

MATTERS OF PUBLIC IMPORTANCE

Broadband

Mr TANNER (Melbourne) (3.21 p.m.)—There can be no bigger, no greater emblem of just how tired and out of ideas, how bereft of initiative the Howard government has become in its now 12th year in office in this country than the appalling state of broadband infrastructure and services that Australian businesses and consumers have to tolerate. While the rest of the world is streaking ahead and moving into ever faster speeds, ever more accessible and ever cheaper systems, we in Australia are still crawling along in the kilobits lane. Not too many other countries now talk about kilobits, but we are still in the kilobits lane when it comes to broadband.

There are many Australians, and not just people living in very remote isolated areas, who cannot get broadband at all. They simply do not have the capacity to access the service, let alone access a fast, reliable broadband service of the kind that in many other developed countries is increasingly taken for granted as a routine part of the services that all businesses and all families require to go about their daily lives and their businesses. Many people and many businesses literally have to fight to get access to broadband, and when they do—if they do—they are often paying prices that are way beyond the kind of prices that are taken for granted in many other developed countries around the world, particularly in northern America and Europe.

Elsewhere, in many countries now, broadband is a service that is broadly like the telephone or electricity. It is effectively universally available, it is relatively inexpensive and it is taken for granted as being a standard service that governments either provide or ensure is provided. And it is provided at serious speeds and at modest and falling prices. The rest of the developed world is on the information superhighway; we are still cranking up the old T-model Ford on the goat track. We are still cranking it up in the kilobits lane, trying to get some degree of connection that at least gives people some links to the wider outside world.

Over 11 years and more the Howard government has had one idea in telecommunications. As in *Yes Minister*, the government is like the minister with one idea. Guess what that idea was? It was: sell Telstra. That is the one idea the conservatives have had. All they have managed to do with respect to broadband over that time is roll out endless pork-barrel programs and endless mountains of taxpayers' money that in many cases are just fuelling marginal seat campaigns and not delivering serious broadband for the Australian consumer and the Australian business.

Broadband Connect is the latest version of that and we have now got large numbers of regional businesses complaining that they have had the plug pulled from underneath them in that program. We have had the Auditor-General analyse the infamous Networking the Nation program—hundreds of millions of dollars. The conclusion? We cannot say whether any public benefit has been delivered because there were no benchmarks, no targets and no capacity to determine whether this was to the benefit of the public.

We are now left in the situation where we have broadband gridlock in this country. Because of the obsession with selling Telstra, the government has ended up with a gridlock. Telstra refuses to invest unless the government gives it a regulatory regime which entrenches its monopoly power, and the government is

unable to move on either front. The end result is gridlock; the end result is that many Australians simply cannot get broadband services.

On a very generous benchmark, Australia is 17th in the developed world in access to broadband and 25th in the developed world in internet bandwidth. The Prime Minister claimed today that we have the second fastest rate of take-up at the moment. He very carefully avoided saying where we are on the ladder of internet bandwidth or broadband access. We have a fast rate of take-up because we are coming from a very low base and because the measure he is using is so generous—it is a kilobits measure—that it is easy for us to look good. The reality of course is very different.

This matters a lot. It matters in the big picture sense for the future of Australia and our economy and it matters in the small picture sense for individual small businesses and for Australian families. Our performance in productivity in this country in recent years has been very ordinary. Our productivity relative to that of the United States reached a peak of about 86 per cent in the late 1990s, largely on the back of the reforms of the Hawke and Keating governments. We have slipped back from 86 per cent to 79 per cent. Serious commentators like the ANZ Bank senior economist Saul Eslake suspect that a significant component of that deterioration is due to the lack of broadband. Typically, American businesses, large and small, have much better access to much higher speed broadband than Australia. The gap in productivity between us and the United States is widening because of our inferior broadband access.

Broadband is the road and rail system of the 21st century. It is crucial not just to businesses that are in the high-tech world, the computer world or the internet, it is crucial to all businesses. It is becoming a standard tool of business activity like the telephone and the typewriter. It is crucial to all kinds of businesses. I found this out some years ago when I visited, of all things, a small gourmet sausage factory in Perth that was threatened with going out of business because it could not get broadband and deal electronically with its customers on the eastern seaboard. That was a serious threat to its existence. I have been in small country towns in Northern Tasmania meeting with small businesses like optometrists, auto-electricians and real estate agents—hardly right in the high-tech zone—who are all complaining about the lack of broadband access in their community.

Recently I was in the electorate of Bowman and encountered the fact that small businesses in an industrial park were refused broadband access by Telstra and were told that the exchange was full—'Sorry, no more broadband, can't get it.' They had to wind up a political campaign with their local state MP and their Labor candidate for Bowman, Jason Young, in order to get Telstra to back down. That, in this day and age, is the equivalent of businesses having to run a small political campaign in their local area to get the electricity put on. It is absolutely ludicrous, but that is the situation that prevails in Australia today.

This is also of crucial importance to our children and to the future of our education system. When my oldest daughter is with me every second weekend she is doing homework from her government school and it is assumed that she will have access to the internet to do that homework. Almost by definition, the question of how fast speeds are is of fundamental importance to her ability to do that. These things are now widespread, uniform and universal requirements, and yet we are still stuck cranking up the old T-model Ford on the goat track.

That is why Labor are going to act. We are going to build for Australia's future. We are going to invest up to \$4.7 billion that is held in existing telecommunications investments. What we are proposing to do is to take two existing telecommunications investments owned by the Commonwealth in the Communications Fund and some of the shares in Telstra. We are going to dedicate that to investing in building a new network with speeds of a minimum of 12 megabits per second, much higher in many cases, and with coverage of 98 per cent of the Australian population in a roll-out that occurs within five years. We will do this through a partnership with the private sector on a broadly fifty-fifty basis to insert the commercial disciplines, the market disciplines, to be allied with the wider public interest and to give open access to all telecommunications service providers to ensure genuine competition. This will provide the genuine productivity jolt that the Australian economy requires. It will give small businesses access to the 21st century tools for doing business and it will bring Australia into the modern telecommunications era.

Part of this decision on behalf of our party involves making a hard choice, a hard decision, to accept defeat on the question of Telstra public ownership. That for me—as with many people in the Labor Party who have campaigned long and hard, unlike the gutless wimps in the National Party, to keep Telstra in public ownership—is a hard choice. I do not back away from that. It is something that is a very difficult thing for us to do but we are committed to the future. We are committed to building for the future not trying to refight the battles of the past. We have fought that battle; we have lost. Telstra is now only 17 per cent publicly owned and there is every chance that by the time of the election it will be substantially less publicly owned than it is now.

Rather than moving those shares over after November 2008 and removing the ban on the Future Fund selling down, rather than having those shares moved over to passive investments in Coles, Woolworths, Qantas or BHP, we are going to have them in an active investment. This will deliver high-speed broadband accessible and available to virtually all Australians to build the economy for the future and to deliver more economic growth, higher productivity and higher tax revenue to sustain us into the future. These are all things that are critical to the interests of our children and the long-term interests of the nation.

We do not support public ownership of Telstra out of theology. We supported public ownership of Telstra for two key reasons. The first was to ensure that we did not have Telstra's monopoly power—it is still nearly two-thirds of the entire sector and it controls until now the dominant infrastructure—in private hands. The second was to support public ownership of Telstra to ensure that services in regional Australia were maintained, that there was a good decent standard of service in the bush, to enable all Australians to get basic telecommunications services of a high standard. They are crucial issues for us but the key thing to understand is that with this proposal to build a new network, the resolution of those issues increasingly is going to be within this new network not within ownership of Telstra.

We pursue the issues; we pursue the merits of the case, the objectives of the Labor Party, and where they take us now is that—having lost the debate, lost the fight about public ownership of Telstra—we are committed to ensuring that we are going to invest these public resources to deliver on these issues for people in the future. So some of the remaining Telstra shares will be invested in a joint venture to create a new network that will shift the Australian economy into the 21st century.

The government claims in question time today and at other times that we are raiding the Future Fund, the bear in the honey pot—all of the florid rhetoric of the B-grade actor otherwise known as the Treasurer, tripping over his own rhetoric. Apparently, this is now the most economically irresponsible position the Labor Party have taken. It seems that Work Choices is no longer a big issue for the government and our opposition to Work Choices has now moved into second place. The proposal to take a pretty small proportion of shares that we said should never be in the Future Fund and that we always opposed being there to finance the building of a broadband network for the future of this country—apparently, this is now the most economically irresponsible thing, according to the government, that Labor have ever stood for.

The true story is that we never supported the sale of Telstra and we never supported those shares going into the Future Fund. The government has a provision in its own legislation which enables it to deal with these shares in a separate way from the way that it is required to manage the rest of the Future Fund. The rest of the Future Fund supposedly is at arm's length; the fund makes the decisions about how to invest, when to sell and what to buy. But in the case of Telstra shares there is a specific clause in the legislation that is designed to give the government the power to do literally whatever it likes, including to direct the fund to deal with those shares in a non-commercial way. If the government reckons that what we are doing is wrong, why did it insert that provision in the legislation? Why did it do that? If it is serious about protecting Telstra shares held in the Future Fund from political interference as it describes it, why did it put that provision there?

There is no question that Labor making the call that the battle about public ownership of Telstra is over is a hard decision for us. We are committed to making the hard decisions that are necessary for this country's future. Where that requires us to move on from a battle that we have fought and lost, so be it, because the future of this country, our economy and our children is now going to be very substantially influenced by our ability to provide the 21st century telecommunications network that will enable all businesses, large and small, to compete on equal terms with the rest of the world and enable our children to get the kind of education that they need and deserve.

The Prime Minister and the Howard government have run their race. They represent the past; they represent amongst other things an enduring legacy of incompetence and neglect when it comes to broadband and telecommunications infrastructure and services in this country. The Prime Minister just does not get it. He is still adapting to the crystal set. He is still recovering from the introduction of the mobile phone and the fax machine and he really has not discovered email, so he has no idea what broadband really means, how crucial it is to the productivity of Australian small businesses, to the education opportunities of Australian children and to Australian families. They are fiddling, they are neglecting the future of our country; we will invest because they have run their race. (*Time expired*)