



THE HON PAUL FLETCHER MP

Minister for Communications, Urban Infrastructure, Cities and the Arts

MEDIA RELEASE

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NBN declared built and fully operational

The Minister for Communications, Cyber Safety and the Arts has made a formal declaration under s 48 of the *National Broadband Network Companies Act 2011* that the National Broadband Network should be ‘treated as built and fully operational.’

Under the Act the Minister must make such a declaration by 31 December 2020 – or formally extend the period within which such a declaration can be made.

In making this declaration Minister Fletcher has weighed up a number of factors, including:

- The number of premises able to connect to the NBN is over 11.86 million premises
- At NBN Co’s FY20 results announcement in August 2020 there were around 100,000 complex premises yet to be made ‘ready to connect’ (RTC), that number has now reduced substantially and is expected to be around 35,000 as at 31 December 2020
- New premises are being built all the time. This means that there will always be a number of premises around Australia that are not yet ‘ready to connect’. The fact that there is a certain number of premises which are not ready to connect is not of itself evidence that the network cannot be treated as ‘built and fully operational.’

Minister Fletcher required NBN Co to provide him with an extensive report on the network rollout and operational status covering the issues he is required to consider under the Act, before determining that he was in a position to make this declaration.

“In my view the evidence before me shows it is appropriate to make the declaration that the NBN should be treated as built and fully operational”, Minister Fletcher said.

‘Of course the government recognises that there are some premises which have not yet been made ready to connect – and I expect NBN Co to work as speedily as possible to make the network available to those premises.

‘The government also recognises that there is continuing work to enhance the capabilities of the network. Earlier this year we announced a \$4.5 billion upgrade to the NBN; the work to deliver that upgrade will be carried out over several years.

Also, in some areas the NBN can only operate at full speed once all legacy copper services are migrated to an NBN or alternative service, which typically takes 18 months from when the NBN commenced services in an area. To minimise interference to the legacy services of other carriers during this period, the NBN operates with reduced signal power which reduces network speeds.

‘But this doesn’t mean that NBN Co will stop developing. I fully expect that the Company will operate as a mature entity through continual improvement in the provision of quality services to its broadband retail customers, and ultimately to Australian households and businesses, as well as driving efficiency in its operations.

‘As with all large telecommunications networks, NBN Co will need to keep investing in additional network capacity, extend its network to connect new developments and remediate technical issues as they arise.

Background

Minister Fletcher has made this declaration after providing a rigorous assessment framework to NBN Co based on the requirements of the *National Broadband Network Companies Act 2011*. The company responded with a comprehensive report that addressed each element of the assessment framework.

Minister Fletcher declared that, in his opinion, the NBN should be treated as built and fully operational after reviewing the report from NBN Co. NBN Co’s report is available on the Department of Infrastructure, Transport, Regional Development and Communications website. [Report on assessment methodology: extent to which the NBN access network is built and fully operational \(communications.gov.au\)](http://communications.gov.au). A copy of the Minister’s declaration is also available from the Department’s website.

This declaration is one of the steps that must occur under the NBN Companies Act before NBN Co can be privatised, but does not automatically trigger any further steps.

The Government has stated that it will not be considering the privatisation of NBN Co during this term of Parliament.

The process for the sale of NBN Co is outlined under the *National Broadband Network Companies Act 2011*. There are a number of steps that are required to occur before a privatisation could be pursued, including an inquiry by the Productivity Commission. Each of these steps would take significant time.

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