nbn® Industry Consultation Paper

Fibre Connect for Complex MDUs

November 2022

Industry Consultation paper

Commercial-in-Confidence

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1. Introduction

1.1 About the nbn

NBN Co is a Government Business Enterprise, which has rolled out the **nbn** network and which is the default Statutory Infrastructure provider for broadband services in Australia. Eligible services provided over the **nbn** network are available on a wholesale only basis to carriers and retail service providers and are provided on a non-discriminatory basis.

This means that residents in buildings served by the **nbn** have access to a large range of competing retail providers.

1.2 Consultation Purpose

The purpose of this industry consultation paper is to seek industry participation and feedback on the 'Fibre Connect for Complex MDU' build program. The intent of the consultation paper is to seek feedback from key groups across industry such as Body Corporates, Strata Managers, Delivery Partners and Retail Service Providers to assist in understanding and refining the high-level communication and build process.

1.3 Document Audience

Some of the key audiences of this document are detailed below;

- **Body Corporates / Owners Committees** as the authorised representatives who are accountable for making key decisions on major and minor building works on the basis of Strata Manager recommendations (if appliable) and may be interested in upgrading their building under this build program;
- **Strata Managers** as the group advising and governing the body corporates / owners committees who may be interested in advocating for building upgrades with **nbn**;
- **Retail Service Providers** who want to understand the process of the build program and assist in proactively engaging their customers and enabling gigabyte services[1] post build activities;
- **Delivery Partners and other third parties** who may be interested in proactively engaging with authorised representatives to encourage building to upgrade to Fibre to the Premises (**FTTP**) as part of the program.

1.4 Background

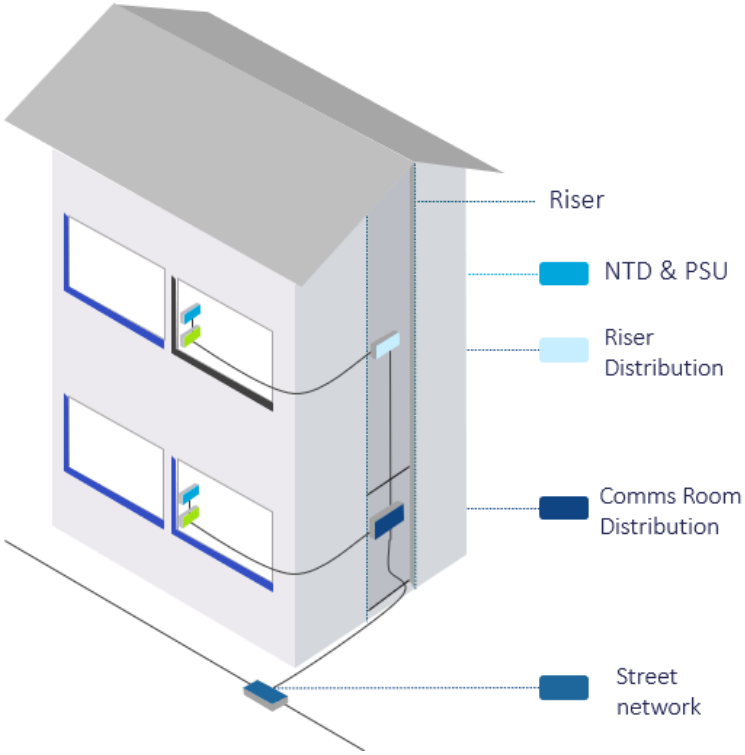
The On-Demand Fibre Connection Program (**Fibre Connect**) supports premises[2] changing access from Fibre to the Node (**FTTN**) to FTTP. It was successfully launched in March 2022 for eligible Single Dwelling Units (**SDU**) premises that placed a qualifying Higher Speed Tier order of HomeFast (100/20 Mbps) or higher. This was followed by the launch of Fibre to the Curb (**FTTC**) to FTTP in May 2022 for eligible SDU premises that placed a qualifying Higher Speed Tier order of Home SuperFast (250/25 Mbps) or higher.

[1] Regardless of the retail service purchased, the actual wholesale download speeds delivered by **nbn** to retail service providers will be less than 1Gbps due to **nbn** equipment and network limitations. An end customer's experience, including the speeds achieved, depends on some factors outside our control (like equipment quality, software, and how a retail service provider designs its network).
[2] A premises means each of the following where Serviceable; an addressable location currently used on an on-going basis for residential, business (whether for profit or not), government, health or educational purposes

The ability for the customers within these areas to flip their technology to FTTP, coupled with **nbn**'s ongoing investment in the HFC network, will aim to enable 90% of the fixed line network access to **nbn**'s Home Ultrafast wholesale speed tier by 2025.

Premises within the fixed line footprint vary in type and complexity and include both Single Dwelling Units (**SDUs**) and Multi-Dwelling Units (**MDUs**). The program for Complex MDUs (which is different from the Fibre Connect program for SDUs) not only involves construction of fibre routes down streets and to premises, but also pathways will need to be built or installed within the buildings for the fibre cables. Ideally nbn would like to maximise the number of premises within each building in which a Network Terminating Device (**NTD**) is installed to reduce the number of repeat visits at later times when residents choose to upgrade to higher speeds. Pre-installation of the NTDs means that services can be switched on remotely (called a logical connection) if order is placed.

High level diagram of the network required within an MDU is below;



nbn has released several consultation papers associated with the FTTN/C to FTTP Network Upgrades in 2020 and 2021, via the PDF, which identified segments such as MDUs to be addressed in further consultations. This paper plans to address this opportunity and seek industry feedback on building **nbn** fibre to MDU's within the FTTN and FTTC footprint. Complex MDUs will undergo a series of pilots from February 2023.

Further high level details of the expected benefits and **nbn** priorities can be found in the **nbn** Corporate Plan 2021.

Separately, **nbn** has supported an Area Switch program that provides the opportunity for interested parties to fund the deployment of an alternative **nbn** technology across an entire area. Area Switch build agreements previously allowed authorised representatives (such as Body Corporates) the ability for all premises within a defined boundary to flip their technology of their choice. The Fibre Connect Complex MDU program has similarities to the Area Switch program, in that it can apply across an entire MDU, and

intends to utilise similar build and activations processes as well as constructing to all premises within the defined boundary in the initial construction activities.

As part of infrastructure upgrades within MDU's, there is a requirement to engage directly with the Body Corporate or building representative. This allows sufficient access to critical common areas and minimises truck rolls over the course of the build and customer connection. As a result, this is intended to lead to cost efficiencies and an improved customer experience.

Notably, this consultation paper only deals with build arrangements pertaining to the provision of fibre upgrades within MDUs. **nbn** is not proposing any changes to any existing terms and conditions under which its services or existing build activities are supplied, including under Fibre Connect Program, and **nbn** is not proposing to introduce new terms and conditions relating to the supply of any services.

Any build arrangements will not contain any terms under which an end user at a premise may order carriage services from **nbn** or any retail service provider. Any carriage services supplied to any premise within an MDU will be supplied by the relevant end user's chosen retail service provider under the terms of a contract between that retail service provider and the end user. End users will need to engage their chosen retail service provider to arrange this service.

2. Details of Build Program

2.1 Eligible footprint

To enable 90% of the fixed line footprint to supply ultrafast services by the end of 2025, nbn intends to launch a build process, which enables MDUs within the fixed line footprint to upgrade to FTTP by the end of 2025.

Complex MDUs (classified nominally as ≥5 premises) – will aim to commence release from July 2023 and includes all other premises that typically include an authorised representative and central communications room. Further design & construction activities within the MDU are required to upgrade the building to FTTP. Generally Complex MDUs are not served by an individual lead in conduit to individual premises.

For Complex MDUs, **nbn** will coordinate critical construction activities between the building representative (Body Corporates or Strata Managers) and Delivery Partners given the potential size of some buildings. **nbn** is proposing options to enable this, including (but not limited to);

1. **nbn** directly engages with the building representative to coordinate the internal design and construct activities through to Service Class 3[3] (Network Termination Device (**NTD**) installed within the premises) where possible;

2. **nbn** enables third party providers such as construction partners to engage with building representative, enter into agreements and coordinate all build activities through to Service Class 3 (NTD)[2] where possible. With this methodology, **nbn** may enable and encourage third party providers (such as delivery partners, third party providers) to promote and engage directly with Body Corporates & Strata Managers to build fibre network within their buildings.

In both circumstances, **nbn** intends to construct network to all premises within the MDU and additional fibre capacity to support in-building connections if required in future as part of the initial design & construct activities. Where completing the network build through to the Network Termination Device (NTD) is not possible, the remainder of the premises and other in-building connections will be completed

[3] Service Class 3 (NTD) means the location is now serviceable by fibre. Both internal and external devices have been installed and end users can order a service from their Retail Service Provider and activate within 1-5 business days.

to the Premise Connection Device (PCD) which will enable end users to still connect to the new network via a request with their chosen Retail Service Provider.

Based on the initial build completion for each premises and other in-building connections, a customer appointment may be required for a complete build resulting in a premise being categorised as Service Class 3, which would then only require a logical connection. Applicable orders (based on the Service Class) will be raised by the Retail Service Provider and nbn will action based on business-as-usual processes.

For Complex MDUs, the existing services may remain on the native technology after the network upgrade is completed however **nbn** reserves the right to disconnect these in future in line with any changes to the Change of Access Technology (**COAT**) process.

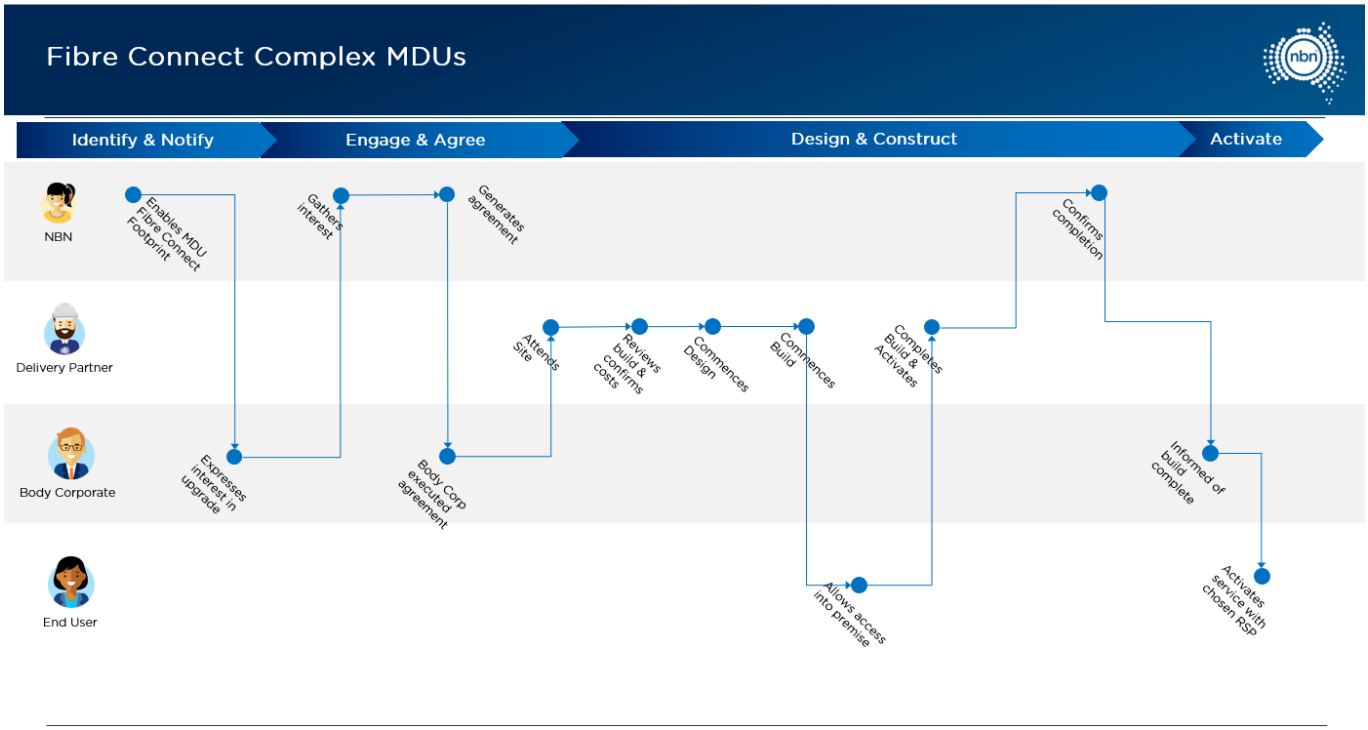
2.2 High level network and technology architecture

1. **nbn** will utilise the existing local fibre network already deployed by **nbn** as part of the National network roll out.
2. For Complex MDU's with a central point of distribution for infrastructure such as a communications (Comms) room, fibre will be hauled from the street infrastructure into a centralised splitting device in line with the relevant nbn architectural guidelines
3. From the comms room, **nbn** fibre will be constructed between the splitting device and terminated at the NTD in each apartment, office suite or other premises and other in-building connections where access is enabled. Where access is not available into the premises, a Premise Connection Device (PCD) or Internal Connection Device (ICD) will be installed outside the premises' front door (where appropriate).
4. All premises and other in-building connections will be enabled to support ultrafast services and products as per the current **nbn** architecture guidelines.
5. All premises and other in-building connections will be uplifted to fibre as part of a whole of building overbuild once the Body Corporate or Strata Manager agrees to the customer agreement.
6. If fibre is available within the basement and identified during the upgrade to FTTP, best efforts will be made to utilise existing **nbn** network with capacity during the build.

2.3 High level process overview for Complex MDU builds

The high-level customer journey and process overview for Complex MDUs is below.

Whilst **nbn** is considering opportunities to engage broadly with industry and authorised representatives, the requirement to engage and enter into build agreements with authorised representatives remains central to the end-to-end process. The commercial framework of build agreements with authorised representatives otherwise remains broadly consistent with existing programs such as Area Switch, Regional Connectivity Program and New Developments.



2.3.1 Notification of eligible buildings

nbn will consider enhanced opportunities to notify the eligible buildings under the build program ensuring key stakeholders have the appropriate visibility of building upgrades. **nbn** is considering the below items;

- Enhancements to digital platforms such as **nbn**'s website, register your interest forms, and appointment selections and ordering processes to support Body Corporates, Owners Committees and Third-Party providers to submit details about their building;
- Enhanced direct mail & marketing notifications to authorised representatives and end users to provide greater visibility on planned activities, users' guides etc
- Utilisation of the Change of Access Technology (COAT) process to ensure consistency with notifications to Retail Service Providers with building upgrades.

2.3.2 Proposed upgrade process

A high level, step by step process of the proposed upgrade process can be seen below utilising the Complex MDU journey above;

1. Authorised representative (Body Corporate / Strata Manager) is made aware of their ability to engage in an agreement with **nbn** to install FTTP
2. Authorised representative submits a request form via to initiate survey and build activities within the building
3. Authorised representative enters into an agreement via the online request form and automated contracting environment
4. Delivery partner is engaged to meet with the authorised representative and undertake an initial site survey
5. Delivery Partner confirms build requirements and final costs

6. Delivery Partner completes the design & construct components of the build whilst also engaging end users for access
7. Authorised representative is notified of the works now being completed by Delivery Partner, updates are mirrored on their build tracker
8. End users request logical activation of their new FTTP service via RSPs.

2.3.3 Additional scenarios

nbn is considering routing Complex MDU end users who request access to other **nbn** build offers such as Technology Choice through this program to reduce confusion in market.

nbn may choose to exclude these MDU addresses from any alternative **nbn** fibre on demand build offerings. End users will need to engage with their Authorised representative to engage directly with **nbn** and enter into an agreement to upgrade all premises and other in-building connections within the building to FTTP.

3. Pricing

nbn invites feedback on the proposed fees as part of a draft proposition as part of the Fibre Connect Complex MDU program;

- **Upfront Fee:** this amount is payable by the Authorised Representative (Body Corporate or Strata Manager) immediately post executing a customer contract with **nbn**. This amount is payable across both premises and in-building connections within the MDU;
    - *Standard Builds* - for those buildings where a standard build is required, a $250 per premise fee will apply;
    - *Complex Builds* - for those buildings which require a more complex build (such as commercial or heritage buildings or those with longer internal fibre runs for example), a $250 plus Price on Application (POA) with the final price being determined by a site visit with a **nbn** construction partner.

nbn reserves the right to vary the fee at which it offers Fibre Connect for Complex MDUs.

Due to the complex nature of MDUs, **nbn** may also consider some flexibility with network while still activating all premises and other in-building connections on a network capable of supplying ultrafast services. This may include items such as after-hours installation, build SLAs etc that **nbn** may find beneficial to authorised representatives.

4. Questions

Question 1: What do you see as some possible future enhancements to the above proposal?

Question 2: Do you have any further feedback on the process and/or communication, where complexity has been identified upfront or during the upgrade process by nbn?

Question 3: What would be a preferred method to engage directly with Industry representatives?

Question 4: How would you like to be informed of any buildings that can take up this offer?

Question 5: Do you have any feedback regarding the proposed charging model?

Question 6: What possible barriers do you envisage that may prevent adoption?

5. Consultation

nbn invites written submissions from industry participants by close of business 20 December 2022. Please email your submissions to nbnMDUtrial@nbnco.com.au address

nbn will treat all submissions as confidential unless marked otherwise or made public by others. However, if required, **nbn** reserves the right to provide submissions to them on a commercial-in-confidence basis with relevant government departments or regulatory bodies. For the avoidance of doubt, **nbn** reserves the right to publish anonymised and unattributed data from submissions.

As part of the consultation, **nbn** welcomes the opportunity to meet with industry participants individually to discuss your submission in more detail and obtain feedback. If you would prefer to provide verbal feedback rather than make a written submission, please email nbnMDUtrial@nbnco.com.au addressed to Richard Milloy or contact your **nbn** representative to request a meeting.