

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Supplementary Budget Estimates October 2018**

**Communications Portfolio**

**NBN Co Limited**

**Question No: 243**

**NBN Co Limited**

**Hansard Ref: Written, 05/11/2018**

**Topic: Contract with Telstra**

**Senator Anne Urquhart asked:**

It has been widely reported NBN Co entered into a \$1.6 billion deal with Telstra to support the NBN HFC rollout.

At the time NBN was forecast to pass 4.0 million premises with HFC technology, which has since experienced cost blowouts and reliability issues.

The most recent Corporate Plan reduced the number of premises planned to receive HFC to 2.5 million – a 37.5 per cent reduction on the figure in the 2016 Corporate Plan.

- a) What is the current value of this Telstra deal? Has it decreased?
- b) Is the totality of the Telstra HFC deal reflected in the CPP?
- c) Why does NBN Co continue to refuse to answer this question?
- d) If it is commercial in confidence why were details of the original Telstra deal published to begin with?

**Answer:**

- a) We are unable to comment on any changes in value, as the details of the contract are confidential.
- b) As Mr Rue explained during the Joint Standing Committee hearing on 15 August 2018 (see page 19 of Hansard), the contract covers the whole build in an area, and is not limited to just HFC. The majority of the cost of the deal is included in the CPPs for each technology that it covers. A component of the deal relates to activities that are Transit in nature and excluded from the technology CPP, as are the core Transit network costs.
- c) Please refer to part (a)
- d) NBN Co released a media statement at the time that included certain details of the deal. This media statement did not include the value of the deal. Although NBN Co understands an approximate value of the deal was included in Telstra's media release, this is a matter for Telstra and may be because Telstra is required by the Australian Stock Exchange to disclose certain information in accordance with the ASX Listing Rules.