

**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: 225**

**NBN Co Limited**

**Hansard Ref: Page 123-124, 25/05/2017**

**Topic: CVC price**

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

**Senator O'NEILL:** Could you undertake to provide on notice the CVC price path that is currently assumed by nbn co until 2030.

**Mr Simon:** We do not have that.

**Senator O'NEILL:** How far does your business plan go out?

**Mr Morrow:** It goes out four years.

**Senator O'NEILL:** And you have the five-year planning document that you referred to earlier.

**Mr Morrow:** We usually take the fourth the year and add the fifth on that. It is not going to give you any further material. But again, we have indicated all along that we do believe that, with the increase in usage, we would see the CVC price come down into that \$10-plus range.

**CHAIR:** Can I just clarify, in our discussion on questions on notice and unnecessarily complicating things. If you have got it for four years and you have to go back and rework it for the fifth year, Senator O'Neill, would you be happy with four years would do you want it rework it for the fifth year?

**Senator O'NEILL:** What I was trying to get to was a lot of the value of the NBN and a lot of discussion about the business is actually projected out way beyond four or five years; it is out to 2020, 2025, 2030. I am trying to get a longer term view. My question was: do you have any projections out to 2030? Could you take that on notice?

**CHAIR:** I am not trying to be difficult but if you are able to provide the four years without them having to go and put a fifth year on that—

**Senator O'NEILL:** But that is not answering my question.

**CHAIR:** No but do you want something longer term, not necessarily just the fifth year?

**Senator O'NEILL:** Yes.

**Mr Morrow:** Decades out in the future are you talking about?

**Answer:**

As indicated previously, detailed revenue modelling is produced to FY22. Financial modelling for the following years applies high level assumptions to support IRR calculations only, and does not include detailed CVC pricing forecasts.