

# Media Release

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## New **nbn** construction contracts to spur multi-technology rollout

- **First contracts signed to enable delivery of nbn network to another 4 million homes and businesses**
- **Simplified contracts offer flexibility, incentives and competition**
- **Result of extensive industry consultation**

**nbn** has agreed a new contracting model with the Australian construction industry.

The performance-based contracts aim to increase significantly the quality and speed of the rollout to homes and businesses in the fixed-line footprint that will make up the vast majority of connections to the **nbn**<sup>™</sup> network.

The terms represent a marked departure from the old commercial model which guaranteed large volumes of work to suppliers in specified states and regions regardless of performance but also placed upon them a high administrative burden and no competition for that work.

Instead, the new contracts offer flexible volume commitments, competition between delivery partners, and pricing based on outcomes rather than inputs.

**nbn** CEO Bill Morrow said:

“What this means is that the performance of our construction partners, the quality of their work and their adherence to safe work practices will determine how much additional work they will receive.

“We have worked closely with the industry to reduce the complexity of our contracts to make them easier to administer and to reward good work as we gear up to accelerate the rollout.”

The first of the new contracts were signed this morning with construction partners Downer, Transfield, Visionstream, Fulton Hogan and WBHO.

Together the new contracts will cover around 4 million homes and businesses that are scheduled to be connected with Fibre to the Node, Fibre to the Building or Fibre to the Premises. Contracts with additional suppliers are also being negotiated and nearing conclusion.

**nbn** has a goal of ensuring that all homes, businesses and communities across Australia can access high speed broadband by 2020, including 8 million premises connected to the **nbn**<sup>™</sup> network.

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