

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Budget Estimates May 2017**

**Communications Portfolio**

**NBN Co Limited**

**Question No: 224**

**NBN Co Limited**

**Hansard Ref: Page 121, 25/05/2017**

**Topic: CVC Tiers**

**Senator O'Neill, Deborah asked:**

**Senator O'NEILL:** How many tiers are they?

**Mr Simon:** There are about 10.

**Senator O'NEILL:** Can you maybe provide that and any further detail?

**Mr Simon:** We can provide you the tiering, we can provide you the price, but we just do not want to provide you with our supply arrangements. It is confidential what the actual price points that the various RSPs are at.

**Senator O'NEILL:** It would be helpful to know how many service providers are at those different tiers.

**Mr Simon:** I can give you the range.

**Senator O'NEILL:** Yes, and maybe the volume that is happening at that level.

**Mr Simon:** It is not a volume issue. It is dimensioning per end user, so it is not a volume base. To be clear, this is not a traditional volume discount that say, as I spend more money with NBN, I get a lower price. It is as you dimension more per user; it is the average per user. In theory, an RSP with one end user can get the same price as an RSP with 1 million end users if they dimension the average CVC per end user the same.

**Answer:**

There are 20 tiers available as a part of the new CVC discount model. The tiers can be found in this document;

**[http://www.nbnco.com.au/content/dam/nbnco2/documents/sfaa-cvc-dimension-based-discount-notice effective 1 June 2017 2016 20170227.pdf](http://www.nbnco.com.au/content/dam/nbnco2/documents/sfaa-cvc-dimension-based-discount-notice%20effective%201%20June%202017%202016%2020170227.pdf)**

Our commercial agreements prevent us from providing a list of customers on each tier. However, customers are able to change tiers on a monthly basis based on the CVC purchased per end user.