

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: 83

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: NBN Co Strategic Review

Senator Urquhart asked:

On page 72 the NBN Co Strategic Review states that “NBN Co has attracted a committed, motivated, generally capable group of people who want to do important, meaningful work”. The review notes “NBN Co staff often speak about ‘living in the political and media fish bowl’ and it is clear that this has adversely impacted the organization.”

On 26 February an article appeared on the front page of the Daily Telegraph under the heading “Lost in space Conroy’s \$350 million broadband black hole”:

- a. Is this article an example of the kind of conduct that results in the staff living in a fish bowl?
- b. The article states “NBN Co sources have blamed former communications minister Stephen Conroy for changing the eligibility criteria for subscriptions, which had been limited to families and small businesses which had no other access to comparable services. The company sources said that Mr Conroy had broadened those criteria to include schools and hospitals with much larger data needs.” Was this statement to the Daily Telegraph provided by an official spokesman for NBN Co to the journalists? If so, who?
- c. If not, does NBN Co know which unauthorised officer at the company provided the comments to the Daily Telegraph?
- d. Is it a fact that the change in criteria was announced by the former Minister in a media release in May 2012 in which it was noted that the change was a result of a recommendation by the Regional Telecommunications Independent Review Committee?
- e. Is it a fact that the 5th report of the Joint Committee on the NBN issued in June 2013 recommended that NBN Co and the Department carefully monitor the current rate of ISS activations and prior to the customer cap on the ISS being reached:
 - * consult with relevant stakeholders and the Australian community on options for establishing cost efficient arrangements to ensure that education, health and local government facilities in rural and remote communities and other individuals determined to be most in need of access to the ISS are still able to access the service; and
 - *consider increasing the customer cap on the ISS, if additional satellite capacity becomes available at a competitive cost?
- f. Since 18 September 2013 what actions were taken by NBN Co to monitor the service?
- g. Why were further activations on the service accepted after 18 September 2013 that have resulted in peak speeds in busy hour being inadequate?
- h. Is it a fact that in its answer to Question 7 taken on notice from the public hearing of the JCNBN on 31 October 2011 NBN Co advised “There are approximately 250,000 eligible end users based on current eligibility criteria.”?
- i. Was this number of premises covered by the eligibility criteria reported in the 2nd report of the JCNBN?
- j. Was the Member for Wentworth a member of that Committee?

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- k. On 13 February in the House of Representatives the Minister said “And then—in what can only be described as the Labor government's departure from the real world of Australia and entry into its own fantasy world of Conrovia—at the beginning of 2013, in a press release, the NBN Co announced that the number of eligible customers for the broadband satellite had increased to 250,000, so it had gone up. They had changed the eligibility, but of course nothing had been done to improve the service.” Is the implication of this statement that the eligibility criteria were increased in 2013 incorrect

Answer:

- a. The NBN is the subject of constant media coverage and this is expected for such a major publicly funded national infrastructure project. As Dr Switkowski told the Senate Select Committee on the NBN on 12 March 2014, the company's leadership is “driving the organisation towards a transparent and honest culture focusing upon delivering on the plans that have been authorised and operating with integrity”.
- b. No. As Dr Switkowski told the Senate Select Committee on the NBN on 12 March 2014, “My previous experience of trying to track down the source of unattributed comments is that it tends to be a fruitless task, including trying to find the sources of leaks”.
- c. No.
- d. This matter is on the public record.
- e. This matter is on the public record.
- f. NBN Co has monitored the satellite capacity issue closely. The company has provided Government and Retail Service Providers (RSPs) with regular updates.
- g. The policy has always been to provide up to 48,000 services. It should be noted that the performance is also determined by the plans the RSPs provide and not just the addition of new end users.
- h. This matter is on the public record.
- i. This matter is on the public record.
- j. This matter is on the public record.
- k. NBN Co is not in a position to interpret the Minister's comments.