

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Hearings May 2014

Communications Portfolio

NBN Co Limited

Question No: 283

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Strategic Review

Senator Urquhart asked:

Referring to Section 5.2.2 of the Strategic Review.

a. Section 5.2.2 says:

“The Strategic Review identified that NBN Co will need to develop the methodology and business processes to determine at a local level which technology will be employed and when. This methodology will need to be applied as part of NBN Co’s regular planning and operational processes, every six to twelve months.”

Does this mean that the criteria for choice of technology could vary as frequently as every six months?

b. The section continues:

“The Strategic Review suggested that NBN Co will need to consider inputs, such as the latest information regarding uptake, demand and price realisation for each technology and each end-customer segment, the performance outcomes and the build cost for each technology by geography.”

What is NBN Co’s definition of “end customer segment” here—does it only reflect whether it is a commercial or residential area, or will other demographic characteristics like average household income be a relevant variable?

c. The section concludes:

*NBN Co also recognises the need to incorporate any tested and approved changes to architecture, design rules and operational approaches to avoid using different technologies in an inconsistent way. These planning and operational processes can then be used to provide ongoing visibility to **industry and Delivery Partners** on a committed and well-planned rollout.*

The new Statement of Expectations however states that NBN Co will ensure the business rules it establishes to determine which technology is utilised in each locality are “transparent **to the community**” and updated periodically.

Will NBN Co follow the statement of expectations and make these design rules available to the public, and not just its delivery partners?

Answer:

- a. NBN Co is developing the Multi Technology Mix (MTM) planning methodology including six monthly updates as part of regional planning and operational processes.
- b. Yes. In general terms there will be a broad range of variables. The MTM methodology will take into account revenue opportunities for both commercial and residential areas.
- c. One of the criteria for the MTM planning will be the transparency of the decision making used to determine the relevant technology for the area.