

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Budget Estimates Hearings May 2015

Communications Portfolio

Department of Communications

Question No: 19

Program No. 1.1

Hansard Ref: Written

Topic: NBN Forecasts

Senator Urquhart, Anne asked:

1. On page 92 of NBN Co's 2012-15 Corporate Plan, NBN Co provides its forecast summary financials in nominal dollars:

Exhibit 9-2: Forecast Summary Financials (Nominal Dollars)

June YE	Total (FY2011 to Dec 2010)	Total (FY2011 to FY2021)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2028	FY2040
Total Premises Passed - Fibre ('000s)	11,492	12,202	18	39	361	1,307	2,912	6,625	6,279	7,838	9,283	10,783	12,202	13,467	15,435
Total Connected - Fibre ('000s)	8,060	8,513	1	4	54	487	1,515	3,036	4,341	5,504	6,695	7,607	8,513	10,010	11,464
Premises Covered - Fixed Wireless & Satellite ('000s)	968	974	165	174	330	374	752	907	921	934	948	961	974	1,055	1,181
Total Connected - Fixed Wireless & Satellite ('000s)	226	232	0	10	38	64	100	145	161	191	206	219	232	303	399
Total Connected ('000s)	8,286	8,745	1	14	92	551	1,615	3,181	4,502	5,705	6,901	7,827	8,745	10,313	11,863
Total Revenue	19,870	23,058	-	2	18	120	529	1,346	2,281	3,221	4,290	5,167	6,175	9,769	14,597
Total Operating Expenditure	(24,819)	(26,394)	(337)	(521)	(1,093)	(1,777)	(2,903)	(3,628)	(4,394)	(5,351)	(6,201)	(7,037)	(8,151)	(9,437)	(10,351)
EBITDA	(4,849)	(3,337)	(337)	(519)	(1,076)	(1,657)	(2,375)	(2,282)	(2,113)	(2,130)	899	2,130	3,024	7,332	11,246
EBITDA Margin	(24)%	(14)%	NM	NM	NM	NM	(44)%	(17)%	(40)%	(41)%	24%	41%	49%	75%	77%
EBIT	(13,328)	(12,650)	(356)	(589)	(1,328)	(2,070)	(3,015)	(3,190)	(2,224)	(1,410)	(415)	591	1,355	5,544	9,499
Net Cash Interest (Funding Costs)	(2,099)	(2,580)	33	60	55	72	83	(1)	(176)	(244)	(615)	(786)	(961)	(188)	1,215
EBT	(15,427)	(15,230)	(323)	(529)	(1,273)	(1,998)	(2,932)	(3,191)	(2,400)	(1,754)	(1,030)	(104)	394	5,356	10,715
Total Capital Expenditure	(15,681)	(17,358)	(463)	(888)	(3,191)	(3,946)	(5,016)	(4,920)	(4,224)	(3,986)	(3,760)	(3,610)	(3,355)	(1,536)	(2,939)
Movement in Working Capital	(30)	(80)	38	193	495	241	98	(251)	(284)	(311)	(103)	(94)	(99)	(90)	(61)
Cash Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,607)	(3,234)
Reversed Free Cash Flow	(42,659)	(43,354)	(729)	(1,155)	(3,717)	(5,290)	(7,211)	(7,454)	(5,797)	(6,772)	(3,479)	(2,360)	(1,391)	3,911	6,248
Government Funding			1,362	2,832	7,504	13,623	20,287	25,047	28,949	30,400	30,400	30,400	30,400	19,297	-
Debt Funding			-	-	-	-	523	2,008	3,816	6,619	10,023	12,267	13,653	1,678	-
Total Funding			1,362	2,832	7,504	13,623	20,810	27,555	32,765	37,019	40,423	42,667	44,053	20,975	-
Debt / EBITDA	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	0.0 x	(0.7)x	(0.9)x	(1.4)x	(5.0)x	10.0 x	5.8 x	4.5 x	0.2 x	0.0 x
Debt / Total Funding			0.0%	0.0%	0.0%	0.0%	2.9%	7.4%	11.6%	17.9%	24.8%	28.8%	31.0%	8.0%	NM

Source: NBN Co

Please provide NBN Co's forecast summary financials for the Multi-Technology Mix as per Exhibit 9-2, as assumed in the 2015-18 Corporate Plan, for the following financial years: FY2015, FY2016, FY2017, FY2018, FY2019, FY2020, FY2021, FY2028 and FY 2040 and (if it falls outside these dates) the build completion date for the MTM.

Answer:

The Government is currently considering NBN Co Ltd's next corporate plan which we expect will be made publicly available. Please refer to question 113 asked of the company dealing with this topic.