

Corporate Plan 2024



LEGAL NOTICE

The Corporate Plan 2024 has been prepared by NBN Co Limited (NBN Co) for its shareholder ministers, the Hon Michelle Rowland MP and Senator the Hon Katy Gallagher (Shareholder Ministers) as required by the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act) (in particular section 95(1) (b) of the PGPA Act), the *Public Governance, Performance and Accountability Rule 2014* (Cth) (PGPA Rule), the Commonwealth Government Business Enterprise Governance and Oversight Guidelines (January 2018) (GBE Guidelines) and Australian Government policy as communicated to NBN Co by the Commonwealth from time to time (together, Reporting Obligations).

This Corporate Plan has been prepared for the 2023-24 financial year (FY24) and covers the reporting periods FY24 to FY27.

This Corporate Plan was authorised for publication in August 2023, and was made available on NBN Co's website.

GLOSSARY

Defined terms within this Corporate Plan should be read in conjunction with the Glossary on the NBN Co website: <https://www.nbnco.com.au/utility/glossary-of-terms>.

DISCLAIMER

This plan contains various projections, high-level estimates and other forward-looking information (Estimates). These Estimates are based on the best considered professional assessment of present economic and operating conditions, present Commonwealth Government policy, and a number of assumptions regarding future events and actions, which, at the date of this document, are expected to take place.

The Estimates involve known and unknown risks, uncertainties and other factors beyond control that may cause NBN Co's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the Estimates. While the Estimates are based on the best considered professional assessment, the Management team and officers (as defined in the *Corporations Act 2001* (Cth)) of NBN Co do not give any guarantee or assurance to any third party that the results, performance or achievements expressed or implied by the Estimates will actually occur, and the Estimates should not be relied on or considered to be a representation of what will happen by any third party.

Other than required according to Reporting Obligations, NBN Co and its officers have no obligation to update the Estimates based on circumstances, developments or events occurring after the publication date of this document.

Management and the Board do not give any guarantee or assurance that the results, performance or achievements expressed or implied by such Estimates will actually occur.

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2023 NBN CO ANNUAL REPORTING SUITE



Annual Report



Corporate Plan



Tax Transparency Report



Modern Slavery Statement

View reporting suite online

at nbn.tm/CorporateReports

Purpose and strategy



About NBN Co

The Company's purpose is to lift the digital capability of Australia

Established in 2009 as a Government Business Enterprise (GBE), NBN Co's principal responsibility is to operate and continue to build and upgrade the **nbn®** network in accordance with the expectations of the Government. NBN Co works to fulfil the objectives set out by its Shareholder Ministers in the latest Statement of Expectations¹ (SoE). On 19 December 2022, the Government issued a revised SoE, which supports the Company in continuing to deliver improvements to the network while keeping prices affordable.

The revised SoE confirms the Government will retain NBN Co in public ownership for the foreseeable future and expects the Company to provide fast, reliable and affordable connectivity across Australia. This connectivity is essential to enabling access to key services, maximising employment and educational opportunities, and driving productivity and economic growth.

In line with the revised SoE, NBN Co will focus on upgrading and improving the network to help enable the use of emerging and future technologies which meet future demand and promote innovation. The Company will also focus on developing new services to meet and anticipate the needs of Retail Service Providers (RSPs) and customers. NBN Co will operate on a commercial basis, drive efficiency and innovation and meet the highest standards of transparency, governance and accountability.

Operating environment

NBN Co was established to improve wholesale broadband services across the country, while also enabling the provision of reasonably priced services to consumers and businesses via RSPs.

As the network wholesaler, NBN Co provides wholesale-only broadband services and related activities to access seekers, including RSPs, on a non-discriminatory basis. It is through RSPs that customers connect to the **nbn®** network for access to high-speed internet.

This approach seeks to help level the playing field in the Australian telecommunications industry, enhancing competition and innovation and providing greater choice for customers across the country.

NBN Co operates in a competitive market. As such, the Company must always consider how customers can get the most out of the **nbn®** network, and appreciate the difference in service provision between the **nbn®** network and other options for connectivity such as mobile, low earth orbit satellites, and private fibre and fixed wireless networks.

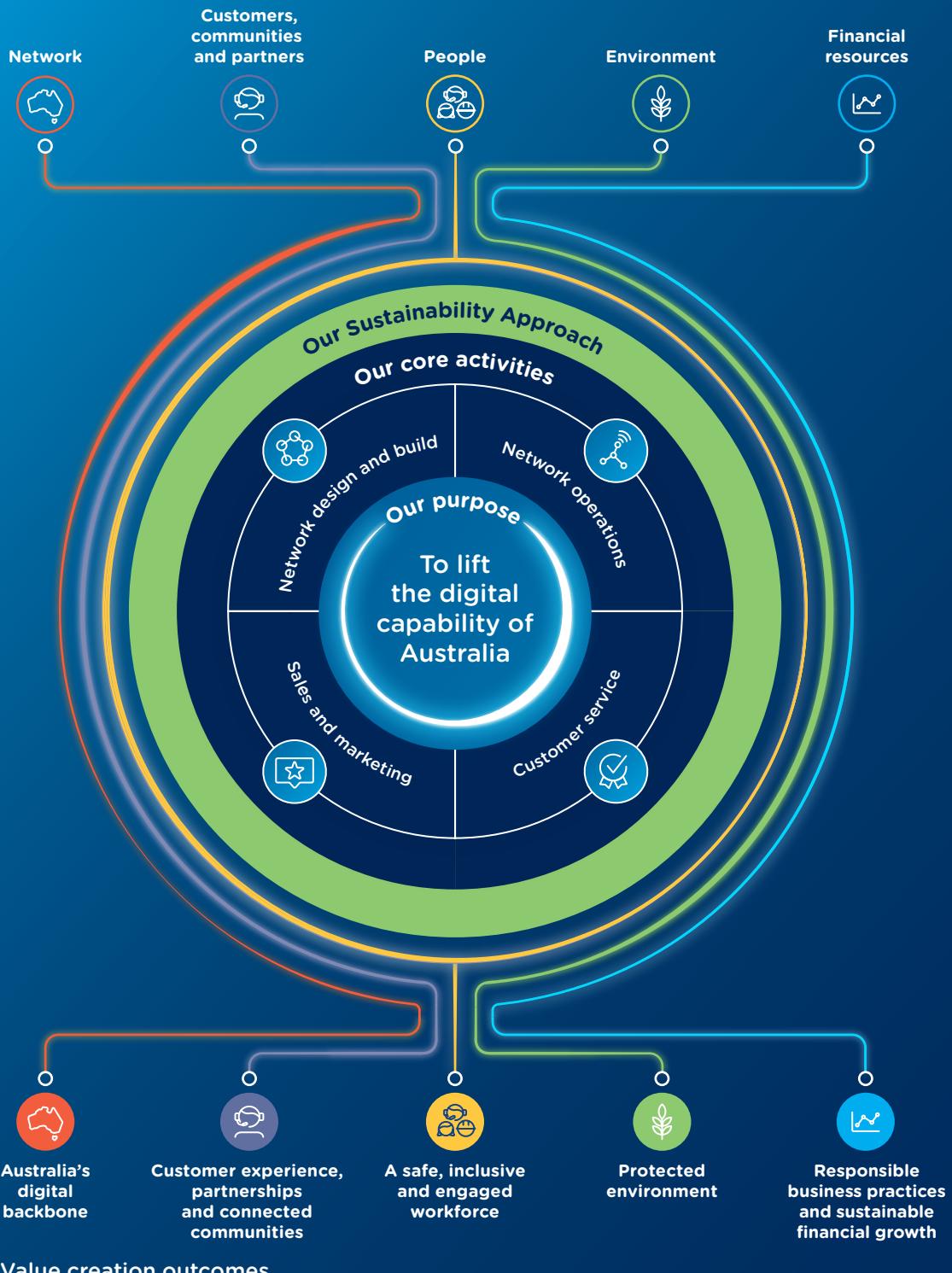
The Company's network investment plan is aimed at taking fibre deeper into communities, extending Fixed Wireless coverage and improving Fixed Wireless and Satellite capabilities, which are designed to deliver faster speeds and greater capacity, while continuing to deliver excellent customer experience.

The Company endeavours to support both RSPs and customers, so that customers connected to the network, and those who connect in the future, can do so at a reasonable price and be assured of receiving high-quality broadband over a fast, secure and reliable network.

1. nbn.com.au/StatementofExpectations22

How we create value

Our resources



Our purpose

To lift the digital capability of Australia

Our values

We are one team

We deliver

We are fearless

We care

Our resources

Network

A reliable, resilient and secure wholesale broadband network available to people across Australia.

Customers, communities and partners

Relationships with RSPs, customers, local communities, suppliers, government, regulators and industry groups.

People

Highly capable teams who contribute their knowledge and experience to deliver NBN Co's purpose and strategy.

Environment

Efficient use of natural resources to build and operate the network, helping to mitigate the causes and impacts of climate change.

Financial resources

Capital from our shareholders and lenders.

Our core activities



Network design and build



Network operations



Sales and marketing



Customer service

Our Sustainability Approach

Environmental

Climate adaptation
Climate change mitigation
Circularity and waste
Environmental protection

Social

First Peoples reconciliation
Digital inclusion
Decent, healthy and safe work
Diversity, equity and inclusion

Governance

Sustainability governance
Sustainable finance
Culture and capability
Collaborative partnerships

Value creation outcomes



Australia's digital backbone

As Australia's digital backbone and national telecommunications asset, the **nbn®** network is lifting the digital capability of Australia, enabling greater productivity, economic prosperity and social opportunity.



Customer experience, partnerships and connected communities

Working collaboratively with our industry, suppliers and partners to deliver excellent customer experience and make meaningful contributions to the communities we serve.



A safe, inclusive and engaged workforce

A safe, inclusive and engaged workplace where highly capable and motivated people live NBN Co's values and are empowered to deliver NBN Co's purpose and strategy.



Protected environment

A climate-resilient, resource-efficient network and business aligned with the latest climate science, which protects the natural environment and areas of cultural significance.



Responsible business practices and sustainable financial growth

Long-term responsible and sustainable financial growth to enable reinvestment in the network to benefit people across Australia.

Company Strategy

NBN Co's principal responsibility is to operate and continue to build and upgrade the **nbn®** network in accordance with the Government's Statement of Expectations (SoE) of December 2022. The SoE explicitly informs the Company's strategy.

The Government has stated that it will provide an equity investment of up to \$2.4 billion to NBN Co to upgrade the **nbn®** network to deliver fibre-ready access to a further 1.5 million premises by late 2025. The Company aims to achieve this by progressing the following strategic pillars:

Our strategy is underpinned by six strategic pillars:



Products & Pricing:
Develop a product and pricing portfolio that addresses our customers' diverse needs



Network:
Ensure everyone across Australia has access to high-speed, resilient and secure broadband



Customer:
Deliver a customer experience that drives satisfaction, use and network preference



Partnerships:
Strengthen relationships with government, industry and community to optimise customer benefits



Capabilities:
Build capabilities for the future and grow profitability to enable re-investment to benefit our customers



People:
Keep NBN Co a great place to work, underpinned by a customer-led culture

Responding to changing demand

NBN Co was established to improve wholesale broadband services across the country, while also enabling the provision of reasonably priced services to consumers and businesses via RSPs on a non-discriminatory basis.

The Company exists to help level the playing field in the Australian telecommunications industry, enhance competition and innovation and provide greater choice for customers across the nation. This will create access to new economic opportunities and different ways of working, accessing information and obtaining essential services which will ultimately improve social value for all people across Australia.

It is the Company's responsibility to continuously prepare for, and respond to these changes to the way humans interact, the way we live and work, the way our healthcare and education are delivered, the way we entertain, and the way society, politics and the economy works.

The future is digital and the **nbn®** network will need to deliver faster upload and download speeds and far greater capacity than ever before, which will require continuous innovation and investment in new architecture and new technologies as outlined in this Corporate Plan 2024.

The development of artificial intelligence and large language models will accelerate change. These fundamental changes are both reliant on and being driven by Australia and the world's accelerating digital economy.

This includes increasing consumer and business demand for data analytics, virtual reality, home security, new entertainment and streaming applications, innovations in education, video conferencing, new social media platforms, big data and cloud applications, machine learning, online healthcare, medical imaging and record-keeping and food production.



Over the last six years, data volumes have tripled across Australia. The growing need for broadband will reach even higher levels over the next decade as the internet continues to transform how we live and work, and even how the infrastructure within our cities communicates.

Australia's business community, from small and medium sized businesses to large enterprise and government organisations and institutions, is embracing digitisation like never before.

NBN Co is key to enabling these societal changes and evaluates the current and future broadband connectivity needs of the nation and selectively invests in the network and develops products to support customers and the economy.

The Company's fundamental strategy is to provide reliable, resilient and secure high-speed network infrastructure that meets the current and future needs of residential and business customers.

Building and maintaining strong, stable, resilient network infrastructure

It is in the Australian telecommunications industry's best interests that NBN Co is well funded and resourced to ensure the Company can continue to scale capacity and deliver fast, resilient and reliable network services for all customers now and into the future.

This will be best achieved by the agreement of a stable, predictable and consistent regulatory environment.

NBN Co's network investment strategy is designed to keep ahead of national data demand and help unlock social and economic benefits for the nation. In order to successfully execute ongoing investment into the network, NBN Co needs to be able to maintain its ability to earn a reasonable and sustainable commercial rate of return. This will enable the Company to maintain the quantum and pace of investment in the network that will be necessary in the years and decades ahead to support Australia's rapidly growing digital economy, and underpin the acceleration of technology advancement.

The Company is progressing well with its five-year plan (2020 - 2025) to push fibre deeper into communities and extend its fixed wireless and satellite coverage and capabilities. Further detail is provided in the following chapter of this Corporate Plan.

The Company's compelling business case and sustainability credentials have enabled it to attract both domestic and international debt investors and the Company remains on track to repay the remaining \$5.5 billion of the \$19.5 billion Commonwealth loan by June 2024.

It is also imperative for the future stability and success of NBN Co and the more than 20 million Australians that rely on the network every day that the Company is able to attain and retain a standalone investment grade credit rating in the future, which will facilitate the Company's ability to access international debt and capital markets on capital-efficient terms.

Sustainability Approach

Embedding sustainability across the Company's activities supports NBN Co's purpose to lift the digital capability of Australia, enabling long-term social, economic, and environmental value for its people, customers, communities, partners, country and the planet.

The Company's Sustainability Approach recognises how both social and environmental themes are interdependent, act as a system, and are enabled and controlled by governance. Taking action on Environmental, Social and Governance (ESG) themes creates and protects value for NBN Co and its stakeholders.

The Company's Sustainability Approach is underpinned by an evidence-based, risk management approach, including a materiality assessment, alignment to the latest climate science and international standards and frameworks.

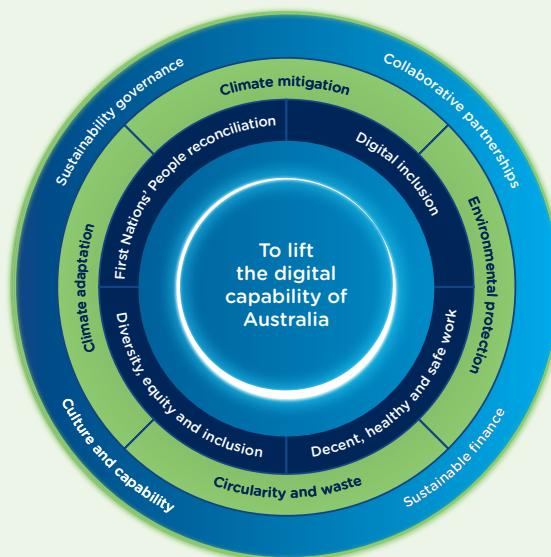
Governing the Sustainability Approach

NBN Co's Sustainability Sub-Committee of the Executive Committee report to the Board regularly. The role of the Board is to oversee and monitor the effectiveness of NBN Co's Sustainability Governance Framework, strategy and associated actions; management of material social and environmental risks, issues and opportunities; and associated non-financial (sustainability) reporting and disclosure requirements.¹

The four governance levers within NBN Co's Sustainability Approach are sustainability governance, sustainable finance, culture and capability and collaborative partnerships. These enable and control action on the Company's social and environmental focus areas.

The Company's Sustainability Governance Framework underpins the implementation of its sustainability strategy by outlining the arrangements for these four levers, supporting accountability for action, performance monitoring and reporting, and strengthening relationships between internal and external stakeholders.

NBN Co Sustainability Approach



1. Board Charter Dec 22 board-charter-20221216.pdf.

Sustainability Program of Work

NBN Co's Sustainability Approach is supported by the FY23/24 Sustainability Program of Work.

The NBN Co Sustainability Approach has an objective for each ESG theme to address the current and anticipated emerging expectations of stakeholders.

The FY23/24 Sustainability Program of Work will help support NBN Co in meeting its ESG objectives through key initiatives.

	Environmental	Objective	Operate a climate-resilient, resource-efficient network and business, aligned with the latest climate science, which protects the natural environment.	<ul style="list-style-type: none"> Develop a Climate Transition Plan including mitigation and adaptation actions to address physical climate change impacts Explore how NBN Co can support Australia's transition to a net-zero economy through product and service solutions Explore how circular economy principles can be leveraged for NBN Co through a circularity framework and strategy
	Social	Objective	Enhance and protect social value by lifting the digital capability of Australia and enabling equity across NBN Co's value chain.	<ul style="list-style-type: none"> Deliver diversity, equity and inclusion strategy and workplans Release and deliver the Company's Reconciliation Action Plan (RAP) Deliver digital inclusion programs Deliver modern slavery workplan actions Appraise and develop/explore a Social Value Framework for NBN Co
	Governance	Objective	Manage environmental and social risks, opportunities and issues through sustainability governance, sustainable finance, maturing the Company's culture, capability and collaborative partnerships.	<ul style="list-style-type: none"> Embed sustainability throughout NBN Co, including governance arrangements to enable culture change Transition to Integrated Reporting and commence Carbon Disclosure Project (CDP) and Green Bond impact reporting Develop a Sustainability Governance Framework to provide clarity for action on material sustainability risks, issues and opportunities

Sustainability disclosures, metrics and assurance

NBN Co's reporting and disclosures are guided and informed by international standards and frameworks including the International Integrated Reporting Framework, Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), Telecommunication Services Sustainability Accounting Standard, Global Reporting Initiative (GRI) Standards 2021, and UN Sustainable Development Goals (SDGs).

Key sustainability (or ESG) metrics exist across the Company's five value creation outcomes. To mature NBN Co's sustainability reporting and disclosures, actions have focused on improving the robustness and credibility of sustainability and non-financial metrics, including obtaining limited and/or reasonable assurance over externally reported metrics.

Over this Corporate Plan period, NBN Co aims to continue this maturation of reporting and disclosures, with plans for limited and/or reasonable assurance over additional ESG metrics, to meet the expectations of external stakeholders and respond to any additional legislative requirements.

Chair and Chief Executive Officer's message

The **nbn®** network offers coverage to premises across the length and breadth of Australia and its surrounding islands, from central business districts and urban residences to regional properties and remote areas.

The scale and performance of the **nbn®** network underpins Australia's global economic competitiveness and helps enable the delivery of enhanced health, lifestyle, education and workplace outcomes across Australia.

NBN Co continues to invest in the ongoing evolution of the **nbn®** network to meet the nation's growing data demands. The Company is progressing its plans to make the technology upgrades necessary to support higher capacity demands and enable access to its highest speed plans.

By pushing fibre deeper into communities and extending fixed wireless and satellite coverage and capabilities, the Company aims to help unlock social and economic benefits for the nation now and into the future.

In just six years, data use has tripled across Australia. The growing need for broadband will reach even higher levels over the next decade as the internet continues to transform how people live and work, and even how the infrastructure within our cities communicates.

As at 30 June 2023, 8.56 million homes and businesses were connected to the **nbn®** network, which equates to over 20 million people relying on the network every day.

The total number of Ready to Connect homes and businesses rose to 12.29 million at 30 June 2023.

Moving forward, the **nbn®** network will need to deliver faster upload and download speeds and far greater capacity than ever before, which will require continuous innovation and investment in new architecture and new technologies.

NBN Co's network investment strategy is designed to keep ahead of national data demand and help unlock social and economic benefits for the nation.

NBN Co needs to be able to maintain its ability to earn a reasonable return so it can continue to invest in the network to support Australia's rapidly growing digital economy.

Pricing evolution

The Special Access Undertaking (SAU) is a key part of the regulatory framework that governs NBN Co's wholesale prices charged to RSPs, service standards on the wholesale services provided by NBN Co, the eventual recovery of costs incurred in providing **nbn®** services, including the initial cost recovery account (ICRA) and the return of invested capital to build and upgrade the **nbn®** network.

The proposed revisions to the SAU have been subject to detailed consultation and iterative development over the last two years involving NBN Co, the Australian Competition and Consumer Commission (ACCC), the Government, RSPs and consumer advocacy groups.

NBN Co formally withdrew its previous proposal and lodged a revised SAU Variation proposal with the ACCC on 14 August 2023. A revised SAU will shape price and non-price terms until 2040.

The original SAU was accepted in 2013. At that time, there were less than 100,000 active services on the **nbn®** network. In the decade since its inception, the SAU has only formally applied to services supplied by NBN Co over Fibre to the Premises (FTTP), Fixed Wireless and Satellite.

NBN Co's proposed SAU Variation is designed to cover all **nbn®** technologies and deliver greater cost certainty, simplicity and value for the industry.

Sustainable long-term pricing will support the industry and underpin continued investment in the network and long-term enhancements to service standards.

At each stage of this process, NBN Co has made numerous adjustments to the proposed SAU Variation as a result of ACCC and industry feedback, including:

- Reducing the Initial Cost Recovery Account (ICRA) from \$44 billion to \$12.5 billion
- The introduction of AVC-only wholesale pricing on higher speed tiers
- The gradual reduction, and eventual removal, of TC-4 CVC coverage charges across all Fixed Line and Fixed Wireless speed tiers by FY26
- The introduction of a Weighted Average Price Control (WAPC) to provide greater certainty on future wholesale prices.

Network evolution - Fixed Line

NBN Co is progressing its efforts to enable more customers to upgrade to FTTP, with close to gigabit per second¹ residential download speeds and up to nearly 10 gigabit per second^{2,3} symmetrical download and upload speeds for nbn® business grade fibre.

NBN Co is on target to enable 10 million premises, or up to 90 per cent across the fixed line network, to access the nbn® Home Ultrafast wholesale speed tier, which is capable of achieving wholesale download speeds of 500 Mbps to close to 1 Gbps⁴, by the end of 2025.⁵

Replacing copper with fibre allows the nbn® network to offer a better customer experience, contribute to the Company's sustainability targets, and more broadly, help provide an uplift to Australia's digital economy, particularly in eligible regional areas in the nbn® Fixed Line footprint (excluding Hybrid Fibre Coaxial (HFC)).

Fibre is inherently more capable of delivering faster upload and download speeds. As the Company rolls out new fibre across the network, not only is it delivering faster speeds and greater energy-efficiency, it is also making the network more reliable and resilient. FTTP uses less active network elements, leading to reduced energy demand and reduced vulnerability to weather-related events, such as floods.

By pushing fibre deeper into communities, the Company is further enabling the benefits the nbn® network brings in support of online education, tele-health services, the ability to work from home, gaming and streaming, connecting more smart devices and strengthening social inclusion.

1. Regardless of the retail service you purchase, the actual wholesale maximum wholesale speeds delivered to RSPs will be less than 1 Gbps due to nbn® equipment limitations.
2. Regardless of the bandwidth profile for the service you acquire from your service provider, it may operate at less than 10,000 Mbps (or, in some circumstances, 1,000 Mbps, if that bandwidth profile is acquired) because of normal equipment and network limitations. In addition, your experience, including the speeds actually achieved over the nbn® network, depends on some factors outside our control (like your equipment quality, software, and how your service provider designs its network). If your service provider has not selected Class of Service High, speeds you experience may be affected by contention on the nbn® network, particularly in busy periods.
3. Business nbn® Enterprise Ethernet is only available in the nbn® Fixed Line network footprint and at limited premises served by the nbn® Fixed Wireless and Satellite networks.
4. Regardless of the retail service you purchase, the actual speeds delivered by NBN Co's highest wholesale speed tiers of 500 Mbps to close to 1000 Mbps will be less than 1 Gbps due to equipment and network limitations and the peak information rate may fall anywhere in this range. In addition, the HFC Home Ultrafast bandwidth profile downstream service provided to retail providers is a ranged profile with a maximum sustained information rate of 750 Mbps. Reference to speeds are not end user speeds; they are wholesale layer 2 peak information rate bandwidth provided to retail providers. An end customer's experience, including the speeds actually achieved over the nbn® network, depends on some factors outside our control (like equipment quality, software, and how your retail service provider designs its network) and the NBN Co technology used for your connection.
5. NBN Co provides wholesale services to phone and internet providers. nbn® wholesale speed tiers available to providers vary depending on the access technology in an end user's area.

The Company is working hard to encourage the migration from Fibre to the Node (FTTN) and Fibre to the Curb (FTTC) to FTTP to further enable close to gigabit speeds for households and businesses across the nation.

The early, strong take-up is encouraging, but the benefits of higher speed tiers for the nation will multiply once more retailers start demonstrating the case for higher speed tiers to their customers.

NBN Co's HFC network is also playing a key role in the drive to enable 90 per cent of the Fixed Line network to access the **nbn®** Home Ultrafast wholesale speed tier, which is capable of achieving peak wholesale download speeds of 500 Mbps to close to 1 Gbps¹, by the end of 2025.²

The entire HFC network, which covers around 2.5 million premises, is capable of ordering a service based on **nbn®**'s Home Ultrafast wholesale speed tier.

Network evolution – Fixed Wireless and Satellite

The Company aims to deliver faster speeds for regional Australia, benefitting customers in thousands of homes and businesses.

In partnership with the Australian Government, NBN Co is investing a further \$750 million in the **nbn®** Fixed Wireless network to enhance coverage and deliver faster speeds for regional Australia. This upgrade is being enabled by a \$480 million grant from the Government and \$270 million from NBN Co.

This will include the deployment of 5G millimetre wave technology and the introduction of two new wholesale higher speed tiers, enabling 100 per cent of the expanded Fixed Wireless coverage area to be capable of delivering a wholesale peak information rate of 100-130 Mbps download speed.³

Approximately 85 per cent of the expanded Fixed Wireless footprint is expected to be able to receive a wholesale peak information rate of 200-325 Mbps download speed.³

nbn® Fixed Wireless infrastructure sites will have their footprint coverage expanded by up to 50 per cent, enabling approximately 120,000 former Satellite-only premises to access **nbn®** Fixed Wireless services.

In March 2023, the Company announced the first 24,000 homes and businesses across regional Australia that are now eligible to access the **nbn®** Fixed Wireless network for the first time. This migration of Satellite customers onto the Fixed Wireless network will free up capacity on the Satellite network.

1. Refer to footnote 4 on page 11.

2. Refer to footnote 5 on page 11.

3. NBN Co is a wholesaler and end customers should contact their preferred RSP to ask about availability. The planned wholesale download speeds for Fixed Wireless **nbn®** Home Fast and Fixed Wireless **nbn®** Superfast are Peak Information Rates with peak wholesale download speeds of 100-130 Mbps for Fixed Wireless **nbn®** Home Fast and 200-325 Mbps for Fixed Wireless **nbn®** Superfast.

This has enabled NBN Co to offer improved Sky Muster® services, such as the launch of the new Sky Muster® Plus Premium product in June 2023. The new plan offers uncapped data usage¹, lower wholesale pricing² and for the first time the 25/5 Mbps wholesale plan can offer burst download speeds of up to 100 Mbps.^{3,4,5}

This allows higher quality online experiences to be offered on the **nbn**® Sky Muster® Plus Premium plan, subject to network conditions at the time of transfer. The achievable burst speeds will vary dependent upon the aggregate usage of the network by other satellite customers and the specification of end user equipment.

The product responds to increasing demand for more data and faster speeds for satellite customers in rural and regional Australia who want to video stream, work and learn from home.

This enables rural and regional customers to enjoy higher speed services without the constraints of managing a monthly data usage allowance.¹ The launch follows the trial of the plan earlier in 2023, which involved over 10,000 Sky Muster® Plus users and demonstrated that the network remained robust despite a marked increase in data usage, especially during busy periods.

The Company remains committed to evolving its network and products to deliver the social and economic benefits enabled by access to fast and reliable broadband for people across Australia, no matter where they live.

1. Fair Use Policy and shaping apply.
2. **nbn*** is a wholesaler and does not set retail prices. End users should contact their preferred internet service provider to ask about the retail prices they charge.
3. Supplementary Burst allows for wholesale data transfer speeds to exceed the Access Rates of 25 Mbps/5 Mbps if network capacity is available. For Sky Muster Plus Premium the Supplementary Burst may be able to achieve from time to time, bursts of up to 100 Mbps download and 10 Mbps upload. **nbn*** does not guarantee that plans on Sky Muster Plus Premium will achieve burst wholesale download speeds of 100 Mbps. Achievable burst speeds are subject to network capacity at the time of transfer (which varies over time based on aggregate usage of the network by all users and may also be dependent on the specifications of end user equipment).
4. Customer experience, including the speeds achieved over the **nbn*** network, depends on the **nbn** technology and configuration over which services are delivered to your premises, whether you are using the internet during the busy period, and some factors outside of **nbn***'s control (like your equipment quality, software or signal reception). For **nbn*** Satellite, end customers may also experience latency.
5. NBN Co unveils **nbn*** Sky Muster Plus Premium: offering even more connectivity options for Australia - <https://www.nbnco.com.au/corporate-information/media-centre/media-statements/nbn-unveils-nbn-sky-muster-plus-premium-offering-even-more-connectivity-options-for-australia>.
6. Regardless of the bandwidth profile for the service you acquire from your service provider, it may operate at less than 10,000 Mbps (or, in some circumstances, 1,000 Mbps, if that bandwidth profile is acquired) because of normal equipment and network limitations. In addition, your experience, including the speeds actually achieved over the **nbn*** network, depends on some factors outside our control (like your equipment quality, software, and how your service provider designs its network). If your service provider has not selected Class of Service High, speeds you experience may be affected by contention on the **nbn*** network, particularly in busy periods.
7. Business **nbn*** Enterprise Ethernet is only available in the **nbn*** Fixed Line network footprint and at limited premises served by the **nbn*** Fixed Wireless and Satellite networks.

Supporting businesses

NBN Co will continue to meet and support the growing demand for high-performance, business-grade broadband connectivity.

The Company's direct fibre Enterprise Ethernet service enables business customers to order broadband based on wholesale speed tiers of close to 10 Gbps^{6,7}, which is up to 10 times faster than previously available on the **nbn*** network.

This service is available at an estimated 1.5 million Australian business locations. There are now more than 25,000 active Enterprise Ethernet services, with approximately 10,000 additional services activated during FY23.

To support business take-up of these services, NBN Co has created 321 Business Fibre Zones (BFZ) across Australia. These BFZs cover more than 900,000 premises across Australia.

For businesses within these zones, the Company offers Enterprise Ethernet to service providers with no up-front build costs, and at its most competitive wholesale service pricing. Importantly, of the 321 BFZ, 142 are located in regional centres.

NBN Co is also supporting the growing digital and connectivity demands of business and government customers outside its Fixed Line network in remote and regional areas.

The Business **nbn®** Satellite Service (BSS) provides business-grade network services with 100 per cent beam coverage across the Australian mainland and surrounding islands.

In February 2023, NBN Co launched new BSS pricing and speed tiers, including Committed Information Rate (CIR) plans with 100 Mbps/10 Mbps and 150 Mbps/15 Mbps, and Peak Information Rate (PIR) plans with 50/5 Mbps and 100/10 Mbps.

The Company's Business Service offering provides restoration of business services within a 4 hour or 12 hour restoration window.¹

It is available as part of a business bundle and can be added to any **nbn®** high speed tier plan – **nbn®** Home Fast, **nbn®** Home Superfast or **nbn®** Home Ultrafast – through a participating retailer at any time and is available across all **nbn®** fixed line access technologies.

NBN Co is supporting innovation with the launch of Smart Places in March 2023 – a purpose-built product to address demand for fibre connections to non-premise locations.

Smart Places will support applications in new developments and brownfield sites offering connection to a range of smart connection solutions such as traffic lights, CCTV cameras, smart monitoring and public Wi-Fi. The Company has seen strong demand for the product, with approximately 12,300 Smart Places builds currently at letter-of-offer stage, and strong demand from state governments across Australia.

NBN Co is striving to strengthen relations with its RSPs and delivery partners, reduce cost, and make the necessary changes that will allow the Company to work smarter and faster.

The Company's Enterprise Simplicity program is designed to eliminate duplication, clarify accountabilities, enhance systems and processes and introduce automation, where it makes sense to do so.

In March 2023, NBN Co launched Service Health Pulse for FTTN and Fibre to the Basement (FTTB).

Service Health Pulse automates complex, but critical, manual testing required from RSPs to correctly diagnose faults in the **nbn®** network and reduce repeat interactions.

This takes complexity away from RSPs and is designed to improve assurance quality, whilst reducing time and effort for the Company's RSPs and customers.

This is the first of many new assurance capabilities the Company intends to launch to simplify its products and increase automation to reduce industry costs and enable faster resolution times.

The Company has also brought its residential and business account teams together into a single function with more focused points of contact for RSPs.

As part of this, account managers will spend 30 per cent of their working hours directly with RSPs and customers so they can gain a better understanding of retailers and the end market in order for the Company to improve its products and service quality.

Through this, the Company wants to learn where it can do things better and to truly understand what's important for service providers.

1. The fault restoration times described assume urban and limited rural areas, where no site visit is required. Fault rectification time may vary depending on the location of the premises; and all times refer to what we offer to providers – which may differ to what times they offer you.



Left:
NBN Co CEO
Stephen Rue and
Chair Kate McKenzie

Responding to climate-related risks and opportunities

As a critical infrastructure owner and operator, NBN Co acknowledges the inherent risks climate change poses to its operations, network continuity and service obligations. The Company strives to operate a climate-resilient and resource-efficient network, that supports Australia's current and future social wellbeing and economic prosperity.

In February 2023, NBN Co committed to long-term greenhouse gas emissions (GHG) reduction targets and achieving net-zero emissions by 2050, or sooner, via the Science Based Targets initiative (SBTi).¹ NBN Co's long-term greenhouse gas emissions reduction targets will be consistent with meeting and exceeding the Government's commitment to net-zero emissions by 2050. This follows the setting of near-term science-based emissions reduction targets, which were validated by the SBTi¹ in May 2023.

Through NBN Co's climate change risk assessment, undertaken in 2022, physical risks were found to pose the greatest threat to the nbn® network due to its extensive physical footprint, dependence on the power grid's infrastructure and the fact that these impacts are already being felt.

In response to the risk and opportunities from climate change, NBN Co is developing a Climate Transition Plan (CTP). The CTP aims to align the Company's operations and planning, and capital expenditure, with its decarbonisation goals, whilst managing physical and transition climate risks to the nbn® network and business.

Looking ahead

NBN Co's ongoing commitment to infrastructure upgrades is designed to ensure the nbn® network is well-placed to enable the social and economic benefits of high-speed broadband for both consumers and businesses across Australia.

As Australia continues to grow, the Company will make ongoing network upgrade investments that will enable the nation's property developers to deliver thriving, prosperous and digitally equal new communities.

The Company's New Developments team have delivered nbn® network access to more than 1.2 million households and businesses in newly built communities across Australia.

With the digital economy driving data usage, NBN Co remains committed to increasing the availability of higher speeds with more reliability for all premises across the nation and offering direct fibre infrastructure for Australian businesses.

NBN Co is committed to supporting the nation by making ongoing investments in the nbn® network to ensure it is future-ready, continues to meet the nation's growing digital needs, and is an essential foundation for the smarter cities and regions needed to meet the opportunities and challenges ahead.

Kate McKenzie
Chair

Stephen Rue
Chief Executive Officer

1. The Science Based Targets initiative (SBTi) drives climate action in the private sector by enabling organisations to set science-based emissions reduction targets – <https://sciencebasedtargets.org/about-us>.

Australia's digital backbone





Network investments

As Australia's digital backbone, the **nbn®** network enables the country's global competitiveness and economic prosperity, while ensuring communities have access to employment, education, health services and social connection opportunities. In order to effectively realise these goals, the network must continuously evolve in terms of capability, capacity and scale to keep ahead of the nation's current and future demand for broadband services.

The scale and reach of the **nbn®** network is greater than ever and will continue to grow as newly developed premises are added.

At 30 June 2023, there were 8.56 million premises connected to the **nbn®** network, and the total number of Ready to Connect homes and business premises had reached 12.29 million.

Data traffic over the **nbn®** network has also grown significantly over the previous years. At the end of June 2020, the average download per **nbn®** connection was approximately 295 gigabytes. Just three years later, by June 2023, average data use had increased to 424 gigabytes per connection per month, and it is expected this growth will continue.

The Company's network investment plan continues to meet this need by growing both the capability and capacity of the **nbn®** network - pushing fibre deeper into communities, improving and extending Fixed Wireless coverage and Satellite capabilities, and ensuring a more reliable and secure network.

8.56m

Premises connected to the
nbn® network

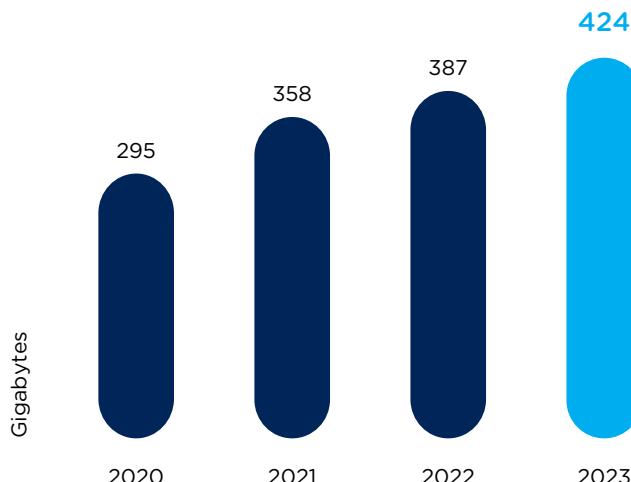
12.29m

Ready to Connect homes
and business premises reached

99.9%

Network availability

Downloads per **nbn®** connection in June each year



Upgrading the network to fibre

NBN Co remains on track to enable up to 10 million premises, or up to 90 per cent of homes and businesses across the Fixed Line network, to access **nbn®** Home Ultrafast, offering wholesale download speeds of 500 Mbps up to close to 1 Gbps, by the end of 2025.¹

The Company is extending access to FTTP for 3.5 million premises by investing in fibre in areas previously only served by FTTN infrastructure.

Once complete, civil works for the full 3.5 million premises will cover almost 6,500 kilometres, which equates to more than 66,000 kilometres of optical fibre cable across Australia. That is equivalent to more than one-and-a-half times the circumference of the Earth.

Over time, this means the Company will be able to significantly reduce the number of copper connections in the **nbn®** network. In comparison to copper, fibre is inherently more capable of delivering faster² upload and download speeds and is more resilient to the physical effects of climate change. The rollout of more fibre deeper into the network will also help improve customer experience and reduce maintenance and operating costs.

For a full fibre upgrade to occur, customers at eligible³ premises need to place a qualifying higher speed tier order with a participating retailer. For customers currently served by FTTN, the qualifying speed tier is **nbn®** Home Fast (100/20 Mbps) or higher.

In February 2023, NBN Co and the Australian Government announced the latest suburbs and towns where an additional one million premises currently served by FTTN will become eligible to get full fibre connected to their house or business by ordering an eligible wholesale speed tier, with up to 58 per cent of these premises located in regional areas.

These premises form part of the 1.5 million premises to be upgraded under the Government's \$2.4 billion investment in the **nbn®** network. This announcement, when combined with existing fibre upgrade investment already underway, takes the total announced eligible footprint to approximately 3.5 million premises. The final 500,000 premises within the Government's investment to upgrade the **nbn®** network are expected to be announced in FY24.

Similarly, it is anticipated that by the end of 2023, NBN Co will have also made nearly 1.5 million premises previously served by FTTC technology eligible to upgrade to FTTP. To trigger a full fibre upgrade from an existing FTTC served premises, eligible customers can place an order for **nbn®** Home Superfast (250/25 Mbps) or higher.^{4,5,6,7}

1. Regardless of the retail service you purchase, the actual wholesale speeds delivered by NBN Co's highest wholesale speed tiers of 500 to close to 1000 Mbps will be less than 1 Gbps due to equipment and network limitations and the peak information rate may fall anywhere in this range. In addition, the HFC Home Ultrafast bandwidth profile downstream service provided to retail providers is a ranged profile with a maximum sustained information rate of 750 Mbps. Reference to speeds are not end user speeds; they are wholesale layer 2 peak information rate bandwidth provided to retail providers.
2. Customer experience on **nbn®** full fibre, including speed, depends on your internet provider, plan, equipment quality and if you use the internet at peak times.
3. Conditions apply. Eligibility criteria includes among other things, being designated by **nbn** as a simple premises and placing an order for an **nbn** powered plan based on an eligible wholesale speed tier.
4. NBN Co reserves the right to amend the list of targeted suburbs and towns for the local fibre network build at its discretion.
5. Conditions, eligibility criteria and costs will apply. Eligibility criteria is expected to include, among other things, being designated by **nbn** as a simple premises (e.g. standalone premises or Single Dwelling Unit (SDU)) and once the program is available for an eligible premises, placing an order for an **nbn** powered plan based on an eligible wholesale speed tier. Additional costs may apply to providers, who may choose to pass this charge onto their customers.
6. Regardless of the retail service you purchase, the actual wholesale maximum wholesale speeds delivered to RSPs will be less than 1 Gbps due to **nbn** equipment limitations.
7. An end customer's experience, including the speeds actually achieved over the **nbn®** network, depends on the **nbn®** network technology and configuration over which services are delivered to their premises, whether they are using the internet during the busy period, and some factors outside of NBN Co's control (like their equipment quality, software, chosen broadband plan, signal reception, or how their provider designs its network).



Investing in technology to meet future customer demand

NBN Co continues to evolve the network to meet future customer demand.

The **nbn**[®] HFC network covers around 2.5 million premises and is already delivering access to NBN Co's peak download wholesale products.¹

The **nbn**[®] HFC product is powered through cable technology known as DOCSIS 3.1, in both the downstream and upstream directions. This technology significantly improves the spectral efficiency of the HFC network and allows NBN Co to use higher range spectrum to make it future-ready by supporting high speeds into the next decade.

As a technology, HFC is widely regarded to have a lifespan beyond this decade. It is expected to remain the dominant access technology in North America and some parts of Europe throughout the rest of this decade.

Overseas Cable/HFC operators are beginning to take the next step in HFC evolution with the introduction of Distributed Access Architecture (DAA), which provides a cost and energy efficient approach to adding capacity to the **nbn**[®] HFC network.

The key benefits of DAA are the decommissioning of Analogue Radio Frequency equipment, which can be susceptible to interference and performance issues and the digitisation of the HFC Optical Node in the street. This effectively digitises the device, enabling the use of standard ethernet backhaul similar in nature to NBN Co's other access technologies, including FTTP.

This will result in significant performance and reliability improvements, which enables more efficient use of available spectrum and unlocks more capacity in both the upstream and downstream direction.

While FTTP remains the aspirational long-term fixed line technology of choice in the HFC footprint for NBN Co, DAA offers the most efficient and cost-effective way of building more capacity and capability into the **nbn**[®] HFC network while also improving network resiliency, broadband connectivity and performance experience for customers.

Overseas Cable/HFC Operators have been deploying DAA R-PHY technology at scale since 2019. NBN Co is confident this technology will provide a suitable uplift to its HFC network in meeting existing and future customer speed and traffic demands.

1. HFC Home Ultrafast speeds will fall anywhere in the range of 500 Mbps to close to 1 Gbps and operate with a maximum sustained information rate of 750 Mbps.

NBN Co will consider the deployment of DAA R-PHY technology in coming years. This includes associated **nbn**[®] deep-fibre deployment into the HFC footprint to serve new digital DAA nodes. This deep fibre roll-out in the **nbn**[®] HFC footprint is designed to enable the efficient deployment of fibre-on-demand services including Enterprise Ethernet, and in future, help NBN Co achieve its long-term goal of deploying FTTP across 100 per cent of the fixed line footprint.

The Company believes that DAA is a pre-requisite towards the potential upgrade of the **nbn**[®] HFC network from DOCSIS 3.1 to DOCSIS 4.0 - helping provide it with improved technology optionality in the near future.

DOCSIS 4.0 is the evolution of DOCSIS 3.1 technology. In moving to DOCSIS 4.0, Cable/HFC operators will additionally need to upgrade the amplifiers and passive components in the outside plant of their HFC Networks to new devices that can operate to the new higher frequencies, which will enable higher speeds for customers.

DOCSIS 4.0 upgrades and deployments by overseas Cable/HFC Operators are expected to commence at scale from 2025, and NBN Co will continue to assess this exciting new technology in the coming years.

NBN Co's Fibre Connect program of work is well underway, enabling the transition of services from copper to fibre to allow higher speed services.

The extension of the FTTP footprint provides the opportunity to introduce the next generation of Passive Optical Network technology, XGSPON, which enables higher speeds for future services over the existing FTTP technology. XGSPON will support greater than 1 Gbps services, for both residential and business needs in the future.

The Company makes capital investments into the network to deliver new technology but also to cyclically upgrade equipment that is due to reach the end of its useful life. This ensures that the network remains capable of meeting the evolving needs of customers. An example of this is the Company's Aggregation Evolution program, where NBN Co is updating its transit equipment across all 121 Points of Interconnect to cater for anticipated future data volumes and to enable gigabit cable services.

NBN Co is also upgrading its Dense Wavelength Division Multiplexing (DWDM) equipment, which is used in the **nbn**[®] transport network to carry traffic between sites, for those areas where fibre is leased or there are long distances to cover. The next generation of technology will allow NBN Co to offer greater data capacity and has the benefit of being more energy efficient.

The move to the new transit equipment will take place over an extended period of time to ensure efficient investment and smooth transition to the new infrastructure.

Investing in regional Australia

NBN Co is investing significantly across its regional and rural network to deliver on the Company's purpose of lifting the digital capability of Australia. Many people in regional towns using FTTN or FTTC services will be able to take advantage of the full fibre upgrade investments.

Additionally, NBN Co is delivering a \$750 million investment to expand the capacity and capability of the Fixed Wireless network by enabling 5G infrastructure across its wireless sites.

This investment is jointly funded via a \$480 million grant from the Australian Government and an additional \$270 million from NBN Co. This forms part of the response to the 2021 Regional Telecommunications Review, which recommended enhancements to **nbn®** Fixed Wireless and Satellite services after it found there had been a step-change in demand for data and broadband in rural and regional areas.

The Fixed Wireless Upgrade Program will deliver faster speeds for fixed wireless customers, with a commitment to deliver typical wholesale busy period download speeds of at least 50 Mbps¹ across the Fixed Wireless network and the introduction of new high-speed tiers that will deliver wholesale peak download speeds of between 100 and 325 Mbps by December 2024.²

The Company expects that by the end of 2024, approximately 750,000 homes and businesses in rural and regional Australia will be able to benefit from faster broadband as a result of these upgrades.

An expanded fixed wireless footprint will mean that up to 120,000 homes and businesses within NBN Co's satellite footprint will be able to access **nbn®** Fixed Wireless services.

In March 2023, NBN Co announced that around 24,000 homes and businesses across regional Australia were eligible to access the **nbn®** Fixed Wireless network for the first time. Migrating these customers from Satellite to Fixed Wireless will also release capacity on NBN Co's satellite assets and enable NBN Co to offer more with the **nbn®** Sky Muster® service.

In June 2023, the Company launched the new **nbn®** Sky Muster Plus® Premium plan, following a successful trial. **nbn®** Sky Muster Plus® Premium provides uncapped data usage³ for all internet activities, and for the first time, the Company's 25/5 Mbps wholesale plan can offer burst download speeds of up to 100 Mbps.^{4,5} This enables users to enjoy higher-quality online experiences, from learning and working at home to connecting with their communities and loved ones without the worry of managing a monthly data usage allowance.³



1. This measure will be an estimate based on a sample of **nbn®** Fixed Wireless wholesale services and will measure the average speed at certain points in each hour of the busy period between 7-11pm to identify a 'typical busy period speed', in line with the methodology outlined in the ACCC's Broadband Speed Claims Industry Guidance Paper (October 2020). For each sample measured it will take into account factors outside of NBN Co's control such as environmental impact on radio signal strength, but will not take into account retail level, in-premises or user factors that could impact the end user service. Actual end user speeds will differ as a number of factors influence this, including the particular end user applications in use at the time, end user equipment and software, and the number of concurrent users on the **nbn®** Fixed Wireless service.
2. NBN Co is a wholesaler and end customers should contact their preferred RSP to ask about availability. The planned wholesale download speeds for Fixed Wireless **nbn®** Home Fast and Fixed Wireless **nbn®** Superfast are Peak Information Rates with peak wholesale download speeds of 100-130 Mbps for Fixed Wireless **nbn®** Home Fast and 200-325 Mbps for Fixed Wireless **nbn®** Superfast.
3. Fair Use Policy and shaping apply.
4. Refer to footnote 3 on page 13.
5. Refer to footnote 4 on page 13.

Co-investment in the network

The \$750 million investment to upgrade the Fixed Wireless network is not the only example of the Company partnering to co-invest in the network.

NBN Co has partnered with governments at all levels to co-invest in **nbn®** network upgrades and improve services for people residing in regional and remote Australia. The Company has seen encouraging engagement with local and state governments, culminating in several commitments.

This includes a co-investment involving funding from the NSW Government's Gig State Project announced in March 2023. This will construct or co-locate NBN Co equipment on 56 new wireless towers and deliver enhanced **nbn®** broadband services to over 11,000 homes and businesses across 46 locations in regional NSW.

In October 2022, NBN Co also announced the third phase of a co-investment agreement involving up to \$195 million of funding from the Victorian Government, which will see NBN Co install over 3,000 kilometres of fibre and enhanced digital infrastructure across NBN Co's Fixed Line, Fixed Wireless and Satellite footprints.

The projects funded by this agreement will improve access to **nbn®** broadband services for over 100,000 homes and businesses across more than 180 Victorian suburbs and towns, with many in regional areas.

NBN Co also continues to participate in applications for government grants including the Regional Connectivity Program. Under this program, over \$96 million of grant funding from local councils, state governments and the Commonwealth Government has been approved, and these support the Company's co-investment projects.

These are expected to deliver 27 FTTP area switches and one new fixed wireless coverage area, improving access to **nbn®** broadband services for more than 10,000 homes and businesses in regional and remote Australia.

New developments

NBN Co continues to work in partnership with property developers and the wider building and construction industry to provide Australian people and businesses in new communities with fast, reliable and secure broadband.

The Company will continue to support new developments by investing to expand and operate its fibre footprint with a long-term outlook. This is aimed at providing residents and businesses with the ability to embrace digital connectivity that powers smart buildings, communities and cities, as well as the possibilities created by the Internet of Things (IoT), including critical or high bandwidth applications where fibre connectivity is preferred.

The Company is committed to continuously enhancing its product and service offerings for new developments, while ensuring its pricing and commercial offerings remain competitive, and its property developer customer experience and network delivery performance is class leading.

These efforts are key to ensuring property developers and the building and construction industry experience NBN Co as a broadband network operator that is easy to build and work with, delivers reliably on their construction schedules, helps save and make them money, and adds value to the desired vision for their projects.

nbn® Enterprise Ethernet and nbn® Business Fibre Zones

NBN Co's premium business product, Enterprise Ethernet, is a high-performance fibre access network. It is built using dedicated fibre between the fibre access node and the premises, and ethernet standards compatible across all retailers. Enterprise Ethernet offers a business connection designed for the future, high network availability targets (approximately 99.5 per cent), compatibility and fast upload and download speeds.

Wholesale symmetrical speed plans of up to almost 10 gigabits per second¹ are available through retailers to around 900,000 businesses located in 321 Business Fibre Zones across Australia, with 142 located in regional areas.

Enterprise Ethernet has applications across many different business types, sizes and industries. This includes health professionals to support highly data intensive imaging, schools requiring plans based on dedicated wholesale bandwidth on the nbn® network, franchises running business critical and cloud applications, and small to medium businesses with high upload and download requirements aiming to move into the next phase of their digital transformation.



Network reliability and resilience

NBN Co is always looking ahead to deliver a secure, faster, stronger, more resilient network, especially in light of natural disasters.

Australia's climate is undergoing dramatic change, which means the intensity, frequency and duration of events such as bushfires, heavy rainfall and flooding, extreme heat and devastating droughts are projected to increase. These natural disasters pose potential danger to the nbn® network, which is why the Company continues to work hard to mitigate potential risks.

One action NBN Co is taking involves rolling out more fibre across the country. Fibre optic cables are more resilient, energy efficient and require less maintenance. This means fibre not only delivers faster and more reliable broadband, it also withstands extreme weather much better than copper-based infrastructure.

NBN Co's determination and actions to safeguard the digital backbone of the country are being documented in its Climate Transition Plan, which will guide the Company through the many challenges created by Australia's changing climate. This strategic planning instrument will be designed to make the network more resilient by managing and mitigating the risks, adapting to the new normal, and harnessing potential opportunities.

The approach involves monitoring and treating resiliency risks across the network alongside ongoing proactive activities which protect over eight million customers per day, including active network monitoring, proactive fixes, strategic technology upgrades and cyber security activities.

In situations where resiliency of the network is challenged, NBN Co swiftly enacts its emergency response and recovery process supported by a fleet of temporary network infrastructure solutions, which are deployed where required.

1. Regardless of the bandwidth profile for the service you acquire from your service provider, it will operate at less than 10 Gbps (or, in some circumstances, less than 1 Gbps, if that bandwidth profile is acquired) because of normal equipment and network limitations. In addition, your experience, including the speeds actually achieved over the nbn® network, depends on some factors outside our control (like your equipment quality, software, and how your service provider designs its network). If your service provider has not selected Class of Service High, speeds you experience may be affected by contention on the nbn® network, particularly in busy periods. Wholesale speeds subject to the access technology by which the service is supplied.



The Company continues to strengthen its approach to network resilience by responding to the challenges associated with climate change, reducing overall risk, and improving connectivity for people who depend on it.

Protecting the **nbn**[®] network is a 24/7 activity. The Company is focused on continuous improvement to identify how it can make the network more resilient, so it is not just here for today and tomorrow, but for decades to come. This vigilance is supported by the Company's Network Resilience Framework, which helps identify and treat network breakpoints, and also informs decisions on where to invest in the network.

Keeping the network secure

The **nbn**[®] network is Australia's largest critical infrastructure network and NBN Co has a pivotal role to keep it secure. Ensuring its availability underpins everything the Company does as an organisation.

The Company is committed to ensuring that anticipated additional positive security obligations relating to risk management, business resilience, cyber, personnel, physical security and supply chain are embedded across the organisation. This is reflected in the Company's ongoing security program under the leadership of a Chief Security Officer in an all-hazards model.

NBN Co's Enterprise Security Risk Management framework brings this unified view and approach to managing all security and privacy risks faced by the organisation. It combines the skills and expertise of various security disciplines into a coordinated effort, providing single accountability under NBN Co's Chief Security Officer.

The Company will continue to remain ever vigilant, constantly monitoring and seeking to improve threat prediction, detection and protection levels.

NBN Co is passionate about driving influence and awareness amongst all employees. As such, the Company supports all the major awareness days:

- eSafety's Safer Internet Day
- OAIC's Privacy Awareness Day
- ACSC's monthly Act Now, Stay Secure Campaign, and
- ACCC's Scams Awareness Week.

NBN Co faces new threats every day, so it continues to teach the basics: having strong passwords, not clicking suspicious links, and reporting suspicious activity, both physical and cyber. NBN Co does this because it:

- Protects the network
- Protects NBN Co's people and the community, at work and home
- Meets NBN Co's responsibility as the nation's broadband provider to help people use the network safely and securely.

Supporting innovation

Building the **nbn®** network was an ambitious undertaking. Australia is a continent of extremes, ranging from major metropolis to tiny country towns spread across vast mountain ranges, remote deserts and difficult-to-access islands.

NBN Co is always looking ahead and investing in innovation to evolve the **nbn®** network to help meet the digital needs of Australia now and into the future. The Company is working with leading scientists and universities to maximise the power of the internet, inventing new technologies, and enabling others to do so as well.

NBN Co is committed to looking at new ways of doing things so that customers continue to get a great experience when using the **nbn®** network. These include more efficient, automated operations to support anomaly detection, machine learning and real-time network information.

Further research is underway into the expanding field of Artificial Intelligence and how it may support every day activities, such as helping technicians in the field and strengthening network resilience.

NBN Co also conducted trials on sensory equipment to detect accidental damage before it happens, aiming to save time for the Company and field delivery partners while reducing the impact of unplanned outages for the end user.

Collaboration with university partners, such as the University of Technology Sydney, is allowing the Company to explore the use of remote-controlled robots to help perform construction and maintenance field tasks such as clearing blocked conduit, hauling cable and collecting 3D data of the physical network.

Partnerships and industry relationships continue to offer the diversity of skills and research capabilities crucial to extending innovation and innovative solutions.



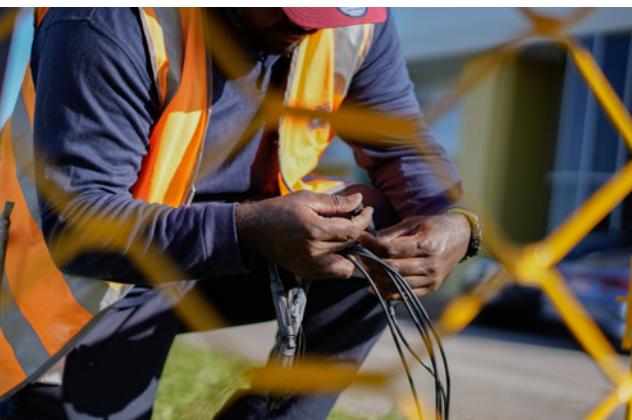
Getting ahead of demand

Data usage has grown exponentially in the last decade, and even more so in recent years. With data growth expected to continue, NBN Co's network strategy is focused on scaling capacity to support increasing customer demand.

The fibre deployed in the Company's Fixed Line network is limited only by the cost and capability of the equipment connected to it. The **nbn®** network is capable of supporting more capacity as new solutions are introduced and technology advances.

In the near term, the intention of the Company is to increase the availability of NBN Co's highest speed tier product, **nbn®** Home Ultrafast, to 90 per cent of the Fixed Line network and deliver close to 10 gigabit per second^{1,2} Enterprise Ethernet services for businesses by 2025.

Longer term, the Company is exploring next-generation 10 gigabit per second technology for deployment over new and existing FTTP fibre. NBN Co has also been involved in lab testing of FTTP technology capable of supporting 25 Gbps, and contributing support in the development of technical standards for future FTTP technology to 100 Gbps and beyond.



5G mmWave technology

NBN Co's Fixed Wireless and Satellite Upgrade Program involves new technologies and improvements to uplift the digital capability of premises currently served by the Company's Fixed Wireless and Satellite technology.

For example, extending the reach of NBN Co's Fixed Wireless network, enhancing existing 4G technology and adding the latest 5G mmWave technology will dramatically improve speed and capacity of the Fixed Wireless network to help deliver a great customer experience.

The expanded Fixed Wireless network will enable approximately 120,000 premises, which were previously served by Satellite technology, to receive a Fixed Wireless service. In March 2023, the first 24,000 premises were made available to migrate from Satellite to Fixed Wireless services. Additionally, the Company has announced new satellite capability with the **nbn®** Sky Muster® Plus Premium plan.

The use of 5G millimetre (mmWave) spectrum to serve regional areas at this scale is at the forefront of deployments globally, supporting the introduction of the two new higher-speed tiers. To make 5G mmWave effective, NBN Co has partnered with key suppliers such as Nokia to supply the latest 5G-capable fixed wireless customer premises equipment, which will be deployed for all new customers and to upgrade some of the legacy devices.

Over the term of this Corporate Plan, NBN Co will deploy this technology to hundreds of thousands of homes and businesses across Australia.

1. Regardless of the bandwidth profile for the service you acquire from your service provider, it may operate at less than 10,000 Mbps (or, in some circumstances, 1,000 Mbps, if that bandwidth profile is acquired) because of normal equipment and network limitations. In addition, your experience, including the speeds actually achieved over the **nbn®** network, depends on some factors outside our control (like your equipment quality, software, and how your service provider designs its network). If your service provider has not selected Class of Service High, speeds you experience may be affected by contention on the **nbn®** network, particularly in busy periods.
2. Business **nbn®** Enterprise Ethernet is only available in the **nbn®** Fixed Line network footprint and at limited premises served by the **nbn®** Fixed Wireless and Satellite networks.



Smart Places

NBN Co is partnering with community makers to expand the **nbn®** network into new suburbs and towns, creating smart cities, and transforming CBDs into technology hubs. One of the ways the Company is achieving this is through a new wholesale product called **nbn® Smart Places**¹, which is designed to allow customers to connect to smart infrastructure and the Internet of Things (IoT) outside of buildings.

NBN Co is using innovative new equipment including smaller, more robust, more energy efficient network connection devices, which enable the power of the **nbn®** network to be delivered across outdoor locations that are not serviceable using standard equipment.

This allows the **nbn®** network to be connected to eligible locations outside of buildings including digital billboards, public Wi-Fi in parks, traffic lights, and CCTV. A smart place (otherwise referred to as smart cities) integrates technology into the surrounding built or natural environment to increase liveability, sustainability and productivity for residents and businesses.

Under the **nbn®** Smart Places pilot program, NBN Co collaborated with internet retailers and industry to provide **nbn®** fibre connectivity to 35 locations in four states. Given the trial's success, the product is now being offered across the country through internet retailers.

1. NBN Co has launched Smart Places as a wholesale access product and is accepting applications for builds to non-premises locations in new developments. Service connectivity availability will depend on phone and internet providers offering NBN Co Smart Places, and timing of product availability will be at provider discretion.

Customer experience, partnerships and connected communities



Customer experience approach

NBN Co is a vital link in the chain that delivers broadband across the country by building, upgrading and maintaining the **nbn®** network.

The Company provides wholesale broadband services to Australian premises via RSPs, who often operate mobile networks which offer an alternative route for internet access. NBN Co works collaboratively with the RSPs to deliver a positive customer experience and enable customers to realise the benefits of their broadband service.

In just six years, data use has tripled, and it is envisioned that the need for broadband will reach levels never seen before over the next decade. NBN Co invests in the network to stay ahead of that demand and makes a point of making services available to all Australians, because everyone deserves to enjoy the benefits of the digital world.

NBN Co offers a range of wholesale services and price points right across Australia, whether someone resides in a capital city, a regional area or a remote community. For NBN Co, it is all about lifting the digital capability of Australia while giving customers a great experience.

The roll-out of more fibre, combined with the Fixed Wireless upgrade, will enable higher speed tiers.

The Company continually strives to improve connectivity, reliability and customer service. This includes reducing **nbn®** network outages, notifying customers when outages would occur and resolving issues quickly.

The Company also works closely with field technicians and delivery partners, alongside RSPs, by providing access to digital tools and application programming interfaces. This is aimed at facilitating the management of customer queries in a timely manner, improving field workforce planning and training to reduce the average time taken to connect customers or remediate issues.

Where possible, NBN Co endeavours to continue performing scheduled maintenance during the night when there is generally lower data usage.

The Company is committed to improving the information available to customers about **nbn®** network outages through information provided to RSPs and by publishing updates on the Company website.

NBN Co publishes a Transparency Dashboard so customers and members of the community can see what the Company is doing in areas such as connections, faults, average time taken to restore services and network congestion.

Looking ahead, the Company continues to focus on making connections convenient and on-time, resolving issues quickly, and improving the quality of resolution timeframes as well as minimising the need for technician visits so customers can consistently enjoy the benefits of their broadband connection.

Serving regional businesses

nbn® Business Fibre Zones cover much of Australia and give many regional towns and cities access to high speed **nbn®** Enterprise Ethernet. This gives many regional businesses access to plans based on wholesale speed tiers of up to almost 10 Gbps^{1,2}, providing a boost to regional businesses in the fast-growing digital economy. These features will help enable businesses to increase productivity, innovate and be ready to take advantage of future opportunities.

1. Regardless of the bandwidth profile for the service you acquire from your service provider, it may operate at less than 10,000 Mbps (or, in some circumstances, 1,000 Mbps, if that bandwidth profile is acquired) because of normal equipment and network limitations. In addition, your experience, including the speeds actually achieved over the **nbn®** network, depends on some factors outside our control (like your equipment quality, software, and how your service provider designs its network). If your service provider has not selected Class of Service High, speeds you experience may be affected by contention on the **nbn®** network, particularly in busy periods.
2. Business **nbn®** Enterprise Ethernet is only available in the **nbn®** Fixed Line network footprint and at limited premises served by the **nbn®** Fixed Wireless and Satellite networks.



NBN Co will continue to look at new opportunities to establish more Business Fibre Zones around the country and make Enterprise Ethernet available to even more Australian businesses.

In addition, Business **nbn®** Satellite Services offer higher speed tiers across the country following a major upgrade to the service in 2023. New wholesale high-speed tiers of up to 150 Mbps are now available across mainland Australia and large surrounding islands on the Business **nbn®** Satellite Service.¹

The introduction of higher wholesale speeds on the Business **nbn®** Satellite Services responds to market needs of existing users and offers an innovative solution for businesses interested in boosting their business continuity plans, which is especially important to protect against natural disasters.

There is growing demand for business-grade digital offerings and connectivity that is needed to help support the operations of businesses, government organisations and industry across regional and remote Australia.

Since launching the Business **nbn®** Satellite Services in September 2019, NBN Co has sought to continually evolve its Business **nbn®** Satellite Services in line with market expectations and customer needs to help provide access to fast and secure business-grade connectivity in regional and remote locations, where there is limited or no land-based broadband solutions.

The Business **nbn®** Satellite Services products provide an enhanced experience throughout the whole chain, for not only the business end-user, but also their customer base.

The Business **nbn®** Satellite Services provides 100 per cent beam coverage to mainland Australia, Tasmania as well as five major islands: Cocos, Christmas, Lord Howe, Norfolk and Macquarie Islands. The products are also backed by the onshore business **nbn®** Satellite Operations Centre.

Emergency response

The **nbn®** network is inextricably linked to the nation's economic prosperity with almost 8 in 10 Australians relying on a **nbn®** broadband connection every day. The ability to communicate and stay connected is critical to ensuring the livelihood of homes and businesses, especially in regional and remote Australia, through access to key services, employment, education, family, friends and the rest of the world.

NBN Co knows communication is never more important than when disaster strikes, whether that be floods or fires, or a pandemic, which is why the Company will be there to support communities and ensure essential connectivity.

The **nbn®** network has been built to withstand potential disruption. If one part of the network is damaged, the rest of it can still operate, however even with the best planning, natural disasters can cause physical damage to parts of the network. It is important to keep in mind that any equipment connected via the **nbn®** network will not work during a power outage.

1. Note that wholesale speeds provided to service providers are different to the actual speeds an end customer will receive, which will be lower.

When extreme events damage the network, NBN Co has assets that can be mobilised quickly to help restore services. Temporary Network Infrastructure (TNI) includes innovative equipment which has been developed in-house at NBN Co and pre-positioned across Australia, so it can rapidly deploy to support communities during disasters.

This TNI equipment replicates the site that was destroyed, allowing customers to be connected while NBN Co repairs and replaces the permanent infrastructure.

Temporary Network infrastructure includes:

Network on Wheels and Wireless on Wheels

A small network exchange in an enclosed trailer that can be towed to where it is needed.

Point of Interconnect on Wheels

A semi-trailer sized, towed vehicle which mirrors an **nbn®** Point of Interconnect and can be used by internet retailers to access the **nbn®** wholesale broadband network.

Wireless Mast Trailer

A portable trailer with an extendable 18-metre-high mast designed to replicate the equipment on a fixed wireless network tower.

Hybrid Power Cube

An environmentally friendly, hybrid technology power generation unit combining solar panels, battery, and a compact diesel generator to power fixed wireless hub sites.



Multi Tech Trailer

A highly versatile, towable enclosed trailer designed for rapid deployment to quickly restore connectivity and power to damaged parts of the HFC, Fixed Wireless and FTTN network.

Emergency Response Vehicle

An expandable, semi-trailer sized mobile command centre.

Taking a STAND

NBN Co's Disaster Satellite Services are used as part of the Commonwealth Government's Strengthening Telecommunications Against Natural Disasters (STAND) program. This allows a temporary back-up connection to the **nbn®** Satellite network during an emergency, with equipment installed at over 1,060 rural and country emergency management sites and evacuation centres across the country. These fixed locations have been nominated by state and territory governments and relevant emergency service agencies ensuring they exist where they are needed most.

The additional connectivity bridges an important gap where land-based communications networks are temporarily impacted due to power loss or damage to communications infrastructure. These assets help emergency services connect and coordinate their efforts during natural disasters. Just as importantly, they provide a vital lifeline to local communities who may have lost online connectivity.



Community

The purpose of NBN Co is to lift the digital capability of Australia. This purpose guides the Company and drives the effort to unlock social and economic benefits for households, businesses, and communities across the nation.

Digital technology is a great enabler for all members of the community and offers specific benefits for community wellbeing. Within NBN Co's FY23-24 Sustainability program of work, the Sustainability Sub-Committee of the Executive Committee sets out a program to develop a Social Impact and Value Measurement Framework to better measure and understand the social benefits of the **nbn®** network. Progress on the Company's Social Impact and Value Measurement Framework will be made available at a later date.



Digital inclusivity

Digital inclusivity is essential to NBN Co's purpose. It plays a critical part in the Company's role as Australia's digital backbone to improve access for people across Australia to reliable, secure, and high-speed broadband.

For this reason, NBN Co has dedicated resources and capital, and identified commitments, to help address digital inclusion and help remote and regional areas of Australia to connect and stay connected, including low-income, vulnerable, or isolated customers.

The Company initiated and chairs the Low-Income and Digital Inclusion Forum (LIDIF) with the aim of identifying possible targeted initiatives to improve access, affordability, and digital ability for low-income and vulnerable users of the **nbn®** network.

At LIDIF, the Company collaborates and consults with more than 20 member organisations, representing not-for-profit organisations, customer advocacy groups, government agencies, Retail Service Providers, and research organisations.

NBN Co is proud to be supporting the delivery of the Australian Government's School Student Broadband Initiative (SSBI), established to provide free home internet for one year for up to 30,000 unconnected families with school-aged students.

NBN Co is providing internet providers participating in SSBI with a wholesale rebate for **nbn®** network broadband services provided to families under the initiative.

The Company has also provided a contribution towards the IT establishment and other operational costs incurred by participating internet providers to support the initiative. The first families were connected during Term 1 of the 2023 school year.



Commitment to inclusivity

NBN Co is working to deliver accessible and inclusive products and services for its customers, as well as people in the broader community. Importantly, the Company's Accessibility Inclusion Plan (AIP) reflects the Australian National Disability Strategy, and incorporates recommendations from its inaugural Accessibility and Inclusion Index submission with Australian Network on Disability.

The Company's first AIP focused on foundational areas, establishing a diversity, equity and inclusion community within NBN Co; improving accessibility in its own workplaces through an emphasis on improved workplace adjustments and providing a mentally healthy workplace; and, investing in programs with the Australian Network on Disability (AND), a national not-for-profit entity that helps organisations engage with people with disability.

The updated Accessibility and Inclusion Plan (2023-2026) pushes NBN Co's ambitions for the inclusion of people living with disability further. It sets out how the Company will support communities in a time of rapid technological change and increased digitisation, with a focus on accelerating access to healthcare, education, and other online government services.

NBN Co will continue working with all levels of government, internet providers and advocacy groups to help create a more digitally equal society. When it comes to digital inclusion and accessibility, no-one should be left behind.

Connecting First Nations communities

NBN Co recognises that digital inclusion is much lower for First Nations people than the general population, as evidenced by the Australian Digital Inclusion Index (ADII) and validated through NBN Co's own engagement.

The Company commends the addition of Target 17 in the National Agreement on Closing the Gap and remains committed to playing its role in addressing these priority reforms.





This focus on digital inclusion as part of the Company's internal reconciliation journey has seen many actions well underway or completed. This is evidenced by an increase in the number of connected communities and greater employee engagement as we help build the cultural competency of NBN Co's workforce.

The Company's actions and plans form a concerted effort towards providing equitable access and improving digital inclusion for First Nations people.

NBN Co also acknowledges that its role extends beyond just connectivity. The Company must additionally support the culturally safe and appropriate use of technology, expand its employment and business pathways with Aboriginal and Torres Strait Islander people as well as continue to amplify the success of community-led programs and solutions.

FIFTH AND LATEST RECONCILIATION ACTION PLAN (RAP)

In May 2023, NBN Co launched its fifth RAP, which has a strong emphasis on connecting more communities, delivering customised product offerings and educational programs to lift First Nations people's digital literacy.

NBN Co's 2023-26 RAP seeks to advance reconciliation, with the plan's foundation focused on four crucial areas that were collaboratively designed with industry experts. These areas align with Reconciliation Australia's relationships, respect, opportunities and governance pillars. The four areas include: First Nations digital outcomes, career pathways, First Nations procurement, and cultural learning.

The Company must increase digital inclusion, drive increased employment opportunities for First Nations job seekers, and create meaningful and sustainable engagement across its supply chain for First Nations owned businesses.

FIRST NATIONS ENGAGEMENT PLAN AND PRINCIPLES

It is clear and accepted by NBN Co that culturally sensitive and respectful engagement is a critical foundation for success, which is why the Company has adopted the Indigenous Voice Co-Design Process principles in its approach: Co-designed, Place-based, Fit for Purpose and Coordination of Effort.

The First Nations segment at NBN Co is led by Che Cockatoo-Collins, a KuKu Yalanji man from Far North Queensland. Through Che and the broader team, NBN Co is engaged with federal, state, and local government agencies, peak industry bodies and, indeed, communities themselves.

Che represents NBN Co on the First Nations Digital Inclusion Advisory Group Expert Panel – an all First Nations represented group established by Minister for Communications Michelle Rowland to consult and provide recommendations to solve the digital inclusion gap as identified within Target 17 of Closing the Gap.

Based on its engagement with stakeholders and communities, NBN Co has identified that:

- The take up of **nbn** services is, in part, related to what the Company refers to as ‘connectivity literacy’ challenges, which means that awareness of connectivity options in certain communities is low, with many people believing that mobile services are the only available option
- Typically, the way First Nations people interact digitally is via mobile devices, particularly for those residing in remote areas. Mobile devices with internet access are commonly shared communally within First Nations communities.

- Affordability is often cited as a barrier to getting online. Prepaid mobile data is typically the preferred means of connectivity. However, NBN Co’s research suggests the costs of average prepaid mobile data is far more expensive than the data offered by entry level **nbn®** Sky Muster® retail plans. Some communities also do not have good mobile coverage, making satellite options important.
- Digital inclusion is much higher in communities where access to free public Wi-Fi is available, more so in those communities where the Wi-Fi service is supported by high-speed broadband capability such as those delivered by the **nbn®** network.
- Lastly, the further removed First Nations Australians are from metropolitan or major regional centres, the lower their digital ability.

FIRST NATIONS DIGITAL INCLUSION

The Company understands there to be 1,097 First Nations communities as identified through the Australian Bureau of Statistics Indigenous Location (ILOC) data, excluding some homelands and inclusive of regional and metro centres.

NBN Co has two challenges to overcome:

- In metropolitan and regional centres, for example in Cairns and Townsville, awareness is above average but the digital capability in relation to the location and affordability presents a challenge
- In remote First Nations communities where the uptake of service is low, affordability of service presents as a challenge and digital ability is the lowest seen in all of Australia. These communities are culturally at odds with the standard **nbn** delivery model due to their conditioning to obtain communications access solely via mobile phones.



REMOTE FIRST NATIONS COMMUNITIES

NBN Co's focus is on remote First Nations communities where digital inclusion is at its lowest and the Company can have an immediate and positive impact with lasting benefits.

Of the 1,097 First Nations communities, there are 444 discrete remote First Nations communities. This is defined by communities with greater than 75 per cent of the population identifying as Aboriginal or Torres Strait Islander and where generally digital inclusion is at its lowest.

- 301 First Nations communities are served by the National Indigenous Australians Agency's Remote Indigenous Communities Telecommunications Wi-Fi program.

Supported by this program:

- 130 are enabled by **nbn® Sky Muster®** Satellite services, and have recently been migrated to **nbn® Sky Muster® Plus**, providing more data and higher speeds
- 271 sites are enabled by IPstar satellites that will soon migrate to **nbn® Sky Muster®** Satellite services, providing up to 50 times more speed as well as uncapped data (currently constrained to 20 GB per community per month).¹

1. Fair Use Policy and shaping apply.

COMMUNITY WI-FI

NBN Co remains committed to lifting digital inclusion for Aboriginal and Torres Strait Islander people. Through the Company's Community-wide Wi-Fi solution, Koonibba, a small remote Aboriginal community approximately 800 kilometres northwest of Adelaide and home to approximately 150 people, was able to gain internet access at a crucial time during the COVID-19 pandemic.

In February 2022, digital connectivity for Koonibba was achieved through the installation of a community-wide Wi-Fi solution powered by the **nbn® Sky Muster® Plus** satellite service, providing outdoor coverage across the community.

Connectivity was also provided to key internal buildings such as the Youth Centre, Council Office and the Women's Centre. Community members use a portal to log into their device and access the free Wi-Fi service, enabling them to undertake activities such as video calling, telehealth, instant messaging, email, basic web browsing, and accessing critical government services such as myGov.

Koonibba's connection is one of 109 Community Wi-Fi solutions already deployed by NBN Co in conjunction with the Company's participating retailers.

Through these connections and the Company's continued engagement with communities, NBN Co is enabling more First Nations people to experience first-hand the social and economic benefits that come with greater access to crucial services and participation in the digital economy.

These services enable access to support services, education, health services, entertainment and keeping in touch with family and friends.



While the majority of these connections are single-point Wi-Fi systems, the Company has also deployed several mesh Wi-Fi systems, enabling public Wi-Fi coverage to extend throughout the community. These services are free to use for community members and have no download limits. However, with community consultation, the Company does provide content filtering to ensure online safety.

IMPROVING BASE TECHNOLOGY

In December 2020, NBN Co announced a \$4.5 million agreement to deliver an upgrade from **nbn® Sky Muster® Plus** satellite service to FTTP for the Northern Territory town of Jabiru.

The Northern Territory Government fully funded this crucial infrastructure upgrade, following a realisation of the benefits connectivity would provide and an alignment of digital priorities.

In December 2022, collaboration with the Northern Territory Government saw the installation of fibre infrastructure to approximately 540 premises and to the 1,100 people who live in the town, which is known as the tourism gateway to Kakadu National Park.

The Jabiru upgrade has been pivotal in positioning the area as a central tourism hub in the heart of Kakadu and ensures participation in year-round tourism following the conclusion of the town's 40-year mining lease.

On top of tourism and business benefits, the work supports the way in which Territorians can now work, learn, access health and entertainment, and stay in touch with families and friends.

The completion of the Company's work in Jabiru further builds on the Northern Territory's gigabit capability as Darwin is now the only mainland capital city in Australia with FTTP available in the CBD and a number of the surrounding inner suburbs.

AFFORDABILITY

NBN Co has established the Low-Income Digital Inclusion Forum, which includes participation from a variety of industry stakeholders including those that represent First Nations people. The objective of this forum is to collaboratively address barriers to digital inclusion, including affordability challenges.

DIGITAL ABILITY

Actions underway include supporting an increase in digital ability through culturally-led cyber safety awareness and education programs, enabling opportunities for learning and skills development to grow the digital capability of First Nations people and communities.

A key focus for NBN Co is also understanding digital skill levels, given that knowledge and skills can vary from person to person and community to community. The Online Skills Check and Resources, also known as OSCAR, is a tool to help people understand and uplift their digital capability.

The skill check is split into four key themes: getting connected; using your device; keeping yourself and your mob safe; and having a yarn online. The tool provides a personalised digital skill score and offers resources aimed at helping to improve a user's online skills.

A specialised version of the tool was launched for First Nations audiences, known as iOSCAR, with particular attention to cater to differences in survey design, language used and resources available, including the likes of Indigimob and Be Deadly Online.

Through a pilot program, NBN Co employs four First Nations people (**nbn** Digital Ambassadors) within community locations - Koonibba (SA), Indulkana (SA), Warakurna (WA) and Aurukun (QLD) - who provide onsite basic digital literacy and IT support to ensure members of the community can interact with online services safely and prosperously.

STRENGTHENING SERVICES AND CONNECTIVITY

The **nbn**[®] network has enabled telehealth consultations for remote communities such as Laynhapuy Homelands, conducted digital audits in collaboration with the National Aboriginal Community Controlled Health Organisation, worked with the Office for the Arts to bridge connectivity and capability gaps for First Nations arts centres, as well as overseen the Community Wi-Fi program.

However, NBN Co acknowledges there is always more that can be done, and that connectivity is the first step towards true digital inclusion.

OUR FIRST NATIONS DIGITAL INCLUSION FOCUS CONTINUES

NBN Co will continue to work with communities and all levels of government to seek to:

- Improve base technology from satellite to fixed wireless or other **nbn**[®] technology in 26 discrete remote First Nations communities with greater than 250 dwellings
- Scale the Community Wi-Fi program to more than 40 remote First Nations communities
- Scale the **nbn** Digital Ambassador program to lift the digital ability of more communities.

LOOKING AHEAD

NBN Co continues to take steps towards developing strong cultural awareness among the Company's workforce, which contributes towards growing an inclusive and culturally safe environment.

For example, NBN Co staff are encouraged to come together to discuss and learn about a broad range of First Nations related topics via the Company's quarterly Liakukana series, a storytelling and learning event series aimed at increasing employees' awareness and understanding of First Nations peoples culture, as well as promoting stories of excellence.

NBN Co will continue its partnership with Jawun, which facilitates rich cultural immersion through its Jawun Secondment Program.

NBN Co maintains its proud partnership with employment partner, CareerTrackers. CareerTrackers is a national non-profit organisation with the goal of creating pathways and support systems for First Nations young adults to attend and graduate from university, with high marks, industry experience and bright professional futures.

The Company also supports cyber safety awareness programs across Australia and fosters opportunities for digital skills development within First Nations communities with direct engagement through on-the-ground teams and through partners such as the JT Academy.

Looking ahead, NBN Co will continue to support First Nations communities through the opportunities which connectivity supports, particularly for isolated communities, enabling them to participate in the digital economy on an equal footing.

Working with Industry

The Special Access Undertaking (SAU) is a key part of the regulatory framework that governs the prices, service standards and terms under which NBN Co can offer wholesale broadband services to RSPs.

The original SAU was accepted by the ACCC in 2013 and was intended to operate until 2040, however it only covered FTTP, Fixed Wireless and Satellite services. The proposed SAU Variation will extend the SAU so that it applies to all **nbn®**'s network technologies to ensure it remains fit for purpose to deliver an appropriate regulatory framework over the next two decades.

NBN Co's proposed SAU Variation is intended to deliver greater cost certainty, simplicity and value to the industry and customers. The revised SAU will shape price and non-price terms until 2040.

Sustainable long-term pricing will support the industry and help to ensure NBN Co is able to maintain its ability to earn a reasonable return and continue to invest in the **nbn®** network to meet the future digital needs of Australians.

Australia needs an efficient, reliable and affordable national broadband network to be a world-leading digital economy.

The proposed revisions to the SAU have been subject to detailed consultation and iterative development over the last two years involving NBN Co, the Australian Competition and Consumer Commission (ACCC), the Government, RSPs and consumer advocacy groups. NBN Co formally withdrew its previous proposal and lodged a revised SAU Variation proposal with the ACCC on 14 August 2023.

NBN Co has committed to deliver the following enhancements as part of its revised SAU Variation:

- Removal of CVC (capacity) charges and introduction of AVC-only pricing for the **nbn®** Home Fast (100 Mbps) and above^{1,2} wholesale speed tiers as soon as possible following ACCC acceptance and WBA5 implementation
- Establishing a minimum 'floor' price for the 12, 25, 50 Mbps^{1,3} fixed line and fixed wireless wholesale speed tiers and a maximum 'ceiling' price at no more than \$55 in FY24, regardless of the volume of data used
- Retaining the \$50 bundle price from the November SAU Variation as the 'floor' price for the industry's most popular 50 Mbps service, together with CVC (capacity) inclusions for the 50 Mbps service increasing by 40 per cent (from 2.5 Mbps to 3.5 Mbps) from WBA5 implementation
- The 25 Mbps wholesale bundle price will be reduced to \$26 and the 12 Mbps wholesale bundle price will be reduced to \$24.40, for fixed line and fixed wireless products
- For the 12, 25 and 50 Mbps wholesale speed tiers, the CVC TC-4 overage rate will be reduced from \$8/Mbps to \$5.50/Mbps from the Price Transition Date in FY24 and the rate will be reduced to \$4.50/Mbps in FY25 and \$3.50/Mbps in FY26. TC-4 CVC overage charges will be removed from all fixed line and fixed wireless products by 1 July 2026³

1. An end customer's experience, including the speeds actually achieved over the **nbn®** network, depends on some factors outside NBN Co's control (like equipment quality, software, and how a retail service provider designs its network) and the **nbn®** technology used for the connection. Speeds may be impacted by network congestion on **nbn®**'s Fixed Wireless network, including during busy periods. Satellite users may experience latency.
2. Regardless of the retail service an end customer purchases, the actual wholesale speeds delivered by NBN Co's highest wholesale speed tiers of 500 to close to 1000 Mbps will be less than 1 Gbps due to equipment and network limitations and the peak information rate may fall anywhere in this range. In addition, the HFC Home Ultrafast bandwidth profile downstream service provided to retail providers is a ranged profile with a maximum sustained information rate of 750 Mbps. References to speeds are not end customer speeds; they are wholesale layer 2 peak information rate bandwidth provided to retail providers. NBN Co provides wholesale services to phone and internet providers. **nbn®** wholesale speed tiers available to providers vary depending on the access technology in an end users' area.
3. Applies to TC-4 CVC charges only, not TC-1 and TC-2 CVC charges. The annual reductions in CVC charges do not apply to 12/1 and 25/5 Mbps Satellite services.

- Significant CVC operational improvements via the introduction of 'as utilised' rather than 'pre-provisioned' CVC charges across the 12, 25 and 50 Mbps fixed line and fixed wireless wholesale speed tiers
- To assist with some of the costs associated with usage growth and transitioning **nbn®** Ethernet TC-4 services to the new pricing construct, NBN Co has offered (separate to the SAU Variation) to provide a total of \$20 million in transitional credits to RSPs
- Reducing prices for some Network-to-Network Interface (NNI) services in 2024 and committing to complete a price review of NNI prices by the end of Financial Year 2027
- Introduction of a Weighted Average Price Control (WAPC) that will initially cap overall annual wholesale price increases on average at CPI, ensuring overall average wholesale prices do not increase in real terms
- Commitment to publish a new three-year rolling Pricing Roadmap by 1 May every year
- Setting benchmark service standards for each regulatory cycle, with ACCC oversight, and how NBN Co will engage with stakeholders in understanding RSP priorities for service improvement initiatives, and how these may result in improved Benchmark Service Standards and RSP experience
- Offer RSPs daily and monthly network utilisation reports to provide transparency and help them to recommend the best speed tier plans to individual customers based on their internet usage
- NBN Co will ensure the Low-Income Forum allows member organisations and industry groups to provide views and feedback on a range of matters and enhancing NBN Co's related public reporting commitments.

The original SAU arrangement includes an Initial Cost Recovery Account (ICRA) regime. The ICRA is a regulatory concept which allows initial costs incurred to establish a regulated asset or network to be captured and potentially recovered by future revenues.

Within the SAU Variation, NBN Co has proposed plans to reduce the ICRA balance from an estimated \$44 billion to \$12.5 billion and forego the recovery of any further regulatory losses in the period after FY23. This is an adjustment to a regulatory concept and is not a write-down in the carrying value of the company or the value of its assets.

NBN Co's proposed SAU Variation substantially expand the ACCC's role under the SAU from 2032 onwards, which will give the ACCC the power to reset NBN Co's revenue and pricing regulation framework from 2032.

WHOLESALE BROADBAND AGREEMENT (WBA5)

Provided the SAU Variation is accepted, NBN Co will seek to reflect the approved terms into the fifth iteration of the WBA5, which is the commercial contract between NBN Co and access seekers.

To ensure that the benefits of the SAU Variation across the industry can be realised as soon as possible, the Company undertook a parallel WBA5 consultation process during the latter stages of consultation and deliberations relating to the SAU Variation.

The Company is committed to implementing significantly revised wholesale prices via a new WBA5 by 1 December 2023, if the SAU Variation is accepted by mid-October 2023. If the SAU Variation is accepted later in the year, the Company will aim to implement the new wholesale prices by 1 February 2024, in line with retailers' alternate timing preference.

ANNUAL SERVICE IMPROVEMENT PLAN AND SERVICE PERFORMANCE REVIEW

NBN Co is proposing to embed key service levels within the SAU that will provide the industry with greater certainty regarding the benchmark service standards that will be applied on the **nbn®** network.

Under the amended SAU Variation, the Company is proposing to introduce benchmark service standards and rebates for each regulatory cycle of three to five years as part of its Replacement Module Application to ensure it establishes a distinct price-quality link with the prices of key services regulated under the SAU.

By incorporating well-defined service standard commitments into the SAU, NBN Co is seeking to establish a benchmark for service quality that the industry can build on over time, particularly as the company continues to roll fibre deeper into the **nbn®** Fixed Line network and further upgrade the **nbn®** Fixed Wireless network.

The amended SAU Variation gives the ACCC powers to set the benchmark service standards and rebates that will apply for a regulatory cycle as part of its replacement module determination, which may be the same or different to the benchmark service standards proposed by NBN Co in its Replacement Module Application.

Making it easier to do business with NBN Co

NBN Co is committed to being easy to do business with and is continually seeking to incorporate new and better ways of doing things. A core component of the Company's transformation programs is Enterprise Simplicity, which seeks to reduce the Company's IT complexity, costs and streamline the ability to implement change.

Enterprise Simplicity will be transformational. It will redesign, replace and uplift systems now approaching end-of-life and importantly enable a radical end-to-end simplification that will ensure solution flexibility going forward. It will create the system and process foundation that will allow the Company to become a leaner, faster and more efficient wholesaler. Once streamlined, modern IT architecture will enable NBN Co to innovate quickly, making the Company more efficient and competitive because it will enable products to be brought to market faster.

Enterprise Simplicity is structured into six themes:

1. **Partner Simplicity** - Uplifting the systems that both RSPs and service delivery partners interact with, to deliver a better experience. Consolidating portals and enhancing Application Programming Interfaces (APIs) will enable greater levels of efficiency across systems.
2. **Data Simplicity** - Consolidating multiple data lakes, data warehouses and analytics platforms. Timely, accurate data and analytics will provide a single source of truth that enables automated business processes and real time decision making.
3. **Network Assurance Simplicity** - Consolidating systems. The Company will automate processes and simplify the product construct.
4. **Operational Simplicity** - The Company is bringing ticketing together on a common software as a service (SaaS) platform that will enable end-to-end standards-based process simplification and automation.
5. **Technology Simplicity** - Consolidating multiple data centre and cloud environments into a highly resilient and secure environment, making multi-factor authentication quicker, easier and more secure for everyone.
6. **Finance Simplicity** - Uplifting billing, planning and enterprise reporting systems to a next-gen SaaS solution that simplifies analytics and drives end-to-end efficiency.

NBN Co is almost three years into a five-year program to deliver Enterprise Simplicity and has so far delivered 40 per cent of planned cost savings and over 60 per cent of planned systems decommissioning.



Managing Environmental, Social and Governance (ESG) risks in NBN Co's supply chain

NBN Co acknowledges the complexity of ESG risks associated with its supply chain, and the importance of managing these to mitigate negative impacts on the Company's stakeholders, including workers and communities.

These risks relate to human rights including labour rights, modern slavery, health and safety of workers, corruption and environmental impacts.

The **nbn** Supplier Code of Conduct (the Code) sets out NBN Co's expectations of its suppliers in terms of responsible procurement. The Code's principles emphasise and promote the shared commitment with suppliers to ethical, safe, and socially responsible practices and behaviours.

NBN Co expects its suppliers, including all associated entities or individuals, to comply with the Code, where required. The Code outlines minimum standards for human rights and workplace relations, health, safety and environment, ethical behaviour and good business practices, and management systems.

Modern slavery

NBN Co's approach to the management of modern slavery risks is outlined in the Company's Modern Slavery Statements.

In FY23, NBN Co's Modern Slavery Working Group, a cross-functional team led by the Sustainability and Procurement teams, continued to implement the Company's 2022 Modern Slavery Workplan. Key actions implemented included supply chain due diligence activities (supplier self-assessment questionnaires and desktop audits), specialised training for Procurement team members, and engagement with strategic suppliers on modern slavery.

In January 2023, a new 2023-24 Human Rights and Modern Slavery Workplan was endorsed by the Sustainability Sub-Committee of the Executive Committee. Implementation of this Workplan began in February 2023 and will continue into FY24. Actions are focused on continuing supply chain due diligence activities, developing a broader human rights approach and due diligence framework, and strengthening supporting processes, including those related to grievance mechanisms and remediation of any adverse impacts the Company identifies it has caused or to which it has contributed to.

A safe, inclusive and engaged workforce



Keeping NBN Co a great place to work

Employee engagement

NBN Co's people play an essential part in realising the Company's purpose which is to lift the digital capability of Australia. The motivation and pride of the Company's workforce is driven by this connection to the Company's purpose & values.

The Company places great importance on creating and sustaining a dedicated, inspired, diverse, and inclusive team with a shared sense of purpose, living its values to deliver for the nation. NBN Co's people are committed to making significant contributions and meeting the digital needs of individuals throughout Australia.

The employee engagement survey, conducted in July 2023, achieved a participation rate of 92 per cent and an engagement score of 78 per cent.

This engagement result was pleasing and reflects the drive of NBN Co's employees to fulfil the Company's purpose and their dedication to maintaining a strong, safe and inclusive culture.

This score has been achieved as the Company manages the challenges of delivering transformation and workforce change and continues to adjust to hybrid ways of working between offices and home.

Diversity, equity and inclusion

NBN Co is dedicated to promoting diversity, equity, and inclusion within its workforce and the wider community. The Company's commitment to embracing diverse perspectives, backgrounds, and experiences is reflected in its strategy, which is fully aligned with its purpose. Through its Inclusive Leadership Program, the Company is embedding the behaviours and practices that support its people to identify and respond to situations in a culture where they are always respected at work.

NBN Co is strongly committed to Diversity, Equity, and Inclusion (DEI), which has five employee network groups with Executive Committee sponsorship as illustrated in the diagram below. These groups use their diverse perspectives, backgrounds, and experiences to positively impact the customers and communities accessing the nbn® network.

To take a holistic approach to inclusion, the DEI Community of Practice aims to promote intersectional initiatives and events. By prioritising DEI, NBN Co is committed to providing the most effective outcomes and solutions for communities and customers throughout Australia.

NBN Co delivers its Diversity, Equity, and Inclusion Strategy through five core pillars:



NBN Co demonstrates its dedication to these priorities by making public commitments and goals in both its Reconciliation Action Plan (RAP) and Accessibility and Inclusion Plan (AIP). During this Corporate Plan period, NBN Co will commence fulfilling its commitments as stated in the 2023-2026 RAP and 2023-2026 AIP which were both released in May 2023.

Recently, the Company participated in two significant indices: the Australian Network on Disability's Accessibility & Inclusion Index and the Minderoo Gen One Indigenous Employment Index. The Company has incorporated recommendations from these indices into its 2023-2026 Innovate RAP and its 2023-2026 AIP.

FIRST NATIONS

In FY23, the Company has made advancements in supporting the employment, development, and retention of First Nations people as a part of its commitment to reconciliation.

In particular, the NBN Co Customer Field Technician Traineeship Program attracted 96 “new to industry” individuals, 14 per cent of whom identify as First Nations.

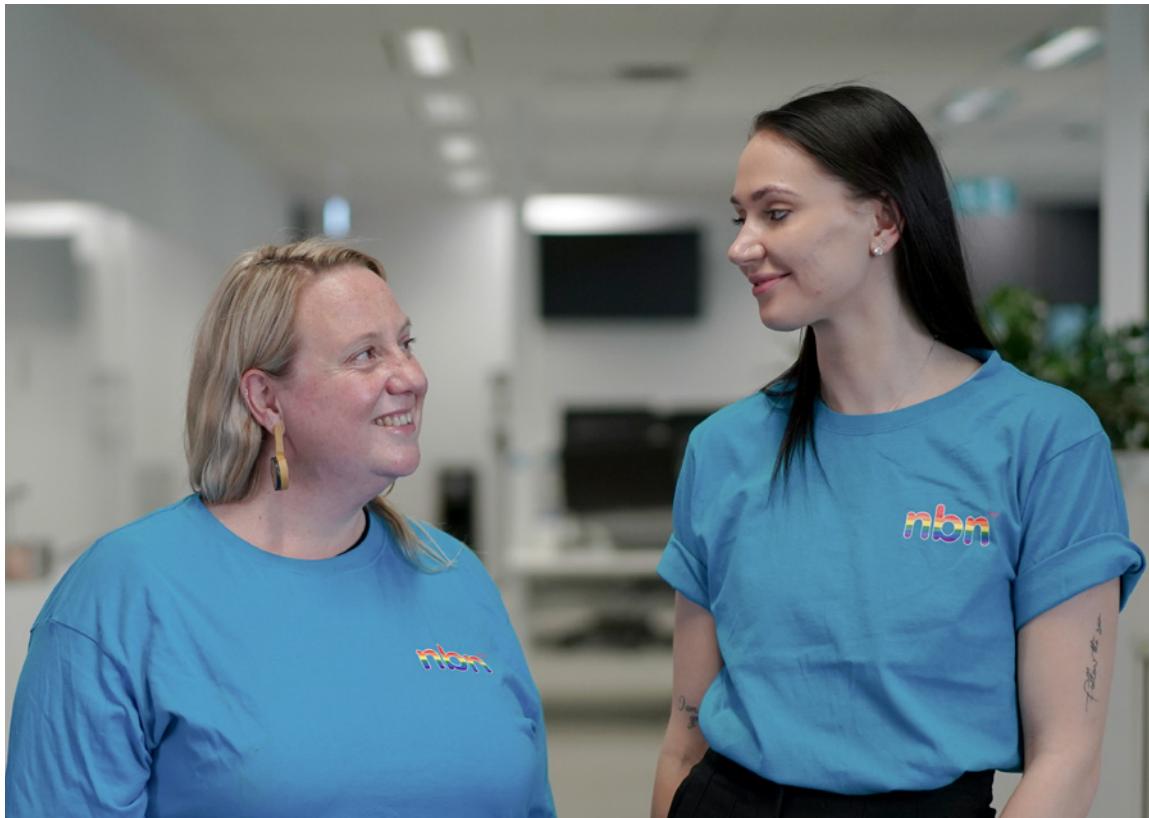
The Company is committed to continuing this journey with further emphasis on hiring First Nations people into these new to industry roles for the benefit of NBN Co and the telecommunications industry as a whole through the Connecting First Nations to Telco initiative.

ACCESSIBILITY

During NBN Co's initial AIP, it delivered foundational improvements in accessibility for the public, the Company's employees, and partners.

NBN Co's 2023-2026 AIP lays out its strong commitment to enhancing accessibility and inclusion. The Company is unwavering in its dedication to providing customer-centric services that uphold human rights, while also being an accessible and inclusive employer, with nine out of the AIP's twelve goals focused on people, culture and capability.





LGBTQI+ PRIDE

The Company takes part in the Australian Workplace Equality Index (AWEI) external benchmarking tool, which assesses LGBTQI+ inclusion. NBN Co's LGBTQI+ Pride employee community participates in public and internal company Pride events, with an ambition to continue doing so, as part of the Company's commitment to supporting an inclusive community.

NBN Co continues to be a leading employer of choice for LGBTQI+ employees as a two-time Gold Employer as measured by the Australian Workplace Equality Index and aims to remain in the top 10 per cent of reporting employers in Australia by participating in the next AWEI in the 2024 calendar year.

CULTURAL DIVERSITY

The Company strives to create a diverse workplace that reflects the customers and communities it serves. The employee-led cultural diversity pillar aims to celebrate the cultural backgrounds and identities of the Company's employees and promote engagement across the organisation. NBN Co's Cultural Diversity Employee network will host NBN Co's Cultural Diversity Day, Harmony Week, and increase awareness and cultural competence through storytelling in FY24. The Company will also participate in the Dr John Yu Fellowship program for leaders from culturally diverse backgrounds.

GENDER EQUITY

NBN Co strongly upholds pay equity across the employee lifecycle. As part of its annual remuneration review, the Company conducts a thorough gender pay equity analysis. The Company is voluntarily participating in the Workplace Gender Equality Agency (WGEA) benchmarking assessment and will continue to participate in this reporting moving forward.

In FY23, the Company demonstrated an unwavering commitment to achieve pay equity with the total fixed remuneration for females now being 0.85^{1,2} per cent higher than males.

NBN Co is committed to a goal of achieving a 40 per cent representation of females in management positions by 2025.³ As of 30 June 2023, the Company is proud to report that 34.3 per cent of females were in management positions. In addition, the Company is committed to continuing its Connecting Women in Telco initiative, with an ambitious target of reaching 70 per cent women recruits in the Customer Field Technician Traineeship program in FY24.



In FY23, the Australia Academy of Science recognised NBN Co as a Women in STEM (Science, Technology, Engineering and Maths) Decadal Plan Champion. This recognition reflects the Company's strong commitment to collaborating with the Academy and Industry to empower and retain more women in the field of STEM.

The Company is committed to creating and maintaining dedicated initiatives to build a female pipeline of talent to lead the industry. NBN Co will maintain its support for its Navigate Program, as it has proven to be effective in supporting female employees to advance in their careers and retain valuable talent by providing them with sponsorship from senior leaders.

OBJECTIVES AND TARGETS FOR FEMALE REPRESENTATION

NBN Co is working towards achieving gender equity throughout the organisation.

Measure	Objective	Targets FY23–FY25
Female representation in management ³	Increase representation of women in management roles	Increase representation from 34.3% in FY23 to 40% by the end of FY25
Employee engagement	Increase engagement of women to equal to, or greater than, that of NBN Co-wide engagement	Equal engagement of males and females
Female representation in graduate intake	Maintain female representation in graduate intake	Maintain 50% female representation

1. Refer to NBN Co's FY23 Sustainability Data Book for details on the calculation methodology - <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/sustainability-reports/2023-nbn-sustainabilitydata-book.pdf>
2. The calculation methodology used by NBN Co for the gender pay gap metric is currently calculated using an internal calculation methodology as per footnote 1 above. This differs to the Workplace Gender Equality Agency (WGEA) methodology, which NBN Co is participating in for the first time and will report against in the first half of FY24.
3. Including Executive, Senior and Middle Management, excluding Board.

Safety and wellbeing

NBN Co is a national company with approximately 4,690 employees across Australia, and has workplaces in every state and territory. Ensuring the health, safety, and wellbeing of its people, partners, customers, and the community is one of the Company's top priorities.

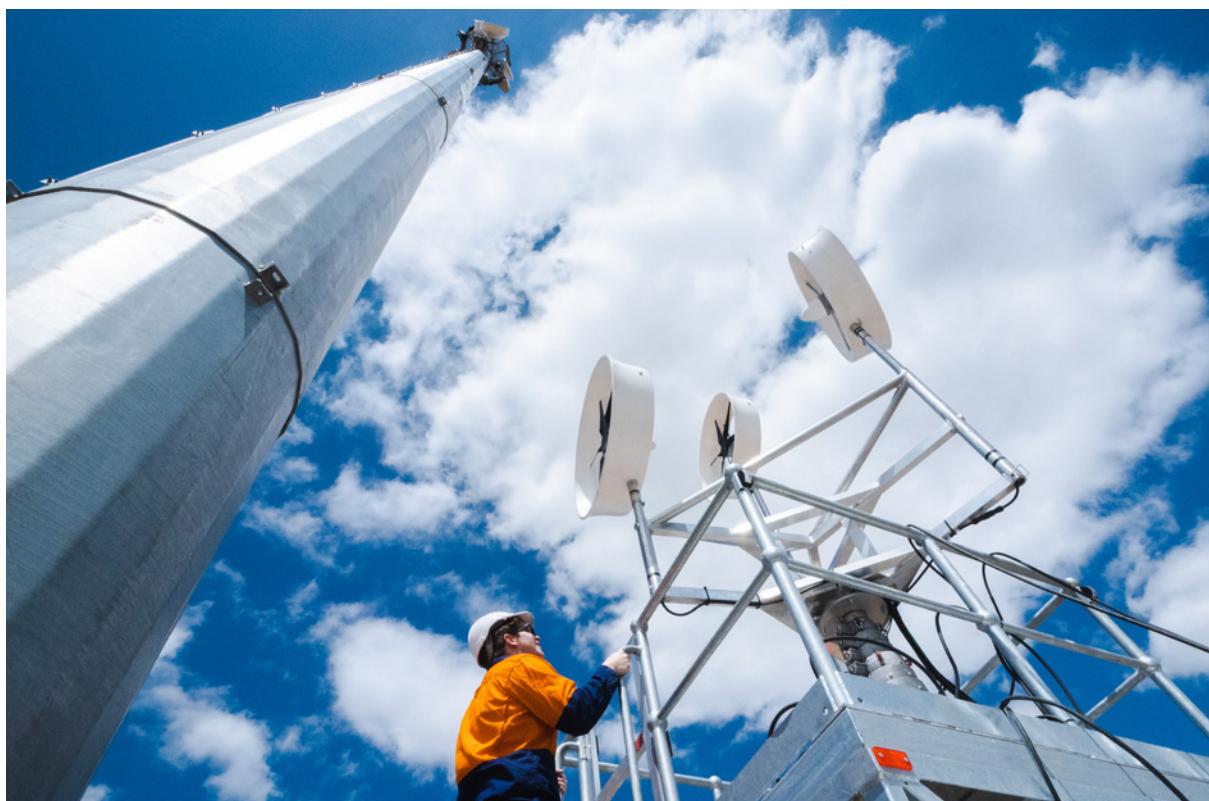
NBN Co's Safety and Wellbeing Plan prioritises the health and safety of its employees and extended workforce, as well as those their work may impact. The Company's plan acknowledges the challenges of the ever-changing world and has implemented programs and policies that prioritise its employees' mental health and wellbeing.

The Safety and Wellbeing team at NBN Co offers various strategies, systems, support, and programs to enhance its employees' physical health and mental wellbeing. Additionally, the team is responsible for ensuring the safety of the **nbn®** network, its associated infrastructure, and the technicians who work on it.

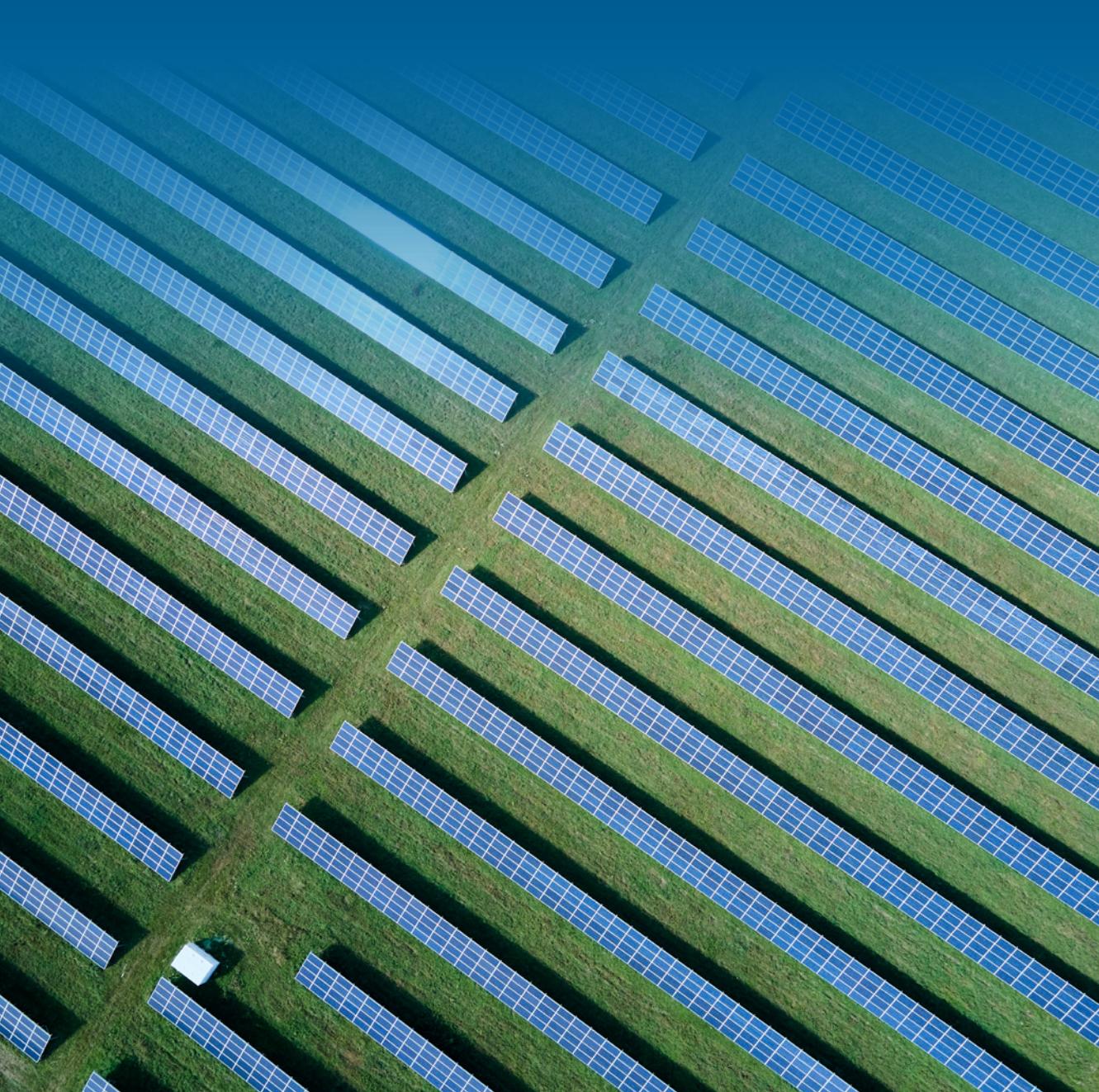
Through its Connecting Safely program, NBN Co is arming leaders, employees and delivery partners with practical tools to ensure all parties operate in a safe, respectful and inclusive environment.

The Company continues to conduct regular audits and performance metric reviews with its delivery partners to improve controls and monitor emerging risks continuously. NBN Co will also maintain its wellbeing safety collaboration forum with industry experts to develop industry-wide solutions such as training, risk-based work tools, and technology enhancements.

NBN Co's COVID-19 safe management plan supports all employees and is aligned to Government guidelines. The Company strongly recommends safe work practices and employee vaccination against COVID-19.



Protected environment





Supporting Australia's transition to a net-zero economy with science-based emissions reduction targets

NBN Co has committed to long-term greenhouse gas emissions (GHG) reduction targets and achieving net-zero emissions by 2050, or sooner, via the Science Based Targets initiative (SBTi).¹

The Company's long-term greenhouse gas emissions reduction targets will be consistent with meeting and exceeding the Australian Government's commitment to net-zero emissions by 2050. The Company expects to submit its long-term emissions reduction targets to the SBTi for approval and validation in the near future.

As mitigating the effects of climate change requires action now, NBN Co has already set near-term science-based emissions reduction targets, which have now been validated by the SBTi. Achieving these near-term targets will support the Australian Government's target of a 43 per cent emissions reduction by 2030.



Emissions Scope	Target(s)
Scope 1 & 2 – Direct (Fuel/electricity emissions)	NBN Co commits to reduce absolute scope 1 and 2 GHG emissions by 95 per cent by FY30, from a FY21 base year
Scope 3 – Supplier (Supply chain emissions)	NBN Co commits that 80 per cent of suppliers by spend covering purchased goods and services, capital goods, and downstream transportation and distribution will have science-based targets by FY27
Scope 3 – Customer (Use of products emissions)	NBN Co commits to reduce scope 3 GHG emissions from use of sold NBN Co products by 60 per cent per device by FY30, from a FY21 base year

1. <https://sciencebasedtargets.org/companies-taking-action>.

Climate Transition Plan

As a critical infrastructure owner and operator, NBN Co acknowledges the inherent risks climate change poses to its operations, network continuity and service obligations.

The Company's Climate Change Risk Assessment (completed in FY22) has improved NBN Co's understanding of the physical and transition risks to the **nbn®** network and business. In response, and to further support adaptation and resilience of the **nbn®** network and business, NBN Co is developing a Climate Transition Plan (CTP). The CTP is governed by the Sustainability Sub-Committee of the Executive Committee, coordinated by the Sustainability team, and implemented by business units across NBN Co.

The CTP aims to align the Company's operations and planning, and capital expenditure, with its decarbonisation goals, whilst managing physical and transition climate risks to the **nbn®** network and business. The CTP outlines the Company's action plan to address physical and transitional climate change risks and opportunities, as well as the metrics and targets used to monitor progress towards its climate change objectives.

The CTP informs the Company's management of transparent disclosures of material climate risks, in line with the Taskforce on Climate-Related Financial Disclosures (TCFD) recommendations, which support NBN Co's social licence to operate and ability to meet the expectations of investors, lenders and the broader community.

It supports strategic planning, implementation and stakeholder engagement on climate mitigation and adaptation, and is designed to address three key areas as per the table below.

Area of focus	Description – actions related to:	Future focus (FY24+)
Network	<ul style="list-style-type: none"> Improving nbn® network resilience to the impacts of climate change Rolling out more energy-efficient fibre to enable long-term reductions in network power demand Funding eligible projects that deliver outcomes through the issuance of Green bonds Installation of on-site renewables, such as solar panels and wind turbines. 	<ul style="list-style-type: none"> Developing long-term emissions reduction targets via SBTi¹ Additional Power Purchase Agreements (PPAs) go-live Delivery of energy-efficiency initiatives.
Customer	<ul style="list-style-type: none"> Improving energy-efficient features to the nbn® devices used in customer premises Improving awareness of power outages and network impacts due to loss of mains power Improving customer notifications of planned and unplanned outages. 	<ul style="list-style-type: none"> Delivery of energy-efficient devices and features across nbn® network technologies Improvements in communications with customers on network outages and impacts due to loss of power.
Communities and partners	<ul style="list-style-type: none"> Deployment of Temporary Network Infrastructure (TNI) to enable connectivity for emergency services and members of the community who have been physically impacted by climatic events Delivering products and services to support Australia's transition to a low-carbon economy. 	<ul style="list-style-type: none"> Continued deployment of TNI and network resilience measures Exploration of how NBN Co can support Australia's transition to a net-zero economy through product and service solutions.

1. The Science Based Targets initiative (SBTi) drives climate action in the private sector by enabling organisations to set science-based emissions reduction targets - <https://sciencebasedtargets.org/about-us>.

Circularity and waste

During the evolution, operation and maintenance of the **nbn®** network and supporting activities, NBN Co needs to consider the materials used and waste generated, to minimise environmental impacts. Waste generated includes construction waste, network cable, batteries and e-waste.

Waste management is integrated into NBN Co's Health, Safety and Environment (HSE) Management System, through a Waste Management Standard. This is supported by a waste minimisation program.

To improve waste management practices, in FY24, NBN Co will explore how circular economy principles can be leveraged through development of a circularity framework and strategy. This will include a review of product inflows and outflows, with a focus on how the Company can improve the design and procurement of new assets to reduce resource dependency and improve the rate of reuse or recycling of retiring or faulty assets within the network.

At its operational facilities in FY24, the Company will look to further improve waste diversion rates. One initiative to achieve this will be the roll-out of a textile recycling program that NBN Co began trialing in FY23. This solution will support the disposal of used, worn and out of brand NBN Co work wear and select personal protective equipment.

Protecting the environment and cultural heritage

As the nation's digital backbone, the **nbn®** network touches everyday life in communities right across Australia. NBN Co manages environmental impacts and respects and protects areas of natural or cultural heritage significance.

NBN Co's approach to environment protection is supported by policy commitments and the Environment Management System, which is certified to *ISO 14001:2015 Environmental Management Systems*. The Company's Indigenous Cultural Heritage Framework includes policies and supporting documents relating to protecting places and sites of cultural significance.

To monitor compliance with risk management controls, NBN Co undertakes activities including in-field inspections. At the network design and planning stage, due diligence is applied to identifying areas of environmental significance, including First Nations' and non-First Nations' cultural heritage.

The Company will initiate a number of actions to strengthen the processes that protect areas of First Nations' cultural heritage significance and will continue to monitor the effectiveness of environment protection controls through assurance activities.



Responsible business and sustainable finance



Capital management

NBN Co's capital management is governed by the NBN Co Board in accordance with the Commonwealth GBE Governance and Oversight Guidelines (GBE guidelines), the PGPA Act, the PGPA Rule and governance documents that operate between the Government, as shareholder, and NBN Co.

As one of the largest corporate borrowers in Australia, NBN Co needs a long-term sustainable capital structure and prudent capital management policies.

Financial policy targets are set with this prudence in mind and aim to achieve a sustainable level of debt, while maintaining adequate liquidity levels.

Board approved financial ratio targets guide NBN Co's decisions with respect to investments, dividends, business priorities and use of free cash flows.

Future cash flows will prioritise liquidity targets, repayment of debt to reduce financial leverage, mandated investments, and growth investments when they can positively impact the financial ratio targets.

Dividends are not expected to be paid over the Corporate Plan period.

As at 30 June 2023, the Company had raised in excess of \$25.8 billion from the debt capital markets and bank facilities, with just under \$5.7 billion of this raised during FY23. The Company has an interest rate and foreign exchange hedging strategy in place and raises debt in the domestic and international debt markets, including raising debt by the issuance of Green Bonds. The Commonwealth loan has a remaining balance of \$5.5 billion and is expected to be repaid at or before its maturity on 30 June 2024.

Sustainable finance

Following the establishment of its Sustainability Bond Framework in February 2022, NBN Co generated proceeds of \$800 million as part of the Company's first Green Bond issuance in April 2022.

Subsequently, NBN Co went on to successfully raise EUR 1.35 billion (swapped into AUD \$2.13 billion) from its inaugural European Green Bonds issuance in March 2023, making it the first Australian Government Business Enterprise to issue Green Bonds in Europe. The bonds were issued under NBN Co's Global Medium-Term Note Programme and are listed on the Singapore Stock Exchange.

Proceeds received under the Green Bond issuances have been allocated to past and future eligible projects as part of the Company's commitment to energy efficiency, including pushing fibre deeper into communities, which will enable long term reductions in power demand in the network with the transition to more energy efficient technologies.

NBN Co released its first Sustainability Bond Report in February 2023, which demonstrates how the Company intends to enter transactions which support NBN Co's purpose, Sustainability Approach and Program of Work, as well as how NBN Co may issue Green, Social and Sustainability Bonds.

A subsequent Sustainability Bond Report was released in August 2023 as part of the Company's ongoing annual reporting obligations under the Sustainability Bond Framework.

NBN Co will continue to raise sustainable funds from a range of global and domestic debt capital markets, further supporting NBN Co's purpose to lift the digital capability of Australia.

Financial performance and growth

The Company will continue to seek revenue growth and a sustainable positive cash flow position, as these are essential to enable investment in the network, meet future customer demand, deliver great customer service, meet the Government's Statement of Expectations and the Company's contractual obligations, and enable the raising and servicing of debt.

NBN Co met its 2023 financial year targets for revenue and Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and has set guidance for FY24 to generate revenue in the range of \$5.3 billion to \$5.5 billion and EBITDA of between \$3.7 billion and \$3.9 billion.

Risk and oversight

Risk management is central to NBN Co achieving its strategic objectives to lift the digital capability of Australia by ensuring that NBN Co successfully navigates and manages the challenges in operating the National Broadband Network and building the network upgrades.

The Board of Directors and management are committed to implementing a robust risk management framework that enables proactive identification, assessment and management of all key risks. This is outlined in the **nbn® Risk Management Framework** which includes:

- A Board-approved Risk Management Policy
- A Board approved Risk Appetite Statement
- The **nbn® Risk Management Standard** that defines the approach, methodology and process for managing risk at all layers of the organisation.

The Framework also communicates NBN Co's commitment to the development of a sound risk management culture.

NBN Co is required to address risk management in the context of its status as a GBE. The PGPA Act and the SoE prescribe the requirements the Company must meet to fulfil its obligations to its Shareholder Ministers to enable them to exercise their accountability to Parliament and to the general public.

The Company is responsible for providing a Corporate Plan to its responsible Shareholder Ministers, of which risk identification, and risk management are key elements. The Material Business Risks to achieving its Corporate Plan have been identified and are outlined in the following section. These risks are closely managed and monitored to ensure the successful delivery of NBN Co's strategic objectives and Corporate Plan.





Material Business Risks

The Material Business Risks to achieving NBN Co's Corporate Plan are outlined below:

- Security and availability of the active network, corporate systems, data, and information
- Resilience of NBN Co's critical infrastructure
- Network planning, evolution and performance
- Supply chain and strategic partner disruption
- Operations performance
- Stakeholder trust and social licence
- Regulatory strategy, governance and compliance
- Competition and customer
- Strategy execution and change
- Finance and debt management
- Safety and wellbeing, culture and engagement
- Climate change transition

Where threats and risk events occur, NBN Co maintains a strong business resilience program and the capabilities required to navigate uncertainty and disruption. The Company regularly undertakes training, contingency planning and testing exercises to ensure it maintains a high degree of readiness.

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