



Australian Government

**Department of Broadband,
Communications and the Digital Economy**

Fibre in new developments: policy update

22 June 2011

When the Australian Government announced its National Broadband Network (NBN) policy in April 2009, it recognised that it was essential to ensure new developments across Australia were given ready access to fibre technology as they were being built. While the NBN is being constructed, an estimated 1.9 million new premises will be built. Connecting these premises to fibre will provide occupants with ready access to next generation broadband and reduce rollout costs by avoiding costly retrofitting.

Following extensive consultation with stakeholders and consideration of the NBN Implementation Study, the government announced on 20 June 2010 that from 1 January 2011:

- NBN Co Limited would be the wholesale provider of last resort in new developments¹ within or adjacent to its long term fibre footprint and meet the cost of doing so
- developers—and on their properties, property owners—would be responsible for trenching and ducting
- Telstra would not have infrastructure responsibilities but would be retail provider of last resort
- developers could use any fibre provider they want, providing they met NBN specifications and open access requirements.

¹ For the sake of clarity, references in this statement to new developments should be understood to refer to all types of developments and constructions, regardless of the number of lots, premises or units involved; whether they are broadacre greenfield or brownfield infill; and regardless of whether they are residential, commercial, industrial, government or of some other type. References to lots, units and premises should generally be taken to have the same meaning and be interchangeable.

These are very significant changes to the way telecommunications infrastructure and services are provided in new developments. But, as the government has demonstrated, it is prepared to tackle the challenges in telecommunications to deliver better long-term outcomes for Australia.

On 9 December 2010 details of operational arrangements to implement this policy were announced. Those arrangements have now been refined in the light of experience since then. These refined arrangements are intended to provide stakeholders with additional certainty in relation to all developments.

In all instances, this policy relates to who is responsible for the provision of infrastructure and services in new developments as a provider of last resort. Nothing prevents a developer from requesting any provider (whether it be NBN Co, Telstra or some other provider) to supply infrastructure in, or to service, their estate. Any such provider is free to comply with such a request, but is not required to do so, other than NBN Co and Telstra as providers of last resort as described below.

The government will make regulatory changes to give effect to the arrangements described below, including in relation to clarifying responsibilities under the existing universal service regime. The Australian Government will also continue to work with state and territory governments to ensure a nationally-consistent approach is adopted in all planning regimes.

The role of NBN Co in new developments

From 1 January 2011, NBN Co is responsible for the installation of fibre at the development stage for all premises in NBN Co's fibre footprint² in:

- new developments of 100 or more premises³, whether broadacre or infill, which receive Stage 5 (civil works) planning approval after 1 January 2011
- developments, irrespective of size or type, in areas where NBN Co has already rolled out fibre and the fibre is ready and capable of connection
- developments in areas where NBN Co has publicly identified the area as a rollout region—this is on the basis rollout regions will be announced 12 months prior to the ready-for-service date.

NBN Co may also provide infrastructure in smaller developments where it is practical for it to do so.

NBN Co requires developers to provide it with three month's notice that the developer requires infrastructure for their development.

In developments for which it is responsible, NBN Co will install the fibre infrastructure in the development including backhaul to a point of interconnect. Other costs to be met by developers are discussed below.

² All new developments will be assumed to be in NBN Co's long-term fibre footprint. However, NBN Co will promptly notify the government, developers and Telstra (as Universal Service Obligation provider outside the footprint) of new developments that are outside of the long-term fibre footprint.

³ Developments of 100 or more premises are those approved for 100 or more premises over a three-year period at the time of development approval.

NBN Co may use whatever operational arrangements it chooses to service new developments. NBN Co will use such arrangements to make infrastructure available in a time frame which will enable occupiers of lots to access fibre-based voice telephony and other services.

Role of Telstra

For developments of less than 100 premises, whether broadacre or infill, Telstra will be responsible for delivering infrastructure and services, pending NBN Co being ready to provide a fibre service in that area that is capable of connection to the premises.

Telstra will be responsible for delivering infrastructure and services in developments which received planning approval before 1 January 2011 other than developments which are 'landbanked'—that is, developments that have been approved but which have not proceeded.

Telstra has agreed that it will generally provide copper infrastructure. However, Telstra can choose to provide fibre and in some limited circumstances—for example, because of the short time frame between construction and the rollout of fibre—Telstra may provide high quality wireless services as an interim solution. Telstra will work to determine which interim solutions will be appropriate in specific circumstances. It will take into account considerations including the time frame for which the interim solution is required, the infrastructure solution that delivers the best service quality, the customer's location and requirements for voice or broadband.

Like other fibre providers, Telstra will also be able to enter into commercial arrangements with NBN Co relating to fibre solutions.

Consistent with the 20 June 2010 announcement, Telstra will be required to provide standard telephone services to end users in all new developments in which retail services are not offered by another service provider (retail provider of last resort).

Landbanked developments will be provided with infrastructure in accordance with the rules described above and developers will need to reodge their requests with NBN Co or Telstra as appropriate.

Telstra will advise developers if their developments are being treated as landbanked and need to be resubmitted.

The arrangements outlined in this statement do not in any way override existing contractual arrangements developers may have in place.

Expectations on developers

From 1 January 2011, in all types of new developments, developers will ensure that pit and pipe—including trenching and ducting, design and third-party certification for development approval purposes—are installed and are fibre-ready.

In new developments of 100 premises or more, developers will meet the cost of installing fibre-ready pit and pipe infrastructure and transfer ownership of such infrastructure to NBN Co in exchange for the provision of fibre within that pit and pipe.

In new developments of less than 100 premises, developers will meet the cost of installing pit and pipe infrastructure and transfer ownership of such infrastructure to Telstra in exchange for Telstra's provision of fixed-line infrastructure within that pit and pipe.

In the event that Telstra is paid by a developer to install the pit and pipe infrastructure into a new development where NBN Co has an agreement with the developer to provide fibre, Telstra will transfer the pit and pipe to NBN Co before NBN Co installs the fibre as the first infrastructure.

Any other provider whom a developer approaches to provide infrastructure will need to decide what arrangements it requires in relation to pit and pipe infrastructure.

Consistent with past discussions with the development industry, the government has introduced legislation, the Fibre Deployment Bill, to have developers install fibre-ready pit and pipe.

Pit and pipe specifications

These arrangements require clarity on the nature of the pit and pipe that is appropriate. NBN Co has provided specifications for use where a developer wishes to use NBN Co. These specifications have also been provided to the Communications Alliance with a view to having them negotiated as appropriate for general use by industry and then endorsed as soon as possible. This is a matter for established industry and Australian Communications and Media Authority (ACMA) processes.

Pit and pipe can be provided by third party providers for use by NBN Co and Telstra but must be to NBN Co specifications until fibre-ready specifications are otherwise agreed by industry through a Communications Alliance process or determined by the ACMA. Any pit and pipe infrastructure that has been, or is, installed in accordance with NBN Co's guidelines will be taken to be fibre-ready.

NBN Co and Telstra will use such pit and pipe where it is to specification and ownership is validly transferred to them respectively.

Telstra will interconnect pit and pipe built by third parties with its pit and pipe network where the new pit and pipe meets relevant specifications. The interconnection is to be done either by Telstra on behalf of third parties or by a third party (including a contractor) who has entered into a Duct Access Agreement with Telstra. The third party must meet the cost of the interconnection work.

NBN Co and Telstra will support the establishment of efficient, low-cost processes to meet the reasonable certification and approval needs of councils and/or planning authorities in relation to pit and pipe and fixed-line infrastructure work. Other providers and stakeholders are welcome to participate in this process.

Role of competing fibre providers

It has been a consistent feature of the government's policy in new developments that there should be room for competing providers. This continues to be the case.

Developers can source fibre from competing fibre providers if they wish. Providers can compete to provide infrastructure in new developments—for example, by offering more tailored solutions to developers or more expeditious delivery.

Where the installed infrastructure meets NBN Co specifications, NBN Co may seek to acquire the infrastructure, but this is a commercial decision for NBN Co.

Those providers should, however, build to the specifications for the NBN and offer a Layer 2 service on an open-access basis. Provisions in the NBN Access Act recently passed by Parliament require this. This is intended to ensure consumers in such developments have access to the same service outcomes as are available in new developments serviced by NBN Co. Providers who fail to do this will otherwise risk being overbuilt when NBN Co rolls out the network in their area.

There is strong stakeholder support for NBN Co operating as the wholesale provider of last resort in new developments and meeting the cost of providing fibre. The government's policy reflects this. This approach will also support a consistent national approach into the future. If alternative providers want to compete with NBN Co they are welcome to do so, but it is on the understanding that they have the resources and ability to do so.

Fact Sheet: New Developments

What is the **National Broadband Network?**

The National Broadband Network (NBN) is a high speed broadband network designed to connect 100 percent of Australian premises.

It will provide a super-fast, national broadband network that will serve Australia for decades to come, and residents in new developments will be among some of the first to benefit.

NBN Co fibre in new developments

During the NBN rollout, an estimated 1.9 million new premises will be constructed across Australia.

To ensure residents in these new developments can take full advantage of the social and economic benefits offered by high speed broadband, the Federal Government announced the 'Fibre in New Developments Policy' in December 2010. This means that from 1 January 2011:

- NBN Co will install fibre into new developments of 100 premises (dwellings / units) or more, released over a three year period, which have received Stage Five approval (relating to civil works) after 1 January 2011, within the NBN fibre footprint;
- developers are responsible for designing and installing pit and pipe infrastructure to NBN Co specifications, and NBN Co will be responsible for designing and installing fibre infrastructure;
- new developments with less than 100 premises (dwellings / units) which have received Stage Five approval (relating to civil works) after 1 January 2011, need to apply for telecommunications infrastructure from Telstra or another telecommunications provider; and
- estates of developers who applied for services from Telstra prior to 1 January 2011 are classified in the Minister's policy statement as pre-existing developments. Telstra is responsible for providing telecommunications infrastructure and services in these developments.

This is the beginning of a major change for the development industry. It is designed to ensure that homes and businesses in new developments can take advantage of the huge array of entertainment, health, education and business services that will be enabled by the NBN.

The benefits of fibre in new developments

By incorporating fibre into the early stages of construction, developers are able to:

- bring uniform broadband coverage within the reach of 100 percent of premises in new estates;
- 'future-proof' new developments to ensure residents have access to high speed broadband now and into the future;
- maximise efficiency and lower costs by installing fibre like a utility service when trenches are open; and
- market new developments as 'NBN Fibre-Ready' estates, with residents in these developments being among the first in Australia to benefit from the high speeds available over the NBN.

Developer responsibilities

To be eligible to receive NBN Co fibre infrastructure, developers need to complete the following steps:

- Register all requests for NBN Co fibre infrastructure via NBN Co's online application form at www.nbnco.com.au/NewDevelopments.
- Sign and return the Developer Agreement – NBN Co cannot reticulate fibre into a new development without a Developer Agreement in place.

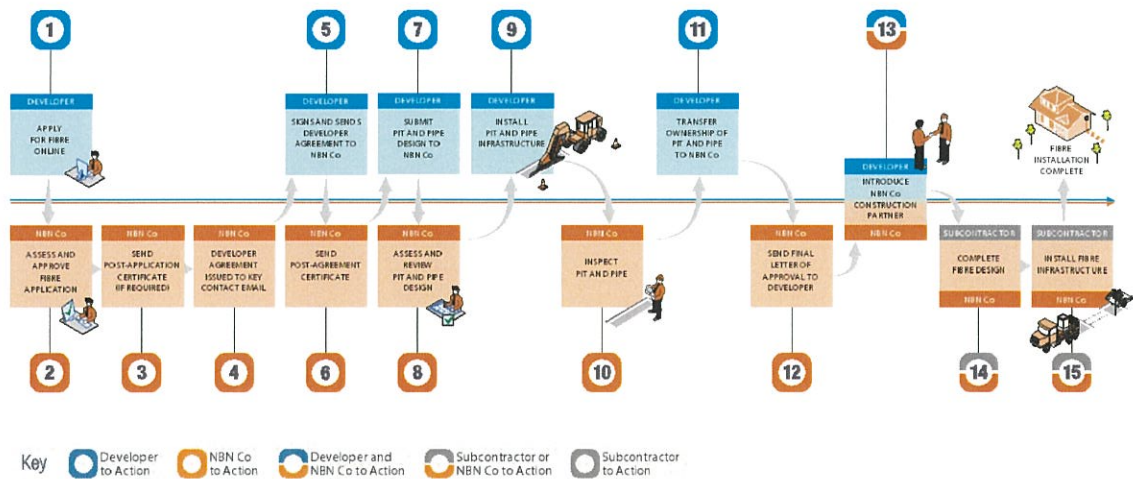
Developers need to give NBN Co at least three months notice prior to the first service connection date in their new estate to ensure NBN Co has adequate time to plan the installation of fibre. This three month timeline starts from the date that NBN Co receives the signed Developer Agreement.

- Design pit and pipe infrastructure to NBN Co specifications and standards and submit to NBN Co for review prior to installation.
- Install pit and pipe infrastructure to NBN Co specifications and standards. NBN Co pit and pipe installation guidelines can be found online at www.nbnco.com.au/NewDevelopments.
- Transfer ownership of pit and pipe infrastructure to NBN Co (once it has been installed to NBN Co specifications) before NBN Co can reticulate fibre.



Developers are responsible for installing pit and pipe infrastructure to NBN Co specifications and standards.

Figure 1 – Application process map



www.nbnco.com.au/newdevelopments

What NBN Co will deliver in new developments

Once a Developer Agreement is signed with NBN Co, and pit and pipe infrastructure has been inspected and approved, then subject to the terms of the Developer Agreement, NBN Co (or an NBN Co subcontractor) will:

- install fibre infrastructure to each premises or Multi-Dwelling Unit (MDU) connecting all premises in the estate to the NBN;
- provide a connection from the new development to the NBN Co network (i.e. 'backhaul'); and
- work to switch on the network in the new estate to align with the first service connection date required.

NBN Co fibre in new developments will initially enable Service Providers to offer broadband speeds up to 100 megabits per second, rising to 1 gigabit per second in 2012, and with the capacity for further upgrades in the future.¹



NBN Co or an NBN Co subcontractor will install fibre infrastructure to each premises in a new estate.

When residents move in – how do they connect to services?

All premises in new developments, where an agreement has been signed with NBN Co, will be 'NBN Fibre Ready' when residents move in. This means that infrastructure will be in place to support telephone and high speed internet services over the NBN (once activated by a Service Provider).

Service Provider is a term for the companies that will offer homeowners a range of telecommunications products and services, including telephony and broadband. NBN Co is a wholesale infrastructure provider, which means it provides the network over which Service Providers can deliver their products and services.

When new home and business owners move into an 'NBN Fibre-Ready' estate, they simply follow a similar process to that of selecting a new telephone or internet service for existing premises. That is:

- contact a local Service Provider(s) of their choice to get advice on the best services to meet their needs;
- review the information that will be available from Service Providers on what services and pricing plans are available over the NBN; and
- select preferred products and services and sign up with the Service Provider who will activate the service at the premises.



Figure 2 – Some of the potential applications and services that can be enabled by the NBN

New products and services enabled by the super-fast speeds available on the NBN

The NBN will enable a vast array of advanced services and applications such as:

- video on demand television over the internet (IPTV is expected to be available in 2012);
- energy management and automation systems to cut electricity costs;
- home digital security systems; and
- healthcare, education and business services.

The high speeds and bandwidth of the NBN will make it possible to access:

- multiple internet services at the same time – e.g. different family members could simultaneously be on a high definition video conference, playing online games, accessing a social network, and remote working;
- teleworking from home, including video conferencing for virtual meetings; and
- a large variety of entertainment offerings such as playing online games, using interactive TVs with high definition screen resolution, and video conferencing to stay in touch with family and friends.

** Speeds actually experienced by end-users will depend on a number of factors including the retail broadband plan they choose, equipment and in-premises connections.*

This document was released in December 2011 and the information in this document may change as further legislation is implemented around fibre in New Developments. For the latest and most up to date information, please visit our website: www.nbnco.com.au/NewDevelopments

For more information contact NBN Co's Development Liaison Team:

Phone **1800 OUR NBN** (1800 687 626)

Email newdevelopments@nbnco.com.au

Web www.nbnco.com.au/newdevelopments

Or contact one of our dedicated State Developer Account Managers or Territory Account Managers:

NEW SOUTH WALES / ACT

Matt Schwabrow, Account Manager – 02 9927 4402
matthewschwabrow@nbnco.com.au

Brent Rollings, Account Manager – 02 8918 8009
brentrollings@nbnco.com.au

Jonathan Wood, Territory Manager – 02 9927 4470
jonathanwood@nbnco.com.au

VICTORIA / TASMANIA

Geri Graham, Account Manager – 03 9601 5482
gerigram@nbnco.com.au

Joe Cannatelli, Territory Manager – 03 9601 5597
joecannatelli@nbnco.com.au

Hakan Dogan, Territory Manager (VIC Only) – 03 9601 5228
hakandogan@nbnco.com.au

Debra Farrelly, Territory Manager (VIC Only) – 03 9290 7625
debrafarrelly@nbnco.com.au

NORTHERN TERRITORY / SOUTH AUSTRALIA

Linton Moore, Account Manager – 03 9601 5479
lintonmoore@nbnco.com.au

Naomi Read, Territory Manager – 08 8193 3640
naomiread@nbnco.com.au

QUEENSLAND

Anthony Godden, Account Manager – 0408 376 616
anthonygodden@nbnco.com.au

Alan Rich, Account Manager – 0418 869 934
alanrich@nbnco.com.au

WESTERN AUSTRALIA

Alex Zimmerman, Account Manager – 08 6274 6062
alexzimmerman@nbnco.com.au

Sam Dawe, Territory Manager – 08 6274 6026
samdawe@nbnco.com.au