a "pointless exercise"; when asked what consumers can expect to pay he said "it's too early to predict".

But it got worse. He conceded the estimated network cost of \$43 billion was also likely to blow out. "When was the last major project that came in bang on the projected amount that it was expected to cost?" Mr Tanner asked.

Our Finance Minister also admitted he had no idea about the level of private investment this project was likely to attract and conceded "there are risks involved".

Mr Tanner said while there would be a private investment cap of 49 per cent on the project he admitted private capital was "very scarce" and could not rule out the Government contributing significantly more than half the projected \$43 billion cost.

"This was an utterly extraordinary performance from Mr Tanner and when the nation's Finance minister has absolutely no idea, how can he expect the Opposition for one to have any confidence in what Labor has put forward?" Senator Minchin said.

This comes after CEO of AAPT Paul Broad said today: "I've never seen anyone prove in any form that fibre to the home stacks up economically."

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Royal Bank of Scotland analysts have described Labor's announcement as nothing more than an "aspirational target". "The Government's proposed fibre-to-the-premises (FTTP) NBN seems to us less commercial than the FTTN process it terminated," RBS concluded.

"Labor abandoned its \$15 billion fibre to the node tender because none of the tenderers offered value for money, so how can a \$43 billion fibre to the premise proposal offer better value for money?" Senator Minchin asked.

"The most disturbing thing about the Rudd Labor Government, is the bigger the numbers get the looser they are on detail and they just don't seem to care," Senator Minchin said.

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