

17 February 2016

Ms Christine McDonald  
Secretary  
Senate Environment and Communications Committee  
Parliament House, Canberra ACT 2600

**Request to correct the record from Estimates Hearing 9<sup>th</sup> February 2016**

Dear Ms McDonald,

I wish to correct the record regarding a comment made by Mr Morrow at the recent Additional Estimates hearing held on the 9<sup>th</sup> February 2016.

In response to question by Senator Urquhart regarding a proposed meeting between **nbn** and the West Coast **Mr Morrow** replied "I believe our representatives have gone in and met with the appropriate council there. Russell Kelly, one of the authorised representatives of nbn, had visited with the council within weeks after our hearing"

**Senator URQUHART:** He physically visited?

**Mr Morrow:** "Yes. He lives in the area there and he is quite close to a lot of the people there" (See page 101 Hansard)

This is in fact incorrect, as following on from the Senate Estimates hearing in October 2015, **nbn** undertook to send staff to the West Coast Council. As a consequence of this undertaking, Mr Peter Gurney, **nbn** General Manager Community Affairs, wrote to West Coast Mayor, Mr Phil Vickers (attached letter for information) and offered to meet with Council. Mr Gurney also spoke with West Coast Mayor, Cr Phil Vickers via telephone.

**nbn's** response to the Question on Notice answer 127 (attached ) that Senator Urquhart referred to during the line of questioning was in fact correct at the time.

In a number of subsequent informal interactions with Community Affairs at regional and state-wide local government meetings, the General Manager and the Mayor have declined the invitation for **nbn** to provide an additional briefing to Council.

**nbn** remains committed to visit West Coast Council to discuss current telecommunications issues and the most recent meeting between West Coast Council staff and **nbn** staff occurred in Hobart on 15 February 2016.

Please do not hesitate to get in touch should you require further information.

Yours sincerely,

Karina Keisler  
Executive General Manager | Corporate Affairs

**Senate Standing Committee on Environment and Communications**  
**Answers to Senate Estimates Questions on Notice**  
**Supplementary Budget Estimates Hearings October 2015**  
**Communications Portfolio**

**nbn**

**Question No: 127**

**nbn**

**Hansard Ref: Written, 03/11/2015**

**Topic: NBN multi-technology deployment – Principles Document**

**Senator Urquhart, Anne asked:**

1. I refer to the NBN multi-technology deployment principles document from 13 November 2014, which states that underserved areas will be prioritised.
  - (a) Does the West Coast qualify as being underserved? On what basis is this decision made?
  - (b) Does the decision to categorise areas as ‘underserved’ take into account the availability of ports at exchanges?
  - (c) If not, why not?
  - (d) If so, could you provide the most recent data on port availability in Queenstown, Rosebery and Zeehan? I have had significant correspondence from West Coast constituents saying that they are unable to secure access because all ports are full.
2. What is the population of the largest town scheduled to be connected to satellite NBN nationally?
3. You also mentioned in the recent hearing that NBN would meet with West Coast stakeholders within 4 weeks of the October hearing. Could you please advise on the status/ progress toward this meeting?
4. In the 28 May estimates hearing, you advised that construction in Devonport would begin within 5 months of designs being issued (page 104 Hansard). You then advised on QoN response 106 that the designs were issued on 10 April 2015.
  - (a) Did construction start in September as per the advised timeframe?
  - (b) If not, what was the cause of the delay?
  - (c) Could you please advise what stage the build is at?
  - (d) How long is the build expected to take?
  - (e) When will residents of Devonport be able to access the NBN?
  - (f) In the recent estimates hearing, you revealed the NBN has purchased 1800 km of copper. How many kilometres of this copper has been budgeted for the Devonport rollout?
  - (g) How much extra would it cost to deliver the full-fibre NBN that was originally planned?

**Answer:**

1.
  - a) Underserved Areas are Distribution Area(s) DAs with less than 90% broadband availability and/or DAs with less than 4.8Mbps peak median speed. Queenstown is categorised as Underserved. Rosebery and Zeehan are not categorised as Underserved.
  - b) No
  - c) The definition of Underserved Areas is set by the Department of Communications.
  - d) **nbn** does not receive port availability data from the Department of Communications.

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2. This information is not known at this stage. Areas in the non-fixed line footprint may be covered by Fixed Wireless and/or Satellite. The access technology for specific towns will be included in future releases of the three year construction plan
3. Discussions between the West Coast Council and **nbn** to find a mutually convenient date are currently underway
4.
  - a) For Devonport Fibre Serving Area (FSA) Build Preparation was completed by September 2015, with the first Service Area Module (SAM) entering the Build Commence phase in November 2015.
  - b) The estimated time to construction was based on a modelled estimate. The forecast is updated as more detailed information comes to hand.
  - c) As at 12 November 2015, one SAM in Devonport is in the Build Commence phase, with three remaining SAMs yet to enter the Build Commence phase.
  - d) SAMs in Devonport are forecast to achieve Practical Completion from March 2016. The forecast is subject to change as updated information comes to hand.
  - e) SAMs in Devonport are modelled to achieve Ready for Service (RFS) approximately 4 months after Practical Completion.
  - f) The budget for copper work is prepared on an average basis per SAM across the deployment plan, not specific to a location. All copper cable is ordered into inventory on the basis of the calculated demand using the average SAM volume plus safety stock.
  - g) The additional cost to deliver Fibre to the Premise (FTTP) to Devonport is not readily available, as it would require a detailed design and review of requirements for provisions for rock, asbestos etc. Utilising the Corporate Plan cost per premise rates for FTTP (\$4,400) and Fibre to the Node (FTTN) (\$2,300) would suggest that FTTP would cost ~\$23 million, although Devonport is likely to be more expensive than the national average.



UNCLASSIFIED

3 November 2015

Mr. Phil Vickers  
PO Box 63  
Queenstown TAS 7467

Dear Mayor Vickers,

## West Coast Tasmania

Thank you for your letter dated 9 October 2015 in relation to the rollout of the **nbn**<sup>™</sup> network on the West Coast of Tasmania. I agree with your sentiments that access to the **nbn**<sup>™</sup> network is of fundamental importance to the community and a significant driver in building prosperity and opportunity for regional and remote communities, which is why **nbn** is ensuring that all communities have access to fast broadband via the most efficient and cost-effective means possible in any given location around Australia. As previously advised, **nbn** will deliver access to fast broadband to West Coast communities during 2016 via the new **nbn Sky Muster**<sup>™</sup> long term satellite service.

On 1 October 2015, **nbn** launched the first of two high-throughput satellites – arguably the most advanced broadband satellites in the world today. The current Interim Satellite Service is capable of providing a total of 4 Gbps bandwidth spread right across Australia to around 40,000 end users, where the new dedicated **Sky Muster**<sup>™</sup> long term satellite service is designed to provide throughput of over 130Gbps – an upgrade in terms of the speed and reliability that end users are anticipated to experience.

The launch of the satellite is important for the West Coast. With the level of funding available to the company and the considerable finances involved, **nbn** has determined **Sky Muster**<sup>™</sup> is the best technology for quickly and efficiently providing West Coast communities with access to fast broadband. To use other technology could potentially cause years of delay, and would not guarantee the West Coast connectivity in a timely and economically sensible manner. Ultimately, this may place the West Coast behind other areas in taking advantage of the immense opportunities provided by access to fast broadband.

It is important I address some of the statements in your letter so that West Coast residents are aware of all the facts around the quality of the new long term satellite service and why it has been chosen.

**The nbn**<sup>™</sup> satellite is designed to provide access to fast internet - the **Sky Muster**<sup>™</sup> satellite is designed to provide wholesale speed options of up to 25Mbps download and 5Mbps upload. These speeds are anticipated to enable the full range of government, entertainment and business uses to be realised. The long term satellite



also has the capacity to meet the needs of e-health applications, education, entertainment and business computing.

**Current fibre infrastructure does not exist** - Contrary to your letter the necessary fibre infrastructure on the West Coast does not currently exist. It is also important to emphasise that Telstra fibre also does not exist - you would already be aware that Telstra ADSL services are currently supplied via microwave backhaul to the West Coast. Tasnetworks do have some fibre between Railton and Rosebery, however, this fibre does not include a redundant return loop, meaning that if **nbn** were to attempt to utilise this length of fibre it would constantly be at risk of disruption, because the connection is essentially 'one way.'

It is worth explaining at this point in time that where **nbn** chooses to deploy fixed line, fibre based infrastructure, all affected services within that footprint must be migrated to the **nbn™** network to maintain continuity of service.<sup>1</sup> As such, an outage of Tasnetwork's fibre could affect businesses that relied upon it and could place the community and vulnerable users at risk of prolonged disruption of critical services.

This risk is contrary to the very strict service availability requirements under nbn's *Wholesale Broadband Agreement (WBA)* with Retail Service Providers. To adhere to the WBA requirements, nbn would be required to spend tens of millions of dollars to build a redundant fibre path to the required specification, which is a cost the company cannot meet given the population on the West Coast and cost per premises to build fibre based infrastructure. To this end, **nbn** must make decisions based on the commercial situation at hand and is unable to make construction decisions on social grounds alone - this would be a policy decision for the government.

It is also worth considering then that the **Sky Muster™** service will deliver an additional communications channel to the West Coast, as the existing Telstra network will not be switched off.

**The West Coast may not have received fibre under the previous plan** - As with all communities, previous plans were indicative only and subject to further detailed assessment and design. This design and planning work has now occurred. During the detailed design phase it was determined that it would cost tens of millions of dollars to construct a fibre backhaul solution to the West Coast and several million dollars more to connect homes. The solution would also take many years to complete. As **nbn** must rollout fast internet to poorly serviced communities as quickly as possible under the Statement of Expectations, issued by the Ministers for Communications and Finance, the best solution is to extend the long term satellite service to the West Coast.

**Satellite latency will not detract from the usability of many services** - The long term satellite service is designed to provide fast broadband in places that are not adequately serviced by fibre or fixed wireless

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<sup>1</sup> Services provided over the **nbn™** network will be replacing phone and internet services provided over most of the existing landline networks, including copper and the majority of HFC networks within the fixed line footprint. Services provided over existing fibre networks (including in-building, health and education networks) and some special and business services may not be affected. To find out if your services will be affected, please contact your current phone or internet provider. For more information, visit [www.nbnco.com.au/switchoff](http://www.nbnco.com.au/switchoff) or call 1800 687 626



infrastructure. As such, it enables the rapid rollout of access to fast broadband where other services may not be possible to deploy. The nature of satellite includes signal latency and capacity, which needs to be carefully managed to provide a high quality of service for all end users. Applications such as online games that depend on instantaneous responses can sometimes be affected on the satellite service, however, the ability to video-conference friends and family using services such as Skype, study courses online and visit doctors from home could all be possible with a connection to the **Sky Muster™** satellite service.

**The long term satellite service is designed to deliver consistent reliable speeds** – the **Sky Muster™** service has been planned over the past five years incorporating the latest advances in satellite telecommunications in order to meet the requirements under the *Wholesale Broadband Agreement*. nbn is aiming to achieve a network availability of 99.7% for the **Sky Muster™** service. The issue of rain fade is mainly pertinent to northern Australia, which is often affected by torrential, tropical rain, cyclonic and monsoon conditions. It is expected that the satellite service will operate within expected parameters on the West Coast.

Finally, let me take the opportunity to once again thank you for contacting **nbn**. We are always prepared to meet with local communities to discuss the best way of providing fast broadband. To that end, I understand that nbn's Community Affairs team recently provided additional briefing materials to the West Coast Council outlining the constraints around a fixed line provision to the region.

In addition, as Bill Morrow recently indicated in Senate Estimates, I would be most pleased to make it a priority to meet with Council and the community as the senior representative from **nbn** to help explain the benefits of the new satellite service and the plans to connect the West Coast to fast, reliable broadband as soon as possible.

Yours sincerely,

Peter Gurney  
General Manager – Community Affairs