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PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

MATTERS OF PUBLIC IMPORTANCE

National Broadband Network

SPEECH

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Questioner
Speaker Oakeshott, Robert, MP

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Mr OAKESHOTT (Lyne) (15:20): I thank the shadow minister for communications, as well as colleagues within the government, for allowing this nation to go ahead, and you, Speaker, for allowing this most urgent debate to happen.

There is a view and mythology that loiters in Australia and in the corridors of this place, that the National Broadband Network build is some sort of expensive luxury spend. The urgency of this debate today, proved by a laugh received from a parliamentary colleague, is that this is an urgent, essential item and an investment with a rate of return for the Australian taxpayer. I raise it as a matter of public importance today, not just to make that point again but based on the most respected and most accurate report that comes out on a triennial basis, known as the Cisco Visual Networking Index. That is the global guidance for all governments around the world on global intranet traffic and what is happening with regard to the uptake and movement of data.

This is the most respected and the most accurate index that we have internationally. It normally errs on the conservative side, and it is indicating in its most recent report that we in Australia, regardless of the policy options on the table, have a problem of congestion that will emerge in the next five years. There is no question that by 2016 our network, if we continue to rely on copper, will be overwhelmed. The idea, the analogy, of pushing a pumpkin down a hosepipe has to start being the driver of policy solutions from all parties in this chamber. That is why this is urgent. This is not some long-term vision splendid and splash of money; there is an urgency about building this now to deal with the exponential growth in data that has been exposed by the most respected and accurate global index that we can get our hands on.

I am not lining up just one side of this parliament. This is going to be an issue for all policy. We should have addressed a failed, redundant, waterlogged, asbestos-riddled network a long time ago. By rolling out the NBN as per the corporate plan and the shareholder minister's letter we are going to have transition issues on the back end of a 10-year deal, as exposed by this VNI—this virtual networking index from Cisco, the most respected index that we can get our hands on. We will have issues with transition on the back half of the current corporate plan and of congestion

in communities which are not yet on the rollout list. That should not be denied and there should be a consideration from the existing corporate plan and NBN Co., right now, on those issues of transition and congestion.

The answer is not to go backwards. The answer is not to continue to rely on copper in any form. That is why this most recent information from the global index really is a call for the Liberal and National parties to reconsider their position on this last-mile copper-to-the-node policy; to look at the exponential growth that is happening in global internet traffic and reconsider relying on copper. That is quote after quote, evidence after evidence, that that policy simply will not work.

The vice president of Cisco global technology, a gentleman called Dr Robert Pepper, currently sits on the board of the Federal Communications Commission of the USA and its UK equivalent, Ofcom. In these roles, he briefs governments and network operators from around the world on infrastructure and what to expect from future data requirements and modes of broadband usage based on the reality of traffic statistics and growth curves. He is an American; he has no dealings in Australia or with Australian politics whatsoever. This is what he said when releasing these most recent Cisco VNI figures. There are about eight items.

He has said that all roads point to the requirement of optic fibre being implemented deep into both wired and wireless networks. He does say the future is indeed wireless but it will be mostly wi-fi and not 4G, and he emphasises that this is complementary to a fixed-fibre network as the skeleton of the communications network in any country. He says that Australian mobile networks will soon have to join the US and the UK in the concept of offloading data onto local wi-fi networks in order to avoid congestion, which is the emerging issue of our failing communications network. He said that, as an example, a 4G mobile user—and there are many in this room—uses 28 times more data than a 3G user. That is part of the lead-in to this exponential growth in data demand. He says that the new wireless spectrum needs to be opened up as quickly as possible. I would say that is urgent to cope with the growth that we are seeing. He says that as much wireless traffic as possible needs to be seamlessly offloaded onto the wired networks to avoid congestion. Again, this is the

emerging issue of this moment. He also says there is a huge increase in requirement for low-latency data transfer and high upload speeds. People have been listening to this issue of download speeds.

The issue that has been identified by the experts on global internet traffic is not download speeds; it is upload speeds that are the political and policy issue of the moment. He also said—again, not knowing anything much about Australian politics—that fibre needs to be very nearby every internet connection, whether wired or wireless. Here is the killer blow. Again, talking about internet trends generally—not just in Australia, but really making this point about last-mile copper—he has said that fibre-to-the-node infrastructure which relies on a last-mile premises connection using Australia's current copper infrastructure—its current HFC networks—or fixed 4G-like wireless will not have the symmetry, the contention ratio, the bandwidth or the latency to keep up with demand by 2016. He makes that point, but under the coalition's policy within four years the network will be overwhelmed. He makes the point that it will be overwhelmed before it is complete.

That is why this is urgent before this chamber. We have three months before a very significant decision will be made at the ballot box, on a policy difference in how we build our communications technology for this country. There is a corporate plan in place and a shareholder minister's letter that is currently delivering the rollout. It has a rate of return of over seven per cent. It delivers on telecommunications industry separation, which is long overdue in Australia. It drives an upgrade of the pits and pipes that were identified only a fortnight ago as being absolutely rubbish. This corporate plan actually drives an upgrade of this network of pits and pipes that was not necessarily built by Telstra and maybe not by Telecom, but maybe even by PMG—a long, long time ago. It is rubbish infrastructure that needs to be upgraded before we get into the issues of speed, reliability, pricing and rate of return to the taxpayer.

It absolutely does my head in when I hear members of parliament, who should know better, in conversations with their communities trying to spread the fib that this is a \$90 billion spend or even a spend at all. This has a rate of return on investment to the taxpayer. It is an investment, not a spend. It is not a luxury item; it is an essential service for the future of this country. If we do not do it, we are going to have congestion on our internet in this country like we have never seen before. And it is going to be an enormous problem in business and in all forms of communication: health, education, personal, entertainment, whatever. Congestion is going to be our issue from 2016 and beyond.

The current government plan at least tackles it on the back-end of its 10-year rollout. If we allow this last mile of copper to be the winner of the day we are going to set ourselves up as the country that wants to put pumpkins down a hosepipe, that wants to build a one-lane Sydney Harbour Bridge and all the analogies you can think of. What are we doing even having a policy debate on this when the most respected, the most accurate global indices are saying we are going to have exponential growth and are going to hit a zettabyte by 2016? I am scared someone is going to ask me what a zettabyte is. My only response is that it is a lot. And it is a lot more than what is happening now.

A zettabyte, I am told, is over 11 times more than all the internet traffic globally in 2008. That is the type of exponential growth we are seeing. I am told that in 2016 or 2017 alone—depending on who you want to listen to—the NBN will deliver as much if not more global internet traffic than all the years of internet traffic before it. That is the exponential growth. We are becoming more and more reliant on and are grabbing the opportunities that are provided by the internet in all aspects of our personal and business lives.

The best we have got is saying we need to build fibre as deep as we possibly can into the infrastructure. Why are we arguing the toss on what is as deep as we possibly can when we get a rate of return by building it to the home? It just does not make sense that we are still stuck in the bog of a political debate when this is the opportunity for some really good visionary nation building.

I know everyone in every pub talks about what this country should do and what this parliament should do. Why are we blinking? Why are we falling for some sort of argument of max speed of download below what will be the international average speed? Why do we choose to set ourselves up so that by 2016 we will only just be ahead of Africa on the average speeds that are being offered by the Liberal and Nationals parties? We will just be ahead of the Middle East and Africa. We will be rivalling South America but we will be blown out of the water by the US and Europe. Why as a first world country can we not demand better than that? Why are we choosing the African model of fibre to a node that is going to be overwhelmed before it is complete?

Yes, many think this is a waste of money. Yes, many think this is a luxury item that we plucked off some top shelf of luxury items of policy and do not understand why we are delivering an upgrade to a 60-year-old redundant network that is going to blow its lid in the next four years unless we upgrade it. I urge the government to consider all those issues of transition that in my view are not as explicitly dealt with in their corporate plan and by NBN Co. on the back-end of their

10-year rollout. Post-2016 is going to be a problem if the policy settings stay as they are.

I urge my friend at the table, the shadow minister, to really do more to drag your side from blowing up this NBN network, and I give you credit for doing that, but to drag it that last mile of copper and get it to the home. That is what delivers ubiquity, delivers the rate of return and delivers on the issue of congestion that is emerging quickly.