



Statement of Corporate Intent

2012
2015

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Introduction

In the Statement of Expectations released on 20 December 2010 the Government expressed three central objectives¹ for the National Broadband Network (**NBN**):

- To deliver significant improvement in broadband service quality to all Australians;
- To address the lack of high-speed broadband in Australia, particularly outside of metropolitan areas; and
- To reshape the telecommunications sector.

The NBN will enable high-speed broadband to be delivered to all Australian households, businesses and enterprises², through a combination of Fibre-To-The-Premise (FTTP), Fixed Wireless and Satellite technologies.

This Statement of Corporate Intent is consistent with the objectives contained in the Company's 2012-15 Corporate Plan, released by the Government on 8 August 2012.

Business description

NBN Co Limited (**NBN Co** or the **Company**) was established on 9 April 2009 to implement the NBN policy initiative. NBN Co is a Government Business Enterprise (GBE) incorporated under the *Corporations Act* and operated under the *Commonwealth Authorities and Companies Act 1997*. NBN Co is wholly-owned by the Commonwealth of Australia, represented by two Shareholder Ministers – the Minister for Finance and Deregulation and the Minister for Broadband, Communications and the Digital Economy.

NBN Co will design, build and operate a new National Broadband Network to provide access to high-speed broadband to all Australian premises². In implementing this policy initiative, NBN Co will design and manage one of Australia's largest infrastructure projects.

The establishment of NBN Co and the rollout of the NBN are key elements of the Government's policy to implement reform in the Australian telecommunications market. The NBN will be Australia's first wholesale-only, open-access, nationwide communications network.

Mission Statement

To facilitate the Government's objectives, NBN Co will roll out the NBN to all Australian premises using a combination of technologies. NBN Co will be operating a wholesale-only, open-access network, and making wholesale services available to retail service providers on non-discriminatory terms and conditions.

Objectives

In implementing the Government's policy initiative, NBN Co's specific objectives are:

- To comply with the Statement of Expectations' coverage requirements for provision of fibre-to-the-premises technology to Australian homes, schools and businesses designed to offer its retail service provider customers wholesale broadband speeds of up to 100 megabits per second³. NBN Co's product roadmap also includes a fibre service with speed options of up to 1 Gbps (1000/40 mbps downstream/upstream)³ aimed for enterprise-grade services.
- To serve all remaining premises with a combination of leading-edge fixed-wireless and satellite technologies providing peak download speeds of up to 12 megabits per second⁴. In the period before NBN Co launches its own satellite service in 2015, NBN Co is operating an Interim Satellite

to provide broadband services for rural and remote Australians who don't have access to "metro comparable" broadband;

- To provide fibre in all new developments of 100 or more premises, (broadacre or infill), which receive Stage 5 (civil works) planning approval after 1 January 2011; in 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; and in areas NBN Co has publicly identified as a rollout region. NBN Co may also provide infrastructure in smaller developments where practical for it to do so;
- To establish a wholesale-only, open-access network, subject to ACCC scrutiny, to support the Government's objective of structural market reform;
- To offer open and equivalent access to wholesale services via Layer 2 bitstream services, which in time will help enable multi-operator delivery of data, voice and video services;
- To charge access seekers uniform national wholesale pricing within technologies and uniform national entry level pricing across technologies consistent with the government's objective of providing uniform national wholesale prices. Where new technologies become available, NBN Co will seek to maintain this principle; and
- To implement the Telstra Definitive Agreements and the Optus HFC Agreement

Corporate vision

NBN Co's mission is to realise the Government's vision for the development of a National Broadband Network to all Australian premises. In meeting this mission NBN Co will always aim to:

- Be innovative and responsive to the needs of customers;
- Efficiently build a network not just for today, but for the future, by working to ensure that the assets used to physically deploy the network support an enduring, open-access network with appropriate resilience and redundancy;
- Put safety first at all times;
- Seek to continuously improve performance and excel in everything NBN Co undertakes;
- Engage constructively and respectfully with customers and other stakeholders;
- Achieve value for money in relation to NBN Co's expenditure and provide value for money for NBN Co's customers; and
- Make a fitting contribution to the communities with which NBN Co interacts and to the broader Australian economy.

Values and Ethics

At NBN Co our values act as a reference point for everything we do. Our people strive to personally and professionally demonstrate the following values in our actions, behaviours and decisions. This includes dealing with our customers, each other, the community, our suppliers and our owners.

- We are safe, disciplined and reliable and meet our commitments.
- We engender trust and integrity and are known for this.
- We are authentic, speak up and involve both ourselves and others.
- We are collaborative – one team focused on outcomes.
- We are flexible to fit our circumstances.

This is reflected in our dealings in specific areas:

Community. NBN Co will work with the community to ensure the rollout has regard to community concerns and minimises disruption.

Customers. NBN Co's customers will be retail service providers and wholesalers selling communications services to the Australian population and our relationships with them will be built upon the values and ethics for which NBN Co stands.

Workplace relationships. We recognise our people as our key assets and we are committed to high levels of safety and professional behaviour.

Work practices and performance. We are dedicated to ensuring our people are well trained and understand our business.

The work environment. We will conduct our business with a focus on safe work practices.

Care for the environment. We will limit our impact on the environment.

Suppliers and contractors. Our values and ethics will be fully represented in our dealings with suppliers and contractors.

Safety. Safety is paramount for the organisation and for all who work with the organisation or who come into contact with our work.

Statement of Accountability

The NBN Co Board is responsible for the company meeting its accountability obligations to the Government by submitting Corporate Plans and annual reports, monitoring compliance with Government policies, and for overseeing the development and implementation of a robust risk management framework.

Annual Reporting

The annual report will be provided to the Shareholder Ministers within four months of the end of the financial year. The annual report obligations are defined in the *Commonwealth Authorities and Companies Act 1997 (the CAC Act)*, the *Commonwealth Government Business Enterprise Governance and Oversight Guidelines October 2011 (GBE Guidelines)* and the *Corporations Act 2001*.

In addition to the financial statements, the annual report will include a level of disclosure consistent with that of publicly-owned corporations. In particular, NBN Co will provide in its annual report information regarding the network rollout performance and cost, achievement of service levels, faults, customer complaints, details of its progress towards meeting its coverage objectives and expenditure in doing so, as well as any other matters that Shareholder Ministers formally advise from time to time. NBN Co also provides confidential progress reports to Shareholder Ministers on a quarterly basis.

Performance Management

As part of this reporting, a set of Key Performance Indicators (KPIs) have been developed in consultation with the Government and are being used to report and monitor progress against the Corporate Plan on a regular basis.

Corporate Plan

Consistent with section 42 of the *CAC Act*, NBN Co will provide to Shareholder Ministers a three-year Corporate Plan, updated at least once a year. The 2012-2015 Corporate Plan was publicly released on 8 August 2012.

Disclosure

The company will maintain regular reporting to its Shareholder Ministers and as a Government-owned company is publicly accountable and subject to Parliamentary scrutiny through the Joint Standing Committee on the NBN (JCNBN), Senate committees and other Parliamentary inquiries, and to audit by the Auditor General.

NBN Co also has obligations under the *Corporations Act 2001*. NBN Co is committed to meeting high standards of corporate governance while meeting its obligations to its Shareholder Ministers and compliance requirements under the *CAC Act* and governance arrangements. NBN Co is developing its governance structures and processes having regard to the *ASX Corporate Governance Principles and Recommendations* and the *GBE Guidelines*.

Access to Information

Copies of significant public documents, including this Statement of Corporate Intent, the Corporate Plan, and annual reports, technical and industry-specific information can be accessed through our website **www.nbnco.com.au**. Also available on the website is information about the operations of NBN Co, company announcements and contact information.

NBN Co is prescribed under the *Freedom of Information Act 1982* with an exemption for its commercial activities.

Financial Outcomes

As a Government Business Enterprise (GBE), NBN Co's objective is to add to shareholder value by meeting financial targets agreed with the Shareholder Ministers in the annual Corporate Plan. As outlined in the 2012-15 Corporate Plan, NBN Co will work to ensure that the NBN is constructed as efficiently and cost effectively as possible while meeting the Government's policy objectives. At the same time, we will work with our customers to ensure that the products we offer meet their needs at prices that facilitate downstream competition, so as to maintain affordability to drive take-up rates.

Non-Financial Outcomes

The non-financial performance measures for NBN Co are set out in the 2012-15 Corporate Plan. The NBN will be significant national infrastructure supporting a full range of home, business and government services and functions. It will have benefits for education, health, environment and transport management, entertainment delivery and business productivity. It is not part of NBN Co's role to determine the nature, magnitude or w of these additional benefits, but they are expected to be above and beyond the financial returns to be made by the Government's investment.

1 NBN Rollout: Statement of Expectations, Joint Media Release, The Hon Julia Gillard MP – Prime Minister, The Hon Wayne Swan MP – Deputy Prime Minister and Treasurer, Senator The Hon Penny Wong – Minister for Finance and Deregulation, Senator the Hon Stephen Conroy – Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate, 20 December 2010, http://www.dbcde.gov.au/__data/assets/pdf_file/0003/132069/Statement_of_Expectations.pdf.

2 Ibid., see "addressable premises" definition p.5 and Attachment A – Premises Definitions, p.14.

3 NBN Co is designing the NBN to be capable of delivering these speeds to NBN Co's wholesale customers (RSPs). Speeds actually achieved by retail customers (end users) will depend on a number of factors including the quality of their equipment and in-premises connection, the broadband plans offered by their RSP and how their RSP designs its network to cater for multiple end users.

4 Ibid



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