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Labor Misleads on the NBN

MAY 13, 2015

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BLOG

Under the former Labor government the facts about the National Broadband Network were repeatedly misrepresented to the Australian public – leaving Stephen Conroy and Anthony Albanese red-faced when their false public statements about costs and the rollout were laid bare after the September 2013 election.

Regrettably, Jason Clare has learned nothing and forgotten nothing. His latest claims about the NBN recycle the familiar tactics of distortion and deception.

Mr Clare claims “the Abbott Government’s second Budget is proof that the NBN is rolling out slower than Malcolm Turnbull promised.” As evidence he cites half a billion dollars of equity funding for NBN Co that in the Budget has been pushed back from the 2013-14 and 2014-15 financial years into later years.

The facts about the NBN are indisputable.

- Fact: By June 2013 the NBN rollout had reached only 17 per cent of the target announced by Labor in December 2010.
- Fact: In September 2013, after six years of Labor government and \$6.5 billion of investment, 2 per cent of Australian premises could access the NBN. The other 98 per cent had gained little or nothing from six years of Labor policy.
- Fact: In September 2013, it was claimed 284,200 homes and businesses could obtain broadband or telephone services over the NBN. But 104,200 had no fibre ‘drop’ from the street to the premises, and faced waits of six months or more if they ordered service.^[1]
- Fact: Since September 2013 the number of Australians who can connect to the NBN has increased four-fold; there were 918,000 serviceable premises in the fixed line and fixed wireless footprint as at 7 May 2015.
- Fact: Over the same period premises with service over the NBN increased from 90,500 in September 2013 to 420,959 as at May 7.
- Fact: The December 2013 NBN Co Strategic Review and 2014-2017 NBN Co Corporate Plan set a target of 1.1 million premises passed by 30 June 2015. NBN Co is on track to achieve this target, just as it reached the June 2014 rollout target. These will be the only two annual rollout targets in NBN Co’s history to date that have been achieved.
- Fact: The NBN trend 10 week rolling run rate has accelerated to 8,200 premises per week in brownfield (established) areas. That is up from an average 2,500 per week over the 2012-13 financial year – the last full year under Labor – and an average 4,100 brownfield premises per week over the 2013-14 financial year.
- Fact: Far from costing \$2500 per premise as claimed in the 2012-2015 NBN Corporate Plan approved by Labor, or the \$2200 claimed by NBN Co’s former management in evidence to a Parliamentary Committee, costs per premise for the NBN fibre to the premises rollout have averaged \$4300.^[2]

As can be seen, Mr Clare’s claims of a slower than planned rollout under the Coalition revealed by Budget forecasts of equity investment are pure fiction. The targets were met using less capital than originally been forecast.

Mr Clare makes several other claims.

- He states rollout of a multi-technology mix NBN has not started. This ignores the fibre-to-the-node trial deployment jointly undertaken by NBN Co and Telstra over the past four months, which extends to areas including 250,000 premises, and the recently announced forthcoming trials of HFC. The FTTN joint trial exceeds the number of genuinely serviceable premises across the entire NBN left by Labor.
- Mr Clare accurately notes Coalition policy originally envisaged “large scale rollout of any changes to the network design – such as implementing fibre to the node – would commence in mid-2014.” While trials of FTTN have been deployed, it is true that commercial release of FTTN has been delayed, although commercial release of Fibre to the Basement (FTTB) began in March 2015.

One key constraint has been a later start for amendments negotiated to the NBN Co/Telstra definitive agreements (DAs), which are not expected to come into unconditional effect until mid-2015. Of course Labor could, and should, have negotiated access to the existing copper and HFC infrastructure needed for the MTM rollout when the DAs were first negotiated – but abjectly failed to protect the interests of taxpayers by not doing so.

A second key constraint has been the state of the IT systems at NBN Co, which were deficient in numerous areas at the time NBN Co’s former management and Board left the company. This was just one of the many fundamental weaknesses at NBN Co, which incredibly also included an absence of acceptable financial and activity based cost accounts – the consequence of which was that under Labor’s stewardship neither the NBN Co nor the Labor Government actually knew how much it was costing to pass and connect premises.

Mr Clare knows the current Government’s actions at NBN Co have without exception been designed to make a very risky project established by Labor on an utterly unrealistic schedule and budget into a less risky, less unpredictable, more prudently managed project. He knows the daunting impediments to this goal posed by the incompetence and gross negligence of Senator Conroy.

^[1] NBN Co Rollout Information, week of 8 Sep 2013. The figures for the week after the election showed 206,200 premises in brownfield (or established) areas were ‘passed’ by the NBN fibre network. But 64,000 were ‘service class zero’ (unable to order service, as they were in apartment buildings or business premises). The Dec 2013 NBN Co Strategic Review (page 43) reported that as of 30 Sep 2013 a further 104,200 were ‘service class one’ (had no lead-in fibre connection from the street to the premises), which at this time meant a wait of 5-7 months for connection if they ordered a service.

^[2] This includes the present value cost per premise of ducts leased from Telstra and used in the rollout of the FTTP access network.

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19 Comments

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Owen

10 years ago

The entire first 3/5ths of this post is spent talking about events from the past that have no bearing on the fact that since coming to power, the LNP and Malcolm Turnbull have deployed no NBN services what-so-ever, excepting of course the FTTN trial deployment which, and I quote, "extends to areas including 250,000 premises". I'm sure it possibly does "extend" to areas "including 250,000 premises", but how many of those premises are actually connected to this service and are making use of it TODAY?

5 0 Reply



Matt → Owen

10 years ago

Answer: None

3 0 Reply



Matt

10 years ago edited

Mr Turnbull misleads on honouring existing FTTP contracts.

13 May 2015

In an interview with Leon Compton (ABC Hobart 08/10/2013), the Hon Malcolm Turnbull MP stated no less than 7 times that "existing contracts will be honoured" when questioned about the existing FTTP contracts.

New information has come to light in recent times, showing that Mr Turnbull actually mislead the public when making this statement.

As an example, Sth Aust was due to have FTTP rolled out past 300,000 premises (but not physically connected to the premises) in a contract signed in 2013. As of Oct 2014, this contract has been significantly changed to preclude any further FTTP rollout in SA.

In what is being considered as an extraordinary waste of NBNCo funds, SAPN is now being paid to engage McMahon Services to clean up over 1500 cubic metres of asbestos from Telstra's dilapidated copper network over the next 3 years.

Before the rejigged Definitive Agreement with Telstra, asbestos removal was the sole responsibility of Telstra. Since the new DA was negotiated recently, this significant burden has been shifted to the taxpayer (via NBNCo).

Mr Turnbull was unwilling to comment. (Or allow comment (that links to these facts) on his blog pointing out this huge waste of NBNCo funds and resources).

4 0 Reply



Jason kentwell

10 years ago

Fact : FTTN rollout for the target of a fully costed plan everyone to get 25mbps by 2016 is only 0.001% of the rollout with only a year and a half to go.

3 0 Reply



Jason G

10 years ago edited

Was Malcolm Turnbull misleading Australian public in opposition , about the failed Howard government OPEL broadband policy, claiming OPEL was being rolled out in certain exchanges when it was actually OPTUS going into exchanges.

OPEL never existed as a company

3 0 Reply



taurusox

10 years ago

Silly me. I thought the NBN would actually be cheaper and more efficient than the poor excuse of broadband service I was currently paying line rental for.

I had always held Malcolm Turnbull in high regard because of his past business acumen and demonstrated business success, but it appears he was more willing to sacrifice his principles for another go at the top job. He looks like he's left that run too late too

2 0 Reply



Toby Zuijdveld

10 years ago

And censorship, too! You disgusting schmuck.

1 0 Reply 



Cameron

9 years ago edited

Malcom is a pushing lies to the public about performance of VDSL for FTTN connections. The speeds he applauds on his own website that were attained in "trial areas" of FTTN are far higher than those attained in equivalent connections rolled out as standard in the same areas as the test cases. NBN states that a speed of 40-60MB/s on a 100MB connection is sufficient and warrants no further investigation. "It's not fast but at least you've got a connection" - simply not an adequate attitude NBNco. So clearly - either the trial connections were highly tweaked to obtain optimum results (and such 'tweaks' will not be applied for normal users) or Malcom's numbers are simply a fabrication to quell the dissatisfaction of the public at the LNP's very poorly performing alternative to FTTP that's costing just as much if not more. Why roll out copper in areas where the existing copper is cactus instead of replacing with fibre - it's simply ludicrous. The minimum mandated speed should be at least 80% that of the connection in my opinion. Why should FTTN customers pay for 100MB/s and only get a portion of that?

0 0 Reply 



Kevin Cobley

10 years ago

Mr Flawedband's at it again with his attacks on past governments.

He took advantage of Labor's painfully slow deployment of desperately needed improved broadband to offer his faster, quicker, cheaper and less expensive, technology of a bygone era, first implemented nearly 15 years ago by BT.

The only NBN work completed to date is the completion of Labor's NBN contracts.

This bounder's promises made at the last election for 25/5mbps broadband for over 90% of Australian homes by the next election in September 2016 are at a standstill.

HCF won't be ready for large scale deployment before 2016, giving him just nine months to connect the 50% of the population he is intending to connect with his method.

FTTN is still mired in "trials", when he stated at Foxtel studios FTTN was a proven technology with the rubber ready to hit the road the day he was elected.

The 25/5mbps has been clipped to 12mbps with "upgrades" at a later unspecified date when the whole shebang is implemented.

The 12mbps is the painfully slow broadband we have all been complaining about. He is not delivering anything more than OPEL promised over 10 years ago, it's "I'm no tech head Kerrys" promised program of nothing.

The small bananas TPG looks like overtaking Flawedband's rollout speed. It's only their actions that has propelled Flawedband into ramping up FTTB. How many paying customers have you connected to HFC or FTTN? Less than 10,000. Less than 1,000! At least "I'm no tech head Kerrys" lies are shorter than yours.

0 0 Reply 



Friend of the NBN

10 years ago

Contractors on Bribie Is are pulling new COPPER! Surely, if the copper isn't up to the job it is replaced with fibre?

0 0 Reply 



fehowarth

→ Friend of the NBN

10 years ago

One would expect so. Then it is not about having the best.

0 0 Reply 



Mike

10 years ago

I don't honestly care who is misleading who.

The indisputable fact is that the area I live in went to build preparation for FTTP, and was removed for something less functional.

Votes count. Your political party have lost mine and a large number of others in my area, and I will certainly ensure it by countering your propaganda with truth for anyone who cares to listen.

Bring on the next election - this will be an issue.

0 0 Reply 

[Kevin Cobley](#)

10 years ago

You also promised no Filters, and stood up to deny it when your clown of an assistant let the cat out of the [Home](#) website. What have we now "Filters" and a Government spying on the Australian Public's usage of the internet with us suckers paying for it. The sooner you creeps are out of Government the better.

[Biography \(/meet-malcolm/biography\)](#)

0 0 Reply

[Kevin Cobley](#)

10 years ago

Mr Flawedband, you promised 25mbps to 90% of Australia's population by September 2016 at your campaign launch with "I'm no tech head" Kerry". It was at Foxtel Studio's.

You have yet to deliver one customer to your old time nodes system.

You now have only 16 months to go.

Is this another broken promise or were you just lying at the election launch and the real intention of the coalition was to deliver zip, just like "I'm no tech head Kerry" wanted. After all broadband is only an entertainment system for web pirates and gamers.

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0 0 Reply

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[Ken Goyne](#) (<http://www.jone.com.au>)

10 years ago

Please DAB+ for Hobart. We have no Danish broadcast No jazz braod cast . On my new radio there is no AM only DAB+ and FM so no radio national and ABC local

0 0 Reply

[Pete Petras](#)

10 years ago

Question for Mr Turnbull - why do you choose to invest your own money in fibre rollouts overseas yet decide to waste Australian taxpayer dollars on outdated technology that nobody else is rolling out or upgrading??? Hell even 3rd world countries are rolling out fibre. What do you have to gain by fundamentally screwing the digital economy of this country???

0 0 Reply

[Pete Petras](#)

10 years ago

the sheer number of lies and total and utter lack of transparency from this government is just unbelievable. With all of the ALPs costings published and all of the LNP's costings redacted we will never be given a chance to see or know just how much Malcolm Turnbull's Mess (MTM) will cost the taxpayers of this country. Hopefully when the ALP are back in government next year (or sooner) the incumbent Comms Minister will do a Turnbull and have all the LNP's costings published.

0 0 Reply

[Jason Kentwell](#)

→ Pete Petras

10 years ago

Well from the strategic review that after adding CAPEX and OPEX by 2027 there is only \$1B deference between MTM and senario 1 FTTP after that MTM cost more. Or Turnbulls claim that by doing MTM now will make FTTP cheaper to deploy by Simon Hacket has said the average cost of FOD is more than the new \$4300 FTTP showing that it will cost more not cheaper to deploy FTTP later.

So to sum it up the \$30B Turnbull like to claim he has saved is really put into the increase cost of OPEX where he can hide it and that MTM will ultimately cost more than FTTP and most likely be unable to pay for it self.

0 0 Reply

[Pete Petras](#)

10 years ago

If you took all the bull out of the above statement we would only have a couple of sentences to read if that.

0 0 Reply

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