



Media Release

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Landmark deal paves way for faster NBN rollout

Today's landmark deal with Telstra will pave the way for all Australians to have access to fast broadband by 2020, announced NBN Co CEO Bill Morrow at a joint signing ceremony in Sydney this afternoon.

The revised definitive agreements between the two companies will see NBN Co progressively take ownership of elements of Telstra's copper and Hybrid Fibre Coaxial (HFC) networks in those parts of the country where it represents the fastest and most cost effective way to deliver fast broadband to families and businesses.

The progressive transfer of the copper and HFC assets to NBN Co involves no overall additional cost to the taxpayer.

As indicated in the company's December 2013 Strategic Review, it is estimated that the move to a multi-technology mix NBN will enable the NBN to be built at the least cost to taxpayers and be completed at least four years sooner than under the previous fibre-to-the-premises plan.

NBN Co's CEO, Bill Morrow, said:

"This deal will bring down the overall cost of building the NBN and enable us to complete the rollout much earlier than originally anticipated with less disruption to residents and communities.

"What's more, making use of technologies such as copper and HFC – rather than decommissioning them – enables Australia to capitalise on the significant investments being made globally in broadband technology.

"In short, this transaction is an essential step to spur Australia's greater participation in the digital economy and help close the digital divide."

Mr Morrow said that planning for the multi-technology NBN, which will incorporate copper and HFC alongside fibre, fixed wireless and satellite technologies, is already underway.

Construction of the NBN is set to have commenced or be complete for around 3.3 million Australian homes and businesses by June 2016. More than 309,000 premises across Australia are connected to the NBN today.

It is NBN Co's goal to make all homes and businesses serviceable by 2020 with access to download data rates of at least 25 Megabits per second. The majority of premises in the fixed line footprint will have access to download data rates of at least 50 Megabits per second.

The original definitive agreements between NBN Co and Telstra, struck in June 2011, gave NBN Co access to certain Telstra assets such as ducts, pits and exchanges to use in the rollout the NBN, but not access to Telstra's copper or HFC assets.

The changes to the agreements announced today are subject to a number of conditions precedent, including approval by the ACCC of a revised Migration Plan and rulings by the Australian Taxation Office.

Separately, NBN Co is engaged in constructive discussions with the telecommunications and construction industries for additional planning, design, construction and maintenance services as part of the multi-technology rollout. The discussions are expected to conclude in the near future.

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Notes to Editors:

- NBN Co's objective is to ensure that by 2020:
 - all homes, businesses and communities across Australia can access high speed broadband;
 - 8 million premises are connected to the NBN;
 - the company generates more than \$4 billion of annual revenue;
 - less than the capped \$29.5bn of government equity funding is used.
- The Australian Government, NBN Co and Telstra commenced negotiations at the end of 2013 to amend the Definitive Agreements and enter into ancillary transaction agreements following the company's Strategic Review.
- NBN Co was supported throughout the negotiations by financial advisor Goldman Sachs and legal advisor Ashurst.