

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates February 2017

Communications Portfolio

NBN Co Limited

Question No: 166

NBN Co Limited

Hansard Ref: Written, 10/03/2017

Topic: Marketing and communications/Gen NBN

Senator Griff, Stirling asked:

1. In your annual report communication and public information costs increased by 82% in 2015-16, from \$23m to \$51m. Please provide a breakdown of how this was spent.
 - (a) What proportion of this expenditure was on the Gen NBN campaign?
2. During Estimates, CFO Stephen Rue indicated communications costs would rise to between \$70m and \$80m in 2016-17. Is there an updated figure? Please provide a breakdown of anticipated spend across all communications, marketing and PR activities.
3. What is the projected cost of the Gen NBN campaign for 2016-17 (and forward years if relevant)?
 - (a) Have you allocated extra money for this campaign? If not, where has this extra money been drawn from and what activities were cut or reduced to pay for this campaign?
 - (b) How will success/outcomes of the campaign be measured?
 - (c) Does NBN or its sub-contractors have any monitoring in place to assess the reach and effectiveness of the GenNBN campaign across its various platforms? Please detail what is in place.
4. How long is Gen NBN intended to run across the various platforms (TV, outdoor, social media, print)?
5. In this zdnet story <http://www.zdnet.com/article/nbn-launches-gen-nbn-marketing-campaign/> NBN executive general manager for Brand and Marketing Kent Heffernan said the aim is for “the creative to speak to NBN as a visionary brand”. Why is this deemed necessary given eventual migration to the NBN is not a choice?
6. Mr Heffernan was also quoted as saying: “National roll-out messaging and metro-focused marketing strategies will help ensure everyone understands not only why to switch over to the NBN network, but when, how, and the benefits it can bring”. Please outline what aspects of the campaign explain when and how to switch over (for instance, this isn’t apparent in the television ad)?
7. Have there been concerns raised internally or externally – including from RSPs – that the GenNBN campaign is creating some confusion in the market as to the NBN’s role and perpetuating an impression NBN is a retailer, rather than wholesaler?

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8. During Estimates, Chief Customer Officer John Simon indicated households receive “at least five pieces of communication” about switching to the NBN. Given the persistent confusion among elderly customers and those who do not have home internet (as demonstrated by my constituents) about what the NBN means for them and their landlines in particular, has there been any consideration or planning for a broader public education advertising campaign with a television and/or outdoor component?
9. Does NBN Co collect statistics on the nature of the inquiries to your call centre?
 - (a) If so, please provide the number of calls that have been referred to RSPs – that is, relating to connection and other retail-specific issues.

Answer:

1. \$41.8m was spent on activation, communication and public education campaigns with the remaining \$9.5m spent in areas such as corporate affairs, market research and operational systems to support the activity.

The core spend within the \$51 million includes:

- \$21.8m advertising & media to residential and business end users
- \$12m direct communication campaigns
- \$5.4m customer cooperative marketing campaigns
- \$5.1m website, marketing systems and marketing research
- \$3.9m corporate communications
- \$1.6m branding and partnerships

- (a) The gen nbn campaign did not run during the period 2015-2016.
2. Spending can fluctuate for a number of reasons and as such it is not appropriate to provide forecasts in detail. We report the actual “Communication and Public Information” figures twice yearly in the Half Year and Annual Reports.
3. nbn has spent \$7.8m (exclusive GST) on gen nbn media. Planning for future campaign activity has not yet been finalised.
 - (a) Gen nbn was delivered within budget which was allocated based on the optimal audience reach to drive activations on the nbn™ network.
 - (b) The gen nbn campaign will be evaluated via a Quantitative research study.
 - (c) The gen nbn campaign will be evaluated via a Reach and Frequency assessment.
4. Gen nbn activity will run until the end of FY17. Planning for future campaign activity has not yet been finalised.
5. Advertising is still essential to raising awareness of the need to migrate and successful advertising will motivate and inspire people to migrate early in the 18-month migration window, providing earlier revenue for nbn.

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6. The gen nbn campaign is one component of a multi-tiered communications strategy. It raised awareness and worked with other campaign elements such as the website, direct mail and other marketing to step people through the migration process, starting with a “check your address” at this link <http://www.nbnco.com.au/connect-home-or-business/check-your-address.html> .
7. We are not aware of any concerns that have been raised about the gen nbn campaign.
8. nbn utilises a variety of channels to target various audiences. nbn has developed a number of communication pieces directly targeting the elderly audience, including:
 - A brochure printed in larger than normal font, communicating the simple steps to move phone and internet services to the nbn™ network.
 - A dedicated medical alarm brochure outlining the key steps that alarm users need to take.
 - A four page leaflet using imagery to explain the steps to connect to the nbn™ network.
 - Community outreach, through a National Community Affairs team, to aged care facilities, seniors interest groups and community care groups.
 - A National Stakeholder Relations Manager who maintains relationships with a number of groups with senior members, or who advocate on behalf of seniors.
9. Yes.
 - (a) We do not record or track detail of this nature.