

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Supplementary Budget Estimates Hearings October 2016
Communications Portfolio
NBN Co Limited

Question No: 124

NBN Co Limited

Hansard Ref: Page 128, 18/10/2016

Topic: Fibre Spur - Tasmania

Senator Urquhart, Anne asked:

Senator URQUHART: As you well know, during the election campaign there was a joint state and federal Liberal Party announcement to build a fibre spur to the west coast of Tasmania. I would like to get some more detail on the budget implications of this announcement. This commitment included \$18.5 million from the federal government and \$4.5 million from the state government. Can you give me a bit more information on how the federal figure was arrived at?

Mr Morrow: Pete can perhaps cover off on how we came to the amount of money in the tech choice program.

Senator URQUHART: I will add a couple of extra questions and then you might be able to answer them as a group. I wanted to know how the figure was arrived at, what line items it included, how much was allocated for contingency, what portion was allocated to remediation of the existing network, and how this was calculated.

Mr Ryan: I do not have that level of detail to hand.

Senator URQUHART: Just give me what you have and we will see where we go from there.

Mr Ryan: I can describe how we arrived at the figure. We looked at the incremental work involved in deploying fibre-to-the-node technology to three of the towns—to Queenstown, Rosebery and Zeehan—and fixed wires to the fourth town, Strahan, as well as providing interconnectivity between those towns and back to the NBN transit network, making sure that we had a dual fibre line from the transit out to the west coast. But I do not have to hand the detail about the exact break-up of the \$18 million and the level of contingency and so on.

Mr Rue: I remember reviewing it at the time, but we do not have it here.

Senator URQUHART: You do not have it here, but you do have it?

Mr Simon: Yes.

Mr Morrow: We can take it on notice.

Senator URQUHART: When would you be able to get that information to me.

Mr Morrow: We will go through the process of taking it on notice and coming back through the minister's office in accordance with standard procedure.

Senator URQUHART: Is there any chance I can have it before the required response date for questions on notice? If you already have it, it should not be too difficult, should it?

Mr Morrow: We can certainly look to see how quick we can provide it. It will not be tonight before the committee adjourns—

Senator URQUHART: No, but over the next few days?

Mr Morrow: Let's try to get that to you. We just need to be careful we follow procedure as well, but let's try to do our best.

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Answer:

1. nbn included the following items in its desk-top estimate of costs: Primary transit TasNetworks fibre lease, Primary transit nbn fibre from Rosebery to Zeehan, Secondary transit nbn fibre from Railton to Rosebery, Zeehan and Queenstown, and FTTN access technology cost versus satellite solution. Once design is completed, construction agreements are to be signed on commercial terms, and releasing the dis-aggregated cost estimates for each component of build would jeopardise negotiation of these arrangements, and cause potential adverse impact to nbn.
2. nbn allowed 9% contingency in its desktop estimate.
3. nbn does not make a standard allowance for remediation of the existing network. This is costed on a case-by-case basis following detailed design.