

Joint Committee on the National Broadband Network
Answers to Questions on Notice
Public Hearing 16 April 2012
Broadband, Communications and the Digital Economy Portfolio
Department of Broadband, Communications and the Digital Economy

Question No: 12

Hansard Ref: In Writing

Topic: Black Spots and Wireless

The Joint Committee asked:

- a) Will there be blackspots under the NBN's fibre, wireless and satellite services?
If so, how does the RBBP investment support the NBN rollout?

- b) Given the community concern surrounding the 'blackspots' in the existing mobile services, are there plans to improve these telecommunications either within the NBN Co's activities or the Department's other programs? If further investment were to be made in the NBN rollout, could either the wireless or satellite services be reconfigured to provide voice services?

Answer:

- a) The NBN will provide access to high-speed broadband to 100 per cent of Australian premises. It will connect 93 per cent of homes, schools and businesses to a high-speed fibre network capable of providing broadband speeds of up to one gigabit per second. Seven per cent of premises will be served by a combination of next-generation fixed wireless and satellite technologies providing peak speeds of 12 megabits per second.

As NBN Co's next-generation satellite service provides a safeguard to all Australian premises not receiving a fibre or wireless service, there will be no broadband 'blackspots' when the NBN is deployed.

The RBBP investment represents the first building blocks of the NBN in mainland Australia and NBN Co is utilising the RBBP to support the rollout.

- b) Terrestrial mobile phone networks have expanded significantly in recent years – and coverage is now claimed to reach about 99 per cent of the Australian population. However, given Australia's vast size, this only means about 25 per cent of the actual landmass is covered. For the most part the recent extension of mobile coverage has been based on commercial decisions by carriers. There is currently no government funded program for the extension of mobile phone coverage.

In areas where no terrestrial mobile phone coverage exists, satellite mobile phones provide an alternative means to accessing mobile communications. The government's Satellite

Phone Subsidy Scheme exists to improve the affordability of mobile satellite phone handsets.

In terms of the NBN rollout improving mobile phone access, any new towers that NBN Co may construct for its fixed-wireless network could be accessed by mobile carriers to expand their footprint.

NBN Co's next-generation fixed wireless and satellite services will support Voice over Internet Protocol (VoIP) telephone services. However, as these services are fixed services they will not support mobile telephony.

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Question No: 16

Hansard Ref: In writing

Topic: NBN Rollout

Joint Committee asked:

- a) When will the new corporate plan be released?
- b) Have any of the NBN rollout targets in the new corporate plan been revised, if so what are they and how do they differ from the current NBN rollout targets?
- c) Would it be possible to include in subsequent Shareholder Ministers Reports in tabular form: the number of homes passed by the network, homes connected, and services in operation, by reference to the projections in the business plan, and what has actually occurred?

Answer:

- a) As a Government Business Enterprise, NBN Co Limited (NBN Co) is required to provide an updated Corporate Plan to Shareholder Ministers on an annual basis. NBN Co's Chief Executive Officer, Mr Mike Quigley, indicated to the Joint Committee on the National Broadband Network on 16 April 2012 that NBN Co's Corporate Plan will be provided to the Australian Government by the end of May.
- b) NBN Co's Chief Executive Officer, Mr Mike Quigley, indicated to the Joint Committee on the National Broadband Network on 16 April 2012 that NBN Co is in the process of developing a new Corporate Plan based on current assumptions.

Mr Quigley indicated to the Committee that new Corporate Plan targets will reflect the changes since the current Corporate Plan was finalised in December 2010.

- c) Once NBN Co's 2012-15 Corporate Plan is finalised, the Government will consult NBN Co in regard to this request and follow up with the Joint Committee in the context of future shareholder ministers' reports.

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Question No: 17

Hansard Ref: In Writing

Topic: Binding Definitive Agreements

The Joint Committee asked:

- a) How much time and cost have the Telstra and Optus Agreements saved for the NBN build?
- b) If these figures have not been calculated, how can it be determined what level of efficiency gains will result from the Agreements?

Answer:

- a) & b)
 - The NBN Co Board has advised the government that the Telstra and Optus transactions are in the best interests of the company. Entering into the Definitive Agreements is the most cost-effective and efficient means by which the Company can meet the government's NBN objectives.
 - NBN Co has undertaken substantial due diligence work on the Telstra deal supported by its financial adviser, Goldman Sachs.
 - The reduction in capex from the original build estimate of \$43 billion to the \$35.9 billion projected in the NBN Co 2011-13 Corporate Plan is largely attributable to the Telstra deal.
 - The Definitive Agreements will see:
 - significant acceleration of roll-out;
 - significant reduction in execution risk;
 - greater certainty in costs for NBN Co;
 - enhanced take-up reducing NBN Co's revenue risk.