



Australian Government



Australian  
Communications  
and Media Authority



# **International Training Program 2014**

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## **National Broadband Network update**

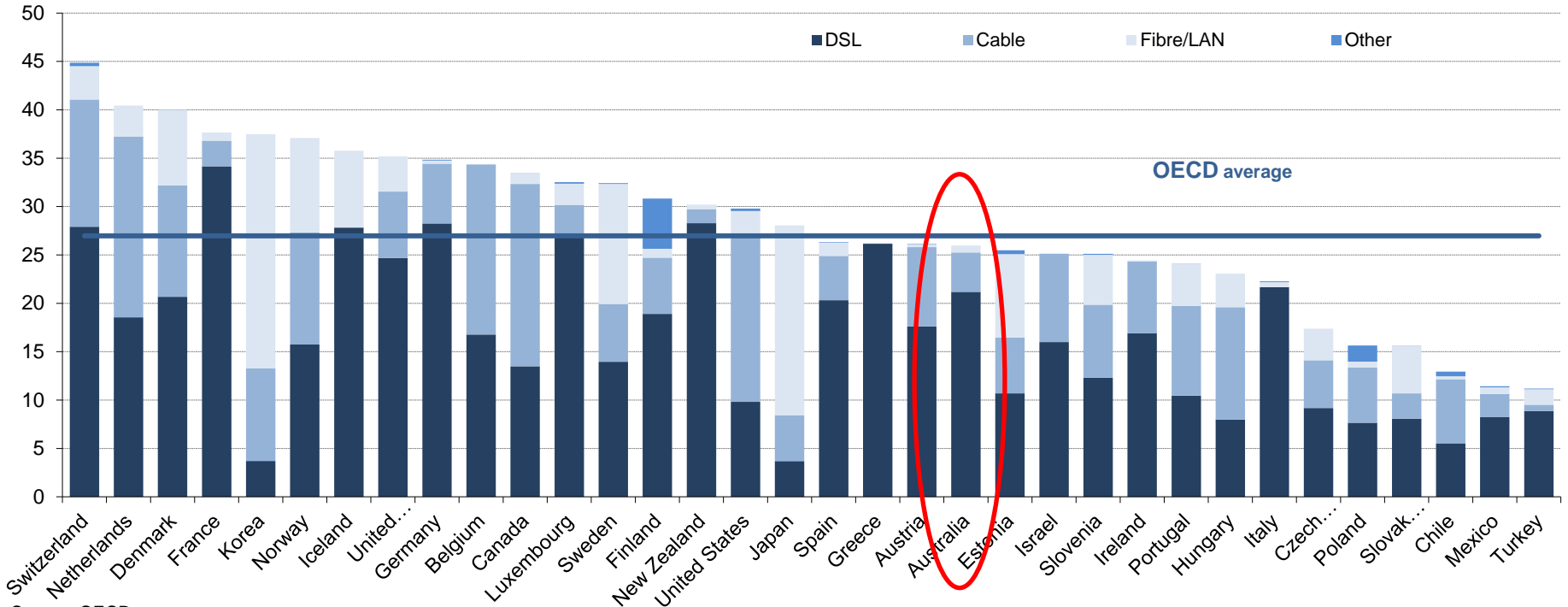
Scott Gledhill

*Director, Policy & Program, Telecommunications Division*

*Department of Communications*

# Australian context – fixed broadband

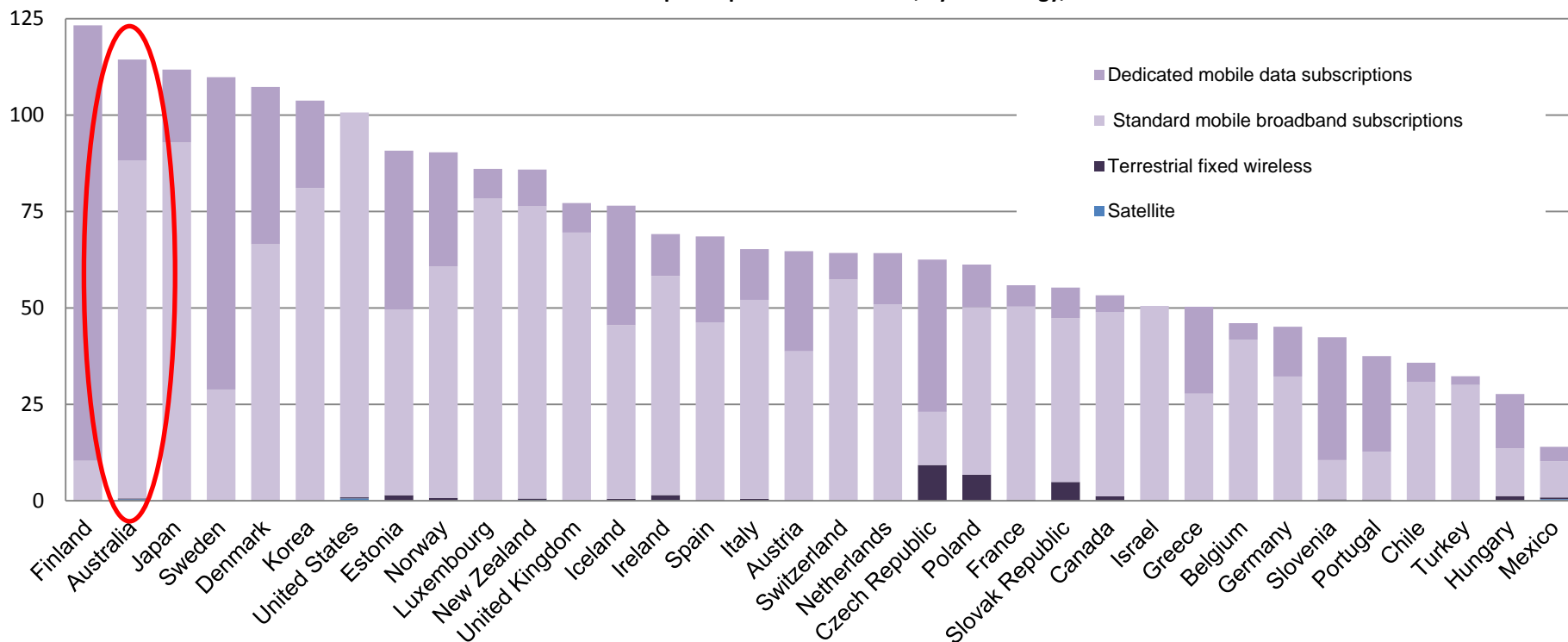
OECD Fixed (wired) broadband subscriptions per 100 inhabitants, by technology, December 2013



Source: OECD

# Australian context – wireless broadband

OECD wireless broadband subscriptions per 100 inhabitants, by technology, December 2013



# **Government policy objectives**

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- > The National Broadband Network (NBN) will ensure that all Australians have access to very fast broadband using a mix of technologies.
- > The Australian Government is committed to completing the construction of the NBN sooner, at less expense for taxpayers and more affordably for consumers.

# **NBN Company Limited**

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- > NBN Co Limited established in 2009 to design, build and operate the NBN.
- > Wholly owned by the Commonwealth.
- > Close to 3,000 employees.
- > Telstra Definitive Agreements allow infrastructure access.

# Role of the Department of Communications

- > The Department of Communications provides:
  - > Strategic advice and policy leadership to achieve the government's plan for a fast and affordable NBN.
  - > Supports the Minister as joint Shareholder in NBN Co.
  - > Oversight and governance of the NBN rollout.

## **Current policy direction**

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- > Government provided a **Statement of Expectations** in April 2014 supporting new approach
- > Government initiated a comprehensive **Strategic Review** of NBN Co progress, operations and future prospects:
  - > Recommended **Optimised Multi-Technology Mix** to best match technology on area by area basis.
  - > Identified key areas of change at NBN Co.

# Optimised Multi-Technology Mix

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- > NBN Co has flexibility in technology choice, indicative mix identified:
  - > FTTP to 26% of fixed line footprint
  - > FTTN to 44% of fixed line footprint
  - > HFC to 30% of fixed line footprint
  - > Fixed wireless / satellite to 7%

**Multi-Technology Mix approach supports policy of at least 25 Mbps download speeds to all premises and at least 50 Mbps to 90 per cent as soon as possible**



# Fixed Wireless & Satellite Review

- > Comprehensive review of the **fixed wireless and satellite programs.**
- > Key findings:
  - > 200k premises not covered without additional investment.
  - > Increase in demand outside of fixed line footprint.
  - > Increased capital expenditure required.



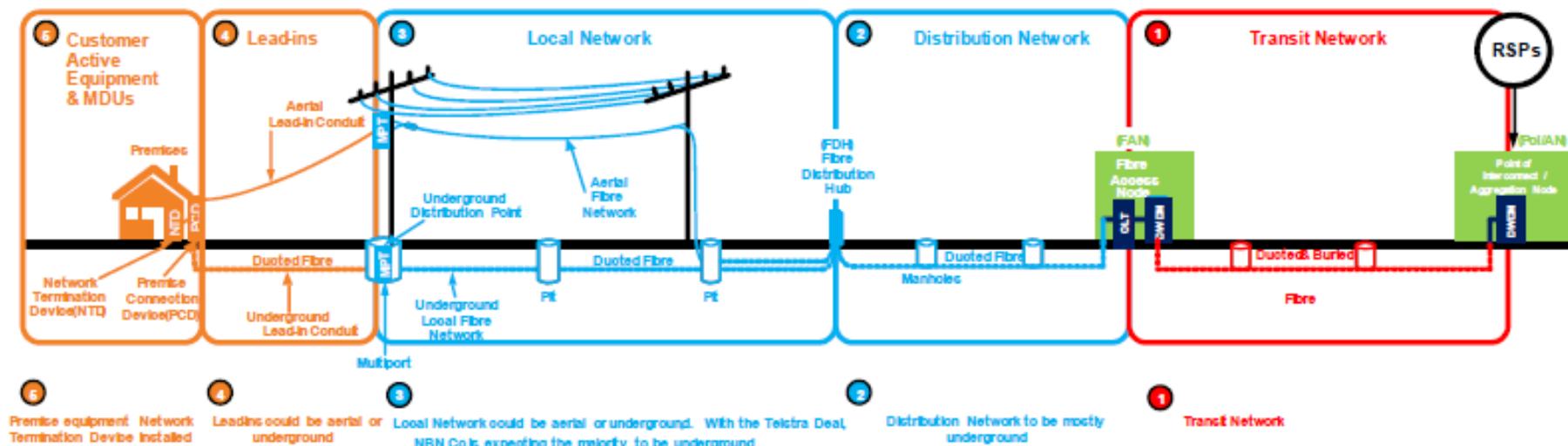
# NBN – Key metrics

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Description	Key metric
Rollout completion	CY2020
Capex (FY11-21)	\$30 billion
Opex (FY11-21)	\$27 billion
Revenues (FY11-21)	\$18 billion
Peak funding (debt & equity)	\$41 billion

> By 2020, the NBN will be available to 13 million premises

# FTTP: comprehensive construction program



- > NBN Co is deploying transit, local and distribution networks and handling customer connections.
- > Using existing infrastructure where possible.

# Progress so far (as at 30 June 2014)

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## FTTP - Brownfields

- > 380,000 premises able to connect
- > 105,000 active services

## FTTP - Greenfields

- > 111,000 premises able to connect
- > 46,000 active services

## Fixed wireless

- > 112,000 premises able to connect
- > 16,000 active services

## Satellite

- > 43,000 users on interim service
- > Long term service scheduled to operate in 2016

## FTTN / FTTB trials

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- > On 26 June 2014 NBN Co announced a pilot with Telstra involving the planning, design and construction of 1,000 nodes.
- > Will provide insights into how to deliver a FTTN construction program.
- > Trials already underway for FTTB with VDSL2 vectoring equipment installed in mix of apartments, retail and office buildings.

# **NBN Co / Telstra Definitive Agreements**

- > In June 2011 NBN Co and Telstra entered into Definitive Agreements allowing access to Telstra infrastructure for the NBN rollout.
- > Allows for the progressive migration of customers to the NBN and the structural separation of Telstra.
- > Agreements being renegotiated to support an optimised MTM deployment model.

# **Cost-benefit and regulatory review**

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- > Government has formed an expert panel chaired by Dr Michael Vertigan to conduct a **cost- benefit and regulatory review** of the NBN.
- > Will assist the Government in setting the **long term regulatory environment** for the telecommunications sector.
- > First report released on 16 July 2014 looking at telecommunications access regime.

## Next steps

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- > Continue to rollout fibre, fixed wireless and satellite programs.
- > FTTN and FTTB trials and NBN Co transformation to deliver Optimised Multi-Technology Mix approach
- > Finalise Definitive Agreement renegotiations.

**From 2016 onwards the NBN will be delivered using a mix of technologies.**



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More information

[www.nbnco.gov.au](http://www.nbnco.gov.au)

[www.communications.gov.au](http://www.communications.gov.au)