

## **Answer to question taken on notice by the Housing Industry Association at hearing on 17 June 2011**

During my appearance before the Joint Parliamentary Committee on the National Broadband Network at its public hearing on Friday 17 June 2011, I was asked to provide further information on two matters.

The first matter relates to cost estimates to provide full optical fibre infrastructure to new greenfield residential developments.

In earlier submissions on this matter HIA provided cost estimates based on information received from members. Understandably, members advise that the cost per block of land to deliver broadband technology can vary significantly depending on regional circumstances.

While reasonably consistent costs can be provided for the works associated with installation of the technology within a development, significant total cost variations can occur depending primarily on the costs associated with back haul civil works, and the number of lots across which the cost of the headend facility (\$300,000 - \$400,000) can be amortised.

Based on the numbers provided to HIA, the average cost to the developer per block for FTTP is in the range of \$2500 - \$3500. When combined with costs associated with the additional installation requirements within the home, and including taxes and charges and developer/builder margins, the retail cost to the consumer will be up to the order of \$5000.

The second matter related to the cost of providing infrastructure in greenfield residential developments pre-NBN.

Telstra typically provided telecommunications to greenfield residential lots at no cost to the developer. The connection (lead in) to each home was usually charged against the new home buyer's first telephone bill. Where a development included alternate/additional infrastructure, the cost and timeframe for delivery was negotiated with the infrastructure provider.

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