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\$4.5 billion NBN investment to bring ultra-fast broadband to millions of families and businesses and create 25,000 jobs

Around eight million Australian homes will have access to ultra-fast broadband speeds of up to 1 Gigabit per second (Gbps) following an upgrade to the National Broadband Network (NBN).

The \$4.5 billion network investment plan will give up to 75 per cent of fixed line premises across regional and metropolitan Australia access to ultra-fast broadband by 2023.

It will be financed through NBN Co borrowing from private debt markets.

These investments, which incorporate NBN Co's Business Fibre Initiative announced yesterday, are estimated to create 25,000 new jobs across the country over the next two years, including the direct creation of 16,600 jobs in industries such as construction, engineering, project management, transport and retail trade among others, providing an important contribution to Australia's COVID-19 economic recovery.

Minister for Communications, Cyber Safety and the Arts, the Hon Paul Fletcher MP, said "The 2013 decision by the Coalition to roll out the NBN quickly, then phase upgrades around emerging demand, has served Australia well. It meant the NBN was available to almost all Australians when COVID-19 hit, giving us high speed home connectivity when we needed it most.

"And it means NBN Co is now well placed to invest in Australia's broadband infrastructure to meet Australians' growing appetite for faster speeds," Minister Fletcher said.

Finance Minister Mathias Cormann said "As well as refinancing the existing \$19.5 billion Commonwealth Government loan by 30 June 2024, NBN Co will bring forward these important investments in Australia's future broadband capability through private debt, which is possible due to its strong future cash flow position."

The network investment plan includes:

- \$3.5 billion to make NBN Co's highest wholesale speed tiers available, as demand arises, to up to 75 per cent of homes and businesses on the fixed-line network by 2023, including:

- taking fibre deeper into neighbourhoods serviced by Fibre to the Node (FTTN) technology, enabling on demand fibre upgrades and speeds of up to 1 Gbps
 - capacity upgrades on the Hybrid Fibre Coaxial (HFC) network to support the availability of up to 1 Gbps speeds to all customers on this technology
 - a program on the Fibre to the Curb (FTTC) network to deliver consistent speeds across this technology up to 100Mbps and then enable on-demand access to G.Fast capability to boost speeds to up to 1 Gbps
 - a line speed uplift program by resolving in-home cabling issues for premises on the FTTN network
- up to \$700 million to support business innovation, productivity and growth by making business-grade fibre services more affordable and accessible to more businesses
 - \$300 million of co-investment funding for NBN Co to partner with governments and local councils to further improve broadband services in regional Australia.

The NBN is available to more than 99 per cent of all premises in Australia, delivering on the Government’s commitment to provide fast, reliable and affordable broadband to Australians as soon as possible.

“From the outset the plan set out in our 2013 Strategic Review was to get the network rolled out as quickly as possible – and then deliver upgrades when there was demand for them. We’ve steadily delivered on our plan for seven years; the further investment announced today is exactly what our plan envisaged,” Minister Fletcher said.

“This is the right time for this network upgrade. There is a long term trend of broadband demand growth – with a very significant spike this year as COVID-19 has changed the way we use the internet.”

“This is a major infrastructure investment which will bring immediate demand stimulation, with some 25,000 new jobs over the next two years. Longer term it is estimated to increase Australia’s GDP by \$6.4 billion per annum by 2024. Around \$1.5 billion of this additional economic activity is estimated to flow to regional Australia annually,” Minister Cormann said.

“NBN Co’s network upgrades will enable millions of Australian homes across the country to access ultra-fast broadband by 2023. The Government is also prioritising regional connectivity through the \$300 million co-investment fund that enables NBN Co to partner with governments and local councils to deliver technology upgrades, particularly in fixed wireless and satellite areas.”

Under this investment program, in areas currently served by FTTN, all existing fibre infrastructure already built to nodes will be incorporated.

There will then be a further investment to take fibre deeper into neighbourhoods, through building local fibre networks that run along street frontages.

This approach will enable on-demand deployment of fibre lead-ins to households as their requirements exceed existing line-speed capability. This approach, used in the very successful fibre rollout in New Zealand, will avoid the costly mistakes made by Labor where expensive fibre lead-ins were built to all homes that in many cases did not yet require ultra-fast speeds.

Further details about the NBN Co upgrade program and debt financing are included in NBN Co’s

2020-21 Corporate Plan, which will be released later today.

For more information on these upgrades visit www.nbnco.com.au.

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