

Inquiry into the Telecommunications (Regional Broadband Scheme) Charge Bill 2019 and the Telecommunications Legislation Amendment (Competition and Consumer) Bill 2019

Senate Environment and Communications Legislation Committee

Answers to Questions on Notice

Hearing 30 January 2020

Department of Infrastructure, Transport, Regional Development and Communications

Question No: 1

Hansard reference: 30/01/2020

Topic: Premises connected to non-NBN networks

Senator Urquhart, Anne asked:

Can you confirm that between 2015 and now the expected number of premises connected to non-NBN networks has changed relative to what the government forecast at the time?

Answer:

The then Bureau of Communications Research (BCR) undertook modelling for the Regional Broadband Scheme (RBS) during 2015 and 2016. The Department remains confident this 2015/16 modelling continues to provide a robust basis for the RBS charge.

The Department is not able to publicly release specific figures from the modelling because it contains information provided by carriers on a commercial-in-confidence basis.

The modelling forecasts that NBN Co would make up around 95 per cent of the fixed-line broadband market by 2020, with non-NBN networks making up the remaining 5 per cent of the market.

A comparison of the model's estimates for FY2020 and information in the public domain on the number of active services on NBN-comparable networks (including evidence given by OptiComm to the Committee Hearing held on 30 January 2020) indicates that the expected number of premises connected to non-NBN networks remains very close to what was forecast in the model.

The Australian Competition and Consumer Commission (ACCC) will be best placed to update the RBS modelling once the Telecommunications Legislation Amendment (Competition and Consumer) Bill and the Telecommunications (Regional Broadband Scheme) Charge Bill are passed. This is because section 102ZF of the Telecommunications Legislation Amendment (Competition and Consumer) Bill establishes a one-off reporting requirement for carriers to provide the ACCC with commercially sensitive information about the size of their networks, which is a crucial input to the modelling.

The ACCC will use this information to review the base component of the charge and provide advice to the Minister to consider whether it should be adjusted.