

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Supplementary Budget Estimates Hearings November 2013

Communications Portfolio

Department of Communications

Question No: 5

Program No. Corporate

Hansard Ref: In Writing

Topic: Reviews

Senator Ludwig asked:

- 1) Since 7 September 2013, how many new Reviews have been commenced? Please list them including:
 - a. the date they were ordered
 - b. the date they commenced
 - c. the minister responsible
 - d. the department responsible
 - e. the nature of the review
 - f. their terms of reference
 - g. the scope of the review
 - h. Whom is conducting the review
 - i. the number of officers, and their classification level, involved in conducting the review
 - j. the expected report date
 - k. If the report will be tabled in parliament or made public
- 2) For any review commenced or ordered since 7 September 2013, have any external people, companies or contractors being engaged to assist or conduct the review?
 - a. If so, please list them, including their name and/or trading name/s and any known alias or other trading names
 - b. If so, please list their managing director and the board of directors or equivalent
 - c. If yes, for each what are the costs associated with their involvement, broken down to each cost item
 - d. If yes, for each, what is the nature of their involvement
 - e. If yes, for each, are they on the lobbyist register, provide details.
 - f. If yes, for each, what contact has the Minister or their office had with them
 - g. If yes, for each, who selected them
 - h. If yes, for each, did the minister or their office have any involvement in selecting them,
 - i. If yes, please detail what involvement it was
 - ii. If yes, did they see or provided input to a short list
 - iii. If yes, on what dates did this involvement occur
 - iv. If yes, did this involve any verbal discussions with the department
 - v. If yes, on what dates did this involvement occur
- 3) Since 7 September 2013, what reviews are on-going? Please list them.
- 4) Since 7 September 2013, have any reviews been stopped, paused or ceased? Please list them.
- 5) Since Budget estimates, what reviews have concluded? Please list them.

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- 6) Since 7 September 2013, how many reviews have been provided to Government? Please list them and the date they were provided.
- 7) When will the Government be responding to the respective reviews that have been completed?
- 8) What reviews are planned?
 - a. When will each planned review be commenced?
 - b. When will each of these reviews be concluded?
 - c. When will government respond to each review?
 - d. Will the government release each review?
 - i. If so, when? If not, why not?

Portfolio answer:

- 1) In the period 7 September 2013 to 19 November 2013, two reviews commenced:

Broadband quality project

- a. 18 September 2013.
- b. 24 September 2013.
- c. Minister for Communications.
- d. Department of Communications.
- e. Desktop modelling and analysis.
- f. Nil.
- g. A supply-side analysis of broadband availability and quality across Australia as at December 2013.
- h. The Department of Communications.
- i. Six officers are working full-time on the project: 1 x SES Band 1, 1 x EL2, 1 x EL1 and 3 x APS 6s. A further 10 officers are working part-time or are consulted on an ad-hoc basis regarding the review: 2 x EL2s, 5 x EL1s, 2 x APS 6s, 1 x APS4
- j. First half of 2014.
- k. Yes.

Strategic Review

- a. 3 October 2013
- b. 28 October 2013
- c. Minister for Communications.
- d. N/A
- e. To undertake an assessment of the progress and cost of the rollout and NBN Co's financial and operational status and to put forward alternative strategies for the delivery of very fast broadband to Australian homes and businesses.
- f. **The Terms of Reference/objectives of the review are:**
 - o The progress and cost of the rollout and the NBN Co's financial and operational status
 - o The estimated time and cost to complete the NBN under a fibre to the premises model (i.e., Government policy prior to 7 September 2013).

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- The estimated cost and time to complete the NBN if variations are made to the current plan such as increased use of fibre to the node in established (brownfield) areas.
 - The economic viability of the NBN Co under alternative strategies.
 - The implications of capital costs and principles of cost recovery for wholesale and consumer prices under existing and alternative strategies.
 - Recommendations for organization restructuring, any amendments to the construction model and a revised NBN Co strategy to achieve Government policy objectives.
 - Any other matters the Chair deems relevant to the strategic consideration of NBN Co's present situation and future prospects.
- g. As above
- h. NBN Co, KordaMentha, Deloitte and the Boston Consulting Group.
- i. As per response to QoN 178 from the Estimates hearing of 19 November 2013, the Strategic Review has involved approximately 400-500 days on a full/part time seconded basis.
- j. The final Strategic Review was presented to Shareholder Ministers on 12 December 2013.
- k. Yes, the Strategic Review was tabled and made public on 12 December 2013 - <http://www.nbnco.com.au/about-us/media/news/strategic-review.html>

2) Strategic Review

NBN Co appointed three advisory firms to contribute to the review process:

- Deloitte provided governance and program management services in conjunction with NBN Co to ensure the Strategic Review was delivered within the parameters and timeframe set by the Government;
- KordaMentha undertook an independent assessment of NBN Co's operational and financial performance to date and developed a revised outlook of cost and time to complete the rollout under the previous SOE based on current performance; and

The Boston Consulting Group supported the independent assessment in preparing a revised outlook for revenue and undertook a review of the timing, costs and product offers under alternative models of delivering high-speed broadband.

3) As at 19 November 2013, the following reviews were ongoing:

- Review of the Integrated Public Number Database (IPND).
- Regional Commercial Radio Local Content Triennial Review (section 61CT of the *Broadcasting Services Act 1992*).
- Review of section 43A of the *Broadcasting Services Act 1992* (local content on certain regional commercial television broadcasters).
- Independent review of Division 16 of the *Competition and Consumer Act 2010*.
- Review of the development and regulation of digital radio and restricted data casting services.
- Review of the use of spectrum for the transmission of digital radio services and restricted data casting services.

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- 4) Nil
- 5) As at 19 November 2013, the following reviews have concluded since Budget Estimates:
- The Simes Review (section 151DD of the *Competition and Consumer Act 2010*)
 - Review of policies and procedures relating to the identification of listed points of interconnection (section 151DC of the *Competition and Consumer Act 2010*).
- 6) As at 19 November 2013, one review was provided to Government:
- The Simes Review (section 151DD of the *Competition and Consumer Act 2010*) was provided to Government on 28 October 2013.
- 7) No Government response is required to the Simes Review
- 8) As at 19 November 2013, the following reviews were planned for the Communications Portfolio:

Cost Benefit Analysis and Regulatory Review

- a) The Government announced the Cost Benefit Analysis and Regulatory Review on 12 December 2013.
- b) The review will be completed within 6 months of its commencement.
- c) The Review will be provided to the Government by the Panel and the response will be a matter for the Government at that time.
- d) It is expected that the review will be released. Timing of release will be a matter for the Government when it receives it.

Independent Audit into Broadband Policy

- a)-d) The conduct and timing of this review is yet to be determined by Government.

Optimal period of registration on the Do Not Call Register

- a) The Department released a discussion paper on 6 December 2013.
- b) The response to the discussion paper is due on 31 January 2014. The Department will seek to provide advice to the Minister in the first half of 2014.
- c) The government has yet to consider submissions to the discussion paper. It would be premature to speculate.
- d) The government has yet to consider submissions to the discussion paper. It would be premature to speculate.

Regional Telecommunications Review

- a) It is anticipated that the 2014-15 Regional Telecommunications Review will commence in the fourth quarter of 2014.
- b) There is a legislative requirement under Part 9B of the *Telecommunications (Consumer Protection and Service Standards) Act 1999* (the Act) that the review report be provided to the Minister for Communications by 23 August 2015.
- c) There is a legislative requirement under the Act that the Government respond to the review within 6 months of receiving the report.

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- d) There is a requirement under the Act that the Minister for Communications tables the review report in Parliament within 15 sitting days of receiving it.

Removal of pre-selection in relation to the standard telephone service

- a)-d) The conduct and timing of this review is yet to be determined by Government.

Review and separate independent audit to examine the public policy process which led to the NBN Co's governance

- a)-d) NBN Co will also undertake a detailed review of its Fixed Wireless and Satellite programs to consider strategic options available to NBN Co to cost effectively provide coverage to areas outside the fixed footprint, as well as considering the optimal model to provide this coverage. Details of these reviews are still under consideration.