

Environment and Communications Legislation Committee
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2012
Broadband, Communications and the Digital Economy Portfolio
Department of Broadband, Communications and the Digital Economy

Question No: 202

Program No. 1.1

Hansard Ref: Pg 106-107 (14/02/2012)

Topic: Additional Estimates Statements - ABG

Senator Birmingham asked:

Senator BIRMINGHAM: Firstly, I will make sure my reading of the additional estimates statements are correct. Funding for the ABG for 2011-12 states as being returned to the budget. Can you inform me of how much has been returned to the budget from the ABG line?

Mr Harris: My recollection is it that it is about \$12 million.

Mr Quinlivan: We all share that recollection, so we will go with that for the moment.

Senator BIRMINGHAM: Perhaps you could go to page 25 of the statements for me.

Mr Harris: It is on page 19 of the additional estimates document. You will see under outcome 1 there is the figure of \$12,107,000.

Senator BIRMINGHAM: Yes, I do see that, thank you. In that case could we flick over to page 25 and explain to me the slightly odd-seeming budget line. Sorry it is not ABG for this line, it is the international organisation's contributions.

Senator Conroy: The International Telecommunications Union?

Mr Harris: They do vary significantly—

Senator Conroy: It is a number of units and then there is a valuation of the units and sometimes they put up the valuation of the units and then there are exchange rate fluctuations.

Senator BIRMINGHAM: But they seem to vary to the department being paid in some years or being owed.

Mr Harris: That is right. This one I will have to take on notice to get you a proper explanation of, but they vary regularly when there are additional estimates. But you will see the actual and the revised. With the 2011-12 number there is not a big variation—

Senator BIRMINGHAM: Aside from the application of the brackets.

Mr Harris: That is right. The brackets show the deduction that has occurred. There has been a slight revision of the amount of money that we have got for international organisation contributions. But the actual explanation I do not have. I would have to get it written up for you, Senator.

Answer:

The *International Organisations Contributions* figures under *Annual Administered expenses* on page 25 of the *BCDE Portfolio Additional Estimates Statements* contain three components:

- an annual membership fee to the International Telecommunication Union (ITU) 4.143m Swiss Francs
- a one-off payment to the ITU Development Sector 0.591m Swiss Francs; and
- payments to the Asia-Pacific Telecommunity (APT) AUD\$ 0.256m

Environment and Communications Legislation Committee

Answers to Senate Estimates Questions on Notice

Additional Estimates Hearings February 2012

Broadband, Communications and the Digital Economy Portfolio

Department of Broadband, Communications and the Digital Economy

The annual ITU membership fee is paid per calendar year but is reported based on a financial year in accordance with Australian Accounting Standards. The ITU membership fee is calculated by combining the second half of the preceding calendar year with the first half of the current calendar year.

The second line for *International Organisations Contributions* under *Expenses not requiring appropriation in the Budget year* on page 25 of the *BCDE Portfolio Additional Estimates Statements* is the difference between the ITU membership fee for the calendar and financial years.

For calendar years 2011 and 2012, the ITU membership fees were AUD\$ 4.327m and AUD\$ 4.633m respectively based on exchange rates at the time payments were made. Using the above formula, the ITU membership fee for 2011-12 financial year amounts to AUD\$ 4.468m. This figure is AUD\$ 0.165m less than the ITU membership fee for the 2012 calendar year and is reflected in this second line.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2012
Broadband, Communications and the Digital Economy Portfolio
Department of Broadband, Communications and the Digital Economy

Question No: 203

Program No. 1.1

Hansard Ref: Page108 (14/02/2012)

Topic: Number of Applications for NBN Community Hubs

Senator Birmingham asked:

Senator BIRMINGHAM: Then I will jump to NBN community hubs. Are NBN community hubs operating in all trial sites now?

Mr Rizvi: The first round of the sites, that is the three sites in Tasmania—Smithton, Scottsdale and Midway Point—and the five initial mainland sites, were the subject of a competitive process to identify the organisations that would run the hubs in those areas. Earlier this year the minister announced the organisations that had been successful in that regard, and those organisations are now in the process of establishing the hubs in those locations. The initial one of those will be launched later this month, and then progressively over the weeks following that. At the same time as announcing the winning organisations for the first seven hubs, the minister also announced a call for applications for 20 further communities, for which we have now received applications. The applications have closed and we are considering those applications at the moment and recommendations in respect of those applications will be made very shortly to the minister.

Senator BIRMINGHAM: How many applications were received?

Mr Rizvi: I would have to take that on notice. There were different numbers of applications for different communities. There were 20 specific communities announced in the second round of applications.

Answer:

Under Round Two, a total of 27 applications were received for Digital Hubs. Some of these applications were for more than one community.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2012
Broadband, Communications and the Digital Economy Portfolio

Question No. 204

Program No. Program 1.1

Hansard Ref: In Writing

Topic: Battery Backups

Senator Birmingham asked:

- a. Are there circumstances in which customers will be expected to purchase their own battery back-up systems?
- b. Can the Department advise how many residential customers will require battery back-ups? How many commercial customers?
- c. What is the estimated cost in total to provide battery back-ups to residential customers on the NBN Co fibre network? What is the estimated cost in total to provide battery back-ups to commercial customers on the NBN Co fibre network?
- d. How much does it cost per unit to provide battery back-up units to residential customers?

Answer:

- a. Customers will not be expected to purchase their own battery backup systems - regardless of the long term deployment model the Government settles on.

NBN Co's Corporate Plan includes the cost of providing battery backup systems at every premises connected in the fibre footprint (page 74).

- b. In line with the Government's request in its Statement of Expectations (page 8), NBN Co is currently installing battery backup and an initial battery at every premises connected in the fibre footprint as an interim solution.

The Government is currently undertaking consultation with stakeholders, including emergency services, on the appropriate way of ensuring access to battery backup services for those who need them.

Following this consultation, the Government will decide on the detailed design of the long term battery backup deployment model. The number of battery backup units deployed will depend on the long term model adopted.

- c. NBN Co has factored the cost of providing battery backup to all premises within the fibre footprint in the Corporate Plan 2011-2013 (page 74). The total cost of battery backup will ultimately depend on the outcome of the Government's current consultation process, which will have implications on the overall number of units installed.

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Hearings February 2012

Broadband, Communications and the Digital Economy Portfolio

- d. The cost of the battery backup forms part of the total capital expenditure of the fibre rollout as set out in NBN Co's Corporate Plan 2011-13, Exhibits 10.3 -10.4, pages 134-135. It is not possible to disaggregate the per unit cost of battery backup from this figure.

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Additional Estimates Hearings February 2012
Broadband, Communications and the Digital Economy Portfolio
Department of Broadband, Communications and the Digital Economy

Question No: 205

Program No. 1.1

Hansard Ref: In Writing

Topic: Retail Price Controls Review

Senator Birmingham asked:

- a. Has a decision been made regarding Telecommunications retail price controls?
- b. When is the review expected to be completed?

Answer:

a-b. A decision has not yet been made regarding telecommunications retail price controls. The review is expected to be completed in time for a new retail price controls instrument to commence on 1 July 2012.