

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Budget Estimates Hearings May 2012
Broadband, Communications and the Digital Economy Portfolio
NBN Co Limited

Question No: 346

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: FOI

Senator Birmingham asked:

- 1) How many FOI requests have been received by NBN Co this financial year?
- 2) Does NBN Co believe this level of requests is onerous or unduly burdensome?

Answer:

- 1) In the financial year 2011-2012, NBN Co received 19 formal FOI requests and processed a total of 31 FOI requests in that same period.
- 2) NBN Co has a statutory obligation to provide access to its documents within the terms of the FOI Act. Our company responds to each FOI request on its merits and within the spirit and terms of the FOI Act.

The amount of time each request requires depends upon the nature and scope of the FOI application. Where the scope of an application is very broad, and thus likely to be onerous, NBN Co works with FOI applicants to refine their requests, with the objective of responding to the application as quickly and as efficiently as possible. In line with our company's commercial objectives, NBN Co seeks to minimise processing costs and also any related applicants' fees.

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Question No: 347

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: FOI

Senator Birmingham asked:

- 1) What discussions has NBN Co had with the Minister, the Attorney-General's Department or the Attorney-General in relation to FOI requests?
- 2) How has NBN Co identified the need for and scope of any changes to how FOI laws apply to NBN Co?
- 3) What role does NBN Co have in the review of NBN Co's compliance with and requirements under the FOI Act?

Answer:

- 1) NBN Co's FOI Officers make their decisions independently and without direction from other Government agencies, entities or officers of our company. Regarding the nature of exempt documents, NBN Co will take advice from internal company stakeholders, commercial business experts and other relevant parties. However, their FOI decisions are ultimately the responsibility of the FOI Officers. NBN will formally consult with other agencies and Ministers if our company is of the opinion that the potential release of documents may impact upon another agency's business affairs or portfolio obligations.

Regarding the Attorney-General or Attorney-General's Department (AGD), NBN Co has not sought advice from either of those entities in relation to any FOI requests, except in the context of formal, third party consultations.

It should be noted that NBN Co has met with staff from the AGD for the purpose of providing relevant FOI documentation and discussing the progress of NBN Co's FOI First Year Review.

- 2) NBN Co has not identified a need for any change to the FOI Act as it relates to NBN Co.
- 3) Presuming that this question relates to NBN Co's FOI First Year Review, NBN Co's role in the review has included the provision of background information to the Department of Broadband, Communications and the Digital Economy on the terms of reference published by the AGD. In addition, NBN Co's FOI Officers have met with staff from the AGD and Mr Morris, QC, in relation to the First Year Review. NBN Co's FOI Officers have also provided Mr Morris with access to NBN Co's files, its FOI decisions and other relevant information to assist Mr Morris' fact-finding efforts.

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Question No: 348

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Cost of NBN Co offices

Senator Bushby asked:

Could you please outline:

1. The addresses of NBN Co office locations in Tasmania.
2. The cost associated with renting/leasing these locations.
3. Details of agreements made with vendors (ie. the length of rental agreement/contract).
4. What other locations were examined prior to deciding on the site/s and how they compared price-wise?
5. How many staff they accommodate?
6. If they have been re-fitted in any way and if yes, in what way and at what cost?
7. Could you please detail the above with respect to office locations in Sydney, Melbourne and Canberra?

Answer:

1-3; 5-7

NBN Co Office Address¹ (SYD, HBA, CBR, MEL)	Annual Leasing Cost (Gross)	Lease Term	Seating Numbers	Fit-out Cost
100 Arthur Street North Sydney NSW	\$6.14M	10/2010 to 06/2018	887	\$15.25M
88 Walker Street North Sydney NSW	\$0.50M	Month-to- Month	130	\$0.10M
213 Miller Street North Sydney NSW	\$0.70M	04/2011 to 04/2013	159	\$0.42M
535 Bourke Street Melbourne VIC	\$1.06M	12/2010 to 12/2013	230	\$0.98M
360 Elizabeth Street Melbourne VIC	\$4.33M	01/2010 to 12/2017	706	\$7.01M
16 National Circuit Barton ACT	\$0.10M	02/2010 to 02/2015	11	\$0.46M
39 Murray Street Hobart TAS	\$0.05M	07/2010 to 07/2013	15	\$0.39M

¹ Excludes Data Centres, Aggregation Nodes, Depots, Technical Operations Facility, Satellite Earth Stations.

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4. Initial searches for office premises are conducted using commercial real-estate agents who identify alternative buildings that meet NBN Co's requirements in terms of floor area, preference for existing fit-out, security, etc. Asking rents by prospective lessors are assessed against prevailing market rents to ensure that rent negotiations result in cost-effectiveness.

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Question No: 349

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Tasmanian NBN Co

Senator Bushby:

1. Last Estimates NBN Co was queried about Tasmanian NBN Co. Can detail please be provided on the operations of TNBN Co and its functions?
2. When was TNBN Co formed?
3. Does it still have a board? If so, who is on the board?
4. Can you please detail the salary packages of each board member?
5. Does TNBN Co have a website? If yes, what is its address?
6. Does TNBN Co have to produce an annual report, or contribute to NBN Co's annual report?
7. Is its performance measured in any way?
8. Does it have a firm end date?

Answer:

1. The role of the Board is to work with NBN Co management to promote the successful rollout of the NBN in Tasmania and identify and showcase the benefits of the NBN so as to stimulate innovation, new means of delivering health, education and community services and the generation of business activity.
2. NBN Tasmania was formed in August 2009 and had its first meeting on 21 August 2009.
3. Yes. Greg McCann (Chairman), Darren Alexander (Non-Executive Director), Kieren Cooney (Executive Director), Jody Fassina (Non-Executive Director), Alison Terry (Non-Executive Director).
4. The salary packages paid by NBN Tas for each board member are as follows:
 - 75,000 (plus super) for Mr Greg McCann
 - \$40,000 (plus super) for Mr Jody Fassina, Mr Darren Alexander and Ms Alison Terry
 - Mr Kieren Cooney is remunerated by NBN Co Limited.
5. NBNTas has a unique web address: www.nbntasmania.com.au, which mirrors the NBN Co main site.
6. NBNTas is consolidated into the NBN Co Limited group Annual Report.
7. Yes, a Board performance review is conducted by the parent company, NBN Co. The last Board performance review was undertaken by the Deputy Chair of NBN Co in December 2011.
8. No.

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Question No: 350

Program No: NBN Co Limited

Hansard Ref : In Writing

Topic: Cost of NBN roll out

Senator Bushby asked:

Could you please outline:

1. When construction started on sites in the 2nd round of Tasmanian locations set to receive the NBN (Kingston Beach, Deloraine, George Town, Sorell, South Hobart, St Helens & Triabunna);
2. When construction finished or is scheduled to finish in each of the towns;
3. Whether there are any anticipated delays and if so, by how long;
4. The name of the company/ies contracted to undertake the roll-out in these locations;
5. How much each contract is worth;
6. How many people are working on the construction roll-out in each location;
7. Whether the company/ies has a policy or is encouraged to employ Tasmanians;
8. Does NBN Co have any agreement with the company/ies to provide accommodation to its employees, and if yes, please outline the terms of that agreement.

Answer:

1. Construction started on the following dates:

Kingston, 6 December 2011
Deloraine, 11 August 2011
Georgetown, 13 September 2011
Sorell, 9 August 2011
St Helens, 18 January 2012
Triabunna, 18 June 2011

South Hobart was initially included within the same contract as the above works, but was later shifted into NBN Work Package Four contract which leverages Telstra's underground plant and lower costs.

2. Construction reached practical completion on the following dates:

Kingston, 8 June 2012
Deloraine, 21 May 2012
Georgetown, 27 June 2012
Sorell, 10 May 2021
St Helens, 30 June 2012
Triabunna, 10 April 2012

3. Not relevant as all sites are completed. South Hobart was rescheduled to take advantage of the Telstra deal and construction works for South Hobart will be performed under the NBN Work Package Four contract.

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4. The contractor for this second round of locations in Tasmania is Lend Lease Infrastructure Limited. The contractor who will undertake the works in South Hobart under Work Package Four contract is Visionstream Australia Limited.

5. The value of work performed by Lend Lease is approximately \$27.9 million. The works to be performed by Visionstream in South Hobart will be performed under the detailed design, construction and maintenance contract announced by NBN Co on 26 March 2012. The value of this contract with Visionstream is approximately \$300 million.

6. The number of staff engaged on the contract works for each town varies from day-to-day and across the period of works. Under a fixed schedule of rate contract that is based on quantities of work performed and not time, no commercial purpose would be served by requiring the contractor to provide information on its detailed work management. However, Lend Lease has provided the following estimates. They advised that the maximum numbers of persons engaged in work on each location were as follows:

Kingston	~43 persons
Deloraine	~28 persons
Georgetown	~36 persons
Sorell,	~42 persons
St Helens	~60 persons
Triabunna	~41 persons

7. Lend Lease employed many Tasmanian workers (directly and sub-contracted). The contract documents for all Work Packages under the Volume Rollout – including Work Package Four – contain terms requiring the Contractor to give due consideration to the engagement of locally based subcontractors and to prepare plans on how to deliver the project's local industry participation objectives.

8 .No

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Question No: 351

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Different platforms in Tasmania

Senator Bushby asked:

1. What communication has NBN Co had with Telstra about what NBN-related services it is offering in Tasmania?
2. What is NBN Co's current understanding of those services?

Answer:

1. NBN Co has frequent communication with Telstra on a range of topics including many different discussions in relation to offerings in Tasmania. This communication occurs daily between the companies and at many different levels within each organisation.
2. NBN Co understands that Telstra has many services in operation in each of the fibre footprints in Tasmania and that Telstra is continuing to connect to each of the new fibre footprints as they are released. NBN Co understands that Telstra's NBN-related service offering is a bundle in which the NBN connection provides a high speed broadband service and the Telstra copper network provides a voice service.

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Question No: 352

Program No: NBN Co Limited

Hansard Ref : In Writing

Topic: QoN 302(b) – Additional Estimates

Senator MacDonald asked:

We draw your attention to answers to questions on notice 302(b) from Additional Estimates February 2012.

We refer to advice provided in the stated answer to the effect that NBN Co has identified that ‘processes in train’ (such as procurement of customer equipment) have not yet been concluded.

As such, the department was not able at the time of Additional Estimates Hearings in February 2012 to provide a cost-per-household estimate of providing alternative (wireless and satellite) network services to regional and remote customers.

1. Has the procurement process referred to in answer to QON 302(b) been concluded since last estimates (Feb 2012)?
2. If not, when does NBN Co expect that this process will be concluded, and it will in fact be able to provide an indication of the cost-per-household of providing alternative network service to regional and remote customers?
3. What impact has this costing uncertainty has on compilation of the next version of the Corporate Plan that is expected by 31 May, 2012?
4. If the relevant procurement processes have in fact been concluded, can NBN Co now provide a detailed cost analysis for the provision of services across wireless and satellite technologies to customers outside of metropolitan areas?
5. Can the NBN Co now provide an accurate cost-comparison between metropolitan and regional service provision?
6. Can the NBN Co provide an accurate cost evaluation of the number of metropolitan service connections that will be required to fund the provision of both wireless and satellite services in regional and remote areas?

Answer:

1. On 12 July 2012, NBN Co signed a contract with ViaSat Inc for the manufacture and supply of communications equipment including the large satellite dishes that will be located at NBN Co’s 10 ground stations, household satellite dishes and other receiving and transmitting equipment; and technology to be installed in NBN Co’s data centres to manage the integration of the satellite service with the rest of the NBN network. Procurement of the build of the gateways and the satellite launch arrangements are still subject to commercial negotiations.
2. Not applicable

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3. NBN Co's Corporate Plan 2012-15 that was publicly released on 8 August 2012, factors in the total estimated costs of delivering the wireless and satellite services based on current coverage estimates.
4. All procurement processes have not been completed. NBN Co cannot provide a cost-per-premises as this information would undermine future procurement activities relating to customer premises equipment and associated services. It is not in the interest of Australian taxpayers for NBN Co to publicly release this information.
5. An accurate cost comparison is not possible due to the difficulty in attributing Capex and Opex costs across the three technologies.
6. Refer answer in (5) above.

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Question No: 353

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: QoN 302 (e) – Additional Estimates

Senator MacDonald asked:

We draw your attention to answers to questions on notice 302(e) from Additional Estimates February 2012.

We refer to advice provided in the stated answer to the effect that NBNC Co has identified that the cost of providing satellite infrastructure and procurement subsidy cannot be determined due to a ‘...procurement process which has not concluded.’

As such, the department was not able at the time of Additional Estimates Hearings in February 2012 to provide an accurate account of providing satellite service (infrastructure and procurement) subsidy.

1. Has the procurement process referred to in answer to QON 302(e) been concluded since Additional Estimates in February 2012?
2. If not, when does NBNC Co expect that this process will be concluded, and it will in fact be able to provide an indication of the cost of providing satellite services (infrastructure and procurement) subsidy?
3. What impact has this costing uncertainty had on compilation of the next version of the Corporate Plan that is expected by 31 May, 2012?

Answer:

1. Yes. On 12 July 2012, NBN Co announced a contract with ViaSat Inc for the manufacture and supply of communications equipment including the large satellite dishes that will be located at NBN Co’s ten ground stations, household satellite dishes and other receiving and transmitting equipment; and technology to be installed in NBN Co’s data centres to manage the integration of the satellite service with the rest of the NBN network.
2. Not applicable.
3. The costs have been factored into NBN Co’s 2012-15 Corporate Plan.

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Question No: 354

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: QoN 302(g) Additional Estimates

Senator MacDonald asked:

We draw your attention to answers to questions on notice 302(g) from Additional Estimates February 2012.

We refer to advice provided in the stated answer to the effect that NBN Co has identified that wholesale customers of the NBN Co will be required to satisfy the “Access Seeker On-Boarding” programme requirements in order to do business with NBN Co.

1. At what locations and how frequently will NBN Co be conducting training and testing phases of on-boarding?
2. What cost imposition does NBN Co expect potential wholesale customers to absorb in order to participate in the on-boarding process?
3. To what extent does the Access Seeker On-Boarding programme make provision for ISPs who do not intend to provide services via alternative Wireless and Satellite technologies?

Answer:

1. NBN Co provides “Access Seeker On-Boarding” training and testing as required by access seekers. Training is conducted at the access seeker’s premises. Testing is conducted in multiple stages and locations:
 - via a connection between the access seeker’s test lab and the NBN Co National Test Facility in Melbourne;
 - in person at the NBN Co National Test Facility in Melbourne; and finally
 - at the access seeker’s premises.
2. NBN Co does not levy a charge for on-boarding.
3. Access seekers are only required to perform on-boarding in respect of those NBN technology platforms they intend to use to provide services to end users.

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Question No: 355

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: QoN 302 (h) – Additional Estimates

Senator MacDonald asked:

We draw your attention to answers to questions on notice 302(h) from Additional Estimates February 2012.

We refer to advice provided in the stated answer to the effect that NBN Co has indicated that Priority Assistance service guarantees only apply to standard telephone services, NOT to wireless and satellite services.

1. Following the \$11bn de-commissioning of the Telstra Copper Network, what proportion of standard telephony services will be provided in Australia across the NBN Co network?
2. To what extent in regional, rural and remote areas, where the fibre network is not being deployed, will telephony services be provided via satellite and wireless technologies?
3. Based on your answer to QON 304(h) does this mean that NBN Co does not intend to provide Priority Assistance support to customers outside the fixed-fibre footprint?

Answer:

Section 6 of the *Telecommunications (Consumer Protection and Service Standards) Act 1999* defines a standard telephone service as a carriage service used for the purpose of voice telephony, or, for end users with a disability for whom voice telephony is not practical, another form of communication that is equivalent (e.g. a teletypewriter solution).

Telstra, as a condition of its carrier licence, is currently the primary universal service provider and is required to ensure that standard telephone services are reasonably accessible to all Australians. The Telecommunications Universal Service Management Agency (TUSMA) will progressively assume responsibility for delivery of the universal service obligation (USO). However, by virtue of the TUSMA agreement between the Federal Government and Telstra, Telstra will be contractually obliged to act as the retail provider of last resort for the next twenty years (i.e., until 2032). After this period, TUSMA may contract with third parties (whether Telstra or another carriage service provider) on behalf of the government for continued delivery of the USO.

The delivery of priority assistance services is distinct from the provision of standard telephone services. Telstra is required to offer a package of priority assistance services as a condition of its telecommunications carrier licence. Telstra's priority assistance service is available where a residential customer (or a member of their household) has a diagnosed life-threatening medical condition and therefore depends on a reliable telephone service to call for assistance. Other carriage service providers may also provide priority assistance services to their customers.

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There are consistent, industry wide arrangements that apply to providers which choose to offer priority assistance services to residential customers with life-threatening medical conditions, which are set out in the Communications Alliance code (*ACIF C609:2007 Priority Assistance for Life Threatening Medical Conditions*). At present, both iiNet and Primus voluntarily offer priority assistance services in line with the code.

Priority assistance arrangements require the highest practicable level of telephone service. Upon request, eligible customers are entitled to receive faster connection and repair of their phone service and a greater level of service reliability. Such services are more strictly monitored and connections and repairs should occur within a 24-hour timeframe (in urban or rural areas) or a 48-hour timeframe (in remote areas).

Customers who wish to access a priority assistance service should first check if their provider offers such a service. To ensure that all customers benefit from information about available priority assistance services, telephone companies are required to either offer priority assistance services or to inform customers where they can purchase these services.

Based on the above, the answer to these questions is as follows:

1. While it is technically possible to provide standard telephone services across each of the NBN's three delivery platforms – wireless, satellite and fibre – it is not possible to determine the number of these services that will be delivered over the NBN until the rollout is complete. The copper network, currently used to provide standard telephone services, will only be shut within the fibre footprint on a region by region basis (18 months after each region is declared 'ready for service'). In the wireless and satellite footprints, the copper will continue to operate and may be used to support standard telephone services indefinitely.
2. As above.
3. The arrangements for the provision of standard telephone services (including priority assistance services) outside the fibre footprint will not change.

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Question No: 356

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: QoN 304 (a) – Additional Estimates

Senator MacDonald asked:

We draw your attention to answers to questions on notice 304(a) from Additional Estimates February 2012.

We refer to advice provided in the stated answer to the effect that NBNC Co has indicated that parties to the NBN Co's Wholesale Broadband Agreements (WBAs) will be under an obligation to make Priority Assistance service standards available across the deployed fixed-fibre network.

1. Can the Department/NBNC Co specify the service level standards explicit in the WBA agreements?
2. Can the Department/NBNC Co specify the service level agreements it has adopted regarding Priority Assistance response times?
3. Can the Department/NBNC Co clarify the Priority Assistance response times for metropolitan and regional/rural customers respectively?
4. Can the Department/NBNC Co identify exactly where in the Access Seeker On-Boarding program/training the NBNC Co specifies the requirement for Priority Assistance SLA satisfaction?

Answer:

1. The current WBA Service Levels Schedule contained in the Product Catalogue includes the timeframes in which NBN Co commits to complete the following:
 - the connection and activation of those product components that serve a premises;
 - the connection and activation of those product components that serve a premises where those components will be used by the Access Seeker as an input to the supply of a downstream product that is a downstream Priority Assistance service;
 - rectification of faults, including specific timeframes where the service is being used as an input to the supply of a downstream product that is a downstream Priority Assistance service;
 - modification of those product components that serve an individual premises;
 - activation and modification of the Connectivity Virtual Circuit component; and
 - activation of the Network-Network Interface component.

Service levels relating to kept appointments and rescheduling of appointments and service levels relating to processing of orders for the Facilities Access product are also included. Further additional operational performance targets are included in the Operations Manual.

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NBN Co continues to add service levels to the WBA in respect of new products or features that are offered over time. NBN Co continues to work with Access Seekers to refine the existing service levels.

2. The following service levels are included in the WBA for Priority Assistance services.

Where the premises is located in an urban or rural area, NBN Co aims to connect the service within 24 hours of receipt of the order from the Access Seeker. Where the premises is located in a remote area, NBN Co aims to connect the service within 48 hours of receipt of the order from the Access Seeker.

Where the premises is located in an urban or rural area, NBN Co aims to rectify faults within 24 hours of receipt of the trouble report from the Access Seeker. Where the premises is located in a remote area, NBN Co aims to connect the service within 48 hours of receipt of the trouble report from the Access Seeker.

3. Please refer to the response to question 2.
4. Where RSPs provide a Priority Assistance Service, the obligations of those services are imposed directly on the RSP by the Communications Alliance code (and, in the case of Telstra, its carrier licence conditions). The Service Level Schedule in the WBA Product Catalogue defines the timeframes NBN Co will connect, and rectify faults of, Priority Assistance services in accordance with its role as an underlying carrier in the Communications Alliance code (*ACIF C609:2007 Priority Assistance for Life Threatening Medical Conditions*). NBN Co also publishes in its Operations Manual instructions to access seekers regarding ordering of services for Priority Assistance and use of the NBN Co 24-hour, 7 day a week Priority Assistance Contact Centre. Initial on-boarding covers the mechanism for ordering this product attribute.

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Question No: 357

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: QoN 304 (h) – Additional Estimates

Senator McDonald asked:

We draw your attention to answers to questions on notice 304(h) from Additional Estimates February 2012. We refer to advice provided in the stated answer to the effect that NBN Co has indicated that it ‘...does control maintenance of its network and has signed WBAs with Access Seekers which guarantee levels of service per the signed Service Level Agreements.’

1. If an Access Seeker’s customer notifies the Access Seeker of a service fault, who deploys the technician to repair the fault? Is it the Access Seeker, a third party contractor supplied by NBN Co or NBN Co itself?
2. Who operates the call centre and the DMS system? If this is the NBN Co then is it also the NBN Co who deploys the technician or is the job outsourced to a third party contractor? With so many steps, how are Service Level Agreements and Standards managed effectively?
3. If NBN Co, or its designated third party contractor following DMS protocols, is deploying fault-response services, is not NBN Co the carriage service provider who is ultimately responsible for network maintenance?

Answer:

1. If an access seeker’s customer (end-user) notifies the access seeker of a service fault, the access seeker is to perform their own troubleshooting to determine if the fault is in their network or the NBN Co network. The access seeker may send their own technician or if they determine the fault is not in their network they will refer the fault to NBN Co to investigate. In these cases NBN Co performs further troubleshooting and if required will arrange for an NBN Co technician, or a third party contractor on behalf of NBN Co, to attend the end user premises to investigate and resolve the fault where possible. If that fault was detected by NBN Co, they will inform the access seeker that there is an issue with the NBN Co network and troubleshoot the issue and resolve remotely or dispatch a technician.
2. NBN Co has a 24-hour, 7day a week service desk which takes calls from access seekers and records faults. Service level agreements between NBN Co and the access seeker are managed in accordance with the Wholesale Broadband Agreement according to agreed service levels.
3. NBN Co is responsible for the maintenance of the NBN Co Network. Products and services that rely on access seeker equipment are the responsibility of the access seeker.

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Question No: 358

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: QoN 304 (j) – Additional Estimates

Senator MacDonald asked:

We draw your attention to answers to questions on notice 304(j) from Additional Estimates February 2012.

We refer to advice provided in the stated answer to the effect that NBNC Co has indicated that it ‘...does not have any direct regulatory obligation in respect of Priority Assistance..’ and that these obligations will be passed on through WBA’s.

1. Is the NBN Co a carriage service provider?
2. Does the NBN Co stipulate to ultimate responsibility for network maintenance?
3. Is the NBN Co bound by a regulatory obligation to provide Priority Assistance services under Part 6 (ss16-20) of the *Telecommunications Act 1997 (Cth)*?

Answer

1. Yes.
2. NBN Co has responsibility for the maintenance of its network.

NBN Co’s responsibility for maintenance is limited to its own network infrastructure between each of its 121 points of interconnect and the network terminating device at end user premises. It does not include RSP networks, backhaul provisioned by RSPs or any RSP customer premises equipment.

3. While direct responsibility for fulfilling priority assistance obligations lies with the RSP, NBN Co does have a set of regulatory obligations to support the provision of Priority Assistance Services under ACIF C609:2007 Priority Assistance for life-threatening Medical Conditions Code. This code establishes industry wide arrangements for carriage service providers who offer Priority Assistance services to residential customers with life-threatening medical conditions.

As NBN Co is the operator of the underlying network infrastructure that will be used by retail service providers to provide Priority Assistance standard telephone services, NBN Co has a role as an ‘underlying carrier’. This means that NBN Co needs to:

- take reasonable steps to support the provision of a priority assistance Standard Telephone Service (STS) with the highest level of service reliability practically available;

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- take reasonable steps to identify and rectify any underlying conditions contributing to reduced reliability of priority assistance services;
- record in its own systems where an end user is a priority assistance user;
- use reasonable endeavours to facilitate the connection of the first STS for a priority assistance end-user with the highest level of service available, doing so no later than 24 hours after the supplier's request for urban/rural areas and 48 hours for remote areas;
- liaise with suppliers of priority assistance services regarding the rectification of faults; and
- take reasonable steps to minimise service outages experienced by end-users who receive a priority assist service priority customers.

In its WBA, NBN Co also undertakes to establish a 24 hour, 7 days per week contact service to enable its retail service provider customers to contact NBN Co, to obtain information regarding the status of orders they have placed and faults they have reported on the fibre network where NBN Co's standard fibre service is being used by a retail service provider to supply a priority assistance service to an end user.

Finally it is important to note that the responsibility for providing priority assistance to end-users lies with the relevant retail service provider.

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Question No: 359

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: QoN 301(b) – Additional Estimates

Senator MacDonald asked:

We draw your attention to answers to questions on notice 301(b) from Additional Estimates February 2012. We refer to advice provided in the stated answer to the effect that NBN Co has indicated that inspection staff receive two days training in NBN's Defect Management System (DMS).

1. What criteria is utilised to recruit inspection and audit personnel for operation of the DMS system?
2. What ongoing support is made available to inspection staff in the use/deployment of DMS? What function will the Gold Coast Call Centre have in this process?
3. Who sets the compliance standards for the inspections that are being conducted and deployed using the DMS system?
4. What licensing or regulatory oversight governs the conduct of inspectors who are engaged in auditing NBNC Co public infrastructure?
5. What licensing or regulatory oversight governs the conduct of inspectors using the DMS system?

Answer:

1. Industry qualifications / TAFE qualifications combined with demonstrated comprehensive quality experience in a telecommunications environment.
2. Ongoing support to inspection staff is available through dedicated quality managers (Regional Quality Leads) in each region. The Gold Coast Call Centre has no involvement in the use or deployment of the DMS system.
3. The Chief Technology Officer in conjunction with equipment/product manufacturers develops the installation standards. The DMS utilises checklists linked to these standards for inspection.
4. Regional Quality Leads oversight the conduct of inspectors.
5. Regional Quality Leads oversight the conduct of inspectors.

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Question No: 360

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: QoN 301(c) Additional Estimates

Senator MacDonald asked:

We draw your attention to answers to questions on notice 301(c) from Additional Estimates February 2012.

We refer to advice provided in the stated answer to the effect that NBN Co has indicated that maintenance and installation works recorded through the DMS are required to comply with quality levels yielded by statistical sampling.

1. From where is the statistical sampling data sourced/how is the data compiled?
2. Who reviews/audits the pass/fail assessments under the DMS system?
3. Are Access Seekers fully informed regarding the DMS system during the on-boarding process?
4. Will the DMS system be independently regulated for compliance with quality levels?

Answer:

1. Data is recorded in DMS through the network construction phase via in-field observation and inspection. For the purpose of network acceptance, a statistical sample of completed network elements is inspected using DMS in accordance with Australian Standard AS1199.1-2003
2. No pass/fail assessments are made under the DMS system. Construction issues are recorded within DMS and as being either 'open' or 'closed' depending on the status of observation / defect rectification. Operation of the DMS system is the responsibility of the Manager, Defect Management.
3. No. DMS is used to manage observations and defects during the construction phase of the rollout and does not impact Access Seekers. Once the network is operational, fault monitoring is carried out via entirely separate processes and business systems.
4. The DMS system is aligned to contractors' contractual obligations to deliver acceptable quality. This is regulated through the usual contract management processes of the company. Trends in defects will be monitored and used to drive continual improvement in contractor performance.

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Question No: 361

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: QoN 301(d) Additional Estimates

Senator MacDonald asked:

We draw your attention to answers to questions on notice 301(d) from Additional Estimates February 2012.

We refer to advice provided in the stated answer to the effect that NBN Co has NOT indicated the cost estimate that was explicitly requested by the question. The information requested is the forward estimate for inspections and audits of NBN Co installations.

As such, the question is posed for a second time.

1. What is the forward estimate for the cost of conducting inspections and audits of NBNC Co installations nationwide?
2. Please provide the specific cost estimates for managing inspection and audit of in each of the following technologies:
 - terrestrial fibre (cost per inspection and the estimated national total)
 - aerial fibre (cost per inspection and the estimated national total)
 - wireless (cost per inspection and the estimated national total)
 - satellite (cost per inspection and the estimated national total)

Answer:

1) & 2) The conduct of inspections and audits of NBN Co installations nationwide is included in the overall budgeted cost of network rollout, as it is integral to the rollout.

Specific separate costing is complex to analyse for a number of reasons. Inspection activity is one of many integrated tasks an individual NBN Co employee may undertake in an overall effort to ensure NBN Co delivers a fit for purpose network. The effort on inspection and audit activity alone is therefore difficult to isolate. Each delivery technology (as outlined in the question) involves a number of test, inspection and audit regimes at various steps of each delivery process, including for example the inspection of inbound equipment, of the civil build and optical testing. Audits are conducted across multiple standards, including quality, safety, environment, etc. As well, the level of inspection and audit activity varies based on a number of factors including a contractor's history of delivery.

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Question No: 362

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Network Maintenance

Senator MacDonald asked:

1. What are the network maintenance accountability functions that are vested in third party/independent providers? What compliances are imposed for installation and maintenance of ISP backhaul? Who will regulate the installation and maintenance of ISP backhaul?
2. By what independent body will the NBN Co's 'ultimate responsibility' for network maintenance be regulated and/or scrutinised?

Answer:

1. The NBN Co network extends from the Point Of Interconnect (POI)—typically at an exchange—out to and including the Network Termination Device (NTD) at a premise. The network design, implementation and overall maintenance strategies as well as the network performance between these two points rests with NBN Co.

ISP backhaul services (being those arranged by the ISP / RSP to connect to the POI) are outside the NBN domain and responsibility rests with the relevant RSP. It is each RSPs responsibility to provide those backhaul services as well as any subsequent maintenance arrangements which may be required.

2. NBN Co's various network maintenance responsibilities are regulated and scrutinised by a range of bodies including the Department of Broadband, Communications and the Digital Economy, the Attorney-General's Department, the ACMA, the ACCC, the TIO and Communications Alliance.

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Question No: 363

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Staffing

Senator Fisher asked:

- a. How many ongoing staff recruited this financial year to date? What classification are these staff?
- b. How many non ongoing positions exist or have been created this financial year to date? What classification are these staff?
- c. This financial year to date, how many employees have been employed on contract and what is the average length of their employment period?

Answer:

- a. 793 ongoing staff were recruited in FY12. Classifications vary, but include project managers, analysts and technical people.
- b. There are currently 82 maximum term (non-ongoing) staff. The applicable classifications are contractors, employees (max term), and labour hire.
- c. In FY12, there were 18 employees placed on contract with an average term of nine months.

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Question No: 364

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Staffing

Senator Fisher asked:

Please list the SES positions you have in your department/agency this financial year to date. Identify the different levels and how many are permanent positions.

Answer:

NBN Co does not have a Senior Executive Service (SES) classification.

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Question No: 365

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Staffing

Senator Fisher asked:

Will there be any training after the 2012 Calendar year for 2012 Graduates? If yes, please detail costs and what the training is.

Answer:

NBN Co does not take part in the APS graduate recruitment scheme.

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Question No: 366

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Staffing

Senator Fisher asked:

What was the cost for recruiting 2012 Graduates? Please itemise and detail costs.

Answer:

NBN Co does not take part in the APS graduate recruitment scheme.

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Question No: 367

Program No: NBN Co

Hansard Ref: In Writing

Topic: Communications

Senator BIRMINGHAM asked:

- a. What was the total cost of all advertising for the financial year to date?
- b. Is the advertising campaign or non-campaign advertising? Provide details of each advertising, including the program the advertising was for, the total spend and the business that provided the advertising services.
- c. Has the Department of Finance and Deregulation provided any advice about the advertising? Provide details of each advertising item.
- d. Has the Peer Review Group (PRG) and/or Independent Communications Committee (ICC) provided any advice about the advertising? Provide details of each advertising item.
- e. Did the Advertising comply with the Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies? Provide the details for each advertising item.
- f. Provide details for any other communications program, including details of the program, the total spend and the business that provided the communication services.
- g. What advertising – Campaign and Non-Campaign – and other communications programs is the Department/Agency undertaking, or are planning to undertake?

Answer:

- a. Advertising is an important part of NBN Co's strategy to actively engage with communities and stakeholders as part of its education strategy for the network rollout. The importance of this approach has been noted by the Joint Committee on the NBN in its Second Report released in November 2011. Advertising costs for the financial year 2011-12 were \$3.79 million. This does not include recruitment advertisements or tender advertisements.
- b.

Advertising for:	(\$)
Community Relations Information Sessions	29,172
Demonstration centres	73,426
Construction notices and mailing	21,414
Satellite public information (rural and regional focus)	81,821
Three year rollout Information Campaign	3,582,665
Total	3,788,498

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NBN Co actively engages with communities and stakeholders as part of its education strategy for the network rollout. The importance of this approach has been noted by the Joint Committee on the NBN in its Second Report released in November 2011.

Most, if not all contracts in place between NBN Co and suppliers contain confidentiality requirements. Disclosure of information such as individual sums paid and other confidential details may therefore result in a breach of these obligations. This may cause harm to NBN Co's commercial relationships and negatively impact upon our ability to function as a commercial entity.

c.- e. NBN Co is not a government department or agency as defined by the *Financial Management and Accountability Act 1997* (FMA Act). As such it is not subject to the Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies (2010).

f. Digital Communications: \$117,009. This Includes videos, animations, info-graphics, digital newsletters and other content for the NBN Co website and blog developed to provide public information on the rollout. Details of the businesses that provided these services are not available for the reasons outlined in answer (b).

g. No other advertising was undertaken by NBN Co's communications team in FY2011-12. Further public information activity including advertising is currently in development.

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Question No: 368

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Hospitality and Entertainment

Senator Fisher asked:

- a) What is the Department/Agency's hospitality spend for this financial year to date? Detail date, location, purpose and cost of all events.
- b) What is the Department/Agency's entertainment spend for this financial year to date? Detail date, location, purpose and cost of all events.
- c) What hospitality spend is the Department/Agency's planning on spending? Detail date, location, purpose and cost of all events.
- d) What entertainment spend is the Department/Agency's planning on spending? Detail date, location, purpose and cost of all events.
- e) Is the Department/Agency planning on reducing any of its spending on these items? If so, how will reductions be achieved?

Answer:

- a) & b) The total hospitality and entertainment spend for the current financial year (to 31 May 2012) was \$95,859. This includes expenses on items such as employee events, forums and workshops and other events with third parties. To attempt to provide the additional level of detail requested would involve an unreasonable diversion of company resources.
- c) & d) A detailed forecast spend has not been finalised. However an allowance has been made for this expenditure in the 2012-2015 Corporate Plan released publicly on 8 August 2012.
- e) NBN Co minimises its hospitality and entertainment expenditure through established policies and procedures so as to ensure only necessary expenditure is incurred.

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Question No: 369

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: FOI

Senator Fisher asked:

- a. Has the Department/agency received any updated advice on how to respond to FOI requests?
- b. What is the total cost to the department to process FOI requests for this financial year to date?
- c. How many FOI requests has the Department received for this financial year to date? How many requests have been denied and how many have been granted? Has the department failed to meet the processing times outlined in the FOI Act for any requests? If so, how many and why? Do any of these requests remain outstanding? If so, how many and why?
- d. How many conclusive certificates have been issued in relation to FOI requests for this financial year to date?

Answer:

- a. No.
- b. NBN Co responds to FOI matters as a normal part of its business activities and those costs cannot be separated from its ongoing expenditures.
- c. In the financial year 2011-12, NBN Co received 19 FOI requests and processed a total of 31 FOI requests in that same period. Of those 31 requests, 2 were released in full; 6 were released in part; 3 were denied and 13 were withdrawn. In relation to 4 applications, NBN Co held no documents. Three applications were still on hand as at 30 June 2012. NBN Co completed all FOI requests within the processing deadlines outlined in the FOI Act and as per the OAIC's Guidelines.
- d. None. The power to issue conclusive certificates in the *Freedom of Information Act 1982* was removed under the *Freedom of Information (Removal of Conclusive certificates and Other Measures) Act 2009*, which came into effect on 7 October 2009.

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Question No: 370

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Consultancies

Senator Fisher asked:

- a) How many consultancies have been undertaken this financial year to date? Identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the arrangement, and the method of procurement (i.e. open tender, direct source, etc). Also include total value for all consultancies.

- b) How many consultancies are planned for this calendar year? Have these been published in your Annual Procurement Plan (APP) on the AusTender website and if not why not? In each case please identify the subject matter, duration, cost and method of procurement as above, and the name of the consultant if known.

Answer:

- a) The total amount spent on consultancies for this financial year (to May 2012) was \$33.8m.

These consultancies were undertaken within the following NBN Co internal functional areas:

Functions	\$m
Information technology support including BSS and OSS inception and design services	6.5
Technology Organisation (External consulting services largely relating to satellite and wireless activities)	6.2
Network operations (Professional services including process design and process implementation support)	6.1
Supply chain	3.1
Planning and Design	3.0
Construction	2.3
New Developments	1.1
Finance	1.1
Product Management and Industry relations	1.0
Other (human resources, security, procurement, corporate services, facilities, training, internal communications)	3.3
Total	33.8

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Most, if not all contracts in place between NBN Co and its consultants contains confidentiality requirements. Disclosure of information such as individual sums paid and other confidential details may therefore result in a breach of these obligations. This may cause harm to NBN Co's commercial relationships and negatively impact upon our ability to function as a commercial entity.

- b) As a Government Business Enterprise, NBN Co is not required to produce or publish an Annual Procurement Plan on the AusTender website.

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Question No: 371

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Media monitoring

Senator Fisher asked:

What was the total cost of media monitoring services, including press clippings, electronic media transcripts etcetera, provided to the department/agency for this financial year to date?

- a. Which agency or agencies provided these services?
- b. What is the estimated budget to provide these same services for the year 2012-13?

Answer:

(a)-(b).

The cost of media monitoring for 2011-12 is \$144,749. These services were provided by Media Monitors. The 2012-13 media monitoring budget is \$180,000.

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Question No: 372

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Communications

Senator FISHER asked:

Has there been any changes to department and agency social media or protocols about staff access and usage of YouTube; online social media, such as Facebook, MySpace and Twitter; and access to online discussions forums and blogs since publication of the Australian Public Service Commission's Circular 2012/1: Revisions to the Commission's guidance on making public comment and participating online? If yes, please explain and provide copies of any advice that has been issue. If no, please explain why not.

Answer:

No. NBN Co is a Government Business Enterprise and does not receive Australian Public Service Commission circulars.

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Question No: 373

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Contractors

Senator Fisher asked:

For this financial year to date (to May 2012):

1. Has the department/agency ever employed Hawker Britton in any capacity or is it considering employing Hawker Britton? If yes, provide details (including the work undertaken and the cost).
2. Has the department/agency ever employed Shannon's Way in any capacity or is it considering employing Shannon's Way? If yes, provide details (including the work undertaken and the cost).
3. Has the department/agency ever employed John Utting & UMR Research Group in any capacity or is it considering employing John Utting & UMR Research Group? If yes, provide details (including the work undertaken and the cost).
4. Has the department/agency ever employed McCann-Erickson in any capacity or is it considering employing McCann-Erickson? If yes, provide details (including the work undertaken and the cost).
5. Has the department/agency ever employed Cutting Edge in any capacity or is it considering employing Cutting Edge? If yes, provide details (including the work undertaken and the cost).
6. Has the department/agency ever employed Ikon Communications in any capacity or is it considering employing Ikon Communications? If yes, provide details (including the work undertaken and the cost).
7. Has the department/agency ever employed CMAX Communications in any capacity or is it considering employing CMAX Communications? If yes, provide details (including the work undertaken and the cost).
8. Has the department/agency ever employed Boston Consulting Group in any capacity or is it considering employing Boston Consulting Group? If yes, provide details (including the work undertaken and the cost).
9. Has the department/agency ever employed McKinsey & Company in any capacity or is it considering employing McKinsey & Company? If yes, provide details.

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10. What contractors have been employed by the department/agency? If yes, provide details (including the work undertaken and the cost).

Answer:

1. No.
2. No.
3. Yes. UMR Research Group was engaged in January 2011 to provide research services for a 12 month period. The contract has expired. The contract between NBN Co and UMR contained confidentiality requirements which are ongoing. Disclosure of information such as sums paid to it and other confidential details may result in a breach of NBN Co's confidentiality obligations which may cause harm to the commercial relationship with UMR as well as NBN Co's current and future business partners. This could also impact upon NBN Co's ability to function as a commercial entity, the viability of the NBN and the long-term investment by Australian taxpayers.
4. McCann-Erickson has not been employed by NBN Co. However a related party, Universal McCann which is a division of Mediabrands Australia Pty Ltd was engaged by NBN Co in January 2012 for a 6 month period to perform media planning and buying services. The contract in place between NBN Co and Universal McCann contains confidentiality requirements. Disclosure of information such as the sums paid to it and other confidential details may therefore result in a breach of NBN Co's confidentiality obligations, which may cause harm to the commercial relationship with Universal McCann as well as NBN Co's current and future business partners. This could also impact upon NBN Co's ability to function as a commercial entity, the viability of the NBN and the long-term investment by Australian taxpayers.
5. No.
6. No.
7. No.
8. No.
9. No.
10. NBN Co publishes details on its website in relation to significant contracts related to the rollout of the national broadband network and the establishment of its corporate systems and processes. For example, details in relation to the ViaSat ground support satellite contract were published on 12 July 2012. To provide details in relation to all NBN Co contractors may constitute a breach of the confidentiality obligations in place between the parties.

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Question No: 374

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Government Payment of Accounts

Senator Fisher asked:

For this financial year to date, has the department/agency paid its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (i.e.within 30 days)?

- a. If not, why not? Provide details, including what has been the timeframe for payment of accounts? Please provide a breakdown, average statistics etc as appropriate to give insight into how this issue is being approached)
- b. For accounts not paid within 30 days, is interest being paid on overdue amounts and if so how much has been paid by the portfolio/department agency for the current financial year and the previous financial year?
- c. Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Answer:

NBN Co is not subject to the Commonwealth Procurement Guidelines. NBN Co's standard payment terms are 30 days end of month. Accounts are paid in accordance with these terms except where it is found that the supplier has not delivered all of the required deliverables in accordance with their Statement of Work.

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Question No: 375

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Government Stationary Requirements

Senator Fisher:

- a. What is the department/agency's stationery costs for the financial year to date?
- b. What was the department/agency's stationery costs for 2009-10 and 2010-11?

Answer:

Stationery costs cannot easily be disaggregated from 'office supplies and printing' within NBN Co's cost centres. However, the following information can be provided:

- a. Office supplies & printing which include stationery costs for the financial year to date (end May 2012) is \$798,930.
- b. Office supplies & printing which includes stationery costs for financial year 2009-10 was \$178,223 and in 2010-11 it was \$484,707.

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Question No: 376

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Media Subscriptions

Senator Fisher asked:

1. Has there been any change to your pay TV subscription since the 2011-12 Additional Estimates (February 2012)?
 - a. If yes, please provide the reason why, the cost and what channels.
 - b. What is the cost for this financial year to date?
2. Has there been any change to your newspaper subscriptions since the 2011-12 Additional Estimates (February 2012)?
 - a. If yes, please provide the reason why, the cost and what newspapers.
 - b. What is the cost for this financial year to date?
3. Has there been any change to your magazine subscriptions since the 2011-12 Additional Estimates (February 2012)?
 - a. If yes, please provide the reason why, the cost and what magazines.
 - b. What is the cost for this financial year to date?

Answer:

As at 22 June 2012:

1a. No change

b. YTD expenditure = \$14,913

2a. No change

b. The costs for newspapers cannot be easily disaggregated within NBN Co's cost centres. However, the following information can be provided: YTD expenditure on - newspapers and magazines = \$16,728

3a. No change

b. Individuals can order periodicals relevant to their work via their expenses and this is included in the figure provided in part 2 above.

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Question No: 377

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Travel Costs

Senator Fisher asked:

- a. For the financial year to date, please detail all travel for Departmental officers. Please include a total cost plus a breakdown that include airfares (and type of airfare), accommodation, meals and other travel expenses (such as incidentals).
- b. Are the Government's Lowest Practical Fare travel policy for Domestic Air Travel (Finance Circular No. 2009/10) and Best Fare of the Day for International Air Travel (Finance Circular No. 2009/11) guidelines being followed? How is this monitored? If the guidelines are not being followed, please explain why.
- c. Are lounge memberships provided to any employees? If yes, what lounge memberships, to how many employees and their classification, the reason for the provision of lounge membership and the total costs of the lounge memberships.
- d. When SES employees travel, do any support or administrative staff (such as an Executive Assistant) travel with them? If yes, provide details of why such a staff member is needed and the costs of the support staff travel.

Answer:

- a. The total travel cost (both domestic and international) as at 31 May 2012 was \$9.4 million. This includes such items as accommodation, meals, airfares, car hire, parking, taxis and trains. To attempt to provide the itemised travel details as requested would involve an unreasonable diversion of company resources.
- b. NBN Co has appointed a Travel Management Company (TMC). All air travel, accommodation and car hire must be booked through the TMC. All changes to booked air travel, accommodation or car hire also need to be made through the TMC and not directly with the alternate providers. Thus all travelling will be the most direct route and at the best available commercial rate. Monthly reports to senior management are provided on potential cost savings incurred when travelling.
- c. As part of the engagement of Virgin Australia as the preferred provider for domestic air travel for NBN Co, lounge membership is available to NBN Co employees who are required to travel. As at 31 May 2012, there are 443 employees with Virgin Australia memberships. These are at nil cost per employee under the arrangements with the provider.
- d. NBN Co does not have SES employees.

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Question No: 378

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Legal Costs

Senator Fisher asked:

- a. What sum did each portfolio department and agency spend on legal services for this financial year to date within the department/agency? Please provide a list of each service and costs.
- b. What sum did each portfolio department and agency spend on legal services this financial year to date from the Australian Government Solicitor? Please provide a list of each service and costs.
- c. What sum did each portfolio department and agency spend on legal services this financial year to date from private firms? Please provide a list of each service and costs.
- d. What sum did each portfolio department and agency spend on legal services this financial year to date from other sources? Please provide a list of each service and costs

Answer:

- a. As at 21 June 2012 and for the YTD, the total fees paid to law firms for all legal and regulatory support services by NBN Co was \$19.934 mill (11 months inclusive: July 2011-May 2012 spend).
- b. NBN Co has not retained the Australian Government Solicitor during this period.
- c. See answer a.
- d. Not applicable.

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Question No: 379

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Education Expenses

Senator Fisher asked:

What are the department/agency's guidelines on study? Please provide details.

For this financial year to date, detail all education expenses (i.e. in house courses and tertiary studies) for each portfolio department and agency. Include what type of course, the total cost, cost per participant, the employment classification of each participant, how many participants and the amount of study leave granted to each participant (provide a breakdown for each employment classification). Also include the reason for the study and how it is beneficial for the department/agency.

Answer:

NBN Co has a well-defined policy on education for staff. This policy applies to permanent employees only and can be summarised as follows:

- NBN Co acknowledges the importance of helping our employees to reach out and develop and enhance the skills and knowledge necessary to meet the demands of our changing work environment. On this basis, NBN Co has established a learning and development framework that encourages and supports employees in their professional and career development as part of their employment with NBN Co.
- The policy outlines the assistance NBN Co may provide to eligible employees in pursuit of the following learning and development opportunities:

- Job-based activities and assignments
- Establishment and development of appropriate relationships
- Conferences and seminars
- Professional memberships
- Short Courses and Formal Study Programmes
- Company provided training
- Accreditations, certifications and professional qualifications
- Educational assistance

The education expenses for the financial year to date \$6,885,004. This includes all onboarding, compliance, technical accreditations safety, systems, IT processes training along with leadership, media and management training expenses.

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NBN Co Limited

Question No: 380

Program No: NBN Co

Hansard Ref: In Writing

Topic: Education Expenses

Senator Fisher asked:

In relation to executive coaching and/or other leadership training services purchased by each department/agency, please provide the following information for this financial year to date:

1. Total spending on these services
2. The number of employees offered these services and their employment classification
3. The number of employees who have utilised these services, their employment classification and how much study leave each employee was granted (provide a breakdown for each employment classification)
4. The names of all service providers engaged

For each service purchased from a provider listed under (4), please provide:

- a. The name and nature of the service purchased
- b. Whether the service is one-on-one or group based
- c. The number of employees who received the service and their employment classification
- d. The total number of hours involved for all employees (provide a breakdown for each employment classification)
- e. The total amount spent on the service
- f. A description of the fees charged (i.e. per hour, complete package)

Where a service was provided at any location other than the department or agency's own premises, please provide:

- i. The location used
- ii. The number of employees who took part on each occasion (provide a breakdown for each employment classification)
- iii. The total number of hours involved for all employees who took part (provide a breakdown for each employment classification)
- iv. Any costs the department or agency's incurred to use the location

Answer:

The education expenses for the financial year to date end June 2012 were \$6,885,004. This includes all onboarding, compliance, technical accreditations safety, systems, IT processes training along with leadership, media and management training expenses.

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Question No: 381

Program No: NBN Co

Hansard Ref: In Writing

Topic: Media Training

Senator Fisher asked:

In relation to media training services purchased by each department/agency, please provide the following information for this financial year to date:

1. Total spending on these services
2. The number of employees offered these services and their employment classification
3. The number of employees who have utilised these services, their employment classification and how much study leave each employee was granted (provide a breakdown for each employment classification)
4. The names of all service providers engaged

For each service purchased from a provider listed under (4), please provide:

- a. The name and nature of the service purchased
- b. Whether the service is one-on-one or group based
- c. The number of employees who received the service and their employment classification (provide a breakdown for each employment classification)
- d. The total number of hours involved for all employees (provide a breakdown for each employment classification)
- e. The total amount spent on the service
- f. A description of the fees charged (i.e. per hour, complete package)

Where a service was provided at any location other than the department or agency's own premises, please provide:

- i. The location used
- ii. The number of employees who took part on each occasion
- iii. The total number of hours involved for all employees who took part (provide a breakdown for each employment classification)
- iv. Any costs the department or agency's incurred to use the location

Answer:

The education expenses for the financial year ended 30 June 2012 was \$6,885,004. This includes all onboarding, compliance, technical accreditations safety, systems, IT processes training along with leadership, media and management training expenses.

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NBN Co Limited

Question No: 382

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Paid Parental Leave

Senator Fisher asked:

- a. Please list how many staff in each portfolio department and agency are eligible to receive payments under the Government's Paid Parental Leave scheme?
- b. For this financial year to date list which department/agency is providing its employees with payments under the Government's Paid Parental Leave scheme? Please list how many staff and their classification are in receipt of these payments.

Answer:

Staff accessing the paid parental leave scheme is a private matter for them and the Family Assistance Office.

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Question No: 383

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Corporate Cars

Senator Fisher asked:

Please update if there have been any changes since Additional Estimates 2011-12 (February 2012):

- a. How many cars are owned by each department and agency in your portfolio?
- b. Where is the car/s located?
- c. What is the car/s used for?
- d. What is the cost of each car for this financial year to date?
- e. How far did each car travel this financial year to date?

Answer:

NBN Co uses lease arrangements and therefore does not own any cars.

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NBN Co Limited

Question No: 384

Program No: NBN Co

Hansard Ref : In Writing

Topic: Taxi Costs

Senator Fisher:

- a. How much did each department/agency spend on taxis this financial year to date? Provide a breakdown of each business group in each department/agency.
- b. What are the reasons for taxi costs?

Answer:

- a. NBN Co's accounts system combines taxi and train expenditure. As at 31 May 2012, expenditure on both taxi and train line items amounted to \$1,565,313.
- b. Taxi costs are incurred for a number of reasons including courier services, travel by company staff to meetings and interstate travel for business discussions, engagement with state and local governments or to attend Parliamentary Committee hearings.

There are currently more than 20,000 people receiving services on the National Broadband Network, all over the continent, from Geraldton in Western Australia, to Townsville in Queensland and Kingston Beach in Tasmania. The breadth of the rollout requires company staff to travel to engage with the community, key stakeholders and to attend a wide variety of business meetings.

The Joint Committee on the National Broadband Network has recently noted "the need for an effective public education program" and unanimously recommended that NBN Co finalise its community and rollout engagement functions. NBN Co has responded, and has in place an active community engagement program across Australia. For example, over the past three months alone, NBN Co staff have conducted community relations, construction, planning and design operations, and quality control in over 53 locations all across Australia, including Broken Hill, Alice Springs, Kalgoorlie, Mackay, Whyalla and the Pilbara.

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Question No: 385

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Credit Cards

Senator Fisher asked:

Provide a breakdown for each employment classification that has a corporate credit card.

Please update if there have been any changes since Additional Estimates 2011-12 (February 2012):

- a. What action is taken if the corporate credit card is misused?
- b. How is corporate credit card use monitored?
- c. What happens if misuse of a corporate credit card is discovered?
- d. Have any instances of corporate credit card misuse have been discovered? List staff classification and what the misuse was, and the action taken.
- e. What action is taken to prevent corporate credit card misuse?

Answer:

Generally senior managers at general manager level and above are issued with credit cards. Cards are also issued to other staff depending on their circumstances, such as being frequent travellers. Eligibility for a corporate credit card is governed by NBN Co Corporate Credit Card Policy (the policy).

- a. As per the policy, employees may be subject to disciplinary action if they misuse the card. Also, the cards issued are employee liability cards, which mean that if expenditure is not approved in accordance with policy or the employee uses it for a personal item; they are personally liable for the expenditure.
- b. The cards are "limited liability" cards meaning that employees must pay the balances of the cards themselves and seek reimbursement of business expenses from the company. The provider issues monthly reports to NBN Co of all credit card use. NBN Co can also access card account details online at any time.
- c. See a.
- d. There have been no instances of misuse.
- e. The policy sets out the use of the card. Integral to the policy, employees are also subject to the Travel & Expense Reimbursement Policy. Business expenses incurred on a card are reported on an Expense Claim Report, which is approved by a cardholder's manager. Expense Claim Reports are then double checked by Accounts Payable for compliance with relevant policies before payment is made.

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Question No: 386

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Printing of documents

Senator Fisher asked:

Does the department/agency print any hard copies of reports/statements/papers they produce? If yes, please list how many copies, where they are delivered and the cost?

Answer:

NBN Co staff do print items such as reports/statements/papers when required. Determining the number of papers printed and to where they have been distributed and all associated costs across all business areas would be an unreasonable diversion of resources.

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Question No: 387

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Provision of Equipment

Senator Fisher asked:

Is electronic equipment (such as ipad, laptop, wireless card, vasco token, blackberry, mobile phone (list type if relevant), thumb drive (not an inclusive list)) provided to department/agency staff? If yes provide details of what is provided, the purchase cost, the ongoing cost and a breakdown of what staff and staff classification receives it.

Answer:

NBN Co staff are provided with the necessary equipment to carry out their work. Listing the various pieces of equipment provided to staff and cross-checking this against classification and individual requirements would be an unreasonable diversion of resources.

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NBN Co Limited

Question No: 388

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Electricity Purchasing

Senator Fisher asked:

- a. Provide an update of the department/agency electricity purchasing agreement. Provide details of when this was entered into and the length of the agreement.
- b. What were the department/agency electricity costs for 2009-10 and 2010-11?
- c. What are the department/agency electricity costs for this financial year to date?

Answer:

a.-c. NBN Co has numerous electricity suppliers around Australia. Supply agreements vary in duration but all are short-term so that consolidation can occur once a threshold level of consumption is achieved – expected in 2012-13.

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Question No: 389

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Information for the Australian Greens and Independents

Senator Fisher asked:

1. Does the department/agency provide any information and/or undertake any requests for the Australian Greens? If yes, please provide the following information:
 - a. How is such work and/or information requests commissioned?
 - b. What work/information requests have been undertaken? Provide details and a copy of each work produced.
 - c. Has any such work and/or information requests been unable to proceed? If yes, provide details including what the work and/or information requests were and why it could not be undertaken.
 - d. How long is spent undertaking work and/or information requests for the Australian Greens? How many staff are involved and how many hours? Provide a breakdown for each employment classification.

2. Does the department/agency provide any information and/or undertake any requests for the Independents? If yes, please provide the following information:
 - a. How is such work and/or information requests commissioned?
 - b. What work/information requests have been undertaken? Provide details, including who the work/information was for and a copy of each work produced.
 - c. Has any such work and/or information requests been unable to proceed? If yes, provide details including what the work and/or information requests were, who they were from, who they were for and why it could not be undertaken.
 - d. How long is spent undertaken work and/or information requests for the Independents? How many staff are involved and how many hours? Provide a breakdown for each employment classification.

Answer:

For (1) and (2):

Yes. It is a vital part of NBN Co's communications activities to ensure local communities are informed about the NBN. This can include assisting members of local, state and federal governments of various political alignment with requests for information relating to the rollout of the NBN.

- a) These requests can be commissioned in a number of ways, including through direct correspondence, email, phone calls, meetings, seminars, answers provided in parliamentary hearings, Questions on Notice or indirectly through requests to Government departments or Ministers' offices.

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- b) This information can take many forms including background information relating to fibre, satellite or wireless, network rollout information in particular areas, schedules for the demonstration truck, or information relating to communications activities.
- c) NBN Co provides information when requested unless there is an operational or commercial reason not to.
- d) It is not possible to quantify the time spent on such requests as they form part of the normal business operations for members of the stakeholder relations and communications teams.

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Question No: 390

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Shredders

Senator Fisher asked:

Has the department/agencies purchased any shredders in the last 12 months? If yes, provide details of how many shredders were purchased, the cost of each shredder, why each new shredder was needed and the purpose for which the shredder is to be used.

Answer:

Nine shredders were purchased and deployed nationally by NBN Co as at 24 May 2012. The cost per unit was \$7708, which includes installation, five-year warranty, waste bags and oil. The shredders are required by NBN Co for the business-as-usual disposal of information that cannot be disposed of by other means.

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Question No: 391

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Mobile towers in regional areas

Senator McKenzie asked:

- a) What processes does the NBN Co have to consult with communities in regional areas with respect to the corresponding need for more mobile towers?
- b) What are NBN Co's requirements for tendering around the building of new mobile towers in regional areas?
- c) How many applications on behalf of NBN have been made for new mobile towers in regional Victoria?
- d) What is the status of these?

Answer:

(a)-(d). NBN Co is rolling out a fixed wireless network and as such is not directly addressing any need for more mobile towers.