

Media Release

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NBN fibre rollout to begin in WA and Vic as construction contracts signed

The rollout of the National Broadband Network is shortly to begin in earnest in Western Australia and Victoria after NBN Co today signed two separate agreements with major national construction companies.

NBN Co has signed agreements for the large-scale deployment of the NBN in Victoria with Transfield Services and with Syntheo, the Lend Lease/Service Stream joint venture, for Western Australia.

Both agreements cover fibre design and construction activities in the respective states over an initial period of two years, with options to extend for two further years.

Today's announcement will spur the rollout of another six of the 19 Second Release Sites previously announced by NBN Co, being new sites in Geraldton, Victoria Park and Mandurah, Western Australia, and in Bacchus Marsh and South Morang, Victoria, as well as the extensions to the existing site in Brunswick. Work will be undertaken on a rolling schedule with the first site starting next month:

LOCATION	START DATE
Geraldton WA	October 2011
Victoria Park WA	November 2011
South Morang Vic	November 2011
Bacchus Marsh Vic	November 2011
Mandurah WA	December 2011
Brunswick Vic	March 2012

The value of the initial agreement with Transfield is approximately \$133 million, with a potential value of up to \$395 million if extended by two further years. The value of the initial agreement with Syntheo is approximately \$174 million, with a potential value of up to \$484 million if extended by two further years. The agreements are subject to NBN Co Board approval.

Today's announcement follows the successful agreement of terms with Silcar in June to begin rolling out the NBN in Queensland, New South Wales and the ACT, where preliminary work on some sites is already underway. The two new contracts bring to approximately 60% the total of NBN construction activity over the next two years that has been allocated to contractors.

The terms of the agreements with Transfield and Syntheo are broadly consistent with those NBN Co negotiated with Silcar and with NBN Co's Corporate Plan. The agreements will ensure value for money for the Australian taxpayer.

NBN Co CEO Mike Quigley said: “Signing these two agreements to expand construction capacity means the rollout of the NBN now begins in earnest in Victoria and Western Australia. NBN Co is gearing up to meet the challenge of passing 6000 homes a day when at full capacity.”

“Today’s announcement builds on other recent achievements, such as the completion of works in the five First Release mainland sites, the testing of the network in those locations, the launch of our Interim Satellite Service in July and the beginning of our \$1.1 billion fixed wireless project in June.”

It is estimated that the average time from the start of works to the activation of first services will be around 12 months. Additional on site planning and preparation works will be necessary before construction commences.

The National Broadband Network includes the rollout of fibre-based wholesale broadband services capable at launch of offering peak speeds of up to 100Mbps*. It is planned to roll out fibre to 93 per cent of Australian premises, with satellite and fixed wireless to serve the final seven per cent.

Further information about NBN Co, its objectives and recent announcement is at www.nbnco.com.au

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*The speeds actually experienced by end-users will depend on a number of factors including the retail broadband plan they choose, the number of simultaneous users on the service, their equipment and their in-premises connection.