

**Joint Committee on the National Broadband Network**

**Answers to Questions on Notice**

**Public Hearing 19 April 2013**

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

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

**Question No: 10**

**Hansard Ref:** In writing

**Topic:** Return on investment

**The Committee asked:**

If the NBN is completed by 2021 according to the currently proposed plan what evidence is there to show it will produce a positive rate of return?

**Answer:**

NBN Co's 2012-2015 Corporate Plan projects an Internal Rate of Return (IRR) of over 7 per cent.

NBN Co CEO, Mr Mike Quigley, tabled a broad range of information at the 19 April hearing that demonstrated assumptions underpinning the 7.1 per cent IRR calculated in the Corporate Plan were being borne out in actual rollout cost and revenue achievements.

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**Question No: 15**

**Hansard Ref:** In writing

**Topic:** National Broadband Network - pricing

**The Committee asked:**

What difference should the committee be looking for between a uniform national wholesale price as compared to price caps?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government's policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.

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**Question No: 17**

**Hansard Ref:** In writing

**Topic:** National Broadband Network - broadband speeds

**The Committee asked:**

Could the NBN Co have a minimum download data rate of 25 megabits per second by the end of 2016 in all areas of Australia, under any policy proposal from Government or alternate Government policy?

**Answer:**

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

**Question No: 18**

**Hansard Ref:** In writing

**Topic:** National Broadband Network - broadband speeds

**The Committee asked:**

Could the NBN Co have a rate of 50 megabits per second by the end of 2019 in 90 per cent of the fixed line footprint, under any policy proposal from Government or alternate Government policy?

**Answer:**

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

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

**Question No: 20**

**Hansard Ref:** In writing

**Topic:** National Broadband Network – product pricing

**The Committee asked:**

Will the NBN Co have to reduce its ‘product element pricing’ over the next 10 years to achieve an inflation-adjusted fall of 10 per cent in the combined wholesale price of two ‘reference products’ for end users?

**Answer:**

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**Question No: 21**

**Hansard Ref:** In writing

**Topic:** National Broadband Network – products

**The Committee asked:**

Is it possible for the ‘two reference products’ to be the entry level broadband product and the most widely purchased bundled broadband and telephony offering?

Can NBN Co provide existing examples of this at work?

**Answer:**

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**Question No: 22**

**Hansard Ref:** In writing

**Topic:** National Broadband Network – broadband quality and availability

**The Committee asked:**

Is it possible that within 90 days the Department of Broadband, Communications and the Digital Economy, with the assistance of NBN Co and private carriers, could provide Parliament with a ranking of broadband quality and availability in all areas of Australia? Could this be done now? If not, why not? If so, why isn't it done now?

**Answer:**

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

**Question No: 23**

**Hansard Ref:** In writing

**Topic:** National Broadband Network – fixed wireless network

**The Committee asked:**

Is it feasible that the NBN Co could seek opportunities to allow investment in the fixed wireless network to also improve coverage or increase competition among mobile carriers in regional areas?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government's policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.



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**Question No: 24**

**Hansard Ref:** In writing

**Topic:** National Broadband Network – satellite contract

**The Committee asked:**

Is it possible to realise value from the satellite contract by seeking private operators or owners for the NBN service, if it enables price and service levels for regional consumers to be approved? What are the full range of risks and consequences that need to be considered if this can be done?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government's policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.

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

**Question No: 25**

**Hansard Ref:** In writing

**Topic:** National Broadband Network – connecting Multi- Dwelling Units (MDUs)

**The Committee asked:**

Can very fast broadband be delivered to individual units within an MDU by terminating the fibre in the basement or telecom room and then using existing copper or cable networks in the building to reach each premise? What the full risks or implications of doing this?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government's policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.

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**Question No: 26**

**Hansard Ref:** In writing

**Topic:** Infrastructure Competition - Liberal National Party (LNP) Broadband Plan

**The Committee asked:**

How could removing or waiving impediments to infrastructure competition decrease the monopoly when there is a wholesale and retail platform already in place, as suggested by alternative policy from the LNP on NBN?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government's policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.

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**Question No: 27**

**Hansard Ref:** In writing

**Topic:** Competition Policy – Liberal National Party (LNP) Broadband Plan

**The Committee asked:**

Could retail providers control the provision of services delivered over the NBN as suggested by alternative policy from the LNP on NBN Co?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government's policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.

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**Question No: 28**

**Hansard Ref:** In writing

**Topic:** Structural separation of Telstra – Liberal National Party (LNP) Broadband Plan

**The Committee asked:**

How could the completion of the NBN FTTN implement the structural separation of Telstra, as suggested by the LNP in their plan to complete the NBN?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government's policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.

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**Question No: 29**

**Hansard Ref:** In writing

**Topic:** National Broadband Network – use of HFC Networks

**The Committee asked:**

Would the removal of any contractual impediments to the use of existing HFC networks for broadband and voice be possible? If so, what are the full risks and consequences of doing this?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government's policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.

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**Question No: 30**

**Hansard Ref:** In writing

**Topic:** National Broadband Network – co-funding of FTTP

**The Committee asked:**

What are the full risks and consequences of external investors co-funding FTTP if they are willing to put forward 50 per cent of the needed funding?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government's policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.

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**Question No: 31**

**Hansard Ref:** In writing

**Topic:** Co-funding of FTTP – Liberal National Party (LNP) Broadband Plan

**The Committee asked:**

If the NBN Co can report to an incoming LNP government within 180 days on the economic and operational feasibility of co-funded FTTP, what is preventing this occurring now?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government's policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.



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**Question No: 32**

**Hansard Ref:** In writing

**Topic:** Co-funding of FTTP – Liberal National Party (LNP) Broadband Plan

**Joint Committee on the National Broadband Network asked:**

What is the economic and operational feasibility of co-funded FTTP, as described by the LNP policy for an alternate path to completion of the NBN?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government's policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.

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**Question No: 33**

**Hansard Ref:** In writing

**Topic:** National Broadband Network – co-funded fibre upgrades

**The Committee asked:**

Would it be possible to have no interference at all from co-funded fibre upgrades with NBN Co's priority rollout to under-serviced areas?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government's policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.

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**Question No: 34**

**Hansard Ref:** In writing

**Topic:** National Broadband Network – deployment

**The Committee asked:**

Where NBN Co extends fibre beyond an exchange but not to user premises (i.e. deploy FTTN) it will be required to plan and build in readiness for future upgrades that take fibre further into the field. Is it possible for all FTTN design upgrades to be upgradeable to FTTP? What is the cost difference in doing, and what are the risks and consequences of such a “two-step” approach to FTTP?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government’s policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.

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**Question No: 35**

**Hansard Ref:** In writing

**Topic:** National Broadband Network – access to Telstra’s copper network

**The Committee asked:**

Can NBN Co seek permanent access to Telstra’s copper between premises and concentration points such as pillars, cabinets or exchanges? If so, what are the risks in doing this? If not, why not?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government’s policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.

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**Question No: 37**

**Hansard Ref:** In writing

**Topic:** National Broadband Network – reporting

**The Committee asked:**

What more would be required that is not already in the public domain from the following reports; a new NBN Co strategic review, an independent audit into broadband policy, and a report in to NBN Co's governance?

**Answer:**

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**Question No: 39**

**Hansard Ref:** In writing

**Topic:** National Broadband Network – cost-benefit analysis – alternative build

**The Committee asked:**

What is the closest document in the public domain to an independent cost-benefit analysis of any alternate path to an NBN build?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government's policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.

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**Question No: 42**

**Hansard Ref:** In writing

**Topic:** National Broadband Network - use of HFC networks

**The Committee asked:**

Are there any impediments to the use of HFC networks? If so, what are they?

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government's policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.

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**Question No: 43**

**Hansard Ref:** In writing

**Topic:** Rate of Return – Liberal National Party (LNP) Broadband Plan

**The Committee asked:**

What is the forecast rate of return on investment for the NBN completion as recommended by the LNP policy?

**Answer:**

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**Question No: 44**

**Hansard Ref:** In writing

**Topic:** NBN Co Corporate Plan – Liberal National Party (LNP) Broadband Plan

**The Committee asked:**

Has enough information been released to provide guidance to NBN Co., from alternate shareholder Ministers, to redesign the Corporate Plan? If not, what more would be required?

**Answer:**

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**Question No: 46**

**Hansard Ref:** In writing

**Topic:** NBN Co Corporate Plan – Liberal National Party (LNP) Broadband Plan

**The Committee asked:**

Do you have confidence NBN Co can deliver an altered NBN Co Plan 2012-2015 on budget and on-time, as per the altered build plan proposed?

**Answer:**

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**Question No: 108**

**Hansard Ref:** Page 14

**Topic:** Developing an alternative Corporate Plan

**Mr Oakeshott MP (Chair) asked:**

**‘CHAIR:** Okay. I really liked the statement that, as a risk management exercise, NBN Co. would be willing to provide early visibility to all the key stakeholders. So I leave as a question on notice—not only to you but probably to the department—this question of a desire by the committee or a committee member, based on all the information that is now in the public domain, for an alternative corporate plan to be established now.

**CHAIR:** Could you take it on notice? If that statement is to mean anything, if you do genuinely want to facilitate an informed debate with early visibility of potential policy changes, an alternate corporate plan would be really valuable to achieve that.

**Mr Robinson:** We could certainly take it on notice.’

**Answer:**

The Department of Broadband, Communications and the Digital Economy and NBN Co are implementing the government’s policy to rollout and operate a National Broadband Network within the existing policy framework. The Department is unable to comment on alternate policy options.