

Transcript

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Item: **PRESS CONFERENCE: TONY ABBOTT (LEADER OF THE OPPOSITION) AND MALCOLM TURNBULL (SHADOW MINISTER FOR COMMUNICATIONS AND BROADBAND) DISCUSS THE RELEASE OF THE COALITION'S PLAN FOR FAST BROADBAND AND AN AFFORDABLE NBN.**

INTERVIEWEES: TONY ABBOTT; MALCOLM TURNBULL

Audience:	Male 16+	Female 16+	All people
	N/A	N/A	N/A

TONY ABBOTT: It's great to be here at Fox (*) Courts with the shadow minister for communication, Malcolm Turnbull. I want to thank John O'Sullivan and the team at Fox Courts for making us so welcome here today. I'm about to launch with Malcolm, the first major Coalition policy of the 2013 election year, but before I do I should pay tribute to a giant, who has passed from us overnight. Margaret Thatcher is one of the all time greats of democratic politics. She put the great back into Great Britain. She gave Britain a future as well as a past. She was a great champion of markets, of democracies, of choice, of freedom. She inspired millions and that inspiration will live on, even though she's no longer with us. So while we mourn her passing, we celebrate her living. She has been a remarkable person, a great contributor to Britain, to Europe and to the wider world.

We are here today to talk about the Coalition's plans to ensure that Australians get much faster, much better, much more affordable access to broadband services in the years ahead. Our modern lives are

absolutely unimaginable without access to broadband technology. I couldn't do my job without access to broadband technology. Teachers, nurses, business people, people at home, millions and millions of Australians are using broadband every single day and it's important that they get better broadband services than they are currently getting under this Government. We believe in a National Broadband Network and we will deliver a better National Broadband Network, faster and more affordably than this Government possibly can.

Under the Coalition, by 2016 - that's to say at the end of the first term of an incoming Coalition Government, there will be minimum download speeds of 25 mega bits, and up to 100. So we will deliver a minimum of 25 megabits, five times average download speeds, by the end of our first term. By the end of our second term, should we get one, by 2019, the vast majority of households will get access to 50 megabits or 10 times current speeds. We will be able to do this because we will build fibre to the node and that cost - and that eliminates two thirds of the cost. So we will be able to do this for under \$30 billion, compared to the over \$90 billion that it will cost the National Broadband Network.

We will also be able to do it that much more quickly because fibre to the node can be rolled out that much more quickly and that much more simply than fibre to the premises. There will also be three important inquiries under the Coalition. The first will be a commercial review, it will be completed within 60 days,

as to how quickly the National Broadband Network can meet our objectives. The second will be an audit of how Labor's National Broadband Network got into the current mess. The third will be an independent study of our telecommunications needs and in particular our broadband needs for the future, and this will include a cost benefit analysis of the Coalition's National Broadband Network.

I am very proud of this policy. I am confident that it gives Australians what we need. And I want to pay tribute to Malcolm Turnbull and his team. This is a very comprehensive piece of analysis as you will see as you go through the three documents that we launch today, particularly the background paper. A lot of work has been done. It's very high quality work indeed. It's work of a quality to surpass just about anything that an Opposition has previously done. I want to thank Malcolm and I now want to hand to him to elaborate on the policy today.

MALCOLM TURNBULL:

Good thank you. I will step over here. Good, well as Tony has said, our commitment is to deliver very fast broadband to all Australians sooner, cheaper and more affordably. Let me just talk about sooner first. It's all very well for Labor to talk about very fast broadband but they are failing to deliver it. Their project is a failing project. They said in 2010, that they would pass 1.3 million premises with fibre by June 30 this year. Then in August last year, not very long ago, they revised all that and they said, oh no, it is only going to be 340,000 premises. Now, when it became apparent that they had passed less than 100,000 premises at the end of

last year, they said, oh, well, it is going slow, we now think we will only do about 190,000-220,000 premises by June 30.

Incredibly, the project has been making less progress since January 1 this year than it was in the six months up to December 31 last year. So this project, far from ramping up, is ramping down. It is a failing project. It is also one that is going to cost a huge amount of money. Now as you will see, we've made a number of very conservative, very reasonable assumptions about what this project is more likely to take, in terms of dollars and in terms of time. And our estimate, the estimate that flows from that, is that this project will require total funding from the Government of \$94 billion. That is a staggering amount of money. And remember, the Government has no idea how much it will cost. They have never set a limit on it. They haven't given this project a budget. They haven't said, you've got \$20 billion, or \$10 billion, and that's all you got to work with, they've said, we'll pay whatever it costs so just let us know how much it'll cost from time to time. So it's about as crazy as going off to build a house without getting a quote from the builder and just saying, oh just send me an invoice every month and I will fix you up, that's a way to get fleeced, obviously, and that is what is happening here.

So what we've looked at the experience around the world. We've done the hard analysis that the Government never did. We've looked at what telcos and governments are doing in comparable markets, in North America, in Europe, in Asia. And what we are

presenting here is a plan that is consistent with the best practice around the world. And that will involve taking fibre to the premises in greenfield sites, in areas where there is very high demand, business centres, institutions, educational centres, hospitals, all of those places where there is high demand. But for the bulk of Australia's built-up areas, residential suburbs in other words, we'll be taking fibre out into the field, but not all the way into the customer's premise. And that saves about three-quarters, at least, of the cost. And the reason it saves so much money is because the cost of this network is not in the electronics or in the fibres or in the cables, it's in labour. It's very labour intensive, digging holes and trenches and getting guys into cherry pickers and digging - you know, drilling holes in walls and all that sort of thing. So it's the civil works that rake up the cost here. So this is a much smarter approach.

Now what this will deliver is speeds that are more than capable of delivering all of the services and applications households need. Because that's really the issue. It is not a question of what is your headline speed, it is what can you do with it? And the vast bulk - the majority, substantial majority of people in the fibre to the node footprint will receive 50 megabits or more, and very high - that's very high speeds. We have said that at a minimum, the goal is the minimum to be 25 megs, but that will only be a minority. And we have not taken into account, because this has been a very conservative plan, vectoring which can increase that, and I'm happy to take some questions on that later.

So, all of the assumptions we have made in this analysis have been conservative on looking at our proposal, and, frankly, pretty generous to the Government's. You could very legitimately make assumptions about the Government's plan which would say it was going to cost a lot more and take even longer. Now I want to just take you to some issues now about cost.

The Government is proposing that wholesale prices will treble over the next decade. And they are making extraordinary assumptions about the revenues that they will be able to generate for the NBN. This is one of their big flaws in their plan. They are assuming that Australians are going to pay a very substantially larger share of their household income, of GDP - however you measure it, for fixed line access. There is no evidence for that at all, no justification for that at all. If you combine a more realistic approach to pricing and a less expensive network to service, you can see that broadband costs are considerably lower under the Coalition. Now this is a critical point because the biggest barrier to internet access is not technology, it is affordability. People in the lowest income percentages are far, far, far less likely to have access to the Internet. You don't have to be a sociologist to work out why, it's because they can't afford it. So if you believe in everyone having internet access, you've got to make it affordable.

Let me take you to the next slide. This gives you an idea of how dramatic the increase in the proposed NBN charges are, compared - over their plan, and this is all

set out in their corporate plan and their submissions to the ACCC. Look at the ramp in their plan in red and compare that to the notorious increase in energy bills over the last decade. So you can see we're talking about a situation where we have been getting more broadband for less dollars for a long time, for a decade. Thanks to the - Labor's NBN, apparently, this great benefit to the people, so they claim, we are going to see broadband costs take off through the roof.

I mentioned earlier that the NBN Co has failed to meet all its targets. Well there it is. That's what they said they would pass by fibre on 30 June 2013, as at December 2010. That's not so long ago. Then in August '12 - August 2012, six months ago, they cut that right down to 340,000 and just a few weeks ago, they cut it down again to about 200,000. Their latest figure that they've released is less than 100,000 and we've got no reason to be confident that they can get to that March 2013 forecast.

Now, one of the - I mentioned earlier the point about speed. This is a very critical thing to recognise. Speed is only valuable to you insofar as you can use it for something. If you equip your house with one terabyte per second broadband speeds, the kind that a massive data centre might have, that'll cost you a fortune, you won't be able to do anything with it, unless you dig up your garden and have the data centre there. So, this is not our slide, this is from British Telecom's Openreach, and what they're demonstrating there is what can you do with a very standard broadband speed of 40 megs, which is higher than - sorry lower than what most of

their customers can get. And as you can see, you've got multiple high definition video streams, a high definition video stream takes 6 megs so you can have - look you could three of them, you can have multi-device browsing. So you can have - perhaps you've got a big family and everyone is on their iPads, you know, engaging in all sorts of activities. You can have video chat, some gaming and you've got plenty of spare capacity.

So this is a critical thing to remember. This is not - to put this in a rather geeky way, if you'll forgive me for this, the value or the utility of broadband does not increase in a linear fashion with the speed. In other words, 20 megabits per second is not twice as useful or valuable to you as 10, and 40 is certainly not twice as valuable to you as 20. So that's a critical point to understand. So this is not a question of a, you know - Stephen Conroy has said, oh, you know, the Government - this is not as good as the Government's plan. This will deliver all of the services and applications Australians want and are prepared to pay for online, but it will do so sooner and cheaper. And that is why this approach is what's being taken around the world.

I just want to address one thing just before we go to questions. It's a point that Stephen Conroy raised earlier today. He talked - he said what about areas where the copper is in very poor condition? Where the copper is in very poor condition, there are two approaches you can take. One is you can remediate it, fix it up, and that is something that is done all the time.

In an area, for example, where there is a lot of ground water, and the copper is - there are a lot of problems, there are, sort of, endemic problems with the copper, that is an area where you may put fibre right through that part of country. So you just make a rational business decision, a cost-effective business decision where you go.

He also raised the matter of pair gains. Now just very briefly, what a pair gain is is where in the past Telstra has bought a number of copper lines out of its exchange to an electronic device which then multiplies those copper lines into more services. So you might have, for argument's sake, 20 coming into the electronic device and 80 going out. And he said what about that? Well, the approach we're taking is perfect for that. It gives you a very, very quick solution. Because what you do is you pull fibre through to where the pair gain device was, you put in your new electronic node and immediately all the people connected to that have got very fast broadband. So this type of technology we're talking about is a very, very dramatic improver of people with pair gains. So that's a - I apologise if that's a bit technical but it's important to get that across because there are a lot of people who have no broadband at all because they are on pair gains and because of Labor's hopelessness and inability to actually deliver anything they talk about - over the last four years have seen no improvement.

TONY ABBOTT:

Okay, are there any questions that people would like to ask?

QUESTION:

What do you see as the life span of copper in the long term? I mean, how many years can we expect this investment in the copper infrastructure or this reinvestment in the copper infrastructure to last? You haven't sort of mentioned how far forward that will take for the amount of money you're proposing to spend.

TONY ABBOTT:

Well look, obviously all infrastructure has a life span. Copper has a life span, fibre has a life span, so all infrastructure does have a life span, all infrastructure over time has to be renewed. But there is no reason why most of the copper that is currently in place can't continue to be used. Where it can't continue to be used, obviously there will be a fibre roll-out. Where it can continue to be used we should make use of it. One of the real problems with Labor's version of the National Broadband Network is that it junks perfectly useful infrastructure. It junks useful copper. It junks useful HFC cabling and we don't want to do this. We want to deliver people much, much faster broadband, as quickly as we can, as affordably as we can and that means full use of existing infrastructure.

MALCOLM TURNBULL:

Just let me add to that. Because I think I know where you're coming from. When you roll out a fibre to the node network, you should always do so with a view to having the option of going fibre to the premise down the track. That might be five years time, it might be 10 years time, it might be 15 years time, it might be never. But putting that additional fibre capacity out to the fibre distribution point is very cheap to do that. So that's how you provision fibre on demand, and it's how

you provision upgrades. This is - we've set this out in the background paper, the economics of this, but I can assure you that we are well aware of the need to preserve your optionality and flexibility in terms of network design.

QUESTION:

But can you quantify in a number of years how long you expect the current copper infrastructure to be fit for purpose to deliver the sorts of broadband speeds that you say Australians commonly expect? Is it five years, is it 10 years is it 15 years?

MALCOLM TURNBULL:

Yeah but this is - the answer to your question is nobody knows. Copper is delivering much faster speeds today with XDSL, you know, ADSL, ADSL plus, VDSL 2 plus, VDSL 2 plus with vectoring. All of these technologies are delivering dramatically higher speeds. You're getting, you know, over 100 megs on the copper that you so deride, you're getting speeds that are as high, or higher, than what the NBN is providing over fibre. And this is not me talking, this is, you know - telcos around the world are delivering this.

So the point is that in a rapidly evolving technology market, where there's so much disruptive change, what you should do - a prudent person, preserves as much flexibility and optionality as possible so that you can take - you make your investments to deliver the needs of your customers now and in the foreseeable future preserving the flexibility to take advantage of technological developments as and when they emerge.

- QUESTION: You say you have done a lot of analysis for this policy. Why don't you know how long the useable life span of copper is? Isn't that something you'd want to know?
- MALCOLM TURNBULL: But this is - look...
- QUESTION: Isn't it something you want to know?
- MALCOLM TURNBULL: No but... What's the question? How long will a piece of copper last? It will last thousands of years. You don't know. I mean, the physical...
- QUESTION: So you don't know how long it's usable for?
- MALCOLM TURNBULL: No, no - just hang on a minute. The reality is there is copper in every network. There is copper in every device. There is copper everywhere in networks all around the world. The question is how long - what you're really asking is how long will copper be the medium for the last several hundred metres between the end of the fibre and the customer's premise? And the answer is it may be a very long time, but it depends on the technological developments. Now you may be a technological genius and in which case, you know, we could really do with your help because I have never met anyone as clever as you appear to be because you think you are able to know or someone can say with certainty how - what the technology will be five and 10 years hence, you don't know
- QUESTION: [Inaudible question]

MALCOLM TURNBULL: Well the answer is, I am knowledgeable enough and modest enough to know that you can't predict the future with great certainty. So what you do is you build in that flexibility and you don't, you know -when Labor says they've a technology that is future-proof, they are kidding themselves. Believe me, there is no technology that is future proof. That's the one - if you haven't learnt that, you've been asleep for the last 20 years.

QUESTION: Well no, not everyone's been asleep. Now, that's a very good leg glance, but it is quite nonsense. However, you said in announcing the policy, you will commence a commercial review that will have 60 days to work out how quickly your National Broadband Network plan can be rolled out. You also announced that it will be rolled out by 2016. Please can we have those two aims resolved? Because you can't know that you will deliver it by 2016 if you need a commercial review to tell you?

MALCOLM TURNBULL: Let me take that question. I can answer that. What we have made is - what we've got here is a policy that is very realistic, that we have researched very carefully, that we have discussed with people very knowledgeable in the field - people that are actually building new generation broadband networks, both here and internationally. So we haven't spent a lot of time - we have spent some time with academics. We have actually spent time with the men and the women that are really doing the work, that really know what they're talking about. They're the people that I'd encourage every journalist who is interested in this area to talk to. They are the most knowledgeable people.

Now we believe the goals here are very realisable but what we are going to do, as Tony has said, immediately the NBN Co will set out a realistic objective assessment of how long it is going to take in dollars and time to complete the project on the current trajectory, on the current design. And then set out what savings can be achieved both in dollars and time by making changes of the kind that we have proposed, and indeed there are some other changes - because we didn't want to overcomplicate our proposal. There are other changes of a much more technical nature that can also make some considerable savings. So that is the - and the point of that is that that will be - have the benefit of all of the NBN's experience, and have access to that information. So I am very confident that that will confirm the reasonableness of what we have proposed.

QUESTION:

Can the Coalition confirm whether it is planning to make return on investment from its \$29.4 billion spent?

TONY ABBOTT:

Well what we're going to do is, we are going to invest the money up to the \$29.5 billion. We believe that that is what it will take to get the National Broadband Network up and running and ready for sale. We think what we have got in mind is necessary to rescue the National Broadband Network which, as Malcolm has said, as shrewd observers like Henry Ergas have published, is currently on the point of collapse.

MALCOLM TURNBULL:

Hang on - I just want to add something to that. This is a very important point. The revenues that the Coalition NBN will be able to generate will be substantially the

same, certainly no less than, the revenues the Labor NBN would be able to generate. And if you doubt me on that, as we have set out in the background papers, you can look at the test case, if you like, between AT&T's fibre to the node deployment and Verizon's fibre to the premises deployment in the United States, where the average per user is essentially the same. And, of course, one network cost a third to a quarter of the - to build than the other. So the [indistinct] will be very comparable in reality. And that is why our proposition, our approach, is much more likely to generate a positive return, let alone a commercial one. John McDoolan (*)?

QUESTION:

So, just to confirm, the funding remains off budget?

MALCOLM TURNBULL:

Well, it's off budget only in the sense that the investment doesn't go through the expenditure portion of the, you know, the budget statements that we all focus on that deliver deficit or surplus. The public sector accounting treats this as a balance sheet item and we don't have any plans to change that. And that's because it is a commercial investment. Our argument on this point has been that the - it is so plainly obvious that the amount of money the Government is investing in this project is so far in excess of what the value of the project will be when completed, that they should be recognising the deficit in some manner. Now whether you recognise that through the budget in the way you would in a private sector company, through taking the loss through the PNL, is another question but we're not proposing to change the budget treatment of this.

- TONY ABBOTT: We think, John, that our NBN is a commercial proposition, Labor's NBN is not a commercial proposition. The other point I should make is that obviously there will be some savings to the budget because we won't be borrowing nearly as much. We estimate, depending upon the interest rate assumptions, we estimate about \$750 million of savings over the forward estimates period.
- QUESTION: Have you set a time line or plan for selling the Coalition's NBN down the track?
- TONY ABBOTT: Well just as the Government has said that eventually its NBN would be returned to the private sector, ours certainly ultimately will go back into the private sector, but it won't go into the private sector until it is ready for sale. At the moment, there is nothing to sell. What we need to do is produce an NBN which is saleable. If we're going to have the sort of respect for taxpayers that we need, we've got to produce something which is saleable.
- MALCOLM TURNBULL: It's not entirely an exaggeration given the dreadful state this project is in, and the time it will take to get it fixed up, it is not entirely an exaggeration to say that its return to the private sector could be a high priority for Wyatt Roy's second term as Prime Minister.
- QUESTION: You will have to renegotiate the agreements with Telstra to get access?
- MALCOLM TURNBULL: Yeah absolutely. There would have to be some renegotiation with Telstra. We're very confident that

can be achieved speedily, and we have set out the rationale for that in the policy documents.

QUESTION:

Would Telstra shareholders be affected? Will they be no worse off?

MALCOLM TURNBULL:

Look, we understand and respect the need for Telstra shareholders to be kept whole in the sense that Telstra is not going to do any deal if the shareholders are worse off. The approach we are taking is not bad news for Telstra. It is actually marginally - they will be marginally better off is what many analysts think. I noticed one of the broker's analysts said today that this approach will add, I think, three cents to the value of a Telstra share. So it is somewhere between a neutral and a mild positive. But certainly Telstra shareholders have got nothing to fear from our approach.

TONY ABBOTT:

And the interesting thing, if I may add, is that Telstra only gets paid under the Government's scheme when the NBN connection becomes live. And there are very few live NBN connection right now. Under us, the thing will become operational vastly more quickly so Telstra will start to get some money.

QUESTION:

What happens to the Optus agreement?

MALCOLM TURNBULL:

We have not assumed any change to the Optus agreement at all. So we have assumed that that remains where it is. Optus' agreement, as you know, essentially relates to their HFC. Everything we have heard from Optus indicates that they want to be out of the HFC. So, we have assumed out of an abundance of

caution and this is a very - the assumptions as you will see are very conservative and prudent ones, we have just assumed no change to that.

QUESTION:

Will you require Telstra and Optus to open up their HFC networks to wholesale?

MALCOLM TURNBULL:

What we have set - do you mind, this is getting into the footnotes. What we have said in terms of HFC networks is that were we to change the agreements with Telstra and Optus, which as you know basically require them to switch off - it is a shockingly anticompetitive agreement by the way which we've criticised extensively as I am sure you will remember. But what the agreement says is that once a premise is connected to the NBN, then Telstra and-or Optus cannot provide broadband services over their HFC. Now that is extremely anticompetitive, it flies in the face of Government policies in this country and every other country for several generations. But that is the agreement, we would like to unwind that and actually enable facilities-based competition, but as we say in the document, we could only do that in circumstances where competition was enhanced, open access to that particular customer and market were preserved. So that's something that has to be negotiated, but it is a - you know, I can assure you, we find the approach of the NBN - the Government with the NBN, quite extraordinary.

This is a very important thing for all Australians to recognise. This policy is unique in the world. There is no Government, not in China, not in North Korea, as far

as I am aware even, that is actually building a new Government-owned Telecom monopoly and prohibiting anyone from competing with it. I mean it is in every other country in the world where broadband networks are being built, governments seek to promote competition, and that of course was - you know that was Labor policy, it was our policy. So this approach of a great big new Government-owned Telecom monopoly is going back to the economics, truthfully, of the 1950s. This is skipping several generations, not just from the point of view of Tony's and my party, but from the point of view of the Labor Party. This is not - Paul Keating and Bob Hawke would never have done this.

QUESTION:

Who will be doing the independent review? Who have you commissioned to do that and will you abide by any recommendations they make if they conflict with your policy?

TONY ABBOTT:

Look it will be a fully independent review. It may be the Productivity Commission although we're conscious of the fact that the Productivity Commission has a very heavy workload. It may be Infrastructure Australia. But one way or another there will be a full independent review of telecommunications going forward, of broadband going forward, and that will obviously include a cost benefit analysis, a published cost benefit analysis of our version of the National Broadband Network.

QUESTION:

[Indistinct] cost benefit analysis of Labor's NBN because Mr Turnbull you hinted at the kick-starter

conference earlier this year, so will you do a cost benefit analysis of the NBN?

MALCOLM TURNBULL: The big question - the answer is yes, all of that will be examined but, you know, one of the...

QUESTION: The cost benefit analysis of the NBN?

MALCOLM TURNBULL: The answer is yes. The big question that needs to be answered is this. While we all accept there are very significant benefits from everyone having access to very fast broadband, that's why affordability is so important in our policy, and lack of affordability is such an issue for Labor - while we accept there are great benefits, there is a real issue as to how much benefit is there, for example, in taking everybody from, say, 50 megs to potentially 150 or a gig and, you know, the better view - and I have got very little doubt an inquiry would make this conclusion, the view around the world is that utility tends to flatten out. Because as you go higher and higher, the things you can do with that speed are less and less in a residential environment.

And this is where, of course, you know, our fibre on demand product is so valuable so that if you imagine everyone in this studio is a house in a residential suburb, and we roll out the fibre to the node proposal - you know most people have got, you know, 40-50 megs or better. You know, there might - let's say there is a few people that have got 25 and a bit more and everyone is happy with that but there is one chap there who is an architect and he has a practice in Shanghai and he is working from home and he is uploading and

downloading huge files. Well what you can do is say, alright, we will run a fibre to you. You give us a few thousand dollars - this is what they do in the UK. It is a few thousand pounds there and then that person has got one gig symmetrical if they like. Now that might be the only person in that suburb that actually needs it but the good thing about this technological approach is that it is very flexible.

Now if on the other hand you go to the local commercial park, or industrial park, corporate park or something, well of course you run fibre into there because you've got lots of customers wanting a lot of bandwidth. So it's very - this is very flexible. And by the way, all of these things I am talking about now, whether it is fibre on demand, whether it is vectoring were not, in reality available, in some cases not even contemplated when fibre to the node was last looked as seriously in this country five or six years ago.

TONY ABBOTT:

And just if I may add something, I mean, at 25 megs, you can simultaneously be downloading four HD TV programs. So, you can have four people in four different parts of the standard house watching the sport, a movie, whatever you might be doing, so we are absolutely confident that 25 megs is going to be enough - more than enough for the average household.

QUESTION:

Let's examine Telstra as a dependency for the commencement of your project in getting a start date some point after a September 2013 election, and a target for 2016. You are taking a very optimistic assumption about how quickly you can deal with what

is, among other things, as well as being our incumbent carrier, a company that is one of the biggest law firms in Australia. They have managed to delay every initiative that has been attempted since about 1996.

TONY ABBOTT:

Well can I make a few observations before throwing to Malcolm. First of all, we aren't interested in going to war with Telstra. And I think that is one of the problems that we have seen, too much conflict between government and Telstra in the past. We want to work constructively and collegially with Telstra and the other telcos. That is the first point to make. The second point to make is that rolling out fibre to a few thousand nodes is obviously a vastly less daunting engineering undertaking than rolling out fibre to some 12 million households, that is why we are very confident that our NBN is deliverable in a way that Labor's NBN obviously is not.

MALCOLM TURNBULL:

Well to give you an example, in terms of speed. British Telecom will pass 19 million households in...

QUESTION:

[Inaudible question]

MALCOLM TURNBULL:

If you could model your civility on the rest of the journalists present...

QUESTION:

Oh hell no. No British Telecom is running late by its own timetable?

MALCOLM TURNBULL:

Okay we'll take another question from someone. We will take someone else. Can I just correct that

gentleman. Look what you said is completely wrong. British Telecom...

QUESTION: [Inaudible] 2014 date in 2009, have now announced a 2015 date to reach 60 per cent.

MALCOLM TURNBULL: Please. Well you are - British Telecom is running ahead there. I talk to British Telecom all the time and my research of British Telecom is based on talking, as it is with most of the telcos, talking to the people that are actually doing the work rather than reading bulletin boards and blogs. And I promise you that right now they are passing 100,000 premises a week and they will pass 19 million premises in three and a half years. Now in four years the Labor Party hasn't passed 100,000 premises. Please.

QUESTION: Mr Turnbull you're right, British Telecom is doing that and really it is globally incumbent telcos like British Telecom that has been able to do that. The Coalition has made a great deal of the fact that the Australian Government is the only government globally to be rolling out fibre to the home. But won't a Coalition Government be the only government rolling out fibre to the node globally?

MALCOLM TURNBULL: The answer is you are right, you know. But I tell you, we are in the position of the guy that is going touring in Ireland and gets lost in one of those little country lanes and goes into the Irish pub and asks for directions and the barman with the generosity and helpfulness and kindness which the Irish are famous, says to him, well sir if I were you I wouldn't be starting from here. And

the truth is we wouldn't be starting from here either. So we are -the Government shouldn't be building this. Every other country in the world that I can think of has taken the approach of getting the industry, the private sector to do it and provided some degree of subsidy for the non-commercial, non-economic areas. That was the choice the Government should have taken. It actually was their original policy, remember, in 2007? They abandoned this for this great scheme so Tony and I are inheriting the NBN Co but we're not about just moaning and groaning about the bad decisions made preceding it, what we are going to do is get this job done and we will bring very fast broadband to all Australians sooner, cheaper and more affordably. We would not have gone about this way and there will be billions of dollars that Labor has wasted that we cannot recover. But we will save many billions of dollars, at least \$60 billion by taking the approach we have described in this policy.

TONY ABBOTT:

And could I just say in conclusion, I do want to urge all of you to read the documents that we have released today, particularly the background paper which is a very comprehensive document and, as you will see from it, a very thoroughly researched document but I also want to say that you have heard today from a shadow minister for communications who is obviously on top of this subject in a way that the Minister for Communications clearly isn't. Malcolm was one of Australia's internet pioneers, was one of the founders of Aussiemail and I am confident that in the years to come Malcolm is going to be Mr Broadband and that an incoming Coalition Government can finally bring Australia into the broadband world, into the digital

world. I am very confident that we can do that and I am very proud to be associated with this policy this morning. Well done mate.

MALCOLM TURNBULL: Thanks Tony.

QUESTION: Just given the building we're in, just a couple of sporting questions please if that is all right?

TONY ABBOTT: Couple of sporting questions. Alright, just one or two.

QUESTION: Given the ASADA investigation, obviously it has been the biggest sports story in Australia this year already. It is ongoing obviously. But could it have been handled any better and how much damage has it done to Australian sport already?

TONY ABBOTT: Well, plainly, it is not a good look when you've got government ministers holding a press conference to talk about a black day in Australian sport. On the other hand, it is not a good look when you've got abuse of drugs in sport. My point is that sport should be clean and it should be fair. Where there is credible evidence of wrongdoing, it should be investigated and where people have in fact broken the law or broken the rules, they should be dealt with appropriately. I think the problem here is that for all sorts of reasons, perhaps best known to the relevant ministers, investigations that probably should have proceeded in the normal way, were broadcast too soon.

And a lot of people who are involved with sport but have not the slightest connection with drug abuse have, in a sense, been made guilty by association. Now this will pass, because we love our sport and we know that the vast majority of Australian sports men and women are fair dinkum. This will pass and the guilty will be dealt with.

QUESTION:

You're a Manly fan in the NRL. And you've enjoyed many a great afternoon in Brookvale Oval, obviously. Is there still a place for boutique grounds such as Brookvale, should they be preserved as they are?

TONY ABBOTT:

There should always be a place for community sport and for a community such as mine, the Sea Eagles are very important, just as the Eastern Suburbs' Roosters are very important to Malcolm. So it's important that we try to maintain community grounds but on the other hand they've got to be of a standard where games can be broadcast, where people can play and watch in comparative comfort and as you might know, prior to the 2007 election and prior to the 2010 election, the Coalition committed \$10 million to the upgrade of Brooky oval. I haven't specifically renewed that commitment but I am a local member as well as an alternative Prime Minister and I don't think that the Coalition wants to let local people and local sports down.

QUESTION:

Finally, there was a major funding announcement made in this building yesterday to the tune of \$20 million towards grass roots Australia soccer-football.

Do you have any plans under the Coalition Government to make any similar funding towards any other sports?

TONY ABBOTT:

Well again, we will be making all of our commitments clear in good time before the next election, and obviously it is important that Government doesn't neglect grass roots community sport because in the end, every elite sportsman and sportswoman has come from grass roots participation in the relevant sport. So, as always, it is a question of balance and I am confident that as people who have sprung from the community, as people who, in many cases have played sport at the community level and sometimes at the more serious level, will be able to do the right thing.

Malcolm and I, if you go back far enough both played in the front row for Sydney University and we haven't forgotten those days. And we won't let down the community sports people of Australia.

MALCOLM TURNBULL:

He's fined down since he was in the front row.

TONY ABBOTT:

As you have, I think we both have. Thanks very much. Thank you.

* * END * *

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ABs = Managers, administrators, professions. GBs = Grocery buyers.
