

PRIME MINISTER

**TRANSCRIPT OF JOINT PRESS CONFERENCE WITH PRIME MINISTER KEVIN RUDD,
SENATOR CONROY AND
TASMANIAN PREMIER DAVID BARTLETT
DEVONPORT
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E & O E – PROOF ONLY

Subjects: National Broadband Network

PM: Well good morning everybody and it's great to be here with the Premier with local members including Sid Sidebottom and Dick Adams, as well as the Minister Stephen Conroy.

This is a good day, it is a great day for Australian infrastructure, a great day for Tasmanian infrastructure and a great day for jobs, here in Tasmania and for the nation at large.

What we are designing here and what we are about to roll out across the nation is the infrastructure we need for the 21st Century. So much of this nations' productivity was built on the back of rolling out our railway network in the 19th Century, rolling out our electricity grids in the 20th Century, but the big turbo charge of productivity growth for the 21st century is going to come from high speed broadband, so what is the problem?

Nationwide, we have I have got to say, one of the slowest and most expensive broadband networks across all the developed countries. We can't afford to be in that position any longer. We can't afford to be down the bottom of the OECD table - when it comes to speed, when it comes to price, when it comes to take up. Because this will so much underpin productivity growth for businesses, productivity growth for small businesses in the services sector and also productivity growth for manufacturing long term as well.

Really important for business in the economy, really important also for communities and for

Government service delivery also through our hospital network and health network and our schools.

Here in Tasmania we actually have a problem which needs to be fixed as well. And it is like this: currently Tasmania has the lowest proportion of households with broadband of any State or Territory. 39 per cent compared with the Australian average of 52 per cent.

The national average isn't good enough by global standards and the Tasmanian average isn't good enough by national standards. That is why the Premier here has been so strong in taking the lead in the proposals he has put to the Federal Government on rolling out broadband in this State. So what we are on about is making sure that this happens here in Tasmania and happens across the nation.

And the good news for Tasmania is that this new National Broadband Network is going to start its rollout here in this State, because the Tasmanian Government has been so far ahead of the game. And can I also say this: that what it therefore means in Tasmania is that we are going to be in the business, with Aurora, of constructing a fibre to the premises network, which will deliver speeds of up to 100 megabits per second, to something like 200,000 premises across Tasmania, businesses, households, to make sure that they are all linked with the global economy of the 21st century.

It also means that this fibre to the premises network will be connected to all hospitals and some 90 per cent of schools. This again is a terrific outcome for this State.

We want to make sure that it works well for everybody, and for those with whom we cannot make the connection to this fibre optic to the premises network, we will also be deploying of course, a wireless network and new satellite technologies to make sure that those communities have speeds of 12 megabits per second. This is critical for the future.

Can I also say what this means in terms of jobs for Australia and jobs for Tasmania. This new National Broadband Network is critical for building the economy of the 21st Century but also in providing jobs in the here and now.

We can see some of the jobs which are being provided through the work already being done here in Tasmania through Aurora and the Tasmanian Government. But nationwide, let me just confront you with this figure, when this rollout starts nationwide, for each year, out to the seven or eight years it will take to complete this rollout nationwide, we are looking at 25,000 jobs each year rising to 37,000 jobs at peak in that particular year.

This is a big shot in the arm at a time when we are in the midst of a global recession which is impacting jobs right across Australia and in particular in this part of Tasmania.

Therefore, we want to do our bit, play our part by providing this injection of stimulus now. So what does that mean for Tasmania, we will be having hundreds of jobs generated off the back of this state-wide rollout, this state wide rollout of the National Broadband Network. Good for Tasmania, good for Australia, good for the future.

One disappointing thing which has emerged overnight is the statement from the Liberal party and Mr Turnbull that they will now block this, vote to block this in the Australian Parliament.

The Liberal Party has indicated that they will vote to block this 21st century equivalent of the Snowy Hydro scheme - that the Liberal Party has said that they will vote to block 25,000 jobs a year for Australia, including what happens here in Tasmania.

That the Liberal Party will vote to block this necessary piece of infrastructure to build productivity growth for the future.

I think it is time that Australians made it very plain and very loud and clear what they think of this blocking opposition tactics. This is serious stuff. The Liberals have enormous influence in the Senate.

This therefore is not just a political debate, it goes down to the core question of whether the underpinning legislation for changes to regulations and for the corporation we are proposing to establish, will find its way through the Senate or not.

That is why the position of the Liberal Party is important. So I would simply say loud and clear, for Australians who want this infrastructure rolled out, make it very plain, absolutely crystal clear what you think about this proposal and what you think about a political party which for opportunistic reasons wants to vote it down.

And I conclude by saying this: it is absolutely wrong for Mr Turnbull and the Liberal Party, to be voting to block 25,000 jobs a year and to vote to block the 21st Century equivalent of the snowy hydro scheme.

Now if I could turn to the Premier and then we will have the Communications Minister as well. Over to you Premier.

PREMIER BARTLETT: Thank you Prime Minister and ladies and gentlemen it is a great pleasure to be standing here welcoming the Prime Minister, welcoming Senator Conroy and providing Tasmania's thanks for I believe the extraordinary leadership we are seeing from this Federal Government in challenging times.

But not seeing that 'bury our head' attitude, seeing an attitude that looks to the future with big ideas, with nation building ideas that will make a real difference for decades to come. I said on the day I became Premier that I wanted to build a Tasmania that is clever, kind and connected. Well I think you can put, after today, a big tick next to the connected box.

But I also think that it is this sort of infrastructure that will enable us to build on the clever and kind aspects we want to build too. This will make a difference in education, this will make a difference in health. This will make a difference in innovative, high knowledge based industries in Tasmania. Now all Tasmanians understand deeply what hydro industrialisation meant for the last century in Tasmania, and still means for Tasmania now.

And as I look around and talk to some of the Aurora people here today, I know that they were deeply part of that transformation of Tasmania. I talked to one gentleman who had 46 years up here. And that transformation, that was brought about in Tasmania throughout the last century by hydro industrialisation, is about to start again.

But start again with new technology. These optic fibres, this optic fibre, these telecommunications will be to this century, what the dams, the poles and the wires were to the last century in Tasmania and it will, it fills me with great pride, I have got to say, to see a company, a state owned company like Aurora, again at the forefront of that innovation, of that leadership, of that economic and social development.

And in fact, I believe today is as significant, as the day in 1916 when the Governor General of the day said this at the opening of the Watermana power station, he said ' I trust this undertaking will open up a new era, not only in Tasmania but for the whole Commonwealth,

from the harnessing of water power. And Tasmania will develop many flourishing industries which will attract much more additional skilled labour to this State and provide much employment here, and add to your State's population and prosperity'.

And today is as significant as that announcement that the Governor General made nearly 100 years ago, for the future of Tasmania and on that, I do want to express my personal thanks to both the Prime Minister and Senator Conroy, whose vision in this area accords very closely with the Tasmanian Government's vision.

And we are looking forward to the work ahead, to the creation of jobs, from everything from digging trenches through to very high end, high technology and project management and professional skills that will be needed to make this project happen. So thanks very much.

MINISTER CONROY: Thanks very much. I wanted to echo the comments of both Kevin and David. Broadband is a vital national building infrastructure. It will drive productivity, create jobs and help small businesses.

It will provide a platform to revolutionary health and education applications. And connect our regions to the digital economy.

For businesses, it means reduced travel costs and broader trade opportunity. For the frail and unwell, it means remote diagnosis and care, reducing the need for hospitalisation.

For the environment, it means better planning and control of energy and water supplies. For industry it means more efficient production and distribution. For schools it means classrooms connected to the globe. It is absolutely fantastic that we are here in Tasmania, a state that is ready to embrace these future opportunities.

The Tasmanian Government and Aurora have shown great vision and leadership. There were a lot of doomsayers, naysayers who said 'it is a waste of time, why are Tasmania bothering'. Well today, what you are seeing is that vision becoming reality.

The roll out of super fast broadband in Tasmania will revolutionise this economy and dramatically improve the lives of Tasmanians. This is a historic moment for Australia's telecommunications sector and it sets the scene for our broadband future and the growth of the digital economy.

JOURNALIST: Prime Minister there are more than 60 small towns in Tasmania with under 1000 people (inaudible)?

PM: First of all, let's be very clear about what we went to the last election with which was to promise speeds of 12 megabits per second to 98 per cent of Australians and for the remaining two per cent, speeds somewhat slower than that delivered by what then existed by way of wireless and satellite technologies.

What are we now providing? We are now providing through fibre optic to the home, fibre optic to the business, speeds of 100 megabits per second for 90 per cent of the country. And for the rest of the country, speeds of 12 megabits per second using the next generation wireless and satellite technologies.

This is a big advance on where we were. On the question of the individual communities that you refer to and I might ask the Premier to add to my remarks in a minute, can I just say this: the opportunistic negative politics today that I have seen reported from I think, it is Senator Barnett, down here, which produces lists of communities that would miss out. First

of all, let's focus on what we are doing.

This is a huge advance on where we were, particularly measured against the previous Government which sat on its hands and did nothing for 12 years, despite all the revenue arising from the mining boom. Secondly, the particular layout of Tasmania's smaller towns is such, given the location of the backbone trunk network, is that you will find a number of smaller towns with populations less than 1000 in Tasmania, which because of the way in which things are structured here, will have access to fibre optic to the home and fibre optic to the premises.

And so I think it is going to be very interesting indeed to measure this statement of outright opportunistic negative politics from the Liberals in Tasmania, on day one, against what we intend to do positively for the state and for the nation, including people in the smallest communities.

Ask yourself this question as well, what broadband speed did these communities of under 1000 people have available to them, after 12 years of Liberal Government?

Well that is a very good question, which I think those who are now in the business of saying what they would have done, and what should now be done, should honestly ask themselves.

They have had 12 years to act on this. We have been in office for a bit more than a year. We have a plan for the nation, a plan for the state, including for regional and rural areas as well. Premier do you want to add to that?

PREMIER BARTLET: I am very happy to add to that because I am very confident that we with this broadband rollout will be able to go to towns as small as 50 premises, that we will be able to deliver well into towns in Tasmania, of less than a 1000, and to meet the 200,000 premises that you have heard the Prime Minister speak of this morning, we will need to do that, in actual fact.

So towns like, Wynyard, towns like St Helens, towns like Oatlands, Tunbridge, Melton Mowbray, Kempton, will have the fastest broadband available in the world following this rollout.

PM: Which I think is a great advance for those communities and again, against what benchmark, a federal government which for 12 years under Mr Howard, did nothing.

JOURNALIST: (inaudible)

PM: Well can I say, right around the world, a whole bunch of Governments in the developed economies are doing exactly what we are doing. And Australia has been falling behind. And those governments are not doing this around the world for idle sentiment.

They have actually made a calculation about where this stands for the future, why it is necessary for businesses, why it is necessary for communities, and why it is necessary for the future of delivering of e-services be it in health or in education.

We are absolutely confident that this will represent a good strong business opportunity for the future. We have got further work to do through the implementation study for the rest of 2009. But let me tell you, this is exactly the direction which the smartest Government's around the world are headed. We are not Robinson Crusoe on this, but we are absolutely determined not to allow Australia to fall behind.

JOURNALIST: (inaudible)

PM: Well we are confident that through the implementation study, that once we have, that we will produce of course a final business case by years' end for the national broadband network.

But we are confident that if you have a system which makes this brand new technology, 100 megabits per second, available to homes, and available to businesses across the country, that the actual take up use of those services will be very, very big indeed. This is transforming the way in which businesses operate, it is transforming the way in which firms internally do their business. It is transforming the way in which communities relate to each other. It is transforming the way in which the health department, the education department deliver their services. Take an example, you will have a school here in this electorate of Braddon which will go immediately online in real time with a school somewhere in Japan or Indonesia or wherever else, and being able to interact in terms of your language classes.

So you ask me what I think the take up will be, I think it will be huge.

JOURNALIST: How expensive do you think it will be (inaudible)

PM: On this one I will ask the Minister.

MINISTER CONROY: Look thanks. I have seen some fairly wild back of the envelope suggestions from analysts yesterday. We registered the company yesterday and some analysts said that we needed to get five million customers. That would be if we were a retail company. It is a wholesale operator. So analysis based on that we have to attract half a million customers, starts from the wrong premise.

As Kevin has indicated, we are going through an implementation plan, we are pulling together experts who will design that. We haven't even finalised the structure of the company. We are inviting private sector to buy in. So to say that on the day we have registered the company, that we have to have a retail price, when we are in actual fact a wholesale company, misunderstands what this Government is doing. We are building a wholesale only company. And these sort of analyses are literally back of the envelope and have zero credibility.

PREMIER BARTLET: Can I just add to that, because this debate about take up and I noted the Leader of the Opposition, Malcolm Turnbull, and echoed by Will Hodgman here in Tasmania, has completely missed the point.

Malcolm Turnbull was on the radio this morning talking about, well why do I need a web page to load half a second quicker. What he has totally missed the point of is that the platform that this will deliver will deliver services that haven't been even dreamt up yet - in recreation, in education, in entertainment. The furore in Tasmania in the last few weeks over Tasmanians missing out on a new pay TV channel, will see Tasmanians in their homes, mums and dads, sign up to these sorts of services because they will see new content, new delivery, new interactivity. These are services that haven't even been dreamt of yet, that content providers, new application providers, will be swarming to Tasmania and to the rest of Australia over time, to ensure that mums and dads and consumers have access to these things.

PM: And finally, on the question of the wholesale network. What are we designing here? A wholesale network for the nation - so that it has an open access regime for retail

companies to operate. Why do we want that? We want maximum competition for the best prices possible for consumers across the country.

We are achieving two things here: A very big regulatory reform, something which the previous Government squibbed on for years and years and years. And secondly, getting on with the business of laying out this wholesale network for the country because absent it, you won't have competitive retail providers.

JOURNALIST: (inaudible)

PM: Look I think the other thing to say about the project itself is that it will be rolled out over seven or eight years. That is a long period of time. We are also confident based on the positive reactions that we have already seen in the marketplace to what we have proposed, that there will be a good response from the market. But we also believe that Government has to put its best foot forward.

You see, let's just put it again into context, for 12 years the previous Government sat on this sort of gush of financial resources into the country, off the back of the mining boom and didn't invest in national infrastructure.

The result is that with something as critical for the 21st Century as high speed broadband, we are missing out, and we are going to fall behind. It is time for Government to step in and take the lead. That is what this Government is on about.

JOURNALIST: (inaudible)

PM: We are absolutely of the view that it is necessary for Government to take the lead. We have also been very attentive to the advice that we have received from the expert panel, which has included the Secretary of the Treasury and a range of experts within the sector. And of course, unless Government does take the lead on this, this network will not happen, or it will not happen in the timeframe which the nation needs.

We are absolutely confident that this piece of nation building is necessary for the 21st Century, as was the rollout of electricity grids in the 20th century, and the roll out of railway networks in the 19th century.

Just imagine if you had had this kind of narrow conservative view of what governments should do, where the railway network of Australia would have got to in the 19th century. How far would the electricity have got in the 20th Century?

This is because Government's have had to go out there and take the lead. Governments, I have got to say, in the past, Liberal and Labor have put their best foot forward and lay out the infrastructure.

And the purpose of laying out the infrastructure is it supports, the private sector getting on with what it does best, which is building businesses off the back of it.

We are confident this decision is absolutely right and having said that, I have got to zip, see you folks.

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