

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

Question No: 218

Program No. 1.1

Hansard Ref: Pgs 62-63 (30/5/13)

Topic: FTTN – Climate issues

Senator Cameron asked:

When I was in New Zealand last year—I think it was with the NBN joint committee looking at the move in New Zealand to overbuild the fibre to the node network already there—one of the issues that became clear was that there were problems with the fibre to the node operation because of the need in some of the remoter areas. Even in some of the metropolitan areas, because of the climate in New Zealand, they had to build special node boxes and have them heated and cooled—cooled in the summer and heated in the winter—which is what we would need in some areas in Australia. Has there been any analysis with any of these local governments or businesses of the problems that could occur if you had an extreme weather event that knocked out the fibre to the node? Is there a benefit in having fibre to the home or the business as distinct from these boxes that require generators to keep them going in extreme weather?

Mr Rizvi: Senator, I can only comment on the situation with the national broadband network in Australia. We have not encountered any of those issues. I really cannot comment whether we would if there were fibre to the node. That is a technical question which really would have to go to people who are expert in developing those sorts of systems. I really cannot comment on that.

CHAIR: Maybe you could take that on notice and see whether there are, because there are other propositions.

Answer:

The Department has not analysed the robustness of fibre nodes in extreme weather conditions or the problems that may occur if an extreme weather event knocked out a fibre node.

Fibre to the premises differs from most examples of fibre to the node in that it does not require external power to be provided at the street level. Power is only required at the operator centre office and at the customer premises.

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Question No: 219

Program No. 1.1

Hansard Ref: Page 64 (30/5/13)

Topic: Asbestos – Legal liability

Senator XENOPHON: No. In general terms, Minister, you made a statement this morning—and I am very grateful for that—about the exposure of members of the public to asbestos in respect of the work that Telstra may have done or not done in asbestos pits. Has at least consideration been given to the potential legal liability of the Commonwealth in respect of any asbestos claims many years hence?

Senator Conroy: As I said, I am happy to take that on notice. Unless Mr Clarke can advise of any further information, NBN Co will be here to answer your questions tonight.

Answer:

Under the Definitive Agreements between NBN Co and Telstra for the reuse of existing Telstra infrastructure, it is the responsibility of Telstra to deliver conforming infrastructure. This work is not supervised by NBN Co, but the agreements specify that any remediation work should meet all relevant health and safety requirements including in relation to hazardous materials.

NBN Co and its officers have, in applicable circumstances, various obligations under the Commonwealth *Work Health and Safety Act 2011* (WHS Act). The question of whether NBN Co or its directors or officers may have breached the WHS Act in relation to the work that Telstra may have done or not done in asbestos pits would be a matter for consideration by Comcare. As such, it not appropriate to provide any further comment at this time.

In terms of liability for compensation for asbestos-related claims, it is noted that NBN Co is presently a ‘Commonwealth authority’ for the purposes of the *Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005* (ARC Act). In accordance with the ARC Act, in particular circumstances Comcare (and therefore the Commonwealth) assumes liability for and manages certain asbestos-related claims for the payment of compensation or damages to a person in respect of an asbestos-related condition suffered by the person or another person arising from a breach of a common law or statutory duty of care by an entity that was a ‘Commonwealth authority’ when the breach of the duty of care occurred.

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Question No: 221

Program No. 1.1

Hansard Ref: Pg 67 (30/5/13)

Topic: Asbestos exposure

Senator Birmingham: Minister, I go to your opening statement this morning, which I wanted to ask you about at the outset of this session. When did you become aware of incidents and issues relating to asbestos exposure in the rollout of the NBN?

Senator Conroy: I would have to absolutely take that on notice to make sure I am completely accurate for you. But the Ballarat issue I became aware of, I think, the night before. The journalist contacted us late in the afternoon or the night before. That august financial journalist who is chasing asbestos bags around the country called me to talk about it the night before. We take this very seriously. The only information we had was a small amount of information given to us by the journalist. So it was the night before it appeared in the paper.

Answer:

As at 30 May 2013, Senator Conroy had been made aware of asbestos-related issues arising from the rollout of the NBN in the five locations listed below.

Brunswick, Victoria

- On 12 November 2012, Senator Conroy's office received correspondence from a concerned resident of the Brunswick area about potentially unsafe work practices in Telstra pits.
- The matter was referred to Telstra, which conducted a full investigation and suspended the contractors from further works.
- The contractor was required to undertake an intensive training program prior to being permitted to recommence work by Telstra.

Victoria Park, Western Australia

- On 27 February 2013, Senator Conroy's office was made aware of potential asbestos issues in Victoria Park following the publication of a media report in *The Australian*.

Hobart, Tasmania

- On 9 May 2013, Senator Conroy's office received information from the Communications, Electrical and Plumbing Union (CEPU) regarding potential asbestos issues at various sites across Hobart.

Ballarat, Victoria

- On 26 May 2013, a journalist from the *Australian Financial Review* (AFR) contacted Senator Conroy's office for comment on an incident that had occurred in Ballarat.
- On 27 May 2013, further information on this matter was provided by NBN Co to Senator Conroy's office.

Penrith, New South Wales

On 28 May 2013, Telstra notified Senator Conroy's office of issues that had arisen in the Penrith area.

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Question No: 222

Program No. 1.1

Hansard Ref: Pg 68 (30/5/13)

Topic: Asbestos exposure

Senator BIRMINGHAM: That is essentially broad enough. Beyond those two incidents, are any others that you have been aware of?

Senator Conroy: I am aware of an incident in Perth in which Comcare was called in around a pit in Western Australia. That investigation had some very strange findings. Senator Xenophon has just mentioned a South Australian incident. I would have to check if there are any others that come to mind that I am aware of. I would just have to go and check my records. I will take that on notice.

Answer:

Refer QON 221.

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Question No: 223

Program No. 1.1

Hansard Ref: Pgs 71-72 (30/5/13)

Topic: FTTN – Copper Network

Senator Cameron asked:

If you had degrading copper or poor quality copper, to try to boost its capacity to carry broadband, you would need nodes closer to the actual delivery to the home, would you not?

Mr Robinson: Yes. That is right, to reduce the length of copper that is used.

CHAIR: It is several hundred metres maximum to maintain a really good delivery of broadband, is it not?

Mr Robinson: I would have to check. I think, again, it depends on the quality of the copper in the last piece and the conditions that are there. It depends on what speed you are seeking to achieve.

CHAIR: The other issue that we were advised of in New Zealand is that the copper is pressurised. Is there pressurised copper in Australia?

Mr Robinson: I do not know. I think there is pressurised copper in Australia, but I am not sure of the extent of its use.

CHAIR: Could you take that on notice for me?

Mr Robinson: Certainly.

Answer:

Pressurised copper cables were often installed by Telstra in its large distribution cables linking Telstra Exchanges to other Telstra Exchanges and Telstra pillars. Telstra ceased installing pressurised cables in the late 1990s.

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Question No: 224

Program No. 1.1

Hansard Ref: Pg 76 (30/5/13)

Topic: NBN weekly report

Senator Birmingham asked:

So you meet monthly and you receive a weekly report from the NBN. What metrics are contained in that weekly report, Mr Robinson?

Mr Robinson: It is a range of things, but it is mostly about rollout progress and activation.

Senator BIRMINGHAM: Are you able to give us a little more detail on that? They are both pretty broad terms.

Mr Robinson: Not really. It is, as I recall, pretty solely rollout and activation. There are geographic splits in there as well. There are splits in there about whether it is brownfields, greenfields et cetera.

Senator BIRMINGHAM: So in terms of rollout progress, it is reporting on the number of premises passed at a particular point in time?

Mr Robinson: That is right.

Senator BIRMINGHAM: Number of FSAMs completed. Is there any extra information you can tell me? Are you able to furnish the committee with a copy of one of these weekly reports?

Mr Robinson: I am not able to provide you a copy because it is probably considered to be confidential. But I do not think it give figures like the number of FSAMs. Because it deals with geographic issues, it to some degree does geographic areas. But I am not sure that it totals up the number of FSAMs et cetera. It is just a regular report about progress on rollout and activation numbers.

Senator BIRMINGHAM: Could you look at whether you might be able to provide it to the committee? It might be confidential, Mr Robinson. It might be that only parts of it need to be confidential and that a partly redacted version could be given to the committee.

Mr Robinson: I will take that on notice.

Answer:

NBN Co Limited (NBN Co) provides the Department with a weekly report containing rollout and activation data across all technology platforms.

The weekly report is provided by NBN Co on a commercial-in-confidence basis and is unable to be circulated in part or whole as it would disclose commercially valuable information.

However, the Department notes that the government provides detailed deployment information regarding the progress of the NBN rollout via the six monthly reports to the Joint Committee on the National Broadband Network. NBN Co also provides quarterly updates regarding its progress via its website.

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Question No: 225

Program No. 1.1

Hansard Ref: Pg 80 (30/5/13)

Topic: Contingent Liabilities

Senator Birmingham asked:

I do not dispute the fact, Minister. You keep wanting to repeat it ad nauseam. I am not disputing the fact. People will make their own judgements as to whether NBN Co. was being efficient in predicting it five months ahead or was being terribly negligent in setting forecasts that they clearly could not meet. Contingent liabilities.

Mr Robinson: Senator, Budget Paper No. 1 on page 8-9 indicates that, at 28 February, the contingent liabilities—that is, the termination liabilities—were estimated at \$3.4 billion.

Senator BIRMINGHAM: And how does that compare with previous updates in MYEFO and last year's budget?

Mr Robinson: I would have to take that on notice. If we can find the answer, we will do so..

Answer:

The following table compares quantifiable contingent liabilities arising from the Equity Funding Agreement (EFA) entered into between the Commonwealth and NBN Co as reported in the 2013-14 Budget, 2012-13 the Mid-Year Economic and Fiscal Outlook (MYEFO) and the 2012-13 Budget.

Budget update	Contingent liability
Budget 2013-14	\$3.4 billion as at 28 February 2013
2012-13 MYEFO	\$2.8 billion as at 30 September 2012
Budget 2012-13	\$1.8 billion as at 31 March 2012

For the purpose of the EFA, the quantifiable contingent liabilities relate to termination liabilities in the event of a termination of the national broadband network rollout.

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Question No: 226

Program No. 1.1

Hansard Ref: Page 116 (30/5/13)

Topic: NBN Co Limited booked asset value

Senator JOYCE asked:

I have. Currently, the cost of funds to the Commonwealth is being interpreted as an equity injection into yours. I know that the equity injection last year was close to \$3 billion; what is it now?

Mr Quigley: The total equity injected is \$5.2 billion.

Senator JOYCE: So the government is booking the asset at around \$5.2 billion on its books?

Mr Quigley: I cannot answer the question for the government.

Senator JOYCE: What is the government booking this asset on its books at, Minister Conroy?

Senator Conroy: Can I have some assistance?

Senator JOYCE: You need a lot of that, mate.

Senator Conroy: As you said, it is the Nationals' broadband plan; we stole your idea!

Mr Robinson: The department, on behalf of the government, books an asset value for the NBN equity. I would have to take on notice what the current numbers are.

Senator JOYCE: So contributed equity is around \$5.2 billion. Are you expecting that the asset value that the government has booked is around \$5.2 billion?

Mr Robinson: I said I would have to take the current numbers on notice.

Answer:

As at 30 April 2013 the asset value recognised by the Government for NBN Co Limited is \$3.7 billion

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Question No: 227

Program No. 1.1

Hansard Ref: In Writing

Topic: National Food Plan

Senator Nash asked:

The National Broadband Network (NBN) will help the food industry unlock future opportunities hard to imagine today. It will help reduce costs, increase efficiency and find new markets. The NBN will give food businesses better access to commercial information, training (especially in regional Australia) and opportunities to collaborate. This will include the Industry Innovation Network, which will assist the Food Industry Innovation Precinct to connect businesses and researchers across Australia Page 46 National Food Plan

1. In regards to the NBN how many regional areas have access to NBN?
2. Can you break down the areas of rural and regional areas that have NBN and those that don't have access to the NBN?
3. How much has NBN Co spent in rural and regional areas?
4. What is the predicted expenditure on the NBN in rural and regional areas?

Answer:

Please refer to NBN Co's responses to questions 397 and 400 provided on notice through the Environment and Communications Legislation Committee, Supplementary Budget Estimates Hearing of 16 October 2012.

Further details on the rollout are also available on the NBN Co website www.nbnco.com.au