



Special Access Undertaking (NBN Transformation Projects) Government Policy Project Notice 2025

I, Anika Wells, Minister for Communications make this Government Policy Project Notice for the purposes of NBN Co's Special Access Undertaking.

Dated **12 November 2025**

A handwritten signature in black ink, appearing to read 'Anika Wells'. The signature is fluid and cursive, with a large initial 'A'.

Anika Wells
Minister for Communications

Contents

1	Name	1
2	Commencement.....	1
3	Authority	1
4	Definitions	1
5	Basis of making this notice	2
Schedule 1—Commonwealth Government Policy		3
1	Context.....	3
2	The NBN Transformation Projects are reasonably required to achieve Commonwealth Government policy	3
3	The NBN Transformation Projects serve the public interest	7
Schedule 2 – NBN Network Upgrade Project		12
1	Scope of the NBN Network Upgrade Project	12
2	Maximum amounts of Capital Expenditure and Operating Expenditure associated with the NBN Network Upgrade Project	14
3	Elements of funding associated with maximum amount of Capital Expenditure and Operating Expenditure	16
Schedule 3 –NBN Premises Upgrade Project		17
1	Scope of the NBN Premises Upgrade Project	17
Schedule 4 –Reporting requirements		19
1	Reporting requirements	19
2	Reporting requirements for the NBN Network Upgrade Project	19
3	Reporting requirements for the NBN Premises Upgrade Project	21

1 Name

This notice is the Special Access Undertaking (NBN Transformation Projects) Government Policy Project Notice 2025.

2 Commencement

This notice is taken to have effect on the date it is issued to NBN Co.

3 Authority

This notice is issued to NBN Co for the purposes of NBN Co's Special Access Undertaking.

4 Definitions

In this notice, unless the context requires otherwise, capitalised terms have the same meaning given to that term in Attachment C (Dictionary) of the Special Access Undertaking and:

1.5m FTTP Upgrade Project has the meaning given to it in section 1 of Schedule 1 of this notice.

2.0m FTTP Upgrade Project has the meaning given to it in section 1 of Schedule 1 of this notice.

3.5m FTTP Upgrade Projects means the 2.0m FTTP Upgrade Project and the 1.5m FTTP Upgrade Project.

CCA means the *Competition and Consumer Act 2010* (Cth).

Department means the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (or any successor department).

NBN Network Upgrade Project means the project described in Schedule 2 to this notice.

NBN Premises Upgrade Project means the project described in Schedule 3 to this notice.

NBN Transformation Projects means, collectively, the NBN Network Upgrade Project and the NBN Premises Upgrade Project.

Special Access Undertaking or SAU means the special access undertaking given by NBN Co to the ACCC under section 152CBA(2) of the CCA, originally accepted by the ACCC on 13 December 2013 under section 152CBC(2) of the CCA. A variation to the special access undertaking was accepted by the ACCC on 17 October 2023 under section 152CBG(3) of the CCA.

5 Basis of making this notice

- (1) I have determined that NBN Co undertaking the NBN Transformation Projects is reasonably required to achieve Commonwealth Government policy, taking into account the public interest served by the NBN Transformation Projects as further set out in Schedule 1.
- (2) The scope of the NBN Network Upgrade Project is described in section 1 of Schedule 2.
- (3) The scope of the NBN Premises Upgrade Project is described in section 1 of Schedule 3.
- (4) NBN Co's reporting requirements under this notice in respect of the NBN Transformation Projects are set out in Schedule 4.
- (5) I have determined that the maximum amount of Capital Expenditure and Operating Expenditure associated with the NBN Network Upgrade Project per financial year is as set out in section 2 of Schedule 2.

Note: There is no maximum amount of Capital Expenditure and Operating Expenditure stated in relation to the NBN Premises Upgrade Project. Accordingly, the SAU will apply to the NBN Premises Upgrade Project on the basis that there is no maximum amount.

- (6) Prior to making this notice, a draft of this notice was provided to the ACCC and NBN Co on 3 July 2025. An updated draft of this notice was subsequently provided to the ACCC and NBN Co on 23 September 2025.
- (7) This notice is made based on advice and assumptions considered to be reasonable and appropriate at a point in time.

Schedule 1—Commonwealth Government Policy

1 Context

On 23 September 2020, NBN Co announced that it would enable 2 million premises in Fibre-to-the-Node (FTTN) areas (FTTN Premises) to order a high-speed service to be delivered over a Fibre-to-the-Premises (FTTP) broadband connection (2.0m FTTP Upgrade Project).

On 19 October 2022, NBN Co announced an expansion of the 2.0m FTTP Upgrade Project to enable a further 1.5 million FTTN premises to order a high-speed service to be delivered over a FTTP broadband connection (1.5m FTTP Upgrade Project). Together, these two projects (3.5m FTTP Upgrade Projects) would enable 3.5 million FTTN premises to be able to order a high-speed service that is provided through the FTTP technology.

On 13 January 2025, NBN Co announced that it would enable the remaining FTTN premises (estimated to be approximately 622,000 premises as at the date of the announcement) to order higher-speed services using mostly FTTP technology.¹ The remaining FTTN premises are those premises not covered by the 3.5m FTTP Upgrade Projects.

The NBN Transformation Projects would enable NBN Co to upgrade these remaining FTTN premises not covered by the 3.5m FTTP Upgrade Projects. The NBN Transformation Projects are comprised of the NBN Network Upgrade Project and the NBN Premises Upgrade Project.

The ACCC will assess the efficiency of the expenditure that NBN Co has incurred, or the expenditure that NBN Co will incur, as part of the NBN Transformation Projects. This assessment would be expected to include the evaluation of the efficiency of NBN Co's capital and operating expenditure for the NBN Network Upgrade Project and the NBN Premises Upgrade Project in achieving the SAU Expenditure Objectives, having regard to the SAU Expenditure Factors.

2 The NBN Transformation Projects are reasonably required to achieve Commonwealth Government policy

NBN Connect policy

The Government's NBN Connect policy has a policy objective of:

- enabling 94 per cent of premises in NBN Co's fixed line network to have access to broadband connections capable of wholesale download speeds of up to 1 gigabit per second (Gbps) by 2030 and giving the remaining FTTN premises access to higher speeds (**speed objective**); and
- enhancing the overall reliability of the NBN (**reliability objective**).

¹ <https://www.nbnco.com.au/corporate-information/media-centre/media-statements/upgrades-for-remaining-homes-businesses-on-fttn>

The NBN Connect policy is reflected in statements made by the Government on 13 January 2025 as part of the announcement of the Government's support for the NBN Transformation Projects with an equity injection of up to \$3 billion.²

The NBN Connect policy is consistent with the Government's statements about the role of the National Broadband Network (NBN), and the benefits it will provide to all Australians, made when the Government legislated to keep NBN Co in public hands on 27 March 2025. The Second Reading Speech for the National Broadband Network Companies Amendment (Commitment to Public Ownership) Bill 2024 stated that '[a]n NBN that provides fast, reliable and affordable connectivity is critical to Australian households and businesses having access to key services to drive productivity growth and support digital inclusion and equitable access.'

The NBN Connect policy is also aligned with the NBN's purpose set out in the Government's Statement of Expectations issued to NBN Co on 19 December 2022 to guide the company so that its strategic direction is aligned with Government objectives.³ The Statement of Expectations states that the 'enduring purpose of the NBN is to provide fast, reliable and affordable connectivity to enable Australia to seize the economic opportunities before it and service the best interests of consumers.'

NBN Transformation Projects are reasonably required to achieve Commonwealth Government's NBN Connect policy

Speed objective – 94 per cent of fixed line network able to access up to 1 Gbps wholesale download speeds

FTTN technology was designed to achieve a maximum wholesale download speed of 100 megabits per second (Mbps). This means premises connected through FTTN technology are not able to achieve wholesale download speeds of up to 1 Gbps now and into the future. Therefore, premises limited to access to FTTN technology cannot contribute to achieving the NBN Connect policy speed objective outcome of 94 per cent of the fixed line network having access to wholesale download speeds of up to 1 Gbps.

NBN Co has undertaken the 3.5m Upgrade Projects within parts of its FTTN footprint since 2020 that will, by December 2025, mean that 3.5 million premises in that footprint have access to FTTP technology which is capable of supporting 1 Gbps wholesale speeds. Since 2020, NBN Co has also:

- upgraded its HFC network to give premises within that footprint access to gigabit capability
- given premises in its Fibre to the Curb (FTTC) network access to FTTP technology.

² <https://minister.infrastructure.gov.au/rowland/media-release/only-labor-will-finish-nbn-and-keep-nbn-co-public-hands>

³ <https://www.infrastructure.gov.au/sites/default/files/documents/December-2022-NBN-Co-SOE.pdf>

The outcome of these upgrade projects will be that, by December 2025, up to 90 per cent of premises in NBN Co's fixed line network will have access to wholesale download speeds of up to 1 Gbps.

Therefore, additional upgrade projects, namely the NBN Transformation Projects, are required to achieve the NBN Connect policy's speed objective.

The NBN Transformation Projects are expected to provide more than 95 per cent of the around 622,000 remaining FTTN premises with access to gigabit capability through FTTP technology. This will be sufficient to achieve the NBN Connect policy's speed objective outcome of 94 per cent of the fixed line network having access to wholesale download speeds of up to 1 Gbps. As part of the NBN Transformation Projects, the remaining less than five per cent of FTTN premises require further design work to confirm the appropriate upgrade path for them to access higher speeds.

For premises to access FTTP capability, fibre lead-ins will need to be constructed to the premises. The NBN Premises Upgrade Project includes the construction of those lead-ins. The construction of lead-ins mostly occurs on a demand driven basis. Based on NBN Co's current demand forecasts, the majority of the lead-ins would be completed by 2031-32, but NBN Co will continue to make ongoing connection-related expenditure after this period to upgrade end users.

Reliability objective

The NBN Transformation Projects are also critical to delivering enhanced service reliability on the NBN in line with the NBN Connect policy's reliability objective.

FTTN technology utilises legacy copper infrastructure for connections to premises. Copper lines, particularly those that are aged, can experience reduced speed, instability or cease working completely as a result of external factors such as water ingress. These copper connections, which can be up to a kilometre in length, suffer degradation over time.

Recent measurements indicate NBN Co's FTTN footprint shows a degradation rate of around 4 to 6 per cent per annum. An increasing number of premises in the FTTN footprint are expected to experience lower reliability over time due to this degradation and eventually some may not be able to meet the minimum statutory wholesale speed requirement of 25/5 Mbps.

In contrast, fibre is more durable and supports high levels of reliability for premises connected through FTTP technology. This means that upgrading premises with FTTP technology will result in lower fault rates, less dropouts and greater speed predictability to achieve the NBN Connect policy's reliability objective.

NBN Co's June 2025 reporting on its service quality and network performance⁴ demonstrates the superior performance of FTTP technology relative to FTTN technology. For example, the

⁴ <https://www.accc.gov.au/by-industry/telecommunications-and-internet/service-quality-and-network-performance-record-keeping-rule-for-superfast-broadband-networks/june-quarter-2025-data>

FTTP footprint reported a significantly smaller number of services impacted by unexpected dropouts per 1,000 services in operation compared to the FTTN footprint.

FTTP technology is also more resilient to extreme weather events. For example, during ex-Tropical Cyclone Alfred in March 2025, NBN Co observed that, compared to other fixed-line premises, FTTP premises experienced fewer outages. In addition, outages on FTTP premises were more quickly resolved following restoration of power.

Role of alternative technologies in supporting NBN Connect policy

Given Australia's vast size, diverse geography and population distribution, it is essential that the provision of broadband to Australian homes and businesses relies on a mix of technologies to deliver equitable and reliable connectivity. While fibre networks are the backbone of high-speed, high-capacity broadband, satellite and fixed wireless technologies remain better suited to serving areas with lower population density or which are not suitable to reach via fixed-line technologies.

As described above, more than 95 per cent of the remaining FTTN premises will obtain access to FTTP technology through the NBN Transformation Projects. The remaining less than five per cent of the remaining FTTN premises will be given access to either fixed wireless or satellite⁵ technologies.

While there are limitations in speeds and standards with these technologies as compared to FTTP, and unlike FTTP only a limited number of services can be provided on these technologies in an area before performance is affected, they will be critical in supporting the NBN Connect policy where it will not be feasible to use FTTP.

FTTN premises being given access to these alternative technologies will have the opportunity to receive higher speeds than are available through FTTN technology. It will also allow a transition away from FTTN technology that, as described above, will be affected by lower reliability over time due to the degradation of copper infrastructure.

The scope of the NBN Network Upgrade Project includes any required upgrades to fixed wireless infrastructure, and the scope of the NBN Premises Upgrade Project includes works associated with connecting premises to an alternative access technology (such as satellite connectivity) as appropriate.

Number of remaining FTTN premises

The number and type of premises within the NBN footprint, including the FTTN footprint, is dynamic. It changes as the number of physical premises on the network change including as a result of industrial, commercial and residential building activity and when the data set of premises on the NBN is supplemented with updated information. Changes may also arise due to programs undertaken by NBN Co to replace underperforming copper lines with fibre that are not considered part of the NBN Transformation Projects.

⁵ In particular, low earth orbit satellite (LEOSat) technology.

Changes will also arise from the detailed upgrade design work conducted over the first 12 to 24 months of the project to determine the appropriate technology upgrade pathway for approximately five per cent of the remaining FTTN premises footprint.

NBN Co estimated in January 2025 that approximately 622,000 FTTN premises will be within the scope of the NBN Transformation Projects. However, due to the above factors, the final number of premises may be different to 622,000 premises. The Government's policy is that all remaining premises on the FTTN network will be able to place an order for, and connect to, a higher speed service with their chosen retail service provider at the completion of the NBN Transformation Projects.

3 The NBN Transformation Projects serve the public interest

The NBN Transformation Projects, in giving the remaining FTTN premises access to higher speeds, more reliable services and improved user experience, are expected to result in the following benefits:

- consumer and connectivity benefits, including in regional and remote Australia
- long term benefits to the efficiency and operation of the network
- whole of economy, productivity and employment benefits
- market and competition benefits
- other social benefits.⁶

Importantly, these benefits are not limited to the upgraded FTTN premises and will accrue to the Australian community and economy more broadly.

NBN Co has commissioned studies from Accenture and Ember Advisors on the impact of the NBN and the NBN Transformation Projects.⁷ The Accenture research looks at the economic and social impacts of investment in the NBN. The Ember Advisors research separately looks at the social impact of the NBN. Together, they indicate that the NBN improves the wellbeing of Australians and serves the public interest.

Consumer and connectivity benefits, including in regional and remote Australia

Consumers being upgraded from FTTN technology to FTTP technology through the NBN Transformation Projects will experience a range of benefits. They include:

- access to high-speed services including gigabit services that would otherwise not be available on the FTTN network
- more reliable and resilient services less susceptible to interference and with fewer faults

⁶ These benefits align with the Government Policy Project Notice Explanatory Note dated November 2024.

⁷ <https://www.nbnco.com.au/corporate-information/about-nbn-co/corporate-plan/financial-and-strategicreports>

- expected higher consumer satisfaction since FTTP end users generally have better service satisfaction compared to FTTN end users.

Enabling consumers to have better connectivity through the NBN Transformation Projects is expected to increase the positive social impacts from the access and use of the NBN. The Ember Advisors report⁸ indicates positive social impacts, particularly in regional and remote Australia, from broadband connectivity. These positive impacts include:

- better employment outcomes including through being able to undertake remote work
- improved education outcomes through options such as online learning
- positive health and wellbeing (for example from telehealth)
- social and community connectedness from being able to access news or community information
- avoided emissions (such as from telework and online studies that require less commute).

NBN Co forecasts that over 50 per cent of the footprint of the NBN Transformation Projects is considered regional.⁹ Therefore, the consumer and connectivity benefits from the NBN Transformation Projects will flow particularly to regional Australia. Further, the positive social impacts from connectivity identified above are particularly beneficial in regional and remote Australia.¹⁰

Long term benefits to the efficiency and operation of the network

As described above, the legacy copper infrastructure in the FTTN network is affected by ongoing degradation, which adversely impacts service reliability and NBN Co's ability to meet required service standards.

By allowing for the eventual decommissioning of the FTTN network and replacement with more resilient and reliable FTTP technology, the NBN Transformation Projects will bring significant long-term benefits to the efficiency and operation of the NBN. In particular, the more reliable FTTP network is expected to:

- require fewer truck rolls or field visits
- enable NBN Co to remediate FTTN premises not meeting minimum legislative standards or experiencing poor performance
- simplify the operation and maintenance of the NBN by consolidating the number of access technologies being used in the network
- reduce electricity consumption (see other social benefits below).

⁸ <https://www.nbnco.com.au/corporate-information/media-centre/media-statements/nbn-social-impact-measurement-fy24-report>

⁹ This estimate is based on the regional definition under the Australian Bureau of Statistics' Section of State (SOS), where any location outside the SOS marked as 'Major Urban' is defined as regional.

¹⁰ <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/reports-and-publications/nbn-social-impact-measurement-fy24-insights-report.pdf.coredownload.pdf>

NBN Co projects that it can benefit from up to \$85 million in operational savings and up to \$322 million in avoided capital expenditure (for example, remediating copper lines that would eventually degrade) as a result of the NBN Transformation Projects.

Further, by moving away from the FTTN technology, NBN Co has a pathway to avoid potential supply chain risks that could arise if FTTN suppliers were to end support for end of life FTTN equipment.

Whole of economy, productivity and employment benefits

The Government expects that increased access to fast and reliable broadband services provided through the NBN Transformation Projects will result in higher productivity, increased economic growth, more jobs and the creation of new businesses.

Households and businesses having access to ubiquitous, fast and reliable broadband increases productivity in a range of ways. This supports economic growth, reflecting its critical importance to a modern economy increasingly dependent on access to digital services.

The NBN Transformation Projects are expected to benefit households by giving them access to new employment opportunities. For example, residential NBN users would be able to work from home and undertake remote work that require substantial and reliable download and upload capabilities. Further, they would be able to access digital markets to access information, goods and services (for example, high-quality image and video files). In addition, households can benefit from time and cost savings from undertaking online activities (such as online studies) rather than doing them in-person.

For businesses, the Government expects that the fibre upgrades would provide new opportunities for them to reduce their costs. Through digital solutions such as automation and cloud computing, the Government expects them to realise savings that would flow across the economy. In an increasingly digitalised economy, the Government sees opportunities for innovative Australian businesses to increase their revenue by pursuing new business models that may require a quality broadband connection to enable capabilities such as Internet of Things and access to new digital markets. The faster and more reliable broadband experience from the NBN Transformation Projects should therefore enable the creation and growth of innovative businesses and jobs within the Australian economy.

Accenture's economic research indicates that a faster NBN will increase Australia's Gross Domestic Product (GDP). It found that for every one Mbps increase in average broadband speed, Australia's productivity-driven GDP increased by 0.04 per cent, on average, in the period from 2012 to 2022.¹¹

Accenture has forecast¹² the NBN Transformation Projects would:

- contribute an additional \$3.7 billion to Australia's GDP annually by 2034

¹¹ <https://www.nbnco.com.au/corporate-information/media-centre/media-statements/accenture-economic-modelling-reveals-gdp-benefits-of-faster-stronger-nbn>

¹² <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/reports-and-publications/accenture-economic-impact-of-completing-fttn-upgrade.pdf.coredownload.pdf>

- deliver an estimated \$10.4 billion increase in GDP cumulatively between 2026-2034
- enable the creation of 10,000 additional jobs and 4,000 additional businesses over the decade to 2034.

Accenture's research found that, relative to major cities, the economic impact derived from increases in average broadband speeds was 16 times greater in remote areas of Australia and twice as profound in regional areas.¹³

Apart from the productivity and growth benefits the NBN Transformation Projects will provide to the economy as whole, it will also provide significant direct employment and local industry benefits. At a project level, the delivery of the NBN Transformation Projects will provide direct employment and provide opportunities for local businesses to supply material and equipment used in its rollout.

NBN Co will leverage Australian-based manufacturers to supply the optic fibres required for the NBN Transformation Projects. NBN Co expects it would introduce approximately 25,000 kilometres of new fibre optic cabling into the NBN by 2030. NBN Co also expects to engage Australia-based manufacturers of pits and pipes to support the NBN Transformation Projects. The company estimates that it would require around 10,600 kilometres of pit and pipe infrastructure for the NBN Transformation Projects.

NBN Co has estimated that the number of people engaged in the project externally to the company would reach approximately 3,300 roles over 2025-26 to 2028-29 as peak fibre construction activities occur. These roles include but are not limited to civil engineers, general labourers, civil construction labourers, horizontal drill rig operators, fibre technicians, traffic controllers, fibre designers, quantity surveyors, health, safety and environment officers, specialist heritage consultants, project managers, site managers, warehouse staffing and administrators among others. In the absence of the NBN Transformation Projects, this workforce would not be required by NBN Co beyond December 2025.

Around 10 per cent of NBN Co's external workforce is supplied directly by the company's delivery partners. The remaining 90 per cent comprises small to medium enterprises contracted by NBN Co's delivery partners.

Market and competition benefits

The NBN is a critical piece of national infrastructure that supports Australia's digital economy. NBN Co's role as a wholesale only broadband provider providing access to retailers on non-discriminatory terms is critical to promoting competition in the retail broadband market in a manner that promotes the long-term interests of Australians.

There are now almost 150 retailers providing end users with internet access through the NBN. Smaller retailers in particular have increased their share of the retail broadband market from 16 per cent to 21 per cent from 2022 to 2024.¹⁴ The diversity of retailers provides more

¹³ <https://www.nbnco.com.au/corporate-information/media-centre/media-statements/accenture-economic-modelling-reveals-gdp-benefits-of-faster-stronger-nbn>

¹⁴ <https://www.accc.gov.au/system/files/communications-market-report-2023-24.pdf>

choices to consumers by offering a range of NBN plans, from lower priced budget plans through to high-speed premium plans.

Following the completion of the NBN Transformation Projects, the Government expects that NBN retailers would be able to develop, market and support new products that require gigabit capabilities. This should produce more product choices for consumers and introduce new competition on the provision of gigabit services.

Other social benefits

As outlined above, the NBN Transformation Projects provide a range of connectivity benefits that benefit the community. This would enable more end users to benefit from quality employment, access to online information, digital goods and services and savings from being able to undertake online activities that would require higher speeds and reliability. This is expected to also improve the equity of access since more consumers can access gigabit speeds in a more reliable manner.

The NBN Transformation Projects will also assist NBN Co and consumers to support Australia's net zero future. The operation of the FTTP technology is expected to require less electricity compared to the operation of the FTTN technology since the FTTN footprint requires powered electronic nodes. The more reliable FTTP services should also require less truck rolls to maintain which could mean avoided emissions from field visits. NBN Co estimates that it will require approximately 60 gigawatt hours less to operate a full-fibre network each year rather than a network with other fixed-line technologies.

As discussed above, consumers can avoid emissions from commuting through the uptake of remote work and more online activities. Through the application of digital technologies, businesses can also manage their energy use more efficiently (for example, through the use of an electricity monitoring device supported by digital connectivity).

Further, the reliability of fibre technology would support greater network resilience against climate change (for example, requiring less work to respond to weather related events).

Schedule 2 – NBN Network Upgrade Project

1 Scope of the NBN Network Upgrade Project

(a) Overview of the NBN Network Upgrade Project

The NBN Network Upgrade Project is the delivery of upgrades comprising:

- construction of the local fibre network (LFN); and
- any design and construction of fixed wireless network infrastructure (FWI) for those premises upgraded with fixed wireless technology

up to the point that the remaining premises in FTTN areas that will be serviced using FTTP and fixed wireless technology can place an order for a higher speed service with their chosen retail service provider.¹⁵

The construction of the LFN will enable at least 95 per cent of the remaining premises still serviced by FTTN technology to place an order for a higher speed service using FTTP technology. The balance of the remaining premises that are not upgraded through FTTP will be connected using an alternative access technology.

The NBN Network Upgrade Project relates to FTTN premises that are located in areas which will not form part of the 3.5m FTTP Upgrade Projects.

(b) Key elements of the NBN Network Upgrade Project and the outcomes it is expected to deliver

Key elements

The NBN Network Upgrade Project involves:

- LFN component¹⁶ (for premises to be upgraded to FTTP): Construction of the network up to the point that premises can place a higher-speed service plan order with their chosen retail service provider. The LFN component covers construction until:
 - if aerial upgrades are required and aerial infrastructure is situated on the customer premises, up to and including any work on the backyard pole network
 - otherwise, the boundary of the premises that would order the higher-speed service, being:
 - in respect of a single dwelling unit, the property boundary; and
 - in respect of a multi dwelling unit, the front door of the unit.
- FWI component (for premises to be upgraded using fixed wireless technology): Any design and construction of fixed wireless network infrastructure, up to the point that premises can place a high-speed service plan order with their chosen retail service

¹⁵ NBN Co is not expected to design or construct any satellite infrastructure as part of the NBN Network Upgrade Project since the company is expected to only procure access to applicable satellite infrastructure from another provider. Accordingly, the provision of satellite connectivity to any remaining premises in FTTN areas falls within the scope of the NBN Premises Upgrade Project.

¹⁶ This component also includes transit and distribution network augmentation.

provider. This involves any required construction and other works from network backhaul to the tower and including any equipment on the tower (including any passive equipment), up until the “air interface” beyond the 4G or 5G antenna system.

Outcomes

NBN Co has indicated it expects that more than 95 per cent of the homes and businesses within the remaining premises in FTTN areas will be covered by the LFN constructed as part of the NBN Network Upgrade Project and will have the option to upgrade to a higher-speed service using FTTP technology as a result of the NBN Network Upgrade Project.

For premises where an alternative technology will be required, the NBN Network Upgrade Project will deliver fixed wireless network infrastructure (where required) to enable premises to have the option to upgrade to a higher speed service where fixed wireless is the alternative technology that is used.

(c) Restrictions or requirements the Commonwealth Government has placed on the delivery of the NBN Network Upgrade Project

The local fibre network and fixed wireless infrastructure constructed in respect of the remaining FTTN premises must enable:

- at least 95 per cent of those premises to order a higher-speed service using FTTP technology; and
- up to 5 per cent of those premises to order a higher-speed service using fixed wireless or satellite technology.

The circumstances in which non-fixed line technologies will be deployed will be determined by NBN Co having regard to a methodology to be agreed by the Commonwealth.

(d) Expected timeframe for delivery of the elements and outcomes of the NBN Network Upgrade Project

The LFN component and FWI component of the NBN Network Upgrade Project are expected to be delivered progressively.

For the premises where NBN Co will enable the option to order a higher-speed service using FTTP technology, the construction of the LFN component is expected to be completed by 31 December 2030.

For any premises that NBN Co will enable the option to order a higher-speed service using alternative technologies that will be supported by upgraded fixed wireless technology, construction of the FWI component is also expected to be completed by 31 December 2030.

(e) Forecast expenditure associated with the NBN Network Upgrade Project

The forecast expenditure associated with the NBN Network Upgrade Project comprises Capital Expenditure incurred, or forecast to be incurred, by NBN Co to complete the NBN Network Upgrade Project. NBN Co has not forecast any Operating Expenditure associated with the NBN Network Upgrade Project.

The forecast Capital Expenditure associated with the NBN Network Upgrade Project, in total and per financial year, is stated in the tables below. The forecasts are set out in nominal dollar terms (based on current assumptions of future inflation) and in real FY14 dollar terms (such that the forecasts can account for actual inflation over time). The forecasts are subject to change such that actual expenditure in a given year may be different to the forecast below, including due to differences between forecast and actual inflation over time.

Capital expenditure (\$ million)	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	Total
As incurred, nominal	66.94	689.17	1028.51	944.64	646.17	369.73	83.81	0	0	0	0	0	0	0	0	0	3828.96
As commissioned, nominal	4.00	71.54	688.02	1027.31	945.99	644.27	364.23	83.61	0	0	0	0	0	0	0	0	3828.96
As commissioned, real FY14 dollars	2.98	51.65	483.68	704.58	632.99	420.58	231.97	51.95	0	0	0	0	0	0	0	0	2580.39

(f) Description of how the NBN Network Upgrade Project will be funded

The Commonwealth has agreed to invest up to \$3,021,374,000 to support the NBN Network Upgrade Project. This funding will be provided through equity investments from the Commonwealth into NBN Co.

NBN Co has committed \$800 million for the NBN Network Upgrade Project. This funding will come from NBN Co's cashflow from operations and the company's access to commercial debt in line with its capital management strategy.

No grant funding is being provided by the Commonwealth to NBN Co to fund the NBN Network Upgrade Project.

2 Maximum amounts of Capital Expenditure and Operating Expenditure associated with the NBN Network Upgrade Project

For each Financial Year t between Financial Year 2024-25 and Financial Year 2039-40, the maximum amount of Capital Expenditure (on an as commissioned real FY14 dollars basis) associated with the NBN Network Upgrade Project for that Financial Year is:¹⁷

$$\text{Fixed Amount}_t + \text{Previous Regulatory Cycle Rollover Amount}_t$$

where:

¹⁷ The aggregate of the maximum amounts is no greater than the total forecast expenditure (on an as commissioned real FY14 dollars basis) associated with the NBN Network Upgrade Project set out in section 1(e) above.

- (a) **Fixed Amount_t** means the ‘as commissioned real FY14 dollars’ amount of Capital Expenditure specified in the table below for Financial Year *t*.

Capital expenditure (\$ million)	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	Total
As commissioned, nominal	1.80	32.19	436.65	651.98	600.38												1723.00
As commissioned, real FY14 dollars	1.34	23.24	306.97	447.17	401.73												1180.44

- (b) **Previous Regulatory Cycle Rollover Amount_t** means:

- i. \$0.00, where Financial Year *t* is Financial Year 2024-25 or 2025-26; and
- ii. for each other Financial Year *t*, the sum of the Annual Rollover Amounts for each of the Financial Years in the Regulatory Cycle immediately before the Regulatory Cycle of which Financial Year *t* forms part, divided by the number of Financial Years in the Regulatory Cycle of which Financial Year *t* forms part.

- (c) **Annual Rollover Amount** means, in respect of a Financial Year:

- i. \$0.00, where actual Capital Expenditure (on an as commissioned real FY14 dollars basis) associated with the NBN Network Upgrade Project for that Financial Year is greater than or equal to the amount of Capital Expenditure specified (on the same basis) in the table at paragraph (a) above for that Financial Year; and
- ii. otherwise, the amount equal to the difference between actual Capital Expenditure (on an as commissioned real FY14 dollars basis) associated with the NBN Network Upgrade Project for that Financial Year and the amount of Capital Expenditure specified (on the same basis) in the table at paragraph (a) above for that Financial Year.

The maximum amounts of Capital Expenditure per Financial Year have been set having regard to managing the long-term cost implications for consumers that could result from this Government Policy Project Notice, and in response to feedback from the ACCC and NBN Co. They have been set based on advice, forecasts and assumptions considered to be reasonable and appropriate at a point in time.

NBN Co has not forecast any Operating Expenditure associated with the NBN Network Upgrade Project and, accordingly, a maximum amount of Operating Expenditure of \$0 is specified in this notice.

Note: The maximum amounts of Capital Expenditure set out in this section 2 relate to the recovery by NBN Co of its Capital Expenditure associated with the NBN Network Upgrade Project, rather than restricting the amount of Capital Expenditure that NBN Co can incur in undertaking the NBN Network Upgrade Project. This is because, under the SAU, the ACCC

may cap the amount of Capital Expenditure associated with the NBN Network Upgrade Project used as an input into the calculation of NBN Co's Annual Building Block Revenue Requirement (ABBRR), and the roll-forward value of the regulatory asset base, at the relevant maximum amounts set out in this section when making a Replacement Module Determination.

3 Elements of funding associated with maximum amount of Capital Expenditure and Operating Expenditure

The elements of the funding of the NBN Network Upgrade Project that is associated with the maximum amount of expenditure specified pursuant to section 2 above is funded by \$800 million from NBN Co's cashflow and the residual amount is funded by the up to \$3,021,374,000 from the Commonwealth.

Schedule 3 –NBN Premises Upgrade Project

1 Scope of the NBN Premises Upgrade Project

(a) Overview of the NBN Premises Upgrade Project

The NBN Premises Upgrade Project involves the connection of remaining FTTN premises to FTTP technology or an alternative technology that enables the supply of a higher-speed service as a result of work under the NBN Network Upgrade Project.

The NBN Premises Upgrade Project relates only to FTTN premises that are located in areas that do not form part of the 3.5m FTTP Upgrade Projects.

(b) Key elements of the NBN Premises Upgrade Project and the outcomes it is expected to deliver

Key elements

The NBN Premises Upgrade Project involves:

- FTTP Lead-Ins component (for FTTP connections): the FTTP lead-ins component consists of the work undertaken on the customer premises, including installation of a fibre lead-in, a network termination device and optionally a premises connection device, so as to enable activation activity.
- Fixed Wireless Customer Component (for alternative technologies with a fixed wireless component): This consists of any work undertaken on the customer premises to fulfil a customer order for a fixed wireless service.
- Satellite Customer Component (for alternative technologies involving a satellite service): This consists of any work undertaken on the customer premises to fulfil a customer order for a satellite service.

Outcomes

The outcome of this NBN Premises Upgrade Project will be the connection of those remaining FTTN premises to:

- FTTP technology which is capable of supplying a higher-speed service
- an alternative technology which is capable of supplying a higher-speed service using non-fixed line technologies such as fixed wireless or satellite technologies.

(c) Restrictions or requirements the Commonwealth Government has placed on the delivery of the NBN Premises Upgrade Project

Following the completion of the necessary works under the NBN Network Upgrade Project, NBN Co must enable premises in remaining FTTN areas to connect to FTTP technology or an alternate access technology such as fixed wireless or satellite.¹⁸

¹⁸ The NBN Network Upgrade Project must enable at least 95 per cent of remaining FTTN premises to order a higher-speed service using FTTP technology.

The circumstances in which remaining FTTN premises will be connected to a non-fixed line technology will be determined by NBN Co having regard to the methodology agreed by the Commonwealth.

(d) Expected timeframe for delivery of the elements and outcomes of the NBN Premises Upgrade Project

The outcomes of the NBN Premises Upgrade Project are expected to be delivered progressively as areas are upgraded and individual premises have access to higher speed services.

For the premises that NBN Co will enable to order a higher-speed service using FTTP technology under the NBN Premises Upgrade Project:

- NBN Co is expected to complete the majority of the lead-in connections by 2031-32.
- NBN Co would need to continually make connection-related capital expenditure beyond 2031-32.

For any premises that NBN Co will enable to order a higher-speed service using non-fixed-line technologies, the decision to do so will be determined on a case-by-case basis. NBN Co is therefore expected to complete these connections throughout the duration of the NBN Premises Upgrade Project.

(e) Forecast expenditure associated with the NBN Premises Upgrade Project

The forecast expenditure for the NBN Premises Upgrade Project comprises of Capital Expenditure and Operating Expenditure incurred, or forecast to be incurred, by NBN Co to complete the NBN Premises Upgrade Project.

The forecast expenditure associated with the NBN Premises Upgrade Project, in total and per financial year is stated in the table below. The forecasts are in nominal terms and are subject to change such that actual expenditure in a given year may be different to the forecast below, including due to differences between forecast and actual inflation over time.

(\$ million)	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	Total
As incurred	0	19.99	35.08	45.07	180.81	170.4	222.82	257.98	57.51	59.04	60.35	37.80	14.28	12.23	9.97	7.52	1190.84
nominal																	

(f) Description of how the NBN Premises Upgrade Project will be funded

NBN Co will fund the NBN Premises Upgrade Project. This funding will come from NBN Co's cashflow from operations and the company's access to commercial debt.

No grant or equity funding is being provided by the Commonwealth to NBN Co to fund the NBN Premises Upgrade Project.

Schedule 4 –Reporting requirements

1 Reporting requirements

NBN Co is required to report to the Department and copy to the ACCC the information specified in section 2 (for the NBN Network Upgrade Project) and section 3 (for the NBN Premises Upgrade Project) of this Schedule 4 for each reporting period¹⁹ from 31 December 2025 until:

- the completion of the NBN Network Upgrade Project, in relation to the reporting in section 2 (for the NBN Network Upgrade Project)
- the completion of the NBN Premises Upgrade Project, in relation to the reporting in section 3 (for the NBN Premises Upgrade Project).

NBN Co must identify any information in a report that is commercial-in-confidence at the time NBN Co provides the relevant report. NBN Co is required to submit the report within one calendar month after the end of each reporting period.

NBN Co is also required to publish on its website public versions of the reporting it provides to the Department, with commercial-in-confidence material removed or redacted unless any such material is to be published on the specific direction of the Department. This report should be published within 15 business days (days that are not Saturday, Sunday or a public holiday in Sydney) after the submission of NBN Co's report to the Department for the relevant reporting period.

Where actual values are not available, NBN Co can report estimates and/or proxies as reasonable to satisfy the relevant reporting requirement while the informational limitations are addressed.

2 Reporting requirements for the NBN Network Upgrade Project

Progress on delivery of the NBN Network Upgrade Project

For each reporting period, NBN Co must report:

- the number of FTTN premises with construction commenced on LFN or FWI components that will enable connection of those premises to higher speed services
- the number of FTTN premises with construction complete on LFN or FWI components that will enable connection of those premises to higher speed services
- the number of FTTN premises which are Ready to Order²⁰ within the areas covered by the NBN Network Upgrade Project
- the difference between actual progress on delivery of the NBN Network Upgrade Project for the reporting period against the forecast in the previous report.

¹⁹ Reporting period means each 6-month period ending on 30 June and 31 December in a year, or any part thereof. From 31 December 2030, the reporting period means each 12-month period ending on 31 December in a year, or any part thereof.

²⁰ This means being able to order a higher speed service provided over a FTTP connection.

NBN Co must report updated forecasts on the expected progress on delivery of the NBN Network Upgrade Project for the next reporting period in each of its reports until the completion of the NBN Network Upgrade Project.

Expenditure incurred on the NBN Network Upgrade Project

For each reporting period, NBN Co must report:

- actual capital expenditure²¹ incurred on the NBN Network Upgrade Project
- actual operating expenditure (if any) incurred on the NBN Network Upgrade Project
- explanation of any deviation between the actual capital expenditure and operating expenditure incurred on the NBN Network Upgrade Project and the forecast capital expenditure stated in the previous report.

NBN Co must report updated forecasts on the expected expenditure to be incurred by the NBN Network Upgrade Project for the next reporting period in each of its reports.

Sources of funding obtained and used for the NBN Network Upgrade Project

For each reporting period, NBN Co must report:

- NBN Co's receipt of Commonwealth funds for the NBN Network Upgrade Project in that reporting period
- NBN Co's financial contribution towards the NBN Network Upgrade Project in that reporting period.

Material changes

For each reporting period, NBN Co must report if there are material changes²² that would adversely affect the completion of the NBN Network Upgrade Project. Should this occur, NBN Co must report an updated implementation forecast.

²¹ Capital expenditure should be categorised as either Build or Other costs.

²² Material changes includes differences greater than 5 per cent on a total project basis.

Certification

NBN Co must certify that each report relates solely to premises within the NBN Network Upgrade Project, and that any construction activities or expenditures relating to premises that were covered by the prior 3.5m FTTP Upgrade Projects have not been included.

3 Reporting requirements for the NBN Premises Upgrade Project

Progress on achievement of the outcomes expected from the NBN Premises Upgrade Project

For each reporting period, NBN Co must report:

- the number of FTTN premises upgraded with FTTP technology due to ordering an eligible high-speed plan separately for each of the NBN Premises Upgrade Project and the 3.5m FTTP Upgrade Projects
- the number of FTTN premises upgraded with FTTP technology due to reasons other than ordering an eligible high-speed plan separately for each of the scope of the NBN Premises Upgrade Project and the 3.5m FTTP Upgrade Projects
- the number of FTTN premises upgraded with non-FTTP technology separately for each of the NBN Premises Upgrade Project and the 3.5m FTTP Upgrade Projects
- the average ordered speed of FTTN premises upgraded separately for each of the scope of the NBN Premises Upgrade Project and the 3.5m FTTP Upgrade Projects
- the number of service faults²³ categorised by either FTTN or FTTP technology within the NBN Premises Upgrade Project footprint
- the difference between actual progress on achievement of the outcomes expected from the NBN Premises Upgrade Project for the reporting period against the forecast stated in the report for the preceding reporting period.

NBN Co must report updated forecasts on the expected progress on achievement of the outcomes expected from the NBN Premises Upgrade Project for the next reporting period in each of its reports.

Expenditure incurred on the NBN Premises Upgrade Project

For each reporting period, NBN Co must report:

- actual capital expenditure²⁴ incurred on the NBN Premises Upgrade Project
- actual operating expenditure (if any) incurred on the NBN Premises Upgrade Project due to undertaking the NBN Premises Upgrade Project
- explanation of any deviation between the actual capital expenditure and operating expenditure incurred on the NBN Premises Upgrade Project and the forecast expenditure period stated in the report for the preceding report.

NBN Co must report updated forecasts on the expected expenditure to be incurred by the NBN Premises Upgrade Project for the next reporting period in each of its reports.

²³ A service fault refers to a failure of an ordered product to perform as expected, due to issues with NBN infrastructure or other factors for which NBN Co is responsible, requiring rectification.

²⁴ Capital expenditure should be categorised as either Connect or Other costs.

Sources of funding obtained and used for the NBN Premises Upgrade Project

For each reporting period, NBN Co must report NBN Co's financial contribution towards the NBN Premises Upgrade Project in that reporting period.

Revenue associated with the NBN Premises Upgrade Project

For each reporting period, NBN Co must report:

- the estimated revenue derived from the services upgraded
- the estimated average revenue per user by technology

NBN Co must report updated forecasts on the expected revenue associated with the NBN Premises Upgrade Project for the next reporting period in each of its reporting.

Material changes

For each reporting period, NBN Co must report if there are material changes²⁵ that would adversely affect the completion of the NBN Premises Upgrade Project. Should this occur, NBN Co must report an updated implementation forecast.

Certification

NBN Co must certify that each report relates solely to premises within the NBN Premises Upgrade Project, and that any construction activities or expenditures relating to premises that were covered by the prior 3.5m FTTP Upgrade Projects have not been included.

NBN Co must certify that each report relates solely to expenditures incurred on the NBN Premises Upgrade Project, and that any expenditures relating to the NBN Network Upgrade Project have not been included.

²⁵ Material changes includes differences greater than 5 per cent on a total project basis.