

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000102 (SSC04)

Division/Agency: NBN Co

Topic: NBN Co - \$75 Enablement Fee

Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

When is the \$75 enablement fee currently due to end, and will it be extended beyond that date?

Answer:

NBN Co has extended the Interim System Enablement Rate, and will continue to assess its suitability on an ongoing basis.

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000103 (SSC05)

Division/Agency: NBN Co Limited

Topic: NBN Co - Technician average pay

Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

The Committee heard evidence from numerous contractors that even with the enablement fee, their average pay is approximately \$2,000 per week. Prior to the enablement fee, their average pay was less than \$1,000 per week. That is before contractors have to pay their own costs including superannuation, paid leave, workers compensation, insurance, fuel, tolls, equipment, vehicle maintenance and training.

Is it concerning to NBN Co. that rates of pay are so low for NBN technicians?

Answer:

Please refer to Senate Select Committee on Job Security Question on Notice IQ21-000107 (SSC09).

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000104 (SSC06)

Division/Agency: NBN Co

Topic: NBN Co - ServiceMax app

Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

With respect to the ServiceMax app (please answer each question separately):

- a) Does NBN Co. directly allocate work to technicians through the ServiceMax app?
- b) What proportion of jobs are allocated directly by NBN Co to technicians through the ServiceMax app as opposed to by Delivery Partners?
- c) Does NBN Co. directly pay technicians for work allocated through the ServiceMax app, or does the payroll still operate through Delivery Partners?
- d) Can NBN Co see how much technicians receive for jobs allocated through ServiceMax?
- e) Does NBN Co still pay Delivery Partners for jobs allocated directly to technicians through the ServiceMax app, and if so, how does the rate compare to the rate paid for jobs allocated by Delivery Partners?

Answer:

Please refer to Budget Estimates 2021-2 Question on Notice 208 for the difference between ServiceMAX(SMAX) and ServiceMAX-GO App (SMAXGO).

- a) ServiceMax (SMAX) is the Field System Management (FSM) platform used to manage work orders. The scheduling and allocation of work orders occurs in two models: Direct-to-Technician (D2T) and Direct-to-Service Delivery Partner (D2SDP).

D2T work orders are typically single visit, single technician activities, such as standard assurance and connection work orders. This process is largely automated and, importantly, is based on underpinning technician data provided by the Service Delivery Partner (SDP) and customer requirements such as contracted area, skills required to complete relevant work, technician work location, window of appointment time.

The purpose of this allocation is to allow faster completion windows for non-complex work orders and provide a better experience for both technicians who can immediately carry out work that is available and the customer whose work order is completed.

D2SDP work orders are more complex, usually in need of civil works or pre-scope activities. These work orders typically require multiple appointments, workers and days to complete.

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It is important to note that SDPs have the ability to manually allocate a work order to a SDP technician, or override a D2T allocation via SMAX, or in-house SDP systems where desired.

- b) The proportion of D2T and D2SDP allocation changes with the type of work that is required by NBN Co. It is also important to remember that, as described above, automatically allocated work is done so based on information and parameters agreement with SDPs, while work orders allocated under D2SDP are more complex, often require days to complete and multiple specialists. Because of this, a direct comparison of these work allocation streams is problematic at best.

Further, as described above, SDPs have full oversight of any work directly allocated to SDP technicians and are able to amend or change these allocations as they see fit. As such, they retain control over their resources.

At present, under the Services contracts, the split is approximately 85% D2T / 15% D2SDP. 100% of work allocated to technicians directly employed by NBN Co is done so through this system.

- c) For technicians subcontracted via SDPs, NBN Co pays the SDP in accordance with its agreements with SDPs. Technicians directly employed by NBN Co are paid via NBN Co payroll in accordance with their employment contracts.
- d) No, SMAX is a Field System Management (FSM) platform. Please refer to questions c.
- e) Whether a work order is issued and completed under the D2T, D2SDP, or within in-house SDP systems, NBN Co pays the SDP in accordance with its agreements with them. NBN Co is not aware of the rates paid to technicians contracted via SDPs or their subcontractors.

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000105 (SSC07)

Division/Agency: NBN Co

Topic: NBN Co - Allocation of jobs

Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

If the ServiceMax platform is directly allocating jobs to technicians, why are Delivery Partners still taking a cut of the rates paid to technicians for these jobs?

Answer:

It is important to remember that the role of the Service Delivery Partner goes beyond allocation and organisation of specific jobs. The contractual arrangements and schedule of rates agreed between NBN Co and specific Delivery Partners cover the range of activities that NBN Co require.

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000106 (SSC08)

Division/Agency: Branch NBN
Topic: NBN Co - Fair payment
Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

When asked about whether NBN Co ensures that subcontractors are receiving a fair payment for their work, Ms Dyer said at the hearing:

“NBN’s contract is with the delivery partner. It is up to the delivery partner to ensure that they are complying with the law and paying people fairly...again, the rate that delivery partner pays their contracting workforce, whether it be through a prime or not, is a matter for them.”

To clarify – NBN Co’s position is that NBN Co is not itself accountable or responsible for the pay and conditions of NBN technicians?

Answer:

The deleted component in the Hansard extract in the question (represented by the ellipsis) is actually important: “Our contracts with that delivery partner have quite extensive rights in how we govern and manage that delivery partner.”

Ms Dyer was indicating here that while rates paid to Delivery Partner technicians are a matter for Delivery Partners, NBN Co can monitor compliance, as governed through the mechanisms described in Additional Estimates 2020-21 Question on Notice 190 and 194, and Budget Estimates 2021-22 Questions on Notice 287 and 292.

To reiterate, NBN Co is accountable and responsible for the pay and conditions of any NBN Co technicians that are employed directly by NBN Co. Under NBN Co's contracts with the Delivery Partners, the Delivery Partners are required to comply with all legislative requirements, including those relating to employees, workers or independent contractors and must ensure its contractors comply with NBN Co policies, including its Supplier Code of Conduct.

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000107 (SSC09)

Division/Agency: NBN Co

Topic: NBN Co - Rates of pay

Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

Note: Please answer both parts of this question separately:

Does NBN Co accept that the rates of pay it sets, and the terms of contracts it enters into with Delivery Partners, have substantial influence over the pay and conditions that NBN technicians receive?

a. That being the case – why is NBN Co not then responsible or accountable to any extent for the pay and conditions of NBN technicians?

Answer:

NBN Co does not set a rate of pay. Please refer to Senate Select Committee on Job Security Question on Notice SSC08.

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000108 (SSC10)

Division/Agency: NBN Co Limited
Topic: NBN Co - Statement of Expectations
Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

When asked about the Ministerial Statement of Expectations with regard to the NBN workforce, Mr Rue cited the following sentence:

“Where NBN Co engages a third-party (e.g. a contractor), it must take into account the risks associated with that approach and, **impose on them obligations in relation to the efficient, effective, economical and ethical expenditure of money.**”

Mr Rue has highlighted that NBN Co is required to ensure its contractors, such as Delivery Partners, engage in ethical expenditure of money.

However Mr Rue and Ms Dyer also repeatedly stated that the expenditure by Delivery Partners on subcontractors, including their pay and conditions, “is up to delivery partners.”

Why is NBN Co refusing to adhere to the requirement to impose obligations on Delivery Partners that they pay and engage with subcontractors in an ethical manner?

Answer:

NBN Co imposes outcome-based conditions on its Delivery Partners to ensure the efficient, effective, economical and ethical expenditure of money, in compliance with the Statement of Expectations and the Special Access Undertaking. This includes compliance with all legal requirements including employment obligations, and ethical practices in accordance with the Supplier Code of Conduct which is publicly available via the NBNC Co website.

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000109 (SSC11)

Division/Agency: NBN Co

Topic: NBN Co - NBN Co position on technician pay

Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

Ms Dyer was asked at the hearing:

“How do you know whether these people are even being paid the minimum wage if you don't know what they're earning?”

Ms Dyer responded:

“I can see, through my metrics, the number of people that turn up for work every day, and I can see how we're connecting customers and how we're assuring our network. So I've got to believe that the commercial environment is working and that the supply and demand of work is working for us. We want to make sure that people are paid fairly, and I know that's absolutely the intent of our delivery partners as well.”

Here, Ms Dyer makes the claim that because technicians continue to show up for work, the rate of pay must be fair.

Is that just Ms Dyer's opinion, or does this reflect the position of NBN Co?

Answer:

Please refer to Budget Estimates 2021-22 Question on Notice 290 and Additional Estimates 2020-21 Question on Notice 194.

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000110 (SSC12)

Division/Agency: NBN Co Limited
Topic: NBN Co - Technician average pay
Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

Mr Rue said in his opening statement: “It is of course vitally important through this process that workers are paid correctly and **fairly**.”

Ms Dyer later added “It is up to the delivery partner to ensure that they are complying with the law and paying people **fairly**.”

Ms Dyer later stated “We want to make sure that people are paid **fairly**, and I know that’s absolutely the intent of our delivery partners as well.”

Ms Dyer later added “We are asking them to make a declaration that they’re paying people **fairly** and that they’re paying people on time.”

Finally, Ms Dyer added “I would say that we work tirelessly to ensure that our contracts are strong and that people are paid **fairly**.”

Given the repeated references by Mr Rue and Ms Dyer to the concept of fair pay, and the NBN’s “tireless” work to ensure fair pay, please advise (answering each question separately):

- a. What fair pay is for an NBN technician
- b. What the formula should be to calculate a fair rate of pay for an NBN technician.
- c. What NBN Co. does to enforce that fair rates of pay are being paid. Please note this question is not referring to the presence or timeliness of a payment, but that the quantum of the payment is fair.
- d. Please advise the number of times that NBN Co has intervened to enforce that NBN technicians are being paid fairly. Please note this question is not referring to the presence or timeliness of a payment, but that the quantum of the payment is fair.
- e. Please advise the outcome of previous instances in which NBN Co intervened to enforce that technicians are being paid fairly.

Answer:

- a. NBN Co's schedule of rates with Delivery Partners are predominantly outcome-based and are also a product of such factors as specific requirements of a technician’s role, including levels of experience, qualifications required for the relevant work, as well as labour market

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dynamics in the region that they are operating within. The schedule of rates is ultimately agreed between NBN Co and the Delivery Partners following the initial submissions of proposed rates from Delivery Partners during a competitive tender process, as required by NBN Co's obligations under the Special Access Undertaking regarding prudent expenditure, to help ensure an efficient and competitive tender outcome.

- b. For the reasons set out above, it is not possible for NBN Co to provide a single formula to calculate a 'fair rate of pay'.
- c. NBN Co is accountable and responsible for the pay and conditions of any NBN Co technicians that are employed directly by NBN Co. NBN Co takes a proactive role in managing its Delivery Partners, including leveraging the various mechanisms under its contracts that require the Delivery Partners to appropriately manage its subcontractors (which also reflects that NBN Co does not have a direct contractual relationship with these contractors). Please refer to Senate Select Committee on Job Security Question on Notice IQ21-000107(SSC09).
- d. Please refer to c.
- e. Please refer to c.

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000111 (SSC13)

Division/Agency: Branch NBN

Topic: NBN Co - Delivery Partner obligations

Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

Is it true that Delivery Partners can contract out their responsibilities and obligations for the pay and conditions of NBN technicians to Primes, in the same way that NBN Co contracts out its responsibilities and obligations for NBN technicians' pay and conditions to Delivery Partners?

Answer:

NBN Co understands this question to be about Delivery Partner subcontracting. NBN Co's contracts are outcome-based and provide flexibility for the Delivery Partners to perform the works under the NBN Co agreements through its own workforce or via subcontracted technicians engaged under subcontracts.

Under NBN Co's contracts with the Delivery Partners, the Delivery Partners are required (among other things) to comply with all legislative requirements, including those relating to employees, workers or independent contractors and must ensure its contractors comply with NBN Co policies, including its Supplier Code of Conduct.

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000112 (SSC14)

Division/Agency: NBN Co

Topic: NBN Co - Pay and condition Audits

Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

When repeatedly asked about whether NBN Co actually audits the pay and conditions of NBN technicians, Ms Dyer repeatedly audits with scopes entirely unrelated to the questions being asked. So for clarity:

- A. Does NBN Co audit the quantum of payments that technicians receive.
 - i. If yes, how many audits of this specific nature have been conducted in the last five years.
 - ii. If yes, what criteria was used to assess the quantum of payments.
 - iii. If yes, what proportion of audits found compliance vs non-compliance
 - iv. If yes, what enforcement action was taken for non-compliance

- B. Does NBN Co audit the proportion of payments being withheld by Primes and/or Delivery Partners.
 - i. If yes, how many audits of this specific nature have been conducted in the last five years.
 - ii. If yes, what criteria was used to assess the quantum of payments withheld.
 - iii. If yes, what proportion of audits found compliance vs non compliance
 - iv. If yes, what enforcement action was taken

Answer:

- A. No. Please refer to NBN Co's response to Senate Select Committee on Job Security Question on Notice SSC08.
- B. No. NBN Co requires Delivery Partners to comply with all legislative requirements including the security of payments legislation and requires statutory declarations that all subcontractors have been paid all moneys due and payable to them.

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000113 (SSC15)

Division/Agency: Branch NBN

Topic: NBN Co - Rates of pay 2

Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

Delivery Partners, the CEPU and subcontractors each provided evidence that rates for some tasks have not changed for 5, or even 10 years in some cases. Excluding rates for new tasks that did not exist 5 years ago, what % change has there been in job rates over the last 5 years?

Answer:

This would vary by delivery partner and therefore is a question that would be best asked of individual delivery partners who would have direct access to the data required to make the calculation. Please refer to Senate Select Committee on Job Security Question on Notice IQ21-000106 (SSC08).

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000115 (SSC17)

Division/Agency: NBN Co Limited
Topic: NBN Co - Fibre video scopes
Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

The CEPU's submission notes that:

"All fibre technicians were recently directed by NBN Co to purchase a fibre video scope in order to continue working on the network. This cost around \$1,000 and had to be paid for by the sub-contractor. Rates of pay were not altered to account for this increased operating cost to technicians."

Given Mr Rue and Ms Dyer's repeated insistence that NBN Co works "tirelessly" to ensure people are paid fairly, does NBN Co consider this conduct to be fair?

Answer:

NBN Co requires the Delivery Partner to be able to perform the work that is in scope of the contract that they have priced and has not requested for every field technician to procure a video microscope. How and when this equipment is provided to technicians to support field requirements is a matter for the Delivery Partner i.e., whether the Delivery Partner buys the equipment and provides it to their technicians, or the Delivery Partner requires their technicians to purchase it themselves, that is determined by the Delivery Partner within the commercial arrangements they put in place with their technicians.

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000116 (SSC18)

Division/Agency: NBN Co Limited

Topic: NBN Co - Mandatory bridge tap tests

Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

The CEPU's submission notes that:

“Our members also report that NBN Co recently introduced a mandatory bridge tap test on all node work prior to completing the job. This adds to the time taken to complete each job, but job rates were not altered to reflect this additional task.”

Given Mr Rue and Ms Dyer's repeated insistence that NBN Co works “tirelessly” to ensure people are paid fairly, does NBN Co consider this conduct to be fair?

Answer:

Bridge tap tests are performed to validate that the field technician has completed in-home wiring works in line with the activity scope and contract reference documents, specifically to validate that any customer wiring issues have been successfully remediated.

In-home wiring remediation (including bridge tap testing and removal) has been included in base activation and assurance schedule of rates since the commencement of the Unify contract.

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000117 (SSC19)

Division/Agency: NBN Co Limited
Topic: NBN Co - Lendlease evidence
Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

When Lendlease was asked at the hearing about whether they have visibility over the pay and conditions for subcontractors engaged through their Primes, Mr Matthews said:

“It’s just not something that we have visibility of or seek to have visibility of.”

When Senator Walsh put to Mr Matthews that that is a choice made by Lendlease, Mr Matthews responded:

“A choice would suggest that we’ve thought about it and decided not to. I don’t think that’s the case.”

Is NBN Co concerned that one of its major delivery partners not only doesn’t know what it’s subcontractors are paid, it explicitly doesn’t want to know and hasn’t even “thought about it”? And how does that reconcile with your obligation to require Delivery Partners to engage in ethical expenditure of money?

Answer:

Please refer to Senate Select Committee on Job Security Question on Notice IQ21-000111 (SSC13).

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000118 (SSC20)

Division/Agency: NBN Co Limited
Topic: NBN Co - Secondary technician
Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

Is NBN Co aware of circumstances where a second technician is required to complete certain installation and maintenance tasks safely?

- a. Does NBN Co provide for payment of the second person, or is this cost expected to be absorbed by the primary technician?
- b. If NBN Co does not provide for payment of the second person, doesn't this incentivise unsafe work practices?

Answer:

Depending on the scope of work required for an installation, multiple technicians with different skill sets, qualifications and resources may be required. In certain circumstances, multiple site visits may also be required.

NBN Co does not pay its Delivery Partners based on the number of technicians required to attend a job. NBN Co pays its Delivery Partners an outcome-based schedule of rates, which takes into account the complexity and resources required for each job. It is the responsibility of the Delivery Partner to pay the technicians to complete the job.

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000119 (SSC21)

Division/Agency: NBN Co

Topic: NBN Co - Payment for incomplete jobs

Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

Does NBN Co pay Delivery Partners in full for all tasks that could not be fully completed due to circumstances outside the control of the technician?

A. Does NBN Co enforce that these payments are paid through to the technician?

B. Is NBN Co responsible for pre scope work, and where a job is not able to be completed due to network shortfall that would or should have been seen by the pre-scope work, does NBN Co pay in full for that task?

Answer:

If a technician is unable to complete an appointment for reasons not caused or contributed to by the Delivery Partner, such as a customer not in attendance for the appointment or a network shortfall, then NBN Co will pay the Delivery Partner an agreed incomplete job rate.

If a technician is unable to complete the full scope of work required, they are able to still claim against the work that has been done. NBN Co does not have a view on whether a technician claims the agreed incomplete rate or the individual completed items. NBN Co does not pre-scope work allocated D2T as described in Inquiry Question on Notice IQ21-000104 (SSC06), as this direct allocation is typically reserved for jobs considered to be non-complex connect or single technician jobs. If a technician arrives at a D2T job and is unable to complete for reasons as described above, NBN Co will pay the Delivery Partner the agreed incomplete rate.

Senate Select Committee on Job Security
ANSWER TO WRITTEN QUESTION ON NOTICE
NBN Co Limited

IQ21-000120 (SSC22)

Division/Agency: NBN Co Limited
Topic: NBN Co - Technician scheduling
Proof Hansard Page: Written (06 October 2021)

Senator Tony Sheldon asked:

Ms Dyer made repeated reference to the fact that NBN technician subcontractors can just work in other industries if they wish. But is NBN Co aware that subcontractors are often required to provide their availability to Delivery Partners and/or Primes weeks or even months in advance?

Answer:

NBN Co is not in a position to comment on the specific requirements of Delivery Partners in respect of subcontractor availability as it is not a party to the agreements between Delivery Partners and their subcontractors.