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Additional Issues

Introduction

4.1   Chapter 4 considers three issues of interest during the Fifth Review reporting period of the Joint Committee on the National Broadband Network (JCNBN):

   ■ private equity engagement in funding the National Broadband Network (NBN); and

   ■ workforce issues, including Telstra workforce retraining issues related to the NBN rollout and NBN workforce planning (NBN Co contract issues are discussed in Chapter 2).

4.2   The committee discussed the operation of emergency alarms under the NBN rollout, including battery back-up issues, in its Fourth Review report and made a recommendation in this area.[1] Evidence relating to this matter received over the Fifth Review covered similar issues.[2]

Private Equity Engagement

Background

4.3   The issue of private equity engagement in funding the NBN has been discussed in each of the committee's reports to date.

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1   Joint Committee on the National Broadband Network (JCNBN), *Review of the Rollout of the National Broadband Network: Fourth Report*, February 2013, pp 53-66.

2   See Australian Communications Consumer Action Network (ACCAN), *Submission 6*, p. 5, and Ms Teresa Corbin, Chief Executive Officer, ACCAN, Transcript of Evidence, Sydney, 19 April 2013, p. 2.

4.4   This section of the report again considers this issue and provides a brief overview of the Government's response to the committee's recommendations to date in this area. (Government funding of the NBN over the rollout period, under the equity agreement between the Government and the NBN Co, and broader matters relating to NBN policy and alternative network models are discussed in Chapter 2.)

Current Review

4.5   Over the Fifth Review reporting period, there continued to be interest in when and how private equity might be engaged in funding the NBN wholesale platform.

4.6   The Allen and Overy/Venture Consulting submission highlighted 'Ownership and funding—[t]he best structure and ownership model for the NBN, whether it should remain as a GBE or have private sector involvement and what form that private sector involvement should take'—as a key issue for the NBN rollout.[3]

4.7   Previous committee reports have explored the cost-benefit of bringing forward a timeframe for private equity engagement in funding the NBN. That discussion has highlighted a number of key factors affecting the use of private investment, including the amount available for investment, the rates of return required on investment and the level of control required by investors.[4]

4.8   This matter again arose during the Fifth Review, with Allen and Overy/Venture Consulting outlining a range of private equity engagement options for the NBN.[5] Private sector rates of return required on investment were similarly discussed.[6] Allen and Overy/Venture Consulting commented that 'the private sector should be involved in delivering and funding NBN solutions to the fullest extent that this is practicable and efficient' but observed that:

> In the short to medium term there are outcomes that may only be achievable under government ownership. Entrenched industry positions, regulatory risk and funding during a period of limited debt availability are relevant in this context.[7]

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3   Allen and Overy/Venture Consulting, *Submission 4*, p. 4.

4   JCNBN, *Review of the Rollout of the National Broadband Network: Third Report*, June 2012, pp 110-112; and JCNBN, *Review of the Rollout of the National Broadband Network: Fourth Report*, February 2013, pp 70-72.

5   Allen and Overy/Venture Consulting, *Submission 4*, pp 6-7.

6   Mr Michael Reede, Partner, Allen and Overy, Transcript of Evidence, Sydney, 19 April 2013, p. 49.

7   Allen and Overy/Venture Consulting, *Submission 4*, p. 3.

4.9   Allen and Overy/Venture Consulting further noted:

> …the market has failed to deliver and the private sector has failed
> to deliver a comprehensive national broadband network to date.
> That is the result of, in our view, risk factors around Telstra's
> structural separation, the financial crisis and capital markets, but
> clearly that failure needs to be addressed by government and,
> hence, we have a government sponsored plan.[8]

4.10   However, in the 'mid to long term, there should be a plan to transition
         that back to private sector investment'.[9]

Government Response to Committee Recommendations

4.11   The committee's previous reports have considered the points of entry for
         private investment in the NBN—both in the form of equity and debt
         funding.

4.12   In its Third Review, the committee urged progress in 'gauging investor
         interest in the NBN' and 'exploring the cost/benefit of different capital
         structures for the NBN'.[10] In its response to the Third Review, the
         Government commented that:

> Following completion of the rollout, the government will consider
> the optimum capital structure for the Company, noting that
> NBN Co is required to operate within the ownership and
> investment settings determined through the *National Broadband
> Network Companies Act 2011*.[11]

4.13   Noting this response, in its Fourth Review the committee observed that
         there was 'merit, at this point in time, in beginning to gauge investor
         interest in the NBN and explore the optimum capital structure for the
         company'.[12]

4.14   In terms of debt financing, the Government's Statement of Expectations
         specifies that 'NBN Co should seek to raise debt capital at the earliest
         opportunity it is able without external support'.[13] NBN Co's Corporate
         Plan 2012-15 assumes initial debt-raising in 2015.[14]

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8   Mr Reede, Allen and Overy, Transcript of Evidence, Sydney, 19 April 2013, pp 46-47.

9   Mr Reede, Allen and Overy, Transcript of Evidence, Sydney, 19 April 2013, p. 47.

10   JCNBN, *Review of the Rollout of the National Broadband Network: Third Report*, June 2012, p. 112.

11   Australian Government, October 2012, *Response to the Joint Committee on the National Broadband
     Network Third Report of 25 June 2012*, p. 18.

12   JCNBN, *Review of the Rollout of the National Broadband Network: Fourth Report*, February 2013,
     p. 74.

13   Department of Broadband, Communications and the Digital Economy (DBCDE),
     Submission 10, Third Review of the JCNBN, p. 9.

14   NBN Co, *Corporate Plan 2012-15*, p. 80.

4.15   During its Third Review, the committee heard that the NBN Co had 'not had any discussions on debt financing yet'.[15] With the NBN Co Corporate Plan 2012-15 projecting debt financing to commence in 2015, the committee therefore recommended that:

   ■ NBN Co progress its consideration of debt financing arrangements as a priority.[16]

4.16   The Government response to the Third Review report supported this recommendation.[17] However, the Government response further observed that 'debt arrangements are subject to market conditions outside of NBN Co and the government's control and will need to be assessed closer to the point that debt is required'.[18]

Workforce Issues

Telstra Workforce Retraining Issues

Background

4.17   This section of the report looks at Telstra workforce retraining issues related to the NBN rollout, including the Telstra Retraining Funding Deed (RFD) and Telstra Training Plan. In particular, it provides a brief overview of the Government's response to the committee's recommendations to date in this area.

4.18   The Binding Definitive Agreements between the NBN Co and Telstra form the basis of Telstra's participation in assisting with the NBN rollout.[19] In support of these agreements, the Government has committed to provide $100 million to Telstra under the RFD to assist it in the retraining and redeployment of Telstra employees affected by structural reforms of the telecommunications industry.[20] The RFD between the Commonwealth and

15   Mr Mike Quigley, Chief Executive Officer, NBN Co, Transcript of Evidence, Sydney, 16 April 2012, Third Review of the JCNBN, p. 50.

16   JCNBN, *Review of the Rollout of the National Broadband Network: Third Report*, June 2012, p. 116.

17   Australian Government, October 2012, *Response to the Joint Committee on the National Broadband Network Third Report of 25 June 2012*, p. 17.

18   Australian Government, October 2012, *Response to the Joint Committee on the National Broadband Network Third Report of 25 June 2012*, p. 18.

19   NBN Co, 2011, NBN Co and Telstra Sign Binding Definitive Agreements, media release, 23 June.

20   Conroy S (Minister for Broadband, Communications and the Digital Economy) and Wong P (Minister for Finance and Deregulation), 2012, Definitive Agreements between NBN Co and Telstra Come into Force, media release, 7 March.

Telstra came into force when the Binding Definitive Agreements commenced in March 2012. The term of the RFD is eight years.

4.19   The objectives of the RFD are 'to support the availability of an appropriately trained workforce for the NBN and to retrain Telstra staff who may otherwise face redundancy as a consequence of the rollout of the NBN'.[21]

4.20   The RFD sets out how Telstra will identify employees eligible for retraining in NBN related technical, process and system activities; the scope of training courses to be made available; the standards and quality that must be met; and the timing of training. It operates by identifying two categories of employee: an Automatically Eligible Workgroup (AEW) and another group of employees who may be determined to be eligible. The AEW group includes the Telstra:

- copper and hybrid fibre coaxial (HFC) based field workforce which undertakes installation and maintenance and construction and maintenance activity on Telstra's Customer Access Network;

- direct field support workforce which conducts copper/HFC based field workforce support, including workforce management, workforce and resource planning, and construction program management;

- support of copper/HFC operations workforce which provides design of products, management of damages, network integrity, plant assigning, customer network improvements and contract management; and

- wholesale copper service workforce which provides the interface between retail service providers and Telstra in relation to copper services.[22]

4.21   The other eligible group comprises those 'employees who Telstra is satisfied may face redundancy over time (if not retrained) as a consequence of the decommissioning of the copper network or the deactivation of the HFC network'.[23]

4.22   The RFD requires that a Training Plan be developed by Telstra and approved by the Commonwealth. Each Training Plan covers a three-year period, with the initial Training Plan covering the period 30 April 2012 to 30 June 2014.[24] The scope of the Training Plan is to identify training needs, course development, training methodology and targets for retraining.

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21   Telstra Corporation, *Submission 12*, Fourth Review of the JCNBN, p. 1.

22   DBCDE, *Submission 10*, Third Review of the JCNBN, pp 4-5.

23   Telstra Corporation, *Submission 12.1*, Fourth Review of the JCNBN, p. 3.

24   Telstra Corporation, *Submission 12.1*, Fourth Review of the JCNBN, p. 2.

4.23   The RFD and Training Plan include a detailed reporting regime, covering both financial and training activities. Telstra must:

- provide a half yearly report to the Department on progress against the training plan and a more detailed annual report to the Department on the training plan; and

- meet with the Department every six months and, unless agreed otherwise, to discuss, among other things, the progress of the retraining; and

- hold quarterly meetings with its unions which the Department will attend as an observer.[25]

Government Response to Committee Recommendations

4.24   The committee's Third Review and Fourth Review reports discussed the Telstra RFD and Training Plan in detail.

4.25   In order to better monitor progress under the Telstra RFD and Training Plan in supporting the availability of an appropriately trained workforce for the NBN, the committee recommended in its Third Review that:

> …the Department of Broadband, Communications and the Digital Economy publicly disseminate a reporting document on annual progress under the Telstra Retraining Funding Deed.[26]

4.26   In its response to the Third Review the Government noted that it 'broadly support[ed] this recommendation' and agreed that information about progress under the RFD could be included in its 'annual statement outlining the direct and indirect employment benefits of the National Broadband Network' as part of the Government response to the committee's reports.[27]

NBN Workforce Planning

Background

4.27   Over the Fifth Review reporting period, there was continued interest in workforce issues in the context of the NBN rollout. This matter has been discussed in each of the committee's reports to date.

4.28   This section of the report looks at NBN workforce planning—in particular:

- training and accreditation;

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25   DBCDE, *Submission 14*, Answer to Question on Notice No. 54, Fourth Review of the JCNBN, p. 5.

26   JCNBN, *Review of the Rollout of the National Broadband Network: Third Report*, June 2012, p. 131.

27   Australian Government, October 2012, *Response to the Joint Committee on the National Broadband Network Third Report of 25 June 2012*, p. 18.

- subcontractor workforce planning (NBN Co contract issues are discussed in Chapter 2); and

- participation of local recruitment firms and the local construction industry.

Training and Accreditation

4.29   The Shareholder Ministers' Fourth Performance Report to the committee on the NBN rollout noted that work had commenced on the development of a Training and Accreditation Program to establish 'a number of accreditations that will be required by workers who perform specific tasks in the construction and maintenance of the NBN', with the accreditations designed to 'minimise the risk of quality and safety issues through a national system of training and assessment'.[28]

4.30   The NBN Co has also applied to the Australian Skills and Qualification Authority for 'approval of a suite of NBN Co specific national skills sets and NBN Co branded qualifications to provide training for job seekers', with approval expected before the end of 2013.[29]

Subcontractor Workforce Planning

4.31   The Shareholder Ministers' Performance Report noted that an update of 2010 workforce modelling data was completed over the reporting period.[30] This process sought to 'update the forecast level of demand for construction and design roles', as well as the impact of a number of other matters.[31] The 2012 modelling forecasts a 'peak workforce of 16,000-18,000, which is consistent with the 2010 forecast' but reflects 'changes in the demand for specific occupations'.[32]

4.32   As explained in previous reports, this workforce modelling draws on national rollout schedules to:

- identify where and when NBN construction activities will take place and the type of network architecture to be built;
- identify the rollout schedule data which is then overlaid with assumptions built upon construction activities, including; crew composition, productivity rates, occupations and installation guidelines; and

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28   Shareholder Ministers, 'Performance Report to 31 December 2012', *Submission 3*, p. 16.
29   Shareholder Ministers, 'Performance Report to 31 December 2012', *Submission 3*, p. 16.
30   Shareholder Ministers, 'Performance Report to 31 December 2012', *Submission 3*, p. 15.
31   Shareholder Ministers, 'Performance Report to 31 December 2012', *Submission 3*, pp 15-16.
32   Shareholder Ministers, 'Performance Report to 31 December 2012', *Submission 3*, p. 16.

- provide a forecast of demand for workers, by region, occupation and time.[33]

4.33   In March 2013, the NBN Co announced a construction delay of about three months in its fibre rollout timeline.[34] It was noted that this delay was a 'short-term issue' that would 'not affect the long-term delivery of the NBN or the overall cost of the project'.[35] The NBN Co commented that some of its construction contractors had 'progressed work on the ground at a slower rate than forecast':

> "The problem is we are just not seeing the ramp up of construction workers on the ground that would be needed to deliver these targets.

> "This lack of mobilisation, combined with some of our contractors recently lowering their forecasts, has led us to make the judgment call to reforecast our end-of-year projections…[36]

4.34   The NBN Co announced a series of actions to address this delay, including that:

- NBN Co will directly manage the Northern Territory rollout to ensure the delivery of fast broadband to the NT and to allow contractor Syntheo to focus on WA and SA. This will see NBN Co create up to 200 jobs in the NT at the peak of the rollout
- NBN Co and its construction partners will train and employ additional specialist telecoms workers ("fibre splicers") to help recover lost time in the rollout of the network
- NBN Co's fibre construction contractors will increase their investment in equipment and manpower as well as technology to accelerate on-the-ground design and planning.[37]

4.35   The short-term delay in the fibre rollout timeline raised a number of issues concerning the mobilisation of skilled labour by subcontractors and the training and employment of additional fibre splicers. On this point, Mr Mike Quigley, Chief Executive Officer of NBN Co, acknowledged that:

> In hindsight, we probably should have been more involved in the details of the construction companies. We keep across them in general terms. We have some 21 or 22 major partners doing everything from launching satellites to building satellites to building fixed wireless networks and delivering ethernet

33   Australian Government, October 2012, *Response to the Joint Committee on the National Broadband Network Third Report of 25 June 2012*, p. 20.

34   Shareholder Ministers, 'Performance Report to 31 December 2012', *Submission 3*, p. 37.

35   NBN Co, 2013, NBN Co Updates Short-Term Fibre Rollout Timeline, media release, 21 March.

36   NBN Co, 2013, NBN Co Updates Short-Term Fibre Rollout Timeline, media release, 21 March.

37   NBN Co, 2013, NBN Co Updates Short-Term Fibre Rollout Timeline, media release, 21 March.

aggregation equipment…We did not anticipate having to get into this level of detail in the construction. That is why we contracted it. What we subsequently found out is that we needed to, that we have to, and that is what we are doing now and have been doing since that time.[38]

4.36   Mr Ralph Steffens, Chief Operating Officer of NBN Co, added that:

We need to remind ourselves that the area we are struggling with is predominantly cable holding, cable splicing and cable testing, and some civil activities around boring, trenching and pit replacement. We are struggling with the fact that we have relatively small projects on a relatively large scale across large geography. There is a challenge, clearly, for the delivery partners. They have to make sure that the right people are there at the right time with the right material and the right skills, and then you achieve enormous productivity. That is the area we are working with. There is nothing which led me to believe that the industry would not fix this problem. The peak run rate we are looking at, which we have not changed, is certainly achievable.[39]

4.37   In terms of fibre splicing, the NBN Co confirmed that they had 'rework on the splicing front':

Where you clearly see a correlation is in the difference between experienced and unexperienced operators. The unexperienced are driving a higher degree of rework…

With a very experienced operator versus an operator who has just come out of training school, there is easily a three- or four-fold difference in performance.[40]

4.38   Concerning the number of fibre splicers, the NBN Co further confirmed that:

The good news is that we do not need thousands or tens of thousands of splicers across the network. We are talking about hundreds. It is a high-skilled, well-paid job, which is there for many years to come—way beyond the build, obviously, because there will always be augmentation work to be done—so there are a

38   Mr Mike Quigley, Chief Executive Officer, NBN Co, Transcript of Evidence, Sydney, 19 April 2013, p. 21.

39   Mr Ralph Steffens, Chief Operating Officer, NBN Co, Transcript of Evidence, Sydney, 19 April 2013, p. 22.

40   Mr Steffens, NBN Co, Transcript of Evidence, Sydney, 19 April 2013, p. 22.

> lot of splicers coming out of school today; hence you have more
> issues today than we will have in the future.[41]

4.39   The NBN Co concluded that '[w]e have to say that it is true that this
        learning curve on splicing was one of the things that has caused the delay
        in getting to the number that we hoped to, by the end of June'.[42]

4.40   Against this background, it is noted that a series of NBN Co
        Subcontractors Jobs and Training Forums have been held with delivery
        partners to plan for the future labour mobilisation required for the rollout.
        As the Shareholder Ministers' Fourth Performance Report to the
        committee highlighted, a Subcontractors Jobs and Training Forum was
        held in conjunction with Silcar in Western Sydney during September 2012,
        with over 70 subcontractors in attendance.[43] The purpose of the forum was
        to 'inform subcontractors about the significant increase in future workload
        and options for growing their workforce'.[44] Other forums were held in
        Melbourne (Transfield) and Hobart (Visionstream), with further forums
        being organised with other delivery partners.[45]

Local Workforce Participation

4.41   The participation of local recruitment firms and the local construction
        industry in the NBN rollout was also of interest over the Fifth Review
        reporting period—in particular, whether some of these groups at the local
        level might perceive they had been 'shut out' of contract processes.
        Mr Quigley responded that:

> We are getting that message and we are doing all that we can to
> try to connect those people we are receiving that message from to
> our construction partners. It is clear that there is still substantial
> work to be done to optimise that, to try to ensure that this kind of
> layering that we have in the construction industry in Australia is
> not impeding rapid progress. I have to say today it is.[46]

4.42   Mr Steffens further noted that this is 'one of the fundamental issues':

> You have this so-called supply chain, this layering where work
> packages go through many hands before they reach the people
> who actually execute the work. We on a local level are having
> events where we connect the local community with our delivery

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41   Mr Steffens, NBN Co, Transcript of Evidence, Sydney, 19 April 2013, p. 22.

42   Mr Quigley, NBN Co, Transcript of Evidence, Sydney, 19 April 2013, p. 23.

43   Shareholder Ministers, 'Performance Report to 31 December 2012', *Submission 3*, p. 16.

44   Shareholder Ministers, 'Performance Report to 31 December 2012', *Submission 3*, p. 16.

45   Shareholder Ministers, 'Performance Report to 31 December 2012', *Submission 3*, p. 16.

46   Mr Quigley, NBN Co, Transcript of Evidence, Sydney, 19 April 2013, p. 13.

partners to ensure that the communication flow gets improved in that we cut through these layers as efficiently as possible. That is probably the most important area that we need to focus on in order to speed up the rollout.[47]

4.43   The Shareholder Ministers' Performance Report further noted that, as a result of work with various industry groups, 'an umbrella model for accessing funding' has been established to 'support sub-contractors in taking on trainees and increasing their workforce'.[48] This umbrella approach to funding proposals will 'facilitate principal contractors/delivery partners and their sub-contractors being engaged with large federally funded programs' and 'assist their understanding of how to access government funding and how to connect with apprentices, local job seekers and Indigenous Australians'.[49]

Concluding Comments

Private Equity Engagement

4.44   The committee has investigated the points of entry for private investment in the NBN—both in the form of equity and debt funding—in all five of its reports to date. This discussion has been in the interest of ensuring the most efficient build of the NBN.

4.45   The committee reiterates the recommendation made in its Fourth Review report that the Government should commence gauging investor interest in the NBN and considering the optimum capital structure for the NBN Co.[50]

4.46   Noting the current projected timeframe for debt financing to commence in 2015,[51] the committee understands that the NBN Co has now 'sought advice and held discussions with a range of external third parties' concerning this matter.[52] The committee encourages the NBN Co to continue this process and include an update on this area in its revised Corporate Plan.

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47   Mr Steffens, NBN Co, Transcript of Evidence, Sydney, 19 April 2013, p. 13.

48   Shareholder Ministers, 'Performance Report to 31 December 2012', *Submission 3*, p. 16.

49   Australian Government, October 2012, *Response to the Joint Committee on the National Broadband Network Third Report of 25 June 2012*, p. 21.

50   JCNBN, *Review of the Rollout of the National Broadband Network: Fourth Report*, February 2013, p. 75.

51   NBN Co, *Corporate Plan 2012-15*, p. 80.

52   NBN Co, *Submission 7.12*, Answer to Question on Notice No. 58, Fourth Review of the JCNBN, p. 5.

Workforce Issues

4.47   The committee continues to be interested in Telstra workforce retraining issues and NBN workforce planning as part of the NBN rollout. In its Fourth Review, the committee recommended that:

> … in providing an annual statement to the committee on the progress of the Telstra Retraining Funding Deed (RFD), the Department of Broadband, Communications and the Digital Economy include in this information an update on:
>
> - ongoing company retention rates for employees in the Automatically Eligible Workgroup, retrained under the RFD;
> - the current numbers and roles of employees in the other eligible workgroup under the RFD and an overview of the current reasons for eligibility or exclusion in terms of this group.[53]

4.48   The committee looks forward to receiving updated information about progress under the Telstra RFD and Training Plan as a regular part of the Government's response to the committee's reports. The committee will continue to investigate any further matters of interest arising in this area. The Department of Broadband, Communications and the Digital Economy (DBCDE) is also encouraged to continue to make regular public reports on progress under the Telstra RFD and Training Plan.

4.49   As discussed earlier, the committee notes that the DBCDE and the NBN Co have undertaken a number of initiatives to communicate, plan for and address emerging NBN training needs and workforce demand, to identify future skills gaps and ensure an appropriately skilled workforce to support the rollout.[54] Other initiatives include the NBN Co's recent announcement that it will be working with construction partners to 'train and employ additional specialist telecoms workers ("fibre splicers") to help recover lost time in the rollout'.[55]

4.50   In previous committee reviews, the department and the NBN Co have also indicated that they are 'working closely with all stakeholders including the NBN Co's service delivery partners, the industry skills boards and training organisations to facilitate partnerships and support an appropriately skilled workforce to support the rollout'.[56]

4.51   The committee further notes the Government response to recommendations in its previous reports concerning the issue of NBN

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53   JCNBN, *Review of the Rollout of the National Broadband Network: Fourth Report*, February 2013, p. 93.

54   Shareholder Ministers, 'Performance Report to 31 December 2012', *Submission 3*, pp 15-16.

55   NBN Co, 2013, NBN Co Updates Short-Term Fibre Rollout Timeline, media release, 21 March.

56   DBCDE, *Submission 14*, Answer to Question on Notice No. 56, Fourth Review of the JCNBN, p. 7.

workforce planning. In its Third Review, the committee recommended that:

> …NBN Co publicly communicate major areas of emerging training need and workforce demand with regard to the rollout of the National Broadband Network, to assist with future Australian workforce planning in this sector.[57]

4.52   In its response to the Third Review, the Government supported this recommendation and provided a detailed overview of NBN Co initiatives in this area.[58]

4.53   In its Fourth Review, the committee suggested that further coordination in this area may be of benefit, in developing and implementing an overall NBN workforce strategy. It therefore recommended that:

> …in providing an annual statement to the committee outlining the major areas of emerging National Broadband Network (NBN) workforce demand and training need, the Department of Broadband, Communications and the Digital Economy include in this information a more detailed report on:
> - the workforce development strategy supporting the NBN rollout, including current workforce modelling and outcomes from work with training organisations and industry skills boards, to identify skills gaps in this area and develop training programs;
> - how the development and implementation of this overall workforce strategy is being coordinated.[59]

4.54   The committee looks forward to receiving updated information about progress in this area as a regular part of the Government's response to the committee's reports. The NBN Co and the DBCDE are also encouraged to continue to make regular public reports on progress in this area.

4.55   The committee notes the significance of workforce planning in meeting projected NBN rollout targets. The NBN Co's March 2013 announcement concerning a short-term delay in the fibre rollout timeline as a result of issues with subcontractor mobilisation of skilled labour,[60] as discussed earlier, suggests that this area requires continued attention.

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57   JCNBN, *Review of the Rollout of the National Broadband Network: Third Report*, June 2012, p. 131.

58   Australian Government, October 2012, *Response to the Joint Committee on the National Broadband Network Third Report of 25 June 2012*, pp 19-22.

59   JCNBN, *Review of the Rollout of the National Broadband Network: Fourth Report*, February 2013, p. 94

60   Shareholder Ministers, 'Performance Report to 31 December 2012', *Submission 3*, p. 37.

Recommendation 4

4.56   **The committee recommends that the Government continue considering investor interest in the National Broadband Network and the optimum capital structure for the NBN Co Limited.**

Recommendation 5

4.57   **The committee recommends that the NBN Co Limited continue to:**

- **work with contractors to ensure sufficient mobilisation of skilled labour to meet National Broadband Network (NBN) rollout targets;**
- **update NBN workforce modelling data to assist with communicating and planning for changing NBN training needs and workforce demand; and**
- **encourage the participation of local recruitment firms and the local construction industry in the NBN rollout.**

Robert Oakeshott MP
Chair
4 June 2013