

**Joint Committee on the National Broadband Network**

**Answers to Questions on Notice**

**Public Hearing 19 April 2013**

**Broadband, Communications and the Digital Economy Portfolio**

**NBN Co Limited**

Submission 13-2

Rec'd 17May13

@ 5.44pm

**Question No: 5**

**Hansard Ref:** In Writing

**Topic:** Wholesale pricing

**The Committee asked:**

Can you confirm that wholesale prices, are inching forward rather than increasing in leaps and bounds?

**Answer:**

NBN Co's wholesale prices are forecast to decline in real and nominal terms over time.

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**Question No: 40**

**Hansard Ref:** In Writing

**Topic:** Black Spots

**The Committee asked:**

Can the NBN Co management already leverage the fixed and wireless rollouts to address 'black spots' or extend highway coverage?

**Answer:**

NBN Co has Reciprocal Facilities Access Agreements in place with a number of mobile operators to enable them to co-locate at our fixed wireless sites. This can assist these operators to extend their networks and improve their mobile coverage in these areas.

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**Question No: 55**

**Hansard Ref:** In Writing

**Topic:** ARPU – Revenue Projections

**The Committee asked:**

If this is NBN Co's actual ARPU, are the revenue projections in the Corporate Plan materially understated?

**Answer:**

Actual monthly ARPU is currently running higher than was assumed in both Corporate Plan 2011-13 and Corporate Plan 2012-15. There are a number of reasons for this, including higher than forecast take-up of higher speed-tier plans.

These factors lend significant support to NBN Co's revenue assumptions in the Corporate Plan. However, it is still early in the rollout and it would be premature to conclude that long-term revenue projections are understated. Importantly, if NBN Co continued to see demand for higher speed tiers and capacity usage running ahead of Corporate Plan assumptions in the longer term then NBN Co would, all things equal, expect to be able to lower wholesale prices more quickly than currently assumed. The net effect of which would be to leave ARPU and revenue relatively unchanged from current forecasts.

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**Question No: 87**

**Hansard Ref:** In Writing

**Topic:** Quality Inspections

**The Committee asked:**

Have there been any cases where a premises in an area deemed 'ready for service' has been unable to access an active connection because of a major or 'Major 1' defect?

**Answer:**

No.

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**Question No: 95**

**Hansard Ref:** In Writing

**Topic:** Rollout Delays

**The Committee asked:**

Do NBN Co's construction contracts include penalties for rollout delays? What are these penalties?

**Answer:**

The contracts contain a regime for liquidated damages for contractual delay in completion. The liquidated damages are a pre-agreed genuine pre-estimate of NBN Co's losses arising from the delay.

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**Question No: 101**

**Hansard Ref:** In Writing

**Topic:** Rollout delays – Mobile Coverage - fixed wireless

**The Committee asked:**

How many mobile network sites have been co-located on NBN wireless sites? Are any co-located sites planned?

**Answer:**

See answer to QoN 40.