**TRANSCRIPT OF SENATOR THE HON MATHIAS CORMANN**

**MINISTER FOR FINANCE AND COALITION CAMPAIGN SPOKESPERSON**

**INTERVIEW WITH STEVE AUSTIN, ABC 612 MORNINGS**

**PARLIAMENT HOUSE, CANBERRA**

*Subjects:  NBN; Polls; Disaster Relief Funding; Cross River Rail; Labor costings.*

*EO&E...........................................................................................................................................*

**STEVE AUSTIN**

Mathias Cormann is the Federal Finance Minister, Special Minister of State and Deputy Leader of the Government in the Senate and I am delighted to say that he is able to join me this morning. Mathias Cormann, good morning to you.

**MATHIAS CORMANN**

Good morning.

**STEVE AUSTIN**

Mathias Cormann, we have been doing a lot of stories on Australia’s largest infrastructure project, the rollout of the National Broadband Network. Can you just assist me, how much has it cost the Australian taxpayer so far?

**MATHIAS CORMANN**

The Turnbull Government has limited the taxpayer funded equity contribution to NBN to $29.5 billion and the remaining financing requirement has to be funded by the NBN in-house.

**STEVE AUSTIN**

So the total cost to the Australian taxpayer is $29.5 billion?

**MATHIAS CORMANN**

$29.5 billion is the limit that we have put on the equity contribution. As an equity contribution we are seeking to achieve a return in relation to that investment. You have to remember that when we inherited the NBN project it was in an absolute mess. Contractors had stopped delivering connections, they hardly had connected any people at all and of course the cost of Labor’s approach was billions and billions and billions of dollars more. What Malcolm Turnbull did initially as the Communications Minister, I was his fellow shareholder Minister at the time, we put in a new board, we put in new management and progressively we have been able to get this very important project on track. We now are delivering more connections a month than Labor did in 6 years.

**STEVE AUSTIN**

Thanks for that, but I am not sure that it goes towards answering my question. Can you just give me the overall figure. What is the total cost to the Australian taxpayer so far please?

**MATHIAS CORMANN**

The total cost of the NBN in relation to the taxpayer funded equity contribution is limited to $29.5 billion.

**STEVE AUSTIN**

So not $1 more? $29.5 billion, so those who are saying $56 billion are wrong.

**MATHIAS CORMANN**

Firstly, NBN have said that their funding requirements would be less than that, that they would be confident to deliver it below $50 billion. But the taxpayer contribution by way of equity contribution is limited to $29.5 billion and any additional funding requirements would have to be funded by NBNby drawing on their operations.

**STEVE AUSTIN**

Is it the largest infrastructure project that Australia has ever undertaken?

**MATHIAS CORMANN**

In dollar terms, yes.

**STEVE AUSTIN**

Is the Government happy with its standard when groups like Internet Australia argues that we are building an inferior network.

**MATHIAS CORMANN**

We are not building an inferior network we are building a very, very good network. Unlike the previous Labor Government we are actually delivering it. The alternative approach that Labor is putting forward in the past has been costed at an additional cost of another $30 billion. Even by Labor’s own numbers the cost would be $8 billion more. We are delivering faster, better broadband in a way that is delivered more quickly, that is delivered more reliably than Labor delivered it when they were in Government and we are doing so at a lower cost to taxpayers.

**STEVE AUSTIN**

My guest is Finance Minister Mathias Cormann. This is 612 ABC Brisbane, Steve Austin is my name. Can the federal Government guarantee that it will be fit for purpose, it will do what we need it to do in 5 years from now when the average home will apparently have five devices or more, five to nine some people say, that require access to the internet in some way.

**MATHIAS CORMANN**

If you look at the evidence in the market, most people sign up to well below what the NBN actually is able to offer. It is important to know the Government in our approach to the NBN is completely technology agnostic. We are delivering the fastest possible speeds, not prescribing what the technology needs to be in any particular circumstance. We are delivering faster, better broadband in a way that is more affordable for taxpayers as well.

**STEVE AUSTIN**

You would be aware that last week the former head of the NBN Mike Quigley described at Melbourne University your NBN rollout plan as backward looking, I’m quoting him, backward looking, incredibly short sighted.

**MATHIAS CORMANN**

Well he is wrong. Mr Quigley delivered 51,000 connections in 4 years while his successor Bill Morrow is delivering 61,000 connections every 4 weeks. You have to remember Mr Quigley was part of the failed Labor Conroy approach. They managed the project so badly that contractors had actually downed tools in four states by the time that we came into Government. We’ve now got the NBN available to about 2.6 million premises or a quarter of the nation. It will be half the nation this time next year and the project will be completed by 2020. Labor’s alternative approach, not only would it cost between $8 and $30 billion more, it would also take longer to deliver.

**STEVE AUSTIN**

But you’ve had three years to fix it. Why haven’t you done that?

**MATHIAS CORMANN**

We have. We inherited a complete mess. We have put in a better board, we put in better management and we have made some decisions on what needed to be done to get it on track. As I have just said to you, when we came into government the previous government had delivered 51,000 connections in the previous four years. We are delivering 61,000 connections every four weeks. We have already made the NBN available to 2.6 million premises and we will have the project completed by 2020. So we are now on track. We are connecting more people in one month than Labor did connect to the NBN in six years. We absolutely have turned this situation around. We have taken Labor’s mess and put it on track.

**STEVE AUSTIN**

Where is your election NBN policy? Your updated election NBN policy? I understand you’re not releasing one this Federal Election. Is that correct?

**MATHIAS CORMANN**

We are delivering the NBN. We are making it happen. We inherited a mess from the Labor Party and we are making it happen.

**STEVE AUSTIN**

But you’re not going to update or release an NBN policy for this Federal Election?

**MATHIAS CORMANN**

I am not going to make announcements on what we will release for the remaining parts of this campaign.

**STEVE AUSTIN**

The organisation or company CISCO Systems in the United States which looks at broadband speeds around the world predicts speeds will nearly double between 2015, last year, and 2020. Can the Federal Government guarantee that under your plan, the Coalition’s plan, that the network will be able to handle the predicted rise in global internet speeds and the subsequent traffic?

**MATHIAS CORMANN**

You should probably get the relevant Minister Mitch Fifield on to your program to answer these sorts of detailed questions. What I can guarantee to you is that we are delivering the NBN. We are delivering better, faster broadband in a way that is more affordable for customers and more affordable for taxpayers in a quicker way than what the previous Labor Government, or any future Labor Government would do.

**STEVE AUSTIN**

Here in Brisbane, one more question and then I will move on, but here in Brisbane we know that Telstra is rolling out copper wire to the new suburbs of Brisbane. I understand that the taxpayer gave $1.6 billion to Telstra to upgrade their HFC system. Can you put any meat on the bone of that please? Can you tell me about that at all?

**MATHIAS CORMANN**

Again this is probably a question that you should be raising with the Minister for Communications Mitch Fifield, who will be able to take you through that in some great detail.

**STEVE AUSTIN**

Alright. My guest is Mathias Cormann. He’s the Finance Minister. Mathias Cormann the latest Newspoll shows the Coalition has pulled ahead of Labor with the election just five days away. Can I ask you for what reason do you think that is? It hasn’t been a terribly exciting campaign. You have not released things like a new NBN policy yet. Why is it that we’re seeing a slant or tilt towards the Coalition, do you believe?

**MATHIAS CORMANN**

When it comes to the NBN we are delivering. We inherited a mess and we are now delivering what Labor wasn’t able to deliver. So I am hopeful that people recognise our superior performance compared to the failure of the previous Labor Government. Now when it comes to the election more broadly, federal elections are always close. This election is no different. Every single vote will matter and what we are setting out to do is to ensure that people across Australia understand the clear choice they face in this election. It is a choice between a continuation of a stable Turnbull Government implementing our plan for jobs and growth as we continue to face global economic headwinds and external risks in uncertain times or on the other hand, a change to the chaos and dysfunction that would come with a Bill Shorten led Labor-Green-Independent alliance, with Bill Shorten already admitting that he would deliver bigger deficits and higher taxes, which would hurt investment, hurt growth, cost jobs and of course they would deliver weaker borders. That is the choice at this election and we will continue to work between now and 2 July to earn the trust of as many Australians as possible.

**STEVE AUSTIN**

Is the Coalition federally punishing Queensland’s State Labor Government by withholding disaster relief funding that was expected by the state? Around about a billion dollars I think Deputy Premier Jackie Trad put the figure at.

**MATHIAS CORMANN**

We are working in the public interest with all state governments, whatever their political persuasion. That is what you expect a good Australian Government to do.

**STEVE AUSTIN**

Have you withheld disaster relief funding from Queensland though?

**MATHIAS CORMANN**

The relevant Minister here is Michael Keenan. I am very confident that all of the arrangements in place in relation to Queensland would be the same way that these arrangements work with any state government. There are relevant processes to go through and there is absolutely no way that then Australia Government in any way would play politics in relation to anything like disaster relief funding.

**STEVE AUSTIN**

But as Finance Minister for Australia, you don’t know the background as to why the Federal Government has withheld that money from the state government, or if indeed they have.

**MATHIAS CORMANN**

I am not aware of the specific detail.

**STEVE AUSTIN**

My apologies. One other question not in relation to finances, but Queensland has a number of infrastructure needs. Not the least of which is what is called the Cross River Rail project for Brisbane here. There is a great deal of hope that this will be built. Can, as Finance Minister, you advise us as to whether or not the federal government is able to adequately and properly fund this vital infrastructure for Brisbane City?

**MATHIAS CORMANN**

All of our infrastructure commitments for Queensland, the great state of Queensland, are reflected in our Budget. We have made a series of additional commitments during this campaign and there is another five days to go in this election campaign. I know that Liberal National Party Members and Senators across Queensland are always lobbying, campaigning and advocating for additional infrastructure investment into Queensland. We work our way through the list of potential projects on a prioritised basis as we can afford to invest more.

**STEVE AUSTIN**

Labor had a second launch here in Brisbane here on the weekend. They have released their costings showing the Budget will be $16.5 billion worse off over the next four years if it wins government. When will the Coalition release your costings?

**MATHIAS CORMANN**

Firstly, we have delivered our Budget which showed that all of our spending commitments in the Budget were paid for, more than paid for, by spending reductions in other parts of the Budget. We have made some modest additional commitments during this campaign and very soon we will be releasing a reconciled list of the cost of those commitments... *interrupted*

**STEVE AUSTIN**

When? When will you release that reconciled list?

**MATHIAS CORMANN**

Very soon. It is a small number compared to Labor’s number. Labor up until yesterday had not released any numbers when it comes to the impact on the Budget bottom line of their various unfunded promises over this campaign and indeed over the last few years. We have released our Budget on the 3rd of May. That was given the tick of approval by the Secretaries of Finance and Treasury independently. We have made an additional series of modest commitments and very, very soon we will be releasing the value of those additional commitments together with the savings measures to pay for them. What I can tell you though, is that unlike the Labor Party, the effect of our commitments and savings on the Budget bottom line will actually be a slight improvement to the Budget bottom line, not a $16.5 billion deterioration to the Budget bottom line after more than $100 billion in higher taxes which threatens our AAA credit rating and as such hurts investment, hurts growth and costs jobs.

**STEVE AUSTIN**

Will you be releasing your costings before Friday?

**MATHIAS CORMANN**

Well and truly.

**STEVE AUSTIN**

Thank you very much for your time.

**MATHIAS CORMANN**

Good to talk to you.

[ENDS]