

**Senate Standing Committee on Environment and Communications**  
**Answers to Senate Estimates Questions on Notice**  
**Budget Estimates Spill-over Hearing June 2017**  
**Communications Portfolio**  
**NBN Co Limited**

**Question No: 361**

**NBN Co Limited**

**Hansard Ref: Written, 27/06/2017**

**Topic: Operating Cost projections**

**Senator Urquhart, Anne asked:**

With reference to the response to QON173 from Additional Estimates:

**Question No: 173**

**NBN Co Limited**

**Hansard Ref: Written, 14/03/2017**

**Topic: Operating cost growth**

**Senator Urquhart, Anne asked:**

What long-term assumptions have been used for operating cost growth in the 2017 Corporate Plan for the years beyond 2020?

**Answer:**

The operating cost growth in the 2017 Corporate Plan for years beyond FY2020 (that supports the long-term financial outlook) is based on a detailed assessment of operating activities and associated rates for FY2021 and FY2022 in line with the network footprint, and volumes of activated premises in those years. Operating cost growth beyond FY2022 has been assumed in line with inflation at 2.5% per annum.

- (a) When was this detailed assessment of operating activities undertaken? Please provide when it was commenced and when it was completed.
- (b) Please detail the operating costs estimates for FY2021 and FY2022 in line with the detailed assessment that was undertaken for those years.
- (c) Please detail how the costs differ to the existing operating cost assumptions in the long-term financial outlook which NBN relied on prior to this assessment.

**Answer:**

The volume of detailed questions on notice and the limited time available to respond mean that nbn must prioritise questions that are not answered in whole or in part in regular reporting vehicles such as weekly updates, the corporate plan, annual reports, quarterly financial reports or on our website.

nbn provides details of operating costs in the Corporate Plan.