

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

Question No: 358

NBN Co Limited

Hansard Ref: Written, 31/03/2017

Topic: CVC revenue

Senator Urquhart, Anne asked:

1. What is the forecast revenue impact of the retail-based CVC discount model due to come into effect on 1 June 2017?
2. What percentage of APRU does NBN Co expect AVC will be generating by 2020? By 2030? By 2040?
3. What is the forecast compound growth rate of AVC revenue to 2040?
4. What is the forecast compound growth rate of CVC revenue to 2040?
5. What is the real growth rate of APRU to 2020? to 2030? To 2040?
6. Does NBN forecast CVC revenue generation for different technologies in the fixed line footprint?

Answer:

1. The RSP based CVC discount model does not have a material revenue impact against prior Corporate Plan targets, as the CVC unit rate discounting is offset by the higher bandwidth provisioning – and hence nbn forecasts that the overall CVC revenues will remain approximately unchanged at a total level.
2. In FY20, as part of the overall ARPU of \$52, we forecast AVC (including contribution from higher revenue business products) to be approximately \$30. nbn's revenue and ARPU forecasts do not include a specific breakdown of revenue into AVC and CVC components beyond 2022.
3. Refer to Part 2 above.
4. Refer to Part 2 above.
5. The growth in ARPU is set out in the Corp Plan 2017, page 39, with growth from \$43 in FY16 to \$52 in FY20 for reasons outlined in the Corporate Plan.
6. No. In line with how the RSPs order CVC provisioning from nbn, the CVC revenue forecasts are based on total bandwidth demand across the fixed line footprint (not split by technology).