



# Media release

16 August 2018

## NBN Co drives higher revenue and customer experience improvement

**75 per cent of construction complete, progress on customer experience initiatives, 98 per cent increase in revenue**

### Summary of progress for the financial year ended 30 June 2018:

- Strong performance across monthly customer experience progress report metrics
- End-user satisfaction up 12 per cent
- Total company revenue of \$1.98 billion – up 98 per cent
- \$44 Average Revenue Per User (ARPU) – up from \$43 in FY17
- Four million activations – up 65 per cent
- 70 per cent of network construction complete at 30 June 2018 – 75 per cent today
- Seven million premises ready to connect and 8.1 million ready for service – up 29 per cent and 42 per cent respectively.

**Sydney, 16 August 2018:** NBN Co, the company building and operating Australia’s broadband access network, has increased its total revenue to \$1.98 billion and reported solid improvement on its customer experience metrics during the 2018 financial year.

The company made progress against its goal to complete the network build by 2020, declaring 8.1 million premises ready for service and seven million premises ready to connect. At the end of FY18, more than 70 per cent of the total network construction was complete and more than 60 per cent of Australian premises could connect to a service over the **nbn™** access network.

Together with retail service providers (RSPs), the company increased total activations by 65 per cent to reach four million at 30 June 2018, up from 2.4 million at the end of FY17.

This progress on activations, combined with a lift in ARPU to \$44 in the first half of the financial year, helped the company nearly double total revenue to \$1.98 billion for the 12 month period.

NBN Co management prioritised an extensive program of initiatives to enhance end-user customer experience during FY18 and saw significant improvements across all key focus areas, including more effective installations of **nbn™** equipment and meeting agreed timeframes with RSPs for restoration of faults.

These initiatives included new wholesale discount options and optimisation programs for both the HFC and Fixed Wireless networks.



## Commentary on company performance

**NBN Co CEO Bill Morrow said:** “The 2018 fiscal year has been an important one for the company, as we’ve balanced our commitment to get the network built as quickly as possible with our priority to help improve the service for those connected.

“We listened to consumers and industry and put end-user customer experience at the heart of all management decision making. This resulted to some short-term delays in the build and activation schedule against our 2018-21 Corporate Plan, but we know the network is in better shape today than it was a year ago.

“It’s improvements in customer experience that define our success for the financial year and we’re seeing end-user satisfaction shift as a result.

“We’re demonstrating continued progress against our goal to complete the build by 2020. Today, we have 4.2 million activations on a network that is 75 per cent built and with 99 per cent of premises in design, construction or complete.”

## Commitment to customer experience improvement

Overall end-user satisfaction has increased by 12 per cent to reach 6.7 in July, representing end-users’ satisfaction with their entire broadband experience delivered by NBN Co and RSPs. For the factors within NBN Co’s control, the company demonstrated its commitment across key focus areas during FY18.

### Year-on-year improvements

For end users connected (or ready to connect) to the network, NBN Co’s ‘Focus on 50’ promotion offered wholesale discount options to encourage RSPs to sell higher speed plans and reduce bandwidth congestion. This resulted in more than 45 per cent of end users on 50Mbps (download) wholesale speed plans or above in June 2018, compared to just 16 per cent a year earlier in June 2017 (this metric also includes 25-50Mbps (download) wholesale speed plans). Due to greater CVC provisioning by RSPs, average bandwidth congestion across the **nbn**<sup>™</sup> access network (excluding Sky Muster) reduced from more than five hours per week per premise in June 2017 to 25 minutes per week per premise in June 2018.

The company enhanced the way it works with RSPs to connect end users to the **nbn**<sup>™</sup> access network. In June 2018, NBN Co was completing 92 per cent of installations of **nbn**<sup>™</sup> equipment in its control right the first time compared to 87 per cent a year earlier. In June 2018, 95 per cent of all orders were connected within agreed timeframes with RSPs compared to 92 per cent in June 2017 (excluding Priority Assistance connections and Accelerated Connections).

NBN Co was fixing faults with RSPs within agreed restoration timeframes 90 per cent of the time in June 2018, up from 70 per cent in June 2017. As a result of NBN Co’s initiatives, the overall network fault rate reduced from 1.0 per 100 premises in June 2017 to 0.9 per cent in June 2018.

### July Monthly Progress Report

Today’s reporting of the company’s 2018 Annual Results coincides with the release of its [July customer experience monthly progress report](#) which shows further improvement across key areas. Today, 47 per cent of end users are on 50Mbps wholesale speed plans or above (this metric includes 25-50Mbps wholesale speed plans), 93 per cent of installations of **nbn**<sup>™</sup> equipment in its control are completed right the first time and average bandwidth congestion across the **nbn**<sup>™</sup> access network (excluding Sky Muster) is 28 minutes per week per premise, down from four hours and 52 minutes in July 2017.



	Year on year performance		Today's report
	June 2017	June 2018	July 2018
Ready to connect	5.4m	7.0m	7.1m
Connected homes and businesses	2.4m	4.0m	4.2m
Installed right the first time	87%	92%	93%
Meeting agreed installation times	92%	95%	94%
Average network bandwidth congestion	5 hours & 23 minutes	25 minutes	28 minutes
Fixed line network congestion	0.039%	0.081%	0.036%
Uptake to higher wholesale plans	16% on 50Mbps wholesale speed plans and above	45% on 50Mbps wholesale speed plans and above	47% on 50Mbps wholesale speed plans and above
Network availability	100.0%	100.0%	100.0%
Meeting agreed fault restoration times	70%	90%	91%
Faults per 100 connected homes and business	1.0	0.9	0.9

NBN Co's monthly progress report is designed to give Australians a clearer understanding of the ways the company is taking action to improve customer experience. The metrics used relate to services NBN Co delivers to phone or internet providers and the physical connection of homes and businesses to nbn™ infrastructure. The metrics do not cover services supplied by providers to end users. Metrics are based on averages, summaries and simplifications; end-user experiences vary. Please visit [nbn.com.au/updates](http://nbn.com.au/updates) for important information on the metrics and their descriptions.

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### **NBN Co's July 2018 monthly progress report includes:**

- **Ready to connect** – There are more than 7.1 million Australian homes and businesses who are able to connect to the nbn™ access network – compared with 5.6 million in July 2017.
- **Connected homes and businesses** – There are 4.2 million homes and businesses connected to a plan over the nbn™ access network – compared with 2.6 million in July 2017.
- **Installed right the first time** – There are 93 per cent of homes and businesses who had their nbn™ equipment within NBN Co's control installed right the first time – compared with 87 per cent in July 2017.
- **Meeting agreed installation times** – There are 94 per cent of homes and businesses who were connected within the agreed timeframes with phone and internet providers (excluding Priority Assistance connections and Accelerated Connections) – compared with 88 per cent in July 2017.



- **Average network bandwidth congestion** – Average bandwidth congestion across the **nbn™** access network (excluding **nbn™** Sky Muster™) is around 28 minutes per week per premises - compared with 4 hours and 52 minutes per week in July 2017.
- **Fixed Line Congestion** – There are 0.036 per cent of all homes and businesses connected to the **nbn™** Fixed Line access network who have experienced network congestion – compared with 0.017 per cent in July 2017
- **Uptake to higher wholesale plans** – There are 47 per cent of homes and businesses on a 50Mbps (download) wholesale speed plan or higher – compared with 16 per cent in July 2017. This metric also includes 25-50Mbps (download) wholesale speed plans.
- **Network availability** – The **nbn™** access network was up and running 100.0 per cent of the time – compared to 99.9 per cent in July 2017.
- **Meeting agreed fault restoration time** – There are 91 per cent of individual service faults resolved with phone and internet providers within the agreed time frames – compared to 77 per cent in July 2017.
- **Faults per 100 connected homes and businesses** – There are an average 0.9 per 100 homes and business who experienced an individual service fault on the **nbn™** access network this month – compared to 1.0 in July 2017.

Please visit [nbn.com.au/updates](http://nbn.com.au/updates) for more information.

#### Important notes to editor:

- Experiences vary depending on a range of factors including the technology over which services are delivered and factors outside NBN Co's control, such as broadband speed plans, provider and equipment.
- **Right first time installations** – typically excludes end-user cancellations, end-user or service provider initiated reschedules and other things outside of NBN Co's control such as bad weather. This measure covers the installation of equipment that does not require more than one appointment. It does not cover successful connections to a plan over the **nbn™** access network through a phone and internet provider.
- **Meeting agreed installation times** – varies by **nbn™** access network type and available infrastructure at the premises. This metric does not include Priority Access connections. The Wholesale Broadband Agreement includes provisions around calculation and time measurement.
- **Average network bandwidth congestion** – calculated across all bandwidth purchased by all phone and internet providers across the whole network and excludes **nbn™** Sky Muster™ services. While bandwidth congestion is caused by the level of provisioning of capacity by the phone and internet providers, there are also other types of congestion which may occur on the **nbn™** access network.
- **Fixed Line network congestion** – calculated based on how NBN Co utilises certain parts of the **nbn™** Fixed Line access network that are shared by phone and internet providers. This measure does not include Sky Muster™ satellite and **nbn™** Fixed Wireless. This metric does not consider any bandwidth congestion which is measured separately.
- **Uptake to higher wholesale plans** – '50Mbps (download) wholesale speed plan' includes wholesale plans with download speeds including both 50Mbps and 25-50Mbps plans that NBN Co provides to phone and internet providers. NBN Co wholesale speed tiers available to your phone and internet provider vary depending on the **nbn™** access network type in your area. Your experience, including the speeds actually achieved over the **nbn™** access network, depends on the technology over which services are delivered to your premises and some factors outside our control including your equipment quality, software, signal quality, broadband plans and how your phone or internet provider designs its network.
- **Network availability** – The Wholesale Broadband Agreement includes detailed rules for defining and measuring network availability and includes a number of exceptions such as planned outages. This metric is has been rounded to the nearest one decimal place.
- **Meeting agreed fault restoration times** – measures individual service faults, not network related faults which are tracked separately. The measure also excludes faults not related to the **nbn™** access network. The agreed service levels vary depending on the location of the premises, and are different for the **nbn™** Sky Muster™ Satellite network. The Wholesale Broadband Agreement includes detailed rules for defining "nbn faults" and measuring **nbn™** access network performance. This does not include Priority Assistance Faults or Enhanced Faults.
- **Faults per 100 connected homes and businesses** – measures individual service faults, not network related faults which are tracked separately. This also excluded faults not related to the **nbn™** access network.