

Joint Committee on the National Broadband Network

Answers to Questions on Notice

Public Hearing 30 October 2012

Broadband, Communications and the Digital Economy Portfolio

Department of Broadband, Communications and the Digital Economy

Questions No: 38

Hansard Ref: In writing**Topic: Community Engagement and Education****The Committee asked:**

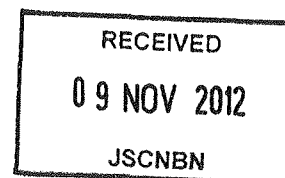
What is being done to ensure that schools in rural and remote communities have the infrastructure and resources to take advantage of the NBN?

Answer:

All Australian schools will be connected to the NBN. NBN Co is offering layer 2 wholesale services which retail service providers (RSPs) can use to provide a range of high-quality services to schools such as enterprise WAN broadband services. Schools can work with their chosen RSP to customise the products and services they require over their NBN connection.

The Digital Education Revolution (DER) also aims to support the effective integration of information and communication technology (ICT) in Australian schools in line with the Government's broader education initiatives. The Government has invested over \$2.1 billion in the DER to significantly increase ICT infrastructure available in schools, online content and resources. The National Secondary School Computer Fund (the Computer Fund) is helping schools to provide access to new ICT equipment for secondary students in Years 9 to 12. The overall aim of the Computer Fund was to achieve a one to one computer to student ratio (1:1 ratio) for students in Years 9 to 12 by the end of 2011. The Computer Fund is a universal access program and is assisting secondary schools in the State, Catholic and Independent sectors, regardless of location.

The Government has also provided up to \$27.2 million to source, develop and implement deployment trials that will use the NBN to deliver online and interactive education, training and skills services. Under the program, 12 projects are being funded to demonstrate how the NBN can increase the education, training, and skills development opportunities for Australians, no matter where they live, work or study, and especially for those Australians who find it difficult to attend classes because of work commitments or family responsibilities.



@5.52 pm

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Public Hearing 30 October 2012

Broadband, Communications and the Digital Economy Portfolio

Department of Broadband, Communications and the Digital Economy

Question No: 52

Hansard Ref: In writing

Topic: NBN workforce issues

The Committee asked:

Telstra Retraining Funding Deed (RFD)—the Government has provided \$100 million to Telstra under the RFD to assist with the retraining and redeployment of Telstra employees affected by the NBN rollout: Can you comment on progress under the RFD i.e., how the funding has been utilised and training targets met?

- a) Does the RFD make any reference to retaining local and regional employment, and limiting offshoring of positions in terms of the NBN rollout?
- b) The term of the RFD is for eight years, but it is understood that Telstra can request an extension of a further three years—under what circumstances would an extension be granted?
- c) Could future revisions to NBN Co's rollout targets and timeframes affect the RFD arrangements and impact on retraining/redeployment of Telstra employees?
- d) How is expenditure in terms of the \$100 million Government funding under the RFD budgeted over the eight years of the deed?

Answer:

- As at the end of Year 1(2011-12 financial year) of the Training Plan which spans three financial years ending 30 June 2014, 107 Telstra employees in the copper/HFC based field workforce (in the automatically eligible workgroup) were retrained in the skill to migrate customers to the NBN. Telstra's target for the number of employees to be retrained by the end of the 2011-12 financial year was 40. To be considered retrained, Telstra employees need to have undertaken sufficient training to be able to undertake a new function or task.
 - Of the 107 Telstra employees retrained, 16 were in TAS, 31 in VIC, 44 in NSW/ACT and 16 in QLD.
 - In total, there were 2,830 training attendances in Year 1. Telstra employees undertake multiple training sessions before they are sufficiently retrained to undertake a new function or task.
- a) The objectives of the RFD are to support the availability of an appropriately trained workforce for the NBN and for Telstra to establish a retraining arrangement for its staff who may otherwise have faced redundancy as a consequence of the NBN rollout. It is explicit in the deed that Telstra must use the funds to retrain staff directly and indirectly affected by the

decommissioning of the copper and broadband capability on the hybrid fibre coaxial cable network.

- b) It is up to Telstra to put a case to the Commonwealth as to why an extension should be granted.

Under the RFD, the Commonwealth will not unreasonably withhold or delay consent to a request for the term to be extended.

- c) Revisions to NBN Co's rollout plan could affect Telstra's ability to reach its training targets and in such a circumstance Telstra would be required to advise the Commonwealth and propose revised training targets.
- d) The Australian Government provided Telstra with an upfront payment of \$100 million (exclusive of GST) in 2011-12, as announced in the Economic Statement 2010, which was subject to the Commonwealth approving the initial training plan and budget.

The training plan includes training targets, one of which is an eight year expenditure forecast which utilises the full \$100 million payment. It is envisaged that yearly targets will be adjusted from time to time.

Telstra must provide the department with a new annual budget at the start of each financial year during the term of the RFD and the budget must include a breakdown of proposed spending.

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Department of Broadband, Communications and the Digital Economy

Question No: 53

Hansard Ref: In writing

Topic: NBN workforce issues

The Committee asked:

Telstra Training Plan—the RFD requires that a Training Plan be developed by Telstra and approved by the Minister: Now that the Training Plan has been approved, can you tell the committee more about the content of the plan and its training targets?

Answer:

The first Training Plan extends across three financial years and ends on 30 June 2014. It sets out the training needs, courses to be developed, training methodology, and training targets.

The Training Plan includes:

- Forecast inputs to the Training Plan, which identify the class of Telstra employees that may be retrained and forecasts their retraining needs and possible redeployment options.
- Curriculum and courseware development, which outlines the proposed approach for developing training courses.
- Learning delivery plan, which details the proposed course delivery method and the plan to deliver courses across geographic regions.
- Training and financial reporting, which includes the format for reporting and tracking budgets and training activity.
- Training Targets, which have been set for the eight year life of the deed and include targets for:
 - the number of training courses to be developed and refreshed in each financial year of the term;
 - the number of Telstra employees retrained in each financial year of the term; and
 - the amount of the funding to be expended by Telstra in each financial year of the term.

The training has been planned based on Telstra's forecast skills needs and each curriculum is targeted to a redeployment option or a specific workforce capability outcome.

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Department of Broadband, Communications and the Digital Economy

Question No: 54

Hansard Ref: In Writing

Topic: NBN Workforce Issues

The Committee asked:

Reporting—under the RFD, Telstra must provide regular reports to the department on progress against the Training Plan, and a more detailed annual report on its use of retraining funds and progress against training targets under the Training Plan: Can you tell the committee more about the nature of these reports? Will these reports be made public?

Answer:

The Retraining Funding Deed includes a comprehensive 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.

Telstra provided the Department with its annual report on progress against the training plan in August 2012. The report includes information on:

- number and geographical location of employees that were retrained
- number of employees retrained from each Telstra work group
- nature and quantity of training courses developed and delivered
- number of employees trained and the pass rate from each course
- amount of funding used on accredited training as a percentage of total funds expended
- progress against training targets.

The government utilises these reports to respond to inquiries and provide updates to Parliament on Telstra's progress at committees such as the Joint Committee on the National Broadband Network (JCNBN). Additionally the reports will be drawn upon to inform the annual statement outlining the direct and indirect employment benefits of the National Broadband Network as per the Government's response to recommendations 13 and 15 of the third JCNBN report.

As the reports include information commercially sensitive to Telstra which go to Telstra's business operations, it is not planned to release the reports in full.

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Department of Broadband, Communications and the Digital Economy

Question No: 55

Hansard Ref: In writing

Topic: NBN workforce issues

The Committee asked:

Consultation—under the RFD, Telstra will meet regularly with relevant unions and the department to discuss retraining issues: Do you have any comments on this consultation process so far?

Answer:

- The department, as an observer, has attended Telstra's quarterly meetings with the unions and considers that Telstra is meeting the consultation and stakeholder engagement requirements under the deed.
- To date, Telstra has held four meetings (4 November 2011, 19 March 2012, 20 June 2012 and 19 September 2012) with the unions.

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Broadband, Communications and the Digital Economy Portfolio

Department of Broadband, Communications and the Digital Economy

Question No: 56

Hansard Ref: In Writing

Topic: NBN Workforce Issues

The Committee asked:

NBN workforce planning—the Communications Electrical Plumbing Union (CWU) submission to the inquiry and recent press have noted possible skill shortages in relation to the NBN rollout: Do you have any comment on this area?

- a) What work is the department doing to assist with future Australian workforce planning in this sector?
- b) What are the major areas of emerging NBN training need and workforce demand, including in terms of local/regional employment?

Answer:

- The Australian Government is committed to ensuring there is a well-trained and accredited workforce for Australia's largest infrastructure project and the government is confident that NBN Co and its service delivery partners will be able to source expertise and resources to fulfil their obligations.
 - NBN Co's analysis suggests that the implementation of a variety of resourcing and skilling strategies will ensure that there are enough people in the industry to meet the skills requirements for the construction of the network.
- a) NBN Co and the Department of Education, Employment and Workplace Relations are working closely with all stakeholders including 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.

The government has also entered into a \$100 million agreement for Telstra to retrain employees in new fibre related skills. This will give Telstra staff the relevant skills to work in the NBN environment.

- b) NBN Co has forecast that the total number of new jobs created in the construction of the NBN alone is between 16,000 and 18,000.

NBN Co has identified that 80 per cent of the workforce will be spread across the top five occupational groups of labourers, NBN Linesworkers, NBN Installers, NBN Splicers and earthmoving plant operators.

The company undertakes workforce modelling using the national rollout schedules to forecast demand for workers, by region, occupation and time. This modelling has recently been refreshed and reviewed against the current three year rollout plan.

NBN Co has developed a skills formation strategy which targets occupational qualifications at Certificates II and III with the objective of building the industry's capability. To this end, NBN Co is working with selected training organisations to identify skills gaps and to provide training.

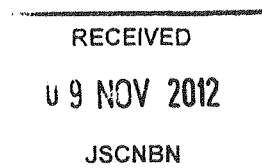
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Department of Broadband, Communications and the Digital Economy



@6.33 pm

Question No: 88

Hansard Ref: page 23

Topic: NBN Co financial statements

Mr Oakeshott asked:

Why are the financial statements provided to the committee mid-year unaudited when the committee received the performance report after the NBN Co annual report was already released?

Answer:

The government's progress reports on the National Broadband Network cover six monthly periods to 30 June and 31 December and are based on information provided by NBN Co.

The financial statements contained within the government's progress reports are not subject to the same auditing arrangements as those applied to annual reports. While NBN Co's annual report had been tabled by the time of the 30 October Joint Committee hearing, preparation of the government's progress report was undertaken separately and was therefore appropriately marked as unaudited.