

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 235

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Opt-Out Provisions

Senator Birmingham asked:

Can you give a brief overview of how NBN Co believes that the opt-out provisions will operate in Tasmania?

Answer:

NBN Co's understanding of these provisions is that NBN Co must provide 28 days notice to affected residents that it intends to install fibre build drops as part of the construction of the network. This may include owners of adjoining land if the build drop needs to cross their land.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 236

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Opt-Out Provisions

Senator Birmingham asked:

What level of input did NBN Co have into the drafting of the Tasmanian opt-out provisions? Is this your preferred model?

Answer:

NBN Co was asked to respond to some questions from the Department of Premier and Cabinet in Tasmania in October 2010 which it did.

NBN Co will continue to engage proactively with all Governments, councils, communities and individual residents to ensure a smooth roll-out.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 237

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Opt-Out Provisions

Senator Birmingham asked:

Do you envisage that the Tasmanian model will be the model used in the mainland states with regards to implementing opt-out provisions?

Answer:

Mainland states would need to enact their own appropriate opt-out legislation but this will be a matter for individual state and territory governments. NBN Co will continue to engage proactively with all governments, councils, communities and individual residents to ensure a smooth rollout.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 238

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Opt-Out Provisions

Senator Birmingham asked:

In Tasmania, who has the responsibility of giving notice to residents that an NBN connection will be installed? Will it be NBN Co or the contractors installing the cable?

Answer:

NBN Co.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 239

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Opt-Out Provisions

Senator Birmingham asked:

Will the owner(s) of the premises be required to be present when the installer is installing the cable?

Answer:

Tasmanian law requires that before a drop cable is installed, or any related work is carried out under the opt out regime NBN Co has to also give the occupier, and the occupiers of any affected adjoining land, at least 10 business days written notice of the date and approximate time of the work, and the type of work.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 240

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Opt-Out Provisions

Senator Birmingham asked:

Who will be liable for any damage or loss of property as a result of NBN installers accessing the property of residents?

Answer:

Under Tasmanian law, NBN Co has to fix any damage as soon as practicable; or pay compensation. Additionally, NBN Co has included provisions in the Construction Contracts so that if a Contractor or the Contractor's Associates cause any damage to any property of any third party, the Contractor will be required to promptly rectify the damage caused and pay any compensation which the law requires the Contractor to pay.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 241

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Opt-Out Provisions

Senator Birmingham asked:

How many homes across Australia does NBN Co believe will opt-out of having the NBN installed? Was this figure incorporated into the modelling used for NBN Co's business case?

Answer:

NBN Co's business case model forecasts a penetration rate, not an opt-out or opt-in rate.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 242

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Opt-Out Provisions

Senator Birmingham asked:

What is the average cost to NBN Co of installing cable at each premise?

Answer:

The cost to NBN Co of installing cable at each premises varies widely depending on the technologies and the locations. An average cost per premises is therefore not indicative of the cost of each technology. Also, capital expenditure reflects a build/lease trade-off which is not taken into account in a simple division of Capex/Premises connected. As such, it would be misleading to estimate an average cost.

This information is commercially sensitive given NBN Co's current procurement process and schedule.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 243

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Opt-Out Provisions

Senator Birmingham asked:

The NBN business case assumes that 12.4 per cent of premises will not connect to the NBN, and a further 16.3 per cent of premises will be wireless only by 2025. What proportion of unconnected and wireless only homes will have the NBN cable installed under opt-out provisions?

Answer:

NBN Co's business case forecasts the rate of uptake in the context of migration from copper-based services to the NBN services (fibre, fixed wireless and satellite) not on the basis of opt-out/opt-in rules.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 244

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Opt-Out Provisions

Senator Birmingham asked:

Have any other states indicated an intention to pursue an opt-out approach to NBN Co or has NBN Co asked any other states to consider opt-out arrangements? If so, please detail which state(s) and what arrangements have been discussed?

Answer:

NBN Co has not approached or actively pursued an opt-out approach with state or territory governments.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 245

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Cherry Picking

Senator Birmingham asked:

NBN Co's business case states that "new fibre networks built after 1 January 2011 for residential and small business purposes will need to be Layer 2, wholesale only and open access". This is to prevent cherry picking. Were the financial conclusions drawn in the business case dependent upon cherry picking being prevented after 1 January 2011?

Answer:

NBN Co's business case assumes effective regulatory protection to prevent opportunistic cherry-picking.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 246

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Cherry Picking

Senator Birmingham asked:

Is the statement in the business case that NBN Co will not be able to compete effectively with cherry pickers who focus on commercially attractive areas, an admission that the NBN will not be commercially viable unless it operates as a monopoly?

Answer:

The commercial outcomes of the project would be affected if effective regulatory protection were not in place to prevent market participants entering the fibre to the premises market and cherry picking the most commercially attractive areas ahead of the NBN build, given the requirement for NBN Co to serve all premises across the nation, regardless of their commercial attractiveness.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 247

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Community consultations and advertising

Senator Birmingham asked:

Is there any intention of the NBN to conduct an advertising campaign beyond the community consultation programs?

Answer:

As announced by the Minister last year, at the time the new fibre optic network is rolled out by NBN Co Limited, the company (in conjunction with the industry and in consultation with the Commonwealth) will fund and undertake a public information and education campaign. The campaign will inform telecommunication users about the imminent migration of services from the copper-based infrastructure to the fibre optic infrastructure.

The campaign will provide information concerning the timing for provision of new services, the nature of the services, the action that the consumer will need to take, the extent to which existing equipment is reusable, together with the responsibilities of the respective parties (that is, NBN Co Limited, the retail service provider and the consumer) in implementing migration to the new infrastructure. It will include the provision of access by consumers to call centres and web sites.

The campaign, which will be developed in consultation with Telstra as the existing infrastructure provider and the wider industry, will commence prior to commencement of rollout and continue until completion of migration in relevant areas.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 248

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Community consultations and advertising

Senator Birmingham asked:

If so, what is the budget?

Answer:

At this point in time a budget has not been determined.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 249

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Community consultations and advertising

Senator Birmingham asked:

Given that the NBN is a wholesale provider and is forbidden to participate in the retail market, what is the purpose of this advertising?

Answer:

Refer answer to Question No. 247.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 250

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Community consultations and advertising

Senator Birmingham asked:

Can NBN Co detail the number of community consultations it has held so far during the NBN rollout – and the locations of each consultation session?

Answer:

NBN Co has conducted information sessions in each of the five first release sites on the Australian mainland and the three pre-release sites in Tasmania. The information sessions were held at the following locations:

Midway Point, TAS: Wednesday 10 March 2010 - Midway Point Community Hall.

Scottsdale, TAS: Wednesday 14 April 2010 - Kendall's Hotel Motel, function room, Scottsdale.

Smithton, TAS: Thursday 15 April 2010 - Tall Timbers Hotel, Brittons Function Centre, Smithton.

Armidale, NSW: Saturday 22 May 2010 – Armidale Town Hall, Armidale.

Willunga, SA: Saturday 22 May 2010 – Willunga Farmers Market, Willunga Town Square.

Brunswick, VIC: Saturday 29 May 2010 – The Brosnan Centre, Brunswick.

Kiama Downs & Minnamurra, NSW: Saturday 29 May 2010 – North Kiama Neighbourhood Centre, Kiama Downs.

Townsville, QLD: Saturday 29 May 2010 – Aitkenvale Library, Aitkenvale.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: REVISED 250

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Community consultations and advertising

Senator Birmingham asked:

Can NBN Co detail the number of community consultations it has held so far during the NBN rollout – and the locations of each consultation session?

Answer:

NBN Co holds community information sessions in proposed rollout areas ahead of construction commencing and also conducts radio interviews, letterbox drops and newspaper advertisements. During the build, construction consultation managers are also in the area to discuss issues with residents.

As part of the construction in each of the five first release sites on the mainland, the three pre-release sites in Tasmania and to-date in the Stage Two communities in Tasmania, NBN Co has conducted the following information sessions:

Tasmania

Midway Point, TAS: Wednesday 10 March 2010 - Midway Point Community Hall.

Scottsdale, TAS: Wednesday 14 April 2010 - Kendall's Hotel Motel, function room, Scottsdale.

Smithton, TAS: Thursday 15 April 2010 - Tall Timbers Hotel, Brittons Function Centre, Smithton.

Triabunna, TAS: Recreation Hall, 14 May 2011.

Sorell, TAS: Sunday Markets, 15 May 2011.

Mainland

Armidale, NSW: Saturday 22 May 2010 – Armidale Town Hall, Armidale.

Willunga, SA: Saturday 22 May 2010 – Willunga Farmers Market, Willunga Town Square.

Brunswick, VIC: Saturday 29 May 2010 – The Brosnan Centre, Brunswick.

Kiama Downs & Minnamurra, NSW: Saturday 29 May 2010 – North Kiama Neighbourhood Centre, Kiama Downs.

Townsville, QLD: Saturday 29 May 2010 – Aitkenvale Library, Aitkenvale.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 251

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Community consultations and advertising

Senator Birmingham asked:

How are the community consultations advertised?

Answer:

Community consultations are advertised by direct mail-outs to residents and advertisements in local newspapers and other print media.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 252

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Community consultations and advertising

Senator Birmingham asked:

Please provide a list of the number of residents who attended each community consultation session undertaken by NBN Co?

Answer:

The NBN Co information sessions were well attended with more than 1,400 residents in attendance across all of the sessions. The number of attendees for each of the information sessions (approximate only) were:

Midway Point, TAS: 87

Scottsdale, TAS: 117

Smithton, TAS: 105

Triabunna, TAS: 140

Sorell, TAS: 200

Armidale, NSW: 134

Willunga, SA: 110

Brunswick, VIC: 130

Kiama Downs & Minnamurra, NSW: 180

Townsville, QLD: 200

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 253

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Community consultations and advertising

Senator Birmingham asked:

How much does it cost NBN Co to undertake a community consultation session?

Answer:

Costs vary significantly depending on where we are holding a session, whether we are required to hire a space and other such determinants. Session costs are determined by the price of hiring a venue (Hall, space in library etc) where applicable, printing collateral and miscellaneous items. We also advertise each community session in local papers. Most collateral (information about NBN Co, banners etc) is developed and printed in bulk and used across all sites. Other materials such as maps are printed in-house for the most part.

NBN Co is still developing its community relations model, and is giving particular attention to the Government's requirements to conduct a migration information campaign.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 254

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Community consultations and advertising

Senator Birmingham asked:

Does NBN Co have a separate budget to hold community consultations? If so, what is this budget?

Answer:

There is no separate budget for community consultations. This activity is a necessary and normal part of any communications network rollout and therefore is embedded in the overall construction and rollout budget.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 255

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Funding for data centres

Senator Birmingham asked:

Can NBN Co itemise the data centre facilities and related equipment it is purchasing from the company Cisco for \$9.5 million?

Answer:

The first Data Centre purchase from Cisco comprised the following components:

- Implementation (discovery, design, implement, go-live support).
- Hardware (compute, network, security, storage).
- Software.
- Three year hardware and software support.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 256

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Funding for data centres

Senator Birmingham asked:

What is NBN Co's budget to lease data storage facilities?

Answer:

NBN Co's Budget for lease of such facilities is commercially sensitive information which is not publicly available.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 257

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Funding for data centres

Senator Birmingham asked:

Given the length of the NBN project, has NBN Co considered if it would be more cost-effective to purchase data storage facilities rather than to lease them? Would this have an impact upon the rate of return estimated in the business plan?

Answer:

A ten year cost model was constructed in early 2010 considering the various options (build, joint venture, lease existing DC, lease existing building and retrofit, collocation, and full outsource to a managed service provider). The various options were considered in terms of cost, risk, flexibility and speed of deployment. The lease option was significantly less expensive over the time period along with lower risk of implementation delays which would have had a follow on impact on support system rollouts. The build option had a significant upfront and ongoing cost and the time to implement would have been around two years which would not have met business needs. The NBN Co requirements were not at a volume that made the building of a Data Centre cost effective.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 258

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Funding for data centres

Senator Birmingham asked:

Given that the NBN Co project is expected to be rolled out over a 9.5 year period, and that the network will be operational for the foreseeable future, why has NBN Co only signed agreements to lease data storage facilities for three and five years respectively?

Answer:

Both Data Centre agreements provide the ability to extend beyond the five year period. With Data Centre space in both facilities limited it is not certain that they will meet NBN Co's long term needs. It is anticipated that more data centres will be built in the coming years that may better suit NBN Co power and space requirements.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 259

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Funding for data centres

Senator Birmingham asked:

How many data storage sites around Australia does NBN Co believe it will need when the network is completely rolled out?

Answer:

Currently two key Data Centres are planned to support processing and disaster recovery needs.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 260

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Funding for data centres

Senator Birmingham asked:

Will any of these data storage facilities be located in regional or rural areas?

Answer:

At present there are no suitable Data Centre facilities in regional or rural areas. If this changes or strategy moves to a build rather than a lease direction then the possibility could be investigated.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 261

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Advertisement for media adviser

Senator Birmingham asked:

NBN Co is currently recruiting for a Media Manager. The job description states that the successful applicant must be able to cope with ambiguity. Can NBN Co please explain why their media staff are required to cope with ambiguity?

Answer:

Ambiguity exists because NBN Co operates in an industry which is going through significant structural change.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 262

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Advertisement for media adviser

Senator Birmingham asked:

What aspects of the NBN roll out are ambiguous in NBN Co's opinion?

Answer:

Refer answer to Question 261.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 263

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Advertisement for media adviser

Senator Birmingham asked:

The advertisement for a Media Manager currently appearing on recruitment websites has multiple spelling and grammatical errors. Who within NBN Co is in charge of writing such advertisements?

Answer:

NBN Co's recruitment team in consultation with line areas.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 264

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Pricing

Senator Birmingham asked:

What assessments have NBN Co undertaken as to how projected retail costs will compare with other similar products *that are currently in* the market?

Answer:

A comparison of NBN Co's product set with wholesale broadband products currently in the market is provided in the company's Corporate Plan 2011-2013 at pages 104-106.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 265

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Pricing

Senator Birmingham asked:

What assessments have NBN undertaken at to how projected retails cost will compare with other similar products *that will be in market*, once NBN Co starts offering its products, particularly in relation to wireless products?

Answer:

A comparison of NBN Co's product set with wholesale broadband products currently in the market is provided in the company's Corporate Plan 2011-2013 at pages 104-106.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 266

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Pricing

Senator Birmingham asked:

Please explain NBN Co's take up projections with respect to its basic product, and explain the assumptions with respect to the price of NBN Co's basic product that underpins those assumptions. Explain any sensitivity analysis that has been undertaken.

Answer:

NBN Co's publicly released Corporate Plan 2011-2013, Sections 8 to 10 provide an explanation of the company's current forecasts and assumptions about its pricing, revenue and overall financial forecasts and relevant sensitivity analyses.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 267

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Pricing

Senator Birmingham asked:

NBN Co has stated that its basic offering will not reduce in price in real terms. Please explain more fully the projections that NBN Co has undertaken as to how its basic offering will increase over time.

Answer:

In his press release dated 20 December 2010 announcing the release of the company's Corporate Plan 2011-2013, Mike Quigley, CEO of NBN Co stated:

“All prices for specific individual wholesale products fall in real and nominal terms over time.”

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 268

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Pricing

Senator Birmingham asked:

Please explain the relationship between projected price increases over time for the basic product, and take up.

Answer:

Pricing tiers will be only one of the factors influencing take-up of the NBN products. There are a number of inter related factors including price, average speed and data usage per customer. NBN Co's assumptions about these factors are described in more detail in Section 9 of its Corporate Plan 2011-2013.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 269

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Take-up

Senator Birmingham asked:

What analysis has been undertaken with respect to take-up for NBN Co's basic broadband services specifically in lower socio-demographic areas?

Answer:

NBN Co's analysis of take-up has been based more upon geographic areas not socio-demographic trends. The latter is, however, inherent in the company's modelling of overall population take-up rates based on both domestic and international research data.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 270

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Take-up

Senator Birmingham asked:

What analysis has been undertaken with respect to take-up for NBN Co's basic broadband services in rural and regional Australia?

Answer:

Analysis was undertaken of existing broadband services in rural and regional areas and penetration in different geographical types. This analysis assisted in arriving at the take-up rates of NBN Co's product offerings outlined in the Corporate Plan.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 271

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Procurement

Senator Birmingham asked:

Who has NBN Co chosen to supply its network architecture and related technology product sets?

Answer:

NBN Co has announced the following suppliers of its network architecture and related technology product sets:

1. Gigabit Passive Optical Network (GPON) and Ethernet Aggregation equipment – Alcatel Lucent (initial supplier) - refer NBN Co Press Release of 24 June 2010.
2. Optical Transmission Equipment – Nokia Siemens Networks - refer NBN Co Press Release of 28 October 2010.
3. IT Data Centre Platforms – Cisco – refer NBN Co Press Release of 16 November 2010.
4. Passive Network Hardware – Warren and Brown Technologies (Optical Distribution Frames and racks), Corning (fibre optic cable and other equipment), Prysmian (fibre optic cabling) – refer NBN Co Press Release of 17 January 2011.
5. Prime Systems Integrator – OSS/BSS – refer NBN Co Press Release of 29 March 2011.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 272

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Procurement

Senator Birmingham asked:

Explain the processes by which this supplier/these suppliers were chosen.

Answer:

The selection of suppliers for NBN Co's network architecture and related products followed extensive procurement processes which consisted of Requests for Capability, Requests for Proposals and detailed tender evaluation processes. Evaluation Committees presented their findings to the Executive Management team and the Board for final decision prior to any announcements.

Further information on the procurement processes and strategy of the company can be found at pages 57-59 of the NBN Co Corporate Plan 2011-2013.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 273

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Procurement

Senator Birmingham asked:

Explain the fibre technology that NBN Co has chosen.

Answer:

The fibre technology platform that NBN Co has chosen for the 93 per cent fibre to the premise (FTTP) coverage is a Gigabit Passive Optical Network (GPON) technology with some limited point-to-point capability for business users.

For further details of the wholesale fibre bitstream product being offered, please refer to the following NBN Co publications located on its internet site:

- *NBN Co Fibre Access Service – Product Technical Specification, Version 2.0* – December 2010; and
- *NBN Co Product and Pricing Overview for Access Seekers* - December 2010.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 274

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Procurement

Senator Birmingham asked:

Explain the market testing process that has been undertaken with respect to (a) value for money, (b) innovation and (c) best practice.

Answer:

Refer answer to Question 272. The evaluation criteria used in the analysis of each tender proposal includes specific criteria covering (a) to (c).

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 275

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Procurement

Senator Birmingham asked:

Has NBN Co gone to market to test the full range of fibre deployment methods that are available?

Answer:

Yes. NBN Co went to the market in Australia and overseas seeking Request for Proposal Tender A009 Passive Network Hardware. The responses included a wide range of possible solutions. A significant selection criterion was evidence of the use of the proposed solution in volume in other similar deployments around the world.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 276

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Procurement

Senator Birmingham asked:

Has NBN Co gone to market to test deployment methods such as blown fibre, micro ducting and micro trenching?

Answer:

Yes.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2011
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 277

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Procurement

Senator Birmingham asked:

In the early release sites, is it the case that construction methods are being assessed for Corning product sets only – and not alternative technologies or deployment methodologies? If so, why not?

Answer:

The early release sites are testing a range of construction methods and are not specifically focussed on the deployment characteristics of Corning products.