

**Joint Committee on the National Broadband Network**  
**Answers to Questions on Notice**  
**Public Hearing 13 October 2011**  
**Broadband, Communications and the Digital Economy Portfolio**  
**Department of Broadband, Communications and the Digital Economy**

**Question No: 12**

**Hansard Ref: In writing**

**Topic: Low-impact facilities regime**

**The Committee asked:**

NBN Co has stated that work has continued on powers and immunities in anticipation of public consultation on changes to the low-impact facilities regime (to encompass aerial cabling and MDUs) (page 9)

- Can you explain what work has been done and why this work is necessary?

**Answer:**

The reference on page 9 of the *Government Report to Joint Committee on the National Broadband Network on NBN Co Limited and its subsidiaries as at 30 June 2011* to NBN Co undertaking work in relation to powers and immunities primarily refers to NBN Co's work with the Department of Broadband, Communications and the Digital Economy on possible regulatory changes in this area.

The work was done in anticipation of any public consultation on the powers and immunities regime to facilitate the rollout of the NBN, including possible changes to the Low-Impact Facilities Determination.

**Joint Committee on the National Broadband Network**

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**Broadband, Communications and the Digital Economy Portfolio**

**Department of Broadband, Communications and the Digital Economy**

**Question No: 15**

**Hansard Ref: In writing**

**Topic: Installation of Battery Units**

**The Committee asked:**

The Media has reported that NBN Co has received recent complaints about the battery units installed for fibre connection premises.

- a) Can you outline what the complaints are in regard to the installation of batteries for fibre connections?
- b) What is NBN Co doing to resolve these complaints?
- c) What are the environmental, social and financial costs associated with any alternatives to supplying batteries?

**Answer:**

- a) In line with the Government's Statement of Expectations, NBN Co has been deploying an interim battery backup solution with all Network Termination Devices (NTDs) connected to premises within the NBN fibre footprint. A small number of consumers have raised concerns over either the size of the controls on the battery backup unit, or the overall size of the unit.

NBN Co received one call requesting further information about battery life, but has received no complaints regarding the reliability of the battery unit.

- b) NBN Co has worked with each end user to determine the most appropriate location for an NTD and battery backup unit to be installed at their premises.

NBN Co will also provide input to the government's battery backup consultation process that will determine the most appropriate way of deploying a battery backup capability in the long term.

- c) Given the large number of stakeholder groups that have an interest in the deployment of a long term battery backup solution, the government will use a consultation process to explore a range of issues including alternate models of deployment and responsibility for battery replacement. The feedback and comments received in response to the consultation paper will assist the government develop its preferred way forward.

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**Question No: 20**

**Hansard Ref: Page 14**

**Topic: Cost profile for fibre rollout**

**Mr Oakeshott asked:**

“...did NBN Co or the department ever actually cost what a rollout to 65 per cent of the population would be as compared to a 93 per cent rollout as per the statement of expectations?”

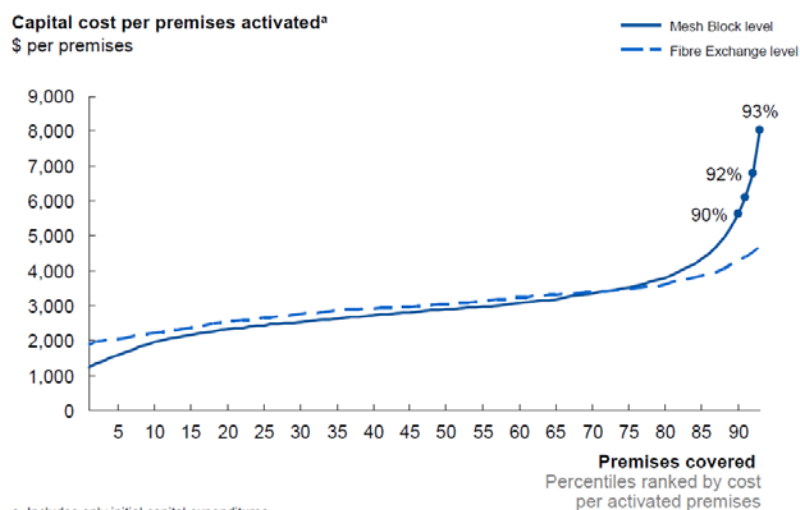
**Answer:**

A detailed NBN Implementation Study was undertaken by McKinsey & Company/KPMG, and publicly released on 6 May 2010. The Study undertook geospatial modelling which plotted the progressive cost of the fibre-to-the-premises rollout in comparison to the percentage of population passed, based on cost modelling applying current deployment techniques.

The Study (pages 13-14) states that “the rate of increase begins to accelerate starting at around the 80<sup>th</sup> percentile, then starts to rise more sharply as it nears the 90<sup>th</sup> percentile”, also noting that “extending the fibre footprint beyond the 93<sup>rd</sup> percentile becomes too expensive.”

The below diagram provides a visual depiction of the modelling scenarios described above. You can visit [www.dbcde.gov.au/nbn](http://www.dbcde.gov.au/nbn) to view the Implementation Study online.

**Exhibit 1–3. FTTP cost curve (93 percent coverage)**



a. Includes only initial capital expenditures  
SOURCE: Implementation Study

(Source: NBN Implementation Study, page 14)