

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Supplementary Budget Estimates Hearings November 2014

Communications Portfolio

NBN Co Limited

Question No: 190

Program No. NBN Co

Hansard Ref: In Writing

Topic: Cost Benefit Analysis

Senator Urquhart asked:

The Cost Benefit Analysis states on page 138 that “the Strategic Review assumed very substantial productivity gains during the NBN construction phase for all technologies. These were particularly high for FTTP, incorporating large productivity gains that were in addition to the efficiencies achievable from the Radically Redesigned FTTP network.”

- (a) Are the productivity and efficiency gains factored into the Strategic Review “particularly high” for the FTTP scenario, relative to other scenarios?
- (b) Are the efficiency and productivity benefits factored in to the Radically Redesigned FTTP scenario “very substantial”? If so, how substantial?

Answer:

A summary of the assumptions for the Radically Redesigned FTTP Scenario is set out in section 3.3 of the Strategic Review on page 85. The benefits arise from a combination of more cost-efficient network designs and materials, construction practices and labour productivity. NBN Co does not offer any further comment on the conclusions of the Cost Benefit Analysis.