

Government Senators Minority Report

1.1 On April 7, 2009, the Government announced that it had terminated the National Broadband Network (NBN) Request for Proposals (RFP) process on the basis of advice from the independent Panel of Experts that none of the national proposals offered value for money for the Commonwealth. The Government committed to a robust process and all proposals received were evaluated in accordance with the process set out in the RFP. The Panel noted the rapid deterioration of the global economy had a significant impact on the process.

1.2 The Panel of Experts encouraged the Government to invest in optical fibre technology, supplemented by next-generation wireless and satellite technologies. The Australian Competition and Consumer Commission also endorsed the use of FTTP as a superior technology to FTTN.

1.3 The Panel of Experts also highlighted the need to improve competition in backhaul supply, particularly in regional areas, as well as the need for improved regulation of the telecommunications industry.

1.4 In response the Government announced the establishment of a new company that will invest up to \$43 billion over eight years to build and operate a new super fast National Broadband Network that will:

- connect 90 percent of all Australian homes, schools and workplaces with broadband services with speeds of 100 megabits per second—100 times faster than those currently used by many households and businesses;
- connect all other premises in Australia with next generation wireless and satellite technologies that will deliver broadband speeds of 12 megabits per second;
- directly support up to 25,000 local jobs every year, on average, over the eight year life of the project.

1.5 The National Broadband Network will be the single largest infrastructure investment made by an Australian Government. It will be a key nation-building project, stimulate the economy and help drive Australia's productivity, improve service delivery in key areas such as health and education, and connect our big cities and regional centres.

1.6 The program for implementing this policy has already begun. The National Broadband Network company was incorporated on 9 April 2009 as a wholly Commonwealth owned public company limited by shares, and is currently registered with its Australian Company Number as its name.

1.7 The Commonwealth Government has fast-tracked negotiations with the Tasmanian Government, as recommended by the Panel of Experts, to build upon its NBN proposal to begin the rollout of a FTTP network and next generation wireless services in Tasmania.

1.8 The Department of Broadband, Communications and the Digital Economy is currently seeking expressions of interest from firms for the lead adviser role for the implementation study. Responses are on Tuesday 19th May.

1.9 The Regulatory Reform discussion paper, seeking public comment on ways to improve telecommunications regulations to make it work more effectively during the transition to the NBN, in the interest of consumers and businesses, was announced on April 7 2009. The Government is seeking submissions by 3 June 2009, before making final decisions and introducing legislation into the Parliament.

1.10 The Minister for Broadband, Communications and the Digital Economy has announced steps to fast-track the National Broadband Network in regional Australia, through an initial \$250 million investment in backbone fibre optic inter-regional transmission links.

1.11 To this end, the current reference to the Broadband Select Committee has been superseded by policy announcements by the Government. For this reason, Government Senators believe that the reference ought to conclude with the tabling of this Report.

1.12 With the Senate Committee system soon to have both References and Legislative Committees again, Government Senators believe any future reference relating to legislation or policy implementation that is considered by the Senate is most appropriately dealt within one or the other of these Committees, as the Senate sees fit.

1.13 The recommendations contained in the Non-Government Senators (Majority) Report illustrate how the role of this committee has become one of providing a commentary of NBN policy developments as policy announcements are made and government decisions acted upon.

1.14 In this way, the Committee's capacity to provide constructive input to Government in the development or implementation of their policy is diminished, a point made by the Government at the inception of the original terms of reference and the establishment of the Senator Select Committee on Broadband.

1.15 For this reason, Government Senators do not support the recommendations as they imply that there is inadequate scrutiny of the processes described by the Government to date relating to the implementation of the NBN. We do not believe this is the case and believe that this view is, by definition, the view of the Opposition and their continued attempt to delay the implementation of the NBN policy.

1.16 The Government remains committed to full consultation with all stakeholders, including consumers, and has processes in place to ensure this is so. The Government is also committed to ensuring that adequate time is provided to ensure full Parliamentary scrutiny for any legislative changes required to facilitate the rollout of the NBN.

1.17 Government Senators would like to acknowledge that despite our concern regarding the recommendations, the input by the range of witnesses has been interesting and valuable. Many issues raised by witnesses were the same issues that informed the Government's decision to proceed with a FTTP network, rather than a FTTN network, as well as the wholesale nature of the NBN.

1.18 This is a validation of the Government's policy and thus demonstrates the strength in the strategy and vision of the Federal Labor Government.

Senator Kate Lundy
May 2009

Senator Glenn Sterle
May 2009

