

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Supplementary Budget Estimates Hearings October 2015

Communications Portfolio

nbn

Question No: 77

nbn

Hansard Ref: Page 81

Topic: Pair Gains

Senator Conroy, Stephen asked:

Senator CONROY: What percentage of copper lines have pair gains? Telstra in previous testimony to this and other committees have talked about an extensive deployment of both pair gains and rims. As you know—apologies, you would not have been in the country when this debate was taking place but what is your working assumption on the number of pair gains you need to remove in terms of the network?

Mr Morrow: I am sure that is modelled within. We have a certain budget that has been set aside for all forms of remediation, and we would have to take it on notice to find out the number of pair gains that you are interested in.

Senator CONROY: Mr Rue, you must have made a calculation of cost based on a pair gain figure. You must know what your working assumption was to be able to do your financials.

Mr Rue: There were some assumptions made. I do not recall what they were, though.

Senator CONROY: Are you able to in the next five hours see if you can track them down? I am just talking about pair gains. I will come to how many lines do you assume as a percentage will require some form of remediation. Again, you must know that number, Mr Rue, to have been able to do your finances.

Mr Rue: There were assumptions made but obviously as we get into the field those assumptions will be tested.

Senator CONROY: Yes, but I am asking what your assumptions were. I know you will have to test them.

Mr Rue: Can I also point out they are also part of contractual arrangements we will have with our delivery partners.

Senator CONROY: You are not seriously going to pretend that the number of pair gains you have got to the change is somehow commercial-in-confidence?

Mr Rue: The relevant costs associated with it is, yes.

Senator CONROY: The relevant costs? So we are not allowed to know any costs of remediation at all?

Mr Rue: The costs are included in the corporate plan.

Senator CONROY: But if we ask you what it is, what is a dollar figure, you are not going to tell us right now?

Mr Rue: Because it is part of the contractual arrangements for delivery partners. It is involved in when people quote to do the work.

Senator CONROY: Yes, but you have only got one supplier.

Mr Rue: No, I am talking about the delivery partners who do the work.

Senator CONROY: So we are not allowed to know anything at all about what it is costing, and if there is a blow-out or a saving, it does not matter; we are not allowed to ask you?

Mr Rue: Any variances from the corporate plan will, of course, come to light.

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Answer:

In answer to a similar Question on Notice No.14 from the Senate Select Committee public hearings on 2 and 4 December 2014, **nbn** advised that, as part of its due diligence under the Revised Definitive Agreements, the company requested and Telstra provided a range of different kinds of information about their copper plant such as the cable plant records for a sample of Telstra's copper plant, as well as their technical specifications such as sheath types, gauges, attenuations, crosstalk characteristics and so on. Telstra also provided information on pair gain systems. **nbn** will receive refreshed information periodically during the planning and design phases of the rollout.

Information on Telstra's complete network will be included in the long term planning for the rollout of the **nbn**TM network including assumptions about costs associated with the remediation of the copper. Such assumptions are included in the **nbn** Corporate Plan 2016 but specific details are commercial in confidence given ongoing discussions with delivery partners about remediation work that may be required as part of the **nbn**'s rollout contracts.