

Recommendations

Recommendation 1

2.14 That the Government abandon the National Broadband Network project.

2.15 That if, in the alternative, the Government insists on progressing the NBN, it be progressed in accordance with the recommendations contained in the remainder of this report.

Recommendation 2

2.75 That the Government require the Department of Finance and Deregulation (the DoFD) to calculate the net present value of the NBN, using the data and assumptions contained in the Implementation Study, and based on a calculation of the weighted average cost of capital in accordance with the usual principles applied by the DoFD in relation to public capital expenditure.

Recommendation 3

2.80 That the Government provide a comprehensive response to the Implementation Study as soon as possible.

2.81 That the response clearly articulate in detail:

- **a mandate for NBN Co and when, how and where that mandate will be formally recorded;**
- **the proposed funding arrangements for NBN Co, including a statement of all intended future equity contributions to NBN Co or NBN Co subsidiaries, the quantum and timing of each, and the arrangements the Government will make to formalise its funding agreement with NBN Co;**
- **a business plan for the NBN, where necessary developed in consultation with NBN Co, and including a cost-benefit analysis;**
- **the proposed timetable for the roll-out of the NBN to all Australian premises, including the type of services that will be available in particular, identified locations;**
- **the future of the Universal Service Obligation and how services will be guaranteed and funded for regional and remote Australian premises.**

Recommendation 4

3.33 That NBN Co consult with local councils at the earliest possible stage as to the most appropriate local roll-out plan and local planning requirements.

3.34 That each local roll-out plan seek to coordinate the roll-out of the NBN with other activities occurring in the local government area so as to best realise potential synergies, cost savings, and benefits to local residents and businesses.

3.35 That the Government favour underground cabling in the remainder of the 90 per cent Fibre to the Premises footprint, ensuring long-term, future proof benefits for the network, its investors and its consumers.

Recommendation 5

3.47 That the Government clarify whether NBN Co (and its subcontractors) will be exempt from development consent and landowner consent requirements in all States and Territories.

Recommendation 6

3.48 That Commonwealth, State and Territory environmental and planning legislation, and State and local government planning policies concerning development and landowner consent requirements, be reviewed to ensure that fibre and related infrastructure can be effectively and efficiently deployed both to the premises and within premises.

Recommendation 7

4.56 That the Government detail its understanding of the likelihood that there might be failure in the Layer 3 wholesale market, and what it understands would be the consequences of any such failure for service delivery and innovation potential.

Recommendation 8

4.75 That NBN Co formally engage consumer groups in its industry consultation processes. That such consultation be in addition to the involvement of consumer groups in NBN Co's information sessions.

Recommendation 9

4.98 That the Department immediately consider whether potential decisions on network architecture will create a risk that NBN Co and/or the Government will be liable to pay compensation to third parties, and the likely quantum of any compensation.

Recommendation 10

4.103 That NBN Co release a detailed implementation plan describing how and when services will be provided to specified regional and remote locations, and what the cost of connection will be for regional householders.

4.104 That the implementation plan prioritise the servicing of regional and remote locations so that the network is 'rolled-into' urban areas from regional and rural areas.

Recommendation 11

4.113 That priority assistance customers, like the elderly, hospitals, and emergency services, have access to a working landline telephone service in the event of a mains power failure to the premises.

4.114 That there be a mass-education campaign to alert end-users to the consequences of a non-copper telephony service in the event of a mains failure to their premises.

Recommendation 12

5.26 That the NBN Co Bill be amended so that NBN Co can only provide services at Layer 2 and below.

5.27 That, in the event that a competitive market for the supply of unbundled Layer 3 services does not develop, the Government consider arrangements for a Universal Service Obligation to address this failure, particularly in regional and remote areas.

Recommendation 13

5.37 That provisions of the NBN Co Bill relating to the future privatisation of NBN Co be amended to clarify what is meant by 'built and fully operational'.

Recommendation 14

5.38 That the NBN Co Bill be amended so that a declaration by the Communications Minister that the NBN should be treated as built and fully operational is a disallowable instrument. That is, that clause 22(8) of the NBN Co Bill stating that such a declaration is 'not a legislative instrument' be deleted.

Recommendation 15

5.39 That the NBN Co Bill be amended so as to expressly require NBN Co to meet minimum service obligations after the cessation of Commonwealth majority ownership. Those obligations must include that:

- **NBN Co retain its capacity to provide broadband services to 100 per cent of Australian premises;**
- **NBN Co retain its capacity to service 90 per cent of Australian premises with Fibre to the Home services with speeds of up to 100 Mbps;**
- **NBN Co retain its capacity to service the remaining 10 per cent of Australian premises with broadband connections of speeds of at least 12 Mbps;**
- **NBN Co develop and maintain its capacity to supply Layer 2 services to 100 per cent of Australian premises; and**
- **NBN Co maintain its open-access network, providing wholesale services on an equitable basis.**

Recommendation 16

5.40 That the Government consider ways to 'future-proof' NBN Co's services. This must include a specific requirement that NBN Co report to the ACCC every five years on developments in broadband services in other comparable advanced economies, and that if the report demonstrates that NBN Co's services are falling behind those available to a majority of end users in other comparable advanced economies, lay out a plan to close the gap.

Recommendation 17

5.41 That the NBN Co Bill be amended so as to explicitly require NBN Co to publicly disclose its service performance even after the cessation of majority Commonwealth ownership.

Recommendation 18

5.49 That the NBN Co Bill be amended to explicitly set out the basis on which minority equity owners can request access to any information provided by NBN Co to the Government.

Recommendation 19

5.55 That the Government establish a consumer advisory group dedicated to the NBN. That the NBN Co Bill be amended to require NBN Co to have regard to the advice of that consumer advisory group when performing its functions.

Recommendation 20

5.56 That the Government and NBN Co prepare a strategy to address how end-user complaints are to be handled, and review the sufficiency of current resourcing and processes of the Telecommunications Industry Ombudsman to handle the expected future workload.

Recommendation 21

6.20 That the Access Bill be amended so as to provide guidance on what is meant by 'efficiency' for the purpose of the equivalence provisions. The amendments should also ensure that volume considerations cannot be counted as matters which 'aid efficiency' for the purpose of obtaining an exemption to the non-discrimination obligations on NBN Co.

Recommendation 22

6.21 That the Access Bill be amended so that ACCC pre-approval is required of any agreement to which NBN Co is a party and under which an access seeker is granted access on discriminatory terms on the basis of the 'efficiency' exception.

Recommendation 23

6.30 That the Government make public its intentions as to the future of Telstra's USO in relation to telephony services.

Recommendation 24

6.31 That the Government make public its intentions as to whether and how there will be a future universal service obligation to provide broadband services, and the associated cost implications for the Australian people.

Recommendation 25

7.45 That the Government, in consultation with NBN Co, immediately undertake a skills audit for the NBN to ensure there is a fully skilled workforce ready to deploy the NBN in each region. The audit should detail:

- (a) the training courses required;**
- (b) the training timeframes involved; and**
- (c) the training institutions available.**

Recommendation 26

7.46 That the Government, in consultation with industry groups and NBN Co, develop national standards and national training modules and accreditation processes to ensure the NBN workforce is appropriately skilled.

7.47 That such modules and accreditation processes be tailored to suit the differing needs of workforce participants who will come to the NBN with varied levels of prior relevant experience.

Recommendation 27

8.26 That the Government and NBN Tasmania create a single public document, to be released as soon as possible, which sets out all remaining stages in the planned roll-out of the NBN in Tasmania, including the expected timetable for the roll-out, and the expected timing and quantum of any future Government-funded equity injections.

Recommendation 28

8.27 That NBN Co make widely available, for all prospective end-users across Australia, information on:

- when NBN services will be offered in their region;**
- how the NBN-based products will differ from their current services;**

- **what preparation of their premises they need to, or should do, prior to installation;**
- **what potential property disruption could be caused to their premises or surrounding areas during the deployment of the NBN or the internal installation of equipment within their premises; and**
- **how much the services will cost them to purchase from a retailer.**

