



**THE HON. MALCOLM TURNBULL MP
FEDERAL MEMBER FOR WENTWORTH
SHADOW MINISTER FOR COMMUNICATIONS AND BROADBAND**

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Response to Former ACCC Chairman Graeme Samuel

Mr Graeme Samuel's remarks supporting Labor's NBN are neither surprising nor accurate.

Despite his business experience both while at the ACCC and subsequently, Mr Samuel has been a cheerleader for the NBN and vehemently opposed to any cost benefit analysis being undertaken.

Australian taxpayers and consumers will pay the price for his enthusiasm.

But Mr Samuel's latest comments show that he's out of touch with new technologies, and with successful upgrades to broadband in a number of other countries. Multi Service Access Nodes – which can provide broadband over either copper (VDSL) or fibre (GPON) from a single cabinet – are deployed in the USA, UK, New Zealand and many other places.

They are available from multiple vendors. Carriers around the world are increasingly offering fibre connectivity on a customer-by-customer basis where this makes economic sense.

Mr Samuels would appear to be unfamiliar with all of this. Yet he is willing to claim, without any apparent evidence, that a Coalition NBN which relies on FTTN or FTTC in many areas (instead of running fibre optic cable to every single one of 12.2 million homes and businesses) will cost more than Labor's NBN.

This is at odds with the first hand evidence I have received from the executives who are actually responsible for building new generation broadband networks in the USA, Canada, Germany, United Kingdom, Malaysia, Spain, France and New Zealand not to speak of the advice from experienced network engineers here in Australia.

Perhaps he is not aware that after almost four years, \$3.4 billion in funds from taxpayers, \$923 million in losses, and the resignation of five of the eight executives and three of the nine directors originally hired to run it, Labor's NBN has so far run its fibre past only 42,000 households and has just 6,4000 customers using it. While two million Australian households are still waiting for better broadband.

In truth Mr Samuel has no idea what Labor's NBN will ultimately cost (any more than the Government does). If he wants to actually contribute to a higher-quality broadband debate and properly protect the interests of consumers, he should be encouraging Senator Conroy to release detailed, audited, accurate quarterly information on what exactly the rollout is

achieving and costing. How much is the NBN Co's fully allocated capex per FTTP premise so far?

And Mr Samuel, if he cares about taxpayers and consumers, should be pressing his former employer, the ACCC, to explicitly and publicly explain what the pricing 'constraints' and formulas in the NBN Co's proposed Special Access Undertaking actually mean for broadband prices in the long term.

Because by any calculation, the NBN Co proposals made so far do NOT mean typical prices in real terms will stay the same, as Senator Conroy claims - prices will rise in real terms for decades to come, as NBN Co recovers every cent of its losses on the vast and undisciplined investment it is making in its network (all of it uplifted at an interest rate of 9 per cent each year) from consumers.

As far as Telstra is concerned, Mr Samuel's claim that a revision to the contracts to use part of the Telstra copper network will cost additional tens of billions of dollars is without any basis in fact.

Under Labor's NBN, Telstra is being paid to progressively shut its copper network so it has no commercial value. I have indicated that our policy will leave Telstra shareholders at least as well off in economic terms, and I am very confident a win-win outcome will be attainable if we are elected.

The Coalition remains committed to a broadband policy which will deliver all Australians very fast broadband sooner, cheaper and more affordably.

ENDS

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