Question No: 319

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Telstra Heads of Agreement

Senator Fisher asked:

What percentage of Telstra infrastructure is fit-for-use?

Answer:

The details of the commercial negotiations with Telstra are confidential between the parties and for legal reasons cannot be disclosed.

Question No: 320

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Telstra Heads of Agreement

Senator Fisher asked:

What analysis has NBN done to make sure the deal is value for money? Can the Senate be provided with access to that analysis?

Answer:

The details of the commercial negotiations with Telstra are confidential between the parties and for legal reasons cannot be disclosed.

Question No: 321

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Telstra Heads of Agreement

Senator Fisher asked:

Has the NBN Co prepared any contingency plans to put in place in the event that Telstra shareholders vote against separation?

Answer:

NBN Co has modelled alternative scenarios to a Telstra Deal but such details are commercially sensitive and cannot be released.

Question No: 322

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Co Business Case

Senator Fisher asked:

What is the estimated cost of the NBN Co signing a deal with Optus to transfer their HFC customers on to the NBN network? Will that be factored into the cost of the NBN as an operational cost?

Answer:

The details of any such modelling are commercially sensitive and cannot be disclosed. If any deal with Optus were to be executed then any associated revenues as well as expenditures will be factored into the business model and flow through into NBN Co's Corporate Plan.

Question No: 323

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Co Business Case

Senator Fisher asked:

Given that the Government has instructed the NBN to prioritise rural and regional areas, will that mean the NBN Co's ability to recoup the operational costs will be reduced, given that Optus's HFC customers are located in high density metropolitan areas?

Answer:

NBN Co's mandate from the Government is for a national rollout.

Question No: 324

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Status of NBN Rollout

Senator Fisher asked:

Can the NBN Co provide an update regarding progress of the rollout at each of the first-release sites in Tasmania and on the mainland?

Answer:

The first three Tasmanian sites are completed and operational – people are able to order services through retail service providers (RSPs).

On the mainland, the first release sites are all nearing passive (construction) completion or have been completed. NBN Co will be testing active services in completed sites and moving to the provision of active services through RSPs in the near term.

Question No: 325

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Status of NBN Rollout

Senator Fisher asked:

Can the NBN Co please provide the planned programme for the rollout in each first release site, including information regarding whether NBN Co met each milestone by the expected time?

Answer:

First Release Sites were set-up to, inter alia, to validate NBN Co's construction and operations methodologies and to establish learnings to set key milestones and rollout parameters for volume rollout commencing in 2012.

NBN Co's Corporate Plan (refer page 20) set an objective of April 2011 to commence an End-User Trial and to connect at least one mainland based Retail Service Provider (RSP) with up to 400 trial End-Users. Consistent with this target, on 8 April, the company announced that 12 RSPs had signed an agreement with NBN Co to deliver services over the new network as part of upcoming end-user trials across the five first release sites on the Australian mainland. Four of these RSPs (iiNet, Internode, iPrimus and Telstra) have already been through the 'on-boarding' process and are now NBN-ready. NBN Co considers it is on track for the September 2011 commencement of commercial super-fast broadband services with these RSPs ready to connect customers to the new network for trials on mainland Australia.

Question No: 326

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Status of NBN Rollout

Senator Fisher asked:

How many actual installations in each area have occurred? What is the progress of installations in each area?

Answer:

In line with our Corporate Plan target (refer page 20), NBN Co commenced connecting end users in Armidale First Release Site on 18 April 2011 as the start of an End-User Trial on the mainland. Four Retail Service Providers (RSPs) have already completed the certification process: iiNet, Internode, iPrimus and Telstra.

Armidale residents are progressively being connected to the network as part of the customer trials and they now join those already connected to the network in Tasmania, where the three remote communities of Midway Point, Smithton and Scottsdale were brought online in August 2010.

The other mainland First Release Sites - Kiama/Minnamurra Downs (NSW); Townsville (Qld); Willunga (SA) and Brunswick (Vic) – will be connected when they begin customer testing in the coming months.

Question No: 327

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Status of NBN Rollout

Senator Fisher asked:

For those areas where retail services are now available, what is the number of households and businesses that have signed up to an NBN connection plan with an ISP?

Answer:

As at 6 May 2011, there were 723 retail services provided on the NBN in the three Stage One communities (Smithton, Scottsdale and Midway Point) in Tasmania. These services cover 594 premises defined as households, businesses and institutions (schools etc).

There are currently eight households connected in Armidale as part of a 'trial' service.

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Broadband, Communications and the Digital Economy Portfolio NBN Co Limited

Question No: 328

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Status of NBN Rollout

Senator Fisher asked:

Can the NBN Co detail each current retail service available over the NBN in its first release sites and the cost and data inclusion of each plan?

Answer:

NBN Co is tasked with providing a "wholesale—only" service. However, based upon the wholesale products ordered in Tasmania, we understand the following retail services are being provided in Tasmania First Release Sites as at 6 May 2011:

Quantity	Description of Service
187	100/40 Mbps ethernet bitstream
312	25/5 Mbps Ethernet bitstream
85	50/20 Mbps ethernet bitstream
3	Transparent LAN Service 100/40
15	Voice Only Service
121	Voice with BB Service

Cost and data inclusion are matters for the retail service providers.

Question No: 329

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Status of NBN Rollout

Senator Fisher asked:

Can the NBN Co detail how many customers in Tasmania have signed up to the highest download speed plans available?

Answer:

As at 6 May 2011, there were 187 services provided by Retail Service Providers using the highest download speed product available of 100/40 Mbps. This represented nearly 26 per cent of all services provided at that date. If take-up of the 50/20 Mbps product is added to these services, total use of these top speed products accounted for 273 services provided representing nearly 38 per cent of all services.

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Broadband, Communications and the Digital Economy Portfolio NBN Co Limited

Question No: 330

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Status of NBN Rollout

Senator Fisher asked:

Has NBN Co implemented any measures to monitor the speeds provided to the end-user for premises connected to the NBN to ensure that the user is receiving the speeds promised by the Government?

Answer:

"Super-fast" broadband – with speeds in excess of 25 Mbps – is still an emerging service offering in Australia. The National Broadband Network (NBN) will introduce significantly higher speeds of Internet connection to Australian residential end users.

With the advent of these new service offering capabilities, many end-users test what speeds they are receiving using publicly available speed tests which do not actually indicate what the NBN itself is providing. Equally, there are other factors which may have an influence on the speed an end-user is achieving relative to what they have ordered such as:

- The end-users own PC hardware and the settings within it.
- The ability of their existing wireless router to handle the speeds now available.
- The location and latency of the server the end user is testing to as well as the server's own performance capabilities.
- Non-NBN Co network congestion (backhaul etc).

As a result of these factors, NBN Co is working closely with the Retail Service Providers (RSPs) to ensure they are assisting in the education process with end users to maximise their utilisation of the speeds they have ordered, including ensuring the servers used for end users' own testing are suitable.

Additionally, NBN Co is in the process of enabling the technology which will be able to definitively represent the NBN networks performance – through the establishment of an NBN Co speed test and performance monitoring solution. This also will include working with the RSPs on end-user communications to provide a list of compatible, local and suitable speed test sites.

NBN Co will also monitor network performance outside the NBN itself (backhaul) and advise RSPs if there are issues they should be dealing with in order to ensure end users expectations are being met.

Question No: 331

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Status of NBN Rollout

Senator Fisher asked:

What has been the performance of customers purchasing the 100mbp – has it been provided, etc

Answer:

The NBN network has been operating at the performance speeds required by its Access Seekers.

Question No: 332

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Status of NBN Rollout

Senator Fisher asked:

The second release sites in Tasmania are scheduled to start in early 2011. Does NBN Co now have a date for when the rollout in those sites will commence? What dates are scheduled for the rollout to reach completion in those sites?

Answer:

Network rollout in the next sites in Tasmania was announced on 28 April 2011 including details of construction and estimated completion times. More details can be found on NBN Tasmania's website www.nbntasmania.com.au.

Question No: 333

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation contractors and Budget

Senator Fisher asked:

Can you explain the process for selecting contractors to install the NBN in the release sites across Australia?

Answer:

Contractors for the five First Release Sites (FRS) were selected through an RFP for design services in February 2010 followed by an RFP for construction in May 2010. The successful tenderers for construction of the five FRS were announced on 14 July 2010.

In late March 2010, NBN Co announced a Request for Capability (RCS) for the design and construction of the fibre access network across Australia. This was the first stage in a process to identify capable construction partners for the longer term. A subsequent tender process was commenced in August 2010 to identify capable contractors for the design and construction of the Second Release sites and volume roll-out.

On 1 April 2011, NBN Co announced that it had indefinitely suspended the design and construction tender because construction companies were unable to provide acceptable terms and prices following lengthy negotiations. The company is now progressing a different approach which will take into account recent supply chain arrangements, volume certainty, continuous improvement and involve a national footprint.

Question No: 334

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation contractors and Budget

Senator Fisher asked:

Have contractors been chosen to install the NBN in the second release mainland sites at this stage? If not, when will this occur?

Answer:

No contractors have as yet been announced for the construction of second release sites on the mainland. As announced in NBN Co's media release of 1 April 2011, the company has indefinitely suspended its network construction tender after construction companies were unable to provide acceptable terms and prices following negotiations as part of the tender arrangements. The company is now progressing a different approach to its construction requirements.

Question No: 335

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation contractors and Budget

Senator Fisher asked:

It has been reported that NBN Co has divided the country into 16 areas – each to be awarded to a different contractor. Can you please list where these 16 areas are?

Answer:

The 16 construction regions were northern and southern Tasmania, northern and southern Western Australia, Victoria, Northern Territory, northern and southern New South Wales, South Australia, northern and southern Queensland, and metropolitan Brisbane, Sydney, Adelaide, Melbourne and Perth.

Question No: 336

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation contractors and Budget

Senator Fisher asked:

How does the Department/NBN Co allocate the budget for each release site – will it be split between the 16 areas, or allocated to each site?

Answer:

NBN Co is responsible for the construction budget not the Department of Broadband, Communications and the Digital Economy. There is no separate Budget for each release site.

Question No: 337

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation contractors and Budget

Senator Fisher asked:

Were these 16 sites decided when NBN Co selected the five mainland first release sites? And are the contractors who have been awarded the installation in the first release sites on the mainland been awarded additional areas to install?

Answer:

The five mainland First Release Sites were decided prior to the 16 regions being determined. NBN Co's construction model has now changed following the company's announcement on 1 April 2011 to suspend the network construction tender.

Question No: 338

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation contractors and Budget

Senator Fisher asked:

Regarding the Tasmanian first release sites, what were the average budget and the cost for installing the NBN in each house? Did the rollout come within this budget?

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.

The build budget set for the first three towns was \$30.6 million which combined all of the build elements as one budget including some initial elements of Stage Two. These elements include the construction of the network itself, the establishment of the Points of Interconnect (POI) and Fibre Access Network (FAN), build drops to consented premises and the actual activation of the first 500 premises with live services on the NBN. In summary, the costs of backhaul and establishment of POIs will serve many more end users than just Stage One customers.

The first three towns were an operational trial enabling NBN Tasmania and NBN Co to gather a range of learnings to be used in later builds of the NBN throughout Australia.

Question No: 339

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation contractors and Budget

Senator Fisher asked:

Is there a contingency budget allocated for each area? Has this been the case in Tasmania?

Answer:

There is no contingency budget allocated for each area nor has this applied in the case in Tasmania.

Question No: 340

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation contractors and Budget

Senator Fisher asked:

If there was a contingency budget for the rollout in Tasmania, was NBN Co required to use any additional funds?

Answer:

Refer to answer to Question 339.

Question No: 341

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation contractors and Budget

Senator Fisher asked:

What are the contractor's obligations in relation to natural disasters? Who bares the risk – the contractors or the Commonwealth?

Answer:

In most instances, 'natural disaster' is captured by the common legal clause, force majeure. This generally absolves both parties of the liability or obligation under the contract. This essentially shares the risk between the parties.

Question No: 342

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation in Kiama

Senator Fisher asked:

Whose decision is it to decide where the optic fibre cables are installed? Is it NBN Co's decision or is it the contractors?

Answer:

NBN Co is responsible for the overall design of the network - based on the best use of existing infrastructure, either on existing power poles or via underground conduit.

Question No: 343

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation in Kiama

Senator Fisher asked:

What level of oversight is NBN Co providing to the installation contractors to ensure that the fibre optic cable is installed correctly and in the most efficient manner?

Answer:

The NBN Co Construction Manager and the NBN Co Quality Assurance (QA) Manager, both at the Kiama construction site for the duration of works, ensure oversight of all contractor installation works. Oversight is further provided by the National Construction Management Team.

Question No: 344

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation in Kiama

Senator Fisher asked:

How many metres of underground conduits were laid in the Kiama rollout site?

Answer:

Approximately 28,000 metres of underground conduit have been installed in Kiama.

Question No: 345

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation in Kiama

Senator Fisher asked:

Can NBN Co confirm that underground conduits were laid in Kiama and then not used for the installation of fibre optic cables, which were installed on overhead powerlines instead?

Answer:

The underground conduits laid in Kiama have all been used for the installation of fibre optic cable.

Question No: 346

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation in Kiama

Senator Fisher asked:

How many meters of underground conduits in Kiama have been installed and will not be used?

Answer:

Refer to answer to Question 345.

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Question No: 347

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation in Kiama

Senator Fisher asked:

What was the cost of installing the unused underground conduits in Kiama?

Answer:

Refer to answer to Question 345.

Question No: 348

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation in Kiama

Senator Fisher asked:

How much money was wasted by the decision to build the underground conduits and then not install fibre?

Answer:

Refer answer to Question 345.

Question No: 349

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation in Kiama

Senator Fisher asked:

If this was the mistake of the contractor, who is liable to meet the costs of installing the conduits – BNP Telecommunications or NBN Co?

Answer:

Refer to answer to Question 345.

Question No: 350

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation in Kiama

Senator Fisher asked:

Has this occurred in any other of the first release sites?

Answer:

Underground conduits have not been installed and not used in any first release sites.

Question No: 351

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Installation in Kiama

Senator Fisher asked:

Can NBN Co/the Department guarantee that this will not happen in any other of the rollout sites across Australia?

Answer:

There has been no occurrence of an installation of unused conduit. NBN has implemented a quality management framework which forms the basis of ensuring acceptable quality for the full scale national rollout elements of the network – refer page 81 of the NBN Co Corporate Plan 2011-2013.

Question No: 352

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Townsville Rollout and Ergon Contract

Senator Fisher asked:

What is the current expected date for rollout completion in Townsville?

Answer:

The Townsville first release site is in its final stages and is expected to be completed by the end of July 2011, including Operations Testing.

Question No: 353

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Townsville Rollout and Ergon Contract

Senator Fisher asked:

Does NBN Co/the Department take into account weather forecasts and the chance for natural disasters and adverse weather when determining the dates for rolling out the NBN in particular areas?

Answer:

In its planning NBN Co takes into account the propensity for impacts upon construction caused by relevant climate and seasonal conditions, however it is not possible to meaningfully plan for the occurrence of natural disasters.

Question No: 354

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Townsville Rollout and Ergon Contract

Senator Fisher asked:

Is it still NBN Co's assessment that the impact of Cyclone Yasi will not force a revision of the timetable for completion in Townsville?

Answer:

The cyclone caused a revision to expected completion of approximately four weeks.

Question No: 355

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Townsville Rollout and Ergon Contract

Senator Fisher asked:

NBN Co reported in the days after the Cyclone (4 Feb) that "falling trees have caused significant damage to many of the power poles on which NBN Co's fibre optic cables were situated." Can you outline the extent of the damage to power poles in Townsville?

Answer:

In terms of the NBN Co network, three fibre optic cables were required to be replaced following the cyclone. Damage that occurred to power poles is the responsibility of the utility provider, Ergon Energy.

Question No: 356

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Townsville Rollout and Ergon Contract

Senator Fisher asked:

What were the reasons for installing the optical fibre cable on power poles in Townsville – a known cyclone area – and not in underground conduits? Was this decision made by NBN Co or the contractors in Townsville – Ergon Energy?

Answer:

NBN Co is responsible for the overall design of the network - based on the most efficient use of existing infrastructure, either installing on existing power poles or via underground conduit.

Question No: 357

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Townsville Rollout and Ergon Contract

Senator Fisher asked:

Will NBN Co persist in installing optical fibre on power poles in Townsville and other areas in North Queensland during the rollout – despite the destruction that can be caused by cyclones in this area?

Answer:

The first release sites have involved trialling a range of design and construction methodologies, including overhead and underground cabling.

NBN Co anticipates that through an agreement with Telstra a considerable amount of the fibre optic cable will be able to be housed in existing underground conduit.

Question No: 358

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Townsville Rollout and Ergon Contract

Senator Fisher asked:

Will any power poles in Townsville be required to be replaced? If so, who will bear the cost of replacement – will it be NBN Co or will it be Ergon Energy?

Answer:

Damage or replacement to power poles arising from an Act of God (eg. Storms) is the responsibility of the utility provider, Ergon Energy. Damage that is directly attributable to the NBN rollout will be the responsibility of NBN Co. The responsibility for costs that are applicable to the replacement or extension required to facilitate the NBN rollout, (for example increasing the height of poles to cross streets) will be allocated to NBN Co.

Question No: 359

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Townsville Rollout and Ergon Contract

Senator Fisher asked:

NBN Co reported on 4 Feb that "further tests to the network components are ongoing". Have these tests been complete, and if so, what are the results?

Answer:

Following the finalisation of testing three fibre optic cables were required to be replaced.

Question No: 360

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Townsville Rollout and Ergon Contract

Senator Fisher asked:

According to reports, Ergon Energy contractors were going to be released from installing the NBN to assist with reconstruction work in both Townsville and Brisbane. Has this been the case? If so, how many contractors have been released from installing the NBN in Townsville?

Answer:

NBN Co contractor Ergon Energy reallocated resources during a period of approximately six weeks.