

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: 189

NBN Co Limited

Hansard Ref: Written, 05/12/2016

Topic: APRU

Senator Chisholm, Anthony asked:

1. Please confirm current, or forecasted, APRU for each of the access technologies below as of 1 October 2016.

| <u>Access Network</u> | <u>ARPU / month</u> |
|-----------------------|---------------------|
| FTTP | |
| FTTdp | |
| HFC | |
| FTTN | |
| FTTB | |
| Wireless | |
| Satellite | |

2. Please confirm current, or forecasted, APRU for each of the access technologies below forecast for FY2020.

| <u>Access Network</u> | <u>ARPU / month</u> |
|-----------------------|---------------------|
| FTTP | |
| FTTdp | |
| HFC | |
| FTTN | |
| FTTB | |
| Wireless | |
| Satellite | |

Answer:

1. The blended monthly ARPU across all Access Networks, on a YTD basis for 30 September 2016 was \$43. This value includes CVC/NNI revenues which are not charged separately for each access technology, and therefore to report an ARPU for each Access Network requires an approximate allocation of these amounts. Applying this approximate allocation for CVC/NNI, the indicative monthly ARPU for each Access Network at 30 September 2016 is:

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| <u>Access Network</u> | <u>ARPU / month</u> |
|-----------------------|---|
| FTTP | \$45 |
| FTTdp | Not applicable – no active services exist at 30 September 2016 |
| HFC | Due to low volumes of HFC premises activated at 30 September 2016, and a disproportionate volume that have been billed for part-month (post activation) only, we are unable to report a relevant ARPU metric as at 30 September 2016 for HFC. |
| FTTN | \$43 |
| FTTB | Not applicable – FTTB volumes and revenue are reported within FTTN |
| Wireless | \$35 |
| Satellite (LTSS only) | \$34 |

2. As reported in the Corporate Plan 2017, the forecast monthly ARPU across all Access Networks for FY20 is \$52. Underlying this is a monthly ARPU for the combined fixed line access networks of \$53, Fixed Wireless \$37 and Satellite \$35.

The ARPU for the fixed line networks includes a strong revenue contribution from business premises, which have significantly higher monthly ARPU than residential premises, and make up a much greater mix of premises activated and revenue contribution to ARPU than at 30 September 2016. Providing a forecast ARPU for each of the fixed line access networks at FY2020 would indicate nbn's expected penetration of business premises for each access network technology. As nbn operates in competitive markets for activation of business premises, providing this information would adversely impact nbn's commercial interests, and we are therefore unable to provide this information due to it being commercial in confidence.