

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Supplementary Budget Estimates Hearings November 2016
Communications Portfolio
NBN Co Limited

Question No: 184

NBN Co Limited

Hansard Ref: Written, 05/12/2016

Topic: 2017 Corporate Plan

Senator Chisholm, Anthony asked:

1. Table 7: Capital Expenditure (p52) provides a breakdown of CAPEX for each financial year across each access technology.

5.6 Capital expenditure

Table 7: Capital expenditure

	FY16(A)	FY17	FY18	FY19	FY20
Capex (\$ billions)					
FTTP Brownfields	0.9	0.3	0.2	0.1	0.0
FTTP Greenfields	0.2	0.2	0.2	0.2	0.2
FTTN	1.7	2.3	2.7	1.3	0.6
HFC	0.4	1.7	1.5	0.6	0.5
Fixed Wireless	0.4	0.4	0.4	0.4	0.1
Satellite	0.1	0.2	0.2	0.1	0.1
Common	1.0	1.0	0.7	0.6	0.4
	4.7	6.1	5.9	3.3	1.9

Note: The numbers presented in this table correspond to the base case consistent with the ranges represented in Table 2 but may vary significantly over time.

- (a) Please confirm the underlying number of premises for each technology (across each year) which informed the CAPEX calculations in the Table 7.

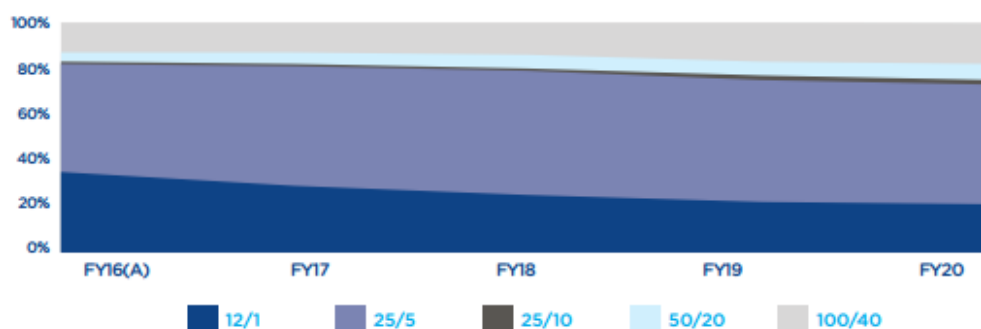
	FY16(A)	FY17	FY18	FY19	FY20
Capex (\$ billions)					
FTTP brownfields premises					
FTTP greenfields premises					
FTTN premises					
HFC premises					
Fixed Wireless premises					
Satellite premises					

- (b) Please confirm if any FTTdp premises were factored into Table 7 in the 2017 Corporate Plan? If yes, where?
- (c) Separately, please disaggregate FTTN from Table 7 from the 2017 Corporate Plan into FTTN and FTTB.

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2. On 25 November 2016, in Senate Estimates, Mr Morrow indicated there were a number of MDU's in the HFC footprint that were never cabled up with HFC. These premises were subsequently subtracted from the 4 million HFC homes in the 2016 Corporate Plan after NBN undertook street walks.
- (a) How many MDU premises were removed from the HFC footprint (as per number in the 2016 Corporate Plan) as a result of this?
- (b) When did NBN conduct the 'street walks' to determine this was the case?
3. 2017 Corporate Plan contains Exhibit 11: Wholesale speed tier mix on page 51.

Exhibit 11: Wholesale speed tier mix



This provides a projected speed tier mix out to FY20 across 12/1, 25/5, 25/10, 50/20, 100/40mbps. Please provide the following:

- (a) The numerical value for each speed tier underpinning Exhibit 11 in the following format:

	FY16(A)	FY17	FY18	FY19	FY20
12/1	%	%	%	%	%
25/5	%	%	%	%	%
25/10	%	%	%	%	%
50/20	%	%	%	%	%
100/40	%	%	%	%	%
Total	100%	100%	100%	100%	100%

- (b) A forward forecast, as per the format of Exhibit 11, for the speed tier mix across each access technology (FTTH, FTTN, HFC, Wireless, Satellite), in the table format below.

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For each access technology	FY16(A)	FY17	FY18	FY19	FY20
12/1	%	%	%	%	%
25/5	%	%	%	%	%
25/10	%	%	%	%	%
50/20	%	%	%	%	%
100/40	%	%	%	%	%
Total	100%	100%	100%	100%	100%

Answer:

1.

- (a) The capex calculations for each technology are not informed by a unique number of premises in each financial year, but rather are based on the increases in percentage complete of the relevant design and build activity over a pipeline of premises which are at various stages of completion.
- (b) FTTdp, known as FTTC (Fibre-to-the-Curb), was not specifically included in the Corporate Plan 2017. However the principles of the MTM approach provide for the addition of new technologies as they become available.
- (c) As advised previously, forecasts in respect to FTTB are included in the Corporate Plan 2017 FTTN numbers. To disaggregate these would reveal nbn's strategic business direction to potential infrastructure competitors, and the information is therefore commercial in confidence.

2.

- (a) To disaggregate the HFC footprint and report forecasts in respect to MDUs and FTTB would reveal nbn's strategic business direction to potential infrastructure competitors, and the information is therefore commercial in confidence.
- (b) NBN progressively commenced high level and field design activity in respect to HFC from June 2015.

3.

- (a) This information has been provided previously. Please refer to QON 145 from Senate Estimates Hearing October 2016.
- (b) A forward forecast of speed tier mix for each technology provides a disaggregation of our product assumptions which may adversely effect our customers' future marketing and product takeup, and is therefore commercial in confidence.