

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: 140

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Hansard Ref: Written, 22/2/2016

Topic: Capital Expenditure

Senator Urquhart, Anne asked:

On page 8 of NBN Co's Half Year Results 2016 presentation, NBN Co sets out its capital expenditure, including \$599 million in capex on FTTN.

1. For how many premises is this figure applicable?
2. On page 12 of NBN Co's Half Year Results 2016 presentation, NBN Co sets out its Life-to-date costs for FTTN. Please set out for the committee the difference between the capex figure of \$599 million and the total cost of more than a billion, including any payments to Telstra.

Answer:

1. FTTN capex is calculated based on the progress of design and construction works for completed and in-progress serving areas during a specific period. There is no direct correlation of this capex to premises completed.
2. The difference between the capex figure for the half year of \$599 million and the total cost of \$1002 million life to date relates to FTTN capex incurred prior to June 2015 which included costs of the initial FTTN JDWC trial sites, costs of the initial FTTN site designs, and the value life to date of Telstra duct leases that are capitalised as fixed assets.