

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Budget Estimates Hearings May 2016

Communications Portfolio

nbn

Question No: 15

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Topic: FTTN vs FTTP

Senator Urquhart, Anne asked:

Senator URQUHART: So there is work being done. Has nbn co done a cost-benefit analysis of fibre to the node versus fibre to the premises for the west coast?

Mr Morrow: There is a standard bit of analysis that the team does to look at what technology is best for an area. The criteria that go into that are the topology, the current infrastructure—the copper and the HFC network, for example—and the potential revenues behind those services that we could offer. All of that gets thrown into an economic calculation and, from that, we will determine what is the best technology for that area. I am certain that that analysis was done for Queenstown relative, initially, to fibre to the prem and fibre to the node, and, when they found that there was not adequate fibre feed into the area, that is when it reverted over to the satellite solution.

Senator URQUHART: So you understand that work has already been done?

Mr Morrow: I am sure at a high level analysis was done, yes.

Senator URQUHART: Are you able to get information to me about whether it was and what it is?

Mr Morrow: I do not see why we would not be able to tell you again the high-level look at the number that we use. That is more or less the model that we apply to so many different areas.

Senator URQUHART: Are these people who are staying up late at night and working behind the scenes for you able to send that to you this evening?

Mr Morrow: No. There is so much complexity involved in looking at every area. We have a very sophisticated system that looks at what we can gather from databases and what we can gather from the maps that are available—

Senator URQUHART: I misunderstood you, then, because I thought you said that it had already been done.

Mr Morrow: It is a model that is built that would look at what the initial look is. Again, I can tell you that, because there was no fibre fed into the area, I am sure the analysis stopped. We can give you an idea of what was done. The few people who are working late to help us with the answers would not have that detail.

Senator URQUHART: I will wait and see what happens in Queenstown.

Answer:

nbn considers a range of factors when determining what technology to roll out in an area including topography, construction costs, materials, operational expenditure, as well as the availability of current infrastructure. nbn has undertaken standard desk-top modelling for the towns of Zeehan, Rosebery and Queenstown and has estimated that Fibre-to-the-Premises (FTTP) would cost \$4,500,000 more than Fibre-to-the-Node (FTTN) in capital.