

## MEET THE PRESS

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### INTERVIEW WITH MALCOLM TURNBULL

**KATHRYN ROBINSON:** But first this morning – cyber security, and Australia’s level of protection, is a critical issue for our new Communication Minister, who regards it as our greatest vulnerability. But his toughest test may be closer to the ground, after 500,000 homes and businesses were told they were no longer on the NBN rollout map. Our guest today is Communications Minister Malcolm Turnbull. And our panel – Network Ten’s political editor, Hugh Riminton, and the ‘Australian’s Canberra bureau chief Stefanie Balogh. Good morning to you all.

**MALCOLM TURNBULL:** Good morning.

**KATHRYN ROBINSON:** Minister Turnbull, 500,000 premises taken off the NBN rollout map – Labor says these homes and businesses are the first victims of the Government’s broadband policy. Is that how you see it?

**MALCOLM TURNBULL:** Well, those householders were victims of Labor’s lies and spin about broadband. Labor invented all sorts of misleading metrics. Now, they had a metric which said that construction had commenced at the point plans were called for. So if I said to you, “I’ve started constructing my house,” you’d think there were actually builders on the site. This is the equivalent of saying you had started construction on a new house, from the moment you called your architect and asked her to do a sketch plan. So I’ll give you an example. There was one area – about 3,000 premises in Prospect, in South Australia, in Kate Ellis’s electorate, in fact – where they said construction had commenced in April 2012. Well, it’s now November 2013. Nothing has happened. Nothing has happened. Not even the designs have been finalised. So what we wanted to do, and what we will do, with the NBN is tell people the truth. We will build the NBN – we’ll construct it. Those – everyone will get access to the NBN. But I don’t want to have premises and areas on a map being promised a service when there is no – when we simply don’t know when it can be delivered. So, this – the whole culture at the NBN is changing. This is no longer about spin. It’s about fact. So we are stating where building work has actually commenced – where work is really being done. We’re speaking English, instead of Labor spin.

**HUGH RIMINTON:** So the contractors and subcontractors will be keenly interested in your answer to this – what is the mark by which construction has begun? Has a shovel had to have gone into the dirt?

**MALCOLM TURNBULL:** It’s when the construction contract is signed with the particular contractor for a specific area. And yes, the shovel will hit the dirt, as it were, immediately thereafter. And the – again, to be clear – Labor went into the election leaving the Australian people under the impression that by June 30 next year there would be 1.13 million premises passed with fibre in the built-up areas, the so-called brownfield areas. Labor knew, Albanese knew, that the NBN had already said they were only going to get to 600,000. That was in the draft corporate plan, which he kept secret, and despite my prodding him and urging him, would not reveal. Now, we have put enough designs into the pipeline to ensure that by June 30 next year, 600,000 premises will be passed with fibre. So the same number of premises

will be passed with fibre by June 30 next year under our Government, as there would have been if Labor had been re-elected.

STEFANIE BALOGH: Part of the –

HUGH RIMINTON: So just to be clear, sorry – if someone has not met your construction definition that you've just given, does that mean that they will not get the NBN under the Labor plan of fibre to the premises? It won't happen.

MALCOLM TURNBULL: Well, that's what we're assessing, Hugh. We've got a strategic review underway. In all of these fixed-line areas, people will get access to the NBN. It may not necessarily be with fibre to the premises. In fact, for most of the brownfield areas, it's unlikely that it would be. I would like to build as much fibre to the premises as we could, but we've got to get the cost down. See, the problem with the project as it's – as Labor framed it – they massively underestimated the cost, the complexity, and the time it would take to complete. So what we're doing now with the strategic review is getting a handle on where the project is at the moment, how much and how long – how much it would cost and how long it would take to complete it, on the old specifications, and then what we can do to deliver it sooner, cheaper, and more affordably. Because remember, the more you invest in this project, the higher the prices you're gonna have to charge consumers, and in addition, the longer it takes, of course – the more – longer people who've got bad broadband at the moment are going to have to wait to get an improvement.

STEFANIE BALOGH: Part of the review also looks at the way you'll roll it out. We know under Labor there were accusations that it was political, that it was done in marginal electorates. The Independents had their electorates rolled out. Are you gonna change the way the broadband is rolled out? I mean, are you going to take out some of the marginal –

MALCOLM TURNBULL: Yes. Yes.

STEFANIE BALOGH: So –

MALCOLM TURNBULL: The goal – the – our policy is very clear. We have got a survey underway to identify those parts of Australia that have the worst broadband – you know, where the need for upgrades is greatest. And they will be prioritised. We're also – the NBN will also focus on rolling out upgraded services to areas where there is the greatest demand – you know, business, industrial parks, business areas – where you can actually generate some early revenue. You know, this is – the NBN Co has to start being operated – and this is happening now, with the changes we've made – like a rational business, that seeks to do its job as quickly and cost-effectively as possible.

STEFANIE BALOGH: Also, part of the review will look at risks to the NBN. Part of the rollout was due to – rollout delay was due to the asbestos remediation work. Have any legal claims been lodged in relation to that work?

MALCOLM TURNBULL: I couldn't comment on that. The – there are obviously issues about remediation. But you know, one of the biggest problems, and I'll give you – Tasmania's a very good example of this – one of the biggest problems is that the contractors say – and I think it's – I think they're – it's clear they're correct in saying this – that they simply cannot make ends meet, at the prices that they have agreed to with the NBN. So in

Tasmania, the company called Visionstream has – there is a framework agreement to build the network in Tasmania. The Visionstream has done virtually no work since July – you know, well before the election. And they have asked for a very substantial increase in the rates. So, you know, people – because we said before the election, “Yes, we’ll honour agreements.” But an agreement won’t be performed unless both sides honour it. And of course, if contractors are saying, “We cannot make money. We cannot even break even on the rates in these agreements,” then they’ve got to be looked at very carefully. And this is all part of the strategic review.

HUGH RIMINTON: How much would the NBN have been improved in its future rollout, had Huawei been able to be a part of its future?

MALCOLM TURNBULL: Well, I mean, let me deal with this in a slightly different way, Hugh. All networks have to – whether they are owned by governments, or owned by the private sector – have to make judgements about how they manage and mitigate risk – of cyber security risks. The only way to completely eliminate cyber security risks is not to use the internet at all, right? So, go back to using manual typewriters and sending things through the post. Now that’s not going to happen. So there is – all of these networks are vulnerable. That’s why – this – cyber security is potentially, arguably, our biggest vulnerability. And so you have to make decisions about – of judgement. Now some countries, some networks, some companies, use Huawei equipment in various parts of their network. Others don’t. In the United States, some carriers don’t use Huawei equipment.

HUGH RIMINTON: So it’s a margin-call, so far as you’re concerned, when it comes to Huawei?

MALCOLM TURNBULL: It is an assessment of risk. It is an assessment of risk. And the judgement that the Government has made, which the Prime Minister, you know, described recently – that is a judgement call. But it is all a question of managing risk. And other companies and other countries have taken different judgements.

HUGH RIMINTON: Can I just quickly ask you, though – they’re off the table now, so we understand from the Prime Minister. If they were on the table, would it make any material difference to the NBN if we were able to play with Huawei? Well, it’s very – that’s a hypothetical question. But rather than, you know, duck and weave, let me – I’ll be quite frank with you. The reason carriers use Huawei equipment, or buy equipment from Huawei, is because they want diversity of supplies – so they want a couple of different vendors – and also because Huawei has, historically, it’s built up a very big global business, undercut the prices of the western suppliers, out of Europe and the United States.

HUGH RIMINTON: So it would be cheaper, if we’d had the option.

MALCOLM TURNBULL: Well, I’m not saying – I don’t know. I can’t – that’s speculative, but that’s the reason, if you go to Vodafone or Optus, who have Huawei equipment in their networks in Australia, “Why did you buy it”, they will say, you know, the equipment works, and it was a lot cheaper, no doubt. So these are the things you’ve got to weigh up. And you’ve got to make a judgement. And it’s the Prime Minister’s job to make these judgement calls, but it’s also important to remember about the National Broadband Network – and this is a very important point. The National Broadband Network is not a national end-to-end network. It is a last-mile network. So if you send me an email – if you’re in Canberra and you

send me an email on the NBN, that signal will travel from your computer to a point of interconnection in Canberra. And then your retail service provider – it might be Telstra, or Optus, or Vodafone, or TPG, or whoever – iiNet – will then be responsible for taking those signals through to a point of interconnection near me, where it then goes back onto the NBN and comes to my place. So all of these networks are connected.

Back now to our guest today, Communications Minister Malcolm Turnbull. Mr Turnbull, the Greens have signalled their indication that they'd be happy to work with Tony Abbott on the PPL, if it was reduced to say a maximum payout of \$50,000, as opposed to a higher rate. Is that something you would support – slashing Tony Abbott's PPL – paid parental leave?

MALCOLM TURNBULL: Well, that's not our policy. So, you know, we have – our policy is, as you know, at a higher level than that. So I can't speak for what discussions there may be in the future, but I think you should assume that the Government will stick to the policy it took to the election.

KATHRYN ROBINSON: But a less expensive option, which is what this would be, would, I imagine, be a good thing. And support from the Greens would be a good thing, would it not?

MALCOLM TURNBULL: Well, you may very well say that. But in the words of Francis Urquhart, I couldn't possibly comment. That's a matter for the Prime Minister.

KATHRYN ROBINSON: Okay. So we'll hear more on PPL later then?

MALCOLM TURNBULL: No doubt.

KATHRYN ROBINSON: Not out of the question, though?

MALCOLM TURNBULL: Well again, that's a matter for the Prime Minister.

HUGH RIMINTON: Another matter that's gotta get through the Senate at some stage, of course, is carbon pricing. If the Government achieves all its aims – gets rid of the carbon tax, gets the direct action plan in place – do you think that will be the end of carbon being priced in our economy, ever?

MALCOLM TURNBULL: Well, I don't think it'll be the end of the debate about climate change, and the best way to deal with it. But the goal of the Coalition's policy, as you know, is to meet that 2020 target of a 5% cut from 2000 levels. And the policy will be – it's part of our – so it's only designed to get us to that point. And what we do later than that is something that will be reviewed and discussed.

HUGH RIMINTON: Because obviously there's – there remains a view of economists is that that pricing carbon is more efficient than other mechanisms, such as direct action. So do you think this is – do you perceive this, as someone who's been long involved in this debate, as being an interim step – a necessary political interim step?

MALCOLM TURNBULL: Well, the Coalition's policy is avowedly interim, in the sense that it takes you to 2020. The policies that will apply out into the future will depend, no doubt, on the success of direct action, the direct action policies – it's a mix of policies, not just one policy – and also, of course, global action. So, if there is more global action to reduce

emissions, then that would prompt different policies and different measures in Australia. So, it's, you know – will the debate about climate change suddenly go away? Well not unless somebody can prove it has all been the con that some of the critics say. If climate change is real, if global warming is real, if human-induced emissions are making a difference – as I have no doubt they are – then this debate, and the appropriate policies to deal with that, are going to be a subject of discussion for a very long time.

STEFANIE BALOGH: Can I ask you about BDS supporters? Should academics such as Jake Lynch at Sydney University's Conflict – Centre for Peace Studies receive taxpayer-funded research grants?

MALCOLM TURNBULL: Well, look, again I don't want to trespass on my colleague's area. But can I just say this – the BDS movement, which as you know is a movement designed to boycott and stigmatise Israel, and is, in my view, designed to delegitimise Israel, as a prelude to the end of Israel. The BDS movement, I believe, is seeking to undermine the legitimacy of the state of Israel. Now that – I know that it's got some proponents who disagree with that. But that is – that's the endgame of it, in my view. Now, Australia has always been, right from the foundation of Israel, a very strong supporter of the Jewish state in the Jewish homeland. We support a two-state solution. And I was – the new government of Israel is working hard to achieve that. I was at a speech given by the Israeli Minister for Science, Yaakov Peri, in Australia just a few days ago. And he emphasised how hard they were working to achieve a two-state solution. Now of course, it's a very difficult area. But you do not help – I don't think – people who seek to demonise Israel, and delegitimise it, are not helping the peace process. They're not helping Israelis, they're not helping Palestinians.

HUGH RIMINTON: On another issue, because time is very short, same-sex marriage – do you believe same-sex marriage will occur in Australia as long as Tony Abbott is Prime Minister?

MALCOLM TURNBULL: Well, I think – let me answer it in a different way. Hugh, I think there is very likely to be a vote on same-sex marriage in the next Parliament. Private members – one or other private members will bring it up. I think it is reasonably likely that there will be a free – the Coalition party room will make the decision, as Tony Abbott has said – that there will be a free vote from the Coalition, and presumably from the Labor Party as well. As to what that vote will be, as to whether there would be a majority in favour of same-sex marriage in the House of Representatives and the Senate, I don't know. 'Cause, you know, the new Parliament hasn't assembled. My own judgement in the last Parliament was if there had been a free vote in the Coalition's side, there still nonetheless would not have been the numbers to get it passed. But my view, as you know, is that we should have a free vote. And if we do agree to have a free vote, I will vote in favour of same-sex marriage.

KATHRYN ROBINSON: I'm afraid, Malcolm Turnbull, we are out of time. But thank you very much for joining us today on Meet the Press. Communications Minister Malcolm Turnbull there.

MALCOLM TURNBULL: Thank you.