

**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: 244**

**NBN Co Limited**

**Hansard Ref: Written, 07/06/2017**

**Topic: Cost plus contracts**

**Senator Urquhart, Anne asked:**

1. Has NBNC Co entered into any 'cost plus' contracts? A cost-plus contract is a contract where the provider is paid for all of its allowed expenses, plus additional payment to allow for a profit.
2. What is the total value of cost plus contracts which NBNC Co has entered into? Please break down for 2015 and 2016.

**Answer:**

1. nbn does not have any current cost-plus contracts, in relation to all of the providers allowed expenses as defined in the question. Some nbn contracts contain minor components of activity for which fixed pricing cannot be secured during the tendering processes. In these cases a provisional sum or a cost plus arrangement for these components of activity may exist. An example that may fall into this category is the amounts charged in relation to freight and handling of materials to a work site.
2. As per Question 1, no cost-plus contracts have been entered into for these periods.