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**Australian
Communications
Authority**

Australian Communications Authority
Net Universal Service Cost Assessment
for 1997-98

October 1999

Other costs

598. The ACA has adjusted the costs related to the preparation and auditing of Telstra's claim, adopting an amount of \$1,282,000 for this purpose. This amount forms part of avoidable costs under the Avoidable Costs Determination.

Statistical issues

599. This assessment makes numerous references to statistical issues and confidence intervals. Although a confidence interval has been identified for some revenue and cost items, it is not available for every item in this assessment (eg. the installation cost of satellite solutions). If the level of uncertainty were identified for every revenue and cost figure, it would have the effect of increasing the size of the confidence interval associated with the overall assessment, but by how much is not known at this stage. Note that a 'wide' confidence interval will simply mean that there is uncertainty associated with the final NUSC number; it does not mean that the final NUSC number is necessarily biased upwards or downwards.

Total Avoidable Costs

600. On the basis of the above inputs, the ACA would have assessed the avoidable costs component of the NUSC for 1997-98 at \$1,093,777,498 made up as shown in Table 27.

Table 27: Avoidable costs component

	Costs \$
CAN:	
Copper	252,385,001
WLL	147,997,751
Point-to-multipoint microwave	92,362,233
Satellite	304,017,372
Junctions	57,526,361
Switches	43,399,929
Operating expenses	177,232,348
Payphones	17,574,503
Preparation costs	1,282,000
Total	1,093,777,498

REVENUE FOREGONE

601. Revenue foregone would have been assessed at \$545,689,833 as indicated in Table 28 over the page.