

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Hearings February 2016

Communications Portfolio

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Question No: 128

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Hansard Ref: Written, 22/02/2016

Topic: FTTP costs per premises

Senator Urquhart, Anne asked:

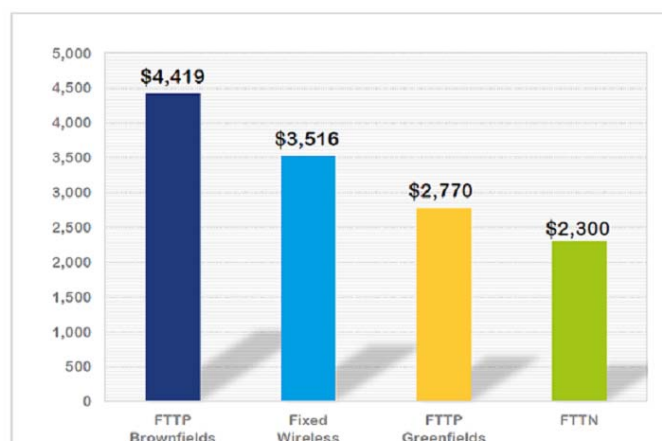
NBN has published FTTP costs per premises, broken into LNDN and customer connect, since the year ending June 2014:

CPP	30Jun14	31Dec14	31Mar15	30Jun15	30Sep15	31Dec15
LNDN	\$2,146	\$2,119	\$2,095	\$2,080	\$2,081	?
Customer Connect	\$1,457	\$1,460	\$1,482	\$1,552	\$1,564	?
TOTAL*	\$3,602	\$3,579	\$3,577	\$3,632	\$3,645	?

*Sans duct lease capitalisation.

For some reason, NBN Co did divulge the cost the LNDN and customer connect breakdown on page 13 of its Half Year Results 2016 presentation:

Cost per premises



Please provide the cost of LNDN and customer connect for the quarter ending 31 December 2015.

(a) Please confirm whether the FTTP Brownfields, FTTP Greenfields, and Fixed Wireless costs set out in the graph on page 13 of NBN Co's Half Year Results 2016 presentation are actuals.

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- (b) Please indicate whether the FTTN cost set out in the graph on page 13 of NBN Co's Half Year Results 2016 presentation is an actual, an estimate at completion (EAC) or a forecast.
- (i) if an EAC or forecast, why is this not indicated, and why has the FTTN cost been presented on the same graph as actual costs for the other access technologies?
 - (ii) As of 31 December 2015, what was NBN Co's cost per premises (EAC, or equivalent) for FTTN?
 - (iii) As of 31 December 2015, what was NBN Co's operating expenditure for FTTN activations?
 - (iv) What is NBN Co's cost per premises (EAC) for FTTN, as at the most recent date for which data is available?
 - (v) What is NBN Co's operating expenditure for FTTN activations, as of the most recent date for which data is available?

Answer:

- (a) For the quarter ending 31 December 2015, the LNDN cost is \$2,092, customer connect \$1,578, and LNDN Duct Lease \$749. Total FTTP brownfields Cost Per Premise (CPP) is \$4,419.
- (b) All CPP amounts are calculated based on the Actual costs incurred for completed sites, and an Estimate at Completion (EAC) of costs for current work-in-progress sites.
- (c)
- (i) The FTTN cost is an estimate at completion. This is a consistent calculation basis to other costs shown.
 - (ii) \$2,294. As stated by nbn Chief Financial Officer Stephen Rue at the March Senate Select Committee. These figures are reported on a quarterly basis.
 - (iii) Operating expenses for FTTN activations are not included in CPP. CPP includes capital expenditure, and relevant long term lease costs only.
 - (iv) - (v) CPP updates are provided as part of our ongoing quarterly, half, and full year results disclosures.