

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

Question No: 366

Topic: NBN Rollout – MDUs

Senator Birmingham asked:

1. Do the existing contracts with civil contractors in various states (e.g. VisionStream in Tasmania, Silcar in NSW, Queensland and the ACT, etc.) cover fibre connections to MDUs?
2. If not, what is the process for connecting the rollout to multi dwelling units?
3. Under the new ‘opt-out’ approach, must body corporates provide explicit consent before wiring can be installed inside or on buildings?
4. In May 2011, the NBN Co put out a request for proposals for MDU cablers. The RFP stated the NBN was looking for companies to carry out “installing fibre cabling and equipment within common areas of existing MDUs using pre-supplied detailed designs and bills of material”. As of 1 October 2012 how many contracts had been awarded for MDU cablers? What is the value of those contracts? How many in MDUs were able to obtain active service?
5. Which geographical areas are covered by contracts with MDU cablers so far? Have MDU cablers been signed on in Tasmania and/or second release sites on the mainland?
6. Tenants of the Meander Valley Enterprise Centre in Deloraine say they have been told they can’t get an NBN connection yet because they work in a multi-dwelling unit (MDU) and the NBN Co can’t connect to multi dwelling units. Is this correct?
7. A resident of an apartment block in Caroline Street in Aitkenville states that although his street was passed by the NBN over 12 weeks ago he hasn’t been able to get service, and when he rang NBN Co he was told “there is no national solution for MDUs”. Is this correct?
8. As of October 2012 what was the take-up rate for the NBN in MDUs in Tasmania?

Answer?

1. Now that NBN Co has reached volume rollout, it is impractical for NBN Co to provide ad hoc updates on financial and deployment metrics to a level of granularity not already provided for in public releases, parliamentary reporting processes and regular rollout information provided on our website for the use of access seekers.

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

However, to assist the Committee, NBN Co's most recent deployment metrics are provided below.

Key NBN metrics[^]

	June 2011	June 2012	Dec 2012	June 2013
Construction commenced or completed	29,600	305,000	784,600	1,220,000
Premises/lots passed				
Brownfield	18,000	29,000	46,100	286,000
Greenfield	-	10,000	26,300	55,000
Fixed wireless		9,000	17,300	
Satellite*	165,000	165,000	250,000	320,000
Total	183,000	213,000	339,700	661,000
Premises activated				
Brownfield	600	3,400	6,600	44,000
Greenfield	-	500	3,800	10,000
Fixed wireless	-	100	1,000	
Satellite	200	9,600	23,100	37,700
Total	800	13,600	34,500	91,700

[^]rounded up to the nearest '00

*coverage indicates estimated number of eligible end-users

Actual	Target
--------	--------

2. Refer Answer (1) above.
3. NBN Co will use the Low Impact Facilities Determination (LIFD) to connect MDUs. However, if owners' corporations object, NBN Co will work consultatively with the owner's corporations to resolve any issues that may arise. If this is not possible, NBN Co will not proceed and the premises will be listed as "frustrated" on the company's public register.
4. NBN Co has appointed a number of fibre installation contractors to connect premises in MDUs and is progressively appointing further contractors to service ongoing demand.
5. Refer Answer (1) above.
6. NBN Co will be installing the network to buildings utilising the new commercial arrangements which are now underway.
7. Cabling has been completed on three MDUs in Caroline Street Aitkenvale and there is a fourth MDU (9 Caroline Street) where the cabling works have ceased as the crews were refused access by a resident and consequently were unable to complete work necessary to connect that MDU. Without a specific address for the apartment block we cannot provide a detailed response.

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

8. Refer Answer (1) above.

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

Question No: 367

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Rollout – Electricity Poles

Senator Birmingham asked:

1. Have negotiations with any electricity distributors been finalised to utilise electricity poles for aerial deployment of the FTTP network?
2. Who will be responsible for maintenance of NBN cables hung on electricity poles?
3. What about in the case of downed or cut wires?
4. Does NBN Co have projections for repair times for instances such as cyclones in north Queensland?

Answer

1. NBN Co has finalised agreements with 9 utilities to access electricity poles.
2. NBN Co will be responsible for maintenance of NBN cables hung on electricity poles.
3. NBN Co has responsibility for NBN Co cables
4. Repair times will vary depending on the situation. In the case of natural disasters, NBN Co will typically work in parallel with the utility power restoration programme. For routine small scale restorations service levels have been set out in the Wholesale Broadband Agreement.

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

Question No: 368

Program No: NBN Co

Hansard Ref: In Writing

Topic: NBN Interim Satellite Service

Senator Birmingham asked:

1. For the NBN Co Interim Satellite Service, who installs and maintains the equipment at user premises? Who operates the ground stations?
2. Describe the financial and operational arrangements for transferring users from the Australian Broadband Guarantee and any other previous government-supported broadband programs to NBN.
3. What (if any) incentives do wholesale satellite operators involved with the Australian Broadband Guarantee and/or any other previous government-supported broadband programs have to switch users from the ABG or other previous programs to the NBN?
4. What (if any) incentives do wholesale satellite operators involved with the NBN Co Interim Satellite Service have to switch users from the ABG or other previous programs to the NBN?
5. What (if any) incentives do retail service providers have to switch users from the ABG or other previous satellite broadband programs to the NBN?
6. As at the latest date for which information is available, broken down by quarter, how many users of the ABG or other government-backed or government-subsidised broadband programs had been switched to the NBN Interim Satellite Service?
7. Has NBN Co entered into any arrangement involving payments or other inducements linked to the NBN Interim Satellite Service achieving particular user numbers or other milestones? If they have, can you describe these arrangements – who gets paid, what do they get paid, and what must they do to earn the money?
8. Has any such payment been made to a private entity involved in the interim satellite scheme? If so, what was the payment and what triggered it?

Answer

1. Optus is the prime contractor for installation and maintenance. Optus has sub-contracts with Gilat who manage the maintenance and installation processes and systems on Optus's behalf. Skybridge as the subcontractor to Gilat perform the national field services tasks including the physical installations.

Both Optus and IPStar ground stations are utilised as part of the Interim Satellite Service (ISS).

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

A combination of Optus and its sub-contractor Gilat operate the satellite hub equipment at the Optus ground station. Optus manages and operates the ground station facilities in which the satellite hub equipment is located.

Optus's sub-contractor Gilat operates the satellite hub equipment at the IPStar ground stations in Kalgoorlie and Broken Hill. IPStar manages and operates the ground station facilities in which the satellite hub equipment is located.

2. No ABG end-users are transferred to the ISS. ABG end users apply for ISS connections in the same way as any other customers. To manage demand for the ISS, ABG customers become eligible for the ISS only if they had a working ABG service that was connected more than three years ago or had an ABG service less than three years old but had lost it through no fault of their own.
3. The ISS is a superior service to the ABG. As such there is a large degree of demand for the ISS – this is where the commercial incentive lies.
4. Refer to answers 2 and 3 above.
5. Refer to answers 2 and 3 above.
6. This question should be directed to the Department of Broadband Communications and the Digital Economy.
7. & 8 NBN Co has only entered into commercial arrangements with Optus and IPStar for the provision of interim satellite services. NBN Co views the detailed content of those contractual arrangements to be commercially sensitive and disclosing them may cause harm to either parties' commercial interests.

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

Question No: 369

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Rollout – Telstra Infrastructure Lease Arrangements

Senator Birmingham asked:

1. What percentages of Telstra ducts so far have needed to have asbestos removed from them?
2. Who is responsible for removing asbestos from Telstra ducts?
3. What percentage of Telstra ducts accessed by NBN Co in the course of the fibre rollout so far have been fit for purpose without need for remediation?

Answer

- 1&2. As Telstra has responsibility for remediation of ducts under the Definitive Agreements (DAs) this is not a question NBN Co can answer.
3. Telstra has responsibility to deliver NBN Co remediated ducts under the DAs. The DAs also contains confidentiality obligations. As the quantum of duct that Telstra has remediated to date is commercially confidential to Telstra, to disclose it may therefore result in a breach of these obligations. This may cause harm to NBN Co's on-going commercial relationship with Telstra.

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

Question No: 370

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: NBN - Advertising & Public Information

Senator Birmingham asked:

1. What was NBN Co's total expenditure on communications, public information, public relations, media relations and advertising in 2011-12?
2. How many staff were employed in these areas as of June 2012?
3. What if any external or contract resources (listed by contract and value) were used in these areas in 2011-12, and so far in 2012-13?
4. Please provide a detailed account of the expenses included in the \$3.5 million budget for the Three-Year Rollout information campaign during 2011-12.
5. What is the expected total three-year cost for advertising associated with this campaign?
6. What performance and success indicators have been set for this campaign and how will they be evaluated?
7. Has NBN Co (or any contractor to NBN Co) authored or materially contributed to articles which appeared in non-NBN Co publications during the past 12 months without explicit acknowledgment of their source, or under the names of outside parties? If so, please provide a list of the articles and when and where they appeared.
8. Has NBN Co (or any contractor to NBN Co) contributed research to articles which appeared in non-NBN Co publications? If so, please provide a list of the articles and when and where they appeared.
9. Has any NBN Co employee or contractor provided written material published under the names of NBN Champions? If so, please provide a list of the articles and when and where they appeared.
10. Has NBN Co provided other types of support to NBN champions? If so, what support was provided and what did this cost?
11. What is the NBN Co's forecast for advertising expenditure for 2012-13?
12. What percentage of the NBN Co's advertising expenditure will cover the release of the three and four year rollout plan in March 2013?
13. What external consultants have been hired for promotion and communications associated with the release of the rollout plans to be released in March 2013?
14. Please detail the amount and proportion of total advertising spend specifically dedicated to:
 - a) Informing users the copper network will be decommissioned and the timing of this.
 - b) Informing householders about their responsibility to replace the battery back-up included in the network termination device if they choose this option.
 - c) The availability of retail services over Uni-V ports that support emergency devices.

Answer

1. Please see answers to QoNs 314 and 367 from 2012 Budget Estimates.
2. Please see QoN 389.
3. These staff were employed on an ongoing basis.

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

4. The main components of the three-year rollout community information campaign are outlined below.

Channel	Amount*
Press	\$994,733
Radio	\$1,639,436
Digital	\$799,000
Total	\$3,433,169

*GST exclusive

5. This information is not available yet.
6. The approach is still being determined.
7. No
8. NBN Co has included research findings (such as surveys) in media releases picked up by a variety of media organisations, but does not directly contribute research material to particular media organisations.
9. No
10. No
11. Community education media space expenditure is forecast to be approximately \$11.9 million for 2012-13.
12. This is still being determined.
13. None.
14. a – c

It would be an unreasonable diversion of resources to attempt to detail the amount and proportion of spending dedicated to particular messages within the public information campaign on migration.

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

Question No: 371

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Co – Special Access Undertaking

Senator Birmingham asked:

1. NBN Co has now submitted three versions of its undertaking and the timetable for a final ACCC decision is substantially later than the original Corporate Plan forecast. What is the reason for the delay?
2. Does NBN Co agree over the long term the long term revenue constraint is the only constraint in the SAU that explicitly precludes the organisation from earning economic rents given only a small subset of products will be directly price-controlled?
3. Has NBN Co modelled the total nominal dollar sum it would have the right to eventually recover from end users at the time its network is completed in June 2021, assuming all financial projections in the Corporate Plan are achieved, under:
 - a. The long term revenue constraint formula proposed in NBN Co's July 2011 SAU discussion paper? If so, what was the total figure?
 - b. The long term revenue constraint formula proposed in NBN Co's December 2011 SAU? If so, what was the total figure?
 - c. The long term revenue constraint formula proposed in NBN Co's most recent September 2012 SAU? If so, what was the total figure?
4. Does NBN Co agree that the methodology proposed in July 2011 assuming achievement of the Corporate Plan in place at that time would have led to accumulation of approximately \$65 billion of nominal unrecovered uplifted costs by 2020-21 (i.e. in the ICRA account) and subsequently recover these from end users? If this is not the correct figure (or a potentially correct figure given reasonable assumptions about depreciation and taxation and publicly available NBN Co projections) what is?
5. Does NBN Co agree that the methodology proposed in December 2011 assuming achievement of the Corporate Plan in place at that time would led to accumulation of approximately \$49 billion of nominal unrecovered uplifted costs by 2020-21, and subsequently recover these from end users? If this is not the correct figure or a potentially correct figure given reasonable assumptions about depreciation, taxation and construction work in progress and publicly available NBN Co projections) what is?
6. Do such large recoverable costs effectively mean there is no meaningful long-term revenue constraint on NBN Co during the 30-year term of the SAU – a claim which Telstra made in its submission to the ACCC?

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

Answer

1. As at 16 October 2012, NBN Co had submitted two, not three, versions of its undertaking to the ACCC; one in December 2011 and one in September 2012. The development of the SAU is a complex exercise that requires the prior development of key inputs such as products and pricing, and considerable input from stakeholders to ensure appropriate long-term arrangements are developed. Feedback on the December 2011 SAU identified a number of key issues for industry and the ACCC, which NBN Co took on board in developing the SAU.

A further version of the SAU was submitted in December 2012, primarily to incorporate developments from the Contract Development Process in relation to the Wholesale Broadband Agreement, but otherwise was essentially the same as that submitted in September 2012. This version is now being assessed by the ACCC.

2. No. All products offered by NBN Co will be explicitly price controlled, and will be unable to rise in price by more than CPI-1.5% in any year. This price increase limit applies to each product individually, and cannot be accumulated (i.e. if a price is not increased in any given year, it cannot be accumulated and used in subsequent years). In addition, NBN Co has committed to not increase the price of key reference offers for the first 5 years of the SAU. Thus, the prices charged by NBN Co will fall in real terms each year over the course of the SAU. These price commitments continue to apply even when the long term revenue constraint is activated in later years.
3. At each of the points of time listed in a, b and c, NBN Co assessed its proposed long term revenue constraint approach to ensure that it was consistent with the achievement of its Corporate Plan objectives as articulated at that point in time, reflecting Government policy objectives that NBN Co should operate as a commercial entity and be able to raise debt on its own behalf.
4. NBN Co does not agree. NBN Co assessed its proposed long term revenue constraint approach to ensure that it was consistent with the achievement of its Corporate Plan objectives as articulated at that point in time, reflecting Government policy objectives that NBN Co should operate as a commercial entity and be able to raise debt on its own behalf.
5. NBN Co does not agree. NBN Co assessed its proposed long term revenue constraint approach to ensure that it was consistent with the achievement of its Corporate Plan objectives as articulated at that point in time, reflecting Government policy objectives that NBN Co should operate as a commercial entity and be able to raise debt on its own behalf.

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

6. Please refer to 2, 4 and 5 above. It is also the case that the SAU ensures that NBN Co is unable to recover any more than its prudently incurred costs, including a regulated rate of return on its asset base.

The LTRCM appropriately recognises that NBN Co should have the opportunity to recover its prudently incurred costs over time (inclusive of an appropriate return on capital), and it provides for a utility-style annual revenue capping approach to apply once the Initial Cost Recovery Account is extinguished. Importantly, the LTRCM provides assurance to access seekers that NBN Co cannot over-recover its prudently incurred costs.

The SAU design includes a combination of commitments such that, when considered together with NBN Co's wholesale-only structure and operating context, the reasonableness of the overall package of commitments does not depend on whether the LTRCM is certain to come into effect within a particular timeframe.

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

Question No: 372

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Co – Operating Expenses - Classification

Senator Birmingham asked:

At Senate Estimates on 16 October 2012, Senator Conroy stated that there had been substantial and material changes in the categorization of direct and indirect operating expenses between the 2011-2013 Corporate Plan and the 2012-2015 Corporate Plan:

“My recollection is that there was a change in the items that were characterised as indirect opex...indirect opex includes more than just staff costs; it includes IT costs and other costs. Increases in indirect opex include provision for additional IT systems to ensure that effective operational systems are in place, that resources are directed towards public interest services such as the TUSMA levies, and a re-categorisation of operating and maintenance expenditure from direct opex to indirect opex. This results in the direct opex being lower in the current plan than it was in the 2010 corporate plan, which you miraculously do not mention when you try to claim this blow-out.”

Please provide the Committee with the following:

1. A description of all changes to the accounting treatment and/or classification of ‘direct’, ‘indirect’, and ‘other’ operating expenses since NBN Co’s inception, including references to any relevant explanatory notes included in the financial statements in NBN Co’s annual reports to Parliament.
2. The dollar cost and proportion of non-direct (‘other’ or ‘indirect’) operating expenses accounted for by employee benefits:
 - a. Incurred by NBN Co from inception to the most recently available reporting date.
 - b. Forecast in the 2011-2013 Corporate Plan to be incurred from 2010-11 until 2020-21 according to the classification used in the 2011-2013 Corporate Plan.
 - c. Forecast in the 2011-2013 Corporate Plan to be incurred from 2010-11 until 2020-21 according to the classification used in the 2012-2015 Corporate Plan.
 - d. Currently forecast to be incurred from 2010-11 until 2020-21 according to the classification used in the 2012-2015 Corporate Plan.
3. The dollar cost and proportion of non-direct (‘other’ or ‘indirect’) operating expenses accounted for by IT systems:
 - a. Incurred by NBN Co from inception to the most recently available reporting date.
 - b. Forecast in the 2011-2013 Corporate Plan to be incurred from 2010-11 until 2020-21 according to the classification used in the 2011-2013 Corporate Plan.
 - c. Forecast in the 2011-2013 Corporate Plan to be incurred from 2010-11 until 2020-21 according to the classification used in the 2012-2015 Corporate Plan.

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

- d. Currently forecast to be incurred from 2010-11 until 2020-21 according to the classification used in the 2012-2015 Corporate Plan.
4. The dollar cost and proportion of non-direct ('other' or 'indirect') operating expenses accounted for by 'external services costs' (consultants and outsourced systems):
 - a. Incurred by NBN Co from inception to the most recently available reporting date.
 - b. Forecast in the 2011-2013 Corporate Plan to be incurred from 2010-11 until 2020-21 according to the classification used in the 2011-2013 Corporate Plan.
 - c. Forecast in the 2011-2013 Corporate Plan to be incurred from 2010-11 until 2020-21 according to the classification used in the 2012-2015 Corporate Plan.
 - d. Currently forecast to be incurred from 2010-11 until 2020-21 according to the classification used in the 2012-2015 Corporate Plan.
5. The dollar cost and proportion of non-direct ('other' or 'indirect') operating expenses accounted for by "operating and maintenance expenditure" that has been re-categorized:
 - a. Incurred by NBN Co from inception to the most recently available reporting date.
 - b. Forecast in the 2011-2013 Corporate Plan to be incurred from 2010-11 until 2020-21 according to the classification used in the 2011-2013 Corporate Plan.
 - c. Forecast in the 2011-2013 Corporate Plan to be incurred from 2010-11 until 2020-21 according to the classification used in the 2012-2015 Corporate Plan.
 - d. Currently forecast to be incurred from 2010-11 until 2020-21 according to the classification used in the 2012-2015 Corporate Plan.
6. An explanation of under which circumstances maintenance expenditures could be considered 'indirect' (i.e. not be associated with a particular network asset, and the direct costs of operating the network) along with a description of which such expenses have been moved from one category of opex to another.
7. The dollar cost and proportion of non-direct ('other' or 'indirect') operating expenses accounted for by "public interest services such as the TUSMA levies":
 - a. Incurred by NBN Co from inception to the most recently available reporting date.
 - b. Forecast in the 2011-2013 Corporate Plan to be incurred from 2010-11 until 2020-21 according to the classification used in the 2011-2013 Corporate Plan.
 - c. Forecast in the 2011-2013 Corporate Plan to be incurred from 2010-11 until 2020-21 according to the classification used in the 2012-2015 Corporate Plan.
 - d. Currently forecast to be incurred from 2010-11 until 2020-21 according to the classification used in the 2012-2015 Corporate Plan.

Answer

1. Operating Expenditure, or Opex, is defined in the Corporate Plan as "the ongoing cost of running a business, system and product". Opex in the Corporate Plan includes all recurring-style payments, such as payments under lease arrangements (including recurring infrastructure access payments made to Telstra under the Definitive Agreements). This approach has been adopted consistently between the original Corporate Plan 2011-13 and the Corporate Plan 2012-15.

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

For statutory accounting purposes some items treated as Opex in the Corporate Plan are required to be capitalised and recorded under Fixed Assets. These items include payments made under finance lease arrangements. In NBN Co's statutory accounts operating expenditure will therefore be lower than the Corporate Plan, and Fixed Assets will be correspondingly higher.

In preparing the 2012-15 Corporate Plan certain cost categories were re-classified from Direct Opex in Corporate Plan 2011-13 to Indirect and Other Opex in Corporate Plan 2012-15. This was done in order to better align with the way NBN Co manages these costs internally. The reclassified cost categories relate to a range of items, including employee benefits expenses relating to operating and maintenance, ongoing IT Systems support costs, external services costs and other costs such as operating and maintenance costs on fleet vehicles and field services delivery.

The classification of costs will continue to be reviewed on a regular basis and any resulting changes incorporated into the Corporate Plan.

2. a) This information is available in NBN Co's 2009-10, 2010-11 and 2011-12 Annual Reports on its website at <http://www.nbnco.com.au/about-us/annual-reports.html>
- b) - c) This information is available in NBN Co's Corporate Plan 2011-13 on page 135 and for details of proportions refer to Table 1 below.

Table 1 – Corporate Plan 2011-13 Indirect and Other Expenses

Corporate Plan 2011-13 FY2011-FY2021	Proportion of Total Indirect Opex (%)
Employee Benefits Expenses	52%
IT and Communications Expenses	11%
External Services Costs (Consultants and Outsourced Systems)	12%
Other SG&A	24%
Total	100%

- d) This information is available in NBN Co's Corporate Plan 2012-15 on page 77 and for details of proportions refer to Table 2 below.

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

Table 2 – Corporate Plan 2012-15 Indirect and Other Expenses

Corporate Plan 2012-15 FY2011-FY2021	Proportion of Total Indirect Opex (%)
Employee Benefits Expenses	51%
IT and Communications Expenses	12%
Public Interest Services (TUSMA & USO)	1%
External Services Costs (Consultants and Outsourced Systems)	10%
Other SG&A	25%
Total	100%

3. a) This information is available in NBN Co's 2009-10, 2010-11 and 2011-12 Annual Reports on its website at <http://www.nbnco.com.au/about-us/annual-reports.html>
b) - c) See Table 1 above
d) See Table 2 above
4. a) This information is available in NBN Co's 2009-10, 2010-11 and 2011-12 Annual Reports on its website at <http://www.nbnco.com.au/about-us/annual-reports.html>
b) - c) See Table 1 (per answer to question 2)
d) See Table 2 (per answer to question 2)
5. a) This information is available in NBN Co's 2009-10, 2010-11 and 2011-12 Annual Reports on its website at <http://www.nbnco.com.au/about-us/annual-reports.html>
b) - c) See Table 1 (per answer to question 2)
d) See Table 2 (per answer to question 2)
6. See Table 1 (per answer to question 2) from published versions of NBN Co's annual reports.
7. a) This information is available in NBN Co's 2009-10, 2010-11 and 2011-12 Annual Reports on its website at <http://www.nbnco.com.au/about-us/annual-reports.html>. Note that public interest costs relating to TUSMA levy and costs for connection of USO payphones have not been incurred.
b) - c) See Table 1 (per answer to question 2). Note that Corporate Plan 2011-13 did not provision for public interest costs relating to TUSMA levy and costs for connection of USO payphones have not been incurred.
d) See Table 2 (per answer to question 2). This relates to estimates for the NBN Co contribution to the TUSMA levy and ongoing costs relating to connection of USO Payphones in Corporate Plan 2012-15.

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

Question No: 373

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Operating Expenses – 2012-2015 Corporate Plan

Senator Birmingham asked:

1. Is the nominal pre-tax dollar expense to NBN Co of all customer migration and network decommissioning payments due to be made to Telstra and Optus if the NBN rollout proceeds according to the 2012-2015 Corporate Plan included in the amounts listed between 2010-11 and 2020-21 (inclusive) in that plan's 'direct opex' expense line? If not, how much in nominal pre-tax dollar expense for these items has not been included, and in what years will it be paid?
2. What is NBN Co's estimate of the total nominal pre-tax dollar expense to NBN Co of infrastructure payments due to be made to Telstra under the definitive agreements if the NBN rollout proceeds according to the 2012-2015 Corporate Plan, over what years will these payments be made?
3. What is NBN Co's estimate of the nominal pre-tax dollar expense of infrastructure payments due to be made to Telstra under the definitive agreements included in the 2012-2015 Corporate Plan's 'direct opex' expense line between 2010-11 and 2020-21 (inclusive)?

Answer:

1. The payments due to Telstra and Optus are covered under separate agreements with each party. Payments to Telstra are covered under the Subscriber Agreement which forms part of the Definitive Agreements as commenced on 7 March 2012. Optus payments are covered under the Optus HFC Agreement as finalised by the ACCC 19 July 2012. Both agreements deal with the disconnection of existing customers from either the copper based access network or the HFC network and set out the PSAA payments due to each party for disconnection.

In accordance with Australian Accounting Standards (including Australian Interpretations), it is the current intention to expense the above payments made by NBN Co to Telstra and Optus when incurred (refer pages 100-101 of NBN Co Annual Report 2011-12).

The Corporate Plan assumes the end of the disconnection period for Telstra to be FY2023. Please refer to page 15 of the 2012-15 Corporate Plan.

2 & 3.

Questions regarding payments to Telstra would reveal commercially sensitive information for Telstra and NBN Co and could cause commercial harm to both parties as it prejudices NBN Co's position on its liability for payments to Telstra before it has had an opportunity to assess and test its actual liability (based on infrastructure usage) in the period in question to Telstra under the definitive agreements.

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

Question No: 374

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Users by State & RSP

Senator Birmingham asked:

1. How many retail customers access NBN services through each of Satellite, Wireless and Fibre, broken down in each case by State?
2. Please provide the number of retail customers by RSP without revealing the name of the RSP (i.e. how customers are distributed across the universe of RSPs)

Answer

1. Now that NBN Co has reached volume rollout, it is impractical for NBN Co to provide ad hoc updates on financial and deployment metrics to a level of granularity not already provided for in public releases, parliamentary reporting processes and regular rollout information provided on our website for the use of access seekers.

However, to assist the Committee, NBN Co's most recent deployment metrics are provided below.

Key NBN metrics[^]

	June 2011	June 2012	Dec 2012	June 2013
Construction commenced or completed	29,600	305,000	784,600	1,220,000
Premises/lots passed				
Brownfield	18,000	29,000	46,100	286,000
Greenfield	-	10,000	26,300	55,000
Fixed wireless		9,000	17,300	320,000
Satellite*	165,000	165,000	250,000	
Total	183,000	213,000	339,700	661,000
Premises activated				
Brownfield	600	3,400	6,600	44,000
Greenfield	-	500	3,800	10,000
Fixed wireless	-	100	1,000	37,700
Satellite	200	9,600	23,100	
Total	800	13,600	34,500	91,700

[^]rounded up to the nearest '00

*coverage indicates estimated number of eligible end-users

Actual	Target
--------	--------

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

2. As stated in the response to QoN 336 from May 2012 Estimates, questions regarding the number of retail customers connected through RSPs are a matter for the RSPs. Information provided by NBN Co could in many cases be ascribed to particular RSPs; therefore, disclosure of this material would effectively be disclosure of customer Confidential Information under the WBA, which NBN Co cannot do without the express consent of each customer. Without that consent, any disclosure would have a significant and negative impact on our commercial relationships. Trying to obtain consent from each customer would be an unreasonable diversion of resources, and we believe it is unlikely that consent would be granted in most if not all cases.

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

Question No: 375

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Freedom of Information

Senator Birmingham asked:

In reference to QoN 347, can you confirm there was no discussion between NBN Co and the Government regarding Freedom of Information reform or changes to existing arrangements prior to the initiation of the review?

Answer

NBN Co confirms that there were no such discussions.

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

Question No: 376

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Copper Network Decommissioning

Senator Birmingham asked:

1. Why is information surrounding payments for switching off the copper network considered commercially sensitive?
2. Who does Telstra compete with in the copper line market?

Answer

1. Questions regarding payments to Telstra would reveal commercially sensitive information for Telstra and NBN Co and could cause commercial harm to both parties as it prejudices NBN Co's position on its liability for payments to Telstra before it has had an opportunity to assess and test its actual liability to Telstra under the Subscriber Agreement.
2. Questions regarding who Telstra sees as its competitors are best directed to Telstra.

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

Question No: 377

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Co Employee Education Expenses

Senator Birmingham asked:

Please detail all expenditure on leadership, media and management training for fiscal year 2011/12, including what courses or programs were undertaken, by how many staff, through which provider, at what price.

Answer

The education expenses for the financial year 11/12 were \$6,885,004, which included all onboarding, compliance, technical accreditations safety, systems, IT processes training along with leadership, media and management training expenses.

To attempt to disaggregate particular items of expenditure across the entire company or to provide the level of detail requested would be an unreasonable diversion of resources.

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

Question No: 378

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Hospitality

Senator Birmingham asked:

1. Please detail any expenditure by NBN Co on hospitality and entertainment provided to employees or contractors in 2011-12.
2. Please detail any expenditure by NBN Co on hospitality and entertainment provided to outside parties in 2011-12.

Answer

1. Please see answer to QoN 412
2. The hospitality and entertainment provided to outside parties in 2011-12 was \$23,176.68.

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

Question No: 379

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Demand Drop Versus Build Drop

Senator Birmingham asked:

1. It is our understanding that under NBN Co's original Demand Drop approach to the FTTP rollout, fibre is run by a contractor to a Multiport serving up to eight premises; RSPs then market to end users; after an RSP places an order for service NBN Co despatches a separate contractor to run fibre from the Multiport through the lead-in conduit (or overhead) to the ONT; and NBN Co therefore requires one interaction with the end user and one trip to their premises to complete its role. Is this essentially correct?
2. It is our understanding the change to Build Drop means once fibre is run by a contractor to a Multiport, a separate contractor immediately extends the fibre from the pit or pole where the Multiport is located to the baseboard of each premise served by it, terminating in an external PCD. This requires an interaction with each end user. Is this essentially correct? How do the economic costs and benefits of this vary from Build Drop?
3. It is our understanding that after an RSP places an order for service, a contractor team still has to be despatched by NBN Co to extend the fibre from the PCD outside the user premise to the ONT inside. This involves a second truck roll, and the need for NBN Co to schedule a second interaction with the end user (with attendant risk of missed appointments). Is this essentially correct, and what is the forecast cost of this stage per premise?
4. The 2012-2015 Corporate Plan states in 2020-21 the fibre network will pass 12.2 million premises, of which 8.5 million will have service. What will be the total capex and opex incurred by that date for running fibre from Multiports (or comparable concentration points) to PCDs (or comparable external termination points) for the 3.7 million premises that do not have service over the NBN FTTP network at this time (and may never take up a service)?

Answer

1. Yes. The demand drop approach covers the fibre connection from the multiport to the NTD.
2. No. The end-user is contacted via a notification process (letter) and the same contractor that runs fibre to the multiport will run it through to the PCD. The build drop strategy is expected to be more cost effective in the long run than performing demand drops, particularly in the context of the agreement with Telstra to disconnect its copper network. The impact of the build drop approach has been to accelerate Capital Expenditure into the period to FY2021, although overall it is expected to be beneficial to NBN Co due to increased efficiencies.

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

3. Yes. The end user is connected via a scheduled appointment. Information regarding costs per premises is commercially sensitive for the reasons set out in the response to QoN 356.
4. Information regarding costs per premises is commercially sensitive for the reasons set out in the response to QoN 356. It should also be noted that the constant turnover of properties means that over time the vast majority, if not all, drops installed are expected to be used.

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

Question No: 380

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Towers

Senator McKenzie asked:

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

Answer

NBN Co undertakes extensive engagement with local councils, communities and other stakeholders across Australia, both prior to and during the formal planning stages for new development applications. As a minimum, NBN Co will undertake the required statutory notification and consultation for all new sites proposals. Further consultation beyond the current requirements is undertaken with community and other stakeholder groups in regard to specific considerations; for example, proximity to community-sensitive locations and town planning requirements.

- a. Ericsson was awarded a contract to build towers. Ericsson may tender this work to other subcontractors.
- b. Development Applications have been submitted for 76 sites in Victoria.
- c. 27 Development Applications had been approved as at 24 October 2012.

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

Question No: 381

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: QoN 356 (1) – Budget Estimates

Senator MacDonald asked:

In answer to questions regarding fault repair protocols and maintenance of Priority Assistance Service Level Agreements/Standards, the Department/NBNCo has indicated (at sub 1) that the Wholesale Broadband Agreements between NBNCo and Access Seekers provide the timeframes within which connections and fault repair will take place.

The answer does not specify who exactly will be conducting this work.

1. Which entity will be conducting installations and connection of services?
2. Will technical field staff employed and deployed by NBNCo be conducting installations and connection of services?
3. Will technical field staff employed and deployed by Access Seekers be conducting installations and connection of services?
4. Will it be third party sub contractors be conducting installations and connection of services?

Answer

1. NBN Co contracted Service Delivery Partners will be conducting installations and the connection of services nationally.
2. It is not the model for NBN Co employed staff to be conducting installations and the connection of services.
3. While not the current model for Access Seekers to manage installations and connections for their own customers, consideration is being given to this option as a means of optimising the experience for the end user.
4. Third party sub-contractors are being employed by NBN Co Service Delivery Partners as a supplement to internal workforces to conduct installations and the connection of services.

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

Question No: 382

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: QoN's 356 (3) – Budget Estimates

Senator MacDonald asked:

In answer to questions regarding fault repair protocols and maintenance of Priority Assistance Service Level Agreements/Standards, the Department/NBNCo has provided an answer with a typographic error that does not answer the question.

In QON 356 (sub 3) the department was asked for detail of the Priority Assistance service level standard to be applied for both metropolitan and regional customers.

The answer provided reads: Where a premise 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.

Please clarify this answer and provide the correct information for the NBN Co's proposed service level standard for Priority Assistance Customers in rural and remote locations for the re-connection or repair of faulty services.

Answer

If the 'typographic error' referenced in this question is in relation to the term 'trouble report', then this not a correct assertion. A trouble report is generated by the access seeker and sent to NBN Co when they suspect there is fault on the network.

Where a truck roll is required and a premises is located in an urban or rural area, NBN Co's SLA to re-connect a Priority Assistance Customer service is within 24 hours of receipt of the trouble report from the Access Seeker. Where a premises is located in a remote area, NBN Co's SLA to re-connect a Priority Assistance Customer service is within 48 hours of receipt of the trouble report from the Access Seeker.

Faults that can be resolved by NBN Co remotely (i.e. without a truck roll or technician site visit being necessary) have a service restoration SLA of 24 hours.

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

Question No: 383

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: QoN 358 – Budget Estimates

Senator MacDonald asked:

In answer to questions regarding NBN Co's regulatory obligation to provide Priority Assistance, the Department/NBNCo responded that:

"..it is important to note that responsibility for providing Priority Assistance to end-users lies with the relevant retail service provider" (emphasis added)

1. Can the department/NBNCo explain this answer in context of the answer provided to QON 356 that explicitly states that NBNCo will be providing Priority Assistance?
2. In light of these conflicting responses can the Department/NBNCo please confirm who will be responsible for providing Priority Assistance service level standards, who will be paying for it, who will be managing and deploying fault repair technicians, and who will be providing regulatory oversight?

Answer

1. The answer to QON 356 does not state that NBNCo will be providing Priority Assistance. The answer explicitly notes that these obligations are imposed directly on the RSP by the Communications Alliance code (and, in the case of Telstra, its carrier licence conditions):

"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."

See also the answers to QoN 304 (a) and (j):

"Priority assistance service standards will be available in NBN Co's fibre deployed network. These form part of the Wholesale Broadband Agreements (WBAs) as agreed between NBN Co and each Access Seeker."

"NBN Co does not have any direct regulatory obligations in respect of priority assistance but has made arrangements through the WBAs to support its customer's fulfilment of their retail level obligations."

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

2. The responses do not conflict. Please refer to the responses to QoN 304 and 356, particularly:
... *Who will be responsible for providing Priority Assistance service level standards?*

QoN 304 (a):

“Priority assistance service standards will be available in NBN Co’s fibre deployed network. These form part of the Wholesale Broadband Agreements (WBAs) as agreed between NBN Co and each Access Seeker.”

... *Who will be paying for it?*

QoN 304 (g):

“Fault repair and maintenance works will be carried out by third parties contracted to deliver on NBN Co’s commitment. As such the costs associated for such work will be covered under those contractual arrangements”

... *Who will be managing and deploying fault repair technicians:*

QoN 304 (h):

“NBN Co does control maintenance of its network and has signed WBAs with Access Seekers which guarantee levels of service per the signed Service Level Agreements (SLAs). These SLAs define levels of service to be provided to each customer irrespective of who is providing the maintenance work on NBN Co’s behalf. As part of the commercial agreements that NBN enter into the SLAs are taken into account.”

QoN 304 (i):

“NBN Co has made arrangements through the WBAs to support its customers in fulfilling their priority assistance obligations. This is done in conjunction with the Access Seekers as they own the end customer relationship, and maintenance contractors where required. “

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

Question No: 384

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: QoN 359 – Budget Estimates

Senator MacDonald asked:

In answer to questions regarding installation inspections, the Department/NBNCo provided information that a series of regional offices will be maintained for oversight purposes.

1. How many facilities will be maintained nationwide?
2. How many staff will be employed across these offices?
3. What is the current projected cost of obtaining, refitting, staffing and operating these facilities?

Answer

QoN 359 from 2012 Budget Estimates did not provide “information that a series of regional offices will be maintained”. Regional Quality Leads will use existing NBN Co offices. For information regarding NBN Co office fit-out costs, please see QoN 444

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

Question No: 385

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: QoN 361 – Budget Estimates

Senator MacDonald asked:

For the second time the Department has declined/refused to provide answers to questions regarding the costs of inspections and audits for nationwide installations.

I ask for the third time:

What are the estimated costs for managing and deploying inspection and audit staff across the terrestrial fibre, aerial fibre, wireless and satellite footprints individually and collectively?

Answer

As stated in the response to QoN 361 from the 2012 Budget Estimates, 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.

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 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, and environment. As well, the level of inspection and audit activity varies based on a number of factors including a contractor's history of delivery.

For all these reasons, specific separate costings are very complex to analyse, and would therefore be an unreasonable diversion of resources.

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

Question No: 386

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Rollout in Armidale

Senator Williams asked:

1. How much money has been spent on the NBN rollout in Armidale?
2. How many homes have been connected?
3. How many businesses have been connected?
4. Can you confirm that the business people in the Acacia Park business area in east Armidale have been told they can get fibre if they pay \$220,000?
5. If this is correct, why wasn't this important business sector of Armidale included in the initial roll-out?

Answer

- 1., 2. and 3. Now that NBN Co has reached volume rollout, it is impractical for NBN Co to provide ad hoc updates on financial and deployment metrics to a level of granularity not already provided for in public releases, parliamentary reporting processes and regular rollout information provided on our website for the use of access seekers.

However, to assist the Committee, NBN Co's most recent deployment metrics are provided below.

Key NBN metrics[^]

	June 2011	June 2012	Dec 2012	June 2013
Construction commenced or completed				
	29,600	305,000	784,600	1,220,000
Premises/lots passed				
Brownfield	18,000	29,000	46,100	286,000
Greenfield	-	10,000	26,300	55,000
Fixed wireless		9,000	17,300	
Satellite*	165,000	165,000	250,000	320,000
Total	183,000	213,000	339,700	661,000
Premises activated				
Brownfield	600	3,400	6,600	44,000
Greenfield	-	500	3,800	10,000
Fixed wireless	-	100	1,000	
Satellite	200	9,600	23,100	37,700
Total	800	13,600	34,500	91,700

[^]rounded up to the nearest '00

*coverage indicates estimated number of eligible end-users

Actual	Target
--------	--------

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

4. For privacy and commercial-in-confidence reasons, NBN Co is not in a position to disclose information on individual applications for Network Extensions.

5. The NBN will be delivered via an optimal mix of fibre optic cabling, fixed wireless and satellite technologies. NBN Co developed the fibre footprint based upon engineering, design and planning principles that will help to build the network in an efficient and strategic manner. The rules governing the fibre rollout schedule may be found at the following link: www.nbnco.com.au/assets/documents/fibre-planning-fsa-scheduling.pdf
Due to their lower population densities, longer distances from network infrastructure or particularly challenging features of the physical landscape, certain locations and premises will not fall within the fibre footprint.

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

Question No: 387

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Employees

Senator Xenophon asked:

How many employees of NBN Co are employed through Temporary Business (Long Stay) Standard Business Sponsorship (subclass 457) visas?

Answer

NBN Co has 35 employees on Temporary Business (Long Stay) Standard Business Sponsorship (subclass 457) visas

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

Question No: 388

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Cost of NBN Offices

Senator Bushby asked:

1. What is the total cost NBN Co spends leasing its Australian offices?
2. What is the total cost of fitting out NBN Co's Australia offices?
3. Does NBN Co have plans for more offices? If the answer is yes, where?

Answer

See answer to QoN 444.

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

Question No: 389

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Expenditure

Senator Bushby asked:

1. How much money has NBN Co spent in the past financial year on:
 - a. Taxis?
 - b. Airfares?
 - c. Other modes of transportation (please provide a breakdown if relevant)?
 - d. Entertaining?
 - e. Coffee machines?
 - f. Shredders?
 - g. Gym/spa memberships?

2. How many people work in NBN Co's media/communications division?

Answer

1.
 - a.-b. Information regarding NBN Co's travel costs has been provided in answers to previous QoNs and is available in the Annual Report.
 - d. See answer to QoN 412
 - e. See answer to QoN 420
 - f. See answer to QoN 442
 - g. nil

2. As at 31 October 2012 there were 52 full time employees whose roles include community information and engagement, issues management and staffing for demonstration facilities stakeholder engagement, government liaison and media relations. The figure also includes community relations officers who liaise with interest groups and local stakeholders. This is in line with recommendations from the Joint Committee on the NBN regarding community consultation in remote and regional Australia.

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

Question No: 390

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Tasmania

Senator Bushby asked:

1. How many times a year does the board of NBN Tasmania meet?
2. Where do they meet? Please list the locations of each board meeting for the past year and any costs associated.
3. For how many hours do their meetings go for (on average)?
4. Do Greg McCann, Darren Alexander, Jody Fassina, Alison Terry and Kieren Cooney still sit on the board, and remain in the same positions with the same pay and entitlements? If not, please outline changes.
5. Please list the state in which each board member lives.
6. What is the rationale behind a separate board for NBN Tasmania to NBN Co?
7. Do any other states have their own board and organisation like NBN Tasmania? If not, why not?
8. How are the functions delivered by NBN Tasmania delivered in each of the other states and by whom?
9. When will the next board performance review be conducted?

Answer:

1. On average the Board meets ten times per annum.
- 2.

Meeting Date	Location
03 February 2012	Hobart
09 March 2012	Launceston
13 April 2012	Melbourne (Docklands)
04 May 2012	Hobart
31 May 2012	Launceston
12 July 2012	North Sydney
02 August 2012	Launceston
07 September 2012	Hobart
05 October 2012	Launceston
02 November 2012	Hobart
18 December 2012	Launceston

Costs associated with each Board meeting are not readily available and would require a detailed reconciliation which is considered an unnecessary diversion of resources.

3. Approximately 3.5 hours

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

4. Greg McCann is a current Board member. He was appointed as a Non Executive Director (NED) on 13 August 2009 and was Acting Chairman from 13 December 2010 to 14 September 2011 following the retirement of Mr Doug Campbell AO. Mr McCann was formally appointed as Chairman on 15 September 2011. Annual gross remuneration of \$40,000 (excluding superannuation and paid from his date of appointment) was increased to \$75,000 excluding superannuation effective retrospectively to 13 December 2010. Entitlements remain unchanged since Mr McCann's original appointment date.

Darren Alexander, Jody Fassina and Alison Terry are current NED Board members. Mr Alexander was appointed on 10 December 2010 and Mr Fassina and Ms Terry on 13 August 2009. Upon appointment, remuneration for each of these three Directors was set at \$40,000 gross per annum (excluding superannuation). The NBN Co Limited Board approved a remuneration increase from \$40,000 to \$43,000 (excluding superannuation) effective from 1 September 2012. Entitlements remain unchanged since the Directors original appointment date.

Kieren Cooney – is an Executive Director appointed on 10 February 2012. As an Executive Director, Mr Cooney does not receive remuneration for his role as a Director of the Board of NBN Tasmania Limited. Mr Cooney is remunerated as an employee of NBN Co Limited.

5. Mr McCann – New South Wales
Mr Alexander – Tasmania
Mr Fassina – Tasmania
Ms Terry –Victoria
Mr Cooney – New South Wales
6. The role of the NBN Tasmania Limited Board is to work with NBN Co Limited management to promote the successful rollout of the National Broadband Network (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.
7. No. The NBN rollout commenced in Tasmania and it was considered important that the rollout in this state be oversighted by a separate structure.
8. All other functions relating to the NBN are delivered across Australia through NBN Co Limited.
9. 2013

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

Question No: 391

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Tasmania take-up rate

Senator Bushby asked:

1. How many Tasmanian homes and businesses have now signed up to the NBN in Tasmania?
2. How many homes and businesses in Tasmania does it pass?
3. What is the take-up rate in the first three locations (Scottsdale, Smithton, Midway Point)?
4. What is the take up rate in the other Tasmanian locations that have access to the NBN?
5. How many new customers have signed up to the NBN in the last year?
6. How many are businesses?

Answer

1. - 6. Now that NBN Co has reached volume rollout, it is impractical for NBN Co to provide ad hoc updates on financial and deployment metrics to a level of granularity not already provided for in public releases, parliamentary reporting processes and regular rollout information provided on our website for the use of access seekers.

However, to assist the Committee, NBN Co's most recent deployment metrics are provided below.

Key NBN metrics[^]

	June 2011	June 2012	Dec 2012	June 2013
Construction commenced or completed				
	29,600	305,000	784,600	1,220,000
Premises/lots passed				
Brownfield	18,000	29,000	46,100	286,000
Greenfield	-	10,000	26,300	55,000
Fixed wireless		9,000	17,300	
Satellite*	165,000	165,000	250,000	320,000
Total	183,000	213,000	339,700	661,000
Premises activated				
Brownfield	600	3,400	6,600	44,000
Greenfield	-	500	3,800	10,000
Fixed wireless	-	100	1,000	
Satellite	200	9,600	23,100	37,700
Total	800	13,600	34,500	91,700

[^]rounded up to the nearest '00

*coverage indicates estimated number of eligible end-users

Actual	Target
--------	--------

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

Question No: 392

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Connection timeframes

Senator Bushby asked:

1. What is the standard time period for a home to connect to the NBN?
2. Is three months a reasonable timeframe for a home to be connected?
3. What hours does NBN Co make home appointments available?
4. Has any consideration been given to after business hours or weekends?

Answer:

1. NBNCo provides appointment availability in brownfields for five business days and greenfields connections for four business days. The average lead time from the access seeker placing an order to completion has been continuing to decrease as the rollout progresses.
2. It is unclear as to what the three months in the question refers. NBN Co may take a longer period than the standard duration to connect a premise where it has been identified that we are required to augment our network for complex connections such as schools and Multi-dwelling Units (MDUs) or where we are required to resolve an infrastructure issue that is preventing NBN Co from completing the connection in the first instance.
3. For installations, we currently offer AM and PM appointments Monday to Friday which are a an appointment window from 8:00am to 12:00 noon and 1:00pm to 5:00pm in which time our technician will be arriving on site to commence work. In areas of high demand Saturday appointments are made available to ensure we are able to meet demand and recover any appointments that are required to be rescheduled.
4. Saturday appointments are currently being used to support high demand areas where required. NBN Co is considering after business hours appointments during weekdays.

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

Question No: 393

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Commercial packages

Senator Bushby asked:

1. What packages does Telstra offer Tasmania?
2. Does NBN Co see it as necessary or beneficial to NBN Co clients or potential customers to be aware of the various packages available in Tasmania?
3. Are there specific packages available for businesses? If not, why not?

Answer

1. This question is best directed to Telstra.
2. NBN Co offers wholesale service and its customers are retail service providers, such as Telstra.
3. In September 2012, NBN Co released *NBN for Business*, which offers service providers the tools to tailor packages for businesses. For more information, please see attached media release.

4 September 2012

National Broadband Network opens up opportunities for Australian businesses

NBN Co today unveiled the first of a series of enhancements to the fibre optic network to help enable Australian businesses to make the most of high speed broadband.

NBN for Business will allow service providers to offer businesses the ability to run up to 50 voice services over the fibre network* and offers extended levels of support for internet service providers, such as seven-day-a-week service and a one-hour response time to incidents.**

Jim Hassell, Head of Product Development and Sales for NBN Co, said: “*NBN for Business* offers service providers the tools to tailor packages for businesses, allowing them to make use of a host of new digital tools to increase productivity and maintain their competitive edge.

“By embracing new technologies, Australian businesses can become more agile and responsive to their customers’ needs, potentially lower their operating costs and open up new markets.”

The new offering has already met with enthusiasm from the communications industry. Internode, iiNet, M2/iPrimus, and Macquarie Telecom today confirmed that they will be among the first telecommunications providers to offer business-specific services using the *NBN for Business* enhancements (see below for quotes from service providers).

Peter Strong, Executive Director, Council of Small Business of Australia, said *NBN for Business* would be welcomed by Australia’s more than two million small businesses.

“There’s a real chance for small businesses to find new ways to increase productivity, reduce costs and expand markets through new ways of working, as well as gain more free time and cut down on stress,” Mr. Strong said.

“What we’re hearing from our members is that they feel they need to have reliable, business-grade broadband and multi-line telephony to do this.”

The NBN’s fibre optic network already offers companies and individuals high download and upload speeds, which are also important for applications such as high-definition videoconferencing and online backup.*

High speed broadband also opens up new ways of doing business, including the ability to offer more efficient and enhanced customer service, run applications remotely in the cloud and access new markets at home and abroad.

In addition, a series of research studies have found that increased broadband connectivity will position Australia for tomorrow's jobs and economic growth, For instance:

- KPMG estimates that cloud computing over the NBN could increase the size of the Australian economy by \$3.32 billion per annum within a decade¹.
- Deloitte Access Economics estimated that the direct contribution of the internet to the Australian economy was approximately \$50 billion a year, projected to grow to over \$70 billion a year by 2016².
- Access Economics says if 10 percent of Australian employees were to telework every second day, total annual productivity gains would be in the order of \$1.4 billion to \$1.9 billion per year by reducing commute times, office space and staff turnover³.

More information about *NBN for Business* is available at nbnco.com.au/business.

MEDIA INQUIRIES: **Edwina Hinchliffe**
Phone 02 8918 8672
Mobile 0413 563 752

Notes to editors

* *Businesses will need the right software, equipment and in-premises connection to access these services*

** *Under the service level agreement with RSPs restoration times are set at 12 hour (Urban), 12 hours + 1 day (Rural) and 12 hours + 2 days (Remote)*

¹ <http://www.kpmg.com/AU/en/IssuesAndInsights/ArticlesPublications/Documents/modelling-economic-impact-cloud-computing.pdf>

² <http://www.connectedcontinent.com.au/>

³ http://www.dbcde.gov.au/_data/assets/pdf_file/0018/130158/ImpactsofteleworkingundertheNBN.pdf

http://www-07.ibm.com/au/pdf/1206_AustDigitalFuture_A4_FINALonline.pdf

What internet service providers are saying about *NBN for Business*

Macquarie Telecom

Macquarie Telecom Group Executive, Chris Greig, said that with the NBN Co's NBN For Business launch, Australian business customers would be able to rely on the NBN business class fibre infrastructure together with a matching business-class service level.

"Nationwide access to fast, reliable broadband will stimulate the uptake of new applications and cloud services, transform operating models and present unprecedented opportunities for businesses."

"Fibre network access products are not just about faster downloads, they also enable companies to innovate and change the way they do business – whether that's allowing people to work remotely, improving client engagement, or delivering predictable and reliable IT services to regional offices. The NBN For Business launch will build business confidence in the NBN and accelerate the transfer of services to the cloud, enabling increased data security, improved accessibility and mobility."

M2 and iPrimus

The CEO of M2 and iPrimus, Geoff Horth, said the company was excited by the prospects that the NBN enhancement would offer its customers.

"We are very much looking forward to the release of future developments and key enhancements to NBN Co's small business and corporate offerings," Mr Horth said.

"We are currently working very closely with our fibre partners to guarantee that our business offerings are designed to our strength in providing our customers with tailored solutions to meet all of their communication needs."

Internode

Jim Kellett, Internode Product Manager, said: "Internode welcomes the NBN For Business service enhancement – it will ensure that we can continue to deliver services that meet the exact requirements of our small business and corporate customers now and well into the future.

"The enhancement offers us more flexibility to package products in the way that matches our customers' business needs, with the reliability and speed that fibre networks bring."

iiNet

"We feel the NBN will be a great opportunity for small business. The enhanced SLAs will offer additional surety around restoration as businesses become more dependent on their broadband connection," iiNet's Chief Business Officer, Greg Bader, said.

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

Question No: 394

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Medical alarms and personal response services

Senator Bushby asked:

1. What has NBN Co/the Department done in response to the concerns of the Personal Emergency Response Services Association surrounding what they describe as a potentially 'life threatening situation resulting from the rollout of the NBN'?
2. Is it correct that some Retail Service Providers (RSPs) are not looking to activate the UNI-V analogue ports on the Network Termination Unit (NTU)?
3. What communication has NBN Co/the Department had with RSPs regarding this issue?
4. Is legislation to ensure all RSPs activate the UNI-V ports on the NTU an option that is being considered? If not, why not?
5. Is NBN Co undertaking any education with regard to this matter to ensure people are not locked into unsuitable telecommunications contracts?

Answer

1. NBN Co is aware of this issue and has been engaging with RSPs and representative groups for the last two years. During 2011 NBN Co held complex services workshops with relevant Industry stakeholders, including PERSA, to assist in the design and development of the UNI-V product so that it is fit for purpose to support a range of legacy services, including medical alarms. More recently, NBN Co met with PERSA in September 2012 to discuss how medical alarms will be supported over the NBN, and in November NBN Co convened an industry workshop with RSPs and PERSA members to discuss medical alarm support and help RSPs prepare for it. NBN Co attended a workshop convened by the ACMA and Communications Alliance on medical alarms and personal response services on 5 December which was attended by industry representatives, RSPs and relevant government departments. NBN Co is also keeping PERSA briefed on our battery backup implementation; specifically the details around plans to extend the run-time of the battery.

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

2&4. It is up to RSPs what services they provide. In the 2012 Supplementary Estimates hearing Senator Conroy said: “Telstra have advised my office that they will also support medical alarm functionality. Internode, iiNet, AAPT and iPrimus are also capable of doing so but have yet to release a commercial product.” Since the hearing, Internode has announced that it now offers traditional voice phone services to its customers on the NBN via the Uni-v port: <http://www.internode.on.net/news/2012/11/297.php>

It is also important to note Internet Protocol (IP) based medical alarms will also be supported by the NBN over the User Network Interface Data (UNI-D) port. NBN Co is currently developing battery backup functionality for the UNI-D. Once this is implemented, IP-based medical alarms will also be supported on the NBN. Both the UNI-V and UNI-D ports have Traffic Class 1 functionality, meaning that the highest traffic priority over the network is available for medical alarms.

3&5. Communications Alliance is developing a set of recommendations for how RSPs inform end-users of their legacy service support at the time of sign up. In addition to the RSPs providing clear information about what legacy service they do and do not support, the alarm industry needs to educate and inform their end-users about the requirements of their alarms and to work with RSPs to ensure that they offer services that meet their end-users needs. NBN Co also has information available online and in our communications to end-users as part of the 18-month switchover.

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

Question No: 395

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Roll out

Senator Nash asked:

On the NBN rollout website can you clarify for me there has been only 2 regional centres in NSW that have complete access and able to connect to the NBN - Armidale and Kiama is that correct?

Answer

That is not correct. There are more than two regional centres that can connect to the National Broadband Network (NBN) through at least one of the three technologies that form the NBN.

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

Question No: 396

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Roll out

Senator Nash asked:

1. Looking at Armidale the NBN there is only 4900 premises that are able to connect to the NBN is that correct?
2. Are there still 9600 premises still to be constructed in Armidale which was due for start on the 31st March has construction started?
3. When will the 9600 premises in Armidale in due for completion?
4. How long has it taken to from start to finish for the 4,900 premises to be completed and able to connect to the NBN?

Answer

1. As at 29 October 2012, there are 8,243 premises in Armidale that can connect to the NBN fibre network.
2. The approximate premises count in the Armidale Fibre Serving Area once all Fibre Serving Area Modules are built is available at <http://www.nbnco.com.au/assets/documents/rollout-info-monthly-nov-2012-revised.pdf>
3. Information regarding the timeframes for the remaining Armidale FSAMs is available at: <http://www.nbnco.com.au/assets/documents/rollout-info-monthly-nov-2012-revised.pdf>
4. The 4,900 figure is made up of the first three FSAMs in Armidale. Work commenced in Armidale in August 2010 and the first three FSAMS were completed in June 2011.

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

Question No: 397 & 400

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Roll out

397 Senator Nash asked:

Because the NBN website does not list regional centres in the ASGC – RA map format would the Department be able to provide a breakdown of completed and due to be completed in the following ways inner regional, outer regional, remote and very remote.

397 Answer

NBN Co uses the Australian Bureau of Statistics (ABS) Urban Centre Locality (UCL) boundaries to define Fibre Serving Areas (FSAs) as metropolitan or non-metropolitan. A list of metropolitan and non-metropolitan FSAs in the three-year rollout plan is available from the NBN Co website at www.nbnco.com.au/rollout/about-the-rollout/communities-in-the-rollout.html

Attempting to compile information as requested in this way would be an unreasonable diversion of resources. Information regarding specific towns or locations can be obtained from the NBN interactive map and the three-year rollout plan, both available on NBN Co's website.

400 Senator Nash asked:

What has been the total expenditure for the NBN roll out in regional areas and can this expenditure be broken down into states and by the ASGC- RA map?

400 Answer

Please see answer to QoN 397 regarding the categorisation of Fibre Serving Areas (FSAs) used by NBN Co.

Information regarding expenditure around the NBN rollout can be found in a range of publicly available documents including:

- *NBN Co Annual Report 2011-2012*, www.nbnco.com.au/assets/documents/nbnco-annual-report-2012.pdf
- *NBN Co 2012-15 Corporate Plan*, www.nbnco.com.au/assets/documents/nbn-co-corporate-plan-6-aug-2012.pdf
- *Government Report to the Joint Committee on the National Broadband Network (JCNBN) (30 June 2012)* – referred to on the JCNBN website as *Performance report to 30 June 2012*
www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=jcnbn/index.htm
- the *Portfolio Budget Papers 2012-13, Budget Related Paper No. 1.3., Broadband, Communications and the Digital Economy portfolio*,
www.dbcde.gov.au/__data/assets/pdf_file/0019/148204/201213_BCDE_Portfolio_Budget_Statement_with_corrections-22_May_2012.pdf

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

Question No: 398

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Roll out

Senator Nash asked:

1. In NSW there have been two projects in regional NSW that has been half completed and only 2 other projects due for construction starting in March 2012 that being Coffs Harbour and Shell Harbour is that correct?
2. Have Coffs Harbour and Shell Harbour construction started?
3. When will Coffs Harbour and Shell Harbour have access to the NBN?

Answer

1. That is not correct. The National Broadband Network operates across three technologies and these are being rolled out right across Australia, including New South Wales.
2. This information is publicly available from NBN Co's interactive map on the NBN Co website <http://www.nbnco.com.au>
3. On average, premises will be able to connect to the NBN approximately 12 months after construction commences in their Fibre Serving Area Module.

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

Question No: 399

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Roll out

Senator Nash asked:

Out of the regional centres that are listed on the NBN website “construction planned to commence from 1st April 2012 to June 2015” how many regional centres other than Coffs Harbour, Shell Harbour, Armidale and Kiama has construction work started on the NBN?

Answer

This information is publicly available from NBN Co’s website, in particular from the interactive map at <http://www.nbnco.com.au>

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

Question No: 401

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Decommissioning the Copper Network

Senator MacDonald asked:

NBN Co and TUSMA have advised that in-home wiring will be provided by ISPs for Broadband customers and by TUSMA for voice-only customers (see Environment and Communications Legislation Committee Proof Hansard, Tuesday 16th October 2012, page 89).

1. Do NBN Co Network Terminating Devices have battery power?
2. What is the life of the battery (for example, in the case of a power failure) of the Network Terminating Device?
3. How many phone jack/Ethernet ports do NBN Co Network Terminating Devices have?

Answer

1. As set out in the 2012-15 Corporate Plan, end-users will nominate whether or not they want NBN Co to provide battery backup.
2. If mains power is lost, the battery backup unit will be instantly engaged. Under typical conditions, NBN Co's battery backup is expected to allow an end user to access telephony services for a total of five hours following the loss of power. The estimated five-hour talk-time battery life is based on a relatively high level of telephone usage, and includes a 50% battery power reserve that can be manually accessed should the end user need to make an emergency call. The reserve power will be accessible for a number of weeks following a power outage.
3. The NTDs have two UNI-V ports and four UNI-D ports.

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

Question No: 402

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: DBCDE/NBN Articles

Senator Birmingham asked:

1. How many articles that were wholly or materially authored by DBCDE or NBN Co employees or contractors without this being acknowledged have appeared in non-Government publications during the past 12 months? How many were prepared? Please provide copies.
2. Has any material prepared by DBCDE or NBN Co included any criticism of the NBN over factors such as delays in the rollout?
3. How many articles have been published under the name of NBN Champions in the past 18 months that were actually prepared in whole or to a material degree by DBCDE and/or NBN Co? Can you please provide a list and the outlets where they appeared? How many were prepared? Please provide copies.

Answer

1. No articles were prepared by NBN Co employees or contractors that we are aware of. We do not have information in respect of DBCDE.
2. NBN Co has provided information regarding the progress of the rollout and issues such as the nine-month delay in the commencement of the Telstra Definitive Agreements in a variety of public material. Media information relating to the release of the Corporate Plan, for example, included this as did the Corporate Plan itself. Mr Quigley has also provided this information on progress and the causes of delays in a variety of public forums, including Senate Estimates.
3. NBN Co cannot comment on matters related to the NBN Champions that are managed by DBCDE.

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

Question No: 403

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Staffing

Senator Birmingham asked:

1. How many ongoing staff have been recruited this financial year to date? What classification are these staff?
2. How many non-ongoing positions exist or have been created this financial year to date? What classification are these staff?
3. This financial year to date, how many employees have been employed on contract and what is the average length of their employment period?
4. How many ongoing staff left the department/agency in the year 2011-12? What classification were these staff?
5. How many non-ongoing staff left the department/agency in the year 2011-12? What classification were these staff?
6. How many contract staff left the department/agency in the year 2011-12? What classification were these staff?
7. How many ongoing staff were recruited in the year 2011-12? What classification were these staff?
8. How many non-ongoing staff were recruited in the year 2011-12? What classification were these staff?
9. How many contract staff left were recruited in the year 2011-12? What classification were these staff? What is the average length of their employment period?
10. Are there any plans for staff reduction? If so, please advise details including if there is a reduction target, how this will be achieved, and if any services/programs will be cut.
11. If there are plans for staff reductions, please give the reason why these are happening.

Answer:

1. 360 ongoing staff have been recruited with a classification of Permanent Employee
2. 86 non-ongoing positions exist or have been created this financial year to date.
This includes 60 currently onboard, 23 vacant positions, and 3 positions that have already been vacated.
3. 46 employees are employed on a Contractor/Labour Hire basis. There have been an additional 29 Contractors/Labour Hires who ceased employment during the financial year
The average length of employment for these employees is approximately six months.

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

4. 94 ongoing staff ceased employment during the financial year 2011-12. These were classified Permanent Employees. This represents a staff turnover rate of 7.4 per cent, compared to an average of 17.4 per cent for organisations with over 1000 employees in Australia (Australian Human Resources Institute, 2008)
5. 12 non-ongoing staff ceased employment during the financial year 2011-12. These were classified Max Term Employees.
6. 63 contract staff ceased employment during the financial year 2011-12. These incumbents were classified Contractors or Labour Hires
7. 810 ongoing staff were recruited during the financial year 2011-12 (Note, this figure includes roles where the classification has changed since FY12 e.g. from non ongoing roles to ongoing roles). These incumbents were classified Permanent Employees.
8. 49 non-ongoing staff were recruited during the financial year 2011-12. These incumbents were classified Max Term Employees.
9. 81 contract staff (including Labour Hires) were recruited during the financial year 2011-12. These incumbents were classified Contractors or Labour Hires. The average length of employment period is approx 4 months.
10. Not applicable.
11. Not applicable.

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

Question No: 404

Program No: NBN Co Limited

Hansard Ref: In Writing

Topic: Forward Estimates Efficiencies

Senator Birmingham asked:

1. Please detail how the department/agency will achieve savings over the forward estimates through pursuing further efficiencies in the way the public service operates (with reference to the media release issued by the Minister for Finance and Deregulation and the Special Minister of State on 25 September 2012:
http://www.financeminister.gov.au/media/2012/mr_1982012.html).

In addition, please provide the following detail:

2. How will reductions in air travel spending be achieved? What is the estimated savings for each year over the forward estimates?
3. What restrictions will be implemented for business flights? What are the estimated savings for each year over the forward estimates?
4. How will the use of external consultants and contractors be reduced? How will this impact on the department/agency? What are the estimated savings for each year over the forward estimates?
5. How will printing costs be reduced? Please explain if and how the department/agency will reduce its printing costs by five per cent or, if it will not, why not? How will it be determined what documents will no longer be printed? What are the estimated savings for each year over the forward estimates?

Answer

(1-5):

As a Government Business Enterprise, NBN Co is not directly subject to these government savings measures. However, NBN Co is committed to driving efficiencies and improving processes wherever possible. For example, NBN Co has appointed a Travel Management Company (TMC) through which all air travel, accommodation and car hire must be booked. 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. The objective is that all travel is to be via the most direct and/or cost effective route. Monthly reports to senior management are provided on potential cost savings incurred when travelling.