

Australia hits back at OECD over broadband network

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Detail of a cutting wheel used to lay a national Australia-wide network of broadband cable is seen in Sydney. Australia has defended its infrastructure plans after the economic grouping, the OECD, raised questions over its cost-effectiveness and said it might stifle innovation.

Australia Monday defended plans for a national broadband network after the OECD raised questions over its cost-effectiveness and said it might stifle innovation.

The National Broadband Network (NBN), which will be rolled out by a government corporation and will connect 93 percent of the country's population, has been described as Australia's biggest ever infrastructure project.

"While establishing a [monopoly](#) in this way would protect the viability of the government's investment project, it may not be optimal for cost efficiency and innovation," the Organisation for Economic Co-operation and Development (OECD) warned in a report, which groups the world's top economies.

Communications Minister Stephen Conroy said the government had spent 25 million dollars (24.7 million US) on an implementation study that showed the scheme was financially viable and could deliver fast, affordable Internet, boosting the economy.

"If you read the entire OECD report it clearly shows that there are significant productivity gains to be made from going ahead with the National [Broadband Network](#)," Conroy told reporters.

Conroy said it had always been the government's objective to establish a "wholesale-only, open-access monopoly" because infrastructure competition in the telecoms sector had historically "failed to deliver". He added that the government planned eventually to sell shares in NBN.

"Most public utilities are monopolies that have been in the public interest over time and we're very comfortable (with that). But the key here is we said from day one we're going to privatise this," he said.

He denied the approach would stifle the entry of new technologies, saying fibre-optic cable was "future-proofed".

"When somebody invents something faster than the speed of light, which is the science that fibre works on, that's going to be a pretty exciting day. I look forward to that day," he joked.

"But for the foreseeable future the fibre optics networks... is the future-proofed technology for the next 30 to 50 years, that's what the

technology experts are actually saying."

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