

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Hearings February 2014

Communications Portfolio

NBN Co Limited

Question No: 89

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Rollout information

Senator Urquhart asked:

At the hearing the Minister representing the Minister for Communications said, “You had lots of information that was put in the public domain through NBN Co that was completely meaningless and that bore little connection to what was actually happening.”

- a. Has NBN Co at any time provided information that was meaningless? If so, please provide examples?
- b. Has NBN Co at any time provided information that bore little connection to what was actually happening? If so, please provide examples?
- c. A particular accusation has been made that announcing premises passed numbers was inaccurate. Does NBN Co use exactly the same definition now as it did previously to report premises passed?
- d. A particular accusation has been made that the definition of construction commenced was inaccurate. Did Dr Switkowski when shown images of workers engaged in design phase activities acknowledge that this was construction?
- e. Is the definition of “forecast” something that is expected to happen not something that will happen? Is a forecast “accurate” if it is based on the best available data at the time it is made (in the case of construction the advice from contractors)?
- f. Did the independent assessment for the strategic review find that the corporate plan is based on detailed and quantitative analyses? (Refer to Mr Rousselot’s evidence at page 5 of the SSCNBN on 17 December)?
- g. At the SSCNBN on 17 December the Chair asked Mr Korda “In the Parliament on 11 December 2014 Minister Turnbull said, ‘The truth is that the Labor Party have misled, spun and deceived on broadband for four years.’” Did you find, in your view, any evidence of an attempt to deceive?” In reply Mr Korda said “Attempt to deceive? No, I would not put it that way.”
The Chair further asked “Mr Turnbull said further ‘Tomorrow we will see the truth about the NBN. The Labor Party do not want to hear it. They do not want to know how many billions of dollars they have wasted. They do not want to know how many falsehoods they have told.’ Did any of your analysis find any falsehoods?” Mr Korda did not say his analysis had found any falsehoods. Is this correct?
- h. Was the Minister representing the Minister for Communications correct to assert that “You [referring to Senator Conroy] had lots of information that was put in the public domain through NBN Co that was completely meaningless and that bore little connection to what was actually happening.”

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Answer:

- a-b. There are a number of cases where the information provided on the NBN Co public website may have raised expectations that were not subsequently met. For example, NBN Co's Monthly Ready for Service report stated that Ascot in Queensland was "construction commenced" in September 2012. The online maps also reflected this and stated that construction took on average 12 months. A person in Ascot may therefore have reasonably expected to be able to connect to the NBN some time in late 2013. It was not until February 2014, however, that Build Instructions were issued; meaning connection would still be some months away. NBN Co has determined, therefore, that "build commenced" is a more appropriate metric with less chance of such significant slippages.
- c. In addition to "Premises Passed", NBN has added "premises serviceable" and "service class 0" metrics to build a clearer picture of how the rollout is progressing.
- d. NBN Co has said there are examples (as in the Ascot example above) where expectations were raised but not met, due in part to use of the term "construction commenced". As Dr Switkowski said in the hearing, the question is not about whether it looks like construction is occurring or not, but what point in the process gives people the best indication of when they are likely to get a connection:
Dr Switkowski: The view has been taken that the best measure is at the point where there is reasonable confidence that that community will have access to the NBN, and build commenced is judged to be the best point at which to do that.
Senator CONROY: But build commenced does not include construction activity.
Dr Switkowski: Obviously it includes construction activity but not that sort of activity.
Senator CONROY: Well, it is construction activity, but—
Dr Switkowski: I do not disagree with you in your commentary about the various steps. Where the disagreement looks as if it will land is: at which point do you produce statistics and a colour-coded map? We have concluded: build commenced is the right point.
- e. A forecast that turns out to be inaccurate is inaccurate regardless of what it was based on. If forecasts are being made too early in the process, and the result is consistent inaccuracy, then it makes sense for that metric to be reviewed. NBN Co has done this and determined that 'build commenced' will enable more accurate forecasting of RFS dates. This will provide more confidence to our delivery partners, RSPs, and end-users.
- f. Mr Rousselot's comments are on the public record.
- g. Mr Korda's statements are on the public record.
- h. It is not NBN Co's role to comment on statements made by Members of Parliament.