

**Senate Standing Committee on Environment, Communications and the Arts**  
**Answers to Senate Estimates Questions on Notice**  
**Additional Budget Estimates Hearings February 2010**  
**Broadband, Communications and the Digital Economy Portfolio**  
**NBN Co Limited**

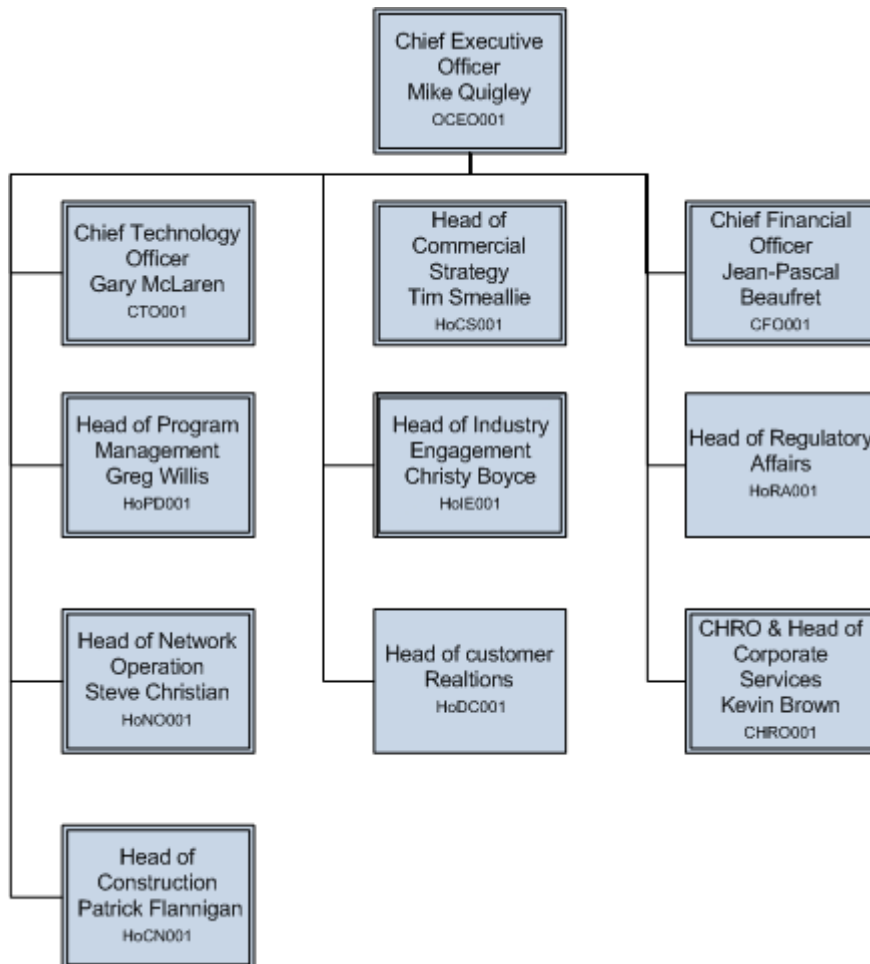
**Question No: 63**

**Hansard Ref: ECA 68**

**Topic: NBN CO. ORGANISATIONAL CHART**

**Senator Fisher asked: Can you provide the Committee with an organisational chart?**

**Answer:** NBN Co has provided the following Organisation Chart:



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**Question No: 64**

**Hansard Ref: ECA 69**

**Topic: NBN CO STAFFING**

**Senator Fisher asked:**

- a) How many people are on the same level as Mr Kaiser, two levels below Mr Quigley? How many of those positions are there; how many of them are filled; how many of them are unfilled?
- b) Of those positions that have been filled two rungs below Mr Quigley, what percentage have been filled by referral and what percentage have been filled by other means—and what are those other means?

**Answer:**

NBN Co advises the following:

- a) As at 11 March 2010, there were three other positions at the same level as Mr Kaiser. There are currently only four positions at this level and they are now all filled.
- b) Of these positions, 75 per cent have been filled by recruitment agency referral and 25 per cent by other referral.

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**Question No: 65**

**Hansard Ref: ECA 69**

**Topic: NBN CO STAFFING**

**Senator Fisher asked:** How many of those who are on the same level as Mr Kaiser were or have been appointed as the result of a referral process?

**Answer:**

See answer to question 64.

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**Question No: 66**

**Hansard Ref: ECA 70**

**Topic: NBN CO STAFFING**

**Senator Fisher asked:** Were either of the other two officers who report to the same person to whom Mr Kaiser reports appointed by referral process?

**Answer:**

NBN Co advises that in fact 10 people report to the same person Mr Kaiser reports to and of those 5 were appointed by referral.

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**Question No: 67**

**Hansard Ref: ECA 72**

**Topic: NBN CO STAFFING**

**Senator Fisher asked:** Can you provide the Committee with a list of the responsibilities that Mr Kaiser has as part of his job?

**Answer:**

NBN Co advises the following:

NBN Co is responsible for delivering a major infrastructure project across Australia. It will need to work with a number of key stakeholders, particularly state governments, local councils, regional communities and a number of utility providers.

As head of Government Relations and External Affairs Mr Kaiser's main responsibilities will include:

- Building strong working relationships with key stakeholders at all levels of government across Australia, particularly State and Local Government.
- Liaising with external stakeholders more broadly
- Negotiating with utility suppliers on various aspects of the national network rollout, particularly opportunities for developing strong working relationships to maximise the efficiency of the rollout.
- Managing the external engagement aspects of the national rollout
- Assisting with the development of strategic policy positions for the company.
- Advising senior management on Government and Legislative processes.
- Leading the community relations initiatives with local communities as part of our construction rollout.

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**Question No: 68**

**Hansard Ref: ECA 74**

**Topic: APPOINTMENT OF MR KAISER**

**Senator Fisher asked:** How long will the job that Mr Kaiser now has continue for? Is he on a contract?

**Answer:**

Mr Kaiser does not have a fixed term contract. He is appointed on a rolling contract consistent with all employment contracts in the company.

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**Question No: 69**

**Hansard Ref: ECA 78**

**Topic: NBN CO STAFFING**

**Senator Minchin asked:** Can you provide an update on the monthly payroll cost of the 112 employees NBN now has?

**Answer:**

NBN Co advises the following:

The 112 persons engaged by the company at the end of January 2010, included 70 employees and 42 contractors. The January payroll for employees was approximately \$1.6 million. The remaining 42 persons engaged were contractors. The amount paid to contractors in January was \$0.8 million.

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**Question No: 70**

**Hansard Ref: ECA 81**

**Topic: NBN CO WEBSITE**

**Senator Fisher asked:** When will you change the title of the website 'NBN Co Interim Website'?

**Answer:**

NBN Co advises that the new company website was launched on 28 February 2010.



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**Question No: 71**

**Hansard Ref: In Writing**

**Topic: NBN CO HOSPITALITY EXPENDITURE**

**Senator Fisher asked:**

- a) What has been the total cost on hospitality by NBN Co to date in 2009-10?
- b) What functions have been held?
- c) How many NBN Co Christmas Functions were held?
- d) In respect of each official function hosted by NBN Co in 2009-10 please provide;
  1. The name and reason for the event ,
  2. The business unit hosting the event,
  3. The date and location,
  4. The number of attendees,
  5. An itemised costing,
  6. A cost per head, and,
  7. The total cost for each function.

**Answer:**

NBN Co advises the following:

- a) \$1,287
- b) A Staff Christmas Party.
- c) One
- d) The Staff Christmas Function (total cost of \$1,287) was hosted by the Head of Corporate Services and was held in North Sydney on 17 December 2010 at the Hotel Metropolis. Specific costs per head for this function are not available.

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**Question No: 72**

**Hansard Ref: In Writing**

**Topic: RECRUITMENT OF MR KAISER**

**Senator Fisher asked:**

- a) How long after Senator Conroy suggested Mr Kaiser to Mr Quigley was he interviewed?
- b) Specifically what dates and how many times was Mr Kaiser interviewed for the position at the NBN Co?
- c) Who was present during these interviews with Mr Kaiser?
- d) How long were the interviews with Mr Kaiser?
- e) What was asked during the interviews with Mr Kaiser?
- f) At what point of the process was Mr Kaiser informed of what his salary package would be at the NBN? Was this discussed before, during or after the interviews?
- g) What process and investigation was undertaken by the NBN Co HR Department when assessing Mr Kaiser's suitability for employment?
- h) How was Mr Kaiser contacted to see if he was interested in the position at NBN Co?
- i) Who made this contact with Mr Kaiser?
- j) Did this initial and subsequent contact involve Senator Conroy, other Ministers and/or staff from their offices?
- k) What date was Mr Kaiser officially appointed to the NBN Co?
- l) When did he officially start his position at the NBN Co?
- m) What date was Senator Conroy's office informed that Mr Kaiser had been appointed to the NBN Co?
- n) Is Mr Kaiser employed on a contract?
- o) If so, what is the length of this contract?
- p) What is Mr Kaiser's total annual remuneration and benefits package including salary, superannuation, phone, car, bonuses etc? Please itemise each benefit.
- q) Is there any potential for Mr Kaiser to earn bonus or incentive payments? Please itemise and detail all and any.
- r) Can you provide a list of senior staff at the NBN Co including their names, titles, responsibilities and remuneration packages?

**Answer:**

NBN Co advises the following:

- a) In general discussions, Mr Quigley advised Senator Conroy that he had identified the need for a Government Relations/External Affairs position within the company and asked the Minister if he knew of anyone who would be suitable. Mr Kaiser's name was put forward as a potential candidate in early September 2009. The Chief Human Resources Officer (CHRO) of NBN Co contacted Mr Kaiser on 23 September 2009 to test his interest in the role.
- b) The CHRO interviewed Mr Kaiser on two occasions – 15 October and 2 November 2009 and then Mr Mike Quigley interviewed Mr Kaiser on 4 November 2009.

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- c) See answer to (b) above.
- d) The first interview lasted approximately 90 minutes, the second approximately 60 minutes and the third with Mr Quigley approximately 30 minutes.
- e) Thorough interviews were conducted covering a variety of topics including the nature of the position, Mr Kaiser's experience and suitability for the job, his approach to his current role and the potential future role.
- f) Mr Kaiser was informed of his potential salary package after the interviews with the CHRO, but before the final interview with Mr Quigley.
- g) Mr Kaiser was appointed in accordance with the employment policies of the company and was subjected to the same general criteria as all other potential employees. Mr Kaiser provided three private sector referees all of whom were contacted and extensively interviewed in relation to his suitability for employment.
- h) The CHRO contacted Mr Kaiser by phone on 23 September 2009 to test his interest in the role.
- i) See answer to (h) above
- j) No
- k) Mr Kaiser was appointed on 11 November 2009.
- l) 1 December 2009
- m) The Government was informed of NBN Co's intention to appoint Mr Kaiser after the Company's decision to appoint him and prior to the public announcement.
- n) Mr Kaiser has a rolling contract consistent with all employment contracts with NBN Co.
- o) See answer to (n) above
- p) As disclosed previously, Mike Kaiser receives total fixed remuneration of \$450,000 which includes base salary and superannuation. Executives are typically issued with a mobile phone and computer, which remain the property of NBN Co and must be returned to the Company if employment ceases. NBN Co does not provide Company vehicles. There is no bonus program in place. Mr Kaiser is also provided with relocation expenses upon producing receipts up to a limit of \$10,000. Any other benefits are salary sacrificed from his fixed remuneration.
- q) See answer to (p) above
- r) Refer to company organisation chart provided in answer to Question 63 by Senator Fisher. Certain remuneration information for NBN Co senior executives will be disclosed as appropriate in the company's published 2009-10 Annual Report

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**Question No: 73**

**Hansard Ref: In Writing**

**Topic: NBN CO RECRUITMENT**

**Senator Fisher asked:**

- a) As a government business enterprise, does NBN Co have specific governance requirements imposed upon it, in respect of recruitment of employees and contractors?
  1. If so, what are those requirements, and please provide any supporting documentation which exists.
- b) Does NBN Co have a formal recruitment process? If so, please explain what is meant by 'formal' and describe the process.
- c) Does NBN Co have a 'documented' formal recruitment process? If so, please provide copies of all and any documentation.
- d) Does NBN Co have a documented formal recruitment process, by which:
  1. Job descriptions are developed;
  2. The job evaluated for pay; and
  3. The position recruited?If so, please describe each aspect of this process, and provide copies of all and any documentation.
- e) What process did NBN Co undertake to determine that it needed to recruit a Principal, Government Relations and External Affairs, when did it begin and end that process, including in particular the date/s upon which it decided to create and recruit for that position? Please provide any documents which exist in respect of that process.
- f) On what date and in what form (verbal or written, and if written please provide copy) did Senator Conroy suggest Mr Kaiser as 'a possible person with the relevant experience'?
- g) If individuals other than Mr Kaiser were considered for the position of Principal, Government Relations and External Affairs please describe those individuals (and if not by name, by some other demonstrable means including experience and qualifications) and the means by which they came to be considered; and if by referral, indicate by whom; and please indicate the manner and form of that consideration by NBN
- h) Does NBN Co adhere to the Australian Public Service guideline whereby 'reasonable opportunity' must be given to eligible members of the community to apply for NBN Co jobs? If not, why not?
- i) What process did NBN Co undertake to ensure that no member of the community was equally or better experienced to fill and capable of filling the position of Principal, Government Relations and External Affairs, for the same or less remuneration than the \$450 000+ paid to Mr Kaiser?
- j) What process did NBN Co use to establish that Mr Kaiser has demonstrated a track record of experience and delivery, and how did NBN Co measure this?
- k) Of the 40% of NBN Co staff sourced through referrals from individual, how many and whom of those were referred in whole or in part by a member of the Commonwealth Parliament – and in those cases, by which member of Parliament?

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**Answer:**

NBN Co advises the following:

- a) No
- b) Yes. NBN Co has a formal recruitment process which has been approved by the Board, is consistently applied in all cases and has been communicated to all Hiring managers..
- c) Yes the NBN Co recruitment process is documented and been approved by the Board, including payment schedules for contractors. Separate documentation on process, recruitment policy and hiring guidelines for managers all exist. There is a recruitment team in place at NBN who assist in the selection of employees.
- d) The process is broadly as follows:
  - Hiring Managers construct a Position Description (PD) in a pre-defined format;
  - The Rewards & Benefits team provide recommended remuneration levels;
  - The functional head provides approval to proceed with hiring;
  - The Recruitment Team review the PD and recruitment plan with the hiring manager;
  - The Recruitment Team advertise the role and complete search and screening activities to create a short-list (agency assistance can be engaged);
  - The hiring manager interviews short-listed candidates;
  - The functional head completes the final interview for the preferred candidate;
  - Reference checks are completed; and
  - A letter of appointment is signed by the hiring manager and contracts are signed by an officer of the company.
- e) Yes and the process has been reviewed by the Board.
- f) On 21 August and 4 September 2009 requirements of the position were finalised between the NBN Co CEO, the Chief Human Resources Officer and recruitment consultant, Egon Zehnder.
- g) Senator Conroy suggested Mr Kaiser in early September 2009: The Minister's suggestion followed Mr Quigley's advice that the Company had decided it required an employee in such a role.
- h) Others were considered for the role by the CHRO, but were not interviewed following acceptance of Mr Kaiser for the role, consistent with the employment practices of the company.
- i) As an independent Government Business Enterprise (GBE), NBN Co is not subject to the Australia Public Service guidelines
- j) Mr Kaiser was employed following a referral. This was consistent with others in the company.
- k) Mr Kaiser was interviewed on three separate occasions and three private sector referees were also interviewed prior to being offered the job.
- l) No other referrals have been received from members of the Commonwealth Parliament.

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**Question No: 74**

**Hansard Ref: In Writing**

**Topic: NBN CO WEBSITE**

**Senator Fisher asked:**

- a) Given media reported your full website was anticipated on January 10 2010, and is yet to launch at the date of submitting this question, has the anticipated timeframe for your website rollout been delayed? What has caused the delay?
- b) Is the website being designed and managed in house or outsourced? If outsourced, who received the contract? Was the contract awarded through a competitive tender process? Was the tender publicly advertised? How many companies tendered for the contract? How many were shortlisted?
- c) What is the total budgeted cost for the website?
- d) Is the website project running within the expected budget allocated?

**Answer:**

NBN Co advises the following:

- a) After running an initial 'Interim Website' for several months, the launch of the company's full website occurred on 28 February 2010. There were some slight delays due to design and content tuning to produce the most comprehensive product possible for all our stakeholders.
- b) The website design was outsourced to Wiliam Pty Ltd, a leading Australian web design and on-line marketing firm. The contract was awarded after a select tender process to three companies but was not publicly advertised.
- c) The total budgeted cost was approximately \$200,000.
- d) The project costs are within the allocated budget.

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**Question No: 75**

**Hansard Ref: In Writing**

**Topic: NBN CO LIMITED ANNUAL REPORT 2008-09/WORKING CAPITAL**

**Senator Minchin asked:**

- a) Has the company received any additional equity injections from the Government in addition to the initial two injections?
- b) When do you anticipate that NBN Co will actually start generating revenue and for how many years do you anticipate running net deficits?
- c) What safeguards are in place to avoid extravagance and profligacy, considering there is this almost never-ending stream of Government money to draw on?
- d) How can taxpayers be assured that they are getting value for money out of the Government equity injections?
- e) How much has NBN Co spent to date on advertising and promotion, including job advertisements, web site development and the like?
- f) Has an annual Budget been set for this type of spending?
- g) Has NBN Co entered into any contracts with advertising agencies, employment/HR consultancies?

**Answer:**

NBN Co advises the following:

- a) Yes, an additional \$100 million equity injection was received on 25 February 2010 and a further equity injection of \$100 million for the Tasmanian rollout was received on 29 April 2010.
- b) We expect to start generating revenues during calendar year 2011. The number of years that NBN Co anticipates running net deficits depends on the Business Case and funding structure which has not yet been approved.
- c) One of our key objectives is to build the wholesale network in the most cost effective manner possible. To ensure cost effectiveness NBN Co will:
  - seek simplicity by limiting the functions that we perform to those critical to delivering our objectives, thereby controlling cost for our customers;
  - focus on uncontested infrastructure by carefully evaluating where NBN Co participates in the network and technology areas to ensure that there is limited NBN Co investment in assets and activities that are already provided by other operators on a competitive basis;
  - align with global standards and proven technology – to ensure competitive vendor pricing and minimise technology risk/risk of stranded assets; and
  - ensure our risk management strategies and governance processes are effective. These are similar to those used by listed corporations and involve a number of review

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processes, establishing delegation of authority levels as well as an Audit Committee, internal controls and external audit by the Australian National Audit Office (ANAO) who attend our Audit Committee meetings. We are also required under the *Commonwealth Authorities and Companies Act 1997* and the Commonwealth GBE Governance Arrangements to provide an Annual Report, Corporate Plan and associated quarterly reports to Government.

- d) One of our key objectives is to build the wholesale network in the most cost effective manner possible. This objective will be at the forefront of the approach to the rollout adopted by the Board and the senior management of the company.
- e) At end February 2010 the company spent \$201,039 on advertising and promotion, including job advertisements and web site development.
- f) We are currently undergoing our budget process for the year ending 30 June 2011 and expect to finalise this in May 2010.
- g) Yes. Although we don't have contracts with advertising agencies we have been able to access Federal government rates for print advertising (providing rates significantly lower than a direct contract). This advertising is with Adcorp through the "Master Media Agency for Placement of Non-Campaign Advertising for the Commonwealth of Australia". We have established NBN Co terms and conditions with competitive pricing arrangements with over 18 recruitment firms. NBN Co only pay when they search and we appoint an employee. We announced on 3 March that we have signed a contract with Accenture for them to provide human resources services for our employees. This includes human resources administration, records management, recruitment administration, payroll as well as performance & rewards administration. We engaged Pricewaterhousecoopers to assist in the selection of this HR outsourcing activity.



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**Question No: 76**

**Hansard Ref: In Writing**

**Topic: NBN CO STAFFING**

**Senator Minchin asked:**

- a) Could you provide an update on the company staffing profile ie total number of people now employed?
- b) What is the company's projected employee costs for 2009/10?
- c) How many directors are on the board following the appointments of Clem Doherty and Terrence Francis in December?
- d) Are additional appointments expected?
- e) A media report (ZDNet 23 December) made the observation that three of the board members are ex-McKinsey employees; is this merely coincidental?
- f) What is the annual remuneration being paid to the head of Industry Engagement, Chief Technology Officer, Head of Program Management, Chief Financial Officer, Chief HR Officer and Head of Corporate Services, Head or Network Operations and Head of Commercial Strategy?

**Answer:**

NBN Co advises the following:

- a) As at 28 February 2010, NBN Co employed 131 staff.
- b) The projected employee costs for 2009-10 are \$45 million.
- c) Eight.
- d) It is expected that a non-executive Chairman will be appointed.
- e) Yes
- f) Other remuneration information for NBN Co senior executives will be disclosed in the published 2009-10 Annual Report.

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**Question No: 77**

**Hansard Ref: In Writing**

**Topic: APPOINTMENT OF MR KAISER**

**Senator Minchin asked:**

- a) Of the other senior executives so far appointed, how many of these positions were publicly advertised?
- b) In a Statement tabled by the Government in the Senate on 18/11/09 its says: “*NBNCo advise that the salary is consistent with equivalent jobs in other companies*”. Can you provide some examples of like salaries paid for like positions, by fledgling companies that are generating no revenue and are producing net deficits?
- c) The statement says the Government was made aware of Mr Kaiser’s appointment prior to its announcement, can you advise on how and when the Government was advised?
- d) Of the executive appointments so far made, how does Mr Kaiser’s remuneration compare?
- e) Where is Mr Kaiser based?
- f) Is Mr Kaiser on a contract or is his position ongoing?

**Answer:**

NBN Co advises the following:

- a) NBN Co was incorporated on 9 April 2009 and was required to fill key executive positions in circumstances consistent with being a start-up enterprise. None were advertised.
- b) The company’s remuneration approach is to attract and retain experienced talent to build the network. Total remuneration targets between the 40<sup>th</sup> and 65<sup>th</sup> percentile of total cash remuneration in relevant markets. This recognises the need to be market competitive, but prudent with public resources. Ernst and Young provided the benchmarking advice.
- c) The Government was informed of NBN Co’s intention to appoint Mr Kaiser after the company’s decision to appoint him and prior to the public announcement.
- d) Mr Kaiser’s remuneration package is in the top ten executives in terms of scope and pay.
- e) Sydney
- f) Mr Kaiser has a rolling contract consistent with all employment contracts with NBN Co.

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**Question No: 78**

**Hansard Ref: In Writing**

**Topic: NBN CO OFFICE ARRANGEMENTS**

**Senator Minchin asked:**

- a) Could you provide an update on office arrangements, which cities the company now has a presence; there were reports before Christmas that Melbourne would be the location of head office is this correct?
- b) Premiers were out last year offering various sweeteners in order to entice NBN Co to set up headquarters in their states, has the Victorian State Government offered any incentives or guarantees which swayed your decision?
- c) In response to Question on Notice No.52, in relation to monthly rentals currently being paid by NBN Co, the figure was put at \$72,492 for Sydney and Melbourne offices, is this figure still current or are additional rentals now being paid?

**Answer:**

NBN Co advises the following:

- a) NBN Co has its major offices in Sydney, and Melbourne and is establishing small offices in Canberra and Hobart. NBN Co has determined we do not need a traditional head office at this time.
- b) NBN Co has had approaches from a number of state governments but declined incentive offers and is locating staff and facilities based on business needs.
- c) As at end February 2010, our current monthly rentals are approximately \$192,000. This increase from the end October 2009 figure of \$72,492 is largely the result of our taking an additional floor in our North Sydney premises, the move from temporary accommodation to our permanent premises at 360 Elizabeth Street in Melbourne and the taking of a small Canberra office lease in February.

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**Question No: 79**

**Hansard Ref: In Writing**

**Topic: NBN WHOLESALE PRICING**

**Senator Minchin asked:**

In October, Senator Conroy was widely reported as endorsing Optus analysis which suggests wholesale NBN pricing of between \$40 and \$70. He also mentioned speed offers ranging from 1 megabit through to 100 megabits.

- a) Does Mr Quigley also endorse the indicative wholesale price bands endorsed by Senator Conroy?
- b) If so considering the average broadband user pays something like \$50 per month retail and endorsement of wholesale prices of between \$40 and \$70, which would translate to in the order of \$80 and \$140 retail, doesn't this confirm that consumers will be paying considerably more to use the NBN?
- c) Based on Senator Conroy's previous comments about service offerings starting at 1 megabit, doesn't this mean that the minimum \$40 wholesale price endorsed by the Minister would apply to a 1 megabit offering?

**Answer:**

NBN Co advises the following:

- a) NBN Co is undertaking a detailed assessment of the appropriate pricing for its wholesale services. This includes extensive consultation with industry on their product needs. Because the product configuration has not been finalised NBN Co is not in a position to outline final pricing for its services. However, NBN Co anticipates its fibre pricing for entry level services will be broadly in line with that outlined in the Implementation Study.
- b) Retailers rather than NBN Co will determine retail prices. However, the Implementation Study recommends that NBN Co set wholesale prices to drive affordability and take-up at the retail level to ensure that consumers get much faster broadband speeds (and less restrictive download caps) with comparable prices to those they pay today.
- c) NBN Co anticipates that the speeds offered on its entry level product will be significantly higher than 1 Mbps, broadly consistent with the Implementation Study. The Implementation Study recommends that an 'entry level' wholesale bitstream service on the fibre network should be at least a 20Mbps peak download speed

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**Question No: 80**

**Hansard Ref: In Writing**

**Topic: NBN FIBRE NETWORK**

**Senator Minchin asked:**

- a) Has the NBN Co made any asset acquisitions, there had been speculation about a deal falling through with TransAct re its cable network?
- b) Have any decisions been made about pricing models, previously there was some confusion after Senator Conroy had said that there would be “one wholesale price averaged across the country”, but in October you said no decisions on that front had been made?
- c) Just to pick up on a question from last time, can NBN Co guarantee that every single home connected to the NBN fibre network will have access to a 100 megabit service if they want it, or will this be determined by the retailers operating in their area?
- d) Has NBN Co made a final decision in regards to connecting each and every home, or does the prospect remain that cables will be rolled down the street and a house will only be connected if a consumer opts to take-up the service?
- e) On 29 January Comms Day reported that NBN Co is expected to soon make a “short-list announcement” in relation to project vendors for fibre to the premise equipment, has a decision in relation to the short-list now been established?
- f) The 10 per cent are among the most disadvantaged in terms of broadband provision, why has there not been more emphasis on bringing online new services in these areas as soon as possible?
- g) Have you made any progress in identifying who this 10 per cent is; who will get fibre and who will get wireless and satellite?
- h) You have also issued a Request for Capability Statements from satellite network operators (Submissions due February 15); is it still your intention to launch new satellites for service provision?
- i) When do you envisage actual new services will be delivered to the 10 per cent, will it be next year, the years after or when?
- j) Has the Government provided you with any directive to ensure service provision in under serviced areas (nationally, not just in Tasmania) should be the earliest focus of roll out efforts?

**Answer:**

NBN Co advises the following:

- a) No
- b) NBN Co is undertaking a detailed assessment of appropriate pricing for its wholesale product consistent with Senator Conroy’s comments. This includes extensive consultation with industry and the ACCC.
- c) Consistent with Government policy, NBN Co will provide a wholesale product to Retail Service Providers. Our wholesale fibre product will deliver speeds of up to 100Mbps.

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- d) This matter remains under consideration.
- e) The short-listed participants have been invited to the next round of the procurement process.
- f) NBN Co is conscious of the Government policy to provide a broadband service with speeds of up to 12Mbps to the so called final 10 percent and has been actively considering possible solutions to improving services.
- g) This matter remains under active consideration and is subject to final design.
- h) Yes. The RCS is the first step in a procurement process for satellite capability.
- i) This matter remains under consideration consistent with the Government's stated objective of achieving a complete national broadband network within an 8 year timeframe.
- j) No. However NBN Co is conscious of its obligation to provide a complete national service within the required timeframe.

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**Question No: 81**

**Hansard Ref: In Writing**

**Topic: PORTFOLIO STAFFING – NBN CO.**

**Senator Fisher asked:**

- a) What is the total expenditure on staffing for the Department and for all portfolio agencies? What is the SES and non-SES breakdown?
- b) What are the current staffing levels for SES and non-SES officers? What is the breakdown by location?
- c) What have been the changes in average staffing levels since November 2007? Why have these changes occurred? What have been the Budgetary implications?
- d) In the case of reductions in staff numbers, how have these reductions been absorbed by the Department? What functions have been sacrificed and why?
- e) Has there been a target for staff reductions to achieve savings? What is that target and what strategy is being implemented to achieve this?
- f) Have any voluntary or involuntary redundancies been offered to staff? If so, how have staff been identified for such offers? Are there such plans for the future?

**Answer:**

NBN Co advises the following:

- a) As an independent Government Business Enterprise (GBE), NBN Co is not subject to the *Public Service Act 1999* and therefore does not have SES and non-SES classifications. The total expenditure on staffing for NBN Co Limited for the eight months to 28 February 2010 was \$16.8 million.
- b) As at 28 February 2010, NBN Co had 86 employees and 45 contractors in the Company. Of the 86 employees, 49 were based in Sydney, 34 in Melbourne, 2 in Canberra and 1 in Tasmania.
- c) Not applicable – NBN Co was not operating in November 2007.
- d) See answer to (c).
- e) There is no target for staff reductions.
- f) NBN Co has not offered any redundancies to date and has no plans to do so at this stage.

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**Question No: 82**

**Hansard Ref: In Writing**

**Topic: PORTFOLIO STAFFING – NBN CO.**

**Senator Barnett asked:**

- a) How many permanent staff recruited since the supplementary budget estimates?
- b) What level are these staff?
- c) How many temporary positions exist or have been created since budget estimates?
- d) Since supplementary budget estimates, how many employees have been employed on contract and what is the average length of their employment period?

**Answer:**

NBN Co advises the following:

- a) 69 permanent employees have been recruited since the end of October 2009.
- b) The staff have been added across all levels of the organisation.
- c) There are currently no temporary positions in the organisation.
- d) 16 contract employees have been employed since the end of October 2009 with an average length of employment of six months.



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**Question No: 83**

**Hansard Ref: In Writing**

**Topic: PORTFOLIO STAFFING (EFFICIENCY DIVIDEND/BUDGET CUTS) – NBN CO.**

**Senator Barnett asked:**

- a) Have staffing numbers been reduced as a result of the efficiency dividend and/or other budget cuts?
- b) If so, where and at what level?
- c) Are there any plans for staff reduction? If so, please advise details ie. reduction target, how this will be achieved, services/programs to be cut etc.
- d) What changes are underway or planned for graduate recruitment, cadetships or similar programs? If reductions are envisaged please explain including reasons, target numbers etc.

**Answer:**

NBN Co advises the following:

- a) As an independent Government Business Enterprise (GBE), NBN Co is not subject to the government's efficiency dividend or similar budget/policy measures.
- b) See answer (a) above.
- c) No
- d) Not applicable.