

Media release

28 August 2014

NBN to reach one in 10 Australians in FY2015

The company building the National Broadband Network today announced it had reached its FY2014 targets by doubling premises ready for service, tripling services activated and quadrupling its revenue.

NBN Chief Executive Officer, Bill Morrow said:

“We have continued to make significant headway in transitioning to the Optimised Multi-Technology Mix.

“Our plan is to provide one in 10 Australian homes and businesses the ability to connect to the National Broadband Network (NBN) in FY2015 as we work to double the number of premises serviceable.”

In the 12 months to 30 June 2014:

- The nationwide NBN activity footprint broadened to cover approximately 1.4 million premises where work is complete or in progress (i.e. build preparation, physical construction, and activated services)
- The number of premises that can order an NBN service more than doubled to 553,000 premises, up from 227,000 in the previous financial year
- The number of active NBN users tripled, up from 70,000 a year ago to 210,000 today.

The expansion of the network meant:

- Telecommunications revenues rose fourfold to \$61 million
- Average Revenue Per User (ARPU) remained stable at \$37.34 per month
- Capital expenditure and operational expenditure was as expected at \$2.5 billion and \$1.1 billion respectively
- NBN has received a total \$8.4 billion equity funding.

Mr Morrow confirmed the past year has been a period of enormous change and transformation for NBN.

“We have stabilised the existing rollout, strengthened our relationships with our construction partners and are making significant headway in transforming the company. We are well placed to continue to grow.

“These achievements are a result of hardworking contractors, third party partners and our highly motivated people under the direction of a new leadership team,” he said.

NBN has significantly accelerated the pace of the rollout. This is a mark of the company's focus on driving efficiency and stability of the construction program that will enable NBN to deliver on its commitment of providing faster, more efficient and a less costly broadband for all Australians.

At the same time, the number of active services is forecast to again double to 480,000.

NBN reached a non-binding framework with Telstra for the renegotiation of the Definitive Agreements between the two companies, including the progressive acquisition of some of Telstra's copper and Hybrid Fibre Coaxial (HFC) assets. The company confirmed it had also commenced negotiations with the SingTel Group for the progressive purchase of some of its Optus HFC assets.

At the same time, the company has initiated construction trials for the deployment of Fibre-to -the Node (FTTN) in parts of NSW and Queensland. It is anticipated that the first of approximately 250,000 premises covered by these trials will become serviceable from the middle of the 2015 calendar year.

Premises connected to FTTN in Umina Beach on the NSW Central Coast are delivering internet download peak speeds to the network boundary point of around 100 Mbps. They also delivered upload speeds of around 30 Mbps*. This was at distances of more than 500 metres.

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Notes to editors

- NBN is committed to fulfilling the Federal Government's policy goal of ensuring all Australians have access to fast broadband as soon and as cost-effectively as possible, as set out in the Statement of Expectations to the company.
- For more information, visit nbnco.com.au

**NBN provides services to its wholesale customers, telephone and internet service providers, and does not provide services directly to end users. This trial involved testing speeds over physical network layers rather than end user speeds. End user experience including the speeds actually achieved over the NBN depends on some factors outside our control like equipment quality, software, broadband plans and how the end user's service provider designs its network.*