

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
Department of Broadband, Communications and the Digital Economy

Question No: 139

Program No. 1.1

Hansard Ref: In Writing

Topic: Labour Market

Senator Fisher asked:

Does the Australian workforce currently have the capacity to provide workers for an installation rate of 6,000 homes each day?

Answer:

NBN Co Limited (NBN Co) is currently assessing the resources needed to roll past 5900 premises a day during the peak rollout periods. This assumes a 9.5 year rollout with 250 working days a year.

NBN Co recognises there is a risk at the height of the rollout that there may be a possible shortage of available construction resources at an acceptable cost. NBN Co continues to evaluate the demand and supply of workforce requirements across the 31 geographic areas where it will construct the fibre network and to identify any gap between the supply and demand of appropriate skilled resources.

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Question No: 140

Program No. 1.1

Hansard Ref: In Writing

Topic: Labour Market

Senator Fisher asked:

Has NBN Co or the Department made any requests to the Department of immigration to relax visa requirements and encourage skilled migration for the purposes of installing the NBN?

Answer:

The Department of Broadband, Communications and the Digital Economy has not made any requests of this nature.

NBN Co Limited has not made any requests of this nature.

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Question No: 141

Program No. 1.1

Hansard Ref: In Writing

Topic: Backhaul links and usage costs

Senator Birmingham asked:

When NBN Co becomes privatised, will the private operators be permitted to charge an additional cost to ISPs who wish to access the transit backhaul?

Answer:

NBN Co Limited (NBN Co) is subject to the telecommunications access regime under Part XIC of the *Competition and Consumer Act 2010*. Under the *Telecommunications Legislation Amendment (National Broadband Network Measures—Access Arrangements) Act 2011*, all services delivered by NBN Co are declared services and therefore subject to oversight by the Australian Competition and Consumer Commission (ACCC). All price and non-price terms and conditions need to be set out in a Special Access Undertaking, Standard Form of Access Agreement or in an access determination made by the ACCC. The ACCC has powers to regulate access prices for declared services, which include all services delivered by NBN Co.

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Question No: 142

Program No. 1.1

Hansard Ref: In Writing

Topic: Backhaul links and usage costs

Senator Birmingham asked:

If not, how will the Government force NBN Co's private owners from charging for backhaul usage – through agreement or through legislative instrument?

Answer:

Referring to question on notice 141 NBN Co Limited (NBN Co) is subject to the telecommunications access regime under Part XIC of the *Competition and Consumer Act 2010*. The Australian Competition and Consumer Commission has powers to regulate access prices for declared services, which include all services delivered by NBN Co.

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Question No: 143

Program No. 1.1

Hansard Ref: In Writing

Topic: Cherry Picking

Senator Birmingham asked:

Is the Government effectively preventing technological advances by implementing cherry picking laws and ensuring network technology must remain at the same level as the NBN?

Answer:

The level playing field arrangements do not restrict market entry or require competitors' network technology to remain at the same level as the National Broadband Network (NBN). The provisions do not require competitors to mirror NBN Co Limited's (NBN Co) operations or match its terms and conditions. The provisions do require competitors to comply with supply and access requirements comparable to those applying to NBN Co.

New Section 389A of the *Telecommunications Act 1997* confers power on the Australian Communication and Media Authority (ACMA) to determine technical standards relating to Layer 2 bitstream services. Under the Act, the definition of Layer 2 bitstream service includes either a Layer 2 Ethernet bitstream service or a Layer 2 bitstream service specified in a legislative instrument made under Section 389A by the ACMA. This provides appropriate flexibility to accommodate possible technological change over time.

As stated in the Explanatory Memorandum to the *Telecommunications Legislation Amendment (National Broadband Network Measures—Access Arrangements) Act 2011*, the application of Part 6 codes and standards based on NBN Co specifications would lead to new fibre to the premise networks being consistent with the technical specifications for the NBN but does not rule out other technologies and innovation.

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Question No: 144

Program No. 1.1

Hansard Ref: In Writing

Topic: Cherry Picking

Senator Birmingham asked:

The Business case states that the Government will consider the introduction of a levy, if necessary, to prevent opportunistic Cherry Picking. Can NBN Co explain how a levy would operate and why it would be necessary if laws are in place that prevents companies from offering a higher level of service to NBN Co?

Answer:

While directed to NBN Co Limited (NBN Co), as the question is about the operation of the legislative framework it has been answered by the Department of Broadband, Communications and the Digital Economy.

As indicated in the Australian Government's Statement of Expectations to NBN Co, released on 20 December 2010, the Government will consider the introduction of a levy, if necessary, to prevent opportunistic cherry picking.

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Question No: 145

Program No. 1.1

Hansard Ref: In Writing

Topic: Cherry Picking

Senator Birmingham asked:

Can NBN Co list the number of companies involved in building current wholesale networks, and which will be affected by the cherry picking laws?

Answer:

While directed to NBN Co Limited (NBN Co), as the question is about the operation of the legislative framework it has been answered by the Department of Broadband, Communications and the Digital Economy.

The level playing field requirements do not apply to superfast fixed-line local access networks that already existed prior to 1 January 2011. The rules do not apply to backhaul or transmission networks and they do not apply to networks servicing corporate and government users.

While it is not possible to predict future network rollouts, currently there are only a small number of companies rolling out fixed-line networks which would in practice be subject to the level playing field requirements.

The application of the level playing field requirements is set out in the *Telecommunications Legislation Amendment (National Broadband Network Measures—Access Arrangements) Act 2011*. The new Part 7 of the *Telecommunications Act 1997* (Tel Act) prevents owners (other than NBN corporations) of local access lines that form part of the telecommunications network (other than the National Broadband Network) from supplying a fixed-line carriage service where:

- the network is used, or is proposed to be used, to supply a superfast carriage service wholly or principally to residential or small business customers, or prospective residential or small business customers, in Australia; and
- no Layer 2 bitstream service is available for supply to those customers or prospective customers using the network; and
- the network came into existence, or was upgraded so that it became capable of being used to supply a superfast carriage service, on or after 1 January 2011.

The new Part 8 of the Tel Act ensures that networks caught by Part 7 will also need to be wholesale-only. While the rules apply from 1 January 2011, they will not take effect until proclaimed or otherwise 12 months from Royal Assent. This gives industry further time to adjust.

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The Australian Government recognises that there may be some circumstances where projects that are already underway may be captured but warrant an exemption, and for this reason, statutory exemptions are provided for extensions of existing superfast networks within current real estate developments, and for extensions adjacent to existing network footprints. For example, extensions that are no more than 1 kilometre from a point on the infrastructure of the existing network as the network stood immediately before 1 January 2011 will be exempt from the rules. Furthermore, connections to premises in close proximity to existing network footprints will not be subject to the rules.

In addition to these exemptions for network extensions, the provisions include powers for the Communications Minister to exempt particular networks or network operators. Examples of criteria that could be considered in granting exemptions are set out in the Supplementary Explanatory Memorandum to the *Telecommunications Legislation Amendment (National Broadband Network Measures- Access Arrangements) Act 2011*.

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Question No: 146

Program No. 1.1

Hansard Ref: In Writing

Topic: Cherry Picking

Senator Birmingham asked:

Under the Cherry Picking arrangements, can NBN Co explain what the status will be regarding networks that are currently being built?

Answer:

While directed to NBN Co Limited (NBN Co), as the question is about the operation of the legislative framework it has been answered by the Department of Broadband, Communications and the Digital Economy.

Backhaul and transition networks and networks servicing corporate and Government users that are currently being built will not be affected by the level playing field requirements.

As set out in the response to Question No. 145, the Australian Government recognises that there may be some circumstances where projects that are already underway may be captured but warrant an exemption, and for this reason, statutory exemptions are provided for extensions of existing superfast networks within current real estate developments, and for extensions adjacent to existing network footprints.

In addition, the provisions include powers for the Communications Minister to exempt particular networks or network operators. As noted in the Supplementary Explanatory Memorandum to the *Telecommunications Legislation Amendment (National Broadband Network Measures- Access Arrangements) Act 2011*, it is envisaged that the Minister could consider a range of factors including the impact on investors of having to change existing plans, particularly where projects are underway, contracts are signed or negotiations are well advanced and these factors can be demonstrated.

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Question No: 147

Program No. 1.1

Hansard Ref: In Writing

Topic: Cherry Picking

Senator Birmingham asked:

Under the Cherry Picking arrangements, can NBN Co explain what the status will be regarding operators who wish to upgrade their network in the future – what about cases where the operators has a contract to continually upgrade the network?

Answer:

While directed to NBN Co Limited, as the question is about the operation of the legislative framework it has been answered by the Department of Broadband, Communications and the Digital Economy.

Proposals to upgrade fixed-line networks may be subject to the provisions set out in the response to Question on Notice No. 145, in the same way as new networks may be.

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Question No: 148

Program No. 1.1

Hansard Ref: In Writing

Topic: Cherry Picking

Senator Birmingham asked:

Does NBN Co believe it will be subject to compensation claims after implementing the cherry picker laws by parties with a current commercial contract that will be impacted by the new laws?

Answer:

While directed to NBN Co Limited (NBN Co), as the question is about the operation of the legislative framework it has been answered by the Department of Broadband, Communications and the Digital Economy.

The *Telecommunications Legislation Amendment (National Broadband Network Measures-Access Arrangements) Act 2011* provides powers for the Communications Minister to exempt a local access line, network or network operator from Parts 7 and 8 of the *Telecommunications Act 1997*. As noted in the Supplementary Explanatory Memorandum, it is envisaged that the Minister could consider a range of factors including the impact on investors of having to change existing plans, particularly where projects are underway, contracts are signed or negotiations are well advanced and these factors can be demonstrated.

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Question No: 149

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

I want to ask some questions about the basis on which the government cancelled the OPEL contract, which was the subject of questions at this committee in 27 May 2008. Particularly I want to know about the database developed by the Department of underserved premises, against which proposals under the Broadband Connect Infrastructure Program (BCIP) were assessed. This database was prepared in 2006, was it not?

Answer:

The Department prepared this database in 2006 and issued a list of all of the under-served premises in that database broken down by reference to Local Government Area later that year when it released the BCIP Guidelines. In November 2006, the Department issued a clarification to the BCIP Guidelines which allowed applicants for funding under the BCIP to provide alternative information on under-served premises in their applications if they considered that the Department's information on under-served premises was incorrect. Later in 2006 and in early 2007, the Department analysed the information on under-served premises contained in all the applications for funding under the BCIP (including OPEL's) and modified the database slightly to take into account this information, to the extent that the Department considered it to correctly identify under-served premises. All applications under the BCIP were then assessed against this final under-served premises database.

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Question No: 150

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

Under the BCIP, the definition of ‘underserved premises’ was premises which were not already served by a metro-comparable broadband service, is that right? Was this the definition used in determining which premises would be included on the Department’s database?

Answer:

The definition used in determining which premises would be included on the Department’s database was the definition set out in the Broadband Connect Infrastructure Program (BCIP) Guidelines, including in the clarification to the BCIP Guidelines issued on 3 November 2006.

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Question No: 151

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

It is true, is it not, that under the BCIP Guidelines those putting forward proposals were required to offer “metro-comparable” broadband services? I am reading here from page 12 of the Broadband Connect Infrastructure Program Guidelines: “The minimum required services to be offered by all proposed projects are wholesale broadband services that enable retail providers purchasing those services to offer metro-comparable broadband services to residential and small business customers in the target coverage area. Metro-comparable services are services that are broadly equivalent in performance, quality and price to mainstream services being offered to residential and small business customers in metropolitan markets at the time services are being deployed (up to June 2009)”?

Answer:

Yes.

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Question No: 152

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

It is true, is it not, that the OPEL bid was chosen on the basis that it satisfied this requirement by delivering a 6 Mbps service initially, rising to 12 Mbps by 2009?

Answer:

No, OPEL was selected as the preferred applicant on the basis of how it addressed the range of assessment criteria set out in the Broadband Connect Infrastructure Program (BCIP) Guidelines, including coverage of under-served premises. The OPEL application did not propose 6 mbps over its WiMAX network. The OPEL application to the BCIP proposed that peak speeds may range from 512kbps to 1.5mbps, subject to the distance from the base station. The Government required OPEL to increase these speeds after it had been selected as preferred applicant, as part of the Government's objective of improving the value-for-money of the bid.

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Question No: 153

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

Does that mean that a 6 Mbps service, rising to 12 Mbps, was considered to be a metro-comparable service?

Answer:

No. The Government did not specify in 2006 in the Broadband Connect Infrastructure Program Guidelines what it expected the metro-comparable service level to be in 2009. However, in industry briefings, including in briefings to Optus, one of the OPEL partners, the Department indicated that it expected the metro-comparable service level in 2009 to be at the top end of 2006 offerings, specifically approximately 1.5mbps. This was the level of service that OPEL offered in its application.

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Question No: 154

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

Mr Bryant told this committee on 27 May 2008, did he not, that the metro comparable standard was the one applicable under the Australian Broadband Guarantee: "The metro comparable standard at that time I think was 512 kilobits download, 128 kilobits upload and a one gigabyte per month download limit."?

Answer:

No. What Mr Bryant said was as follows:

'I will take you through our methodology. That might be helpful. It essentially goes back to the concept that has been operational under the Australian Broadband Guarantee, at that time the Broadband Connect program. It was the same principle. The metro comparable standard at that time I think was 512 kilobits download, 128 kilobits upload and a one gigabyte per month download limit. Let me take you through the methodology of how we got there. As you will recall, the program operated outside of metropolitan areas so we excluded the metropolitan areas and the other areas that were in the metropolitan exclusion area operating under those programs. That was consistent with the guidelines. We removed premises within ADSL enabled exchanges that were within five kilometres of neighbourhood exchanges via copper lines and we used a software program called Street Crawl to estimate the road length from the exchange rather than the radial distance, and obviously not within areas where there are technical impediments preventing ADSL delivery such as pair gains and RIMs. We removed those premises with access to cabled broadband and premises within a metro comparable wireless broadband service area as known to us at the time and we came up with that number of 787,000.'

By that answer, Mr Bryant was seeking to convey that the methodology for assessing metro-comparable broadband services under the Broadband Connect Infrastructure Program (BCIP) used the same principle as used in the Australian Broadband Guarantee which at that time was the Broadband Connect Program. That is, as set out in the clarification to the BCIP Guidelines:

'Metro-comparable broadband services are those considered broadly comparable, in terms of price, speed and quality, with the broadband services most widely available and utilised in metropolitan areas.'

In addition, the Department took into account, when assessing metro-comparable services under the BCIP, the concept of sustainability, as set out in the clarification:

'Sustainable metro-comparable services are those that can reasonably be expected to remain metro-comparable through to at least June 2009 and can be offered without the need for Australian Government subsidies.'

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Question No: 155

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

There is quite a difference between 512K and 6 Mbps, is there not?

Answer:

Yes.

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Question No: 156

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

It is true, is it not, that when it came to determining which premises were underserved premises, and therefore how many underserved premises there were in total, a critical question to determine in each case was whether the premises had access to a metro comparable service or not?

Answer:

Yes, both in terms of access to a metro-comparable service in 2006, and a reasonable expectation of ongoing access to a metro-comparable service through to June 2009.

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Question No: 157

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

It is very likely, is it not, that if you tested this by asking how many premises did not have access to even a 512Kbps service, you would get one figure for the total number of underserved premises; but if you tested it by asking how many premises did not have access to, for example, a 6 Mbps service, you would get a significantly higher figure for the total number of underserved premises.

Answer:

Comparing what premises in 2006 could have access to at least a 512kbps service with what premises in 2006 could have access to at least a 6mbps service, is not a relevant comparison. The correct assessment should be, and the one that the Department applied was, what premises in June 2006 had access to at least a 512kbps service, and could reasonably be expected to have access to at least approximately 1.5mbps in June 2009.

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Question No: 158

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

The Department's database contained 787,000 premises, as Mr Bryant told this committee on 27 May 1008?

Answer:

The final under-served premises database used to assess the proposed coverage of all applicants under the Broadband Connect Infrastructure Program contained 787,447 premises. This number was derived from the Department's database of approximately 660,000 under-served premises modified to take into account information on under-served premises provided by applicants, to the extent that the Department considered it to correctly identify under-served premises, following an analysis of that information by the Department.

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Question No: 159

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

This database was not made available to OPEL before it submitted its proposal for funding under the BCIP, was it?

Answer:

The Department's indicative list of under-served premises, which contained all of the approximately 660,000 under-served premises in the Department's database of under-served premises at that time, was made available to all Broadband Connect Infrastructure Program (BCIP) applicants, including OPEL, at the time the BCIP Guidelines were issued. Optus, one of the OPEL partners, was specifically informed about this indicative under-served premises list, and its role in the assessment process, at an industry briefing on 20 October 2006. All BCIP applicants, including OPEL, were assessed for coverage against the final under-served premises database, derived from the Department's database of approximately 660,000 under-served premises and modified to take into account information on under-served premises provided by applicants, to the extent that the Department considered it to correctly identify under-served premises, following an analysis of that information by the Department.

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Question No: 160

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

Why did the Department not make its database available to all parties wishing to lodge a proposal, in advance of them doing so? Wouldn't doing so have saved a lot of trouble, confusion and expense?

Answer:

The Department's indicative under-served premises list of approximately 660,000 premises, which contained all of the under-served premises in the Department's database at that time, was made available to all Broadband Connect Infrastructure Program (BCIP) applicants, including OPEL, at the time the BCIP Guidelines were issued. All applicants were assessed for coverage against the final under-served premises database, which took into account information on under-served premises provided by applicants, to the extent that the Department considered it to correctly identify under-served premises, following an analysis of that information by the Department.

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Question No: 161

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

Could the Department's database have been replicated using publicly available data by a third party other than the Department?

Answer:

No.

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Question No: 162

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

In view of the Department's approach to this issue, OPEL would have had no choice but to develop its own database, would it not?

Answer:

No. The Department's indicative under-served premises list, which contained all of the under-served premises in the Department's database at that time, was made available to all Broadband Connect Infrastructure Program (BCIP) applicants, including OPEL, at the time the BCIP Guidelines were issued. The clarification to the BCIP Guidelines states:

*"This **Indicative** information is provided to assist potential applicants in identifying the location of under-served areas and premises for the purpose of addressing [specified] assessment criteria."*

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Question No: 163

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

Mr Bryant advised this committee on 27 May 2008 that OPEL's database contained 1.4 million underserved premises, did he not?

Answer:

Yes.

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Question No: 164

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

When did the Department become aware of the discrepancies between its database and OPEL's?

Answer:

The Department became aware that OPEL's database of under-served premises was different from its own database of under-served premises after OPEL submitted its application to the Broadband Connect Infrastructure Program. The application was submitted on or about 18 December 2006.

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Question No: 165

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

When the Department became aware of the discrepancies between its database and OPEL's, did the Department make any effort to determine whether the discrepancies were due to errors on its part in applying the definition of 'underserved premises', or did it assume that all the errors were on OPEL's side?

Answer:

Information on under-served premises contained in all applications for funding under the Broadband Connect Infrastructure Program, including OPEL's, was analysed and taken into account to the extent that the Department considered it to correctly identify under-served premises in deriving the Department's final database of 787,447 under-served premises. OPEL and all other applicants were assessed against this final database for their coverage of under-served premises, and OPEL was chosen as preferred applicant, based on its response assessed against the coverage criteria and other assessment criteria.

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Question No: 166

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

When the Department became aware of the discrepancies between its database and OPEL's, did it make any efforts to work with OPEL to resolve the discrepancies and come up with an agreed database?

Answer:

Information on under-served premises contained in all applications to the Broadband Connect Infrastructure Program, including OPEL's, was analysed and taken into account to the extent that the Department considered it to correctly identify under-served premises in deriving the Department's final database of 787,447 under-served premises. OPEL and all other applicants were assessed against this final database for their coverage of under-served premises, and OPEL was chosen as preferred applicant based on its response assessed against the coverage criteria and other assessment criteria.

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Question No: 167

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

Did the Department consider submitting both its database and OPEL's database to independent expert analysis, to determine the basis for the discrepancy? If not, why not?

Answer:

The Department did not consider it appropriate to seek independent expert advice on under-served premises when considering applications under the Broadband Connect Infrastructure Program (BCIP). Information on under-served premises contained in all applications to the BCIP, including OPEL's, was analysed and taken into account to the extent that the Department considered it to correctly identify under-served premises in deriving the Department's final database of 787,447 under-served premises. OPEL and all other applicants were assessed against this final database for their coverage of under-served premises, and OPEL was chosen as preferred applicant based on its response assessed against the coverage criteria and other assessment criteria.

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Question No: 168

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

Mr Bryant advised this committee on 27 May 2008 that a source of the discrepancy was that the government's database excluded 360,000 premises which OPEL treated as underserved but which the government considered were served by premises receiving wireless services under the Australian Broadband Guarantee. What are the other sources of the discrepancy, given that this explains only about half of the difference?

Answer:

Other sources of discrepancy included:

- OPEL used a later version of the Geocoded National Address File (GNAF) in deriving its under-served premises count. The Department prepared its indicative database early in the second half of 2006, as part of the Broadband Connect Infrastructure Program (BCIP) Guidelines development. The GNAF it used for this purpose was the February 2006 version. In applying to the BCIP in late 2006, OPEL had available to it the November 2006 version of the GNAF;
- OPEL assumed all Telstra exchanges were enabled for ADSL, whereas the department identified the number of exchanges that were actually enabled for ADSL at 30 June 2006;
- OPEL used 4.5km rings as the boundary of ADSL, whereas the Department used 5km boundaries derived through the direct line, 'street crawl' methodology; and
- the Department included modelled additional under-served premises in more remote areas, to rectify the known under-representation of actual address and premises in more remote areas within the GNAF.

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Department of Broadband, Communications and the Digital Economy

Question No: 169

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

Was the Department's database developed using as a starting point a dataset of so-called GNAFs (standing for Geocoded National Address File) obtained from PSMA limited, formerly the Public Service Mapping Agency?

Answer:

Yes.

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Question No: 170

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

Did the Department's database contain data points which were not GNAFs? If so, what is the basis on which these were included in the database?

Answer:

In order to accurately estimate the actual number of under-served premises, the Department undertook an analysis of the February 2006 Geocoded National Address File (GNAF) prior to establishing its database of under-served premises. This version of the GNAF was the most current in the possession of the Department at that time. The Department identified a sample bias in the GNAF file which resulted in an under-representation of addresses (i.e. premises) in more remote rural and regional areas, the primary target areas of the program. This confirmed a widely known inaccuracy in the GNAF at that time.

The Department added additional geospatial points into these areas using Census and land parcel (cadastral) information. These points are accurate at a statistical level rather than a unit level: that is, they rectify the under-count of premises within a particular statistical area (Census Collection District) but do not accurately pin-point the location of each additional address within that confined area. Overall this process more accurately counts premises in these areas compared with the February 2006 GNAF. At a later stage (February 2008) Geoscience Australia was asked to review the Department's methodology in this regard, and described the approach as 'sound and valid'.

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Question No: 171

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

How many premises did the Department's database identify as underserved on the basis that they were on a line with a pair gain system? How many premises did OPEL's database identify as underserved on this basis? If there is a discrepancy, what is the reason for it?

Answer:

The premises included in the Department's database of under-served premises were those that satisfied the definition of under-served premises as set out in the Broadband Connect Infrastructure Program (BCIP) Guidelines, including in the clarification to the BCIP Guidelines issued on 3 November 2006. In practice, the Department's approach to determining under-served premises was to exclude premises which met one or more of a range of criteria and to produce a database of under-served premises as a result. The output of the analysis did not track the numbers of premises excluded against each criterion. The premises excluded from the Department's under-served premises database were those that met the following criteria as identified by the Department at that time:

1. premises within the Metropolitan Exclusion Area ;
2. premises within ADSL-enabled exchanges that were within five kilometres of replicated copper crawl from the exchange and not within pair gain areas;
3. premises within the coverage areas of Unwired and Personal Broadband Australia;
4. premises with access to cabled broadband; and
5. premises within a HiBIS or BC wireless broadband service area.

The same aggregated approach was adopted in analysing the OPEL data.

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Question No: 172

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

How many premises did the Department's database identify as underserved on the basis that they were served by an exchange that was not equipped with a DSLAM? How many premises did OPEL's database identify as underserved on this basis? If there is a discrepancy, what is the reason for it?

Answer:

See answer to Question on Notice 171.

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Question No: 173

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

How many premises did the Department's database identify as underserved on the basis that they were too far away from the exchange to receive DSL services? How many premises did OPEL's database identify as underserved on this basis? If there is a discrepancy, what is the reason for it?

Answer:

See answer to Question on Notice 171.

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Question No: 174

Program No. 1.1

Hansard Ref: In Writing

Topic: OPEL

Senator Birmingham asked:

Mr Bryant told this committee on 28 May 2008 that “the former government required equivalent coverage to 17.9 kilometres from the base stations.” Was this requirement stated in the BCIP Program Guidelines? What was the policy basis for the 17.9 kilometre requirement?

Answer:

The requirement for OPEL to cover a 17.9 km radius from its towers was not stated in the Broadband Connect Infrastructure Program (BCIP) Guidelines. It was a non-negotiable requirement of the then Government that was specified in then Minister Coonan’s letter of 18 June 2007 to OPEL, advising that it had been selected as the preferred applicant under the BCIP, and prior to the commencement of the negotiation of the Funding Agreement. This coverage requirement reflected the commitment of OPEL to provide coverage 20km from its towers, reduced by 20 per cent of area to 17.9km to account for signal path loss. This reduction to account for signal path loss from OPEL's towers was proposed by Mr Paul Fletcher, then of Optus, in correspondence with the Department in April 2007, and was considered an appropriate reduction by the Department.