



# Media Release

Monday 11 April 2016

## **nbn** and Telstra sign deal to bring the **nbn**<sup>™</sup> network to millions of homes

**nbn** - the company building Australia's new broadband network - today signed a contract with Telstra to manage the design and construction of fast broadband to more than three million homes currently in the footprint of Telstra's pay-TV cable network (Hybrid-Fibre Coaxial or HFC cable).

Under the new arrangement, Telstra will carry out the design, part of the construction and the construction management of the remainder of the work required to extend the **nbn**<sup>™</sup> network to these homes. They will be primarily connected to **nbn**'s upgraded HFC technology, however, **nbn**'s multi-technology mix design rules will be applied to enable the network to be deployed as quickly as possible.

**nbn** CEO Bill Morrow said: "The **nbn**<sup>™</sup> network is now available to two million homes and businesses, with close to one million already connected. This deal will extend the **nbn**<sup>™</sup> network to millions more, bringing new opportunity in education, health and online services to more families.

"Telstra has enormous experience in HFC design and construction, and the rollout will be greatly assisted by having them as a key partner in the delivery of this part of the network."

The agreement is structured to accelerate deployment of the **nbn**<sup>™</sup> network. Multi-technology Integrated Master Agreement (MIMA) partners will be deployed, with Telstra leveraging its knowledge of the existing network to manage and coordinate the construction activities on behalf of **nbn**.

The agreement complements and streamlines the existing arrangements **nbn** has with Telstra, creating a faster rollout schedule and access to all **nbn** retailers.

Following a Memorandum of Understanding announced in December 2015, early works have been underway while negotiations progressed, including preparing Telstra **nbn** exchange locations and HFC planning and design work. This is on top of successful trials on the Optus HFC network in Redcliffe, Queensland, with end users experiencing trial speeds of up to 100Mbps/40Mbps.\* **nbn** is on track to make the initial 10,000 HFC premises available for orders by the end June 2016.

"This is a significant milestone in **nbn**'s goal of finishing the rollout by 2020 and connecting 8 million homes and businesses," added Morrow.



## **Background – nbn and Telstra Definitive Agreements**

In 2011, **nbn** and Telstra signed the initial Definitive Agreements for the use of existing Telstra infrastructure and the migration of former wholesale customers from Telstra’s legacy network to the **nbn™** network, with payments progressively scheduled as the new services were activated.

In 2014, the **nbn** and Definitive Agreements were amended to allow **nbn** to access and progressively acquire existing Telstra network infrastructure to enable the deployment of the multi-technology mix as required.

These amendments in 2014 did not change the overall value of the Definitive Agreements with Telstra.

## **Background - nbn and Telstra HFC Delivery Agreement (announced today)**

The HFC Delivery Agreement (HFCD) complements and streamlines the existing arrangements **nbn** has with Telstra, meaning a faster rollout so that all RSPs have earlier non-discriminatory access to the **nbn™** network thereby promoting competition in downstream retail markets.

Once the build is completed, it will be handed to **nbn** for operation. Telstra will be required to adhere to **nbn** planning and design requirements which are designed to ensure the delivery of open access layer two bitstream services to all RSPs as soon as possible. Telstra’s role will be limited to engineering, design, some construction, procurement and construction management. Decisions regarding the release of footprint for sale, product development, and the provision of information about the rollout will continue to be matters for **nbn**.

**nbn** and Telstra have pre-existing and additionally agreed measures to address potential concerns about Telstra’s roles as both a customer of **nbn** and its role under this agreement.

**ENDS**

### **Media enquiries**

Dan Holland

Mobile: 0429 364 299

Email: [danholland@nbnco.com.au](mailto:danholland@nbnco.com.au)

Jace Armstrong

Mobile: 0417 256 709

Email: [jacearmstrong@nbnco.com.au](mailto:jacearmstrong@nbnco.com.au)

\* **nbn** provides services to its wholesale customers, telephone and internet service providers, and does not provide services directly to end users. These speeds were achieved by end users in the context of a trial and are not necessarily reflective of the speeds that will be experienced by end users. End user experience including the speeds actually achieved over the **nbn™** network depends on the technology over which services are delivered to their premises and some factors outside our control like equipment quality, software, broadband plans and how the end user’s service provider designs its network.