

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Hearings February 2016

Communications Portfolio

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Question No: 117

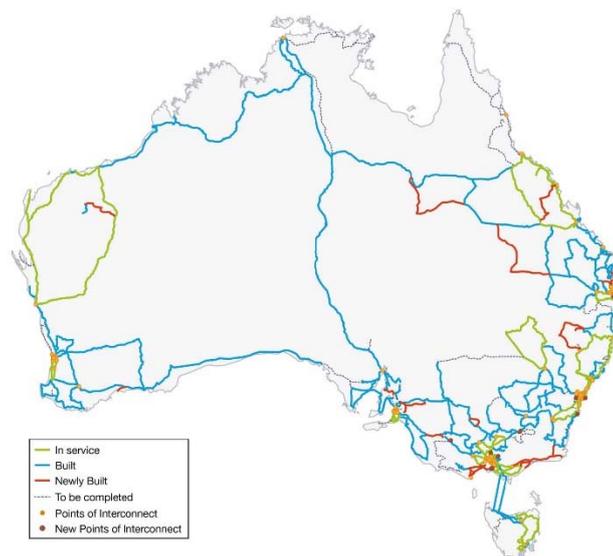
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Hansard Ref: Written, 22/2/2016

Topic: NBN - Tasmania

Senator Urquhart, Anne asked:

In March 2014, in its Half Yearly Results briefing, current NBN Co management indicated that a transit link from Launceston to the west coast of Tasmania was “to be completed”:



NBN Co also indicated in its answer to question on notice No. 126 (Supplementary Budget Estimates October 2015) that “preparatory exchange works were undertaken by Telstra in anticipation of fixed-line rollout for Queenstown, Rosebery, and Zeehan.”

On 1 December 2014, NBN Co issued its first national construction plan setting out construction work up to June 2016. This construction plan said that the towns of Queenstown, Rosebery and Zeehan would be served with fixed line technology. In its press release (entitled “NBN Co rolls out new national construction plan”), NBN made clear that this rollout plan “includes all technology in the Multi-Technology-Mix with the exception of HFC and the Long Term Satellite Service.”

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This plan provides an indicative view of scheduled construction work up to June 2016.

* Parts of the surrounding area to be included in the rollout.

State	Region/suburb/town	Estimated total number of premises	Technology
TAS	Queenstown	1,200	Multi-Technology Mix
TAS	Railton	700	Multi-Technology Mix
TAS	Richmond Tas	400	Multi-Technology Mix
TAS	Rosebery	600	Multi-Technology Mix
TAS	Rosebery	300	Wireless*
TAS	Scamander	500	Multi-Technology Mix
TAS	Scottsdale	400	Wireless*
TAS	South Launceston	6,800	Fibre to the Premises, Multi-Technology Mix
TAS	South Arm	700	Multi-Technology Mix
TAS	St Marys	400	Multi-Technology Mix
TAS	Swansea	800	Multi-Technology Mix
TAS	Swansea	600	Wireless*
TAS	Taroona	1,500	Multi-Technology Mix
TAS	Ulverstone	2,400	Multi-Technology Mix
TAS	Windermere	2,100	Multi-Technology Mix
TAS	Westbury	1,300	Multi-Technology Mix
TAS	Wynyard	1,800	Multi-Technology Mix
TAS	Zeehan	500	Multi-Technology Mix

On 1 April 2015, NBN Co issued an update to its national construction plan including scheduled construction work up to September 2016. This construction plan also made clear that the towns of Queenstown, Rosebery and Zeehan would be served with fixed line technology. In its media release (entitled “NBN Co updates national construction plan”), NBN Co made clear that “NBN Co’s rollout schedule includes all technology in the Multi-Technology-Mix with the exception of...the Long Term Satellite Service.”

This plan provides an indicative view of construction currently underway and scheduled construction work up to September 2016.

* Parts of the surrounding area to be included in the rollout.

State	Region/suburb/town	Estimated total number of premises	Proposed Technology
TAS	Queenstown	1,300	Multi-Technology Mix
TAS	Railton	900	Multi-Technology Mix
TAS	Railton	1,470	Wireless*
TAS	Richmond Tas	400	Multi-Technology Mix
TAS	Rosebery	600	Multi-Technology Mix
TAS	Rosebery	300	Wireless*
TAS	Scamander	500	Multi-Technology Mix
TAS	Scottsdale Telstra Excl	750	Wireless*
TAS	South Launceston	14,400	Fibre to the Premises, Multi-Technology Mix
TAS	South Arm	700	Multi-Technology Mix
TAS	Somerset	1,700	Fibre to the Premises
TAS	Swansea	700	Multi-Technology Mix
TAS	Swansea	760	Wireless*
TAS	Taroona	1,400	Multi-Technology Mix
TAS	Ulverstone	5,800	Multi-Technology Mix
TAS	Windermere	400	Multi-Technology Mix
TAS	Westbury	1,000	Multi-Technology Mix
TAS	Wynyard	2,500	Multi-Technology Mix
TAS	Zeehan	500	Multi-Technology Mix

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On 2 July 2015, NBN Co issued an update to its national construction plan including scheduled construction work up to December 2016. Queenstown, Rosebery and Zeehan vanished from the fixed line rollout schedule. In its rollout plan and media release (entitled “200,000 more homes added to nbn™ network rollout”), no explanation was given for why these towns had vanished from the rollout.

On 7 August 2015, an NBN Co answer to a question on notice (Number 107 from Budget Estimates Hearings May 2015) was submitted to the Estimates Committee, which indicated that Queenstown, Rosebery and Zeehan were now planned to be served with satellite:

Answer:

Place	Technology	Preliminary Design Planned Start	1st Serving Area Module (SAM) Forecast Ready for Service (RFS)
Ulverstone	FTTX	Q3 2015	Q1 2017
Penguin	FTTX	Q3 2015	Q1 2017
Sulphur Creek	FTTX	Q3 2015	Q1 2017
Heybridge	FW/Satellite	No planned dates at this stage, as a technology assessment is underway	
Queenstown	Satellite	No planned dates at this stage, as a technology assessment is underway	
Railton	FTTX	Q4 2015	Q2 2017
Rosebery	Satellite	No planned dates at this stage, as a technology assessment is underway	
Westbury	FTTX	Q2 2015	Q3 2016
Wynyard	FTTX	Q3 2015	Q2 2017
Zeehan	Satellite	No planned dates at this stage, as a technology assessment is underway	

However, shortly after this answer was distributed, it was withdrawn and replaced with an another NBN Co answer which attempted to hide that satellite was the access technology selected for Queenstown, Rosebery and Zeehan:

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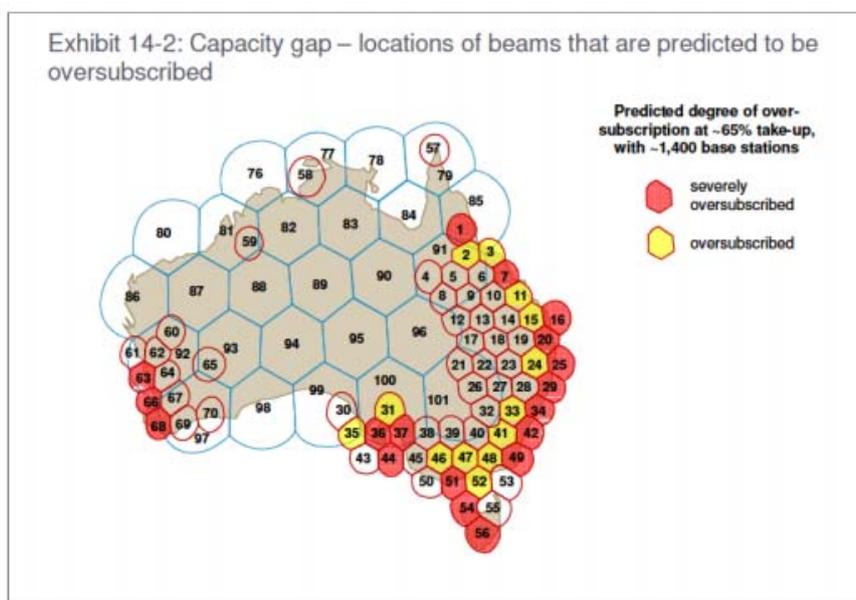
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Answer:

Place	Technology	Preliminary Design Planned Start	1st Serving Area Module (SAM) Forecast Ready for Service (RFS)
Ulverstone	FTTX	Q3 2015	Q1 2017
Penguin	FTTX	Q3 2015	Q1 2017
Sulphur Creek	FTTX	Q3 2015	Q1 2017
Heybridge	Planning still underway		
Queenstown	Planning still underway		
Railton	FTTX	Q4 2015	Q2 2017
Rosebery	Planning still underway		
Westbury	FTTX	Q2 2015	Q3 2016
Wynyard	FTTX	Q3 2015	Q2 2017
Zeehan	Planning still underway		

On 7 May 2014, NBN issued its Fixed Wireless & Satellite review, which (page 87) identified that the two satellite beams covering western Tasmania—54 and 56—were predicted to be “severely oversubscribed”:



NBN Co CEO Bill Morrow confirmed during the Supplementary Budget Estimates Hearings in October 2015 that Queenstown, Rosebery and Zeehan will be served with satellite because “the area only has one fibre path going out to it, and you need to have two for redundant based services.”

- (a) Is it correct that NBN Co will serve the towns of Queenstown, Rosebery and Zeehan with satellite because “the area only has one fibre path going out to it, and you need to have two for redundant based services”?

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- (b) Why did NBN Co include Queenstown, Rosebery and Zeehan in its national fixed line rollout plan in December 2014, and again in April 2015, and then withdraw it in July 2015?
- (c) Why did current NBN Co management take until mid-2015 to decide that it was not going to build, or lease, the second necessary “fibre path” to serve Queenstown, Rosebery and Zeehan with fixed line broadband?
- (d) Why did NBN Co fail to inform the residents of Queenstown, Rosebery and Zeehan that they were no longer on the fixed line rollout plan in July 2015?
- (e) Why did NBN Co sneakily withdraw its first answer to question on notice number 107 from Budget Estimates Hearings May 2015 and replace it with a non-answer that clearly attempted to hide the fact that these towns would be served with satellite instead of fixed line broadband?
- (f) Why hasn’t NBN Co been open and transparent with the residents of Queenstown, Rosebery and Zeehan as to the technology they will be served with?
- (g) In another answer to a question on notice (number 91 from October 2015 estimates), NBN Co refused to provide the Parliament with a list of towns that will be served by the satellite.
 - (i) Why is NBN Co being so secretive about the planned satellite footprint?
 - (ii) How many other towns in Australia have been moved from the fixed line footprint to the satellite?
 - (iii) Would NBN Co care to “revise” its answer to question on notice (Number 91 from October 2015 estimates)?
- (h) Why is NBN Co serving Queenstown, Rosebery and Zeehan with satellite, when NBN Co has already identified that the applicable satellite beams are predicted to be “severely oversubscribed”?
 - (i) What is the exact cost of the redundant fibre link required to serve the towns of Queenstown, Rosebery and Zeehan with a fixed line solution?
 - (ii) What is the approximate geographical location for the required redundant fibre link? From where to where?

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Answer:

- (a) nbn seeks to adopt a closed loop architecture that provides redundancy across Australia. This includes transit, local and distribution networks. Adopting the same principles on the West Coast of Tasmania would require an additional 170 kilometres of fibre cabling. The high cost for such a rollout did impact the decision for the West Coast of Tasmania to be served by satellite.
- (b) Detailed transit plans are prepared 12 months ahead of fixed line construction. In this case the planning commenced in April 2015 given Queenstown had a construction commence date of April 2016. The planning work undertaken indicated a high cost of delivering transit to west Tasmania as compared to satellite and nbn's internal change management process was followed to obtain approval to serve towns of Queenstown, Rosebery and Zeehan with satellite. The internal approval was obtained on 4 May 2015 and the plan was subsequently updated and released in July 2015.
- (c) See answer to (b) above
- (d) nbn endeavours to provide the most accurate and up to date advice as at a period in time. Rollout plans are guides, rather than to be taken as fact. Given the size and complexity of the rollout, in terms of premises and timeframes, some premises will move in and out of plans due to the nature of the rollout.
- (e) nbn was not attempting to hide information relating to the rollout. The updated plan was released in July 2015 and at this point in time in May 2015 rollout technologies for the West Coast were indeed under review.
- (f) nbn has been as transparent as possible with these communities, as information has come to hand. For example, the July 2015 rollout plan was made public only once nbn had a chance to do the full analysis on the West Coast. nbn has been in constant communication with the local council and has offered to meet on several occasions.
- (g)
 - (i) – (iii) As per the 2014 Fixed Wireless and Satellite Strategic Review, nbn is undertaking a piece of work to rollout more fixed wireless towers and more fixed line technology to deload stressed satellite beams. This piece of work has not been finalised. Once it is complete, nbn will be in a position to provide further information about the intended, longer term satellite footprint. nbn has released approximately 310,000 premises that we are 100% confident will be serviced by satellite. The balance between this number and the total of around 412,000 will be finalised in the coming months. nbn reserves the right to continue to evaluate all locations, and in following the government's instructions to complete the rollout as quickly as possible and at least cost to the taxpayer, may change technologies for a given location if it makes commercial sense to do so.
- (h) The forecast to be over-subscribed was an early planning document used to determine what fixed line and fixed wireless build would be needed to balance the demand across different

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access technologies. When the decision was made to serve Queenstown, Rosebery, and Zeehan with satellite, nbn already had a plan in place to increase the planned number of fixed wireless base stations under the satellite beam to avoid any oversubscription.

- (i) The exact costs of the redundant fibre link are dependent on a range of factors including topography of the terrain, costs of the fibre and labour to construct the link. An estimated range of this cost, as at March 2016 is between \$7,400,000 and \$11,500,000.
- (j) From Railton to Rosebery, Rosebery to Queenstown, and Rosebery to Zeehan.