



2024

ANNUAL REPORT



ABOUT THIS REPORT

Annual report

This Annual Report is for the year ended 30 June 2024 and provides information about NBN Co Limited (NBN Co or the Company). The Financial Report was authorised for issue by the Directors on 6 August 2024. The Directors have the power to amend and reissue the Financial Report.

Report structure

This Annual Report is designed to be read in its entirety. The required elements of the Directors' Report, including the Operating and Financial Review (OFR) as required by the *Corporations Act 2001* (Cth) and the *Public Governance, Performance and Accountability Act* (Cth), are covered on pages 14 to 109. Commentary on NBN Co's financial performance specifically is contained on pages 84 to 90, and reference information reported in the Financial Report (pages 150 to 209).

The Annual Report also includes a detailed Remuneration Report prepared in accordance with RMG 139 Commonwealth companies, Executive Remuneration Reporting Guide for Annual Reports on pages 110 to 127, a Corporate Governance Statement on pages 128 to 148 and a Regulatory Report on pages 220 to 233.

Integrated reporting

This Annual Report has been prepared with reference to the International Integrated Reporting Council's (IIRC) International Integrated Reporting Framework (IIRF), as NBN Co believes it provides a useful basis for disclosing how the Company creates sustainable value for its broader stakeholders over time. The framework has been used to demonstrate how NBN Co's purpose, its values, and risks and opportunities drive its strategy. It also considers how the execution of NBN Co's strategy creates value for stakeholders, applying a lens that is broader than operational and financial performance alone.

Resources

The IIRF describes six forms of capital (financial, manufactured, intellectual, human, social and relationship, and natural) but encourages organisations to adopt a categorisation and terminology appropriate to their business. In this Annual Report, NBN Co has grouped and defined these capitals into the six distinct resources outlined below. Icons are used throughout this report to demonstrate how each resource links to strategy, value creation, risk management and remuneration, and to demonstrate key relationships and trade-offs between business value drivers.



Network



People



Products



Environment



Customers
& Partnerships



Financial
Resources

Forward-looking statements

This Annual Report includes information about NBN Co's performance for the period 1 July 2023 to 30 June 2024. Any forward-looking statements are based on NBN Co's current expectations, best estimates and assumptions as at the date of preparation, many of which are beyond NBN Co's control. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, which may cause actual results to differ materially from those expressed in the Annual Report. Such forward-looking statements should not be relied on or considered to be a representation of what will happen by any third party. NBN Co does not give any guarantee or assurance that the results, performance or achievements expressed or implied by such forward-looking statements will actually occur.

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Glossary

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

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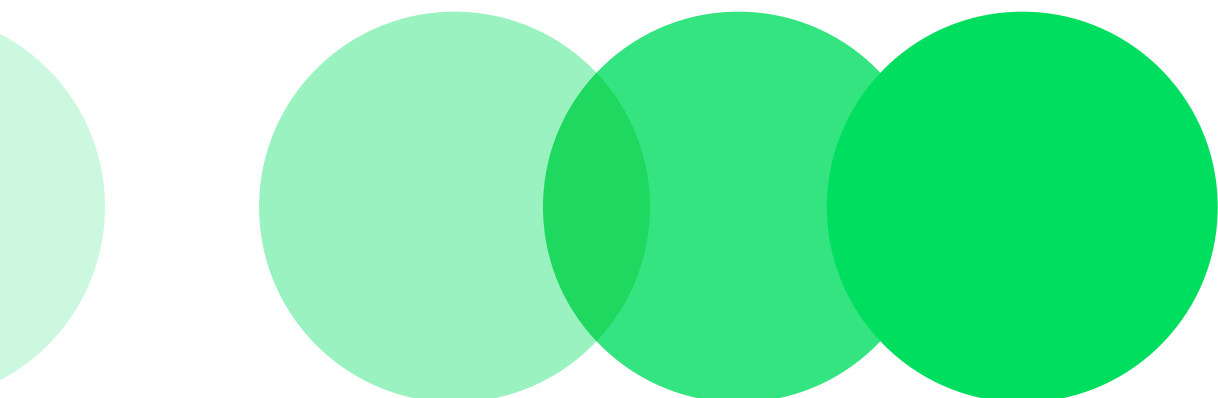
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ABOUT NBN CO

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

NBN Co Limited (the Company or NBN Co) was established in 2009 as a Government Business Enterprise (GBE) and is a wholly-owned Commonwealth company. The principal responsibility of NBN Co 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 being, the Minister for Communications and Minister for Finance in accordance with the Government's Statement of Expectations (SoE).

Purpose and objectives

The Company's purpose is to lift the digital capability of Australia. NBN Co aims to achieve its purpose by providing fast, reliable and affordable connectivity via wholesale broadband services which meet the current and future needs of Australian households, communities and businesses. Providing equitable access to affordable and reliable wholesale broadband services is essential in enabling end users to access key health services, maximising employment and educational opportunities, supporting economic growth and promoting digital inclusion.



As a Commonwealth company, NBN Co operates on a commercial basis and drives a culture of efficiency and innovation whilst ensuring the highest standards of transparency, governance, and accountability are maintained.

Wholesale-only network and working with Retail Service Providers

NBN Co operates a wholesale-only access network that is available to all access seekers and promotes competition in retail broadband markets. Lifting the digital capability of the nation requires collaboration with Retail Service Providers (RSPs). The Company seeks to offer products and pricing that promote the take up and utilisation of the nbn[®] network, meeting the needs of RSPs and other stakeholders. The Company looks to support the smooth connection of end users to the network and work with RSPs to improve processes that manage and reduce faults and outages in order to minimise disruption for consumers.

Upgrading the network

The Company continues to upgrade and improve the network with the aim of enhancing service quality and consumer experience, improving network reliability and meeting both current and future consumer demand. This includes the delivery of the fibre upgrade program as well as Fixed Wireless upgrades and improving Satellite services. In order to meet future demand, promote innovation, improve services and generate efficiencies in service delivery, NBN Co will continue to undertake proactive network planning to utilise emerging and future technologies.

Network security and resilience

Network security and resilience are an integral part of NBN Co's decision making, and the Company continues to demonstrate best practice in managing these issues. In addition, NBN Co continues to develop and maintain its disaster and crisis management plans in collaboration with governments and RSPs to restore services to disaster affected communities as soon as possible.

As a critical infrastructure owner and operator, NBN Co acknowledges the inherent risks that 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 and aims to achieve Net-Zero emissions by 2050, or sooner.

Promoting equitable access

A continued focus for the Company is to improve digital inclusion, particularly for low-income households, other vulnerable groups and First Nations communities who face barriers to accessing high speed broadband. As part of its Reconciliation Action Plan, NBN Co will work collaboratively with First Nations people to improve access and affordability as well as partner with First Nations communities and organisations to deliver services such as Community Wi-Fi.

NBN Co will continue to improve its services and assist in addressing access and connectivity challenges in regional and remote areas by proactively engaging with governments and stakeholders to deliver enhanced services and digital inclusion.

This will be achieved through initiatives such as the Fixed Wireless Upgrade Program and enhanced offerings on Sky Muster® Satellite services.

Operating commercially

NBN Co will continue to operate on a commercial basis and must be commercially sustainable to support the efficient ongoing investment in the network and to service and repay its debt obligations. Both NBN Co and the Commonwealth Government recognise that there may need to be trade-offs between NBN Co's commercial objectives and the Company's obligations and policy expectations. NBN Co may not be able to generate a commercial return in delivering all policy objectives under the SoE, particularly in regional and remote Australia. NBN Co will continue to support Government initiatives and take a flexible approach to supporting these initiatives, which includes utilising contributions from the Regional Broadband Scheme (RBS) and, where necessary, returns in other parts of its business.



OUR IMPACT

NBN Co delivered another year of solid operational and financial results, using the key resources and relying on relationships to create value for Australian homes and businesses.

Network

12.44m

Premises Ready to Connect (RTC)

FY23: 12.29m

8.84m

Premises able to access nbn® Home Ultrafast speed tier plans¹

FY23: 6.90m

4.20 Tbps²

Total capacity on the Fixed Wireless network

FY23: 2.12 Tbps

Products & Pricing

8.61m

Homes and businesses connected

FY23: 8.56m

76.64 Mbps

Average wholesale service speed³

FY23: 66.13 Mbps

375,000+

Total cumulative fibre upgrade connections

FY23: 89,000+

Customers & Partnerships

7.8

Average number of faults per 100 premises per year⁴

FY23: 8.9

90%

Service faults resolved within agreed timeframes⁵

FY23: 92%

13,997

Families connected via the School Student Broadband Initiative

FY23: 952

1. Refer to page 32 for further details.

2. Terabytes per second (Tbps).

3. Refer to page 43 for further details.

4. Refer to page 51 for further details.

5. Refer to page 52 for further details.



People

77%

Employee engagement score

FY23: 78%

36.1%

Female representation
in management¹

FY23: 34.3%

4.21

Total Recordable Injury
Frequency Rate (TRIFR²)

FY23: 2.36



Environment

19%

Decrease in total Scope 1 and 2
emissions in FY24 compared to
FY21 baseline year

FY23: 16%

22.4%

Renewable energy purchases

FY23: 18.8%

117,000+

Network assets recovered
for refurbishment and reused
within the network in the year

FY23: 112,000+



Financial Resources

\$5.5bn

Revenue

FY23: \$5.3bn

\$3.9bn

EBITDA³

FY23: \$3.6bn

\$1.2bn

Loss After Tax

FY23: \$1.1bn

1. Refer to page 69 for more information on female representation in management.

2. Refer to page 65 for the TRIFR definition.

3. EBITDA is defined as earnings before interest, tax, other non-operating income, depreciation, amortisation and gains or losses on derivatives measured at fair value.

CHAIR AND INTERIM CHIEF EXECUTIVE OFFICER'S MESSAGE



NBN Co Interim CEO Philip Knox and Chair Kate McKenzie

During FY24, NBN Co continued to make strong progress on expanding, upgrading and enhancing nbn[®] network infrastructure to meet current and future data demand.

The Company made ongoing network investments that increased the available speed and capacity of the nbn[®] network for households, businesses and communities across the nation. These network investments, including rolling out full fibre connections, are designed to help ensure Australia remains an economically productive and socially connected nation, alongside improving the reliability and resilience of the nbn[®] network.

FY24 Performance

The nbn[®] network performed well throughout FY24, with average monthly network availability¹ of 99.96 per cent, ensuring that more reliable and resilient broadband was delivered for households, businesses and communities across the country. In addition, the network effectively managed peak traffic demands which reached new record levels of 29.9 terabits per second during the year.

Over 147,000 residential and business premises were made Ready to Connect to the nbn[®] network during the year, taking the total number of Ready to Connect premises to 12.44 million at 30 June 2024.

As at 30 June 2024, more than 8.61 million homes and businesses were connected to the network. This is an incremental increase of approximately 50,000 residential and business premises compared to 30 June 2023.

The steady growth in NBN Co's customer base, and take-up of higher speed services on the network, ensured the Company achieved its FY24 guidance for revenue and earnings before interest, tax, depreciation and amortisation (EBITDA²), as set out in the Corporate Plan 2024. Total revenue for FY24 increased by 4 per cent year-on-year to \$5.5 billion and the Company posted a \$337 million improvement in EBITDA compared to FY23, to bring its total EBITDA result to \$3.9 billion for FY24.

1. Percentage of time the nbn[®] access network is available and operating. For this measure, the network is considered 'unavailable' during the time NBN Co is restoring services following the raising of a fault. It doesn't include periods where the network is unavailable due to operational outages for network upgrades and improvements or events beyond NBN Co's control.

2. This also excludes other non-operating income and gains or losses on derivatives measured at fair value.

Network Investment – Fibre Upgrade

The Company expects demand for higher speeds and data, both download and upload, to rapidly increase over the next five to ten years based on available market research. The Company continues to evolve and is pushing fibre deeper into communities to make the nbn[®] network 'future-ready'.

In October 2022, the Commonwealth Government announced an investment of up to \$2.4 billion to enable NBN Co to roll out additional fibre to 1.5 million premises currently served by Fibre to the Node (FTTN) technology, enabling them to upgrade to Fibre to the Premise (FTTP).

Construction of the local fibre network for the FTTN to FTTP upgrade is well progressed, with the roll-out of this additional fibre either underway or already in place to serve more than 2.3 million premises. By the end of 2025, 3.5 million premises currently served by FTTN will be able to access FTTP and NBN Co's highest residential speed tiers on demand.

NBN Co is on target to enable more than 10 million premises, or up to 90 per cent of the Fixed Line network, to access the nbn[®] Home Ultrafast wholesale speed tier, which is capable of delivering peak wholesale download speeds of 500 Mbps to close to 1 Gbps¹, by the end of 2025.

This includes the existing FTTP network and premises eligible for fibre connect upgrades within the FTTN and FTTC footprint, as well as the 2.5 million premises on Hybrid Fibre Coaxial (HFC) network, which is also capable of delivering nbn[®] Home Ultrafast products, with close to gigabit speeds as at 30 June 2024.

The Company is seeing strong demand for fibre upgrade connections and higher speed tiers, with approximately 6,000 homes and businesses per week, on average, upgrading to FTTP.

NBN Co also recently adjusted the qualifying order threshold for FTTC fibre connect upgrades from nbn[®] Home Superfast (250/25 Mbps) down to nbn[®] Home Fast (100/20 Mbps) to align with the qualifying order threshold for FTTN served premises, creating a simpler process for the industry and further encouraging customers to upgrade to full fibre.

The Company continues to make these investments to ensure that households and businesses across Australia can access the economic and social benefits of a faster and increased capacity nbn[®] network now and into the future.

Network Investment – Regional Australia

The Company prioritises the delivery of high-speed broadband to regional, rural and remote Australia. As at 30 June 2024, approximately 71 per cent of homes and businesses in regional Australia are served by Fixed Line technology. The Company's network upgrades are on track to enable approximately 1.61 million premises in regional Australia to upgrade to full fibre connections and to enjoy access to its highest speed services by December 2025.

Close to one million other homes and businesses in regional and remote Australia will benefit from the delivery of a \$750 million investment to upgrade the Fixed Wireless and Satellite footprint, which includes a \$480 million grant from the Commonwealth Government and a \$270 million contribution from NBN Co.

The Fixed Wireless and Satellite Upgrade Program will enable NBN Co to deliver typical wholesale busy period download speeds of at least 50 Mbps² across the Fixed Wireless network by the end of 2024, as well as introduce new Fixed Wireless high-speed tiers with wholesale peak download speed ranges from 200 Mbps and up to 400 Mbps.

1. Regardless of the retail service an end customer purchases, 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 NBN Co's control (like equipment quality, software, and how a retail service provider designs its network) and the NBN Co technology used for the connection.
2. 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 2022). 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.



The Upgrade Program is expanding the coverage of the Fixed Wireless network, enabling approximately 120,000 former Satellite-only premises to access the Fixed Wireless network for the first time. As at 30 June 2024, approximately 52,000 premises previously served via Satellite technology have been made eligible to connect to the nbn® network via Fixed Wireless as part of the Upgrade Program.

In June 2023, NBN Co introduced its Sky Muster® Plus Premium product, giving customers in remote and regional Australia uncapped data usage¹. In December 2023, NBN Co announced more options for uncapped data usage¹.

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

Co-investment with Government

NBN Co and the NSW Government signed a co-investment agreement in March 2023, to deliver enhanced nbn® broadband services to around 10,000 homes and businesses across regional NSW. This partnership intends to expand the nbn® Fixed Wireless network coverage in NSW and utilise 5G mmWave technology to help deliver faster speeds across the network, including during peak periods.

NBN Co has also been successful in partnering with state and local governments across the first two rounds of the Commonwealth Government's Regional Connectivity Program (RCP). This funding allocation will enhance connectivity for around 10,000 homes and businesses which involve upgrades from either Satellite or Fixed Wireless to FTTP, and upgrades from Satellite to Fixed Wireless across regional Australia. In December 2023, the Commonwealth Government announced that NBN Co was successful in a number of its applications under the third round of the Commonwealth Government's RCP. Subject to the successful execution of a Grant Agreement with the Commonwealth and relevant state, territory and local governments, NBN Co will be awarded funding contributions for 18 projects.

The Connecting Victoria Program, signed in October 2022 between NBN Co and the Victorian Government, has led to the creation of 31 Business Fibre Zones (BFZs) as at 30 June 2024, allowing RSPs to supply Enterprise Ethernet services with zero upfront costs from NBN Co to around 15,000 businesses across the state, when an eligible plan is ordered². It has also supported NBN Co to make a greater number of FTTN premises in Victoria eligible for fibre upgrades.

NBN Co will continue to partner with governments at all levels to co-invest in the nbn® network and help to improve services in regional, rural and remote Australia.

1. Subject to Fair Use Policy and shaping.

2. NBN Co is a wholesaler and does not control prices charged by service providers. Customers should contact their preferred provider to ask about availability, Business Fibre Zone eligibility and any fees and charges from their provider that may be applicable. Business Fibre Zone eligibility is determined through a desktop study using available data. In the infrequent event that unforeseeable cost or complexity is encountered, additional charges may apply.

Funding the Company's Future

NBN Co's network investment strategy is designed to keep ahead of national data demand and enable social and economic benefits for the nation. The Company's successful debt issuances through bank facilities and debt capital markets enabled NBN Co to refinance the remaining \$5.5 billion of the Commonwealth Government loan in June 2024, meaning the original Commonwealth Government loan of \$19.5 billion has now been fully repaid.

NBN Co will continue to operate on a commercial basis and the Company must be financially sustainable to support the prudent and efficient investment in the network and to service and repay its debt obligations.

The Company's debt raisings along with forecast long-term revenue, EBITDA and free cash flow, provide NBN Co with the financial flexibility to fund its network investment plan, meet its operating commitments and maintain a strong liquidity position.

Pricing Evolution

In October 2023, the Australian Competition and Consumer Commission (ACCC) accepted NBN Co's Special Access Undertaking (SAU) Variation, which was a landmark outcome for the industry and customers. The SAU is a voluntary undertaking from NBN Co that forms 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 SAU Variation delivers a new approach to wholesale pricing, supporting faster internet speeds, greater data demand and improved cost certainty for retailers and customers. It also delivers greater long-term regulatory predictability for NBN Co, retailers and customers and sets out a range of measures aimed at delivering a better customer experience on the nbn[®] network.

The parallel industry consultation process allowed NBN Co to reflect the approved terms of the SAU Variation into its Wholesale Broadband Agreement (WBA5), which is the commercial contract between NBN Co and access seekers. New nbn[®] wholesale prices, which were implemented on 1 December 2023 under WBA5, saw reductions in the wholesale prices of entry level and higher speed tiers.

As part of the SAU Variation, NBN Co is committed to publish by 1 May each year its wholesale tariff list for the forthcoming fiscal year and three-year wholesale pricing roadmap.

The wholesale price changes that were published on 1 May 2024 were in line with the previous three-year pricing roadmap that was published by NBN Co in November 2023 following the acceptance of the SAU Variation.

The tariff list details NBN Co's wholesale prices across its product range for FY25, and the roadmap sets out the FY25 wholesale prices and indicative wholesale prices for FY26 to FY27, laying the foundation for how plans are packaged and sold to customers by participating internet retailers.

The wholesale price changes are designed to balance NBN Co's ability to reinvest in the network to deliver faster speeds, increased data capacity and greater reliability, while continuing to provide a range of products to suit various customer needs and budgets.

In March 2024, NBN Co launched an industry consultation process following its announcement of a proposal to deliver substantially increased speeds on higher speed tier nbn[®] Ethernet products. These proposed speed increases would be available to customers connected to the nbn[®] network via FTTP and HFC technologies, and leverage the growing capabilities of increased fibre connectivity across the nbn[®] network. The enhanced speeds would be made available across the three highest-speed residential nbn[®] products, and to those who upgrade to one of those three higher speed tiers in the future.

The proposal would provide five times faster download speeds on its popular nbn[®] Home Fast product, which would see wholesale download speeds accelerate from 100/20 Mbps to 500/50 Mbps. The Company is also proposing to triple the wholesale download speed of its nbn[®] Home Superfast product from 250/25 Mbps to 750/50 Mbps and increase the wholesale speeds of its highest residential speed tier, nbn[®] Home Ultrafast, from 500-1000/50 Mbps to approximately 1000/100 Mbps¹.

In May 2024, NBN Co responded to early feedback from internet retailers about bringing forward discussions on 2 Gbps wholesale download speeds. A related consultation paper on Next Generation FTTP Network Termination Devices, which are an essential requirement to enable multi-gigabit speeds was also issued.

1. Regardless of the retail service purchased, the actual speeds delivered by NBN Co's highest residential wholesale speed tier will be less than 1 Gbps due to equipment and network limitations and the peak information rate may fall anywhere in this range.

Continued Focus on Customer Experience

The Company aims to provide a customer experience that increases user satisfaction and encourages greater use of NBN Co services.

NBN Co continues to improve reliability and customer service, including reducing network outages, informing customers about planned outages in advance where possible and delivering new connections on time. This was evidenced by the decrease in average assurance faults per 100 premises from 8.9 in FY23 to 7.8 in FY24. On average, the Company met agreed installation times 96 per cent of the time¹ and for customers experiencing service difficulties, NBN Co was able to resolve these end user service faults within agreed timeframes on average 90 per cent of the time during FY24².

NBN Co is committed to working in partnership and improving the experience for RSPs. The Company has launched a multi-year program aimed at continuous improvement and elevating RSP experience. The overarching goal is to optimise the Company's processes and interactions with RSPs, making them more cost-effective, streamlined, and efficient by leveraging digitisation and innovation. Also, the evolution of digital solutions, including portal consolidation and Application Programming Interface (API) enhancements, plays a crucial role in achieving excellent customer service and system efficiency when working with RSPs.

Digital Inclusion and Social Impact

The Company remains committed to helping drive digital inclusion across the nation. As well as structuring wholesale broadband products and pricing to offer affordable services across a range of products capable of meeting the nation's diverse needs, the Company is collaborating with communities and government with the aim of improving digital inclusion and availability of high-speed broadband to areas of society most in need.

By supporting a competitive retail market there now around 120 NBN Co retailers for consumers to choose from, providing internet plans with various inclusions matched to a range of budgets and situations.

NBN Co has developed an updated Digital Inclusion Strategy which identified several priority areas. A key component of this strategy is the Low-Income and Digital Inclusion Forum (LIDIF). NBN Co initiated and chairs the LIDIF with the aim of identifying initiatives to improve access, affordability and digital ability for low-income, vulnerable and unconnected users of the nbn[®] network. The Company is providing ongoing support for First Nations communities through expansion of the community Wi-Fi Program to up to a further 20 remote First Nations communities and continues to deliver the School Student Broadband Initiative (SSBI), which was established to provide free home internet access over the nbn[®] network via participating service providers for unconnected families with school-aged students.

The development of a Social Impact and Value Measurement Framework was included in the FY23-24 Sustainability Program. This framework was established to better measure and understand the social impacts enabled by the nbn[®] network. In FY24, this framework was applied to measure the 'so what' of digital inclusion for NBN Co's customers, which was defined as the social impact of the nbn[®] network on user well-being across five outcome domains: employment and income; education and skills; health; social and community connection and environment.

Research from Accenture³, commissioned by NBN Co, found that the nbn[®] network is having a positive impact on individual wellbeing, with three in four users stating that having access to the nbn[®] network at home has had a positive impact on their satisfaction with life in the last 12 months.

1. The percentage of premises that NBN Co connects to the nbn[®] access network within target timeframes with phone and internet providers. The target timeframes vary by nbn[®] access network type and available infrastructure at the premises. This measure does not include priority assistance connections or accelerated connections.
2. The percentage of time NBN Co resolves accepted faults within NBN Co's target timeframes with phone and internet providers. This measure tracks individual service faults, not network related faults which are tracked separately. The fault restoration measure does not include restoration for faults reported to us relating to priority assistance faults or enhanced faults, network upgrades and improvements, and events beyond NBN Co's control. NBN Co's target timeframes apply to faults raised by phone and internet providers and accepted by NBN Co and vary depending on the location of the premises, and are different for the Sky Muster[®] satellite network.
3. <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/reports-and-publications/accenture-2024-economic-and-social-impact-insight-report.pdf.coredownload.pdf>

Supporting Australia's Transition to Net-Zero Emissions

NBN Co has a strong commitment to reduce emissions and address climate risks to support a more resource-efficient and climate resilient network and business.

NBN Co has committed to setting long-term greenhouse gas emissions (GHG) reduction targets and achieving Net-Zero emissions by 2050, or sooner, via the Science Based Targets initiative (SBTi). NBN Co's long-term GHG reduction targets will be consistent with meeting and exceeding the Government's commitment to Net-Zero emissions by 2050 and the Company expects to submit these targets to the SBTi for validation in FY25.

This follows the Company setting near-term science-based emissions reduction targets, which have been validated by the SBTi in May 2023. The achievement of these targets is supported by key initiatives to reduce Scope 1, 2 and 3 greenhouse gas emissions which in FY24 have included:

- Reducing power consumption of radio units on NBN Co Fixed Wireless towers by 5 per cent through use of energy-efficient software developed by Ericsson. This supports the Company's commitment to reducing annual energy use by 25 GWh per annum by December 2025
- Commercial operations commencing at the Wyalong Solar Farm in New South Wales, leading to renewable electricity generation through NBN Co's first renewable Power Purchase Agreement, contributing to the Company's commitment to 100 per cent renewable electricity purchases from December 2025
- Commencing industry consultation on a new energy-efficient, slimline, single port FTTP Network Termination Device.

To address the risks and opportunities associated with climate change, the Company has developed a Climate Transition Plan (CTP). The CTP aims to align the Company's operations, planning, and capital expenditure, with its decarbonisation goals, whilst managing physical and transition climate risks and opportunities regarding the nbn[®] network, business model and value chain. The implementation of actions included within the CTP will support the achievement of the Company's science-based emission reduction targets.

Making NBN Co a Great Place to Work

It is through the passion, commitment and most importantly the diverse ideas, knowledge, and skills of its people that NBN Co will be able to bring to life its purpose and lift the digital capability of Australia. NBN Co's People Strategy prioritises the engagement, development, and wellbeing of its people and has continued its strong focus on safety and wellbeing to sustain a safe, inclusive, and highly engaged workforce.

Equipping NBN Co's workforce for the digital future, emphasising AI and other emerging technologies continues to be a focus. The Company recognises the importance of continuous learning, adaptability, and preparedness of the workforce for challenges and opportunities that lie ahead, to support a sustainable and responsible business model.

The Company aims to enhance the physical and mental wellbeing of employees, investing in mature safety management processes and capabilities. NBN Co's diversity, equity and inclusion plans continued to deliver tangible outcomes in FY24, with increases in both gender representation and the number of employees who identify as First Nations.

Beyond 2024

Within ten years, the digital economy is expected to make up 70 per cent of the entire global economy and NBN Co continues to prioritise the digital needs and demands of the nation and recognises that the nbn[®] network must continue its evolution whilst maintaining high resiliency, security, and performance.

NBN Co is working to deliver against its purpose by rolling out more fibre across the nation, and expanding and upgrading the nbn[®] network. NBN Co continues to focus on high-speed and increased capacity within the nbn[®] network which will become increasingly essential to support not only working from home or in the office, but almost every conceivable aspect of daily life across Australia.



NBN Co's long-term strategy involves ongoing investment in the nbn[®] network to ensure households, businesses and communities across Australia can reap the economic and social benefits of a faster, deeper capacity nbn[®] network now, and in the years to come.





OPERATING AND FINANCIAL REVIEW

DIRECTORS' REPORT

The Directors of the Company present their report of NBN Co Limited (NBN Co or the Company) together with the Financial Report for the year ended 30 June 2024 and the Independent auditor's report therein.

HOW WE CREATE VALUE

INPUTS

Network

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

Products

Products to meet current and future broadband connectivity needs of the nation.

Customers & Partnerships

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.

Natural Resources

Efficient use of natural resources to build and operate the network.

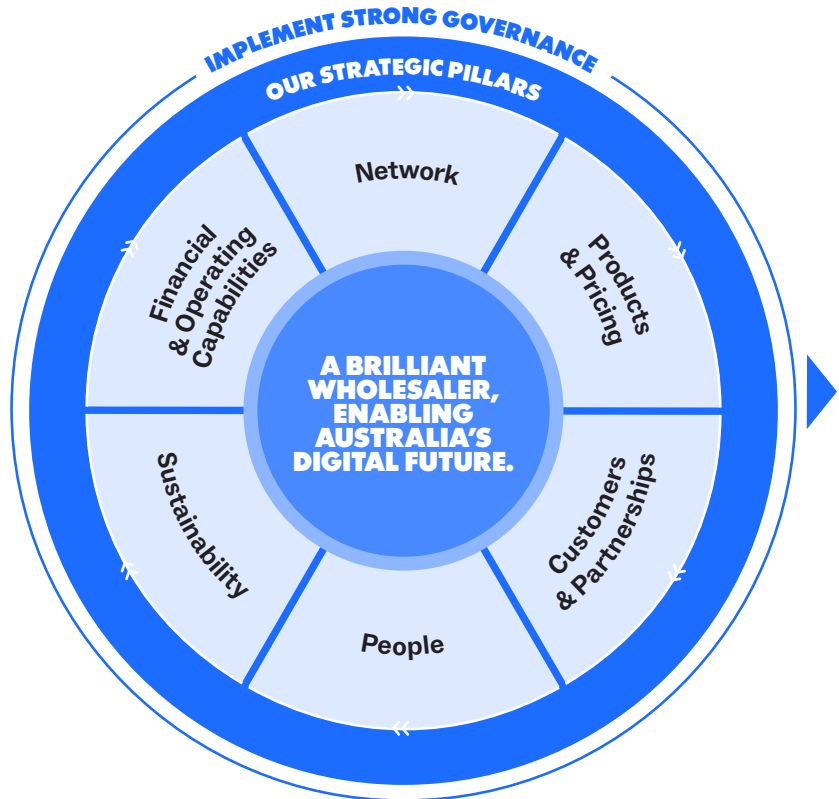
Financial Resources

Capital from our shareholders, lenders and operating activities.

OUR BUSINESS MODEL

OUR PURPOSE

To lift the digital capability of Australia



OUR VALUES



We are one team



We deliver



We care



We are fearless

ENABLED VALUE FOR OUR NATION AND CUSTOMERS

OUTPUTS

- Upgrade and expand the network**
 - Number of premises ready to connect (RTC) to the nbn® network
 - Availability of nbn® Home Ultrafast speed tier plans
 - Regional network capability
- Support greater use of the network**
 - Homes and businesses connected to the nbn® network
 - Percentage of customers on higher speed tier products
 - Delivery of fibre connect upgrades
- Enhance RSP and customer experience**
 - Overall customer satisfaction levels
 - Percentage of faults resolved within the agreed timeframes
 - Frequency of service assurance faults
- A safe, inclusive and engaged workforce**
 - Workforce engagement
 - Percentage of females in management positions
 - Number of work-related health and safety injuries
- Protected environment**
 - Scope 1, scope 2 and scope 3 emissions
 - Percentage of renewable energy purchases
 - Percentage of waste recycled
- Deliver commercial value**
 - Achieve sustainable long-term financial growth
 - EBITDA performance via operational efficiencies
 - Responsible capital management of financial risks

OUTCOMES AND IMPACT



ECONOMIC

- Improved financial performance enabling NBN Co's long term financial stability, ability to invest in the network and driving greater shareholder value
- Higher numbers of active premises and utilisation of higher speed products increasing productivity and economic growth for the nation
- Wholesale broadband business services support innovation and efficiency and facilitate new businesses.



SOCIAL

- Access to and take up of high-speed broadband services enables greater connectivity and access to education, health and government services, supporting individuals' wellbeing
- Uplifting regional network capability and performance helps provide employment opportunities and community benefits across rural and regional areas
- Maintaining a respectful, safe, inclusive and diverse workplace and empowering employees, contributes to employee engagement and retention, and Company performance.



ENVIRONMENTAL

- Delivery of NBN Co's Science Based Targets for emissions reduction, contributing to the Governments stated target of Net Zero emissions by 2050
- Improved digital connectivity can increase take up of digital technologies that can support emissions reductions
- Fibre upgrades support greater network resilience to climate change.

OUR COMPANY STRATEGY

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

NBN Co's principal responsibility is to operate and continue to expand and upgrade the nbn[®] network in accordance with the Government's Statement of Expectations (SoE) issued on 19 December 2022. The SoE explicitly informs the Company's strategy.

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.

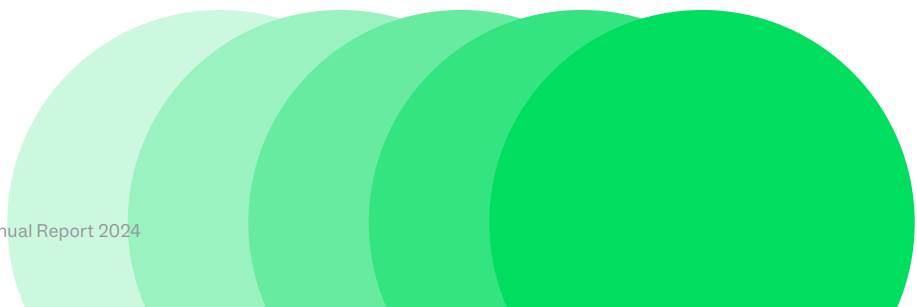
This will create access to new economic opportunities and different ways of working, accessing information and obtaining essential services which will ultimately improve social outcomes for people across Australia. It is the Company's responsibility to continuously prepare for and respond to these societal changes in the way humans interact, live and work.

The Company has worked closely with the industry and the Australian Competition and Consumer Commission (ACCC) to establish a revised Special Access Undertaking that will provide improved terms of access for the Company's customers and regulatory certainty for NBN Co.

The future is digital and the nbn[®] network will need to deliver faster upload and download speeds and carry far greater capacity than ever before. NBN Co continues to focus on expanding and improving the nbn[®] network which is essential to meeting current and future demand. These network upgrades will require continuous innovation and investment into new architecture and technology.

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. These societal changes both rely upon and create a greater need for connectivity, driving the growth of the Australian and global digital economies with the development of Artificial Intelligence (AI) and large language models will further accelerate this change.

NBN Co is key to enabling these changes and continues to evaluate the current and future broadband connectivity needs of the nation, invest in the network and develop products to support customers and enable economic growth.





The Company aims to deliver upon its purpose by progressing the following strategic pillars:

Network

Build and maintain a nationwide network capable of delivering access to high-speed, reliable and resilient broadband.

People

Deliver the Company's purpose and strategy through a safe, inclusive and engaged internal and external workforce, where highly capable, skilled and motivated people live the NBN Co values.

Products & Pricing

Develop a product and pricing portfolio that addresses both RSP's and customers' diverse needs and drives greater use of the network.

Sustainability

Enable long-term social, economic and environmental value for the nation and customers.

Customers & Partnerships

Deliver a customer experience that drives network use, satisfaction and preference as well as strengthen relationships with government, industry and communities to optimise customer benefits.

Financial & Operating Capabilities

Build capabilities for the future and grow profitability to enable financial sustainability, network reinvestment to benefit the Company's customers, and deliver greater stakeholder value.



Network

The nbn[®] network is Australia's digital backbone. Uplifting the digital capability of the nation can only be achieved by expanding, upgrading, and maintaining the network. It must cover the length and breadth of the country and also be capable of delivering the levels of speed, capacity and reliability that customers require and expect.

The Company's network investment plans ensure that NBN Co 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 resilient network.

NBN Co remains committed to enabling up to 90 per cent of the Fixed Line network, or 10 million premises, to access services which deliver speeds of up to 1 Gbps, by the end of 2025. The key enabler of this strategy is the fibre upgrade program, extending access to Fibre to the Premise (FTTP) for 3.5 million premises that were previously served by Fibre to the Node (FTTN) infrastructure. This investment in local fibre infrastructure is supported by up to \$2.4 billion in committed equity funding from the Commonwealth Government.

In line with the SoE, NBN Co is also delivering upon its commitment to expand the capacity and capability of the Fixed Wireless network by December 2024. This is enabled through the Company's \$750 million Fixed Wireless Upgrade Program, which is supported by funding from the Commonwealth Government. The Program will make faster speeds available for Fixed Wireless customers, with a commitment to deliver typical wholesale busy period download speeds of at least 50 Mbps. It will also extend the reach of the Fixed Wireless network to approximately 120,000 premises previously served by Satellite and enable the remaining Satellite footprint to be served by enhanced product plans.

NBN Co plays a critical role in enabling construction of infrastructure to benefit communities in new developments. The Company will continue to work in partnership with property developers to provide Australian people and businesses in new communities with fast, reliable and resilient broadband.





Products & Pricing

NBN Co seeks to develop and implement product and pricing strategies that meet the needs of customers and support greater utilisation of the nbn[®] network. This will enable an increase in the overall number of customers on the network and the percentage of customers on higher speed tier products.

A key strategic initiative to achieve this is the fibre upgrade program. Customers at an eligible FTTN or FTTC served premises, have the opportunity to upgrade to a full fibre FTTP service, by placing a qualifying order for a higher-speed tier product on the network. This involves working with RSPs to market the benefits of fibre to customers and drive demand for fibre upgrades.

NBN Co has also announced its intention to significantly uplift the available speeds on its highest TC4 speed tier products. The introduction of these speed uplifts is dependent upon the outcome of a consultation process with RSPs and industry. This further unlocks the potential of the network and will help to create customer demand for upgrades onto the higher speed products.

The Company is also focused on a range of initiatives to improve customers experience, and support increased acquisition and retention of customers on the nbn[®] network.

Customer & Partnerships

As a network wholesaler, NBN Co's direct customers are its RSPs who then retail broadband services to end users. NBN Co maintains positive relationships with its RSPs to provide the best level of service to the end users. The Company is focused on continued initiatives to drive operational simplicity and optimisation of its interactions with RSPs.

Customer experience has a significant impact on customer acquisition and retention and a key driver of customer experience is the reliability of the service and how efficiently NBN Co can connect and reconnect customers and rectify faults on the network. NBN Co is continuously evaluating its delivery model to minimise the volume and cost of assurance incidents on the network.

The wider benefits of the nbn[®] network to the nation are realised by increasing levels of digital inclusion. New economic research, commissioned by NBN Co and prepared by Accenture (released in February 2024), estimated that a fast, high capacity and reliable nbn[®] network will improve Australia's Gross Domestic Product (GDP) by a total of around \$400 billion over the next eight years (2023-2030).

NBN Co collaborates with communities and government with the goal of improving digital inclusion and availability of high-speed broadband to areas of society that need this the most.

NBN Co continues to engage and connect with First Nations cultures and uplift their digital inclusion. The Company's actions and plans form a concerted effort towards providing equitable access and improving digital inclusion for First Nations people in line with its 2023-2026 Reconciliation Action Plan (RAP).

People

NBN Co's People Strategy is directly aligned to the Company's purpose. NBN Co prioritises a safe, respectful and inclusive workplace, where highly capable, skilled and motivated people deliver against the Company's purpose and objectives.



The Company is committed to building skills, capabilities and behaviours within its workforce and fostering an engaged, purpose-led workforce that creates value for Australia every day. NBN Co will continue to identify the current and future needs of its business and the skills required to meet these needs.

NBN Co is focused on equipping its workforce for the digital future, developing and embedding the use of AI and other emerging technologies. The strategy includes introducing a new career pathway tool for employees, expanding the Company's early careers and graduate programs and providing upskilling programs aligned to NBN Co's strategic capabilities.

NBN Co is strongly committed to Diversity, Equity and Inclusion (DEI) and delivering its Safety and Wellbeing Plan which prioritises the physical and mental health and safety of its employees and extended workforce. Throughout all of the Company's workplaces, safety and wellbeing is prioritised. Leaders are supported by appropriate training and to role model respectful and inclusive behaviours.

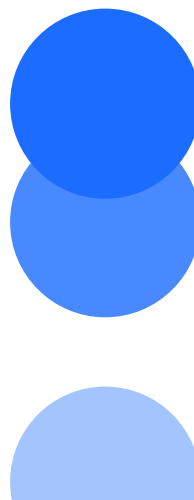
Sustainability

NBN Co's strategic focus on sustainability is expanding to consider the important role the Company can play in economic, social, and environmental value creation for the nation and customers now and in the future.

NBN Co is maturing from a centralised Sustainability Program to business unit led action on sustainability, underpinned by a principles-based approach. This approach will be supported by the Company's Sustainability Governance Framework and Enterprise Risk and Compliance Frameworks.

A number of plans, frameworks and management systems will drive sustainability actions across the business including the Climate Transition Plan, Circularity Framework, Environmental Management System, Modern Slavery Management System, Safety Management System, Reconciliation Action Plan and Accessibility and Inclusion Plan.

NBN Co has set near-term science-based emissions reduction targets, validated by the Science Based Targets Initiative (SBTi). The Company is also committed to setting long-term reduction targets and achieving Net Zero emissions by 2050 or sooner in line with the SBTi.





Financial & Operating Capabilities

Under the SoE, NBN Co operates on a commercial basis and targets profitability to be a sustainable business, service debt obligations, support future network investment and provide a reasonable return to its shareholders.

As the Company matures, it continues to target the development of capabilities that enable a more efficient and profitable operation of its core functions. Sustainable long-term financial growth is essential to NBN Co's purpose to lift the digital capability of Australia and helps deliver positive environmental and social outcomes.

The Company continues to target greater use of the network by end users which generates incremental revenues and improving operating efficiency. NBN Co has targeted the delivery of the FY25 Revenue and EBITDA guidance as outlined in the 2025 Statement of Corporate Intent, which are shown opposite.

For FY25 guidance NBN Co anticipates:

Revenue

\$5.7-\$5.9 billion

EBITDA

\$4.1-\$4.3 billion



The Company's purpose and values that NBN Co has adopted are core to its business model and how NBN Co enables long-term value for the nation and its customers. NBN Co is well positioned to fulfill its purpose to lift the digital capability of Australia.



SUSTAINABILITY AT NBN CO

Sustainability is a strategic objective at NBN Co and supports the Company's purpose, enabling long-term social, economic and environmental value for the nation and customers.

FY25 Sustainability Approach

From FY25, NBN Co's approach to sustainability will build on the foundational processes and systems established during the FY23/24 Sustainability Program.

High-speed, resilient and reliable digital connectivity enabled by the nbn[®] network supports economic, social and environmental value creation for the nation and for customers – now and in the future.

NBN Co's strategic focus to sustainability will consider the important role that the nbn[®] network can play in enabling economic, social and environmental value for its stakeholders, in line with NBN Co's Statement of Expectations.

To deliver on this expanded focus, the Company will transition from a centralised Sustainability Program to a principles-based approach to guide Business Unit-led action on sustainability supported by the Company's Sustainability Governance Framework and Enterprise Risk and Compliance Frameworks.

The four principles to guide action are:



Manage sustainability risks and opportunities through governance arrangements informed by an evidence-base underpinned by reliable data



Integrate sustainability into business strategies, processes, systems and communications



Empower NBN Co's people with sustainability knowledge to build their capability



Partner with internal and external stakeholders to support business objectives and delivery of economic, social and environmental value



FY23/FY24 Sustainability Approach

Throughout FY24, NBN Co's Sustainability Approach has been supported by a Sustainability Program inclusive of key initiatives to address environmental and social focus areas, and four governance levers, being sustainability governance, collaborative partnerships, culture and capability and sustainable finance. This has supported the Company's goal of value creation and protection by managing sustainability (or material social and environmental) risks, issues, and opportunities.




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

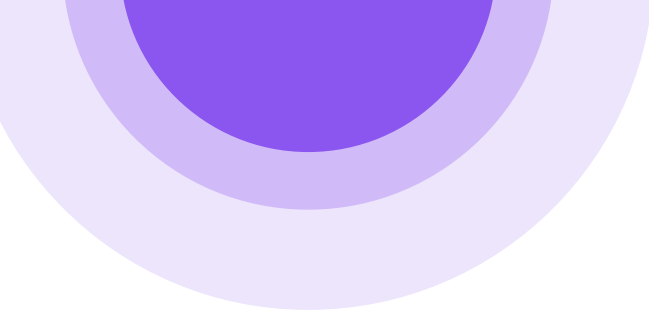
The FY23/24 Sustainability Approach and Program of Work was informed by the results of NBN Co's FY22 materiality assessment to identify topics and related issues that have a significant impact on the Company's operations and stakeholders.

FY24 Program Review

In FY24 NBN Co closed out its FY23/24 Sustainability Program across its Environmental, Social and Governance objectives. Achievements through the program's key initiatives are included within this Annual Report, across the Company's value creation outputs.

FY23/24 Sustainability Program – Objectives Summary

Objective		
 Environment Operate a climate-resilient, resource-efficient network and business, aligned with the latest climate science, which protects the natural environment	 Social Enhance and protect social value by lifting the digital capability of Australia and enabling equity across NBN Co's value chain	 Governance Manage NBN Co's environmental and social risks, opportunities and issues through sustainability governance, sustainable finance, maturing the Company's culture and capability and collaborative partnerships



Sustainability Governance at NBN Co

NBN Co's Sustainability Governance Framework underpins the implementation of its approach to sustainability by outlining processes and controls for sustainability governance (including governing authorities, strategy, risk management and metrics, targets, and reporting), sustainable finance, culture and capability and collaborative partnerships. This supports accountability for action, performance monitoring and reporting, and strengthening relationships between internal and external stakeholders.

In FY24, sustainability governance arrangements were amended with executive management governance now provided directly by the Executive Committee (ExCo), replacing the former Sustainability Sub-Committee of ExCo. This helps provide broader oversight of NBN Co's sustainability approach and enterprise-wide actions taken to manage material social and environmental risks, issues and opportunities.

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. Annual strategy progress updates are provided to the Board and performance is monitored through provision of Annual Report disclosures and non-financial metrics.



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).

The Company's use of the TCFD recommendations to inform disclosures will support NBN Co in the transition to reporting against future mandatory climate-related disclosures under the Australian Accounting Standards Board (AASB) Australian Sustainability Reporting Standards (ASRS). In addition, the Company has undertaken preparatory activities including an internal audit and internal briefings on future reporting requirements to the Board and senior leaders.

NBN Co has identified the SDGs most relevant to its operations. There are five 'primary' SDGs which represent where NBN Co can create direct impact and three 'secondary' SDGs representing business activities that support indirect impact creation.

An explanation of how NBN Co's FY24 actions map to relevant UN SDG targets is included within the FY24 NBN Co Sustainability Reporting Index¹.

Primary SDGs NBN Co can directly impact through action



Secondary SDGs which the nbn® network and business support



The FY24 NBN Co Sustainability Reporting Index¹ on the Company's website also provides a guide on where to find NBN Co's information relating to applicable standards and frameworks. Key sustainability metrics and commentary are included within this Annual Report, across the Company's Value Creation outputs.

For a full list of FY24 sustainability metrics demonstrating performance across the Value Creation outputs, see the FY24 Sustainability Data Book² on the Company's website.

In FY24 NBN Co continued to have a number of non-financial (sustainability) metrics subject to limited and/or reasonable assurance. Refer to Independent assurance report on selected non-financial (sustainability) metrics on page 214.

1. <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/sustainability-reports/2024-nbn-sustainability-reporting-index.pdf>
2. <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/sustainability-reports/2024-nbn-sustainability-data-book.pdf>

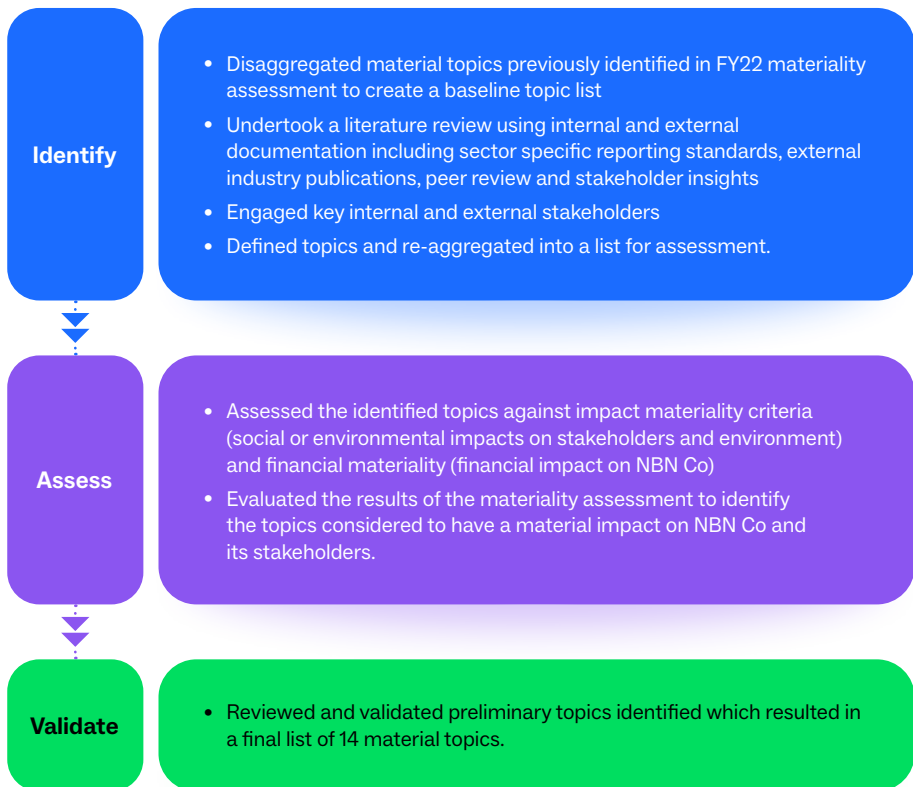
Materiality assessment

NBN Co undertakes regular materiality assessments to identify the sustainability issues that are most relevant to the Company and its stakeholders.

The identified topics are likely to have the most significant impact on creating, preserving or eroding social, economic and environmental value for NBN Co and its stakeholders.

In FY24, NBN Co updated its materiality assessment using a double materiality¹ approach to consider both the potential

financial and non-financial (social and environmental) impacts on NBN Co and its stakeholders. The results from the Company's materiality assessment informed its FY25 approach to sustainability (refer to page 24) and approach to integrated reporting, ensuring that NBN Co is focused on the issues that matter most. The FY24 materiality assessment approach drew on and adapted core principles of materiality defined by international standards and directives such as the Global Reporting Initiative (GRI) and International Sustainability Standards Board (ISSB) and followed these steps:



1. Double materiality assessment evaluates both the financial and non-financial implications of sustainability risks and opportunities.

The FY24 materiality assessment results informed updates to NBN Co's value creation model. In addition, the 14 material topics identified were used to inform the contents of this Annual Report and are summarised in the table below.

Material topic	Value Creation Outputs					
Network resilience, reliability and security	●	●	●	●	●	
Network investment and innovation	●	●	●	●	●	
Customer experience	●	●	●	●		
Privacy and data security	●		●	●		●
Digital inclusion	●	●	●	●		
Community safety and wellbeing	●			●		
First Nations peoples' reconciliation	●	●		●		●
Enabling economic and social opportunities	●	●	●	●	●	
Responsible supply chain				●	●	●
Safety, wellbeing and workplace rights				●		●
Diversity, equity and inclusion				●		●
Climate change transition	●		●	●	●	
Circularity	●				●	
Operational environmental impacts					●	

Legend:

- Upgrade and expand the network
- A safe, inclusive and engaged workforce
- Support greater use of the network
- Protected environment
- Enhance RSP and customer experience
- Deliver commercial value

NETWORK

UPGRADE AND EXPAND THE NETWORK





The nbn[®] network acts as Australia’s digital backbone and plays an essential role in delivering upon the Company’s purpose: to lift the digital capability of the Australia. The nbn[®] network must cover the length and breadth of the country and be capable of delivering the levels of speed, capacity and reliability that NBN Co’s customers require and expect.

With broadband connectivity now being more important to daily life than ever before, NBN Co remains committed to making its network accessible to more premises, increasing the availability of higher speeds and providing greater network capacity and reliability.

Meeting the evolving needs of Australian households, communities and businesses can only be achieved by continually upgrading, expanding and maintaining the network. NBN Co continues to undertake proactive network planning and upgrade work to cater for the ever-increasing usage requirements of customers, enhance service quality and reliability to improve customer experience.

The Company is continuing to push fibre deeper into the Fixed Line network and communities, improve and extend Fixed Wireless coverage and Satellite capabilities, and ensure a more reliable and resilient network through investments in network capacity and security.

Network Performance and Availability

Data traffic over the network has grown significantly over previous years and is forecast to continue to grow. The level of data usage across the nbn[®] network is driven by increasing use of data-intensive applications across households and businesses. This was demonstrated by an increase in the average monthly data download per customer, which rose from 424 GB per month across the year to 30 June 2023, to 460 GB per month for the year ended 30 June 2024, an increase of over 8 per cent.

In addition to higher total data traffic, the acceleration of the nation’s digital demand is also driving higher peak network demand requirements which reached a new high of 29.9 terabits per second in the year, compared to 24.2 terabits per second during FY23, which represents an increase of 24 per cent.

The scale of the nbn[®] network continues to grow, driven by construction of network infrastructure for new developments, with over 147,000 new development premises added to the network during the year.

As at 30 June 2024, the Company had made almost 12.44 million premises Ready to Connect (RTC) to the nbn[®] network, which has increased from 12.29 million premises as at 30 June 2023.

FY24 highlights

12.44m

Premises Ready to Connect (RTC)

FY23: 12.29m

8.84m

Premises able to access nbn[®] Home Ultrafast speed tier plans

FY23: 6.90m

4.20 Tbps

Total capacity on the Fixed Wireless network

FY23: 2.17 Tbps

A central component of the Company's network investment plan is NBN Co's fibre upgrade program, which supports the Company's commitment to enable more than 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 close to 1 gigabit per second (Gbps)^{1,2}, by the end of 2025. This is essential to meet the anticipated needs of broadband customers in the future.

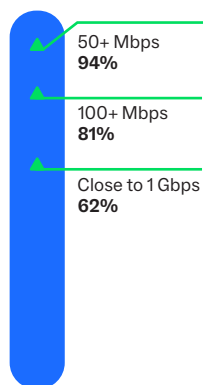
The Fibre to the Premise (FTTP) network is capable of offering nbn[®] Home Ultrafast speed tier products. As a result of previous network upgrades and ongoing capacity investments, the entire Hybrid Fibre Coaxial (HFC) network, covering approximately 2.5 million premises, is also capable of delivering speeds of 500 Mbps to close to 1 Gbps^{1,2}. NBN Co is improving access to the nbn[®] Home Ultrafast speed tier by making fibre upgrades available to more premises that are currently served by either FTTN and FTTC technologies, by enabling them to upgrade to FTTP.

During the year ended 30 June 2024, NBN Co has continued to deliver against its planned network investment targets. The Company remains on track to meet its commitment to enable more than 10 million premises to access nbn[®] Home Ultrafast.

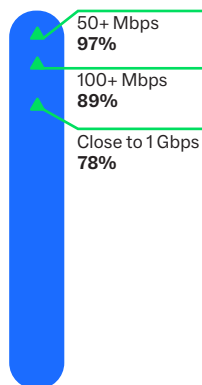
As at 30 June 2024, just under 8.84 million premises across Australia were able to access the nbn[®] Home Ultrafast speed tier, which equates to approximately 78 per cent of the Fixed Line nbn[®] network being capable of providing speeds of 500 Mbps to close to 1 Gbps^{1,2}. This is an increase from 6.90 million premises (62 per cent of the Fixed Line network) as at 30 June 2023.

nbn[®] Fixed Line network: wholesale download speed capabilities

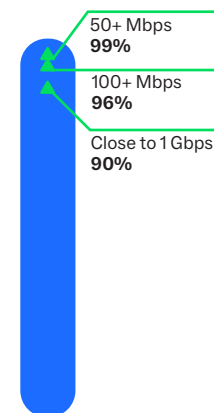
Fixed line footprint
June 2023



Fixed line footprint
June 2024



Forecast fixed line footprint
by December 2025



At completion of current
network investment plan

- Regardless of the retail service an end customer purchases, the actual wholesale speeds delivered by NBN Co's highest residential wholesale speed tier will be less than 1 Gbps due to equipment and network limitations and the peak information rate may fall anywhere in this range. References to speeds are not end customer 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 NBN Co's control (like equipment quality, software, and how a retail service provider designs its network) and the NBN Co technology used for the connection.
- 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.



Network Investments – Fibre Upgrades

The Company's most significant network upgrade program is its commitment to making fibre upgrades available to more premises across the country.

NBN Co offers fibre upgrades at eligible FTTN and FTTC premises when a qualifying order is placed by a customer. The Company measures the progress of the fibre upgrade program by the number of premises declared Ready for Order (RFO). Premises are declared RFO once the required local fibre infrastructure has been constructed and the premises have been released to Retail Service Providers (RSPs) to offer fibre connection migrations.

NBN Co is committed to making 3.5 million premises that were originally served by FTTN technology eligible to upgrade to an FTTP service by the end of December 2025. This requires significant investment to design and build local fibre infrastructure to enable the Company to declare the premises RFO.

This target includes an incremental 1.5 million homes and businesses that the Commonwealth Government agreed to contribute up to an additional \$2.4 billion in equity funding towards. NBN Co has completed planning to identify the locations of these incremental premises and out of the 1.5 million premises, 660,000 are in regional areas, ensuring that the benefit of increased access to fibre technology is spread across the country.

The Company has maintained its steady progress in making premises eligible for fibre upgrades. In December 2023, NBN Co delivered upon an initial milestone of having 2 million FTTN premises, and 75 per cent of the Fixed Line network to deliver speeds of up to 1 Gbps.

As at 30 June 2024, over 2.3 million FTTN premises have now been declared as RFO, which is an increase of nearly 1.3 million compared to 30 June 2023. The Company remains on track to reach the full target of 3.5 million FTTN premises RFO by the end of December 2025, which will mean that approximately 60 per cent of premises served by the network will be either on FTTP, or capable of ordering an FTTP service.

FTTC premises already have local fibre infrastructure constructed to the premises boundary and therefore do not require the same upfront capital investment to construct local fibre infrastructure prior to being declared RFO. Approximately 1.5 million FTTC premises were declared RTC by the end of December 2023, representing almost all of the existing FTTC footprint.

Multi-Dwelling Units (MDUs) continue to be an area of focus for NBN Co as they comprise approximately 30 per cent of the Company's fixed line footprint. As part of the fibre upgrade program, NBN Co is enabling over 950,000 FTTN and FTTC MDU premises to be able to upgrade to fibre by December 2025. As at 30 June 2024, 773,000 MDU premises have been released to RSPs to offer fibre connection migration.

In addition to higher-speed services, FTTP technology requires less active network components, meaning it is more energy efficient in comparison to other network technologies. As NBN Co migrates customers to FTTP and turns off the legacy copper network infrastructure, this will lead to reduced energy consumption and progress towards NBN Co's science-based targets for emissions reductions. Upgrading to fibre also improves the reliability and resilience of the nbn® network strengthening it against weather related events and requiring less ongoing maintenance.

Network Investments – Regional Australia

The growing demand for broadband and data is evident in all areas of the nation, whether metropolitan, regional or remote. While the fibre upgrades will benefit many homes and businesses in regional towns, NBN Co has also continued to invest in its Fixed Wireless networks to improve available speeds and meet evolving data capacity requirements for regional and rural areas.

NBN Co and the Commonwealth Government entered into a \$750 million joint initiative (\$480 million grant from the Commonwealth) from March 2022. This co-investment into the network aims to help deliver faster nbn[®] network wholesale speeds to homes and businesses across remote and regional Australia and to expand the geographic range of the Fixed Wireless network by up to 50 per cent. This is being achieved through the installation of 4G technology and software enhancements, as well as next generation 5G mmWave technology.

The Fixed Wireless and Satellite Upgrade Program will enable NBN Co to deliver typical wholesale busy period download speeds of at least 50 Mbps^{1,2,3,4} across the Fixed Wireless network by the end of the Upgrade Program, as well as introducing two new Fixed Wireless high-speed tiers with wholesale peak download speeds ranging from 200 Mbps and up to 400 Mbps.

It is expected that wholesale peak download speeds of Fixed Wireless Home Fast 200-250 Mbps^{1,2,3,4} will be available to around 90 per cent of the nbn[®] Fixed Wireless coverage area by the end of the Upgrade Program.

Approximately 80 per cent of the expanded Fixed Wireless footprint will be able to order services with wholesale peak download speeds of Fixed Wireless Superfast 400 Mbps^{1,2,3,4} which is the fastest wholesale product on nbn[®] Fixed Wireless services.

During FY24, the Company made significant progress in delivering these Fixed Wireless upgrades and making more premises on the Fixed Wireless network capable of typical wholesale busy period download speeds of at least 50 Mbps. This was evidenced by NBN Co adding substantial incremental capacity into the network via the installation of more than 32,000 new wireless cells in FY24, an 89 per cent increase compared to FY23. These new wireless cells uplifted the capacity across the Fixed Wireless network to 4.20 Tbps as at 30 June 2024 compared to 2.17 Tbps as at 30 June 2023.

The expanded coverage of the Fixed Wireless network will also enable approximately 120,000 former Satellite-only premises to access NBN Co's Fixed Wireless network and access to higher nbn[®] network speeds. As at 30 June 2024, approximately 52,000 households and businesses across regional Australia that were previously Satellite-only, are eligible to access the Fixed Wireless network as a result of the upgrade program.

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 usage⁵ and for the first time, the 25/5 Mbps wholesale plan can offer burst download speeds of up to 100 Mbps⁶.

1. Faster download speeds mean less buffering where the buffering was caused by slow download speeds over the nbn[®] Fixed Wireless network. Please note that the amount of buffering you experience may also be affected by other factors outside of NBN Co's control (like your Wi-Fi and other equipment configuration, chosen broadband plan, how your provider designs its network, or the video streaming and other content providers' network).
2. 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 2022). 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.
3. These are nbn[®] wholesale speed tiers, which NBN Co provides to retail phone and internet providers. Attainable wholesale speeds are subject to the rollout of network upgrades and some premises will require nbn to complete upgrades to the equipment at the premises.
4. Your experience, including the speeds actually achieved over the nbn[®] network, depends on the nbn[®] network 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 our control (like your equipment quality, software, broadband plans, signal reception and how your service provider designs its network). Speeds may be impacted by the number of concurrent users on nbn[®]'s Fixed Wireless network (including during busy periods).
5. Fair Use Policy and shaping apply. To proactively protect and ensure the fair access to the nbn[®] network for all users, NBN Co may from time to time, at its discretion, shape the following activities to maximum wholesale upload and download speeds of 256kbps: uploads and downloads via peer to peer; uploads and downloads to cloud storage platforms; PC and smartphone operating system updates; software/application updates; gaming software updates; any other traffic related to applications which nbn cannot identify. Other activity that nbn considers may cause adverse network impacts may also be added to the above list to be shaped, including streaming video and VPN.
6. Your experience, including speeds, depends on whether you are using the internet during the busy period, concurrent usage, specific locations from time to time and, some factors outside of NBN Co's control (like your equipment, software or signal reception). You may also experience latency.



Co-investments

NBN Co actively partners with all levels of government and other parties, where there is an interest to co-invest in the nbn[®] network. This is a core component of the Company's objective to improve its services and assist in addressing access, connectivity, and productivity challenges, particularly in regional, rural and remote areas.

NBN Co continues to be successful in securing government funding via open government tender processes to support nbn[®] network upgrades, including through the Commonwealth Government's Regional Connectivity Program (RCP). These Co-funded projects help to improve local connectivity.

As at 30 June 2024, NBN Co had been contracted \$76.9 million in Commonwealth RCP funding and \$20.4 million in funding support from state and local governments across the first two rounds of the Australian Government's RCP, with the Company contributing \$43.9 million to deliver these co-investment projects. This funding allocation will enhance connectivity for around 10,000 homes and businesses which involve upgrades from either Satellite or Fixed Wireless to FTTP, and upgrades from Satellite to Fixed Wireless across regional Australia.

In December 2023, the Commonwealth announced that NBN Co was successful in a number of its applications under the third round of the Commonwealth Government's RCP, some of which are intended to benefit First Nations' communities. NBN Co continues to work closely with the Commonwealth Government on the funding agreement to bring these projects to life.

Other co-investments and funding initiatives include but are not limited to:

- The Connecting Victoria Program, which was originally signed in October 2022 between NBN Co and the Victorian Government. This Program is facilitating the delivery of fibre upgrades to more regional areas of Victoria and created an additional 31 Business Fibre Zones (BFZs), allowing RSPs to supply Enterprise Ethernet services with zero upfront costs from NBN Co
- Planning and design work to deliver the NSW Gig State Program improving internet services for communities in regional NSW
- In May 2024, the Australian Government announced 11 projects to be funded through the Telecommunications Disaster Resilience Innovation Program. This funding will support the delivery of power back-up solutions for nine Fixed Wireless sites, Wireless Mast Trailers and a Digital Power Outage Notification via Application Programming Interface (API). This funding is contingent upon the successful execution of a grant agreement with the Commonwealth and subsequently with the relevant state and local governments
- During FY24, NBN Co was successful in securing funding with several local and state projects including support for improved power resiliency for the nbn[®] Nubeena Fixed Wireless network in Tasmania, a resiliency upgrade for the nbn[®] Fixed Wireless site in South Durras in NSW, and a fibre path resiliency project in Western Australia.



Expanding the Network

NBN Co continues to work in partnership with property developers nationally, to provide households, businesses and communities with access to fast and reliable broadband.

The Company aims to be the Australian property development industry's first choice provider of broadband networks. NBN Co is bound by the Statutory Infrastructure Provider (SIP) Regime which provides a framework to ensure that premises in Australia can be connected to, and supplied with, high-speed broadband internet services. In most of Australia, NBN Co is the default SIP and is required to connect and supply services upon reasonable request from a carriage service provider on behalf of an end user.

Since the Company was established, NBN Co has delivered nbn[®] network access to more than 1.4 million newly built households and businesses across Australia. In FY24, over 147,000 new development premises were made Ready to Connect to the network.

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 Smart Places, 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 equipment including smaller, more robust and 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 integrates technology into the surrounding built or natural environment which can increase liveability and productivity for residents and businesses. In FY24, 35 locations across the nation were connected to nbn[®] fibre via the Smart Places product compared to nine in FY23.



Industry Funding and Universal Service Obligation

The Regional Broadband Scheme (RBS) was established by the Commonwealth Government in January 2021 to ensure transparent and sustainable funding arrangements are in place to support essential broadband services to regional, rural and remote Australia.

Under the RBS, telecommunications providers that provide services over Fixed Line networks capable of providing comparable services to the nbn[®] network, are required to pay a contribution to help fund the cost of providing high-speed broadband to regional communities.

As NBN Co is the largest Fixed Line network operator in Australia, the Company estimates that it will contribute around 95 per cent of the total levy raised by the RBS, which funds the cost of building and operating the Fixed Wireless and Satellite networks necessary to provide high speed broadband to regional communities. In FY24, NBN Co recognised a net \$25.3 million in funding via the RBS, representing contributions from other Fixed Line operators.

In October 2023, the Commonwealth Government opened a broad consultation with the telecommunications industry and the community on delivering a modernised Universal Service Obligation (USO).

NBN Co supports the Government's efforts to reform universal service policy and improve outcomes for all people across Australia and recognises the important role the Company needs to play. NBN Co made a submission during the consultation process which outlined its position that there is significant opportunity to establish a combined Universal Service Framework for voice and broadband, that delivers improved and more reliable services to consumers using modern technology, underpinned by sustainable and efficient funding arrangements.

Network Reliability and Resilience

Ensuring the resilience of NBN Co's critical assets and systems is core to safeguarding the delivery of services to customers. NBN Co is always looking to deliver a faster network with enhanced security and resilience especially in light of natural disasters. The Company continues to make improvements to the reliability of the nbn[®] network as well as exploring measures aimed at improving the way it prepares for, responds to, and recovers from emergency events.

A key component of the Company's strategy is to improve network resilience by rolling out more fibre across the country. The fibre optic cables used within the nbn[®] network are more resilient, energy efficient and require less maintenance. This means fibre not only delivers faster and more reliable broadband, but it also withstands extreme weather better than copper-based infrastructure.

NBN Co's Climate Transition Plan (CTP) outlines actions to address physical climate change risks, that support the Company's resilience goals. This includes implementing fibre upgrades, performing regular climate scenario analysis to inform network resilience decision-making and developing and maintaining climate and natural disaster crisis management plans.

NBN Co's approach to network resiliency involves monitoring and treating resiliency risks across the network alongside ongoing proactive activities which protect over eight million customers per day. This includes 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.

The Company is focused on continuous improvement to identify how it can make the network and its systems more resilient. This is supported by the Resilience and Security Program which helps identify and treat risks and issues, and also informs decisions on where to invest in resilience across the Company.

Emergency Response Capability

When extreme weather events and network outages occur, the Company's focus is on maintaining and restoring the services that communities rely on to stay safe and connected with each other and receive emergency services updates.

NBN Co's capability to respond to emergencies includes the utilisation of disaster satellite services under the Australian Government's Strengthening Telecommunications Against Natural Disasters (STAND) program. STAND assets have been installed at 1,068 designated rural and country emergency management sites and evacuation centres around Australia. These assets provide back-up communications connection using nbn® Sky Muster® satellite services and can be switched on to 'disaster mode' during an emergency event to provide free full broadband functionality for use by emergency services and the community.

The STAND assets complement an existing suite of transportable connectivity solutions that can be deployed to provide supporting temporary connectivity to impacted communities in the event of an emergency. This includes Hybrid Power Cubes, Network on Wheels, Wireless on Wheels and nbn® Sky Muster® Trucks. In addition, NBN's Point of Interconnect (POI) on wheels, which has proven in live field trials that it can successfully support thousands of services, suggesting the POI on wheels could support up to 195,000 customer services during an emergency.

NBN Co also continuously improves its Temporary Network Infrastructure (TNI) equipment, which is rapidly deployed when needed. The Company will continue to trial innovative solutions for its TNI to ensure it can provide connectivity when the electricity grid goes down, which is often when communities and emergency services need connectivity the most. These innovative pieces of equipment have been developed in-house and are pre-positioned across Australia in preparation for a natural disaster event. Each of these play an important role in helping to keep customers connected.

NBN Co also runs an emergency management campaign, which operates year-round and emphasises critical work in emergency preparedness, response and recovery within the Company's communications network. The goal is to increase awareness of NBN Co's contributions within communities before, during and after emergency situations. NBN Co uses these campaigns to explain how the Company secures the network against ever-increasing emergency threats, and how Emergency Management Liaison Officers (EMLOs) collaborate closely with government agencies and communities.

During FY24, the Company conducted more than 450 engagements and events focusing on emergency response capabilities and community preparedness. Notably, the Company jointly organised a Jurisdictional National NBN Co/Telstra Educational Roadshow (in Telstra's capacity as a national infrastructure owner alongside NBN Co), attended by 170 people and 63 Emergency Service Agencies across Australia.



CASE STUDY



Drone solution to flood damage

In January 2024, severe flooding in Seymour, Victoria, severed a major nbn® fibre cable that supplied internet connectivity to several Fixed Wireless towers in the area. The cable, which runs under the Goulburn River, was significantly damaged by the flooding leading to a loss of internet connectivity to approximately 700 homes and businesses. Due to the volume of water still present in the area, the cable fix required the boring of a new path under the river, and therefore restoration was estimated to take several weeks.

NBN Co turned to an innovative solution, running a temporary aerial cable over the river instead so that local residents could be brought back online as soon as feasibly possible. As the water level was still high and fast flowing, it was not possible to use boats or machinery near the river's edge.

Instead, through the use of a drone, a rope was flown across the river and a fibre optic cable was then attached and winched across the swollen river. The two ends were attached to temporary poles.

As a result of the Company's initiative and innovation, services were restored quickly, and the amount of time that customers were without internet was significantly reduced while the main fibre cable was being repaired.

Network Security and Privacy

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 positive security obligations relating to business resilience, risk management, cyber, personnel, physical security and its supply chain are embedded across the organisation. This is reflected in the Company's Enterprise Security Risk Management Framework, which brings a unified view and approach to managing all security and privacy risks faced by the organisation.

The Company will remain vigilant, constantly monitoring and seeking to improve threat prediction, detection, response, and mitigation strategies to ensure resilience in the face of evolving challenges and emerging risks.





Supporting network innovation

The telecommunications industry continues to research and develop new technology which enhances the capability of broadband services. At the same time, use of the nbn[®] network is growing, with data volumes doubling over the last five years. As at 30 June 2024, the average user downloads around 460 GB of data a month via the nbn[®] network, and around 10 per cent of users download 1 terabit or more on a monthly basis.

NBN Co is looking at new ways of doing things so that customers and businesses continue to get a great experience when using the nbn[®] network. This includes working with leading scientists and universities to maximise the power of the internet, invent new technologies, and enable others to do so as well.

The Company continues to invest in innovation to evolve the nbn[®] network to help meet the digital needs of Australia now and into the future. This includes progress in readying the nbn[®] network for multi-gigabit speeds on both residential and business services. Examples of how NBN Co is looking to invest into the nbn[®] network in the future include, but are not limited to, the below initiatives:

- The capability of available Satellite technology continues to evolve. NBN Co recognises the potential of LEO satellite technology and has sent a closed request for information to LEO providers to further understand their offerings. NBN Co is evaluating this information to determine if LEO satellites could complement the existing Sky Muster[®] Satellites and improve network capabilities
- NBN Co successfully completed a field trial with Nokia using three generations of passive optical network technologies, GPON, XGS PON and 25GS PON over its FTTP network, which demonstrated that the nbn[®] network is capable of supporting the next generation of broadband services, whilst maintaining current active services on existing GPON technology^{1,2}. During the trial, NBN Co and Nokia were able to achieve speeds of 8 Gbps (symmetric) on XGS PON and 20 Gbps (symmetric) on 25GS PON, a new Australian record for a passive optical network. This trial was an important step

in delivering NBN Co's long-term network strategy and to deliver multi-gigabit speeds

- The Company intends to deploy Distributed Access Architecture (DAA) into the nbn[®] HFC network in coming years to meet capacity requirements. DAA is an efficient way to scale capacity to meet demand and improve the availability and reliability of the network. NBN Co is modernising equipment in the nbn[®] HFC network by replacing legacy amplifiers to deliver additional capacity and improve fault finding and performance, which will enable a better experience for nbn[®] HFC customers
- In August 2023, NBN Co signed a five-year agreement with the University of Technology Sydney, to further develop network innovations including testing the viability of using sensor and camera equipped robots to perform tasks such as clearing blocked conduits, hauling cable, and collecting 3D network data. If successful, this will help deliver remotely piloted machines into spaces that no human can access safely and improve the Company's ability to install fibre
- NBN Co continues to explore and evaluate the use of new technology, particularly for Augmented Reality, Virtual Reality and AI, given the exponential growth in these technologies and how they can create greater efficiencies for the Company. NBN Co has identified three key areas where generative AI could be used to create greater efficiencies for the Company. These include productivity, network performance, and customer experience. Generative AI presents business improvement opportunities for NBN Co around service levels and reliability, better enabling the Company to tap into its extensive network data to support everyday activities, such as helping technicians in the field and strengthening network resilience plans.

1. NBN Co provides wholesale services to RSPs and any reference to speeds in this section are not end-user speeds. They represent the capabilities of potential future FTTP technologies and were obtained during a technical demonstration carried out in conjunction with Nokia. They have not been subject to tests with RSPs.

2. In relation to NBN Co's existing services, a customer's experience, including the speeds actually achieved over the nbn[®] network, depends on a range of factors (some of which are outside the Company's control, like equipment quality, software, and how the RSP designs its network), including the nbn[®] technology used for the connection.

PRODUCTS

SUPPORT GREATER USE OF THE NETWORK



As a wholesale network operator, the Company provides access to the nbn[®] network to access seekers on a non-discriminatory basis. This approach seeks to help level the playing field in the Australian telecommunications industry, enhancing competition and providing greater choice for customers across the country.

Customers connect to the nbn[®] network through RSPs for access to high-speed broadband. RSPs contract with the customers and manage most aspects of the commercial relationship, including onboarding, billing and customer support services, while NBN Co is responsible for installing and maintaining the connection to end user premises.

NBN Co forecasts that the nation's need for broadband will increase over the next decade as the internet continues to transform how people across Australia live and work. NBN Co seeks to maximise the use of the nbn[®] network by growing the total number of active premises and increasing the percentage of users on higher speed tier products. Growing both the total number and average speed of services delivered over the network will unlock the benefits of fast, reliable broadband to more Australians and help the Company to achieve its purpose to lift the digital capability of Australia.

This requires developing products and pricing strategies that encourage greater use of the network. The Company is delivering this by executing initiatives such as the fibre upgrade program and evolving its product strategy, particularly to meet the needs of business and regional customers.

As at 30 June 2024, the number of homes and businesses connected to the nbn[®] network was 8.61 million, up from 8.56 million as at 30 June 2023. This equates to more than 20 million people relying on the network every day.

In addition to the growing volume of customers utilising the nbn[®] network, the data and speed demands of customers are also increasing. This greater use of the network by customers is demonstrated by the growth in average wholesale service speeds from 66.13 Mbps as at 30 June 2023 to 76.64 Mbps as at 30 June 2024.

Fibre upgrade connections

NBN Co is investing in the deployment of fibre infrastructure and aims to make 3.5 million FTTN premises and 1.5 million FTTC premises RFO to full fibre FTTP technology by the end of December 2025. Over 3.7 million premises have been made RFO as at 30 June 2024. This means that an increasing number of premises have been released to RSPs as available for connection to FTTP and therefore have access to higher speed products.

To trigger a fibre upgrade connection, customers at eligible premises must place a qualifying higher speed tier order with a participating RSP. Upon receipt of a qualifying order, NBN Co will construct a fibre connection to the premise and activate the higher speed service on the FTTP network.

FY24 highlights

8.61m

Homes and businesses connected

FY23: 8.56m

76.64 Mbps

Average wholesale service speed¹

FY23: 66.13 Mbps

375,000+

Total cumulative fibre upgrade connections

FY23: 89,000+

1. Average TC4 wholesale service speed. Your experience, including the speeds actually achieved over the nbn[®] network, depends on the nbn[®] network 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 our control (like your equipment quality, software, broadband plans, signal reception and how your service provider designs its network). Speeds may be impacted by the number of concurrent users on nbn[®]'s Fixed Wireless network, including during busy periods. Satellite users may experience latency.



The current qualifying speed tier for customers served by FTTN is nbn[®] Home Fast (100/20 Mbps) or higher¹².

However, prior to 3 July 2024 the qualifying speed tier for customers served by FTTC was nbn[®] Home Superfast (250/25 Mbps) or higher.

NBN Co aligned the qualifying criteria for the fibre upgrade connections to create a simplified process for RSPs and further encourage customers to upgrade to FTTP.

As at 30 June 2024, over 277,000 premises had received FTTN to FTTP upgrade connections and over 97,000 premises had received fibre upgrade connections from FTTC to FTTP.

In certain circumstances NBN Co may elect to make a premise eligible to upgrade to full fibre FTTP without the need for a customer to order a higher speed service (e.g. where the existing FTTN service is underperforming).

NBN Co continues to work closely with its RSPs to drive customer demand for fibre upgrade connections. The uptake continues to grow momentum as more premises are declared RFO and RSPs develop their products to promote fibre connections. NBN Co is consistently upgrading over 6,000 FTTN and FTTC premises to FTTP technology every week, which has more than doubled since June 2023.

Migrating customers onto FTTP services from FTTN and FTTC services delivers improved customer experience due to the ability to access higher speeds and the anticipated reduction in service disruptions due to the greater reliability of the fibre network.

Implementation of the Special Access Undertaking

In October 2023, the Australian Competition and Consumer Commission (ACCC) accepted NBN Co's SAU Variation, which was a landmark outcome for the industry and customers.

The SAU forms 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. It also delivers greater long-term regulatory predictability for NBN Co, retailers and customers and sets out a range of measures aimed at delivering a better customer experience of the network, thereby delivering greater cost certainty, simplicity and value to the industry and customers.

Following acceptance of the SAU Variation, NBN Co implemented the changes via its fifth iteration of the Wholesale Broadband Agreement (WBA5), which is the commercial contract between NBN Co and access seekers.

1. 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 RSPs, who may choose to pass this charge onto their customers.
2. 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 Co technology used for the connection.

Wholesale pricing changes

New wholesale prices which were implemented on 1 December 2023 under WBA5, saw significant reductions in the prices of entry level and higher speed tiers:

- For very low use services (less than 0.1 Mbps during any 60-minute period on any day), the Company created a 12/1 Mbps Basic Bundle, which was reduced by \$10.50 to be available for a wholesale price of \$12. The wholesale price of the nbn[®] 25/5 Mbps product was reduced by \$11 to a wholesale price of \$26 in FY24
- NBN Co's 50/20 Mbps product saw a \$5 wholesale price increase to \$50 in FY24, with a 34 per cent increase in included data
- The Company removed Connectivity Virtual Circuit capacity charges as well as reducing wholesale prices on its higher speed tier products. For example, the wholesale price of the nbn[®] Home Fast 100 Mbps product reduced by \$3 to \$55 in FY24.

Annual Service Improvement Plan and Service Performance Review

Under the SAU Variation, NBN Co has committed to publishing an Annual Service Improvement Plan and conduct an annual Service Performance Review against set WBA service levels and performance objectives.

The Service Improvement Plan is published after the commencement of the relevant financial year and provides transparency over initiatives focused on uplifting the RSP and customer experience that will commence or continue in the next 12 months. NBN Co published its first Annual Service Improvement Plan in November 2023.

The Annual Service Performance Review provided a structured review of WBA service standards and NBN Co's performance against these standards over a prior 12-month period, as well as incorporating related RSP feedback. NBN Co published a Service Performance Review in June 2024, coinciding with the end of the financial year, including any potential service standards changes that the Company is considering in response to the review.

Product Roadmap

On 1 May 2024, the Company published its wholesale tariff list for FY25 and three-year wholesale pricing roadmap for FY25-27. The wholesale price changes are in line with the previous three-year pricing roadmap that was published by the Company in November 2023.

The proposed changes outlined in NBN Co's wholesale pricing roadmap follow two years of thorough consultation with the ACCC, internet retailers and consumer advocacy groups on the SAU Variation Framework under which these price changes are made. The SAU allows for wholesale pricing to be adjusted for CPI, subject to certain pricing controls:

1. Weighted Average Price Cap (WAPC)

The WAPC allows NBN Co to increase prices overall at CPI for an initial period, with additional 'sub-caps' on certain products, which reflect the shift from variable pricing based on usage to one in which a significant proportion of its wholesale charges are fixed.

2. Individual Price Controls

Prices are generally capped at the greater of 5 per cent or CPI. The exception is the entry level product (25 Mbps) which is capped at CPI.

The wholesale price changes are designed to balance the revenue growth required to enable reinvestment in the network to deliver faster speeds, increased data capacity and greater reliability, while continuing to provide a range of products to suit various customer needs and budgets and support greater use of the nbn[®] network.

Speed Tier Uplift Program

Speed and capacity are becoming increasingly important considerations for NBN Co in the way it provisions its network and resets its products, particularly as the number of concurrent internet-connected devices in the average home continues to grow.

In March 2024, NBN Co launched an industry consultation process to deliver substantially increased wholesale download speeds on select higher speed tier nbn[®] Ethernet products. These increased speeds would be available to customers connected to the nbn[®] network via FTTP and HFC technologies and would be made available across the three highest-speed residential nbn[®] Ethernet products for existing customers on those plans, and for those who upgrade to those plans in the future.

The proposal would provide five times faster download speeds on its popular nbn[®] Home Fast product, which would see wholesale download speeds accelerate from 100/20 Mbps to 500/50¹ Mbps.

The Company is also proposing to triple the wholesale download speed of its nbn[®] Home Superfast product from 250/25 Mbps to 750/50 Mbps¹ and increase the wholesale speeds of its highest residential speed tier, nbn[®] Home Ultrafast, from 500-1000/50 Mbps to 1000/100^{1,2} Mbps.

In May 2024, NBN Co responded to early feedback from internet retailers about bringing forward discussions on 2 Gbps wholesale download speeds.

The Company also issued a related consultation paper on Next Generation FTTP Network Termination Devices (NTDs). As an essential requirement to enable multi-gigabit speeds, a new, slimline, single-port NTD, which has the technical capability to accommodate future speeds up to 2.5 Gbps, is proposed to be made available for residential use and a new, four-port model is proposed for businesses.

NBN Co expects to issue a closure paper to confirm the outcomes of the consultation process in the early part of FY25.



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 Co technology used for the connection.
2. Regardless of the retail service purchased, the actual speeds delivered by NBN Co's highest residential wholesale speed tier will be less than 1 Gbps due to equipment and network limitations and the peak information rate may fall anywhere in this range.

Regional Product Strategy

NBN Co also seeks to optimise its product portfolio for Fixed Wireless and Satellite services and maximise the potential of the network. As a result of the delivery of the Fixed Wireless upgrades, in May 2024 NBN Co uplifted the potential maximum information rate of its most popular Fixed Wireless plan, the Fixed Wireless Plus product, from up to 75/10 Mbps to up to 100/20¹ Mbps.

Additionally, in June 2024, NBN Co introduced two new Fixed Wireless higher speed tiers (nbn[®] Fixed Wireless Home Fast and nbn[®] Fixed Wireless Superfast), which will become progressively available across parts of the Fixed Wireless network as the upgrade program progresses.

The nbn[®] Fixed Wireless Home Fast^{2,3,4,5} can deliver potential peak wholesale speeds of 200-250/8-20 Mbps and is estimated to be available to around 90 per cent of premises in the Fixed Wireless coverage area. The nbn[®] Fixed Wireless Superfast^{2,3,4,5} can deliver potential peak wholesale speeds of 400/10-40 Mbps and is estimated to be available to around 80 per cent of premises in the Fixed Wireless coverage area.

The delivery of the Fixed Wireless Upgrade Program is extending the geographic range of the fixed wireless network, which will enable approximately 120,000 premises previously served by Satellite to access the Fixed Wireless network.

As at 30 June 2024, approximately 52,000 households and businesses across regional Australia that were previously satellite-only, were eligible to access the Fixed Wireless network. The migration of Satellite customers to the Fixed Wireless network has and will continue to release capacity on the nbn[®] Satellite network.

This release of capacity enabled NBN Co to introduce its new Sky Muster[®] Plus Premium products⁵, giving customers in remote and regional Australia uncapped⁶ data and a choice of plans with different download speeds, to meet a range of needs and budgets. Since December 2023, NBN Co has offered entry (25/5 Mbps), mid (50/5 Mbps) and high (100/5 Mbps) speed tier plans to RSPs⁷. As at 30 June 2024, approximately 39 per cent of nbn[®] Satellite customers were on the Sky Muster[®] Plus Premium Product.

NBN Co is currently consulting with industry to move towards simplifying the Satellite product portfolio by retiring Sky Muster[®] and capped Sky Muster[®] Plus plans. Under that consultation, the Company has proposed that end users on Sky Muster[®] or capped Sky Muster[®] Plus plans would be migrated onto one of three Sky Muster[®] Plus Premium uncapped products, with timing of the migration being subject to contractual and regulatory obligations, including commencing a formal consultation process in relation to withdrawal of the Sky Muster[®] product.

1. The potential maximum information rate of Fixed Wireless Plus of 100/20 Mbps refers to the maximum wholesale speed the product is capable of achieving in optimal conditions, and is not a guaranteed maximum for all users on a Fixed Wireless Plus plan. Fixed Wireless Plus service speeds will vary over time and between premises due to a number of factors, including the location of the premises to the Fixed Wireless tower. By way of example only, a premises situated on the edge of an nbn[®] Fixed Wireless cell may not be capable of achieving a potential maximum information rate of 100/20 Mbps, even if other conditions are optimal and there is limited/no contention.
2. Faster download speeds mean less buffering where the buffering was caused by slow download speeds over the nbn[®] Fixed Wireless network. Please note that the amount of buffering you experience may also be affected by other factors outside of NBN Co's control (like your Wi-Fi and other equipment configuration, chosen broadband plan, how your provider designs its network, or the video streaming and other content providers' network).
3. 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 2022). 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.
4. These are nbn[®] wholesale speed tiers, which nbn provides to retail phone and internet providers. Attainable wholesale speeds are subject to the rollout of network upgrades and some premises will require NBN Co to complete upgrades to the equipment at the premises.
5. Your experience, including the speeds actually achieved over the nbn network, depends on the nbn[®] network 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 our control (like your equipment quality, software, broadband plans, signal reception and how your service provider designs its network). Speeds may be impacted by the number of concurrent users on nbn[®]'s Fixed Wireless and Satellite networks (including during busy periods). Satellite users may experience latency.
6. Fair Use Policy and shaping apply. To proactively protect and ensure the fair access to the nbn[®] network for all users, nbn may from time to time, at its discretion, shape the following activities to maximum wholesale upload and download speeds of 256kbps: uploads and downloads via peer to peer; uploads and downloads to cloud storage platforms; PC and smartphone operating system updates; software/application updates; gaming software updates; any other traffic related to applications which nbn cannot identify. Other activity that NBN Co considers may cause adverse network impacts may also be added to the above list to be shaped, including streaming video and VPN.
7. NBN Co is a wholesaler and does not set retail prices. End users should contact an nbn[®] satellite service provider to ask about the retail prices they charge.

Lifting the Digital Capability of Australian Businesses

The business market in Australia continues to grow with the Australian Bureau of Statistics (ABS) projecting continued net new business growth. Overall, NBN Co's business market in Australia covers approximately 1.5 million businesses, ranging from home operated businesses up to Enterprise customers with multiple premises across Australia. This growth is being fuelled by increasing digitisation of business, regardless of size, leading to growing customer demand for business grade connectivity.



NBN Co acknowledges that not all businesses have the same connectivity and data needs and continues to provide flexibility for business users in respect of technology and speed options. These options include the utilisation of standard TC4 services which provide reliable high-speed services capable of meeting the requirements of many businesses.

In October 2023, NBN Co launched a range of business fibre plans aimed at small and medium businesses. These plans provide additional upload bandwidth and business service levels for customer service and fault restoration. Business customers can receive these business connectivity options via their service provider, offering maximum wholesale speeds of 250/100 Mbps, 500/200 Mbps and 1,000/400¹ Mbps, backed up with 24/7 support from the Business nbn[®] Service Centre. As at 30 June 2024, 12,600 businesses are being served by business grade fibre products.

NBN Co continues to offer its premium business product, Enterprise Ethernet, which delivers a dedicated fibre connection between a customer's premises and the Fibre Access Node (FAN) that enables business customers to order symmetrical wholesale broadband services of up to 10 Gbps^{2,3}, which is up to 10 times faster than previously available on the network. As at 30 June 2024, there were 36,294 active Enterprise Ethernet services, with 10,311 additional services activated during FY24.

To support the business take-up of Enterprise Ethernet, NBN Co created 322 Business Fibre Zones (BFZs) across Australia, of which 142 are located in regional centres. As at 30 June 2024, approximately 950,000 businesses in those zones are able to access Enterprise Ethernet services at the same rate as major CBD areas, providing a more equitable price offering for many Australian businesses.

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 Co technology used for the connection. 1000/40 Mbps bandwidth profile: Regardless of the retail service purchased, the actual speeds delivered will be less than 1 Gbps due to equipment and network limitations.
2. Regardless of the bandwidth profile for the service an end customer acquires from their retail service provider, it will 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, an end customer's experience, including the speeds actually achieved over the nbn[®] network, depends on some factors outside NBN Co's control (like end customer equipment quality, software, and how their service provider designs its network). If an end customer's service provider has not selected Class of Service High, speeds their 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.

CASE STUDY



GDP benefits of faster, stronger nbn® network

New economic research from Accenture¹, published by NBN Co in February 2024, features the first use of a new longitudinal data set to model the relationship between increases in Australian broadband speeds over time, and key national economic indicators.

This report showed that the nbn® network is having a profound effect on the Australian economy. Over the period from 2012 to 2022, the nbn® network is estimated to have enabled Gross Domestic Product (GDP) productivity benefits of \$122 billion. This equates to almost a quarter of all multifactor GDP growth across this period.

This increase in GDP is forecast to be felt across the nation, with increases in average broadband speeds having 16 times the impact in remote areas, and twice the impact in regional areas than in capital cities.

Accenture found the GDP uplift created by the nbn® network was estimated to be \$31 billion per annum in 2022, and this is forecast to rise annually to \$68 billion per annum by 2030. In total the report estimates that a faster, high capacity nbn® network will increase GDP by around \$400 billion between 2023 and 2030.

Researchers also found that the nbn® network is helping generate new start-up businesses and is supporting the creation of new jobs. In the decade from 2012 to 2022, during the height of the nbn® network build, the digital uplift created by the nbn® network is estimated to have created 169,000 jobs, and 87,000 new businesses.

The research predicts that better, faster nbn® broadband will help generate a further 113,000 new jobs and support the creation of an estimated 55,000 new businesses by 2030 across the nation.

1. <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/reports-and-publications/accenture-2024-economic-and-social-impact-insight-report.pdf.coredownload.pdf>

CUSTOMERS & PARTNERSHIPS

ENHANCE RSP AND CUSTOMER EXPERIENCE



As the operator of Australia’s wholesale broadband network, NBN Co is responsible for connecting end users to the network and helping enable fast and reliable broadband services. Lifting the digital capability of the nation requires strong collaboration with RSPs, as it is via these retailers that broadband services are provided to homes and businesses.

The Company aims to deliver a customer experience that drives user satisfaction, greater adoption of nbn® services and will enable customers to take advantage of the social and economic benefits that high-speed broadband services can provide.

Operating the network includes conducting maintenance on the network, continuously monitoring network performance and restoring services should any faults or unplanned outages occur. Performing these activities quickly and accurately is essential to strong customer experience and will often require field visits from technicians to the premises or network sites.

NBN Co works with partners to drive equitable access to the network. This is achieved by focused partnerships targeting areas of society with below-average broadband uptake. NBN Co aims to develop bespoke solutions to promote greater use of the network by these communities and enhance access to health care and education via broadband.

Customer Experience

NBN Co strives to improve connectivity, reliability and customer service. This includes reducing nbn® network outages, notifying customers when planned outages are scheduled to occur, making connections convenient and on-time, and resolving issues promptly. Every customer interaction is important from initial connection through to a requested disconnection event at a premise.

In addition, 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 monthly progress report which provides metrics related to the services NBN Co delivers. This report is designed to give customers a transparent view of the performance of the Company in areas such as connections, faults, average time taken to restore services and network congestion.

NBN Co continues to prioritise customer experience on the nbn® network by improving the reliability and performance of the network. On average, NBN Co had 7.8 faults per 100 premises¹ during FY24 which was an improvement on FY23, which had 8.9 faults per 100 premises. These strong results reflect the Company’s continuous progress in upgrading and maintaining the nbn® network.

FY24 highlights

7.8

Average number of faults per 100 premises per year¹

FY23: 8.9

90%

Service faults resolved within agreed timeframes²

FY23: 92%

13,997

Families connected via the School Student Broadband Initiative

FY23: 952

1. The number of faults on the nbn® access network per 100 premises (excluding faults within 10 business days of the connection). This measure tracks individual service faults, not network related faults which are tracked separately. It excludes faults not related to the nbn® access network.

2. The percentage of time NBN Co resolves accepted faults within NBN Co’s target timeframes with phone and internet providers. This measure tracks individual service faults, not network related faults which are tracked separately. The fault restoration measure does not include restoration for faults reported to us relating to Priority Assistance Faults or Enhanced Faults, network upgrades and improvements, and events beyond NBN Co’s control. NBN Co’s target timeframes apply to faults raised by phone and internet providers and accepted by NBN Co and vary depending on the location of the premises, and are different for the Sky Muster® satellite network.

For customers experiencing service issues, NBN Co was able to resolve these faults within agreed timeframes¹ on average 90 per cent of the time during FY24 compared to 92 per cent in FY23. These resolution outcome results are reflected in findings from the Telecommunication Industry Ombudsman (TIO), which reveal that the number of complaints about services over the nbn[®] network continue to trend downwards year on year, as published in the TIO's Complaints Report released in May 2024.

In August 2023, NBN Co published its Home of the Future study, which was commissioned to understand how Australian homes are using technologies today, how technology will play an increasing role in homes in a decade from now and gain a clearer understanding of the nation's growing appetite for immersive technologies.

The research revealed positive results with 45 per cent of nbn[®] users surveyed, who had upgraded their speed tier in the past 12 months, noticing benefits. This included greater ability to concurrently run devices for streaming, with 39 per cent reporting having more devices running online at the same time with fewer interruptions and 37 per cent able to upload and download work files quicker.

Working with RSPs

NBN Co is dedicated to enhancing the experience for its RSPs and minimising costs within the telecommunications industry wherever possible. The Company has launched a multi-year program aimed at continuous improvement and elevating RSP experience. The overarching goal is to optimise the Company's processes and interactions with RSPs, making them more cost-effective, streamlined, and efficient by leveraging digitisation and innovation.

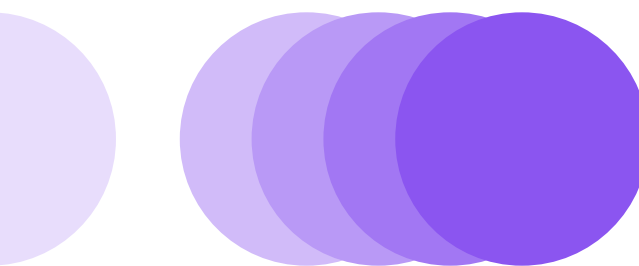
A critical aspect of improving the experience for RSPs is partner interaction excellence, which directly addresses pain points communicated by RSPs. The Company intends to introduce further changes to enhance industry engagement, ensuring structured product and service delivery, predictable execution dates and better coordination between NBN Co and RSPs.

NBN Co is enhancing the systems and digital capabilities that RSPs, and service delivery partners use, aiming for a better overall experience. The evolution of digital solutions, including Application Programming Interface (API) enhancements, play a crucial role in achieving excellent customer service and system efficiency.

NBN Co is further supporting RSPs through the Service Health Pulse tool, which has automated complex and critical testing required for retailers to correctly diagnose faults in the nbn[®] network.

As a company, NBN Co is committed to becoming an expert in how it stores, manages and interprets data and exploring how best to share insights with RSPs for improved productivity and ease of doing business.

During FY24, the Company brought together its business and residential teams to create a single interface for RSPs, resulting in a more efficient process for RSPs as a result of this streamlined approach.



1. The percentage of time NBN Co resolves accepted faults within NBN Co's target timeframes with phone and internet providers. This measure tracks individual service faults, not network related faults which are tracked separately. The fault restoration measure does not include restoration for faults reported to us relating to Priority Assistance Faults or Enhanced Faults, network upgrades and improvements, and events beyond NBN Co's control. NBN Co's target timeframes apply to faults raised by phone and internet providers and accepted by NBN Co and vary depending on the location of the premises, and are different for the Sky Muster[®] satellite network.



Application Programming Interface (API) Network power innovation sees up to a 50 per cent improvement in data accuracy for customers

Power plays a key role in running the nbn[®] network making it important for the Company to work closely with power distributors across the country. Planned and unplanned outages occur every day, having a flow on effect to customers. NBN Co works with 16 power distribution companies, managing over 57,000 grid connections across Australia.

NBN Co has partnered with electricity distributors to establish an API that provides near-real time information on powersupply across their networks (which updates every 15 minutes).

Having direct access to this information provides NBN Co with a better understanding of outages on the nbn[®] network, resulting in up to a 50 per cent improvement in data accuracy, helping to keep customers and RSPs properly informed.

Having clear and accurate communication between NBN Co and energy providers supports improved restoration times, minimising the impact to customers, businesses and communities.

This action was a result of The Royal Commission into National Natural Disaster Arrangements, which highlighted the need to improve the level of communication between telecommunication and energy providers.



Social Impact of Broadband

NBN Co's purpose is to lift the digital capability of Australia and this drives the Company to enable social and economic outcomes for households, businesses, and communities across the nation. Ubiquitous, fast and reliable broadband supports a range of economic and social benefits, that are essential to Australia's prosperity, such as remote access to essential services which include healthcare and education, and improved individual wellbeing.

Social Impact Measurement

The development of a Social Impact and Value Measurement Framework was included in the FY23/24 Sustainability Program. This framework was developed in FY24 to better measure and understand the social impacts enabled by the nbn[®] network.

Underpinning the framework's seven-step measurement approach, is an impact thesis articulating how high-speed, reliable and resilient broadband delivered by the nbn[®] network enables economic, social and environmental outcomes. The measurement approach is data-led and developed using industry-referenced social impact frameworks which includes consideration of the Organisation for Economic Cooperation

and Development's (OECDs) wellbeing framework and the Measuring What Matters approach¹ issued by the Commonwealth Government's Treasury Department.

The framework was applied in FY24 to measure the 'so what' of digital inclusion for NBN Co's customers, which is defined as the social impact of the nbn[®] network on user wellbeing (life satisfaction) across five outcome domains:

- Employment and income
- Education and skills
- Health
- Social and community connection
- Environment.

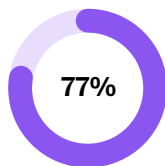
Results were published in The Economic and Social Impact of Investment in the nbn[®] Network Key Insights Report² in February 2024, which contained research from Accenture and was commissioned by NBN Co. Measurement found that the nbn[®] network is having a positive impact on individual wellbeing, with three in four users stating that having access to the nbn[®] network at home has had a positive impact on their satisfaction with life in the last 12 months.

1. <https://treasury.gov.au/policy-topics/measuring-what-matters>

2. <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/reports-and-publications/accenture-2024-economic-and-social-impact-insight-report.pdf.coredownload.pdf>. Note: The analysis was specifically focused on broadband delivered to premises (both nbn[®] and non-nbn[®] broadband) and did not seek to measure or take into account the economic or social impact that may have come from mobile broadband. Although mobile networks account for only 13 per cent of downloads across retail nbn[®], non-nbn[®] fixed and mobile networks in the June quarter of 2023 (ACCC Internet Activity Report for period ending 30 June 2023), the pattern of economic and social benefits set out in this report may change if mobile broadband was able to be explicitly included in the analysis.

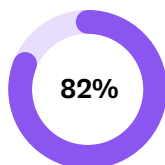
OVERALL IMPACT RESULTS BY DOMAIN

Employment & income



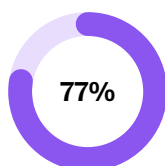
of NBN Co users who worked from home or used job search platforms reported the nbn® network positively impacted their employment outcomes in FY23.

Education & skills



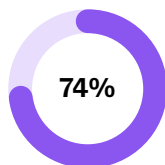
of NBN Co users who engaged in formal or informal education from home via the nbn® network reported the nbn® network positively impacted their education outcomes in FY23.

Health



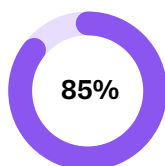
of NBN Co users who accessed telehealth or online medical information, resources or records via the nbn® network reported the nbn® network positively impacted their health outcomes in FY23.

Social & community connection



of NBN Co users who connect with family, friends and others or access news or community information online via the nbn® network reported the nbn® network positively impacted their social and community connectedness in FY23.

Environment



of NBN Co users who work, study, access health or other services online reported having fast internet via nbn® network helped them to reduce their emissions in FY23.

OVERALL WELLBEING



NBN Co users say having the nbn® network at home has had a positive impact on their satisfaction with life

The distribution of results:

- 25 per cent reported a strong positive impact
- 50 per cent reported a moderate positive impact
- 24 per cent reported no impact
- 1 per cent reported a moderate negative impact
- 0 per cent reported a strong negative impact

Going forward, this framework will be used to continue to measure the social impact of the nbn® network on a regular basis. This will support better understanding of NBN Co's impact, inform decision-making and support stakeholder engagement activities. It will also be used to improve NBN Co's external disclosures and reporting, with results demonstrating the social outcomes and impacts of the nbn® network, which can lead to value creation for the nation and the Company's customers.

Digital Inclusion

NBN Co is committed to improving digital inclusion in communities across the nation. Enabling digital inclusion for all is a complex, multi-faceted societal challenge, and NBN Co's digital inclusion strategy focuses on the Company's role in improving digital inclusion and where it can have the greatest impact. This is in collaboration with community, industry and government on the three dimensions of access, affordability and ability as defined in the Australian Digital Inclusion Index (ADII).

In FY24, the Company refreshed its Digital Inclusion Strategy and identified several priority areas, which includes support of First Nations Remote Communities.

The Company works in partnership with a range of stakeholders to reach seniors, people with a disability, people living in social housing and people who speak languages other than English.

One example of this is NBN Co's partnership with the University of the Third Age (U3A), called Live Life Digitally Connected for Seniors. This was a six-part education series of events (both online and in-person) to test whether digitally excluded seniors experience common barriers of motivation, connectivity literacy and ability. The program was co-designed with U3A to deliver a structure and process that can be internalised and utilised by U3A. The various sessions can be adjusted by U3A as required to meet member requirements, with connectivity literacy being provided by NBN Co.

School Student Broadband Initiative

NBN Co continues to support the delivery of the Australian Government's School Student Broadband Initiative (SSBI), which was established to provide free home internet access over the nbn[®] network via participating service providers until 31 December 2024 for up to 30,000 unconnected families with school-aged students. This has recently been extended until 31 December 2025.

To date, the Government has provided \$8.8 million in funding towards the initiative, with NBN Co also providing a contribution towards the IT establishment and other operational costs incurred by participating internet providers to support the initiative.

As at 30 June 2024, there are almost 14 thousand families connected to the nbn[®] network through the initiative.

The role of education authorities and community organisations to identify eligible families through their existing programs and contacts, described as Nominating Organisations, is critical in reaching eligible families. NBN Co is also, in conjunction with the First Nations Digital Inclusion and Advisory Group (FNDIAG), working on a pilot with the aim of providing SSBI connections to Palm and Torres Strait Islands.

NBN Co will continue working with 60 organisations across Australia to raise awareness during back-to-school periods, identifying other ways to reach families through existing programs or learnings from other jurisdictions. The National Referral Centre, operated by Anglicare VIC, provides support to families to self-nominate for SSBI and assist them in the process of getting connected as well as supporting Nominating Organisations with referrals or queries.

Low-Income and Digital Inclusion Forum

NBN Co 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, vulnerable, and unconnected users of the nbn[®] network.

During the year ended 30 June 2024, four LIDIF meetings took place. Currently 24 member organisations are part of the LIDIF collaboration, representing not-for-profit organisations, customer advocacy groups, government agencies, RSPs, and independent researchers. LIDIF Members support the National Device Bank initiative to distribute refurbished devices to people in need.

Accessibility and Inclusion

NBN Co continues to work to deliver more accessible and inclusive products and services to its customers and the wider community. NBN Co's Accessibility and Inclusion Plan (AIP) published in May 2023, aims to accelerate the Company's ambitions for the inclusion of people living with a disability. It sets out how the Company will support access to healthcare, education, and online government services during times of technological advancements and digitisation.

The Company's AIP reflects and aligns with the Australian National Disability Strategy, focusing on diversity, equity, and inclusion, workplace accessibility, and mental health support. It also incorporates recommendations from its inaugural Accessibility and Inclusion Index submission with the Australian Network on Disability.

Throughout the year, NBN Co progressed actions within the AIP, aimed at improving accessibility for customers, communities, and partners. This includes improving the accessibility of communications and marketing and conducting customer and industry research into under connected and unconnected customers, assistive technology, and digital inclusion.

The Company also signed the Australian Disability Network's Inaugural Accessible Technology Charter, outlining NBN Co's commitment to buying accessible technology.

First Nations Connectivity

NBN Co aims to engage and connect with First Nations communities and help support their aspirations for digital inclusion. The Company 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.

NBN Co's actions are part of the Company's continued contribution towards Target 17 of the Closing the Gap Report 2022, which is centred on providing equitable access and improving digital inclusion for First Nations people.

NBN Co also acknowledges that its role extends beyond providing equitable access and improving digital inclusion for First Nations people. It must also help support the culturally safe and appropriate use of technology, expand employment and business pathways with First Nations people, as well as continue to amplify the success of community-led programs and solutions.



NBN Co's Fifth Reconciliation Action Plan (RAP)

In May 2023, NBN Co launched its fifth Reconciliation Action Plan (RAP V), which will be applicable until 2026. This continues the Company's strong emphasis on connecting more communities, delivering customised product offerings and educational programs to lift First Nations people's digital literacy.

The plan's foundation is focused on four crucial areas that were collaboratively designed with industry experts. These four areas align with Reconciliation Australia's relationships, respect, opportunities and governance pillars, being: First Nations digital outcomes, career pathways, First Nations procurement and cultural learning.

The Company is committed to driving increased employment opportunities for First Nations job seekers and create meaningful and sustainable engagement across its supply chain for First Nations owned businesses.

NBN Co's Customer Field Technician Traineeship program, has attracted 56 'new to industry' individuals who identify as First Nations.

Of the 141 actions to be completed by 30 June 2024 under NBN Co's RAP V, 98 per cent were completed.

Remote First Nations Communities

NBN Co is supporting digital inclusion and helping unlock economic and social benefits for First Nations people through the installation of 107 community Wi-Fi points within 101 First Nations communities around Australia. These facilities enable access to essential services such as telehealth, MyGov, online education and mentoring services.

Whilst the majority of these connections are single-point Wi-Fi systems, the Company has also deployed four pilot mesh public Wi-Fi systems, enabling Wi-Fi coverage to extend throughout external public spaces in the community. These services are free to use for community members, and have no download limits, enabling access to education, health services, entertainment and staying connected with family and friends. Network design for these solutions is developed in collaboration with community leaders to ensure cultural adherence.

The FNDIAG's initial report was released during FY24, which revealed that communities greatly value free public Wi-Fi. NBN Co will continue to work with all levels of government and the FNDIAG on scaling NBN Co's Community Wi-Fi Program.

In February 2024, NBN Co and the Commonwealth Government announced the expansion of community-wide Wi-Fi to around 20 remote First Nations communities to improve regional connectivity and support digital inclusion for Aboriginal and Torres Strait Islander people in Australia. This expansion is funded by a \$20 million grant from the Commonwealth Government.

Enhancing First Nations Digital Ability

In March 2024, the Company launched a First Nations awareness and education campaign that is designed for and targeted towards First Nations people and communities. The campaign seeks to address awareness and education gaps amongst First Nations audiences and help them understand that fast, reliable broadband is available wherever they live and work.

Culturally appropriate content has been created and this was co-designed and developed by a specialised First Nations agency. The campaign includes targeted advertisements on NBN Co's Facebook, Instagram and LinkedIn platforms as well as website digital banners for use in Indigenous media outlets. Materials have also been shared with First Nations stakeholder groups and organisations for them to leverage the integrated marketing campaign with their own audiences.

NBN Co supports cyber safety awareness programs and fosters opportunities for digital skills development within First Nations communities through direct engagement via the Company's nbn® local teams. Through this approach, over 15,000 community members were reached during FY24.

A key focus for NBN Co is understanding digital skill levels, given that knowledge and skills can vary by person and by community. The Online Skills Check and Resources (OSCAR) is a tool to help people uplift their digital capability. The skill check is split into four key themes being 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 to cater for First Nations audiences called iOSCAR. During FY24, 380 survey responses from First Nations people were collected from the iOSCAR tool, which showed an average skill score of 54. The survey identified that using devices and keeping safe online were the two areas with the biggest opportunities for skill development, with online communication being the area where respondents were most confident. In addition, a range of new targeted digital skills learning resources were added to the iOSCAR library during the period, including translated resources in First Nations languages, created by the eSafety Commissioner.

NBN Co will continue to utilise iOSCAR in its engagement with First Nations communities, as it is a specialised tool launched for First Nations audiences, to support delivery of capability uplift programs.



Community Safety

NBN Co is passionate about driving security conscious behaviours amongst all its employees and the wider community. As such, the Company remains a trusted advisor and authoritative voice in the realm of cybersecurity through all the major awareness days:

- The Office of the eSafety Commissioner's 'Safer Internet Day'
- The Office of the Australian Information Commissioner's 'Privacy Awareness Week'
- The Australian Cyber Security Centre's 'Cyber Security Awareness Month'
- The National Anti-Scam Centre's 'Scams Awareness Week'

NBN Co's primary campaign, Scams Awareness Week (SAW), is an annual scams education initiative spearheaded by the ACCC's National Anti-Scam Centre. Since 2018, NBN Co has partnered with this initiative, launching an annual integrated communications and engagement campaign to underscore the Company's commitment to promoting community online safety, customer security, and privacy.

While SAW provides an opportunity for NBN Co to engage with the broader community to raise awareness around the dangers of online scams, the Company's scams awareness campaign is 'always on'. Amongst the initiatives NBN Co delivers, are an online safety outreach program, including hosting interactive webinars and hands-on workshops in collaboration with local community organisations, schools, libraries, and businesses. The Company actively participates in community events and conferences, sharing insights and best practices for online safety.

All initiatives are underpinned by NBN Co's aim to educate individuals to recognise and avoid common online threats. By building confidence and capabilities, the Company enables individuals to fully embrace the social and economic benefits of nbn® network connectivity.

The Company itself continues to face new threats every day, prompting an ongoing emphasis on fundamental security practices: having strong passphrases, implementing multi-factor authentication, ensuring device and app updates are completed in a timely manner, not clicking suspicious links, and reporting suspicious activity, both physical and cyber. NBN Co does this to protect the network, protect NBN Co's people and the community, while at work and at home, and to meet NBN Co's responsibility as the nation's broadband provider to help people use the network safely and securely.

Contributing to a Responsible Supply Chain

NBN Co is committed to conducting its business with the highest standards of ethical and social responsibility to help protect the rights and wellbeing of individuals and the environment. Accordingly, the Company seeks to engage suppliers who are committed to socially and environmentally responsible practices, behaviours, and procurement principles.

NBN Co manages positive and potentially negative social and environmental impacts associated with the Company's supply chain through policies and processes including the nbn® Supplier Code of Conduct and Third-Party Risk Management Framework.

The Supplier Code of Conduct outlines NBN Co's expectations of its suppliers in terms of responsible procurement. The Supplier Code of Conduct'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 Supplier Code of Conduct, where required. The Supplier Code of Conduct outlines minimum standards for human rights and workplace relations, health, safety and environment, ethical behaviour and good business practices, and management systems. A revised Supplier Code of Conduct was shared by NBN Co with suppliers during FY24.

NBN Co's enterprise-wide Third-Party Risk Management Framework supports the identification of risks in the Company's supply chain across nine risk areas being service delivery, sub-contractor, financial, health and safety, environment, modern slavery, technology/cyber/privacy, legal and regulatory and strategy. As part of this framework, a new human rights and modern slavery screening questionnaire was implemented during the year to better support the identification of potential modern slavery risks.

Initiatives within NBN Co's FY23/24 Sustainability Program respond to material social and environmental impacts associated with the Company's supply chain as follows:

- RAP V includes a focus on procurement spend with First Nations businesses and suppliers
- Accessibility and Inclusion Plan includes a goal to establish and embed accessibility guidelines in procurement decisions
- Science-Based Targets include a commitment that 80 per cent of the Company's suppliers by spend, covering purchased goods and services, capital goods, and downstream transportation and distribution, will have science-based targets by the end of June 2027.

Approach to Modern Slavery

Managing modern slavery risks supports NBN Co's efforts to mitigate potential and actual negative social impacts in the Company's supply chain and is part of its approach to sustainability. NBN Co's SoE outlines the Government's expectations regarding NBN Co being a model employer and NBN Co seeking to promote similar outcomes from its contractors as well as adherence to the *Modern Slavery Act 2018* (Cth).

During FY24, the Company's cross-functional Modern Slavery Working Group implemented actions within the 2023-2024 Modern Slavery Workplan. Actions implemented included:

- Launching an enterprise-wide Third-Party Risk Management Framework, including a new human rights and modern slavery screening questionnaire
- Releasing updated modern slavery procedures, inclusive of due diligence, grievance and remedy processes
- Due diligence on selected suppliers to further understand their policies and practices to manage modern slavery risks and potential impacts
- Launching a new modern slavery e-learn module, designed to improve employee awareness of modern slavery and ways to respond to the risks it presents, in an NBN Co context.

Further details on NBN Co's approach to modern slavery are contained in the Company's latest Modern Slavery Statement¹ available on the Company's website.

1. <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/sustainability-reports/nbn-co-limited-2023-modern-slavery-statement.pdf.coredownload.pdf>

PEOPLE

A SAFE, INCLUSIVE AND ENGAGED WORKFORCE



NBN Co brings its purpose to life through its people, leveraging their diverse range of skills for the benefit of customers and the nation.

To support its people, the Company is committed to providing a safe, respectful, and inclusive workplace where wellbeing, development and engagement is prioritised. This commitment is outlined in the Company's Code of Conduct¹ and is supported by NBN Co's values, People Strategy, and approach to sustainability.

People Strategy

Aligned directly to the Company's purpose and strategy, NBN Co's People Strategy aims to prioritise a safe, respectful, and inclusive workplace, underpinned by a customer-led culture and engaged workforce. Core to this strategy is supporting the physical and mental wellbeing of all NBN Co employees and a commitment to diversity, equity and inclusion.

By focusing on material risks and opportunities related to the Company's workforce including safety, wellbeing and workplace rights, and diversity, equity and inclusion, the People Strategy also supports NBN Co's approach to sustainability.

In response to rapid technological advancements and increasing accessibility of automation and Artificial Intelligence (AI) tools, the Company's People Strategy has been updated to prepare employees for these present and future changes by equipping them with the necessary skills and capabilities to leverage technological advancements effectively.

Preparing NBN Co's Workforce for the Future

As part of the Company's People Strategy, NBN Co is committed to continuing to provide career development and learning support to its workforce.

The Company seeks to balance harnessing the opportunities of emerging technology with maintaining effective management of the associated risks and issues. The Company's People Strategy enables employees to adopt AI tools and technologies by focusing on enterprise-wide education, capability uplift and change adoption.

NBN Co has launched a new Career Pathway Guide which aims to provide guidance on career progression routes for all employees, fostering a culture of growth and development.

The Company optimised its graduate program to attract top talent from universities, offering a robust platform to start their careers in technology and business, and introduced innovative virtual work experience programs to provide visibility on early career pathways in core functions of Network Engineering and Field Services.

To support the shift to a larger in-field workforce, NBN Co has built a structured 12-month Traineeship program which involves completion of a Certificate III in Telecommunications and building in field capability through a mentoring program with experienced Customer Field Technicians or Field Engineers. The traineeship is a combination of theoretical and practical elements, first delivered in a controlled environment by technical specialists before trainees' experience on the job exposure with an experienced mentor.

FY24 highlights

77%

Employee engagement score

FY23: 78%

36.1%

Female representation in management

FY23: 34.3%

4.21

Total Recordable Injury Frequency Rate (TRIFR²)

FY23: 2.36

1. <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/policies/code-of-conduct-2024.pdf.coredownload.pdf>

2. Refer to TRIFR footnote on page 65.



Employees also participate in the Company's performance framework, which includes goal setting and regular development focused discussions between managers and team members. These are scheduled in the annual performance cycle to take a leadership approach, aligning our workforce to the Company's strategies and priorities.

Supporting the Safety and Wellbeing of NBN Co's Workers

NBN Co recognises that in performing their duties, whether in a field or office-based role, its workers can face risks to their safety and wellbeing. The Company takes action to address these risks and potential impacts and is committed to supporting the safety and wellbeing of its people.

NBN Co's Safety and Wellbeing approach focusses on employees' experience in the workplace, including safe behaviours, psychosocial hazards, and controls to mitigate risk of injury or illness. During FY24, NBN Co updated its Safety and Wellbeing Policy, which outlines the Company's commitment to provide workers with a safe, healthy, and respectful workplace and achieve a safe and sustainable return to work in the event of a work-related injury or illness.

NBN Co provides its people with access to early intervention and rehabilitation support services, which help reduce the impact of physical and psychological harm, injury, and illness. In addition, the Company provides reasonable workplace adjustments for those recovering from a work-related illness or injury and aims to create an accessible and inclusive workplace to support workers with a disability or non-work-related illness or injury.

NBN Co's Safety Management System supports the Company's approach and commitment to providing workers with a safe workplace. The Safety Management System consists of standards, procedures, instructions, and information that supports the management of safety and wellbeing at NBN Co, including the Company's Critical Risk Controls, which address the most significant safety risks faced by NBN Co employees and Delivery Partner workers. During FY24, NBN Co's Safety Management System achieved recertification to *ISO 45001:2018 Occupational health and safety management systems*.

To support the physical and emotional wellbeing of its people, the Company has an established myWellbeing Program. The program offers a range of benefits to support all aspects of personal wellbeing including monthly webinars, annual skin checks and flu vaccination vouchers for the Company's widely dispersed workforce, as well as access to an Employee Assistance Program.

In addition, to further strengthen and respond to emerging safety and wellbeing risks, the Company undertook several key actions throughout the financial year, including:

- Reviewed psychosocial hazards and controls, following legislative amendments to the *Work Health and Safety Regulations 2011* (Cth) which introduced express obligations for the proactive management of hazards that arise from, or relate to, the workplace which may cause psychological harm. This identified NBN Co has processes and systems in place to manage psychosocial risks, which span across key psychosocial hazards identified by SafeWork Australia, as well as other key psychosocial hazards relevant to the Company’s context
- Reviewed hazardous dust risk (asbestos and silica) to ensure NBN Co has appropriately identified and assessed risks and implemented effective controls. A sample of tasks and work activities performed by NBN Co’s internal workforce was reviewed, which identified that workplace exposure to hazardous dust did not exceed safe exposure standards and current risk controls are appropriate
- Chaired an Industry Safety Collaboration Forum, including representation from all of NBN Co’s strategic delivery partners, as a platform to discuss safety best practice and collaborate on ways to eliminate or minimise safety and wellbeing risks.

FY24 Safety and Wellbeing Performance Metrics

NBN Co utilises lead and lag metrics to measure safety and wellbeing performance, which are reported to the Company’s Board on a monthly basis.

In FY24, the Total Recordable Injury Frequency Rate (TRIFR¹) and Lost Time Injury Frequency Rate (LTIFR²) for employees and contractors (combined) increased. This is predominantly due to an increase in the size of the Company’s internal field workforce, which undertakes highly manual activities, often associated with body stressing injuries. Additionally, there has been a greater focus on encouraging reporting of safety incidents throughout FY24, which has led to an increase in the number of safety incidents reported, including injuries which contribute to the TRIFR and LTIFR.

NBN Co developed treatment plans in response to the increase in injuries for employees and contractors.

Compliance rates with NBN Co’s Critical Risk Controls remained consistently high across delivery partners and the internal workforce. In FY24, no serious harm incidents resulting in permanent disability or death occurred. 23 notifiable incidents were reported to Comcare, with no formal investigations undertaken or regulatory improvement notices issued in FY24.

Key safety metric performance

Metric	FY23	FY24
NBN Co overall TRIFR ¹	2.36	4.21
NBN Co overall LTIFR ²	0.60	1.11
NBN Co overall frequency of incidents with the potential to cause serious harm ³	0.69	0.74

1. Total Recordable Injury Frequency Rate (TRIFR) is the total number of recordable injuries per million hours worked in a rolling 12-month period. TRIFR includes work related injuries that relate to an NBN Co workplace or NBN Co activity undertaken by an NBN Co employee, contractor or delivery partner (DP) employee or contractor that resulted in: fatality, permanent disability injury/illness (PDI), work-related injury/illness resulting in lost time (LTI), restricted work injury (RWI) or medical treatment injury (MTI). It does not include any first aid injury/illness.
2. Lost Time Injury Frequency Rate (LTIFR) is the total number of lost time injuries per million hours worked. LTIFR includes work related injuries that relate to a NBN Co workplace or NBN Co activity undertaken by a NBN Co employee, contractor, or delivery partner (DP) that resulted in the injured person deemed medically unfit to work for at least one shift following the incident.
3. Total number of potential serious harm incidents per million hours worked includes incidents with a potential consequence of ‘severe’ but excludes incidents with an actual consequence of ‘severe’. Serious harm incidents are those resulting in a severe consequence such as a fatality or permanent disabling injury.

Promoting a Respectful and Supportive Workplace

The Company believes that creating an environment where people are treated with dignity and respect supports a productive and more engaged workforce. NBN Co's Code of Conduct (the Code) underpins this and outlines the Company's commitment to a safe, respectful, and inclusive workplace and expected standards of behaviour for all employees, contractors, temporary staff, extended workers, and Directors.

During the year, the Code was refreshed into a comprehensive and current set of standards aligned to the Company's values of We Deliver, We are One Team, We are Fearless and We Care. These values are critical in guiding the

Company's decisions and actions and define how NBN Co treats not only its employees but also the customers and communities it serves. The Code outlines NBN Co's expectation that everyone treats each other at work with respect, courtesy, and inclusivity, and that the Company aims to proactively eradicate unlawful and harmful behaviours.

In support of the updated Code, the Company launched a new Business Standards Learning Program in FY24, which has been designed to be more engaging and effective, aiming to reinforce a more transparent and accountable culture. As at 30 June 2024, 100 per cent of employees had completed the new Business Standards learning.





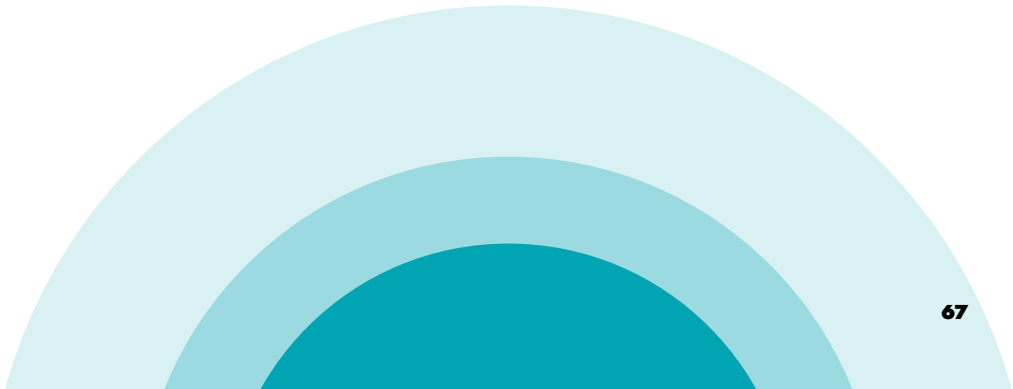
To address employers' duty to eliminate workplace sexual harassment and other forms of unlawful conduct, NBN Co has developed a Respect at Work Response and Prevention Plan (the Plan) which includes practical measures the Company has already implemented or plans to implement.

During FY24, the Company implemented actions including the education of leaders at multiple levels (Executive Committee, Senior Leaders, and People Leaders) on workplace sexual harassment.

Documented processes are in place regarding how matters can be reported and reported on, and analysis of reported matters is undertaken. Reporting is provided to both management and the People and Remuneration Committee of the Board. In FY24, data analysis was undertaken to understand the prevalence and nature of sexual harassment, and monitoring effectiveness of measures put in place.

This will support the evolution of the Company's performance indicators in response to legislative changes such as the *Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Act 2022* (Cth).

Where an employee or contractor has a work-related concern about the behaviour or decisions of others, the Company's Workplace Grievance Framework aims to resolve these issues. Grievances can be raised through several channels such as an employee's manager or by raising a case through the internal case management reporting system (People Central). This framework was reviewed in FY24 to ensure it considers the recommendations and requirements of the *Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Act 2022* (Cth).



Diversity, equity and inclusion focus areas



Fostering Diversity, Equity and Inclusion

NBN Co is dedicated to building an inclusive team and addressing risk factors for discrimination and harassment. This helps the Company not only fulfil its obligations of providing a safe and inclusive workplace, but provides a positive working environment for employees.

The Company's commitment to foster a diverse, equitable and inclusive culture is outlined in NBN Co's Diverse, Respectful and Inclusive Workplace Policy. This Policy, which was updated in FY24, outlines the importance of diversity, equity, and inclusion (DEI) to enhance decision making, attract and retain talent and create a purpose-led culture underpinned by NBN Co's values. This focus on DEI also supports equitable career outcomes for current and prospective employees, and effective solutions for customers and communities across Australia.

The Company's approach to DEI recognises the intersectionality of identity through the five diversity focus areas, each with dedicated Executive Committee sponsorship (Gender Equity, First Nations, LGBTIQ+ Pride, Accessibility and Cultural Diversity).

In FY24, NBN Co updated its DEI goals for 2025 and beyond, and integrated DEI considerations into decision making and planning processes. To enable this leader-led inclusion and integration of DEI into company practices, 230 leaders participated in the Inclusive Leadership Program. Initiatives are delivered by five DEI employee networks and led by the NBN Co DEI Community of Practice.

Gender Equity

NBN Co set an ambitious target to achieve 40 per cent female representation in management roles by the end of 2025. Although this representation has increased from 34.3 per cent to 36.1 per cent during the last 12 months, achievement of the target is unlikely by the end of 2025.

The Company's gender strategy focuses on increasing internal career mobility for its female employees to address career growth and improve future opportunities, particularly secondments, lateral moves, and promotions. 24.4 per cent of female employees made an internal move in FY24, with 27.8 per cent of females in leadership roles experiencing an internal move. The Navigate program, which is NBN Co's enterprise female sponsorship program, has seen 75 per cent of all participants move roles internally and 53 per cent promoted into senior roles over the four years of the program.

Given the focus on both attracting and recruiting female talent, NBN Co has put in place a number of measures to support female recruitment. These include gender equal shortlists for vacant roles and gender diverse interview panels. The Company has also set a target for gender equal placement into all permanent roles moving forward.

To respond to the challenge of attracting females into Field Technician roles, the Company sought a five-year exemption to designate, advertise and recruit females in Customer Field Trainee roles. This exemption was granted by Anti-Discrimination New South Wales in July 2023. Through its dedicated Women in Telco Traineeship program, the Company has achieved 76 per cent female hires appointed into Customer Field Trainee roles. This program has been recognised through the Communications Alliance 2023 ACOMM Awards for diversity and inclusion.

NBN Co is committed to promoting gender pay equity. As at 30 June 2024, total fixed remuneration for females is 1.89 per cent higher than males.²

First Nations

NBN Co is dedicated to fulfilling its commitments in the 2023-2026 Reconciliation Action Plan (RAP) and has made progress in supporting the employment, development, and retention of First Nations people.

The Company's First Nations Employment Strategy led to significant improvement in First Nations participation in NBN Co's workforce, which was up 69 per cent compared to FY23.

The Field Technician Traineeship Program has successfully increased First Nations employment, while Mob Connect cultural events have fostered community engagement and connection, whilst focusing on employee retention. Strategic partnerships with Indigenous service providers have further strengthened initiatives and embedded cultural perspectives into the Company's practices.

LGBTIQ+ Pride

In FY24, NBN Co received its third consecutive Gold Employer award at the Australian LGBTIQ+ Inclusion Awards in recognition of the Company's LGBTIQ+ inclusive policies, practices and initiatives. This included expanding parental leave provisions to include foster/guardianship in appreciation of the many ways LGBTIQ+ families come to be.

NBN Co continues to be highly visible in its support for the LGBTIQ+ community by celebrating and raising awareness for days of significance including Melbourne Midsumma, Wear It Purple Day and Pride Month, with efforts driven by the Pride@nbn employee network.

Key Gender Equity metrics and performance

Metric	FY23	FY24
Female representation in management ¹	34.3%	36.1%
Employee engagement – female engagement score	79%	79%
Female representation in graduate intake	44%	70%
Gender pay gap ratio ²	(0.85%)	(1.89%)

1. Including Executive, Senior and Middle management, excluding Board.

2. The calculation methodology used by NBN Co for the gender pay gap metric is currently calculated using an internal calculation methodology. This differs to the Workplace Gender Equality Agency (WGEA) methodology, which NBN Co participates in. Refer to the FY24 Sustainability Data Book for details on the calculation at the following link: <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/sustainability-reports/2024-nbn-sustainability-data-book.pdf>

CASE STUDY



Providing opportunities for women in STEM

NBN Co acknowledges the role the Company can play to increase female representation in science, technology, engineering and mathematics (STEM) roles. This year the Company was recognised as one of Work180's top 101 employers for women, based on standards relating to flexible working, shared caring responsibilities, pay equity, inclusive hiring and employee voice and reference groups. NBN Co is also proud to be part of the Tech Council of Australia and Year 13's Virtual Work Experience program, with virtual experiences geared towards encouraging more young Australians nationwide to explore STEM careers.

In addition, the Advancing STEM Research Innovation and Deployment (ASTRID) program has been established to drive NBN Co's external innovation pipeline and create a strong STEM talent pipeline with Australian Technical Network Universities to foster diverse talent, and provide teaching, learning and skills uplift for its people.

The five-year ASTRID program will see NBN Co work with the University of Technology Sydney (UTS) to bring together Australian students, academics, and industry experts to share industry expertise and lead cutting-edge research to solve real world problems. A Broadband Technology Research Unit (BTRU) has been established and as of April 2024, approximately 41 per cent of the final ASTRID team were women.

Accessibility

Since the launch of the Company's 2023-26 Accessibility Inclusion Plan (AIP) twelve months ago, NBN Co has been recognised for its strong uplift in practices, receiving a Bronze Award in the Australian Disability Network's Access and Inclusion Index. The Index rates an organisation's strengths and opportunities to improve how accessible and inclusive they are for people with a disability.

In addition to being recognised as the 'Most Improved Employer', NBN Co achieved best in class for Commitment to Disability Inclusion, Communications and Marketing, and Digital Accessibility at the Disability Confidence Awards.

The accessibility employee network has raised awareness through disability confidence training, role specific training, and sharing lived experiences of those living with a disability. The Hidden Disability Sunflower campaign was launched in March 2024 to bring awareness and acceptance for people living with a hidden disability through the introduction of a Sunflower lanyard or pin, which can be worn by employees to discreetly indicate that they may need extra time, support or understanding.

Cultural diversity

During FY24, NBN Co sponsored employees to participate in the Dr John Yu fellowship which provides training to high-achieving, multi-cultural leaders from various business sectors, government and non-profit organisations. NBN Co showcased its diverse team through its employee profile series published on its internal and external social media channels.

In recognition of its culturally diverse workforce, the Company has also provided the opportunity to exchange state or territory based public holidays for another working day of significance. This flexibility supports employees who observe different cultural and religious traditions beyond the standard public holidays.

Results from NBN Co's Great Place to Work Survey (GPTW), when analysed by demographic groups, indicate that NBN Co continues to be a diverse and inclusive organisation, with 5 per cent of employees disclosing a disability and 2 per cent identifying as First Nations.

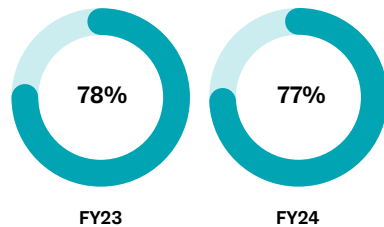
Employee Engagement

NBN Co recognises the importance of having an engaged and resilient workforce to support the delivery of the Company's purpose and strategy. By prioritising wellbeing, development and engagement, the People Strategy is key to creating an engaged workforce and supporting talent attraction and retention. This is of particular importance with a shortage of skilled workers in the technology sector.

NBN Co's Executive Committee and Senior Leaders have maintained a strong focus on connecting the Company's purpose to its strategy through CEO town halls, and building employee advocacy through Connect events, equipping the Company's people with the understanding of how NBN Co is lifting the digital capability of Australia.

NBN Co measures employee engagement annually through the GPTW engagement survey. In June 2024, the Company achieved an overall engagement score of 77 per cent, with a participation rate of 90 per cent. This result reflects a small decrease on the prior year, and is considered a solid achievement amidst a period of change. The commitment of employees to NBN Co's purpose remains high, with 89 per cent of the workforce indicating a strong alignment to the Company's purpose.

Employee engagement performance



Having an engaged workforce is critical to retaining talent. In FY24, voluntary turnover was 4.6 per cent compared to 4.7 per cent in FY23. The Company will continue to focus on safety and wellbeing, professional development and digital skills, leadership capability, and DEI and measure employee satisfaction through the Company's annual engagement survey.

ENVIRONMENT

PROTECTED ENVIRONMENT



As the nation’s digital backbone, the nbn® network touches everyday life in communities right across Australia. The construction, operation and maintenance of the nbn® network is dependent on the use of natural resources and has the potential to adversely impact natural environments and areas of cultural heritage significance.

Being environmentally responsible, managing potential impacts and helping to minimise climate change is an integral part of being a sustainable business. The Company aims to create and protect value by building a more resource-efficient, climate-resilient network and business while also protecting and restoring the environment and helping the Company’s customers address their own environmental challenges by leveraging the digital connectivity of the nbn® network.

This ambition is outlined in the Company’s Environment Policy¹, which was updated in FY24, and is supported by NBN Co’s approach to sustainability. For further details, refer to the Strategy and Outlook section of this report.

Understanding and Responding to Climate Change 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.

To understand the physical and transitional risks and opportunities that climate change presents, NBN Co completed its first company-wide climate change risk assessment in FY22. The assessment supported the Company’s ability to identify material climate-related risks and opportunities, and to respond to the expectations regarding climate risk disclosures from investors, insurers and regulators. The risk assessment found NBN Co is exposed to a number of potential material climate-related risks and opportunities.

The material physical risks identified include power dependency, extreme wind, forest fire, riverine flooding and surface water flooding. The material transition risks include the costs of transitioning to lower emissions technology, exposure to carbon pricing, electricity price risk and the cost of and access to debt. There were also two material transition opportunities identified, in the issuance of Green Bonds and supporting the energy transition through NBN Co’s products and services (i.e., enabling markets through connectivity).

Relative to the transition risks, physical risks were found to pose a greater threat to NBN Co given factors such as its extensive physical footprint and dependence on power network infrastructure. In the near-term, the single biggest risk identified to the nbn® network was power dependency.

For more details on NBN Co’s Climate Change Risk Assessment, including the scenario analysis undertaken and methodology applied, see the 2022 NBN Co Annual Report².

FY24 highlights

19%

Decrease in total Scope 1 and 2 emissions in FY24 compared to FY21 baseline year

FY23: 16%

22.4%

Renewable energy purchases

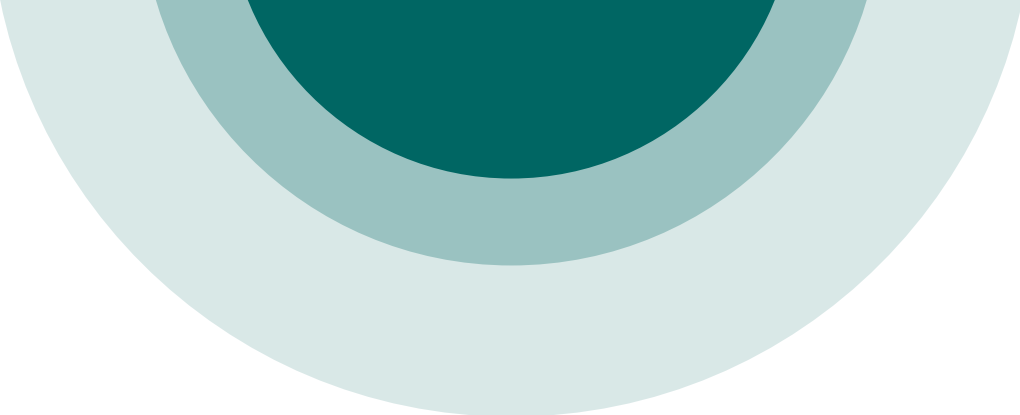
FY23: 18.8%

117,000+

Network assets recovered for refurbishment and reused within the network

FY23: 112,000+

1. <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/policies/environment-policy-2024.pdf.coredownload.pdf>
 2. [nbn-co-annual-report-2022.pdf.coredownload.pdf](https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/annual-report-2022.pdf.coredownload.pdf) (nbnco.com.au)



Business Strategy and Climate Change

NBN Co's network investment strategy to deliver fibre upgrades supports the achievement of the Company's purpose and strategic objectives and helps respond to the Company's climate risks.

Building more climate resilient and energy-efficient fibre deeper into communities, helps enable long-term reductions in network power demand and improves network resilience for customers. NBN Co's network investment and upgrade plans are a key action within the Company's Climate Transition Plan, demonstrating the connection between NBN Co's business strategy and actions on climate risks and opportunities.

NBN Co's Climate Transition Plan

To address climate-related risks and opportunities, the Company has developed a Climate Transition Plan (CTP). The CTP aims to align the Company's operations, planning, and capital expenditure, with its decarbonisation goals, whilst managing NBN Co's physical and transition climate risks and opportunities.

The CTP outlines how NBN Co's business model supports the achievement of its climate mitigation and climate resilience goals. It also includes the Company's action plan to address physical and transitional climate change risks and opportunities and the metrics and targets used to monitor progress towards its climate change goals. The CTP includes actions across three focus areas being network, customer and communities, and partners.

The CTP addresses several drivers for action, including:

- NBN Co's strategic importance as a critical infrastructure owner and operator in supporting Australia's community and economic resilience
- The elevation of climate change as a key corporate governance matter and the expectation for Directors of Australian companies to understand the strategic implications and ensure proper management and disclosure of relevant climate-related risks as part of their fiduciary duties
- Management of transparent disclosures of material climate risks, in line with Task Force on Climate-related Financial Disclosures (TCFD) requirements, and future climate related disclosures under the Australian Accounting Standards Board (AASB) Australian Sustainability Reporting Standards (ASRS), supporting the Company's social licence to operate and ability to meet stakeholder expectations.

An overview of the CTP's goals, commitments, and key actions across these three areas is outlined in the table adjacent.

Goals

Climate Mitigation

Net-Zero emissions across all scopes by 2050 (or sooner) in line with NBN Co's Statement of Expectations

Climate Resilience

Continuously improve reliability to meet current and future demand of customers in line with NBN Co's Statement of Expectations

Interim Commitments to FY30

- Reduce absolute scope 1 and 2 GHG emissions 95% by FY30 from a FY21 base year
- Reduce scope 3 GHG emissions from use of sold products 60% per device within the same timeframe
- 80% of NBN Co's suppliers by spend, covering purchased goods and services, capital goods, and downstream transportation and distribution will have science-based targets by FY27
- Enable full fibre upgrades, which will be available to an additional 5 million premises by 2025
- Undertake proactive network planning, assessing and improving unscheduled customer downtime
- Develop, regularly maintain, and test disaster and crisis management plans in collaboration with Government and RSPs

Key Actions FY24 to FY27

Network	<ul style="list-style-type: none"> • Implement 100% Renewable electricity and energy efficiency programs including fibre deployment from December 2025 	<ul style="list-style-type: none"> • Implement NBN Co's Network Investment Plan • Deploy and maintain Temporary Network infrastructure
Customer	<ul style="list-style-type: none"> • Deploy energy efficient Network Termination Devices 	<ul style="list-style-type: none"> • Perform regular climate scenario analysis to inform network resilience decision making to improve customer experience
Communities and Partners	<ul style="list-style-type: none"> • Engage the supply chain on science-based targets and partner on data sharing and emission reductions 	<ul style="list-style-type: none"> • Develop and maintain climate and natural disaster crisis management plans with Governments and RSPs

Climate Change Governance and Risk Management

For climate risks and opportunities, the Company's Board is ultimately accountable for setting the risk tolerance thresholds, overseeing the risk management system, and satisfying itself that the system operates effectively. To fulfil its risk management responsibilities, the Board is assisted by the Audit and Risk Committee (ARC). Under the NBN Co Board Charter, specific reference has been made to the role of the Board regarding sustainability. Climate change transition actions are included within the Company's approach to sustainability.

NBN Co's Sustainability Sub-Committee of its Executive Committee (ExCo), led and oversaw the implementation of NBN Co's Sustainability Approach and FY23/24 Sustainability Program on behalf of the Executive Committee and the Board, inclusive of climate change initiatives such as the development of the CTP.

The Sustainability Sub-Committee approved, and the Board endorsed NBN Co's CTP in May 2024 and the Board noted the completion of the FY23/24 Sustainability Program, inclusive of climate change initiatives.

In addition, to further support the management of climate transition risks, a Material Business Risk (Climate change transition) has been established and is managed through NBN Co's Enterprise Risk Management Framework. This is in addition to the Material Business Risk, Critical Infrastructure Resilience (Active Network), which includes vulnerability of the nbn[®] network to physical climate risks. NBN Co's ARC oversees Material Business Risks. For further details on the Company's Enterprise Risk Management Framework and the management of Material Business Risks, see pages 91 to 96 of this Report.

Climate Mitigation and Resilience Actions

To support climate mitigation, NBN Co has set near-term science-based emission reduction targets validated by the Science Based Targets initiative (SBTi). To work towards meeting these targets, NBN Co is implementing key initiatives across Scope 1, 2 and 3 greenhouse gas emissions. In FY24, progress was made across all climate mitigation targets through key actions and supporting deliverables, as outlined in the table below.

NBN Co is committed to setting long-term greenhouse gas emissions (GHG) reduction targets and achieving Net-Zero emissions by 2050 or sooner via the SBTi. These long-term targets will further support mitigation efforts and the Government’s commitment to Net-Zero emissions by 2050 and will be submitted to the SBTi for approval and validation in FY25.

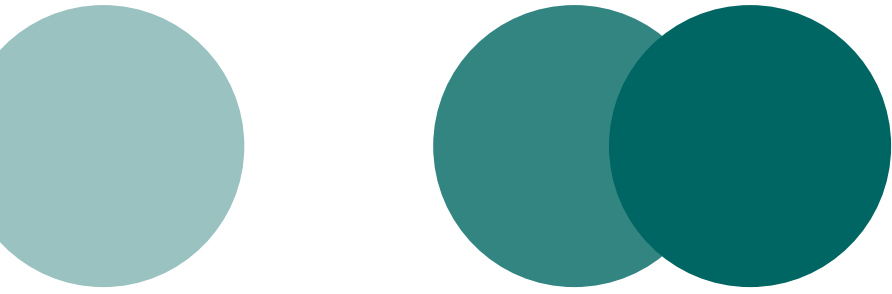
CTP Commitment	Reduce absolute Scope 1 and 2 GHG emissions by 95 per cent by FY30, from a FY21 base year	80 per cent of suppliers by spend will have science-based targets by FY27	Reduce Scope 3 GHG emissions from use of sold products by 60 per cent per device by FY30, from a FY21 base year
FY24 Performance	19%	68%	23%
CTP Key Action	<ul style="list-style-type: none"> Implement 100% renewable electricity and energy efficiency programs including fibre deployment from December 2025 	<ul style="list-style-type: none"> Engage with NBN Co’s supply chain on science-based targets (SBTs) and partner on data sharing and emission reductions 	<ul style="list-style-type: none"> Deploy energy efficient Network Termination Devices
Supporting Deliverable	<ul style="list-style-type: none"> Implement projects that will reduce annual energy use by 25 GWh by December 2025 Purchase 100 per cent renewable electricity from December 2025 Use electric or hybrid vehicles, where suitably available by 2030 	<ul style="list-style-type: none"> Engage the supply chain on SBTs and climate risk Develop short and long-term absolute emission reduction targets for Scope 3 via SBTi Collect supplier specific emission factors to improve accuracy of Scope 3 reporting 	<ul style="list-style-type: none"> Completed an RFP (Request for Proposal) for next generation FTTP Network Termination Devices, which are more energy efficient
FY24 Progress	<ul style="list-style-type: none"> Upgraded 62 Points of Interconnect as part of the Aggregation Evolution Program to higher capacity, more energy efficient equipment Implemented energy saving nodes at approximately 2,400 Fixed Wireless Towers Commenced commercial operations at Wyalong Solar Farm leading to renewable electricity generation and the surrender of 10,000 Large Generation Certificates (LGCs) to the Clean Energy Regulator (CER) through the Company’s first renewable Power Purchase Agreement (PPA) Commenced operation of five new hybrid vehicles with elevated work platforms to enable the installation, maintenance, and rapid repair of aerial sections of the nbn® network. 	<ul style="list-style-type: none"> Engagement through Delivery Partner Forums on emission reductions and science-based targets Participation in strategic supplier sustainability forums. 	<ul style="list-style-type: none"> Commenced industry consultation on new slimline single port FTTP Network Termination Device.

Progress towards NBN Co's climate resilience commitments is supported by action across the three areas of focus within the CTP; Network, Customers and Communities, and Partners. Key actions and supporting deliverables including FY24 progress against climate resilience commitments are outlined below.

In FY24, the nbn® network was impacted by extreme weather events in Queensland and Victoria. These events resulted in significant grid-related power outages that impacted NBN Co sites, which has interrupted services to customers.

NBN Co will continue to implement actions within the CTP. This includes delivery of further fibre upgrades to improve network resilience against physical impacts of climate change.

	<p>Enable full fibre upgrades, which will be available to an additional 5 million premises by 2025</p>	<p>Undertake proactive network planning, assessing, and improving unscheduled customer downtime</p>	<p>Develop, regularly maintain, and test disaster and crisis management plans in collaboration with Government and Retail Service Providers</p>
<p>CTP Commitment</p> <p>CTP Key Action</p>	<ul style="list-style-type: none"> Implement NBN Co's Network Investment Plan 	<ul style="list-style-type: none"> Deploy and maintain Temporary Network infrastructure Perform regular climate scenario analysis to inform network resilience decisions, leading to improved customer experience 	<ul style="list-style-type: none"> Develop and maintain climate and natural disaster crisis management plans with Governments and RSPs
<p>Supporting Deliverable</p>	<ul style="list-style-type: none"> Deliver on fibre upgrade programs 	<ul style="list-style-type: none"> Fit out Mini Exchanges Three new HFC on Wheels assets Fixed Wireless resilience assessment 	<ul style="list-style-type: none"> Deploy Application Programming Interfaces (APIs) to extract power outage information from distributor sites to improve customer outage notification Electricity industry engagement including distributors, regulators and associations Bureau of Meteorology engagement on climate briefings Prototype development to increase emergency Wi-Fi capacity
<p>FY24 Progress</p>	<ul style="list-style-type: none"> Full fibre now available to a total 3.8 million premises 	<ul style="list-style-type: none"> Fit out of 13 new Mini Exchanges progressed Three new HFC on Wheels assets deployed Fixed Wireless resilience assessment completed 	<ul style="list-style-type: none"> API integration completed with four electricity distributors Successful submissions to Telecommunications Disaster Resilience Innovation Program for development of Wireless Mast Trailers with Emergency Wi-Fi connectivity Prototypes

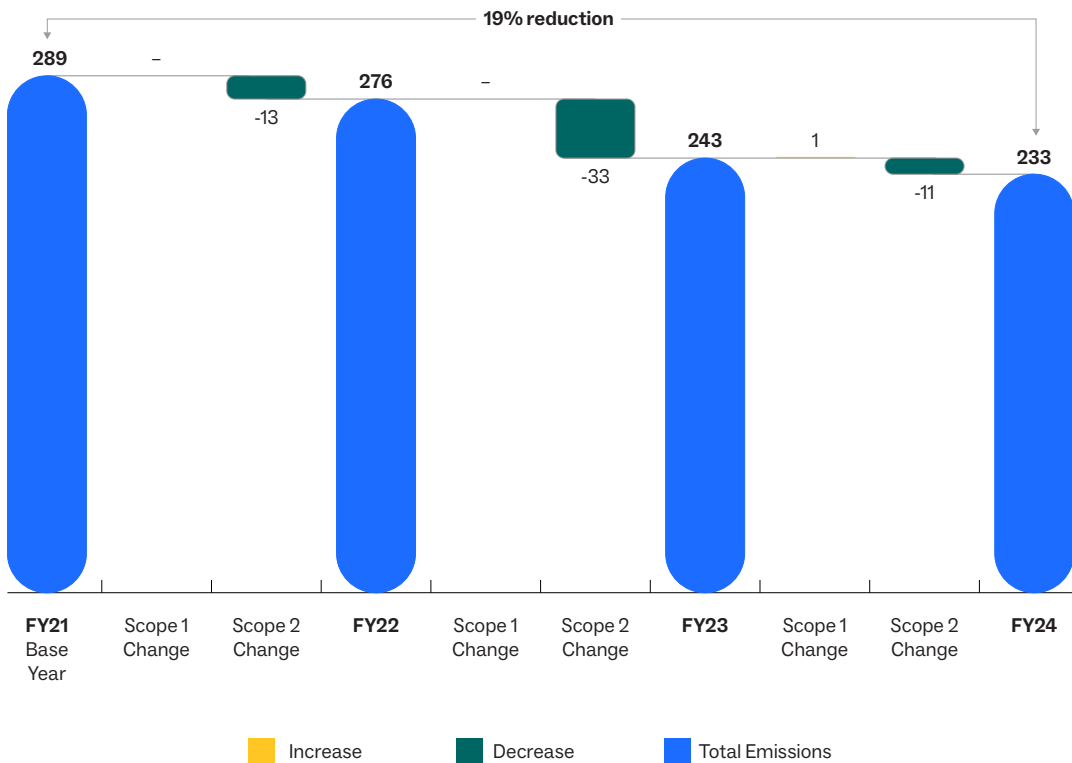


FY24 performance

The Company's energy use has increased slightly over the last 12 months to 30 June 2024, due to additional fleet vehicles supporting the internal workforce. However, despite the increase in energy use, combined Scope 1 and 2 emissions have decreased compared to FY23. This is driven by energy efficiency initiatives, increased renewable purchases and updated greenhouse gas accounting factors in line with the Greenhouse Gas Accounting Protocols.

The chart below summarises the Company's emissions reduction performance over the past four years. There has been an overall decrease in total Scope 1 and 2 emissions of 19 per cent in FY24 compared to a FY21 baseline.

FY24 Scope 1 and 2 emissions and reductions against FY21 baseline (Financial Control, Market Based)



NBN Co's emissions reporting covers Scope 1, 2 and 3 using The Greenhouse Gas Protocol. For the purpose of annual disclosures, including science-based emission reductions and RE100 commitments, NBN Co has adopted a Financial Control boundary for determining emissions reporting scopes and a market-based method for Scope 2 emissions. This aligns NBN Co's Greenhouse Gas Emissions Inventory with international reporting requirements. For the purposes of NBN Co's *National Greenhouse and Energy Reporting (NGER) Act 2007* obligations, NBN Co discloses Scope 1 and 2 emissions under Operational Control boundaries.

Key climate mitigation metrics performance

Metric ¹	Unit of Measure	FY21	FY22	FY23	FY24
Total energy consumed (operational control)	GJ	1,515,814	1,507,698	1,487,169	1,538,788
Scope 1 GHG emissions (operational control)	ktCO ₂ -e	4	4	4	5
Scope 2 GHG emissions (operational control: location-based)	ktCO ₂ -e	325	315	278	269
Total Scope 1 and 2 emissions (operational control: location-based)	ktCO ₂ -e	329	319	282	274
Total Scope 2 emissions (financial control: market-based)	ktCO ₂ -e	285	272	239	228
Total of selected Scope 3 emissions (financial control)	ktCO ₂ -e	1,332	1,305	1,177	1,308
Energy intensity (financial control)	kWh/TB	11.42	9.07	8.25	7.76
Emissions intensity (financial control: market-based)	kgCO ₂ -e/TB	8.87	6.88	5.59	4.88
Contracted renewable energy	GWh	80	80	239	239
Renewable energy purchases²	% of total purchases	18.9%	18.5%	18.8%	22.4%

The Company expects to submit its final, externally assured report for FY24 energy and GHG emissions data to the Clean Energy Regulator (NGER Act Reporting) by October 2024. NBN Co will continue to implement mitigation actions within the CTP to support the achievement of its near-term science-based emission reduction targets. This includes the operationalisation of the Company's second and third PPAs, delivery of energy efficiency programs including key network evolution projects, and engagement and collaboration with suppliers on emissions reduction.

1. For more information about NBN Co's calculation methodologies for the following metrics, see FY24 Sustainability Data Book available on NBN Co's website: <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/sustainability-reports/2024-nbn-sustainability-data-book.pdf>

- Total energy consumed (operational control)
- Scope 1 GHG emissions (operational control)
- Scope 2 GHG emissions (operational control: location-based)
- Total scope 1 and 2 emissions (operational control: location-based)
- Total Scope 2 emissions (financial control: market-based)
- Total of selected scope 3 emissions (financial control)
- Energy intensity (financial control)
- Emissions intensity (financial control: market-based)

2. Renewable energy purchases are estimates and include the Clean Energy Regulator's renewable energy target.

Enabling avoided emissions in Australia

To further contribute to climate mitigation, NBN Co can play a role in enabling emissions avoidance in Australia. Internet connectivity can support national emissions reductions, and digital technologies will be one of several key levers in enabling Australia to achieve emissions reduction targets, with technology having the potential to reduce global emissions by 20 per cent¹.

In FY24, NBN Co analysed the role of digital technologies supported by the nbn[®] network in enabling emissions avoidance. The work, which was completed in line with global frameworks, found the nbn[®] network already is and will continue to contribute to emissions reductions, and faster adoption of digital technologies enabled by the nbn[®] network could help Australia reach 2030 and longer-term Net-Zero targets.

Circularity and Waste Management

NBN Co recognises that the upgrade, operation, and maintenance of the nbn[®] network and the Company's business activities uses natural resources and generates waste.

As part of the Company's Environment Policy, NBN Co commits to applying circular economy and environmental design principles to its activities, products, and services to minimise the use of new natural resources, promote reuse and recycling, and reduce waste going to landfill.

NBN Co's approach to circularity is supported by the recently developed Circularity Framework which provides a coordinated approach to applying circular economy principles across the business to enable the associated environmental value. The framework aligns to the nbn[®] network asset management lifecycle and outlines how to embed circularity within existing ways of working and what measures can be used to track progress over time. Waste management is also integrated into NBN Co's Environmental Management System, which is certified to *ISO 14001:2015 Environmental Management Systems*, through a Waste Management Standard.

NBN Co partners with external parties to extend the life of the workforce's electronic devices. The aim of these partnerships is to improve digital and social inclusion within the community by providing affordable technology and support services to disadvantaged and unconnected Australians. In FY24, NBN Co provided over 10,000 laptops, monitors, mobile phones and other personal electronic devices to Work Ventures and Moorup to be reused or responsibly recycled where devices were past their useful life.

NBN Co also partners with eWaste Connection, a not-for-profit social enterprise that provides work opportunities for people of all abilities in an inclusive environment, to recycle assets that could not be reused in the network. In FY24, eWaste Connections processed over 33 tonnes of network assets (or around 12,000 individual items) by breaking them down into component parts ready for recycling.

NBN Co continues to optimise the use of existing assets as the nbn[®] network is augmented, upgraded, and maintained. In FY24, over 117,000 network assets, such as network termination and connection devices, line cards and distribution point units (DPUs), were recovered in order to be refurbished and returned into the network.

To improve waste diversion rates in FY24, recycling of used workwear and select personal protective equipment was extended and a specialist waste management provider was engaged to evaluate pathways to improve recycling rates.

At operational sites, such as network and technical sites, depots and offices, NBN Co diverted 59 per cent of waste generated in FY24 away from landfill. Waste items such as plastic, metal and glass containers and packaging, paper and cardboard, textiles, scrap metal, batteries and e-waste were processed through accredited recycling facilities. The FY24 diversion rate is a slight decrease on the FY23 performance and fell short of the FY24 target of 65 per cent. This was due to a large volume of landfill waste generated from two major facility relocations. For further comparison to prior years, see the FY24 Sustainability Data Book².

1. <https://www.weforum.org/agenda/2022/05/how-digital-solutions-can-reduce-global-emissions/>

2. <https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/sustainability-reports/2024-nbn-sustainability-data-book.pdf>



FY24 Waste summary – waste recycled and waste to landfill¹

Waste recycled by type	Amount (tonnes)
Recycled - lead acid batteries	14.8
Recycled - technical waste - e-waste, scrap metal, cable	25.8
Recycled - cardboard, paper	58.9
Recycled - mixed packaging - plastics, metal, glass	19.9
Total Waste to Recycling	119.0
Total Waste to Energy Recovery	10.8
Total Waste to Landfill	91.0
Total Waste Generated	220.8

Waste diversion – actual performance vs target



NBN Co will continue to operationalise the new Circularity Framework by embedding circularity principles into core business processes and engaging with external partners in the supply chain. To put these principles into practice and improve environmental outcomes, NBN Co will prioritise a number of circularity initiatives to implement and track.



1. Waste from NBN Co operational sites, including network and technical sites, depots and select offices, for which there is complete and reliable data.

Environmental and Cultural Heritage Protection

NBN Co recognises that the upgrade, operation, and maintenance of the nbn[®] network has the potential to adversely impact natural environments and cultural heritage values.

To address these potential impacts, the Company published a stand-alone NBN Co Environment Policy, which commits to protecting and restoring the natural ecosystems and places of cultural heritage value in which it operates and reducing the environmental impacts and dependencies associated with its business activities. This commitment is supported by NBN Co's Environment Management System (EMS), which is certified to *ISO 14001:2015 Environmental Management Systems*.

As part of the EMS, due diligence is conducted at the design and planning stage to identify and conserve areas of environmental and heritage significance and ensure the nbn[®] network is deployed in a responsible manner.

Another key process of the EMS is to monitor compliance with established risk management controls, which NBN Co undertakes through assurance activities including in-field inspections. In FY24, NBN Co completed approximately 700 in-field inspections on both internal and Delivery Partner workers that included an assessment of environmental risk controls. Compliance rates through these inspections remained consistently high.

To ensure continued protection of cultural heritage values, NBN Co collaborated with an external Indigenous supplier to develop an updated cultural heritage training module. This training will be rolled out in FY25 and aims to educate NBN Co and Delivery Partner workers about due diligence processes, the importance of recognising heritage values, and key risk control measures to be implemented when working in the field.

NBN Co recorded only 18 minor environmental incidents and hazards during FY24 and did not receive any official cautions or prosecutions under environmental or heritage regulations. The most common types of incidents and hazards related to minor pollution events and waste mishandling during network construction and maintenance activity.

NBN Co will continue to review and improve the EMS and ensure updated requirements are integrated into First Line operational business processes and tools. NBN Co will also continue to monitor and evaluate emerging nature and biodiversity related frameworks and market mechanisms across the domestic and international landscape, such as the Taskforce on Nature-related Financial Disclosures (TNFD) and assess the Company's planned approach to address requirements.

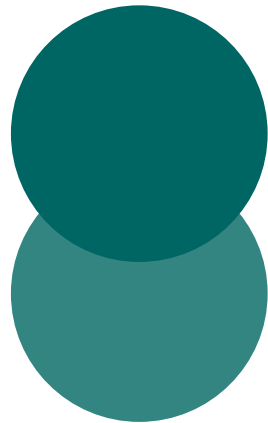
CASE STUDY



Allowing Birds to Safely Nest on Fixed Wireless Structures

Birds such as Eastern Ospreys often build nests on top of Fixed Wireless structures as they provide a great location to rear their chicks. However, some of these nests are quite large and are often located directly adjacent to wireless antennas, which makes accessing this infrastructure without disturbing the birds very difficult, especially during breeding season.

To solve this problem and to protect the birds' breeding sites, NBN Co designed bird nesting turrets that can be retrofitted to the top of Fixed Wireless structures, which allows the birds to nest in the turrets rather than amongst NBN Co's infrastructure. These turrets were installed at seven sites in NSW and Queensland in FY24, with more planned to be installed in FY25.



FINANCIAL RESOURCES

DELIVER COMMERCIAL VALUE



Sustainable long-term financial growth is essential to achieve NBN Co's purpose to lift the digital capability of Australia, and enable positive environmental and social outcomes.

NBN Co aims to deliver commercial sustainability and move towards a positive cash flow position. This requires stable revenue growth and an ongoing focus upon both capital and operating cost efficiency as part of a prudent capital management strategy. Generating positive future cash flows is key to funding network investments required to meet future customer demand, satisfying the Company's contractual obligations and raising and servicing debt.

The Company measures its financial performance based on growth or improvement of revenue and earnings before interest, tax, depreciation and amortisation (EBITDA¹). NBN Co has continued to demonstrate financial growth, meeting the upper range of its FY24 revenue and EBITDA targets which were outlined in its Corporate Plan 2024.

During the year, NBN Co continued to execute its financing strategy, fund its network investment plan, meet its debt obligations and maintain a strong liquidity position.

NBN Co raised just under \$6.5 billion from debt capital markets and bank facilities during FY24, which enabled NBN Co to repay the remaining \$5.5 billion of the \$19.5 billion Commonwealth loan in June 2024.

For the year ended 30 June	2024 \$m	2023 \$m	2022 \$m	2021 \$m	2020 \$m
Total revenue	5,501	5,269	5,103	4,629	3,837
Operating expenses ²	(1,712)	(1,809)	(2,032)	(3,274)	(4,485)
Operating income	141	133	43	-	-
EBITDA¹	3,930	3,593	3,114	1,355	(648)
Depreciation and amortisation expense	(3,209)	(3,082)	(3,541)	(3,596)	(3,154)
Finance costs on lease arrangements	(942)	(900)	(870)	(863)	(831)
Net finance costs on borrowings	(891)	(758)	(600)	(758)	(629)
Other income	38	35	30	24	24
Gain on derivatives measured at fair value	3	3	-	-	-
Tax benefit/(expense)	(105)	(10)	399	1	(1)
Loss for the year	(1,176)	(1,119)	(1,468)	(3,837)	(5,239)
Capital expenditure ³	3,762	3,044	2,495	2,764	5,038
Total assets	38,777	37,961	36,777	35,738	36,850
Debt	26,912	25,834	24,579	23,818	20,458
Lease liabilities	11,846	11,512	10,951	10,819	10,860
Contributed equity	30,576	29,805	29,500	29,500	29,500
Operating cash flows ⁴	3,634	3,303	2,822	1,230	(852)

FY24 highlights

\$5.5bn

Revenue

\$3.9bn

EBITDA¹

\$1.2bn

Loss After Tax

FY23: \$5.3bn

FY23: \$3.6bn

FY23: \$1.1bn

1. This also excludes other non-operating income and gains or losses on derivatives measured at fair value.

2. Includes Subscriber costs.

3. Capital expenditure excludes additions of leased assets, gifted assets and items of property, plant and equipment classified as inventories.

4. Net cash flows provided by/(used in) operating activities (excluding receipts from government grants and infrastructure lease payments).

Financial Performance

During the year ended 30 June 2024, NBN Co recorded a 4 per cent increase in revenue to \$5.5 billion. Total operating expenses decreased by 5 per cent during the year to \$1.7 billion.

The combined effect of the revenue growth and lower operating expenses increased the Company's EBITDA to \$3.9 billion, and was \$337 million higher than FY23.

The Company's statutory loss after tax for FY24 was \$1.2 billion, which is a 5 per cent increase on the prior year loss of \$1.1 billion. The EBITDA improvement was offset by a combination of increased depreciation and amortisation expense, higher net finance costs on borrowings, higher interest costs on lease arrangements and a \$105 million income tax expense that resulted from the movement in deferred tax on NBN Co's financial derivatives.

The Company continues its investment in the nbn[®] network, with capital expenditure growing to \$3,762 million, primarily due to the delivery of the Fixed Line network upgrades, fibre connection volumes and Fixed Wireless and Satellite programs.

During FY24, NBN Co received equity funding of over \$771 million as part of the Commonwealth Government's funding commitment to provide up to \$2.4 billion in equity to the Company, enabling an additional 1.5 million homes and businesses previously served by FTTN to be made eligible for an upgrade to FTTP technology.

Operating cash flows¹ have increased by 10 per cent to \$3,634 million as at 30 June 2024, which correlates with EBITDA growth.

The strong financial results for the year and the progress in key measures such as revenue, EBITDA and operating cash flows are in line with management expectations and reflective of the Company's mature, customer-led, operating business.

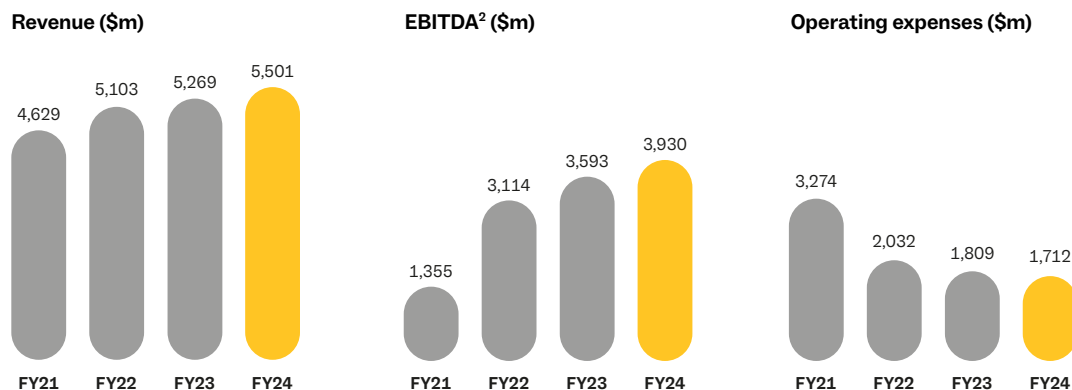
Revenue and Operating Income

NBN Co's total revenue for the year ended 30 June 2024 was \$5.5 billion consisting of telecommunications revenue of \$5,220 million and other revenue of \$281 million.

Telecommunications revenue increased by \$83 million during FY24, driven by increased activations and marginal improvement in residential Average Revenue Per User (ARPU).

Approximately 244,000 incremental residential and business premises connected to the nbn[®] network in the 12 months to 30 June 2024, with a total of 8.6 million homes and businesses now connected to the nbn[®] network. Residential ARPU remained at \$47 with a marginal increase of less than 1 per cent, which was in line with expectations given the new prices under NBN Co's WBA5, which came into effect from 1 December 2023.

Other revenue relating to construction activity for developers, commercial works and co-investment programs increased by \$149 million to \$281 million as at 30 June 2024. This was driven by the delivery of increased volumes of construction for new developments and co-investment projects, such as the Commonwealth Government's Regional Connectivity Program and fibre upgrades under the Connecting Victoria Program.



1. Net cash flows provided by operating activities (excluding receipts from government grants and infrastructure lease payments).

2. This also excludes other non-operating income and gains or losses on derivatives measured at fair value.

Operating income mainly represents income recognised from government grants and the Regional Broadband Scheme (RBS) Levy. This has increased by 6 per cent to \$141 million as at 30 June 2024.

Operating Expenditure

Total operating costs declined by 5 per cent to \$1.7 billion as at 30 June 2024.

Direct network costs decreased by 2 per cent to \$605 million for FY24. This was predominately driven by reduced service assurance costs following improved network performance and a lower number of faults in the year.

Total employee expenses of \$610 million decreased by 13 per cent in FY24 mainly due to a reduction in average headcount compared to FY23. NBN Co continues to focus on achieving cost efficiencies through the optimisation of its internal operations.

Other operating expenses of \$497 million increased by 1 per cent in the year to 30 June 2024. This was as a result of increased inflationary pressures which have partially been offset by efficiency savings across a range of expenditure items.

Non-Operating Income/Costs

The depreciation and amortisation expense for FY24 has increased by 4 per cent to \$3.2 billion. This reflects the latest assessment of estimated useful lives of NBN Co's network assets and the overall increase in the Company's asset base due to ongoing capital investments.

Finance costs on lease arrangements have increased in the year by 5 per cent to \$942 million, due to the remeasurement of the Company's lease liabilities to reflect CPI increases in future lease payments.

Net finance costs on borrowings increased by 18 per cent to \$891 million when compared to FY23. This increase was due to greater average debt borrowings during the year and higher weighted average cost of debt as a result of sustained higher market interest rates.

The Company continues to hedge a significant portion of its floating debt, which mitigates some of the impacts of the movements in market interest rates.

Other income of \$38 million has increased by 9 per cent from FY23 and relates to civil infrastructure assets, transferred for no consideration from developers.

The \$3 million gain on derivatives measured at fair value relates to NBN Co's Power Purchase Agreements.

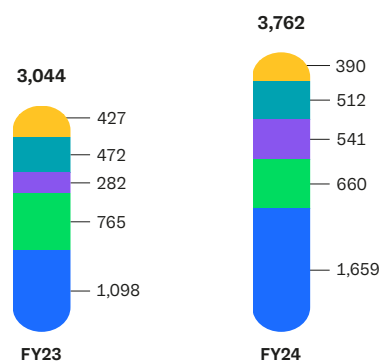
Capital Expenditure

During FY24, capital expenditure increased to \$3.8 billion as the Company continued to invest in the upgrade of the nbn® network, expanding the network for new developments and business fibre and connecting and serving its customers.

Capital expenditure incurred in the year focused on the following key areas:

- Delivering fibre upgrades to FTTC and FTTP technologies, to provide more customers with access to NBN Co's fastest speed tiers
- Expanding the network to newly developed premises and enterprise ethernet business customers and investing in additional capacity for the HFC and Transit networks to meet forecast data demand
- Delivering Fixed Wireless and Satellite upgrade investments to provide greater speed and capacity to regional customers
- Connecting and re-connecting premises onto the nbn® network and providing capital maintenance to assure the network
- Continuing investment in software and system development, network security and resilience, and facility costs.

Capital expenditure (\$m)



- Fibre Upgrade & Connections
- Network Infrastructure & Capacity
- Fixed Wireless & Satellite
- Connect & Assure
- IT & Other

Operating and Free Cash Flow

For the 12 months ended (\$m)	30 June 2024	30 June 2023
Operating cash flows ¹	3,634	3,303
Receipts of		
Government grants	31	38
Capital expenditure	(3,793)	(3,000)
Equity funding from the Commonwealth	771	305
Lease payments	(1,147)	(1,088)
Interest paid on borrowings and other financial liabilities	(882)	(693)
Free cash flow	(1,386)	(1,135)

Operating cash flows¹ increased by 10 per cent to \$3.6 billion for the full year to 30 June 2024, due to the growth in revenue and declining operating expenditure.

Receipts of Government grants decreased by 18 per cent to \$31 million as at 30 June 2024, primarily due to a reduction in funds received under the Australian Apprenticeships Incentive System program.

Capital expenditure payments increased by 26 per cent during the year to \$3.8 billion reflecting the Company's continued network investments. This increase was partially offset by the receipt of \$771 million in equity funding from the Commonwealth Government in support of enabling an additional 1.5 million FTTN premises to be eligible for an upgrade to FTTP technology.

Lease payments predominantly relate to costs associated with right-of-use arrangements over network infrastructure supplied by Telstra. Lease payments increased by 5 per cent to \$1.1 billion at FY24 as a result of inflation-linked contractual price increases.

Higher average levels of borrowings during the year and an increase in the weighted average cost of debt has resulted in increased interest payments on borrowings to \$882 million in FY24, which is an increase of 27 per cent compared to the year ended 30 June 2023.

The Company's free cash flow for the year ended 30 June 2024 was a net cash outflow of \$1,386 million.

Capital Management

As at	30 June 2024	30 June 2023
Contributed equity (\$ million)	30,576	29,805
Company debt ² (\$ million)	26,888	25,823
Weighted average cost of drawn debt during the financial year ³ (%)	3.24	2.89
Fixed interest ratio ⁴ (%)	74	92
Weighted average duration of available debt ⁵ (years)	4.4	4.4
Committed liquidity ⁶ (\$ million)	2,914	4,510

As at 30 June 2024, the Company had raised in excess of \$33.2 billion from debt capital markets (including short-term promissory note issuances) and bank facilities, with just under \$6.5 billion of the funding raised during FY24. The Company's debt issuances during the year comprised of:

- United States Dollars (USD) \$750 million and USD \$500 million US 144A/Reg S bonds (swapped into AUD \$1,182 million and AUD \$788 million respectively) under NBN Co's Global Medium-Term Note (GMTN) Programme
- Euro (EUR) 700 million and EUR 600 million Green EMTN's (swapped to AUD \$1,160 million and AUD \$995 million respectively) under the Company's GMTN Programme
- \$850 million Green Bond issued under NBN Co's Australian Medium-Term Note (AMTN) Programme
- Private placements of Great British Pound (GBP) 100 million (swapped into AUD \$193 million), Hong Kong Dollar (HKD) 470 million (swapped into AUD \$91 million) and Euro (EUR) 90 million (swapped into AUD \$150 million)

1. Net cash flows provided by operating activities (excluding receipts from government grants and infrastructure lease payments).
2. Principal value of drawn debt, including overdraft facility but excluding hedge valuation adjustments, accrued interest and fees.
3. Includes the impact of hedging activities and amortisation of associated fees.
4. Percentage comprises fixed and floating rate debt that has been hedged as a proportion of total debt. Excludes forward starting interest rate swaps.
5. Excluding the Commonwealth loan and promissory note issuances.
6. Excluding uncommitted debt with less than 12 months to maturity. Comprised of undrawn committed bank facilities and available cash less promissory note issuances and overdraft facility.

- Cyclical reissuance of short-term promissory notes of \$3,213 million under the Company's Promissory Note Programme, which was increased from \$2,000 million to \$4,000 million during the period
- Increasing the overdraft facility limit by \$100 million and reducing available committed bank facilities by \$250 million, leading to a net reduction of \$150 million in total available bank facilities.

These debt raisings are in line with NBN Co's financing strategy and have enabled the Company to repay the final \$5.5 billion balance of the \$19.5 billion Commonwealth loan in June 2024 and continue to maintain a strong liquidity position of just over \$2.9 billion as at 30 June 2024.

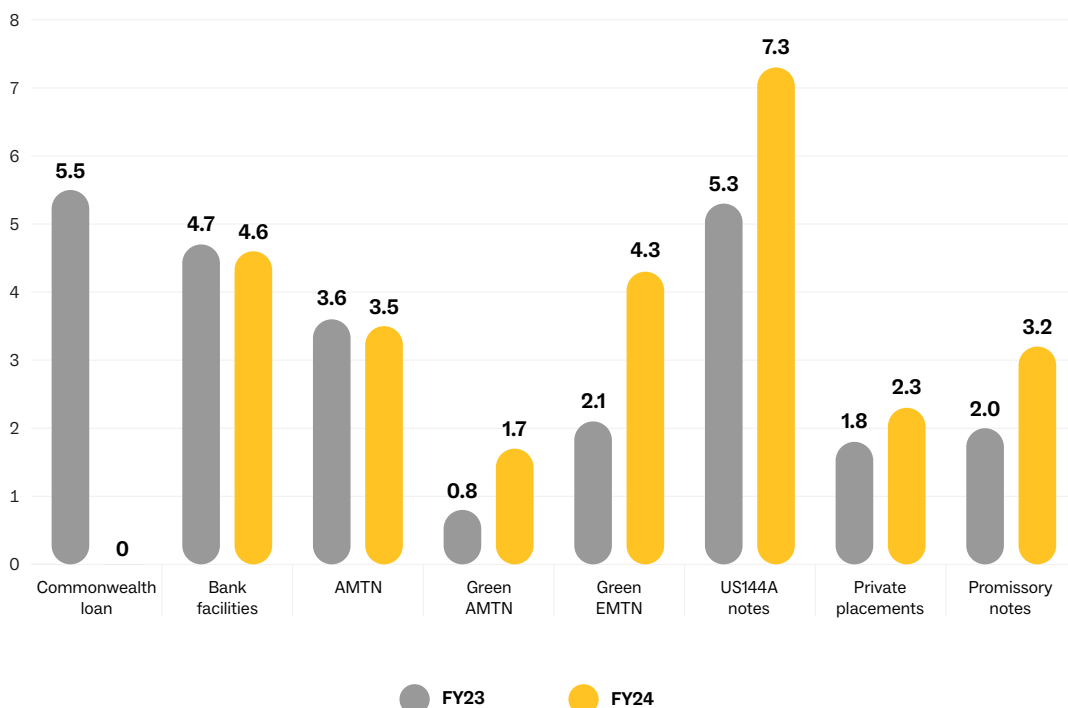
The Company's weighted average cost of drawn debt has increased to 3.24 per cent for the year ended 30 June 2024, compared to 2.89 per cent for the prior year. This is due to higher recent market interest rates which impact NBN Co's unhedged floating debt portfolio as well as newly issued interest-bearing debt and associated derivatives.

In line with NBN Co's Treasury policy, the Company manages its exposure to market risks, such as foreign currency and interest rate movements, by entering into derivatives to hedge against these risks. This has helped shield the Company from the full effect of the aforementioned increase in market interest rates.

In addition to its debt raisings, during FY24, NBN Co received over \$771 million in equity funding from the Commonwealth Government. These funds represent instalments under the Government's commitment to provide up to an additional \$2.4 billion in equity to the Company by 30 June 2026 to enable an additional 1.5 million homes and businesses previously served by FTTN to be eligible to upgrade to FTTP technology.

As at 30 June 2024, \$30.6 billion of the total available equity funding of \$31.9 billion from the Commonwealth Government had been provided to NBN Co.

Summary of borrowings as at 30 June 2024



CASE STUDY



Sustainable Finance

As at 30 June 2024, NBN Co is the largest Australian corporate issuer of Green Bonds, with approximately AUD \$5.9 billion equivalent of Green Bonds outstanding in the Australian and European debt capital markets, in line with the Company's Sustainability Bond Framework.

During FY24, NBN Co issued AUD \$3.0 billion equivalent in Green Bonds, including an AUD denominated Green Bond of \$850 million raised in August 2023 and NBN Co's second Euro Green Bonds transaction of EUR 1.3 billion (swapped into AUD \$2.16 billion equivalent) completed in March 2024.

The net 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 deploying fibre deeper into communities, which will enable long-term reductions in power demand within the network due to the transition to more energy efficient technologies. NBN Co will release its next Sustainability Bond Report in August 2024, as part of NBN Co's ongoing annual reporting obligations.

In December 2023, NBN Co received the Australian Sustainability Issuer of the Year and Australian Corporate Issuer of the Year awards in the KangaNews Awards for 2023. NBN Co also received a CommsDay Annual Edison Award for Best Sustainability Initiative for its Sustainability Bond Initiative in April 2024. In May 2024, NBN Co was awarded the Treasury Team of the Year Award, and the Executive General Manager of Treasury was awarded Influential Treasurer of the Year Award, presented by the Australian Corporate Treasury Association.

RISK MANAGEMENT

NBN Co's robust Risk Management Framework supports the achievement of the Company's strategic objectives. It ensures the Company can protect and create value as an organisation and operate as a responsible and sustainable business.

NBN Co's Enterprise Risk Management (ERM) Framework aligns with the ISO 31000 Risk Management standard, and includes the following key components:

- The Board approved Enterprise Risk & Resilience Management Policy
- The Board approved Risk Appetite Statement which provides guidance to management on risk-based decision making in pursuit of the Company's objectives
- NBN Co's Risk Management Standard, which defines the approach, methodology and process for managing risk at all layers of the organisation.

The ERM Framework is integrated into business activities through the risk management governance structure and risk operating model.

NBN Co takes a holistic and principles led enterprise approach to managing risk and fostering a positive risk culture. NBN Co has adopted an approach that aligns with the Institute of Internal Auditors (IIA) Three Lines model.

Roles, responsibilities, and accountabilities for managing risk are documented in NBN Co's Risk Management Standard and are executed through the Company's risk operating model.

NBN Co's risk management governance structure

Risk Reporting and insight

Risk information provides insights for decision making

Risk Strategy and Appetite

The organisation has appropriate guardrails in place to make decisions

Board

Ultimate accountability for setting the risk appetite and overseeing management's risk management system and satisfying itself that the system operates effectively as designed

Risk Governance and Oversight

NBN Co is focussed on managing the significant risks that could impact the Company's strategy

Audit and Risk Committee

Supervises the delivery and effective implementation of the Risk Management System which identifies, assesses, monitors and implements appropriate strategies to manage and mitigate risks throughout NBN Co

Risk Process

NBN Co has the right tools and processes to identify risks proactively and manage them proportionately

Executive Management

Has overall responsibility for managing NBN Co's risk, making risk based decisions and driving a risk aware culture

A line one risk network across the Company supports the coordination of risk management activities and embeds proactive risk management principles into business units with support and oversight by the Enterprise Risk team.

NBN Co has identified a set of Material Business Risks as outlined in the table on pages 93 to 96.

These are the Company's most significant risks with the potential to impact the achievement of NBN Co's strategic objectives. Each Material Business Risk has Board-level oversight and is assigned Executive ownership.

Key controls for each material risk are documented and the effectiveness of the controls are monitored by the business, the Enterprise Risk function, line two functions, and the Audit and Risk Committee. Their status is reviewed regularly and reported on each quarter to the Executive and the Audit and Risk Committee. Risk profiles are reported to Shareholder Departments on a regular basis.

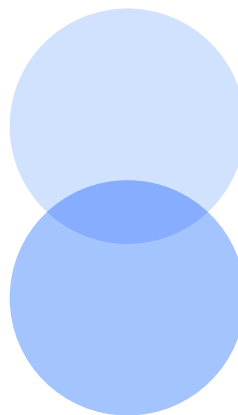
There is line of sight between business risks, controls, and the Material Business Risks.

Ongoing evolution of the Risk Management Framework and risk profile is designed to ensure the Company continues to adapt to its operating environment and meets the expectations of a broad range of internal and external stakeholders.

FY24 risk overview


The global risk context remains complex, as multiple conflicts continue, extreme weather events persist and the security threat environment remains heightened in a challenging macroeconomic environment.

External pressures, including those highlighted above, may impact NBN Co's Material Business Risks. This is actively monitored through regular insights and reporting on the Material Business Risks and integrated into business planning considerations. Emerging risks and longer-range issues are included in regular risk reporting.



NBN Co Material Business Risks

The challenges of the current global risk landscape, as well as what lies ahead, are reflected in the Material Business Risks outlined below:

Material Business Risk	Risk description and mitigation
Security and availability of the active network, corporate systems, data, and information 	<p>As a national telecommunications carrier, critical infrastructure provider and Government Business Enterprise (GBE), NBN Co faces a complex and dynamic threat landscape. The Company must manage exposure to both physical and cyber related security threats to the availability, reliability, integrity and confidentiality of NBN Co's infrastructure, systems, data, and key dependencies.</p> <p>NBN Co has adopted a converged security model where physical, personnel, cyber and privacy capabilities interconnect and work together. This approach treats all security and privacy risks under a common Security Governance Framework of risk assessment, control, and mitigation in alignment with the Enterprise Risk & Resilience Management Policy and is actively managed by the NBN Co Security Group.</p> <p>Due to the evolving nature of the threat landscape, ransomware practices and cyber extortion techniques, regular threat assessments and scenario planning are conducted to inform the Company's response and enable it to develop and implement appropriate safeguards, ensuring threat capabilities evolve with industry practice.</p>
Resilience of critical infrastructure 	<p>The nbn[®] network plays a critical role in keeping communities connected, businesses operational, and the nation productive. It is essential that NBN Co embeds resilience into its infrastructure, IT systems and business operations. The Company must safeguard the network against increasingly extreme physical climate risks, natural hazards, power loss, hardware/software failure and other adverse events to support the continued wellbeing of the community and economy.</p> <p>NBN Co continues to experience the impact of significant weather events across the country and has put extensive measures in place to ensure the network can withstand these weather events and that customers are connected as soon as possible afterwards. These measures include investment in Temporary Network Infrastructure and battery back-up systems. Additionally, fibre upgrades will contribute towards improved network resiliency. Fibre is more energy-efficient and resilient to physical climate risks, and generally more reliable than nbn[®] network connections containing copper.</p> <p>In addition to strengthening NBN Co's assets, the Company has adopted a Business Resilience Framework that includes business continuity, emergency management response and crisis management processes. This advanced response capability and recovery operations are central to managing disruptions and supporting the community. NBN Co works closely with the Bureau of Meteorology to understand and prepare for seasonal climate related risks and deploys disaster response solutions to ensure rapid restoration of communications services.</p>
Network Planning, Evolution and Performance 	<p>To support Australia's transition to a smarter, digitally enabled economy and meet the growing broadband demands of people across Australia, NBN Co must continue to augment and scale network investment in a timely and efficient manner and continue to invest in the ongoing evolution of the nbn[®] network.</p> <p>This includes upgrading the network and taking fibre deeper into communities, delivering on the Fixed Wireless and Satellite Upgrade Program and upgrading capacity to cater for increasing customer demands.</p>

Material Business Risk**Risk description and mitigation****Supply chain and strategic partner disruption**

NBN Co relies on many third-party suppliers and strategic partners to provide goods and services. Adverse actions, or disruption to goods and services provided by these suppliers and partners, can have significant impacts on NBN Co's business operations.

With ongoing vulnerabilities in the supply chain due to geopolitical uncertainty, extreme weather events, and global macroeconomic factors, there is a risk of disruption to these third parties, resulting in supplier market contraction and lack of availability of supplies, price increases and service delivery delays.

NBN Co is proactively managing this risk through vendor governance forums and regular performance reporting. Regarding the supply of goods, the Company is monitoring supply demands and usage to forecast requirements as well as building strong relationships with key suppliers and actively managing inventory holdings where appropriate.

Operations performance

NBN Co maintains a company-wide focus on improving customer experience from connection to daily use, network reliability and rapid resolution of incidents. NBN Co must continue to meet customer and RSP expectations in the way it operates the network while keeping the cost to the taxpayer and customers as low as possible. A number of external drivers impact this risk including the increasing frequency and severity of weather events coupled with the impacts of inflation.

As a result, costs are closely monitored and a number of initiatives are in place to ensure the Company continues to operate the network in a commercially sustainable manner and deliver on its plan. Initiatives focus on process improvements and the implementation of IT system upgrades for the field.

Stakeholder trust and social licence

As a GBE and an ethical and sustainable critical infrastructure owner and operator, NBN Co must operate in accordance with the highest standards of governance to meet public and stakeholder expectations and maintain its social licence to operate. NBN Co manages stakeholder trust through its governance and compliance policies, standards, frameworks and training, as well as through transparent disclosure and reporting.

NBN Co recognises the need to work collaboratively with government, RSPs, and regulators to drive industry growth and sustainability, and meet the digital needs of all Australians. In particular, NBN Co is focused on regional and remote communities. As part of a robust upgrade path, NBN Co continues to deliver on the Fixed Wireless and Satellite network upgrade. Through recruitment of local staff in regional areas, NBN Co has a greater presence in local communities and is better resourced to promote the network's capability and address customer experience concerns.




Regulatory strategy, governance and compliance

NBN Co operates in a highly regulated environment and appreciates the continued need for regulators to focus on its activities, pricing, service levels and customer experience. To ensure NBN Co continues to operate within expected parameters and understand the implications of expanding regulations on NBN Co's revenue, costs and operations, proactive engagement with the industry and strong relationships with key regulatory and government stakeholders are maintained.

In October 2023, the ACCC accepted a variation to NBN Co's Special Access Undertaking (SAU) following extensive consultation. The varied SAU is important as it provides a degree of regulatory predictability and pricing certainty and gives NBN Co a reasonable opportunity to meet its long-term objectives. The new pricing under the varied SAU was implemented on 1 December 2023 via a new Wholesale Broadband Agreement (WBA5) with RSPs.

NBN Co proactively manages its compliance with statutory and regulatory obligations through its Enterprise Compliance Framework.



Material Business Risk	Risk description and mitigation
<p data-bbox="149 348 288 409">Competition and customer</p> 	<p data-bbox="423 348 1228 485">NBN Co must actively manage and respond to increased competition in relation to other fixed and wireless providers, including the expansion of competitive offers and campaigns for alternative products. A key dependency in managing this risk is the ability to work collaboratively and positively with RSPs and channel partners to enhance the customer experience and ensure customers are on an appropriate nbn® product to meet their needs.</p> <p data-bbox="423 495 1228 624">NBN Co has dedicated capabilities to actively monitor the external environment and to assess and respond to market developments and new technologies. Customer experience initiatives remain an ongoing priority as well as programs and initiatives to support customer acquisition and retention. In addition, NBN Co continues to progress its network upgrades providing customers seeking higher speeds with more options.</p>
<p data-bbox="149 624 336 685">Strategy execution and change</p> 	<p data-bbox="423 624 1228 809">To further NBN Co's evolution, the organisation has a number of enterprise wide initiatives planned to achieve enterprise simplicity and organisational efficiency. This involves executing and delivering on several complex and concurrent company-wide initiatives and change programs, while continuing to meet operational commitments. There is inherent program risk in delivering and implementing these enterprise-wide initiatives as well as the associated change, particularly given the current digital and IT resource constraints driven by significant global demand for talent.</p> <p data-bbox="423 818 1228 900">Enterprise governance is in place with forums developed to provide enterprise oversight and regular reporting to the Executive Committee on individual program health, metrics, dependencies, and risks.</p>
<p data-bbox="149 900 329 961">Finance and debt management</p> 	<p data-bbox="423 900 1228 1037">NBN Co's ability to secure, optimise and manage its financing and debt arrangements is critical to the achievement of its long-term objectives and the ability to generate cashflow to reinvest and grow the network. NBN Co has embarked on significant refinancing activities including Bond issuances in the domestic and global debt capital markets such as the United States and Europe.</p> <p data-bbox="423 1047 1228 1151">As at 30 June 2024, the Company had raised in excess of \$29.9 billion from debt capital markets and bank facilities, with just under \$6.5 billion of this raised during FY24. The Company maintains a strong liquidity position with AUD \$2.9 billion of committed liquidity as at 30 June 2024.</p> <p data-bbox="423 1161 1228 1266">Given the current significant debt levels, NBN Co is exposed to interest rate risk in both global and domestic financial markets. In addition, higher than expected inflationary pressures and rising operational costs may impact the Company's forecasts and ability to achieve budget and strategic objectives.</p> <p data-bbox="423 1275 1228 1422">NBN Co has a Board approved Treasury Policy in place which has enabled NBN Co to expand its access to diverse sources of capital and includes robust controls and thresholds to ensure compliance. The Company continues to manage its portfolio to minimise interest costs via interest rate hedging. Benchmarking and reporting on current funding against the Company's refinancing plan ensures that current and planned funding matches NBN Co's requirements.</p>

Material Business Risk

Risk description and mitigation

Safety and wellbeing, culture and engagement



NBN Co is committed to ensuring the health and wellbeing of its employees and extended workforce by fostering a workplace environment that is safe and inclusive. Protecting the health, public safety and welfare of customers is a priority.

The Company has revised its Safety and Wellbeing Strategy Plan to prioritise the health and safety of its workers, extended workforce, customers and community. The plan aims to enhance safety and wellbeing management systems to a robust state, showcasing leadership across the industry. The plan focuses on safety leadership and culture; critical risk prevention and controls; learning and engagement; health and wellbeing, and assurance best practice.

Additionally, established process, controls and industry agreements are in place to manage migration activities and ensure the reliability of the network, particularly for vulnerable customers for whom it is critical to have reliable, continuous connectivity.

The wellbeing, development and engagement of staff remains a priority and a key strategic outcome. In a tight labour market, the Company aims to ensure that it offers meaningful work and growth opportunities to attract and retain exceptional talent. A number of initiatives are in place to manage the risks in relation to engagement and culture, including an expanded career and learning program, a DEI strategy, inclusive leadership program and flexible working policies.

Climate change transition



NBN Co acknowledges the inherent risks that climate change poses to its operations, network continuity and service obligations. To support the resilience of the network and the individuals, communities and businesses that rely on it, the Company needs to understand and proactively manage the risks of climate change.

To address the risks and opportunities from climate change, the Company has developed a Climate Transition Plan (CTP). The CTP aims to align the Company's operations, planning, and capital expenditure, with its decarbonisation goals, whilst managing physical and transition climate risks and opportunities regarding the nbn[®] network, business model and value chain.

The CTP outlines how NBN Co's business model supports the achievement of its climate mitigation and climate resilience goals. It also includes the Company's action plan to address physical and transitional climate change risks and opportunities and the metrics and targets used to monitor progress towards its climate change objectives. The Climate Transition Plan forms part of NBN Co's approach to sustainability and is governed by through the Sustainability Governance Framework.

BOARD OF DIRECTORS

The names and details of the Directors in office during the year and the period until the date of this report are as follows:

Kate McKenzie

Chair / Non-Executive Director

Term of Office

Kate was appointed as a Director effective 1 December 2019 and as Chair of NBN Co effective 1 January 2022. Her current term will expire on 31 December 2024.



Skills, Experience and Qualifications

Kate has significant corporate governance experience. Before joining the Board of NBN Co, she was on the Board of Allianz for 8 years, Foxtel for 4 years, Sydney Water, Reach, CSL and WorkCover.

Prior to embarking on her corporate governance career Kate was Chief Executive Officer of Chorus, a publicly listed New Zealand telecommunications company and prior to that she spent 12 years as a Senior Executive of Telstra where her final role was as Chief Operating Officer with a team of 30,000 staff and an operating budget of \$7 billion. Kate also had an extensive career in the public sector where she was Chief Executive Officer of the New South Wales Department of Commerce, Chief Executive Officer of WorkCover and was involved in a range of micro economic reform initiatives.

She has a passion for innovation and technology and for building great cultures and teams as well as delivering growth, productivity and change management.

Kate has a Bachelor of Arts and Bachelor of Laws with a strong track record in understanding government and regulatory environments. She is also a member of Chief Executive Women, has served on the Telstra Foundation, Telstra's philanthropic arm and has had a long history of involvement in promoting the interests of Indigenous communities.

Current Company Directorships

Kate is a Non-Executive Director and Chair of Healius Limited and is a Non-Executive Director of Stockland Corporation Limited.

Board Committee Memberships

Kate is Chair of NBN Co's Financing Committee and Nominations Committee. She is a member of NBN Co's People and Remuneration Committee and attends NBN Co's Audit and Risk Committee as a guest.

Pam Bains

Non-Executive Director

Term of Office

Pam was appointed as a Director effective 19 March 2022. Her current term will expire on 18 March 2025.



Skills, Experience and Qualifications

Pam was appointed Group Executive Network at Aurizon in March 2020. Prior to this appointment, she held the position of Chief Financial Officer and Group Executive Strategy from 2017.

Pam has been with Aurizon since 2010 and has held various senior management roles at the company during this time. She played a key role during Aurizon Holdings' initial public offering and listing on the Australian Stock Exchange, capital restructuring and separation of Aurizon's Network business, as well as support for various regulatory reforms which have improved the financial performance of Aurizon's Network business.

Pam has broad experience in finance and leadership roles in both Australia and globally over the past 25 years. Prior to joining Aurizon, she was the Head of Finance, Customer Service at Telefonica O2 UK, a subsidiary of one of the largest global integrated broadband and telecommunications providers. She has also held senior management roles at Next PLC, General Electric and Arthur Andersen.

Pam holds a BA (Honours) Accounting and Finance from the University of Huddersfield in the UK, is a Graduate of the Australian Institute of Company Directors and, a Fellow of the Institute of Chartered Accountants of England and Wales.

Current Company Directorships

Pam is an Executive Director of Aurizon Network Pty Ltd, a wholly owned subsidiary of Aurizon Holdings Limited, a Director of Coal Network Capacity Co Pty Ltd and is an Advisory Board Member for the Young Sikh Professionals Network (YSPN).

Board Committee Memberships

Pam is a member of NBN Co's Nominations Committee, Audit and Risk Committee and Financing Committee.

Nerida Caesar

Non-Executive Director

Term of Office

Nerida was appointed as a Director effective 01 January 2022. Her current term will expire on 31 December 2024.



Skills, Experience and Qualifications

Nerida has over 36 years of broad-ranging commercial and business management experience, with particular depth in technology led businesses.

Nerida was Group Managing Director and Chief Executive Officer, Australia and New Zealand, of Equifax (formerly the ASX-listed Veda Group Limited) and a former Director of Genome One Pty Ltd and Stone and Chalk Limited.

Nerida has held several senior management roles at Telstra including Group Managing Director, Enterprise and Government, responsible for Telstra's corporate, government and large business customers in Australia as well as the international sales division. She also worked as Group Managing Director, Telstra Wholesale, and prior to that held the position of Executive Director Enterprise and Government where she was responsible for managing products, services and customer relationships throughout Australia.

Prior to joining Telstra, Nerida held several executive and senior management positions with IBM within Australia and internationally over a 20-year period, including as Vice President of IBM's Intel Server Division for the Asia Pacific region.

Nerida has a Bachelor of Commerce from the University of New South Wales, an MBA from Melbourne Business School and is a Graduate of the Institute of Company Directors.

Current Company Directorships

Nerida is a Non-Executive Director of Westpac Banking Corporation, Chairman of Workplace Giving Australia Limited, a Non-Executive Director of O'Connell Street & Associates and a Non-Executive Director of CreditorWatch.

Other Current Appointments

Nerida is an Advisor to startups in the technology sector.

Board Committee Memberships

Nerida is a member of NBN Co's Audit and Risk Committee, Financing Committee and Nominations Committee.

Nicole Lockwood

Non-Executive Director

Term of Office

Nicole was appointed as a Director effective 19 March 2022. Her current term will expire on 18 March 2025.



Skills, Experience and Qualifications

Nicole is an experienced executive, with over 20 years working in law, government and consulting, including 15 years of board experience on government, corporate and not for profit boards. Her background in infrastructure, economic development and community engagement provides her with a unique insight into the complexity of planning and delivering large economic and infrastructure projects in an environment of ever-changing social expectations.

Nicole provides strategic advice to government and the private sector, overseeing major infrastructure and integrated planning initiatives, including the Future Fremantle Planning Committee and Westport Taskforce which developed a fifty year freight and trade plan for the south west of Western Australia.

Nicole has worked throughout regional Western Australia as well as on national and metropolitan economic and infrastructure initiatives. She has a passion for sustainability and resilience building and the creation of thriving cities and communities equipped to embrace the challenges and opportunities of climate change and digital disruption.

Nicole has a Bachelor of Laws, a Bachelor of Business (Environment) from Notre Dame University and is a Graduate (GAICD) Australian Institute of Company Directors.

Current Company Directorships

Nicole is the Chair of Infrastructure Western Australia, the Malka Foundation and Airbridge, a Non-Executive Director of Child and Adolescent Health Service, Deputy Chair of the Green Building Council of Australia and is a member of the Net-Zero Economy Agency Advisory Board.

Board Committee Memberships

Nicole is a member of NBN Co's Nominations Committee and Chair of NBN Co's People and Remuneration Committee.

Michael Malone

Non-Executive Director

Term of Office

Michael was appointed as a Director effective 20 April 2016. His current term will expire on 19 April 2025.



Skills, Experience and Qualifications

Michael founded iiNet Limited, an ASX listed telecommunications company in 1993 and continued as CEO until his retirement in 2014. As CEO, Michael led a relentless focus on customer service in an industry that is often perceived as primarily concerned with technology. iiNet's values reflected Michael's own belief in the life changing benefits of connecting people and communities.

Michael's former directorships include Autism West (as founder and Vice Chairman), the .au Domain Administration (as a founder and Chairman), Diamond Cyber Security (as a founder and Chair), Superloop Ltd (as Chairman) and Axicom Group. Michael has received a number of prestigious industry recognitions including 2012 Australian Entrepreneur of the Year, Communications Alliance Ambassador, and the Telecommunications Society's Charles Todd Medal. Michael is a past member of the Commonwealth Consumer Affairs Advisory Council and the WA State Training Board.

Michael is a Fellow of the Australian Institute of Company Directors, the Australian Institute of Management and the Australian Computer Society. He has a Bachelor of Science (Mathematics) and a post graduate Diploma in Education both from the University of Western Australia.

Current Company Directorships

Michael is a Non-Executive Director of Seven West Media Ltd, WiseTech Global and Health Engine Limited.

Other Current Appointments

Nil

Board Committee Memberships

Michael is a member of NBN Co's Nominations Committee and People and Remuneration Committee.

Mike Mrdak

Director

Term of Office

Mike was appointed as a Director effective 01 October 2023.

His current term will expire on 30 September 2026.



Skills, Experience and Qualifications

Mike has had an extensive career in the Federal public service. Between March 2008 and June 2009, he was Deputy Secretary (Governance), Department of the Prime Minister and Cabinet and during this time, he was appointed Commonwealth Coordinator-General. From July 2009 to August 2017, he was Secretary of the Department of Infrastructure and Regional Development and, from September 2017 to December 2019 he was Secretary of the Department of Communications and the Arts.

In November 2013, Mike received the Federal Government Leader of the Year Award recognising his outstanding leadership and work on major infrastructure projects including the duplication of the Pacific and Hume Highways. He was appointed an Officer (AO) of the Order of Australia in the Queen's Birthday 2016 honours list for his distinguished service to public administration in transport, logistics and infrastructure investment.

Mike graduated with a Bachelor of Arts (Honours) from the University of New England in 1987 and gained post graduate qualifications including a Graduate Diploma in Education in 1987 and a Graduate Diploma in Applied Economics from the University of Canberra in 1992.

Current Company Directorships

Mike is Chair of the Airport Development Group in the Northern Territory.

Other Current Appointments

Mike is an Adjunct Professor in the School of Business, Government and Law at the University of Canberra.

Board Committee Memberships

Mike is a member of NBN Co's Nominations Committee and Interim Chair of the Audit and Risk Committee.

Elisha Parker

Non-Executive Director

Term of Office

Elisha was appointed as a Director effective 8 December 2021.

Her current term will expire on 7 December 2024.



Skills, Experience and Qualifications

Elisha holds cross-sector experience as a legal practitioner with a speciality in dust diseases and in the agricultural industry in various roles including co-founding Cattlesales Pty Limited.

Over the past 17 years, Elisha has held Chair and Committee positions within the agricultural sector with peak industry bodies, the Queensland state farming organisation and has also been widely recognised and awarded for leadership on regional issues, entrepreneurship, digital innovation and advocacy.

Elisha is passionate about the advancement of regional and remote industries and communities with a particular focus on innovation and the next generation, and holds an in-depth and grassroots knowledge of the issues and needs of regional and remote communities, businesses, industries and educational facilities.

Elisha has a Bachelor of Laws from Queensland University of Technology and is a Graduate of the Australian Institute of Company Directors.

Current Company Directorships

Elisha is a Director of Cattlesales Pty Limited and a Non-Executive Director of Beef Australia Ltd.

Board Committee Memberships

Elisha is a member of NBN Co's Nominations Committee and People and Remuneration Committee.

Kevin Russell

Non-Executive Director

Term of Office

Kevin was appointed as a Director effective 22 April 2024. His current term will expire on 21 April 2027.



Skills, Experience and Qualifications

Kevin is an experienced CEO with a demonstrated history of leading and driving change in the telecommunications industry. He has extensive international experience having performed C-suite roles in Hong Kong, Israel, UK, USA and Australia.

Kevin's career focus has been on enhancing telecommunication market competition, improving industry service levels and challenging regulatory norms. He has pursued these goals through national mobile network launches with Partner in Israel and Three in Australia, and during operational turnarounds with Three in the UK and Vocus in Australia. He has a passionate belief in the foundational importance of both customer and employee engagement in operating a successful business.

Notably, Kevin has gained extensive strategic experience in the Australian telecommunications industry over the past two decades. In addition to his CEO position at Vocus, Kevin has also occupied roles as the Chief Country Officer at Optus and the Group Executive, Retail at Telstra.

Kevin is a qualified Chartered Accountant and holds a BA in Accountancy and Computer Science from Heriot-Watt University in the United Kingdom.

Current Company Directorships

Nil

Board Committee Memberships

Kevin is a member of NBN Co's Audit and Risk Committee and Nominations Committee.

Former Directors

Drew Clarke AO PSM FTSE

Non-Executive Director

Drew was appointed as a Director effective 22 August 2017. His term ceased 21 August 2023.



Drew has extensive public policy experience, having served in a range of senior government positions. These include Secretary of the Department of Resources, Energy and Tourism, and Secretary of the Department of Communications. Drew's earlier public sector career included leadership roles in energy policy and in mapping, science and innovation agencies.

Drew was awarded the Order of Australia in 2016 for distinguished service to public administration and the Public Service Medal in 2009 for his energy policy work.

Drew is a Fellow of the Australian Academy of Technological Sciences and Engineering and a Fellow of the Royal Geographical Society. He has a Master of Science from Ohio State University, a Bachelor of Applied Science (Surveying) from RMIT, and a Diploma from the Australian Institute of Company Directors.

Drew was a member of NBN Co's Nominations Committee and the People and Remuneration Committee.

Andrew Dix

Non-Executive Director

Andrew was appointed as a Director effective 7 April 2021. His term ceased 6 April 2024.



Andrew has deep industry experience following a 35-year career working in telecommunications, infrastructure, utilities, technology and manufacturing.

Andrew has considerable experience in finance, IT, assurance, risk and governance. Prior to embarking on his Non-Executive career in 2013, he was the Executive Director responsible for Risk Management and Internal Audit at Telstra where he also previously held roles as the Chief Financial Officer for a number of Telstra's major operating business units.

Andrew has a Bachelor of Commerce from the University of Melbourne and is a Fellow of the Institute of Chartered Accountants, a Certified Member of the Institute of Internal Auditors and a Graduate Member of the Institute of Company Directors.

Andrew was the Chair of NBN Co's Audit and Risk Committee and was a member of NBN Co's Financing Committee and Nominations Committee.

Stephen Rue

Managing Director and Chief Executive Officer

Stephen was Chief Executive Officer (CEO) and an Executive Director of NBN Co effective 1 September 2018 until his resignation from his position as CEO on 4 May 2024 and Executive Director on 6 May 2024.



In his role as CEO, Stephen was responsible for implementing strategic objectives and policies, and NBN Co's Corporate Plan and budget as approved by the Board. As an Executive Director of NBN Co, Stephen was cognisant of the role of the Board of Directors to provide stewardship, strategic leadership, governance and oversight to NBN Co.

Stephen joined NBN Co in July 2014 as a member of the Executive Committee in the role of Chief Financial Officer, bringing with him a wealth of knowledge in financial management and high-profile company transformation.

Prior to joining NBN Co, Stephen spent 17 years in various leadership roles at News Corp Australia, including a decade as Chief Financial Officer. He also served as a Director on a number of associated boards, including Foxtel, Fox Sports, REA Group and Australian Associated Press, as well as Chairman of the Community Newspaper Group in Perth and Melbourne Storm Rugby League Club.

Stephen holds a Bachelor of Business Studies from Trinity College Dublin, a Diploma in Professional Accounting and is a member of Chartered Accountants Australia and New Zealand and a Fellow of the Australian Institute of Company Directors.

Stephen would attend the Audit and Risk Committee, Financing Committee, Nominations Committee and People and Remuneration Committee meetings as a guest.

Board and Committee meetings

The number of Board and Committee meetings held during FY24 and the attendance by Directors at those meetings is shown below.

	Board		Audit and Risk Committee		Financing Committee		Nominations Committee		People and Remuneration Committee	
	A	B	A	B	A	B	A	B	A	B
Pam Bains ¹	10	10	4	4	1	2	1	1	-	-
Nerida Caesar	10	9	4	4	7	7	1	1	-	-
Drew Clarke ²	2	1	-	-	-	-	-	-	1	-
Andrew Dix ³	7	7	3	3	6	6	-	-	-	-
Nicole Lockwood	10	10	-	-	-	-	1	1	4	4
Kate McKenzie ⁴	10	10	4	4	7	7	1	1	4	4
Michael Malone ⁵	10	10	2	2	-	-	1	1	4	4
Elisha Parker	10	10	-	-	-	-	1	1	4	4
Mike Mrdak ⁶	7	7	2	2	-	-	1	1	-	-
Kevin Russell ⁷	3	3	0	1	-	-	1	1	-	-
Stephen Rue ⁸	8	7	4	3	6	5	-	-	3	3

(A) Number of meetings held while a Director of the Board or a Committee member

(B) Number of meetings attended

1. Pam Bains was appointed as an interim member of the Financing Committee by the Board on 26 March 2024. Pam attended the Financing Committee meeting held on 21 March 2024 as a guest.
2. Drew Clarke's term as a Director of NBN Co ended on 21 August 2023.
3. Andrew Dix's term as a Director of NBN Co ended on 6 April 2024.
4. Kate McKenzie attends Audit and Risk Committee meetings as a guest.
5. Michael Malone's term as a member of the Audit and Risk Committee ended on 14 November 2023.
6. Mike Mrdak was appointed as a Director of NBN Co effective from 01 October 2023. Mike was then appointed as a member of the Audit and Risk Committee by the Board on 14 November 2023, and as interim Chair of the Audit and Risk Committee by the Board on 26 March 2024.
7. Kevin Russell was appointed as a Director of NBN Co effective from 22 April 2024. Kevin was then appointed as a member of the Audit and Risk Committee by the Board on 14 May 2024. He attended the Audit and Risk Committee meeting held on 30 April 2024 as a guest.
8. Stephen Rue attended all Committee meetings as a guest. Stephen did not attend the Board Meeting held on 5 May 2024 as a result of the announcement of his resignation. His term as a Director of NBN Co ended on 6 May 2024.

EXECUTIVE COMMITTEE

Members of the Executive Committee include:

Philip Knox

**Interim Chief
Executive Officer**



Philip was appointed as NBN Co's Interim Chief Executive Officer from 7 May 2024.

Prior to that, Philip served as Chief Financial Officer from 6 February 2019, a role in which he was responsible for the financial management of NBN Co's business activities, business planning, financial reporting, financial control, management reporting, taxation and treasury, audit, procurement and property.

Philip brings more than 30 years of financial experience, including leadership roles as Chief Financial Officer, and extensive knowledge of the technology and media industries.

Prior to joining NBN Co, Philip was the Chief Financial Officer at APN Outdoor Group Limited and previously at the Garvan Institute of Medical Research and Austar United Communications.

Philip is a member of CPA Australia and is a Graduate of the Australian Institute of Company Directors.

Richard Cairns

**Interim Chief
Financial Officer**



Richard was appointed as NBN Co's Interim Chief Financial Officer from 14 May 2024.

In this role, he is responsible for the financial management of NBN Co's business activities, business planning, financial reporting, financial control, management reporting, taxation, treasury, audit, procurement and property.

Richard was previously Executive General Manager Transformation and Executive General Manager Commercial Finance, having joined NBN Co in 2013.

He has more than 25 years of financial experience, including leadership roles and extensive knowledge gained in the telecommunications and media industry.

Prior to joining NBN Co, Richard was a senior finance executive with Vodafone Hutchison Australia, and previously worked with PricewaterhouseCoopers in Australia and the UK.

Richard is a member of Chartered Accountants Australia and New Zealand, and is a Graduate of the Australian Institute of Company Directors.

John Parkin

Chief Operations Officer



John commenced his appointment as NBN Co's Chief Operations Officer on 1 October 2023 after previously holding the position of Chief Engineering Officer leading the network, technology, security and engineering teams.

In his position as Chief Operations Officer, John is responsible for activating, operating and assuring the nbn[®] network and supply management, as well as overseeing contact centres and self-service portals. A primary focus of John's is delivering NBN Co's strategic Fibre Connect program as the Company extends its fibre network to a further 3.5 million customer premises across Australia to enable up to 90 per cent of the fixed-line footprint to be gigabit capable by December 2025. John is also the Executive Sponsor of nbn Equals.

John has extensive experience driving results across network and service delivery operations in the telecommunications industry in Australia and has a long history of international experience working for national telecommunications organisations, including British Telecom, Spark (formerly Telecom New Zealand) and Telstra. These roles have been complemented with extensive commercial operational experience gained from working with international business partners across India, Malaysia and the Philippines.

Sally Kincaid

Chief People and Culture Officer



Sally is responsible for leading workforce transformation and initiatives that ensure the Company's culture and practises are focused on safety, sustainability and performance outcomes to deliver the Company's vision and strategies. This includes ensuring there are the skills and capabilities for today and the future, that NBN Co's workplaces are anchored in its values of We Deliver, We Care, We are One Team and We are Fearless. She is also the Executive Sponsor of NBN Co's Pride network.

Prior to joining NBN Co, Sally led Human Resources functions and change transformations in Australian based and global enterprises in financial services and commodities, which saw her based in Australia, the United Kingdom (UK) and New Zealand (NZ).

Sally holds a Master of Business Administration from Henley Business School in the UK, a Bachelor of Business Studies from Massey University, NZ, and is a Graduate of the Australian Institute of Company Directors and the University of Cambridge Institute for Sustainability Leadership.

Felicity Ross

Chief Corporate Affairs Officer



Felicity joined NBN Co in July 2018 as Chief Corporate Affairs Officer. She leads all aspects of external and government relations, employee communications, and stakeholder and partnership engagement. Felicity is also the Executive Sponsor of nbn Equals – NBN Co's gender equity pillar.

Felicity has more than 20 years of deep expertise in large, high-profile, complex organisations in Australia and overseas, including: London's Metropolitan Police at Scotland Yard, the UK Home Office, Serco, Westpac, and the NSW Government. Her expertise includes significant issues, crisis and emergency management strategic leadership, planning and response experience.

Felicity holds a Post Graduate Diploma in Communications Management from London Metropolitan University, as well as a Bachelor of Arts, English from Macquarie University. She is a Graduate of the Australian Institute of Company Directors course (GAICD).

Rob Sewell

Chief Information Officer



Rob joined NBN Co in February 2023 as Chief Information Officer, bringing significant experience in the international telecommunications sector, notably in technology strategy and transformation. Rob is also the Executive Sponsor of NBN Co's Culture Diversity network.

Prior to joining NBN Co, Rob was with Maxis in Malaysia, leading technology strategy and digital transformation.

Prior to that, Rob spent seven years as the Chief Information Officer and Head of Network Planning with Indian mobile network operator Aircel and, in Australia, over 17 years at Telstra in a range of roles, including Director of Architecture.

Rob holds a Bachelor of Engineering (Honours) and a Bachelor of Science from the University of Western Australia, and has also lectured at Masters level in Computer Science at RMIT University.

Gavin Williams

Chief Development Officer, Regional and Remote



Gavin was appointed Chief Development Officer Regional and Remote in October 2019, bringing more than ten years of experience at NBN Co and 30 years within the telecommunications industry across Australia.

In this role, Gavin has broad accountability for NBN Co's Fixed Wireless and Satellite services, the development of infrastructure across regional Australia, and the community and stakeholder engagement functions pertaining to regional Australia.

Gavin is NBN Co's Executive Sponsor for its First Nations engagement strategy and Reconciliation Action Plan.

Gavin has held leadership roles that have spanned engineering, product management, marketing and strategy disciplines across consumer, business and wholesale markets.

Prior to joining NBN Co, Gavin held positions in Telstra and Optus, and was principal of an independent consultancy. He was a Board Director of Southern Cross Cable and is currently a Director of Regional Arts Australia.

Gavin holds a Bachelor of Engineering (Honours) from the University of Melbourne and a Master of Business Administration from Macquarie University. He is a Graduate of the Australian Institute of Company Directors.

Dion Ljubanovic

Chief Network Officer



Dion began his appointment as NBN Co's Chief Network Officer on 1 October 2023, bringing strong engineering, commercial and deployment expertise, including more than a decade of leading NBN Co's regional deployment, network deployment and dedicated network functions.

As Chief Network Officer, Dion oversees the network insights, technology, engineering and build teams at NBN Co, which are responsible for the overall performance and upgrades to the nbn[®] network. This also includes ensuring the nbn network is secure and resilient to physical threats, such as fires and floods, and deploying next generation technologies so the Company can continue to meet the digital needs of Australians now and into the future.

Dion holds a Bachelor of Engineering (Honours) and a Bachelor of Management from the University of South Australia, as well as a Post Graduate Certificate in Business Administration from Torrens University Australia.

Will Irving

Chief Strategy and Transformation Officer



Will began his appointment as NBN Co's Chief Strategy and Transformation Officer in October 2019. He is accountable for strategy and transformation leadership at NBN Co. This covers NBN Co's corporate strategy and strategic transactions, corporate planning, new developments (greenfields) business, data and analytics services, key infrastructure relationships, security, privacy, risk management, business continuity and compliance. Will is also the Executive Sponsor of NBN Co's Accessibility Network.

Prior to joining NBN Co, Will was interim CEO of Telstra InfraCo and the Group Executive of Telstra Wholesale from 2016 to 2018. Between 2011 and 2016, he headed Telstra Business, responsible for more than one million small and medium business Telstra customers – from sole traders to smaller ASX listed companies and local government. Previously, Will was Telstra's Group General Counsel between 2005 and 2011, through the T3 privatisation, the 3G mobile build and Telstra's major deal with NBN Co in 2011. Will also held a variety of legal management roles at Telstra between 1997 and 2005, and was a lawyer at King & Wood Mallesons from 1994 to 1997.

In addition to his role at NBN Co, in October 2022, Will became a Director of Chorus Ltd – New Zealand's leading fixed-line telecommunications infrastructure company. He holds a Bachelor of Law (Honours) and Bachelor of Commerce from the University of Melbourne.

Jane van Beelen

Chief Legal and Regulatory Officer



Jane joined NBN Co on 1 October 2020 and the Company's Executive Committee from 1 September 2021. As Chief Legal and Regulatory Officer, Jane is the General Counsel of NBN Co and leads the Company's Legal and Regulatory function, which partners with the NBN Co business to enable enterprise outcomes by providing expert legal and regulatory solutions. It includes the Company Secretary and Non-Discrimination Obligations Compliance Office.

A telecommunications industry veteran, Jane had a 25-year career across the legal, regulatory, compliance and corporate affairs functions at Telstra. During this time, she led Telstra's regulatory strategy and engagement, held responsibility for the Company's compliance framework and programs including ethical behaviour, regulatory and privacy, and played a leading role in key reforms and regulatory outcomes across the Australian telecommunications industry.

Jane was inaugural chair of the GSMA Asia-Pacific Policy Group and a Global Policy Group member, and served on the Boards of TIO Ltd and AMTA, including two years as AMTA Chair. She is a Director of Communications Alliance.

Anna Perrin

Chief Customer Officer



Anna joined NBN Co in February 2023 as Chief Customer Officer. She leads a multi-disciplinary team that works closely with the Company's retail partners to deliver superior end-to-end customer solutions to Australian homes and businesses that drive preference, usage, and customer experience.

Anna brings a wealth of international experience to NBN Co from across the telecommunications and digital industries, including Senior Executive roles at Nokia, Accenture and Axicom, as well as Board positions on leading industry associations, across Australia and New Zealand, the UK and Asia Pacific.

Anna is driven by a passion for building both strong, engaged teams and communications solutions that deliver benefits for Australia in the digital age.

With a strong strategic vision, marketing and technical expertise and industry insight, Anna is focused on delivering the best experience for customers across Australia.

Anna holds a Bachelor of Arts Degree from the University of Sheffield and is an Australian Institute of Company Directors Graduate (AICD).

Company Secretaries

Kylie Brown

Appointed in August 2015
Company Secretary



Skills, Experience and Qualifications

Kylie joined NBN Co in June 2011 and was appointed as a Company Secretary of NBN Co in August 2015. On 19 December 2023 Kylie became NBN Co's primary Company Secretary.

Kylie has a Bachelor of Laws and Bachelor of Arts from Macquarie University, is a Graduate of the Australian Institute of Company Directors and holds a Certificate in Governance Practice from the Governance Institute of Australia. Kylie is also an Executive General Manager - Legal in NBN Co's Legal and Regulatory team. Prior to joining NBN Co in 2011, Kylie was a Senior Associate in private practice at Corrs Chambers Westgarth from 2000 to 2010 and a lawyer at Moray & Agnew from 1997 to 2000.

Tim Gow

Appointed effective September 2023
Company Secretary



Skills, Experience and Qualifications

Tim initially joined NBN Co in July 2018 and was appointed as a Company Secretary (Deputy) of NBN Co effective September 2023.

Tim has a Bachelor of Laws and Bachelor of Arts from Adelaide University and is a Graduate of the Australian Institute of Company Directors. Tim is also a Senior Legal Counsel in NBN Co's Legal and Regulatory team. Prior to joining NBN Co in 2018, Tim was an in-house lawyer in various roles at Qantas Group between 2009 and 2018 and at Goodman Fielder from 2005 to 2009. He was also a solicitor in government and private practice including at Clayton Utz from 2001 to 2003.

OTHER INFORMATION

Corporate information

NBN Co is an unlisted public company limited by shares that is incorporated and domiciled in Australia. The registered office of the Company is Tower 5, Level 14, 727 Collins Street, Docklands, Victoria, 3008. NBN Co is wholly-owned by the Commonwealth of Australia.

Operating and financial review

The operating and financial review is contained on pages 14 to 109 of the Directors' Report.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during FY24.

Dividends

No dividends have been paid or declared since the Company was established in April 2009.

Directors' interests

The Directors of NBN Co have no interests in the shares of NBN Co.

Indemnification and insurance of Directors and Officers

NBN Co has indemnified each of the Directors of the Company against any legal proceedings, loss or liability that arises in their capacity as a Director of NBN Co.

As at 30 June 2024, no material claims have been made.

During FY24, the Company paid insurance premiums for contracts insuring Directors and Officers against liabilities (including costs and expenses) arising from the performance of their duties.

The Directors have not included the details of the nature of the liabilities covered or the amount of the premiums paid in respect of these insurance contracts, as such disclosure is prohibited under the terms of the contracts.

Rounding of amounts

The Company is of a kind referred to in *ASIC Corporation (Rounding in Financial/ Directors' Reports) Instrument 2016/191* and in accordance with that Instrument, amounts in the Financial Report and Directors' Report have been rounded to the nearest million dollars, unless otherwise stated.

Auditor independence

The Directors received an Auditor's independence declaration from the Auditor-General. A copy of this declaration has been included with the Financial Report.

Significant events subsequent to reporting date

No matters or circumstances have arisen since 30 June 2024 to the date of signing of this report, that has significantly affected, or may affect:

- The Company's operations in future financial years
- The results of those operations in future financial years
- The Company's state of affairs in future financial years.

Non-audit services

No non-audit services have been provided by the Auditor-General or the Australian National Audit Office. Non-audit services provided by the contract auditor, PwC, are detailed in Note H4 to the financial statements.

Signed in accordance with a resolution of the Directors, approving the Annual Report.



Kate McKenzie

Chair



Philip Knox

Interim Chief Executive Officer

6 August 2024





REMUNERATION REPORT

The Remuneration Report sets out the principles and the remuneration strategy NBN Co applies to remunerate key management personnel (KMP).

LETTER FROM THE CHAIR OF THE PEOPLE AND REMUNERATION COMMITTEE

In my capacity as Chair of the People and Remuneration Committee (P&RC), it is my pleasure to present the 2024 Remuneration Report on behalf of the Board. The Board and the P&RC are responsible for establishing and overseeing our people management and remuneration policies across NBN Co. We judiciously fulfil our responsibilities to attract, develop and reward our people to ensure we deliver upon our strategic objectives and satisfy our shareholders and the nation.

The Remuneration Report outlines our remuneration approach and its governance, including our executive remuneration framework, which describes the performance metrics used to assess NBN Co's performance and inform executive remuneration outcomes. The report outlines the remuneration outcomes for key management personnel, including the Chief Executive Officer, and the fee arrangements for the Company's non-executive Board members.

Review of reward strategy and executive remuneration framework

The Board and the P&RC regularly review NBN Co's approach to remuneration to ensure that NBN Co appropriately recognises and rewards performance in the context of the strategic objectives of the Company, ensuring alignment with the Company values and encouraging the highest standards of transparency and accountability.

In addition, the P&RC regularly reviews NBN Co's reward strategy to ensure it remains fit-for-purpose, using input from the P&RC's external remuneration advisors, Ernst & Young (EY). During the year, the P&RC determined that the reward framework continues to be fit-for-purpose and is consistent with the NBN Co values, purpose and strategic objectives as informed by our current Statement of Expectations.

The P&RC considers and determines the effectiveness of our executive remuneration framework and its appropriateness for our short-term incentive measures, taking into consideration a number of factors, including industry benchmarks, market conditions, NBN Co's financial position and performance, and customer and stakeholder expectations. The P&RC is confident that our current structures and processes are in alignment with market standards and effectively support our reward strategy to attract, motivate and retain the right talent. Further details regarding the Executive Remuneration Framework are set out in this report.

Board and Executive changes

On 4 May 2024, Mr Stephen Rue resigned from his position as Chief Executive Officer (CEO) at NBN Co. As a result of this announcement, on 6 May, Mr Rue also resigned from his position as an Executive Director on the NBN Co Board. Mr Rue was with NBN Co for 10 years, both as Chief Financial Officer and then as Chief Executive Officer and has made a remarkable contribution to this Company.

Under Mr Rue's leadership, NBN Co completed the initial build of the network on time in 2020, reached the milestone of over 8.5 million homes and businesses connected to the network and set the Company on the next phase of its journey to become a fully operational customer focused company.

On behalf of the Board and the P&RC, I would like to extend my heartfelt thanks to Mr Rue for his leadership of NBN Co, a company he will leave in great stead to continue to lift Australia's digital capability into the future.

On 7 May 2024, Mr Knox was appointed Interim Chief Executive Officer at NBN Co. Mr Knox brings more than 30 years of financial experience, including leadership roles as Chief Financial Officer and extensive knowledge of the technology and media industries.

The NBN Co Board is currently working through the process of selecting and appointing a new CEO to carry forward the Company's great legacy.

Respect at Work

On 12 December 2022, new Respect at Work legislation came into effect. This represents a significant shift in focus from responding to incidents to preventing incidents. This creates a 'positive duty' requiring employers to proactively take steps to prevent sexual harassment and related conduct.

NBN Co took a proactive approach to ensuring compliance with the new legislation and performed a review of existing systems, processes and tools against the seven minimum standards contained in the Australian Human Rights Commissions Respect@ Work Report (May 2023). Opportunities to strengthen and adopt these seven best practice standards have been outlined in a specific Management Action Plan, which details actions, accountabilities and timeframes to effectively monitor and ensure a safe, inclusive and respectful workplace. This is completely aligned with the Company's values.

FY24 Performance

NBN Co continues to focus on delivering upon its purpose to lift the digital capability of Australia by executing its strategic objectives. The nbn[®] network is critical national infrastructure and keeping it safe and secure is vital to the economy and to the daily social and commercial interactions of an estimated 20 million Australians. It provides fast, reliable broadband to more than 8.6 million homes and businesses across Australia.

NBN Co achieved Earnings, Before Interest, Tax, Other non-operating income, Depreciation and Amortisation (EBITDA) of \$3.93 billion for the year ended 30 June 2024, which is an improvement of \$337 million in comparison to the FY23 result. This was achieved through revenue growth of 4 per cent to \$5.5 billion for the year, coupled with a 5 per cent decline in operating expenses to \$1.7 billion. This revenue and EBITDA growth meant that NBN Co met the upper range of the financial targets as set out in the Company's Corporate Plan 2024.

NBN Co continues to deliver fibre upgrades that benefit our customers in many ways, including increasing the availability and performance of higher speeds, and providing a significantly positive environmental impact. Replacing copper connections in the network with more energy-efficient fibre contributes to reducing NBN Co's greenhouse gas emissions in the long-term, through reductions in network power demand.

The Company met its target of making two million premises FTTN ready for offer for fibre connections by 31 December 2023. Initial milestones have been met, positioning NBN Co well to service Australia's ever-increasing data needs. These data needs have also been at the forefront of NBN Co's planning, with the 2023 SAU variation providing the nation the optionality for more significant speed tier opportunities.

Homes and businesses across regional, rural and remote Australia are using more devices and demanding more data than ever before, with data use tripling on the nbn[®] network in the last seven years. NBN Co is upgrading 1 million homes and businesses across regional Australia by the end of 2024, upgrading some communities to full fibre and introducing faster and more reliable speeds on NBN Co's Fixed Wireless network.

During FY24, the network performed well with average monthly availability¹ of 99.96 per cent, which has in turn resulted in strong customer outcomes as the network delivered reliable, resilient and secure broadband for households, businesses and communities across the country. This has resulted in our most promising dissatisfaction and reputation results to date.

During the year there were a number of weather events that impacted service delivery and triggered NBN Co's emergency response team, who were immediately deployed for extended periods, at times managing multiple concurrent events. These weather events included Ex-Tropical Cyclone Jasper in North Queensland and intense rainfall, damaging winds and hail at various stages across Southeast Queensland and Victoria. I would like to take this opportunity to thank the teams that have enabled the homes and businesses impacted by these weather events.

Following on from an outstanding FY23 in relation to the Company's first issuance of GMTN Green Bonds, NBN Co consolidated with an additional successful raising of a further \$3 billion in AMTN and GMTN Green Bonds Issuances in debt capital markets. These raisings supported NBN Co to repay in full the remaining \$5.5 billion of our Commonwealth loan.

Executive remuneration outcomes for FY24

In determining remuneration outcomes for FY24, the Board has concluded that the Corporate Objectives gateways for the STI program, including the Company's health and safety record, have been satisfied. The Board also considers that other aspects of the Company's operating performance are duly considered, even if outside of the strategic corporate measures outlined in the Balanced Performance Scorecard.

The four corporate measures represented on the Balanced Performance Scorecard comprise of a number of headline metrics and the Board characterised NBN Co's performance across these key metrics as exceeding expectations.

As a result, the Board approved STI award pool funding at 79 per cent of the maximum STI. This equated to a total STI cost to NBN Co of \$5.3 million.

Conclusion

It is the Board's view that this assessment is appropriately aligned with performance for the year, and the contribution NBN Co has made in supporting Australia.

Robust remuneration governance arrangements have supported the Committee's decision-making, aligned to the Company's strategic objectives, unique operating environment and the NBN co values.



Nicole Lockwood

Chair, People and Remuneration Committee

6 August 2024

1. Percentage of time the nbn[®] access network is available and operating. For this measure, the network is considered 'unavailable' during the time NBN Co is restoring services following the raising of a fault. It doesn't include periods where the network is unavailable due to operational outages for network upgrades and improvements or events beyond NBN Co's control.

Key management personnel (KMP)

This Remuneration Report covers the remuneration of NBN Co's KMP, who are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The table below outlines NBN Co's KMP for the year ended 30 June 2024 and includes the Non-Executive Directors of the Company and those Senior Executives deemed to be KMP by the Board. The job titles for KMP reflect their roles during FY24.

During the year there were a number of changes to NBN Co's Senior Executive KMP including:

- Kathrine Dyer resigned from her position as Chief Operating Officer, ceasing to be part of NBN Co's KMP from 30 September 2023.
- John Parkin was appointed Chief Operating Officer from 1 October 2023, having previously held the position of Chief Engineering Officer which was also part of NBN Co's KMP.
- Dion Ljubanovic became a part of NBN Co's KMP from 1 October 2023, when he was appointed as Chief Network Officer.
- Stephen Rue ceased to be KMP on 6 May 2024 following his resignation from his position as Chief Executive Officer on 4 May 2024.
- Philip Knox was appointed Interim Chief Executive Officer on 7 May 2024, having previously held the position of Chief Financial Officer, which was also part of NBN Co's KMP.

There were also changes in the composition of the Non-Executive Directors appointed to the Board during the year. Both Drew Clarke and Andrew Dix left the Board following the conclusion of their terms on 21 August 2023 and 6 April 2024 respectively. Two new Non-Executive Directors were appointed, Mike Mrdak on 1 October 2023 and Kevin Russell on 22 April 2024.

Name	Title	FY24 Status	KMP Status
Current Senior Executives deemed to be KMP			
Stephen Rue	Chief Executive Officer (CEO)	Part year	–
Philip Knox	Chief Financial Officer / Interim CEO	Full year	Current
Anna Perrin	Chief Customer Officer	Full year	Current
Will Irving	Chief Strategy and Transformation Officer	Full year	Current
John Parkin	Chief Operating Officer	Full year	Current
Dion Ljubanovic	Chief Network Officer	Part year	Current
Kathrine Dyer	Chief Operating Officer	Part year	–
Current Non-Executive Directors			
Pam Bains	Non-Executive Director	Full year	Current
Nerida Caesar	Non-Executive Director	Full year	Current
Drew Clarke	Non-Executive Director	Part year	–
Andrew Dix	Non-Executive Director	Part year	–
Nicole Lockwood	Non-Executive Director	Full year	Current
Michael Malone	Non-Executive Director	Full year	Current
Kate McKenzie	Non-Executive Chair	Full year	Current
Mike Mrdak	Non-Executive Director	Part year	Current
Elisha Parker	Non-Executive Director	Full year	Current
Kevin Russell	Non-Executive Director	Part year	Current

REMUNERATION AND TALENT GOVERNANCE AT NBN CO

NBN Co's Remuneration Framework

NBN Co's people strategy is a critical contributor to delivering its purpose and strategic objectives and ensuring NBN Co remains a great place to work. A key component of the people strategy is the Company's Employee Value Proposition (EVP), of which NBN Co's reward strategy, principles and framework play an integral role.

The Reward strategy, principles and framework were refreshed in 2023 to ensure a cohesive remuneration framework is in place to support NBN Co's delivery of its strategic objectives.

NBN Co has established a Remuneration Framework that is designed to support the attraction and retention of talent within the Company's workforce. The skills and productivity of NBN Co's staff enable the Company's delivery against its purpose and goals. The Remuneration Framework is regularly reviewed to ensure it is appropriately governed, aligned to performance and remains consistent with industry benchmarks.

NBN Co's Reward principles are:



Competitive



Fair & Equitable



Aligned with Performance and Values



Governance

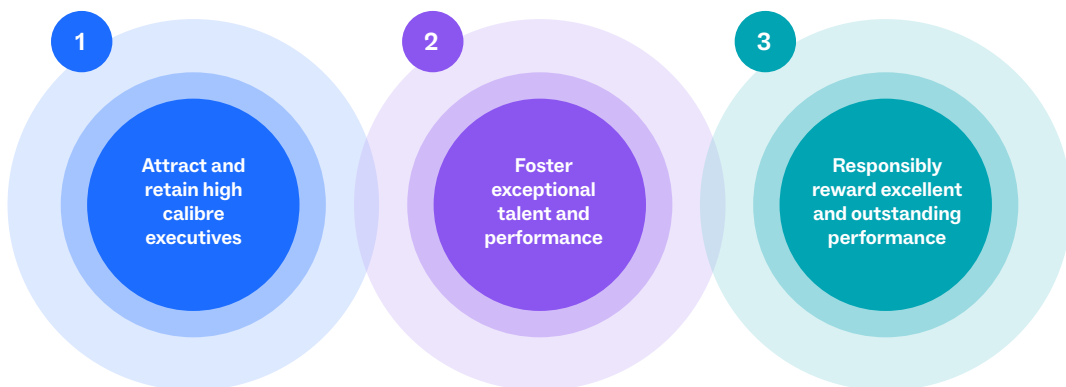
During FY24, the Committee considered the Reward Strategy, principles and framework and determined these remain fit for purpose with consideration given to current organisational context, including:

- Alignment with NBN Co's strategic objectives and outcomes
- Reflect market developments which relate to remuneration
- Alignment with Statement of Expectations requirements, including setting remuneration that is restrained and justifiable to the Australian public
- Flexibility to adapt to organisational change
- Support for NBN Co's EVP and the attraction and retention of talent required to deliver on our commitments
- Support of effective risk management and governance
- Effectiveness of the alignment of performance and reward outcomes.

The Company endeavours to establish and maintain people management and remuneration policies that:

- Enable NBN Co to attract and retain capable talent who can help deliver the Company's purpose
- Motivate and develop employees and drive performance to pursue the strategic objectives of the Company as outlined in NBN Co's Corporate Plan
- Responsibly reward employees, having regard to the performance of NBN Co, individual contributions, statutory and regulatory requirements and current market remuneration conditions and practices.

Outcomes of NBN Co's people management and remuneration policies



Role of the People and Remuneration Committee (P&RC)

The role of the P&RC is to assist the Board in fulfilling its governance responsibilities in relation to establishing effective people management and remuneration policies for NBN Co.

Each year, the P&RC agrees the appropriate performance measures and objectives for the Short Term Incentive (STI) program, including participant eligibility, performance outcomes, the award pool, application of malus provisions to previous awards (where relevant) and any changes or adjustments needed to evolve the plan.

The P&RC retains discretion under the program rules to adjust STI payments in light of unforeseen circumstances or unintended outcomes.

Support from management and external advisors

To inform decisions of the Committee, the P&RC sought advice and, at times, recommendations from the CEO and other management throughout the year.

During FY24, NBN Co obtained external advice in relation to remuneration from Ernst & Young (EY). This advice comprised market practice insights, current and emerging trends in remuneration, relevant legislative and regulatory developments, and input in relation to NBN Co's reward strategy, principles and framework.

None of the advice provided by EY included a remuneration recommendation as defined in the *Corporations Act 2001*.

Alignment with NBN Co's strategic objectives

The Remuneration Report demonstrates the alignment of the Company's Remuneration Framework and policies with NBN Co's goals and strategic objectives. NBN Co's remuneration strategy supports the achievement of the Company's strategic objectives, through performance-based reward and recognition of highly capable employees. NBN Co's remuneration policies and practices are aligned with Commonwealth guidelines and the interests of its shareholders and the Australian public, as outlined in the Statement of Expectations.

How Senior Executive remuneration decisions are determined at NBN Co



Management

Makes recommendations to the P&RC and Board with respect to remuneration arrangements, target setting and performance assessment of incentive plans for Senior Executives.

Develops and implements people management and remuneration policies and practices as agreed.



People and Remuneration Committee

Reviews Management proposals and approves remuneration policies and practice with respect to remuneration arrangements, target setting, performance assessments of incentive plans for Senior Executives, and provides recommendations for remuneration arrangements, target setting and performance assessment against those targets.

Reviews the effectiveness of people management and remuneration policies and programs.

Seeks the advice and input of external remuneration advisors.



NBN Co Board

Reviews and approves recommendations referred by the P&RC.



OUR PURPOSE

To lift the digital capability of Australia

OUR VALUES



We are one team



We deliver



We care



We are fearless

OUR STRATEGIC PILLARS

Network

People

Products & Pricing

Sustainability

Customers & Partnerships

Financial & Operating Capabilities

...which are reflected in STI Corporate Measures

Financial Performance (25%)

Achievement against corporate plan targets for revenue and operation costs

Network upgrades (20%)

Performance against ready for order and incremental wireless cell targets

Customer (35%)

Performance against target for both residential and business customers with regard to customer dissatisfaction rating, reputation and a series of key service delivery indicators

Enterprise Outcomes (20%)

Delivery against a range of initiatives linked to programs including simplification and capital expenditure efficiency

...and NBN Co's actual performance against STI Corporate Measures

Revenue and operational expenditure targets were achieved due to favourable service assurance and efficiency measures

Targets were exceeded due to successful upgrade scaling and high volume optimisation activities

Dissatisfaction and reputation measures were exceeded despite a series of significant weather events within the year

The majority of programs concluded the year positive to plan, leading the way to continuing strong performance into future years

...and directly impacts Senior Executive remuneration

Total Fixed Remuneration

Fixed Remuneration increases of up to 3¹ per cent for FY24

CEO STI Outcome

Awarded at 79 per cent of maximum

Senior Executive STI Outcomes

Awarded at 79 per cent of maximum

1. Inclusive of superannuation guarantee contributions rate change for non-STI eligible employees, and inclusive of the superannuation guarantee contribution cap gap for STI eligible employees.

Senior Executive remuneration

Senior Executive remuneration is designed to attract, motivate, and retain the calibre of Executives required to achieve NBN Co's objectives now and into the future. To enable this, NBN Co's Senior Executive Remuneration Strategy establishes an effective link between performance, prudent risk management and pay.

This is achieved through:

- Annually reviewing the Senior Executive Remuneration Framework
- Consideration of current market practices when determining Senior Executive remuneration
- Ensuring a minimum level of performance is achieved by NBN Co before any STI payments can be earned
- Balancing Senior Executive remuneration against corporate and individual performance outcomes
- Linking each Senior Executive's STI award to the achievement of stretch performance conditions.

NBN Co's remuneration structure is designed to responsibly, fairly and competitively reward Senior Executives while complying with all of its regulatory obligations. The overall structure and approach to Senior Executive remuneration at NBN Co remained unchanged from FY23 and reflects the Australian Government's Performance Bonus Guidance - Principles as they apply to Government Business Enterprises such as NBN Co.

In accordance with these objectives, each Senior Executive's remuneration package consists of Total Fixed Remuneration (TFR) and 'at risk' remuneration delivered through an STI program. NBN Co does not issue long-term incentive awards to its Senior Executives.

Remuneration components

Remuneration Component	Overview	Application
Total Fixed Remuneration	Base salary, employer superannuation contributions, salary-sacrificed benefits and applicable fringe benefits tax.	Positioned using appropriate benchmarks, reflecting size and complexity of role, responsibilities, experience and skills.
Short-Term Incentive	'At risk' remuneration, rewarding both NBN Co and individual performance.	Remuneration outcomes aligned to NBN Co's strategy and determined based on corporate performance and metrics, performance and contribution against annual strategic objectives.

Total fixed remuneration

Base salary, superannuation contributions and non-cash benefits comprise a Senior Executive's TFR. Factors taken into account when setting the appropriate TFR for any Senior Executive include:

- Relevant market data
- Complexity of the role
- Internal relativities
- Skills and experience
- Individual performance.

Senior Executives have no guarantee of TFR increases within their contracts. The TFR of all Senior Executives is reviewed annually, to ensure alignment with market practice.

STI program

In line with market practice, Senior Executives are eligible to be awarded an STI under the terms of NBN Co's STI program. The STI program provides Senior Executives with the opportunity to receive 'at risk' remuneration that is determined based on NBN Co's performance and then on individual performance during the performance year.

The STI program is designed to:

- Reward Senior Executives who contribute to NBN Co's success during the performance year
- Ensure a portion of total remuneration is linked to the achievement of corporate performance
- Through its STI funding approach, provide NBN Co with the flexibility to manage the overall cost of the STI program in line with the achievement of corporate performance outcomes.

NBN Co reviews its STI program annually to ensure it remains aligned to market practice and continues to incentivise performance in alignment with the evolution of NBN Co's strategy.

Employment agreements

With the exception of the Chief Executive Officer (CEO), all Senior Executives are permanent employees of NBN Co. Remuneration and other terms of employment for all Senior Executives are formalised in employment agreements, which are subject to law and include termination arrangements.

The CEO's contractual arrangement is on a fixed term basis and is subject to Remuneration Tribunal Determination. The Remuneration Tribunal is an independent statutory body established under the *Remuneration Tribunal Act 1973*. The Tribunal has the power to declare an office as a Principal Executive Office (PEO), assign each PEO a specified classification band and set benchmark reference rates for remuneration of a PEO. During FY24, NBN Co's CEO position was published on the list of Principal Executive Offices and designated as a Band E role by the Remuneration Tribunal.

Termination arrangements

For the CEO, the notice for termination that must be provided by either NBN Co or the CEO is six months. For Senior Executives, the standard notice for termination that must be provided by either NBN Co or the Senior Executive is three months.

In May 2024, Mr Rue resigned from his CEO position at NBN Co and will formally cease his employment in November 2024, at the end of his notice period.

Where a Senior Executive is terminated by NBN Co, he/she is entitled in the ordinary course to a termination payment of six months' TFR. Where applicable, termination payments are determined by policy and the contractual entitlements in place for employees ceasing employment with NBN Co.

In the case of the CEO, any payments to be made on the termination of employment are subject to the Remuneration Tribunal and/or contractual entitlements depending upon the circumstances giving rise to the cessation of employment.

Non-cash benefits

Executives are able to utilise salary packaging arrangements in line with Company policies. The cost of any benefit, as well as any associated Fringe Benefits Tax (FBT) is deducted from the executive's salary.

Other long-term benefits

The remaining long-term benefit is the accrual of statutory long service leave for employees.

Post-employment benefits

Superannuation contributions are included in individuals' TFR. There are currently no additional benefits, entitlements or arrangements in place for any Senior Executive.

Remuneration mix

The remuneration mix has evolved in recent years, reflective of market trends and Government policy. 'At risk' remuneration is tied to the achievement of NBN Co's corporate measures and targets, as well as individual performance objectives, and therefore, actual remuneration received will vary from the target remuneration. The 'at risk' remuneration is awarded only for delivering performance aligned to NBN Co's strategy, as determined by performance targets defined and set by the NBN Co Board.

Further detail on actual performance outcomes for FY24 has been provided on pages 122 to 124 of the Remuneration Report. The composition of the remuneration packages for the CEO and Executive Committee is shown in the table below.

The target STI component for the CEO and the Senior Executives was 23% and 17% of total target remuneration respectively.

Remuneration benchmarking

NBN Co aims to position target total remuneration (TFR plus target STI opportunity) competitively against comparable organisations.

External benchmarking is conducted by independent remuneration advisors, drawing upon disclosed data from relevant Australian listed and unlisted companies and Government Business Enterprises.

Target total remuneration for each Senior Executive role is informed by the benchmark data and relevant internal relativities.

The P&RC annually reviews the remuneration arrangements of each Senior Executive to ensure that they appropriately reflect individual and company performance and market conditions.

Remuneration mix



● Target STI 23%
● TFR 77%



● Target STI 17%
● TFR 83%

Funding approach

NBN Co's performance determines the size of the target STI pool for the applicable year, consistent with the approach of a commercial enterprise. The P&RC can eliminate the entire target STI pool if it determines that NBN Co has not met a gateway measure. In such circumstances, the P&RC retains the discretion to recognise exceptional contributions from individuals and can form an STI pool of up to 20 per cent of the entire target STI pool. The P&RC determines the gateway measures at the start of the performance period and determines if they have been satisfied.

For FY24, NBN Co's Corporate Objectives and safety record act as gateways for any STI to be awarded and the entire pool can be eliminated if either gateway is not satisfied. The 'Operating and Financial Review' section of the Annual Report provides details on NBN Co's financial performance and non-financial performance for FY24.

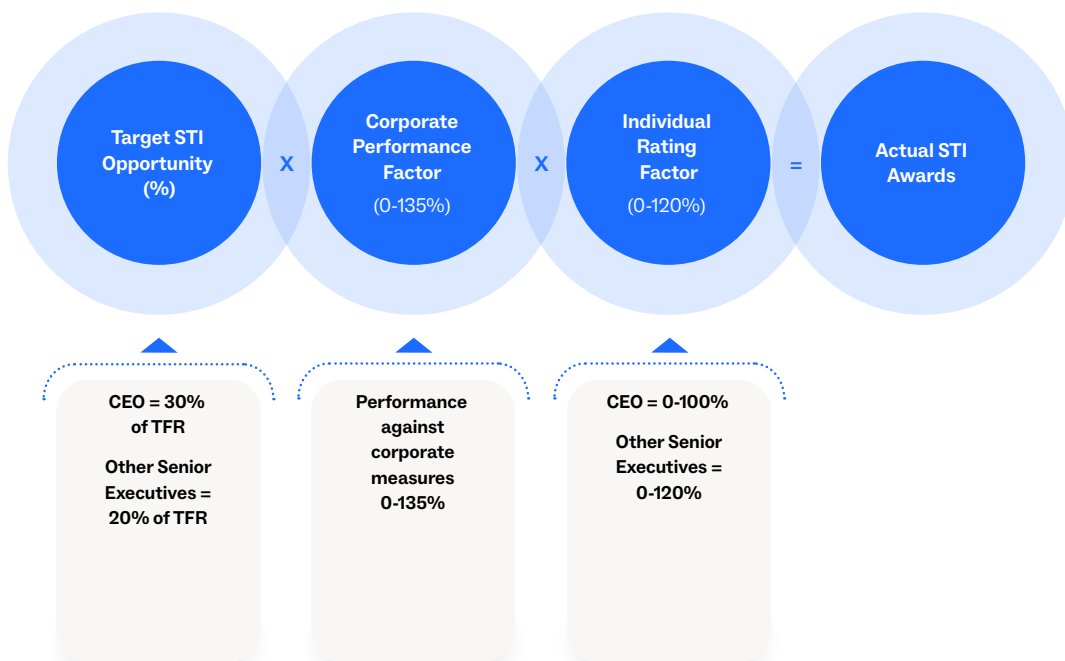
If the gateway measures are satisfied during the performance period, the P&RC then determines whether to adjust the target STI pool up or down (within a range of between zero and 135 per cent of the target STI pool) based on achievement of corporate objectives, resulting in an actual STI award pool. The STI award pool is the maximum cost of the STI program for that year, thus limiting NBN Co's aggregate cost.

STI performance measures

NBN Co's performance has a direct impact on the STI award pool and therefore the level of STI payments received by participants.

Performance measures and targets are set at the start of the performance period against the measures in the Corporate Plan and outlined in the diagram below.

NBN Co's Senior Executive Short-Term Incentive (STI) program



Performance outcomes and STI award pool funding for FY24

For FY24, the Board was satisfied that the overall gateway measures for the Company were met. NBN Co's safety metrics are within the risk tolerance for FY24.

As explained within the Directors' Report, FY24 was a successful year for NBN Co. The Company achieved its financial guidance targets for revenue and EBITDA as outlined within its Corporate Plan 2024. The Company continues to grow both the scale of the network, with 12.4 million premises declared Ready to Connect, and the use of the network, with 8.6 million activated premises connected to the network as at 30 June 2024. NBN Co continues to significantly improve its capability and service levels to meet growing demands across Australia.

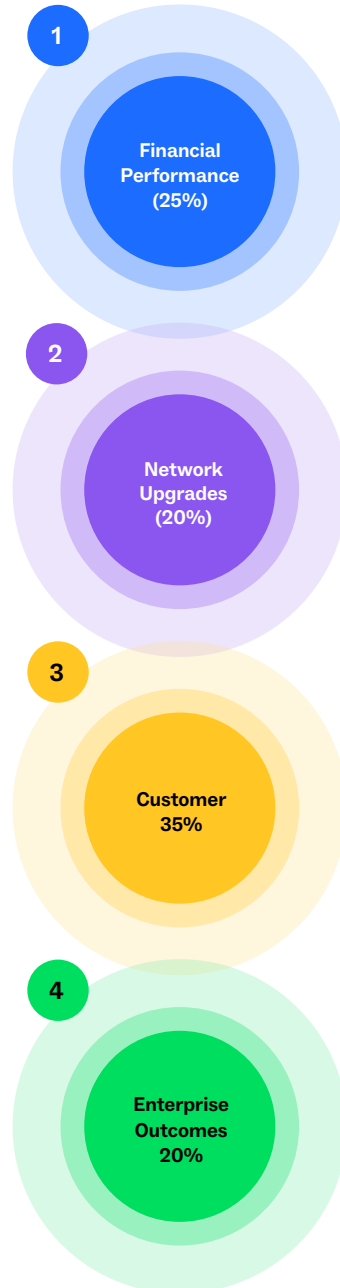
Financial performance

The Company achieved its revenue targets with total revenue increasing by 4 per cent compared to FY23. This revenue growth is supported by a higher number of activated premises and greater average end-user revenue speed.

Operating expenses were also favourable to budget as the Company continued its focus on delivering efficient operations and cost management initiatives.

NBN Co also measures its financial performance against its capital expenditure and capital efficiency metrics to deliver its significant network investment programs. These capital programs (FTTN to FTTP upgrades and Fixed Wireless capacity upgrades) are on track to deliver against cost projections, as well as delivery for expected cost as well as delivery timelines, including FTTN to FTTP upgrades and Fixed Wireless capacity upgrades.

During FY24, NBN Co's performance was assessed against four corporate measures as outlined below:





Network upgrades

NBN Co remains on track to deliver against its stated objectives to make 3.5 million FTTN premises eligible to upgrade to an FTTP service by December 2025 and to deliver 50 Mbps speeds across 100% of the Fixed Wireless network by December 2024.

As at 30 June 2024, over 2.3 million FTTN premises had been declared as Ready for Order (RFO), which is an increase of 1.25 million compared to 30 June 2023.

NBN Co added over 32 thousand new wireless cells to the existing Fixed Wireless network to help improve the speed and reliability for customers on the network. These cells are a critical component in NBN Co's ambition to uplift the typical wholesale busy period speed to 50 Mbps by the end of 2024.

Customer

NBN Co has supported Australia through the provision of secure and resilient broadband access in conjunction with the telecommunications industry. During FY24, the nbn^(R) network has performed very strongly and this has been reflected in the customer satisfaction, reputation and complaint metrics. For the third consecutive year, NBN Co has recorded an annual increase in Reputation score.

The Company has continued to improve its operational performance, with metrics such as right first time and missed appointments tracking better than target for the year.



Enterprise outcomes

The enterprise outcomes cover a broad range of company initiatives to deliver program outcomes across the business. These outcomes are tracked against a variety of financial and non-financial metrics which are reported to management and the Board on a regular basis.

They are designed to align with targeted outcomes that facilitate NBN Co's short-term and long-term objectives including NBN Co's science-based emissions reduction targets.

FY24 STI Outcome

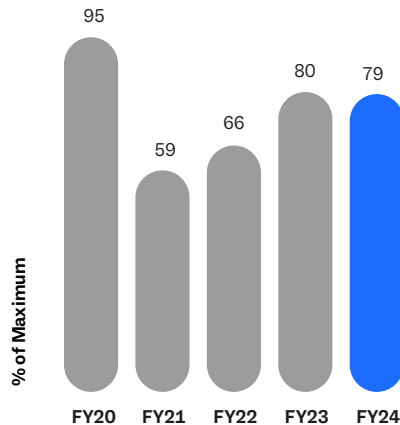
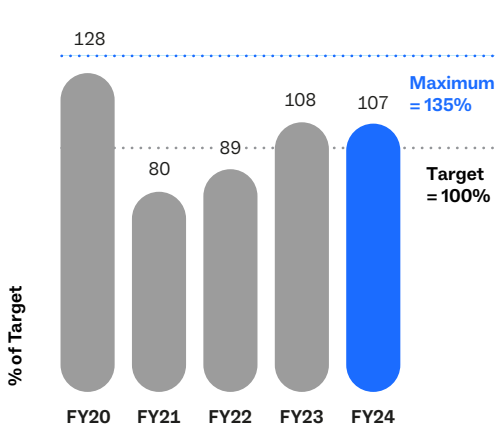
As illustrated by the preceding summary, NBN Co has met or exceeded the STI Performance Objectives set for FY24.

The Board accordingly arrived at a figure of 79 per cent of maximum for the STI for KMPs. This was equivalent to a STI award pool of \$5.3 million for all eligible participating employees. The list of KMP during FY24 disclosed in this report is shown on page 114 and a summary of remuneration received during the financial year is shown on pages 125 to 127.

Historical STI Awards

The graphs below show the historical STI Awards for NBN Co over the past five years against the Corporate Performance Factor.

Historical STI Awards



REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of Senior Executives

Remuneration for Senior Executives deemed to be KMP is shown in the table below. NBN Co has applied the requirements of the PGPA Rule in its disclosures for the period ended 30 June 2024, which includes the assessment of Senior Executives as KMP in accordance with the meaning defined in AASB 124 *Related Party Disclosures*. Comparative information presented has not been adjusted.

		Short-term benefits		Post-employment		Other benefits		Total	
		Base salary and fees ¹	STI award ²	Super-annuation	Other Post Employment	STI award deferral ²	Long Service Leave ³		Termination Benefits
		\$	\$	\$	\$	\$	\$	\$	
Senior Executives deemed to be KMP as at 30 June 2024									
S Rue ⁴	2023	2,203,295	704,376	25,292	-	-	104,053	-	3,037,016
	2024	2,019,223	644,994	23,229	-	-	165,224	-	2,852,670
D Ljubanovic ⁵	2023	-	-	-	-	-	-	-	-
	2024	543,869	128,166	20,549	-	-	16,300	-	708,884
W Irving	2023	1,006,244	228,160	25,292	-	-	15,398	-	1,275,094
	2024	1,091,625	228,466	27,399	-	-	23,598	-	1,371,088
P Knox	2023	958,022	218,592	25,292	-	-	17,086	-	1,218,992
	2024	1,036,636	257,829	27,399	-	-	38,242	-	1,360,106
J Parkin	2023	836,951	176,040	25,292	-	-	14,705	-	1,052,988
	2024	809,527	180,188	27,399	-	-	33,041	-	1,050,155
A Perrin	2023	425,973	89,951	12,646	-	-	487	-	529,057
	2024	1,013,706	219,038	27,399	-	-	2,747	-	1,262,890
Former Executives deemed to be KMP									
K Dyer ⁶	2023	1,157,878	254,232	25,292	-	95,315	(13,146)	-	1,519,571
	2024	276,182	-	6,850	-	-	19,837	-	302,869
B Whitcomb	2023	449,741	-	12,646	-	-	(206,685)	-	255,702
	2024	-	-	-	-	-	-	-	-
Total	2023	7,038,104	1,671,351	151,752	-	95,315	(68,102)	-	8,888,420
	2024	6,790,768	1,658,681	160,224	-	-	298,989	-	8,908,662

NOTES

- 2024 base salary includes annual leave paid and the movement in the annual leave provision during the period calculated in accordance with AASB 119 *Employee Benefits*.
- The cash STI award for FY24 is to be paid in August 2024.
- Long service leave amounts relate to the movement in the provision for long service leave during the relevant period, which is calculated in accordance with Australian Accounting Standards. In estimating the provision, consideration is given to expected future wage and salary levels, fulfilment of service level milestones and periods of service. Expected future payments are discounted using market yields at the balance date on national corporate bonds. Long service leave provisioning is adjusted for cessation of employment, including retirement, to reflect the settlement of any entitlements.
- S Rue ceased as KMP on 6 May 2024. The remuneration included in the table covers the period that Mr Rue was KMP. Post resignation, Mr Rue remained an employee of NBN Co and has continued to provide ongoing service to NBN Co during his notice period, albeit on a restricted basis that did not meet the definition of KMP. Mr Rue's notice period runs until 4 November 2024 and he is estimated to receive total remuneration of \$1,425,826 during his notice period, in accordance with the contractual terms and conditions of his employment contract.
- Aggregate KMP year on year comparisons are impacted by the appointment of Mr D Ljubanovic on 1 October 2023.
- The remuneration included in the table covers the period that Ms Dyer was KMP. After ceasing to be KMP on 30 September 2023, Ms Dyer remained an employee of NBN Co and continued to provide ongoing service during her notice period, albeit on a restricted basis that did not meet the definition of KMP. Ms Dyer's notice period ran until 31 January 2024 and she received total remuneration of \$456,072 after ceasing to be KMP until the end of her notice period. This remuneration was made in accordance with the contractual terms and conditions of her employment contract.

Non-Executive Directors

Non-Executive Director fees

All Non-Executive Directors of NBN Co are appointed by the Commonwealth of Australia through the Shareholder Ministers.

Fees for Non-Executive Directors are set through the determinations of the Commonwealth Remuneration Tribunal (the Tribunal), an independent statutory body overseeing the remuneration of key Commonwealth offices. NBN Co is regulated to comply with the Tribunal's determinations and plays no role in the consideration or determination of Non-Executive Director fees.

The Tribunal sets annual Chair and Board fees (exclusive of statutory superannuation contributions) that are inclusive of all activities undertaken by Non-Executive Directors on behalf of NBN Co (i.e. inclusive of Committee participation). Statutory superannuation is paid in addition to the fees set by the Tribunal.

The following table sets out the Non-Executive Director fees (excluding superannuation) as directed by the Tribunal for FY24 and FY23.

Board position	2023–24 annual entitlement From 1 July 2023	2022–23 annual entitlement From 1 July 2022
Chair	242,510	233,180
Non-Executive Directors	121,320	116,650

Remuneration of Non-Executive Directors

Remuneration for Non-Executive Directors for FY24 and FY23 is shown in the table below:

		Short-term benefits	Post- employment	Total remuneration
		Director fees \$	Superannuation contributions \$	\$
Non-Executive Directors				
P Bains	2023	116,650	12,248	128,898
	2024	121,320	13,345	134,665
N Caesar	2023	116,650	12,248	128,898
	2024	121,320	13,345	134,665
D Clarke ¹	2023	116,650	12,248	128,898
	2024	16,703	1,835	18,538
A Dix ²	2023	116,650	12,248	128,898
	2024	93,288	10,262	103,550
N Lockwood	2023	116,650	12,248	128,898
	2024	121,320	13,345	134,665
M Malone	2023	116,650	12,248	128,898
	2024	121,320	13,345	134,665
K McKenzie	2023	233,180	24,484	257,664
	2024	242,510	26,676	269,186
M Mrdak ³	2023	-	-	-
	2024	90,990	10,009	100,999
E Parker	2023	116,650	12,248	128,898
	2024	121,320	13,345	134,665
K Russell ⁴	2023	-	-	-
	2024	23,437	2,578	26,015
Total	2023	1,049,730	110,220	1,159,950
	2024	1,073,528	118,085	1,191,613

NOTES

1. D Clarke ceased to be a Non-Executive Director effective 21 August 2023.
2. A Dix ceased to be a Non-Executive Director effective 6 April 2024.
3. M Mrdak was appointed as a Non-Executive Director effective 1 October 2023.
4. K Russell was appointed as a Non-Executive Director effective 22 April 2024.





CORPORATE GOVERNANCE STATEMENT

NBN Co is committed to meeting high standards of corporate governance which it considers essential to its long-term performance and sustainability, and to be in the best interests of its stakeholders and shareholders.



The NBN Co Board and Executive Committee are committed to excellence and continued improvement in corporate governance and aspire to the highest standards of conduct and disclosure.

To support this aspiration, the Board and the Executive Committee have embedded a framework that enhances corporate performance and protects the interests of all key stakeholders. The Board and its Committees have overall responsibility for corporate governance and are collectively focused on the long-term success of the Company. Areas of specific responsibility include financial performance, setting strategy and overseeing its implementation, providing leadership and direction on workforce culture and values, and agreeing and overseeing the risk framework and risk appetite. The Board regularly reviews its corporate governance policies and processes to ensure they are appropriate and align with Government, regulatory and legislative requirements, and market practice. Going forward, the Company will continue to focus on organisational culture by encouraging an environment where people and stakeholders feel comfortable raising issues and ensuring the Board and management are kept informed of incidents that may impact the business.

In addition, the Company will continue its voluntary adoption of those ASX Corporate Governance Principles and Recommendations, which are relevant to NBN Co, as set out in the Statement of Expectations (SoE) issued by its Shareholder Ministers on 19 December 2022.

Corporate structure and governing legislation

This statement, which was approved by the Board on 6 August 2024, outlines the most significant aspects of NBN Co's Corporate Governance Framework.

As NBN Co is wholly-owned by the Commonwealth of Australia, under Section 250N (4) of the *Corporations Act 2001* (Cth), it is not required to hold an Annual General Meeting.

NBN Co's Governance Framework is regularly reviewed to ensure it aligns to Government, regulatory and legislative requirements, and market practice relevant to the Company. NBN Co's governance practices continue to evolve, having regard to the:

- *National Broadband Network Companies Act 2011* (Cth)
- *PGPA Act 2013* (Cth) (PGPA Act) and *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule)
- *Corporations Act 2001* (Cth)
- *Telecommunications Act 1997* (Cth)
- *Competition and Consumer Act 2010* (Cth)
- *Public Interest Disclosure Act 2013* (Cth)
- *Freedom of Information Act 1982* (Cth)
- *National Anti-Corruption Commission Act 2022* (Cth)
- *Commonwealth Competitive Neutrality Policy Statement*
- *Taxation Administration Act 1953* (Cth)
- *Commonwealth Government Business Enterprise Governance and Oversight Guidelines (January 2018)* (GBE guidelines)
- *Privacy Act 1988* (Cth)
- other resource management guides issued by the Department of Finance that are applicable to NBN Co
- NBN Co's adoption of the ASX Corporate Governance Principles and Recommendations relevant to the Company, as set out in the SoE. NBN Co's practices are consistent with the relevant 4th edition Principles and Recommendations (February 2019), which are applicable to NBN Co.



Our governance framework is underpinned by:

- a skilled, experienced, diverse and independent Board supported by Board Committees dedicated to achieving high corporate governance standards
- clear delegation, authorisation and accountability frameworks
- a robust risk management framework used to identify and manage risks to NBN Co's business
- a robust set of processes to verify the integrity of NBN Co's corporate reporting, and ensure timely and balanced disclosures of relevant information to NBN Co's Board and stakeholders
- open and effective communications with Shareholder Ministers and their Departments
- a clear tone from the top with a strong internal control framework supported by NBN Co's Code of Conduct, policies and procedures, supporting a culture across NBN Co of acting lawfully, ethically and responsibly
- an embracement of diversity and inclusion.

Principle

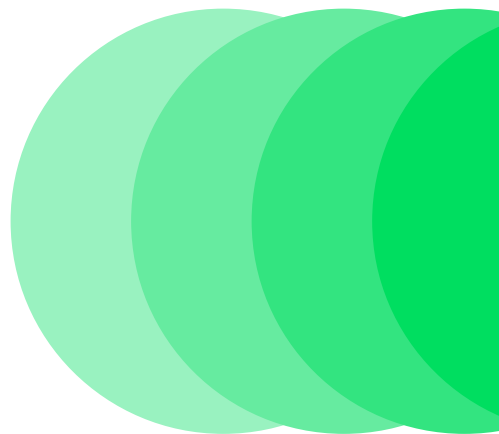
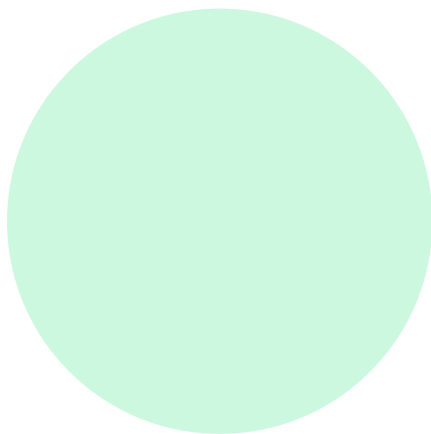
Lay solid foundations for management and oversight (based on ASX Principle 1)

The role and responsibilities of the NBN Co Board

The *Corporations Act 2001* (Cth) and NBN Co's Constitution establish and define the corporate powers of NBN Co which are exercised by the Board, unless exercised by the Shareholder Ministers under NBN Co's Constitution. The powers of NBN Co must be exercised in accordance with the objects set out in its Constitution, in particular to rollout, operate and maintain a national wholesale broadband network, and facilitate the implementation of Australian Government broadband policy and regulation.

The Board regards NBN Co as bound by and required to implement Australian Government broadband policy as set out in formal communications from its Shareholder Ministers as well as to exercise its powers in the best interests of NBN Co. The best interests of NBN Co are defined by reference to the objects and purposes of NBN Co, Australian Government policy communicated to NBN Co from time to time, including by way of the SoE, and as set out in the GBE Guidelines.

NBN Co's Board Charter sets out the powers and responsibilities of the Board. The Charter is reviewed annually by the Board and is available on NBN Co's website: <https://www.nbnco.com.au/corporate-information/about-nbn-co/governance/board>



The Board's key responsibilities are:

- establishing and overseeing a sound corporate Governance Framework
- approving NBN Co's strategic direction
- engaging with its Shareholder Ministers on Australian Government policy requirements
- annually preparing and submitting a Corporate Plan and Statement of Corporate Intent to the Australian Government as per the PGPA Act
- supervising and challenging management in the implementation of NBN Co's strategic direction, the Corporate Plan and Statement of Corporate Intent and compliance with legal and regulatory obligations
- ensuring the solvency of NBN Co
- ensuring the long-term financial and organisational sustainability of NBN Co, including considering the culture and behaviours of NBN Co management and personnel
- demonstrating leadership of NBN Co, challenging management where necessary in its decision-making and holding management to account
- taking the necessary steps to ensure compliance with duties and obligations imposed on the Board and NBN Co by law, and by NBN Co's Constitution, including compliance and financial reporting requirements and the supervision of the development of risk management and internal control systems
- overseeing and monitoring 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
- setting work health, safety and environmental performance objectives, developing appropriate policies and controls, ensuring legal compliance, and ongoing progress monitoring
- approving and supervising the implementation of an appropriate internal Governance Framework for NBN Co including (but not limited to):
 - developing, promoting and ensuring compliance with NBN Co's values and Governance Framework
 - reporting on and investigating reports of unethical practice within NBN Co
 - setting diversity objectives, developing a diversity policy and monitoring progress towards achieving such objectives
 - approving policies and frameworks for, and monitoring, internal control systems
 - approving and monitoring NBN Co's compliance with NBN Co's internal and external audit requirements, including overseeing the implementation of all audits

- either approving or noting (where appropriate) and then monitoring those policies which bind NBN Co's employees, Directors or, (where specifically provided for in a relevant policy) third parties dealing with NBN Co
- ensuring NBN Co acts within its powers as set out in rule 4 of its Constitution
- endeavouring to govern NBN Co's activities so as to minimise any divergence of interests between NBN Co and its Shareholder Ministers
- regularly monitoring the ongoing independence of each Director and the Board generally to ensure each Director continues to exercise unfettered and independent judgement and does not have any interests that derogate from carrying out the role intended with diligence and care
- establishing and maintaining a register of interests to ensure potential conflicts can be managed and identified.

Delegation of powers

The Board may delegate its powers as it considers appropriate and has:

- established a formal Delegation of Authority Framework
- delegated many of its powers to the Chief Executive Officer (CEO) who is responsible for implementing strategic objectives, policies, the budget of NBN Co (approved by the Board) and the additional responsibilities set out in rule 12.2 of NBN Co's Constitution. The CEO has delegated some of his powers to the members of NBN Co's Executive Committee and established standing committees to streamline the discharge of its responsibilities. Delegations are also outlined in the Delegation of Authority Policy and Powers of Attorney which documents and consolidates the functions which the Board has authorised particular staff and officers of NBN Co to carry out.

Matters specifically reserved for the Board are detailed in Section 3.4 of NBN Co's Board Charter.

Rule 8.1.1 of NBN Co's Constitution states that the Commonwealth may pass a resolution where the Ministers sign the resolution and provide it to the Company for its records, and to the extent permitted by law, any power exercisable by the Company may be exercised in that manner.

NBN Co holds an annual strategic planning meeting attended by Directors and key Executives. From time to time, NBN Co's Shareholder Ministers and representatives of its Shareholder Ministers' Departments are invited to attend the meeting. External guest speakers may also be invited to present at the meeting.

NBN Co's 2024 strategic planning meeting is expected to be held in the second half of the 2024 calendar year.

NBN Co's Executive Committee (ExCo)

ExCo comprises the CEO and Executives. Further details about ExCo are outlined on pages 104 to 107.

Appointments

Directors are appointed by the Commonwealth in a formal letter of appointment setting out the key terms and conditions, including certain information prescribed in the GBE Guidelines to ensure each Director clearly understands NBN Co's expectations of the Director.

Rule 5.5.1 of NBN Co's Constitution states that the term of office of a Director is to be determined by the Commonwealth at the time of appointment, with the maximum term of office to be three years.

Rule 5.5.2 of NBN Co's Constitution states that a Director retires, but is eligible for re-appointment on the expiry of his or her term of office. The Commonwealth may at any time by written notice to NBN Co:

- appoint a person to be an additional or replacement Director
- remove a Director from his or her office without compensation, whether or not the Director's appointment was expressed to be for a specified period.

Rule 7.3.1 of NBN Co's Constitution states the Chair must be appointed by the Commonwealth from amongst the Directors. In accordance with section 2.8(b) of the GBE guidelines, the current Chair is not an NBN Co Executive.

Performance of the Board

From time to time, the effectiveness of the process and the performance of NBN Co's Board is reviewed. The review process is usually determined by NBN Co's Nominations Committee and the final report is provided to the Board.

Reviews of the performance of the Board, Board Committees and individual Directors (including the Board Chair) have been undertaken in the following years; from 2011 to 2019, 2021, 2022 and 2023.

The next annual Board performance review will be undertaken in the second half of the 2024 calendar year.

Performance of the Senior Executives

The performance of NBN Co's Senior Executives is reviewed annually by the People and Remuneration Committee.

The outcomes of the FY24 performance evaluations and information about NBN Co's remuneration framework and policies for the Senior Executives are set out in the Remuneration Report on pages 118 to 124.

Company Secretaries

In accordance with rule 5.9.1 of NBN Co's Constitution, the Company Secretaries hold office on terms and conditions determined by the Board. The appointment or removal of the Company Secretaries is to be made or approved by the Board. Details of the Company Secretaries are included on page 108.

The responsibilities of the Company Secretaries are detailed in Section 7 of the Board Charter. Each Director has access to the Company Secretaries.

The Company Secretaries are accountable to the Board through the Board Chair on all matters relating to the proper functioning of the Board and also have a management reporting line to the CEO or his delegate.

The roles and responsibilities of each Company Secretary are managed internally.

Diversity, equity and inclusion

NBN Co is committed to the promotion of diversity, equity and inclusion among its people, in the workplace and in the community.

A diverse, equitable and inclusive workplace allows the Company to leverage different perspectives for enhanced outcomes and in turn, deliver better solutions for NBN Co's communities and customers. It helps to drive a culture of inclusion that is necessary to deliver on NBN Co's purpose of lifting the digital capability of Australia.

Further information about the diversity, equity and inclusion initiatives undertaken by NBN Co are set out in the Directors' Report on pages 68 to 71.

Strength in diversity opportunity through inclusion



Objectives and targets for female representation

NBN Co is working towards achieving gender equality throughout the organisation, with the following objectives and targets.

Measure	Objective	Future targets
Female representation in management ¹	Increase representation of females in management roles	Increase female representation to 40% by end of 2025
Employee engagement	Increase engagement score of females to equal to, or greater than, that of NBN Co-wide engagement	No material difference between males and females
Female representation in graduate intake	Maintain female representation in graduate intake	Maintain 50% female representation

Senior Executive positions held by females (as at 30 June 2024):

Role	Percentage
Executive Committee	40.0%
Senior management	38.0%
Middle management	35.3%
Total females in management	36.1%

1. Including Executive, Senior and Middle management, excluding Board.

Principle

Structure the Board to be effective and add value
(based on ASX Principle 2)

Board Composition

Pursuant to Rule 5.4.1 of NBN Co's Constitution, the Board is to comprise a minimum of three and a maximum of nine Directors. The Board currently comprises eight Non-Executive Directors. The interim CEO is not a Director.

Membership of the Board as at the signing date comprises:

- Kate McKenzie, Chair, appointed as a Non-Executive Director effective 1 December 2019 and as Chair of NBN Co effective 1 January 2022
- Pam Bains, appointed as a Non-Executive Director effective 19 March 2022
- Nerida Caesar, appointed as a Non-Executive Director effective 1 January 2022
- Nicole Lockwood, appointed as a Non-Executive Director effective 19 March 2022
- Michael Malone, appointed as a Non-Executive Director effective 20 April 2016
- Mike Mrdak, appointed as a Non-Executive Director effective 1 October 2023
- Elisha Parker, appointed as a Non-Executive Director effective 8 December 2021
- Kevin Russell, appointed as a Non-Executive Director effective 22 April 2024

Andrew Dix was a Non-Executive Director from 7 April 2021 to 6 April 2024. Drew Clarke was a Non-Executive Director from 22 August 2017 until 21 August 2023. Stephen Rue was Managing Director from 1 September 2018 until 6 May 2024.

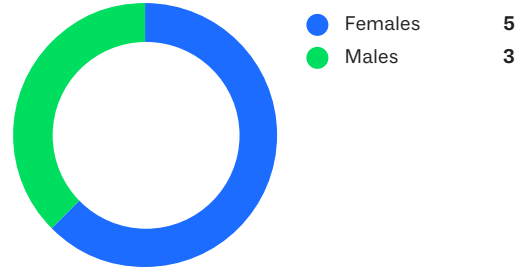
All Directors with the exception of Mr Clarke, Mr Russell, Mr Rue, Mr Dix and Mr Mrdak were in office for the full period from 1 July 2023 to 30 June 2024.

Full details of current Directors including names, appointment dates, term expiration dates, qualifications, experience and remuneration are included in the Directors' Report on pages 97 to 102 and Remuneration Report on pages 126 to 127.

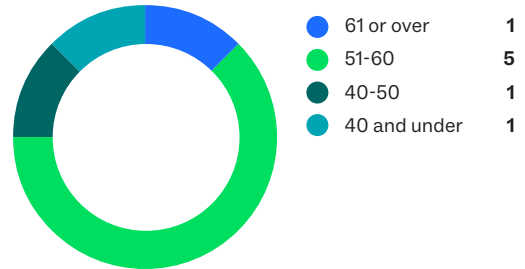
Board diversity

The NBN Co Board seeks to ensure it has an appropriate mix of skills, experience and diversity to enable it to effectively discharge its responsibilities.

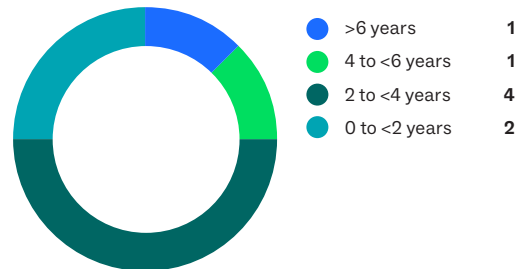
Gender



Age



Tenure



Meetings

Agendas for all Board meetings are prepared and finalised by the nominated Company Secretary in consultation with the Board Chair and the CEO. Directors receive Board reports in advance of each meeting via NBN Co's Board portal.

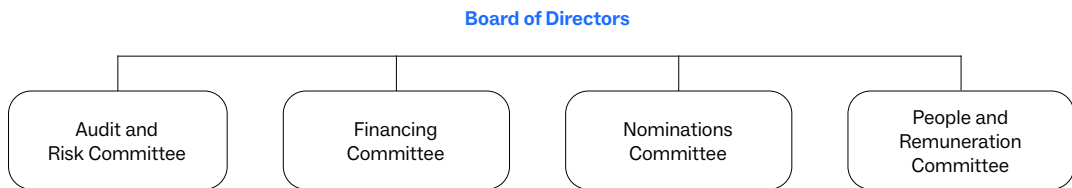
Key NBN Co Executives are invited to participate in Board meetings.

The Board met ten times during the period from 1 July 2023 to 30 June 2024. Directors' attendances are set out in the Directors Report on page 103.

Standing Committees - an overview

To assist in the performance of its responsibilities, the Board currently has four Committees, each of which is governed by a formal charter setting out its purpose, role, responsibilities, composition, structure and membership.

NBN Co's Governance Framework:



NBN Co Board and Committee membership:

	Board	Audit and Risk Committee	Financing Committee	Nominations Committee ²	People and Remuneration Committee
Ms Pam Bains ²	●	●	●	●	–
Ms Nerida Caesar	●	●	●	●	–
Mr Drew Clarke AO PSM ³	●	–	–	●	●
Mr Andrew Dix ⁴	●	●	●	●	–
Ms Kate McKenzie	●	●	●	●	●
Mr Michael Malone	●	–	–	●	●
Ms Nicole Lockwood	●	–	–	●	●
Ms Mike Mrdak ⁵	●	●	–	●	–
Ms Kevin Russell ⁶	●	●	–	●	–
Ms Elisha Parker	●	–	–	●	●
Mr Stephen Rue ⁷	●	●	●	●	●

- Board or Committee chair
- Board or Committee member
- Attends Board or Committee as a guest

1. Non-Executive Directors automatically become a member of the Nominations Committee from the effective date of their appointment to the Board.
2. Ms Bains was appointed as an interim member of the Financing Committee effective 7 April 2024.
3. Mr Drew Clarke AO PSM ceased as a Non-Executive Director 21 August 2023 at the expiry of his term of appointment.
4. Mr Andrew Dix ceased as a Non-Executive Director on 6 April 2024 at the expiry of his term of appointment.
5. Mr Mrdak was appointed as Interim Chair of the Audit and Risk Committee effective 7 April 2024.
6. Mr Kevin Russell was appointed to the Board effective 22 April 2024 and to the Audit and Risk Committee effective 14 May 2024.
7. Mr Stephen Rue ceased as an Executive Director on 6 May 2024.

Audit and Risk Committee

The Audit and Risk Committee was established on 13 August 2009 and assists the Board in:

- satisfying itself that NBN Co complies with its financial management, performance reporting, risk oversight and management, internal controls, reporting obligations, and compliance with relevant laws and policies
- providing a forum for communication between the Board, Senior management of NBN Co, and the internal and external auditors of NBN Co. In particular, the Committee supervises or reviews and makes the necessary recommendations to the Board in relation to: the preparation of periodic financial statements of NBN Co to comply with its financial reporting requirements; the delivery and effective implementation of an annual strategic internal audit plan; an annual external audit plan; NBN Co's risk management system; a plan setting out procedures and strategies for the effective prevention, detection and management of fraud or corruption and other inappropriate practices; a system for the integration and alignment of assurance processes; the delivery of the Internal Audit and Fraud Plan and Enterprise Risk, Resilience and Compliance Strategies; significant changes in accounting policies; the maintenance of effective and efficient internal and external audit processes; the approach followed in establishing NBN Co's resilience planning arrangements; the steps management takes to embed a culture that promotes the proper use of Commonwealth resources, a commitment to ethical and lawful behaviour and a proactive approach to dealing with compliance; auditor independence and performance; and compliance with laws and regulations by NBN Co.

Subject to the PGPA Act and PGPA Rule, the Committee is appointed by the Board, and is to consist of at least three members. All Committee members are independent Non-Executive Directors.

At least one member is to have financial expertise and the necessary technical knowledge and understanding of the industry in which NBN Co operates so as to be able to assist the Committee to effectively discharge its risk-related mandate. For independence purposes, the Chair of the Committee is an independent Non-Executive Director appointed by the Board who is not the Chair of the Board.

As at 30 June 2024, the Committee comprised:

- Mike Mrdak (appointed as Committee member effective 14 November 2023 and Interim Committee Chair effective 7 April 2024)
- Pam Bains (appointed effective 28 March 2022)
- Nerida Caesar (appointed effective 14 December 2021).
- Kevin Russell (appointed effective 14 May 2024).

Kate McKenzie, Board Chair, attended the Committee meetings as a guest effective from 1 January 2022.

Stephen Rue attended Committee meetings as a guest in his role as Managing Director and CEO until 6 May 2024. Philip Knox, as Interim CEO, attended Committee meetings as a guest from 7 May 2024.

Refer to pages 97 to 102 of the Directors' Report for the relevant qualifications and experience of the Committee members.

The Committee will schedule a minimum of four meetings each year. Details of the number of Committee meetings each Director was eligible to attend and the number of Committee meetings attended during the period from 1 July 2023 to 30 June 2024 are set out in the Directors' Report on page 103.

Directors appointed as a member of the Audit and Risk Committee are not remunerated for such an appointment.

In accordance with Section 4.6 (d) of its Charter, the Committee met separately with NBN Co's external auditors during the period from 1 July 2023 to 30 June 2024.

A copy of the Audit and Risk Committee Charter can be found on the NBN Co website: <https://www.nbnco.com.au/corporate-information/about-nbn-co/governance/committees>

Financing Committee

The Financing Committee was established on 5 November 2020 and assists the Board by considering and approving matters relating to funding arrangements and debt capital markets.

The Committee is to consist of at least three members, at least one of whom is to have financial expertise in large scale corporate financing. All Committee members are independent Non-Executive Directors. The Chair of the Committee is an independent Non-Executive Director appointed by the Board and may be the Chair of the Board.

As at 30 June 2024 the Committee comprised:

- Kate McKenzie (appointed as a Committee member effective 5 November 2020 and as Committee Chair effective 7 February 2022)
- Pam Bains (appointed effective 7 April 2024)
- Nerida Caesar (appointed effective 7 February 2022).

Stephen Rue attended Committee meetings as a guest in his role as Managing Director and CEO until 6 May 2024. Philip Knox, as Interim CEO, attended Committee meetings as a guest from 7 May 2024.

Nominations Committee

The Nominations Committee was established on 24 March 2015 and assists the Board in fulfilling its governance responsibilities in relation to:

- the appointment, induction, independence, diversity and ongoing assessment of the skills and experience of Directors
- reviewing the composition of the Board and CEO recruitment, and ensuring newly appointed Directors are afforded an appropriate induction process that is periodically reviewed
- succession planning for Directors, the CEO and members of NBN Co's Executive Committee, including provision of appropriate support to Shareholder Ministers as part of the process for recruitment of the CEO and appointment of new Directors
- evaluating the performance of the Board, its Committees and Directors.

The Committee is to consist of at least three members including the Chair of the Board, and Chairs of the Board's sub-committees. All Committee members are independent Non-Executive Directors. The Chair of the Committee is an independent Non-Executive Director appointed by the Board and may be the Chair of the Board.

As at 30 June 2024 the Committee comprised:

- Kate McKenzie (appointed as a Committee member effective 1 December 2019 and as Committee Chair effective 28 June 2022)
- Pam Bains (appointed effective 19 March 2022)
- Nerida Caesar (appointed effective 1 January 2022)
- Nicole Lockwood (appointed effective 19 March 2022)
- Michael Malone (appointed effective 20 April 2016)
- Mike Mrdak (appointed effective 1 October 2023)
- Elisha Parker (appointed effective 8 December 2021)
- Kevin Russell (appointed effective 22 April 2024).

Stephen Rue attended Committee meetings as a guest in his role as Managing Director and CEO until 6 May 2024. Philip Knox, as Interim CEO, attended Committee meetings as a guest from 7 May 2024.

The Committee will schedule a minimum of one meeting each year. Details of the number of Committee meetings each Director was eligible to attend and the number of Committee meetings attended during the period from 1 July 2023 to 30 June 2024 are set out in the Directors' Report on page 103.

A copy of the Nominations Committee Charter can be found on the NBN Co website: <https://www.nbnco.com.au/corporate-information/about-nbn-co/governance/committees>

People and Remuneration Committee

The People and Remuneration Committee (formerly Remuneration and Nominations Committee) was established on 7 February 2014.

The Committee assists the Board in fulfilling its governance responsibilities in relation to:

- establishing people management and remuneration policies for NBN Co that enable NBN Co through its executive leadership to attract and retain capable employees who can help deliver its vision
- fostering exceptional talent and performance while motivating and supporting employees to pursue the growth and success of the nbn[®] network
- fairly and responsibly rewarding employees, having regard to the performance of NBN Co, individual performance, statutory and regulatory requirements, contractual employment obligations and current business norms.

The Committee is to consist of at least three members, the majority of whom are independent Non-Executive Directors.

As at 30 June 2024 the Committee comprised:

- Nicole Lockwood (appointed as a Committee member effective 28 March 2022 and as Committee Chair effective 1 November 2022)
- Kate McKenzie (appointed as a Committee member effective 1 December 2019, as Committee Chair effective 7 February 2022 and ceased as Committee Chair effective 31 October 2022)
- Michael Malone (appointed effective 19 November 2019)
- Elisha Parker (appointed effective 7 February 2022).

Stephen Rue attended Committee meetings as a guest in his role as Managing Director and CEO until 6 May 2024. Philip Knox, as Interim CEO, attended Committee meetings as a guest from 7 May 2024.

The Committee will schedule a minimum of three meetings each year. Details of the number of Committee meetings each Director was eligible to attend and the number of Committee meetings attended during the period from 1 July 2023 to 30 June 2024 are set out in the Directors' Report on page 85.

Standing Committees - in general

Committee members are appointed by the Board for a term that coincides with the earliest of the expiration of the Director's term of appointment, his or her death or resignation or removal as a Committee member or as a Director or, the termination of the Committee. Existing members may be reappointed. The Chair of each Committee is appointed by the Board.

All Directors who are not Committee members are entitled to attend any Committee meeting, subject to conflicts of interest. All Directors have access to all Board and Committee reports via NBN Co's Board portal.

Key NBN Co Executives are invited to participate in Committee meetings.

Each Committee operates pursuant to a Board approved Charter which is reviewed periodically by the relevant Committee and any proposed changes to a Charter must be approved by the Board. Each Committee Charter is available on NBN Co's website.

Agendas for all Committee meetings are prepared and finalised by the nominated Company Secretary in consultation with the Committee Chair and appropriate key NBN Co Executives.

Committee members receive Committee reports in advance of each meeting via NBN Co's Board portal.

At the Board meeting immediately following a Committee meeting, the Board is provided with a report by the Chair of the Committee on the Committee's deliberations, conclusions, resolutions and recommendations.

The nominated Company Secretary, in consultation with the Board and Committee members, sets Board and Committee meeting dates, to the extent possible, at least 12 months in advance.

Board skills

The Board seeks to ensure it has an appropriate mix of skills, experience and diversity to enable it to effectively discharge its responsibilities. This is supported through one of the Board's standing committees, the Nominations Committee, which reviews the Directors' skills and experience in the form of a skills matrix, and the composition of the Board. This is generally reported to the Shareholder Ministers in the form of a Board Plan.

A review of the Directors' skills matrix was undertaken by the Board in 2024. Each Director's skills, experience and performance as a member of the Board is considered as part of NBN Co's Board performance review.

Based on the Nominations Committee's assessment of the Director skill matrix in 2024, collectively the Board's high level of skills and expertise include the following areas:

Skill	Average rating out of 5*
Executive Leadership	4
Strategy	4
Corporate Governance	4
Telecommunications	4
Risk Management and Compliance	4
Reputation	4
Customer Focus	4
Technology	4
Legal and Regulatory	4
Government Stakeholder Relations and Public Policy	3
Financial Acumen and Capital Management	3
Regional and Rural	3
Remuneration	3
Marketing, Products and Services	3
Sustainability	3

* Rounded to the nearest whole number.

Two personal skills considered as part of the skills matrix review were:

Skill	Average rating out of 5*
Board Experience	4
Leadership	4

Legend for Level of Skills & Experience:

- 0 No skills/experience
- 1 Basic skills/experience
- 2 Somewhat skilled/experienced
- 3 Sufficient skills/experience
- 4 Extensive skills, experience and knowledge
- 5 Expert skills and experience
- * Rounded to the nearest whole number.

Independence of Directors

As at the date of this statement, the Board considers all Directors are independent and have remained so throughout the term of their appointment.

At least annually, each current Director is requested to complete a declaration of personal interests which is subject to review by NBN Co's Nominations Committee and subsequently by the Board.

In addition, an assessment of independence is made at any time a Director discloses any new interest or relationship. The Board, through the Chair, evaluates the materiality of any declared interest or relationship that could be perceived to compromise the independence of a Director on a case-by-case basis having regard to the Director's circumstances.

Further, Directors are cognisant of their ongoing obligations to keep the Board and any Committee informed of an interest which could potentially conflict with the interests of the Company. Where a Director has a declared material personal interest and/or may be presented with a potential material conflict of interest in a matter being presented to the Board or a Committee, the Director does not receive copies of Board/Committee reports relating to the matter and generally recuses himself/herself from the Board or Committee meeting at the time the matter is being considered.

Consequently, if recused, the Director also does not vote on the matter. Any disclosures made by a Director at a meeting are minuted.

NBN Co has a Director's Conflicts of Interest Policy which, as of August 2018, incorporates NBN Co's External Securities (Declaration of Interests) Policy.

The Director's Conflicts of Interest Policy is reviewed and approved by the Board on a biennial basis or, more frequently if it is considered necessary or appropriate to do so, as determined by the Board or management.

Independent advisors

In so far as it relates to enabling Directors to fulfil their responsibilities and to exercise independent judgement when making decisions, the Board collectively and each Director individually:

- has access to:
 - any information in the possession of NBN Co
 - management to seek explanations and information in relation to NBN Co, and to NBN Co's auditors (both internal and external) to seek explanations and information from them in relation to the management of NBN Co
- with the prior written consent of the Board Chair, may seek any independent professional advice in accordance with NBN Co's Funding Director Access to Independent Advice Policy which is reviewed and approved by the Board on a biennial basis or, more frequently if it is considered necessary or appropriate to do so, as determined by the Board or management
- may seek any advice or services to be provided to NBN Co by third party advisers in accordance with applicable NBN Co policies and procedures, as amended from time to time.

Induction

NBN Co has an induction program for new Directors which includes references to relevant reading material via NBN Co's Board portal and a list of formal induction sessions with key NBN Co Executives. Upon appointment, each Director receives a letter from the Commonwealth confirming his/her appointment which includes reference to Directors' and Officers' liability insurance coverage.

The induction program is generally reviewed annually by the nominated Company Secretary in consultation with Shareholder Ministers' Departments, by NBN Co's Nominations Committee, and subsequently by the Board.

Ongoing education for Directors is delivered through individual briefings, presentations made by key NBN Co Executives, and Directors visiting some of NBN Co's operational locations.

Directors have ongoing access to professional development opportunities which directly relate to their role as a Director of NBN Co and that will benefit their performance as a member of the Board.

Principle

Instill a culture of acting lawfully, ethically and responsibly
(based on ASX Principle 3)

Statement of values

NBN Co's purpose is to lift the digital capability of Australia. NBN Co is guided by the Company's values:

- We are one team
- We deliver
- We are fearless
- We care.

Directors' shareholding interests

The Directors have no interests in NBN Co shares which are held solely by the Commonwealth of Australia.

Codes of Conduct

NBN Co aims to carry out its business in an open and honest manner, while complying with all applicable laws.

The Directors are committed to the promotion of ethical, honest and responsible decision-making and the observance of their fiduciary duties.

Directors will:

- act in the best interests of NBN Co, at all times bringing independent judgment to bear on matters before the Board, and carry out their duties in accordance with the law and NBN Co's Corporate Governance Framework and policies
- consider the reasonable expectations of NBN Co's stakeholders (including the Shareholder Ministers, and through them the Commonwealth and the Parliament, NBN Co employees, its customers and its suppliers, and, where applicable, given the scale of the project, the broader community)
- investigate reports of breaches by any Director of the Directors' Code of Conduct and will monitor the investigation by management of breaches by employees of the NBN Co Code of Conduct to ensure any systemic issues are adequately addressed.

NBN Co's Directors' Code of Conduct is contained within the Board Charter.

NBN Co also has in place numerous policies including a Code of Conduct, which governs its employees, contractors and consultants who are expected to be aware of and comply with this code as well as obligations set out in relevant legislation. The purpose of the code is to promote a safe, healthy and productive workplace. The code is underpinned by NBN Co's values and the principle of respect. Failure to comply with the Code of Conduct is a serious breach of NBN Co policy. A substantiated breach of the Code of Conduct may result in disciplinary steps through to a person's termination of employment or engagement with NBN Co. A copy of the Code of Conduct, in addition to other key NBN Co policies, including NBN Co's Whistleblower Policy, can be found on NBN Co's website.

Privacy

Taking a respectful and transparent approach to the way personal information is collected, used, disclosed and protected by NBN Co is essential to building trust and supports the important work that NBN Co do in delivering Australia's National Broadband Network.

NBN Co's Privacy Officer is supported by a team of privacy professionals who work in partnership with the business to deliver on its privacy related objectives:

- we are driven by a purpose to connect Australia and to put access to information into the hands of all Australians. In this context, we recognise the value of all information and we strive to protect it as an important asset of individuals, communities and enterprises
- we strive for best practice in complying with the Australian Privacy Principles, which are contained in Schedule 1 of the *Privacy Act 1988* (Cth), in our handling of personal information
- we embed privacy into the development, innovation and improvement of specifications, standards, systems and services
- we are transparent about the ways we collect, use and disclose personal information
- when we handle personal information, we do so in a way that aligns with NBN Co's values
- we educate our people on the appropriate handling of personal information.

Security Group

The Company's enterprise security approach adopts a best practice converged (all-hazards) security function, aligning with the Australian Government's Protective Security Policy Framework where physical, personnel, and cyber capabilities interconnect providing a collaborative and centralised source of detection, management, and governance.

Security is a shared responsibility at NBN Co through a federated model across operational business units to ensure the confidentiality, integrity and availability of the Company's information, systems, and networks are maintained in a unified approach, aligned with the Security Group Strategy.

This unified view and approach to managing all security risks faced by the organisation, combines all the skills and expertise of various security disciplines into a coordinated effort, providing single accountability under NBN Co's Chief Security Officer. The Company's Security Group works closely with Australia's national security agencies, including the Australian Cyber Security Centre (ACSC), the Cyber and Infrastructure Security Centre (CISC), and the Australian Signals Directorate (ASD) to prepare against any potential security threats to our people, assets, or business operations.

The Security Group oversee and support the organisation to govern security risk, providing a positive, quantitative, risk culture, ensuring clear lines of accountability, sound planning, investigation and response, assurance and review processes, and proportionate reporting.

Competition law

NBN Co operates in competitive markets and supplies into competitive markets.

A key focus for NBN Co is to comply with its obligations under general competition law. In addition, there are specific competition law obligations imposed on the telecommunications industry including some that apply only to NBN Co, including:

- supplying carriage services on a fully transparent, wholesale-only basis
- not discriminating between access seekers in supplying carriage services and engaging in related activities
- complying with NBN Co's Special Access Undertaking (SAU) first accepted by the Australian Competition and Consumer Commission (ACCC) on 13 December 2013 and subsequently varied on 9 April 2021 and 17 October 2023.

Competitive Neutrality Policy

NBN Co as a Commonwealth GBE is subject to Commonwealth Competitive Neutrality Policy, which seeks to ensure that government-owned businesses do not obtain a competitive advantage over private enterprise because of their Government ownership.

The Commonwealth Government exempted NBN Co from the debt neutrality requirements under the Commonwealth Competitive Neutrality Policy with respect to the Commonwealth loan of \$19.5 billion.

On 15 November 2022, the Australian Government Competitive Neutrality Complaints Officer delivered its final report to Government on a complaint brought in late 2020 by OptiComm Limited. The final report included a number of findings and recommendations related to NBN Co's compliance with the Competitive Neutrality Policy.

Whistleblower Protection

NBN Co has an established formal Whistleblower Policy (available on NBN Co's website), which, amongst other things, meets the requirements of the three whistleblower regimes that apply to the Company as a GBE, namely the *Public Interest Disclosure Act 2013 (Cth)*, the *Corporations Act 2001 (Cth)* and the *Taxation Administration Act 1953 (Cth)*. The Whistleblower Policy also deals with the application of the *National Anti-Corruption Commission Act 2022 (Cth)* to NBN Co and NBN Co staff members.

The Whistleblower Policy was created to promote and maintain an open working environment in which eligible individuals including Directors, employees and other stakeholders are able to raise genuine concerns regarding unethical, unlawful or other improper conduct, without fear of reprisal and with the support and protection of NBN Co.

The Whistleblower Policy is reviewed and approved by the Board on a biennial basis or more frequently if it is considered necessary or appropriate to do so as determined by the Board or management.

Value for money

As a GBE, key principles regarding value for money, efficiency, transparency, and competition are central to NBN Co's buying decisions.

NBN Co has developed and maintains a Procurement Policy that outlines a fair, competitive process aimed at achieving value for money on a whole-of-life basis. This Policy ensures NBN Co achieves efficient and competitive outcomes, reduces the risk of anti-competitive conduct, makes value-based decisions and effectively manages contracts.

The Procurement Policy is supported by frameworks and processes for sourcing and engaging suppliers as well as for implementing and managing supplier contracts. The Procurement Policy is also an important factor in how NBN Co will demonstrate the prudence and efficiency of its expenditure to the ACCC for the purposes of NBN Co's SAU, as varied in April 2021 and October 2023.

All expenditure at NBN Co should comply with the Procurement Policy and be executed in accordance with NBN Co's Delegation of Authority Policy, agreed principles and audit requirements. The Delegation of Authority Policy is reviewed and endorsed by the Audit and Risk Committee and approved by the Board annually.

This review and approval cycle may occur more frequently if it is considered necessary or appropriate to do so as determined by the Board or management.

Principle

Safeguard the integrity of corporate reports (based on ASX Principle 4)

The Audit and Risk Committee assists the Board in:

- satisfying itself that NBN Co is complying with its financial management, performance reporting, risk oversight and management, internal controls, reporting obligations and compliance with relevant laws and policies
- providing a forum for communication between the Board, senior management of NBN Co, and the internal and external auditors of NBN Co. Refer to page 137 for more information on NBN Co's Audit and Risk Committee.

Internal Control Framework

The Board is responsible for the overall Internal Control Framework and for reviewing its effectiveness but recognises that even best practice internal control systems are unlikely to preclude all errors and irregularities. The framework is intended to provide appropriate assurance on:

- accuracy and completeness of financial reporting against the key performance indicators in the GBE Guidelines
- safeguarding of assets
- maintenance of proper accounting records
- segregation of roles and responsibilities
- compliance with applicable legislation, regulation and best practice
- effectiveness and efficiency of operations and information technology systems
- key strategic and operational risks.

Internal controls have been implemented to identify, evaluate and manage material risks to the achievement of NBN Co's objectives.

These internal controls cover financial, strategic, operational and compliance risk, and take the form of appropriate financial delegations, financial planning and reporting, compliance with appropriate procurement standards, strategic and operational planning, and internal audit practices.

Periodic corporate reports

NBN Co produces a number of periodic corporate reports, including the Half-Year Report, the Annual Report (including the Directors' Report, Remuneration Report, Financial Report and Regulatory Report), Sustainability Bond Report, the Tax Transparency Report and a Corporate Plan and Statement of Corporate Intent as per the PGPA Act.

The full year Financial Report is audited by NBN Co's external auditors. While the external auditors do not provide an audit opinion on the annual Directors' Report, including the operating and financial review section, or the Remuneration Report, both which are contained in the Annual Report, they are reviewed by them and the Audit and Risk Committee, prior to approval by the Board.

The half-year financial statements are subject to an audit review report by NBN Co's external auditors.

Periodic corporate reports that are not audited or reviewed by external auditors are verified internally by management prior to public release. In addition, certain reports are reviewed by the Shareholder Departments prior to being released.

NBN Co's process for verifying unaudited periodic corporate reports is as follows:

- reports are prepared by, or under the supervision of, subject-matter experts
- material statements in the reports are reviewed for accuracy with reference to company source documents or, if no source documents are available, by persons with the knowledge and expertise to confirm the accuracy and completeness of the disclosures
- relevant Executives further review and approve the disclosures.

These processes are intended to ensure that all applicable laws, regulations and company policies have been complied with, and that appropriate internal approvals are obtained before a report is publicly released.

Internal Audit

Internal Audit is a key component of NBN Co's governance framework. It provides independent and objective assurance and consulting activities designed to protect and enhance value and improve NBN Co's operations.

The Internal Audit function is independent, with NBN Co's Chief Audit Executive (CAE), who is the General Manager of Group Internal Audit and Fraud, reporting administratively to the CFO and functionally to the Audit and Risk Committee.

The CAE has free and unrestricted access to the Audit and Risk Committee and the Board. The Audit and Risk Committee, in turn, has been constituted by the Board under Section 92 of the PGPA Act to review and endorse an annual Internal Audit Plan. The Internal Audit function operates in accordance with a Board approved Charter which is reviewed annually by the Audit and Risk Committee and the Board.

NBN Co operates a co-sourced internal audit and fraud model with dedicated professional in-house internal audit and fraud staff working with Ernst & Young, KPMG, Protiviti, PKF Integrity and KordaMentha resources as co-sourced internal audit and fraud service providers. Other providers are used on an as-needed basis.

Outcomes of internal audit reviews are provided to the Audit and Risk Committee for its review in compliance with Section 28 of the PGPA Rule. The internal audit activity also seeks to meet or exceed the mandatory guidance provided in the International Professional Practices Framework, published by the Global Institute of Internal Auditors.

External audit

Under Section 98 of the PGPA Act, the Auditor General is responsible for auditing the financial statements of Commonwealth companies. In addition, NBN Co's Annual Report is tabled in Parliament and its financial accounts are lodged with the Australian Securities and Investments Commission. The Australian National Audit Office has contracted PwC to audit the Company on behalf of the Auditor-General.

NBN Co applies audit independence principles in relation to the external auditors.

The Audit and Risk Committee meets with the external auditor during the year to:

- discuss the external audit plans, identify any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements
- review the results and findings of the external auditor, the appropriateness of accounting and financial reporting, performance reporting, risk oversight and management, the internal control system and the implementation of any recommendations made
- finalise annual reporting, review the preliminary financial statements prior to sign-off and any significant adjustments required as a result of the external auditor's findings
- review fees paid by NBN Co to the external auditors which are provided in Note H4 to the financial statements.

Fraud risk and reporting

The Commonwealth Fraud Control Framework, which includes Section 10 of the PGPA Rule (the 'Fraud Rule'), Fraud Policy and Fraud Guidance, outlines the Government's requirements for fraud control, including that Government entities put in place a comprehensive fraud control program that covers prevention, detection, investigation, risk management and reporting strategies.

NBN Co has voluntarily adopted these requirements where appropriate. In addition, NBN Co has adopted a methodology consistent with the relevant recognised Australian Standards *AS 8001-2021: Fraud and Corruption Control Standards* and the *AS/NZS ISO 31000:2018 Risk Management - Guidelines*.

As a GBE, NBN Co is committed to applying and adhering to these standards and as such, has a zero-tolerance approach to fraudulent and/or corrupt behaviour.

NBN Co's Fraud and Corruption Control Policy and the Fraud and Corruption Control Plan also contribute to the sound management of fraud and corruption risk, and detail the requirements and responsibilities for the prevention, detection and response to fraud and corruption, including referral to the National Anti-Corruption Commissioner under the *National Anti-Corruption Commission Act 2022*, when required. In addition, the Fraud and Corruption Control Policy seeks to promote behaviour that is consistent with the Code of Conduct and other associated policies, which allow NBN Co to act appropriately and consistently in the investigation and reporting of suspected fraudulent or corrupt activity.

The Audit and Risk Committee by delegation of the Board:

- approve the Fraud and Corruption Control Plan
- review and evaluate compliance with and the effectiveness of the Fraud and Corruption Control Policy annually

This review and approval cycle may occur more frequently if it is considered necessary or appropriate to do so as determined by the Board or management.

Certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

Prior to the approval of the Financial Report by the Board, the CEO and the CFO provide confirmation in writing that the financial statements and accompanying notes comply with the accounting standards and are a true and fair view of the financial position and performance of the Company.

The letter also includes representation to the Board in respect of the adequacy and effectiveness of NBN Co's risk management, internal compliance and control systems.

Based on the evaluation performed as at 30 June 2024, the CEO and the CFO concluded that, as of the evaluation date, such risk management, internal compliance and control systems were reasonably designed so that the Company's financial statements and notes are in accordance with the PGPA Act and the *Corporations Act 2001* (Cth) and there are reasonable grounds to believe the Company will be able to pay its debts as and when they fall due.

Principle

Make timely and balanced disclosure (based on ASX Principle 5)

Continuous disclosure

NBN Co recognises that information is a vital and invaluable resource, both for the Company and for the broader Australian community which is why it fosters and promotes a pro-disclosure culture, with the goal of creating an organisation that is open, transparent and accountable.

As a GBE, NBN Co has continuous disclosure obligations to its Shareholder Ministers similar to the continuous disclosure obligations of a publicly listed company.

These continuous disclosure obligations to its Shareholder Ministers are set out in the GBE guidelines which are amended from time to time, and the PGPA Act and are reinforced by NBN Co's other reporting commitments to the Commonwealth.

NBN Co's transparency and reporting obligations are derived from its financial reporting obligations under the *Corporations Act 2001* (Cth) and requirements imposed by its Shareholder Ministers. The Company also publicly releases financial and operating results on a half-yearly basis.

NBN Co has also listed some of its debt securities on the Singapore Stock Exchange (SGX) and has continuous disclosure obligations to the SGX.

NBN Co is also subject to the *Freedom of Information Act 1982* (Cth), and information about NBN Co's approach to ensuring its compliance with that Act is separately available on its website at <https://www.nbnco.com.au/corporate-information/about-nbn-co/freedom-of-information>

NBN Co has a Continuous Disclosure Policy which came into effect following approval by the Board on 13 October 2015.

The Continuous Disclosure Policy is reviewed and approved by the Board each year or, more frequently if it is considered necessary or appropriate to do so as determined by the Board or management.

Principle

Respect the rights of security holders (based on ASX Principle 6)

Shareholder communication

NBN Co keeps its Shareholder Ministers and their Departments informed of any significant developments on an ongoing basis.

NBN Co regularly reports to its Shareholder Ministers based on the best practice reporting timetable detailed in the GBE Guidelines and other requests from the Shareholder Ministers.

The Shareholder Ministers are publicly accountable, and NBN Co is also subject to Parliamentary scrutiny through Parliamentary Committees.

NBN Co has a dedicated governance section on its website. The governance section provides information about, or links relating to the following (amongst other things):

- the names, photographs and biographical information for each of its Directors and Senior Executives
- its Constitution, Board Charter and the charters of each of its Board Committees
- its Corporate Governance Policies
- its Corporate Plan and Statement of Corporate Intent
- its Annual Reports which include its financial statements
- half-yearly updates on financial and operating results.

Principle

Recognise and manage risk (based on ASX Principle 7)

Risk management

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

As a GBE, NBN Co is responsible for providing a Corporate Plan and Statement of Corporate Intent to its Shareholder Ministers, which outlines the material risks to NBN Co. In addition, NBN Co provides regular reporting to the Shareholder Ministers of risks, mitigations, and trends.

Further information on NBN Co's risk management can be found on pages 91 to 96 of the Directors' Report.

Sustainability

Sustainability is a strategic objective at NBN Co and supports the Company's purpose, enabling long-term social, economic and environmental value for the nation and customers.

NBN Co supports this value creation and protection by managing sustainability (or environmental, social and governance) risks, issues, and opportunities through the FY23/24 Sustainability Program of Work, and the Sustainability Governance and Enterprise Risk Management Frameworks.

NBN Co's approach to sustainability is integrated within the Company's Value Creation Model and is informed by an evidence-based materiality assessment.

For further information on NBN Co's approach to sustainability see:

- How we create value on page 16
- Sustainability at NBN Co on page 24 for details on material environmental and social risks, issues and opportunities and our Sustainability Governance Framework
- Upgrade and expand the network on page 30, Support greater use of the network on page 42, Enhance RSP and customer experience on page 50, and A safe, inclusive and engaged workforce on page 62 for details on the management of social risks
- Protected environment on page 72 for details on the management of environmental risks
- Independent assurance report on selected non-financial (sustainability) metrics on pages 214 to 219.

A summary of NBN Co's material business risks is set out on pages 93 to 96.

Treasury

NBN Co's Treasury Policy establishes a prudential framework providing guidelines, controls and reporting systems for the management of NBN Co's treasury operations by providing clear guidelines for managing treasury risks and making investment and hedging decisions.

The policy is reviewed and approved annually by the Board.

Principle

Remunerate fairly and responsibly (based on ASX Principle 8)

NBN Co's People and Remuneration Committee assists the Board in fulfilling its governance responsibilities in relation to:

- establishing people management and remuneration policies for NBN Co that enable NBN Co through its Executive leadership to attract and retain capable employees who can help deliver its vision
- fostering exceptional talent and performance while motivating and supporting employees to pursue the growth and success of the nbn® network
- fairly and responsibly rewarding employees, having regard to the performance of NBN Co, individual performance, statutory and regulatory requirements, contractual employment obligations and current business norms.

Refer to page 139 for more information on NBN Co's People and Remuneration Committee.

Directors' remuneration

The Remuneration Tribunal determines the remuneration and travel allowances payable to Non-Executive Directors and the Chief Executive Officer. Full details of Directors' remuneration are included in the Remuneration Report on pages 126 to 127.

Senior Executives' remuneration

With the exception of the CEO position which is determined by the Board in accordance with the Remuneration Tribunal framework, remuneration of Senior Executives is set by NBN Co's People and Remuneration Committee on behalf of the Board. Full details of Senior Executives' remuneration are included in the Remuneration Report on pages 118 to 124.

Remuneration for the CEO is determined by the Commonwealth Remuneration Tribunal. The office of NBN Co's CEO is part of the published list of Principal Executive Offices and designated as a Band E role.

The Remuneration Tribunal is an independent statutory body established under the *Remuneration Tribunal Act 1973* (Cth). The Tribunal has the power to declare an office as a Principal Executive Office (PEO), assign each PEO a specified classification band and set benchmark reference rates for remuneration of a PEO.

AUDITOR'S INDEPENDENCE DECLARATION



Auditor-General for Australia



Ms Kate McKenzie
Chair of the Board
NBN Co Limited
100 Mount Street
North Sydney NSW 2060
Australia

NBN CO LIMITED FINANCIAL REPORT 2023–24 AUDITOR'S INDEPENDENCE DECLARATION

In relation to my audit of the financial report of NBN Co Limited for the year ended 30 June 2024, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*;
and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

A handwritten signature in black ink that reads 'Rona Mellor'.

Rona Mellor PSM
Acting Auditor-General

Canberra
6 August 2024

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300





FINANCIAL REPORT

The Financial Report, comprising the financial statements, Notes to the financial statements and a Directors' declaration, for the year ended 30 June 2024.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended	Notes	30 June 2024 \$m	30 June 2023 \$m
Revenue	B1	5,501	5,269
Other income	B2	179	168
Direct network costs		(605)	(618)
Employee benefits expenses	D1	(610)	(698)
Other operating expenses	B3	(497)	(493)
Depreciation and amortisation expense	C3 & C4	(3,209)	(3,082)
Finance costs on lease arrangements		(942)	(900)
Net finance costs on borrowings	C9	(891)	(758)
Gain on derivatives measured at fair value	G	3	3
Loss before income tax		(1,071)	(1,109)
Income tax expense	H1	(105)	(10)
Loss for the year		(1,176)	(1,119)
Loss attributable to the shareholder		(1,176)	(1,119)
Other comprehensive (loss)/gain			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of cash flow hedges, net of tax	E2	(190)	(23)
Changes in the value of costs of hedging, net of tax	E2	(54)	2
Total other comprehensive loss for the year, net of tax		(244)	(21)
Total comprehensive loss for the year		(1,420)	(1,140)
Total comprehensive loss attributable to the shareholder		(1,420)	(1,140)

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at	Notes	30 June 2024 \$m	30 June 2023 \$m
Current assets			
Cash and cash equivalents	C1	54	41
Trade and other receivables	C2	583	533
Derivative financial assets	G	194	62
Other current assets		113	131
Total current assets		944	767
Non-current assets			
Property, plant and equipment	C3	35,452	33,989
Intangible assets	C4	1,439	1,598
Derivative financial assets	G	922	1,573
Other non-current assets		20	34
Total non-current assets		37,833	37,194
Total assets		38,777	37,961
Current liabilities			
Trade and other payables	C6	1,362	1,512
Other liabilities	C7	138	132
Provisions	C10	192	215
Derivative financial liabilities	G	25	31
Lease liabilities	C8	476	479
Borrowings	C9	5,302	2,109
Related party borrowings	C9 & H3	-	5,500
Total current liabilities		7,495	9,978
Non-current liabilities			
Trade and other payables	C6	1	35
Other liabilities	C7	1,568	1,468
Provisions	C10	36	48
Derivative financial liabilities	G	460	288
Lease liabilities	C8	11,370	11,033
Borrowings	C9	21,610	18,225
Total non-current liabilities		35,045	31,097
Total liabilities		42,540	41,075
Net liabilities		(3,763)	(3,114)
Equity			
Contributed equity	E1	30,576	29,805
Other reserves	E2	670	914
Accumulated losses		(35,009)	(33,833)
Total equity		(3,763)	(3,114)

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

	Notes	Accumulated losses \$m	Contributed equity \$m	Other reserves \$m	Total equity \$m
Balance at 30 June 2022		(32,714)	29,500	935	(2,279)
Loss for the year		(1,119)	-	-	(1,119)
Other comprehensive loss	E2	-	-	(21)	(21)
Total comprehensive loss for the year		(1,119)	-	(21)	(1,140)
Contributions of equity	E1	-	305	-	305
Balance at 30 June 2023		(33,833)	29,805	914	(3,114)
Loss for the year		(1,176)	-	-	(1,176)
Other comprehensive loss	E2	-	-	(244)	(244)
Total comprehensive loss for the year		(1,176)	-	(244)	(1,420)
Contributions of equity	E1	-	771	-	771
Balance at 30 June 2024		(35,009)	30,576	670	(3,763)

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended	Notes	30 June 2024 \$m	30 June 2023 \$m
Cash flows from operating activities			
Receipts from customers		5,939	5,856
Payments to suppliers and employees		(2,323)	(2,555)
Government grants received		31	38
Interest received		18	2
Net cash provided by operating activities	C1	3,665	3,341
Cash flows from investing activities			
Payments for property, plant and equipment		(3,484)	(2,685)
Payments for intangible assets		(309)	(315)
Net cash used in investing activities		(3,793)	(3,000)
Cash flows from financing activities			
Principal repayment of lease liabilities		(224)	(211)
Interest paid on lease liabilities		(923)	(877)
Proceeds from borrowings	C9	28,019	15,110
Repayment of borrowings	C9	(21,454)	(13,172)
Repayment of related party borrowings	C9 & H3	(5,500)	(875)
Proceeds from settlement of derivatives		334	-
Interest and other finance costs paid on borrowings and derivatives	C9	(669)	(469)
Interest paid on related party borrowings	C9 & H3	(213)	(224)
Equity injections for ordinary shares by the Commonwealth of Australia	E1	771	305
Net cash provided by/(used in) financing activities		141	(413)
Net increase/(decrease) in cash and cash equivalents		13	(72)
Cash and cash equivalents at the beginning of the year		41	113
Cash and cash equivalents at the end of the year	C1	54	41

The above statement should be read in conjunction with the accompanying notes.

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A. ABOUT THIS REPORT

NBN Co Limited (NBN Co or the Company) is an unlisted public company incorporated and domiciled in Australia. It is a company limited by shares and is wholly-owned by the Commonwealth of Australia.

The Financial Report is comprised of the financial statements, Notes to the financial statements and a Directors' declaration, for the year ended 30 June 2024. NBN Co is a for-profit entity for the purpose of preparing the Financial Report.

Basis of preparation

This general purpose Financial Report has been prepared in accordance with:

1. Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB)
2. the *Corporations Act 2001* (Cth)
3. the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act).

The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Financial Report has been prepared in accordance with the historical cost convention and does not take into account any changes in monetary or fair values of assets unless otherwise stated.

The Company is incorporated under the *Corporations Act 2001* (Cth) and is subject to (inter alia) the *National Broadband Network Companies Act 2011* (Cth) and the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act).

The Financial Report was authorised for issue by the Directors on 6 August 2024. The Directors have the power to amend and reissue the Financial Report.

Going concern

The Financial Report has been prepared on a going concern basis. This reflects the Directors' view that the Commonwealth Government will continue to direct NBN Co to operate in accordance with the policy objectives as set out in the current Statement of Expectations issued by the Shareholder Ministers to NBN Co on 19 December 2022.

As at 30 June 2024, NBN Co's current liabilities exceeded its current assets by \$6,551 million and the Company had net liabilities of \$3,763 million. These metrics are in line with expectations and the significant upfront investment in the network prior to the generation of free cash flows.

The Company has raised in excess of \$33.2 billion in domestic and international debt (including short-term promissory note issuances) and bank facilities, and received \$30.6 billion in equity funding from the Commonwealth Government as at 30 June 2024. NBN Co expects to fund its business through a combination of cash flows generated from the continuation of operating activities, the expected outcomes from the Company's future debt financing activities in both domestic and global markets, the investment of the remaining \$1.3 billion equity funding from the Commonwealth Government under the terms of the Equity Funding Agreement (EFA) and the utilisation of \$6,315 million undrawn committed bank facilities. NBN Co expects its financing strategy to be achievable based on its strong investment grade credit rating and the outcomes of recent financing transactions.

At the date of signing the Financial Report, the Directors expect that NBN Co will be able to meet all of its obligations as and when they fall due for at least twelve months from the date of this report.

A. About this report (continued)

Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

Rounding of amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191* and in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest million unless otherwise stated.

Comparative figures

Certain reclassifications have been made to comparative balances to conform with the current year presentation.

Material accounting policies

Accounting policies are selected and applied in a manner that ensures the resulting financial information satisfies the concepts of relevance and reliability. Except where otherwise stated, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

Material accounting policies are contained in the Notes to the financial statements to which they relate and Note H5.

Operating segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the entity's chief operating decision maker (CODM) to allocate resources and assess the entity's performance.

NBN Co's Chief Executive Officer (CEO) has been identified as the CODM. NBN Co has determined that it operates in a single segment providing wholesale broadband services across Australia. The CODM assesses the performance of the Company using revenue, EBITDA¹, and net cash flows as presented in the primary financial statements. NBN Co's EBITDA¹ result was \$3,930 million as at 30 June 2024 (30 June 2023: \$3,593 million).

All NBN Co's operations are provided in Australia, therefore no geographic information is disclosed.

Material accounting estimates and judgements

In the process of applying the Company's accounting policies, management has made a number of judgements and applied estimates and assumptions to future events.

In determining significant accounting estimates and judgements, the Company has considered changes in economic circumstances, climate change impacts, regulatory changes, government policies, business plans and strategies, expected level of usage, and future technological developments impacting specific assets or groups of assets.

Estimates and judgements which are material or have the potential to be material to the Financial Report are found in the following notes. These estimates have been consistently applied to all periods presented, unless otherwise stated.

Accounting estimates and judgements	
Determination of useful lives of property, plant and equipment	C3
Determination of useful lives of intangible assets	C4
Impairment testing	C5
Determination of whether a contract contains a lease	C8
Determination of the net present value of a lease	C8
Determination of lease term	C8
Determination of the fair value of derivative assets and liabilities	G

1. EBITDA is defined as earnings before interest, tax, other non-operating income, depreciation, amortisation and gains or losses on derivatives measured at fair value.

B. OUR REVENUE, OTHER INCOME AND OTHER OPERATING EXPENSES

This section provides information that is most relevant to understanding our revenue and other operating expenditure during the year.

B1. Revenue

NBN Co generates revenue primarily from the provision of telecommunications services to its customers. Other sources of revenue include new development fees, lease and license fees and commercial works activities.

Revenue from contracts with customers

For the year ended	30 June 2024 \$m	30 June 2023 \$m
Telecommunications revenue	5,220	5,137
Other revenue	281	132
Total revenue	5,501	5,269

Telecommunications revenue

Telecommunications services are facilitated through contracting with Retail Service Providers (RSPs) under the Wholesale Broadband Agreement (WBA). Pricing for the various product offerings is set out in the WBA. The WBA also contains discounts and rebates that are available to all RSPs on an equal basis.

NBN Co recognises revenue for the amount it has the right to invoice and/or when the respective performance obligations have been met. Revenue from the provision of telecommunications services consists of both recurring and non-recurring revenues.

Recurring telecommunications revenues

Broadband network services relate to the provision of NBN Co's wholesale broadband products to RSPs which are then sold to customers. The performance obligations associated with these products are satisfied over time. NBN Co transfers control of these products to the RSPs evenly over the period, during which the RSPs are able to obtain value from NBN Co's products. Accordingly, these revenues are recognised over time. Applicable credits and rebates are recognised as a reduction to the transaction price during the period to which they relate. The Company invoices the RSPs on a monthly basis, with standard short-term payment terms and therefore no financing component exists.

Non-recurring telecommunications revenues

Telecommunications revenue includes non-recurring, non-refundable upfront fees for connection charges, installation charges, service transfers and RSP end-user contributions to connect new developments. Upfront fees will be recognised at the point in time when these services are provided as there are no further performance obligations associated with these activities.

B. Our revenue, other income and other operating expenses (continued)

B1. Revenue (continued)

Other revenue

NBN Co generates other non-telecommunications revenue from construction and lease activities via separate contractual arrangements. The construction contracts include commercial works, technology choice, new development fees and co-investment partnerships with federal and state governments. Invoices are on standard short-term payment terms and based on the nature of the services, no financing component exists.

Commercial works are construction-type contracts based on requests from customers for NBN Co to relocate cables and network equipment, while technology choice revenues relate to application, design and construction fees from customers who opt for alternative technologies other than those being offered at their premise. New development fees represent consideration for the deployment of network infrastructure received from property developers. Other revenue from co-investment partnerships with federal and state governments relates to contracts for the design and construction of network infrastructure.

For construction-type contracts, NBN Co recognises revenue on a point in time basis, with the performance obligation considered satisfied when the construction activity is completed.

Further disaggregation of revenue by timing

The Company has provided further disaggregation of revenue based upon the timing of recognition (i.e. whether products are transferred at a point in time or over time):

	30 June 2024 \$m	30 June 2023 \$m
For the year ended		
Timing of revenue recognition		
At a point in time	331	180
Over time	5,170	5,089
Total revenue	5,501	5,269

Significant customers

The Company offers equivalent terms to all its RSP's. NBN Co's top five customers as at 30 June 2024 were Telstra, TPG Group, Optus, Vocus, and Aussie Broadband. These five RSPs contributed approximately 90 per cent of NBN Co's total telecommunications revenue (30 June 2023: 91 per cent).

Assets and liabilities related to contracts with customers

NBN Co has recognised the following assets and liabilities related to contracts with customers:

As at	Notes	30 June 2024 \$m	30 June 2023 \$m
Trade receivables	C2	510	487
Accrued revenue		42	22
Contract liabilities	C6	(175)	(265)

Contract liabilities for deferred revenue are recorded for performance obligations under contracts for which payment has been received in advance. Contract liabilities unwind as 'revenue from contracts with customers' upon satisfaction of the performance obligations under the terms of the contract.

NBN Co applies the practical expedient in paragraph 121 of AASB 15 *Revenue from Contracts with Customers* and does not disclose information about remaining performance obligations that have durations of one year or less. NBN Co may have some performance obligations for construction activities that may not be completed within twelve months, however, these are not considered material.

Significant changes in the contract liabilities balance during the year are as follows:

	30 June 2024 \$m	30 June 2023 \$m
Balance at 1 July	(265)	(199)
Revenue recognised that was included in the contract liability balance at the beginning of the year	196	141
Increases due to cash received, excluding amounts recognised as revenue during the year	(106)	(207)
Balance at 30 June	(175)	(265)

Revenue recognition policy

Revenue is measured based upon the consideration specified within a contract with a customer and recognised as the Company transfers control over an asset or service to a customer. The Company follows the five-step approach outlined in AASB 15 *Revenue from Contracts with Customers*.

B. Our revenue, other income and other operating expenses (continued)

B2. Other income

For the year ended	30 June 2024 \$m	30 June 2023 \$m
Other operating income	141	133
Other non-operating income	38	35
Total other income	179	168

Recognition and measurement

Other operating income

NBN Co recognises other operating income in relation to various government grants. Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenditure for which the grants are intended to compensate.

Government grants which are received in advance of NBN Co incurring the related expenditure are recognised in the Statement of financial position as a deferred gain when the grant is received (refer to Note C7).

Other non-operating income

Other non-operating income relates to assets received for no consideration from developers as part of the construction of the nbn[®] network in new development areas and from government entities in the form of a grant. These assets are recorded at their fair value as at the date the assets were transferred to NBN Co and the resulting gain is credited to deferred income (refer to Note C7). The gain is released to profit or loss on a straight-line basis, over the period the assets are expected to provide services, which is the estimated useful life of the assets.

B3. Other operating expenses

For the year ended	30 June 2024 \$m	30 June 2023 \$m
IT and software expenses	(180)	(191)
Communication and public information expenses	(65)	(56)
Other operating expenditure	(252)	(246)
Total	(497)	(493)

C. OUR ASSETS AND LIABILITIES

This section provides information relating to NBN Co's financial, tangible and intangible assets and their related liabilities. NBN Co's tangible assets are primarily constructed assets or items of infrastructure acquired through finance lease arrangements.

C1. Cash and cash equivalents

As at	30 June 2024 \$m	30 June 2023 \$m
Cash at bank	54	41
Total	54	41

For the purpose of presentation in the Statement of cash flows, cash and cash equivalents includes cash on hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of financial position.

Restricted cash

The cash and cash equivalents disclosed in the Statement of financial position and the Statement of cash flows include \$43 million (30 June 2023: \$38 million) held by the Company which is subject to contractual restrictions and therefore not available for general use.

Reconciliation of loss for the year to net cash used in operating activities

For the year ended	30 June 2024 \$m	30 June 2023 \$m
Loss for the year	(1,176)	(1,119)
Add/(less) non-cash/non-operating items		
Depreciation and amortisation	3,209	3,082
Finance charges	1,851	1,660
Other items	(41)	(37)
Income tax expense	105	10
(Increase)/decrease in operating assets		
Increase in trade and other receivables	(50)	(30)
Decrease/(increase) in other assets	25	(14)
Increase/(decrease) in operating liabilities		
Decrease in trade and other payables	(128)	(156)
Decrease in other liabilities	(96)	(96)
(Decrease)/increase in provisions	(34)	41
Net cash provided by operating activities	3,665	3,341

C. Our assets and liabilities (continued)

C2. Trade and other receivables

As at	30 June 2024 \$m	30 June 2023 \$m
Current		
Trade receivables	510	487
Other receivables	73	46
Total	583	533

Recognition and measurement

Trade and other receivables are considered financial assets. They are initially recorded at the fair value of the amounts to be received and are subsequently measured at amortised cost using the effective interest method. These financial assets are derecognised when cash flows are received or the rights to receive cash flows from the financial assets have expired.

For trade receivables, the Company applies a simplified approach in calculating Expected Credit Losses (ECLs). Therefore, the Company does not track changes in credit risk at an individual counterparty level, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Further information about the Company's accounting policy for impairment of financial assets, which includes trade and other receivables, is included in Note H5.

There have been no material impairment losses. The Company did not have any material receivables that were past due not impaired at 30 June 2024 (30 June 2023: nil).

C3. Property, plant and equipment

	Land \$m	Buildings and leasehold improve- ments \$m	Furniture and equipment \$m	IT equipment \$m	Network assets \$m	Total \$m
Cost						
Balance at 30 June 2022	36	428	50	242	47,751	48,507
Additions	-	7	9	21	2,982	3,019
Remeasurement of right-of-use assets	-	(7)	2	-	713	708
Disposals	-	(77)	(2)	(28)	(694)	(801)
Balance at 30 June 2023	36	351	59	235	50,752	51,433
Additions	-	6	17	22	3,704	3,749
Remeasurement of right-of-use assets	-	(2)	2	-	467	467
Disposals	-	(25)	(13)	(128)	(740)	(906)
Balance at 30 June 2024	36	330	65	129	54,183	54,743
Accumulated depreciation						
Balance at 30 June 2022	(5)	(290)	(39)	(191)	(15,114)	(15,639)
Depreciation	(1)	(29)	(7)	(22)	(2,547)	(2,606)
Disposals	-	77	2	28	694	801
Balance at 30 June 2023	(6)	(242)	(44)	(185)	(16,967)	(17,444)
Depreciation	(2)	(38)	(9)	(26)	(2,678)	(2,753)
Disposals	-	25	13	128	740	906
Balance at 30 June 2024	(8)	(255)	(40)	(83)	(18,905)	(19,291)
Net book value at 30 June 2023	30	109	15	50	33,785	33,989
Net book value at 30 June 2024	28	75	25	46	35,278	35,452

Property, plant and equipment at net book value is analysed as follows:

As at	30 June 2024 \$m	30 June 2023 \$m
Constructed and purchased assets	24,305	23,164
Assets in the course of construction	1,288	1,295
Right-of-use assets	8,441	8,314
Assets acquired for no consideration and under government grant	1,418	1,216
Property, plant and equipment – net book value	35,452	33,989

Assets in the course of construction

The majority of assets in the course of construction are network assets. As these assets have not been installed and are not ready for use, no depreciation is charged on these assets.

C. Our assets and liabilities (continued)

C3. Property, plant and equipment (continued)

Right-of-use assets

	Land \$m	Buildings and leasehold improvements \$m	Furniture and equipment \$m	Network assets \$m	Total \$m
Cost					
Balance at 30 June 2022	19	247	24	10,092	10,382
Additions	-	-	9	35	44
Remeasurements	-	(7)	2	713	708
Disposals	-	(24)	(1)	(5)	(30)
Balance at 30 June 2023	19	216	34	10,835	11,104
Additions	-	-	18	55	73
Remeasurements	-	(2)	2	467	467
Disposals	-	(8)	(1)	(1)	(10)
Balance at 30 June 2024	19	206	53	11,356	11,634
Accumulated depreciation					
Balance at 30 June 2022	(5)	(148)	(17)	(2,275)	(2,445)
Depreciation	(1)	(15)	(7)	(351)	(374)
Disposals	-	24	1	4	29
Balance at 30 June 2023	(6)	(139)	(23)	(2,622)	(2,790)
Depreciation	(2)	(27)	(8)	(376)	(413)
Disposals	-	8	1	1	10
Balance at 30 June 2024	(8)	(158)	(30)	(2,997)	(3,193)
Net book value at 30 June 2023	13	77	11	8,213	8,314
Net book value at 30 June 2024	11	48	23	8,359	8,441

The remeasurement of right-of-use assets relates to the remeasurement of right-of-use assets recognised under leasing arrangements. The majority of the remeasurement of right-of-use assets reflects adjustments in the minimum lease payments for contractually linked CPI increases. During the year, NBN Co and Telstra signed a variation to the terms of the Revised Definitive Agreements (see Note F1), which confirmed the value of future minimum lease payments under these leasing agreements. This variation was accounted for as a lease modification and remeasured under AASB 16 *Leases*. The net impact of the remeasurement was a decrease in lease liabilities and carrying value of the associated right-of-use assets by \$176 million.

Assets acquired for no consideration and under government grant

Included within network assets are assets acquired from developers for no consideration and an infeasible right-of-use arrangement with the Department of Infrastructure, Transport, Regional Development, Communications and the Arts to use certain Regional Backbone Blackspots Program assets for no consideration (refer to Note C7 for more detail).

Non-current assets pledged as security

None of the non-current assets have been pledged as security by the Company.

Recognition and measurement

Property, plant and equipment assets are recognised and measured at historical cost less any accumulated depreciation and impairment losses.

NBN Co's costs include expenditures that are directly attributable to the acquisition of the asset, including the costs of materials and direct labour and initial estimates of the costs of dismantling and removing an asset and restoring the site on which it is located. The Company does not consider that it has any qualifying assets and therefore does not currently capitalise any borrowing costs.

Assets under construction are recorded at cost, based on the estimated percentage of completion. Directly attributable costs are included in the capitalised cost of an asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred. Costs that are not directly attributable are recorded as an expense in profit or loss.

Right-of-use assets are measured at cost comprising of the following:

- The amount of the initial measurement of corresponding lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs
- Initial estimate of any restoration costs.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

Depreciation

Depreciation on network and non-network assets commences when they are installed and ready for use, otherwise termed as 'in service'. Buildings are depreciated from the date of acquisition. Land, other than that held by way of right-of-use assets, is not depreciated.

Depreciation on assets is calculated using the straight-line method to allocate the cost, net of any residual values, over their estimated useful lives or, in the case of leasehold improvements and leased network assets and other assets, the shorter of the lease term or useful life.

In line with its accounting policy, NBN Co reviews the useful lives of its network assets prior to each balance sheet date based on the most recent available information. This is to ensure the network assets expected period of use aligns with the Company's latest business plans and upgrade strategies.

During the year ended 30 June 2023, NBN Co revised the estimated useful lives of certain network assets. The financial impact of the revised estimated useful lives was a decrease in depreciation expense of \$681 million for the year ended 30 June 2023.

During the period, a review identified additional revisions to the useful lives of network assets, within the existing range of 5 to 40 years, which the Company applied prospectively from 1 July 2023. The financial impact of the revised estimated useful lives is an increase in depreciation expense of \$168 million for the year ended 30 June 2024.

C. Our assets and liabilities (continued)

C3. Property, plant and equipment (continued)

The Company has assessed the current useful lives of assets as follows:

Asset type	Useful lives
Network assets	Lower of lease term and/or 5–40 years
Buildings	Lower of lease term and/or 50 years
Leasehold improvements	Lower of lease term and/or 5–30 years
Furniture and equipment	3–10 years
IT equipment	3–5 years

Residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

Gain or loss on disposal is determined by comparing the proceeds with the carrying amount of the asset. Any gain or loss on disposal is recognised in profit or loss.

Key estimates and judgements

Determination of useful lives of property, plant and equipment

The estimation of useful lives, residual value and depreciation methods requires significant judgement and are reviewed at each reporting date. If they need to be modified, the depreciation expense is accounted for prospectively from the date of reassessment until the end of the revised useful life (for both the current and future periods). Such revisions are generally required when there are changes in economic circumstances, climate risk impacts, regulatory changes, government policies, business plans and strategies, expected level of usage, and future technological developments impacting specific assets or groups of assets. It is possible that future results of operations could be materially affected by changes in these estimates.

Significant non-cash components

Acquisition of assets by means of non-cash transactions represents those assets acquired via right-of-use arrangements or contributed for no consideration.

	30 June 2024 \$m	30 June 2023 \$m
Acquisition of assets by means of right-of-use arrangements	73	44
Acquisition of network infrastructure by means of developer contributions and government grants	235	195
Acquisition of assets by non-cash transactions	308	239

C4. Intangible assets

	Software \$m	Licences \$m	Right-of-use assets – Licences \$m	Other \$m	Total \$m
Cost					
Balance at 30 June 2022	4,428	180	62	196	4,866
Additions	316	–	–	2	318
Disposals	(325)	–	–	–	(325)
Balance at 30 June 2023	4,419	180	62	198	4,859
Additions	278	15	–	3	296
Remeasurement	–	–	1	–	1
Disposals	(334)	(120)	–	(45)	(499)
Balance at 30 June 2024	4,363	75	63	156	4,657
Accumulated amortisation					
Balance at 30 June 2022	(2,801)	(155)	(9)	(146)	(3,111)
Amortisation	(426)	(3)	(9)	(37)	(475)
Disposals	325	–	–	–	325
Balance at 30 June 2023	(2,902)	(158)	(18)	(183)	(3,261)
Amortisation	(432)	(6)	(8)	(10)	(456)
Disposals	334	120	–	45	499
Balance at 30 June 2024	(3,000)	(44)	(26)	(148)	(3,218)
Net book value at 30 June 2023	1,517	22	44	15	1,598
Net book value at 30 June 2024	1,363	31	37	8	1,439

Recognition and measurement

Internally generated intangible assets

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Company can demonstrate the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the development of the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following the initial recognition of development expenditure, the asset is carried at cost less accumulated amortisation. Any expenditure capitalised is amortised over the period of expected benefits from the related asset. The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period.

C. Our assets and liabilities (continued)

C4. Intangible assets (continued)

Software assets

Directly attributable costs associated with the development of business software for internal use are recorded as software assets if the development expenditure satisfies the criteria for capitalisation as outlined above. Costs included in software assets developed for internal use are:

- External direct costs of materials, contract labour and services consumed
- Payroll and payroll-related costs for employees (including contractors) directly associated with the development project.

Costs that are not directly attributable are expensed as incurred. The Company does not consider that it has any qualifying assets and therefore does not currently capitalise any borrowing costs.

Acquired intangible assets

In addition to internally developed software assets, the Company may also acquire externally generated software. These costs are also capitalised and tend to be of a similar nature to those developed in-house. Intangible assets acquired through separate acquisition are recorded at cost.

Amortisation

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of identifiable intangible assets are as follows:

Identifiable intangible asset type	Useful lives
Software assets	3–8 years
Telecommunications licences	Term of licence
Other intangible assets	3–10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate. Amortisation of intangible assets does not commence until the assets are installed and ready for use, as intended by the Company.

Assets in the course of construction

The carrying amount of intangible assets includes expenditure recognised on software assets which are in the course of construction. As these assets have not been installed and are not ready for use, no amortisation is charged on these assets. Total software assets in the course of construction are \$83 million (30 June 2023: \$121 million).

Key estimates and judgements

Determination of useful lives of intangible assets

The estimation of useful lives, residual value and amortisation methods requires significant judgement and are reviewed at each reporting date. If they require modification, the amortisation expense is accounted for prospectively from the date of reassessment until the end of the revised useful life (for both the current and future years). Such revisions are generally required when there are changes in economic circumstances, climate risk impacts, regulatory changes, government policies, business plans and strategies, expected level of usage, and future technological developments, impacting specific assets or groups of assets. It is possible that future results of operations could be materially affected by changes in these estimates.

C5. Impairment of non-financial assets

Recognition and measurement

Tangible and intangible non-financial assets are measured using the cost basis and are considered to be impaired where their carrying value exceeds the recoverable amount.

Material intangible assets that are not yet subject to amortisation are tested on an annual basis for impairment, or when an indication of impairment exists. Property, plant and equipment and intangible assets subject to amortisation are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amount of an asset is the higher of its fair value less costs of disposal or its value in use. Any reduction in the carrying value of an asset that results in the carrying value being less than its recoverable amount is recognised as an expense in profit or loss as an impairment loss.

For assets that do not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit (CGU) to which that asset belongs. The Company's CGU is determined according to the lowest level of aggregation for which the cash inflows are independent of cash inflows from other assets.

Key estimates and judgements

Impairment testing

The Company has determined that assets which form part of the nbn[®] network, work together to achieve the delivery of products and services in order to generate cash inflows. As a result, the Company has determined that the ubiquitous broadband network is a single CGU (the NBN Co CGU).

At the end of the reporting period, the Company performed an impairment test. The recoverable amount of the NBN Co CGU was estimated by adopting a fair value less costs to sell approach using a discounted cash flow methodology. The results of this analysis determined that the recoverable amount of the NBN Co CGU exceeds its carrying amount as at 30 June 2024 and that the NBN Co CGU was not impaired. Based on the impairment assessment, NBN Co does not consider that any reasonable possible changes to the key assumptions would reduce the recoverable amount below the carrying amount of the CGU.

In assessing the recoverable amount of the NBN Co CGU a number of factors were considered, including changes in economic circumstances, climate risk impacts, regulatory changes, government policies, business plans and strategies, expected level of usage of assets, and future technological developments.

C. Our assets and liabilities (continued)

C6. Trade and other payables

As at	30 June 2024 \$m	30 June 2023 \$m
Current		
Trade and other payables	255	260
Contract liabilities	174	230
Accruals	926	1,020
GST payable	7	2
Total	1,362	1,512

As at	30 June 2024 \$m	30 June 2023 \$m
Non-current		
Contract liabilities	1	35
Total	1	35

The accruals balance includes \$539 million (30 June 2023: \$576 million) relating to property, plant and equipment and intangible assets.

Recognition and measurement

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the reporting date. The amounts are unsecured. Trade and other payables are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method.

C7. Other liabilities

As at	30 June 2024 \$m	30 June 2023 \$m
Current		
Deferred gain on government grants	99	99
Deferred gain on developer contributions	39	33
Total	138	132

As at	30 June 2024 \$m	30 June 2023 \$m
Non-current		
Deferred gain on government grants	227	325
Deferred gain on developer contributions	1,341	1,143
Total	1,568	1,468

Recognition and measurement

Government grants

NBN Co is the recipient of various government grants, which can be in the form of a cash contribution or the contribution of an asset or assets for no consideration. Grants in the form of cash are recognised as other income in the profit or loss on a systematic basis over the periods in which the Company recognises expenditure for which the grants are intended to compensate. Where the cash is received in advance of the recognition of other income, it is recognised in the Statement of financial position as a deferred gain.

When the grant relates to an asset or assets received for no consideration, the asset is recorded at fair value and the resulting gain is credited to deferred gain. The gain is released to profit or loss on a straight-line basis over the expected period of provision of services, which is estimated to be the useful life of the relevant asset or assets.

Developer contributions for no consideration

The Company receives network assets for no consideration from developers as part of the build of the nbn[®] network in new development areas. Assets received for no consideration are recorded at fair value and the resulting gain is recognised as deferred income. The gain is released to profit or loss on a straight-line basis, over the expected period of provision of services which is estimated to be the useful life of the relevant asset or assets.

There are no unfulfilled conditions or contingencies attached to the developer contributions.

C. Our assets and liabilities (continued)

C8. Lease liabilities

As at	30 June 2024 \$m	30 June 2023 \$m
Current		
Lease liabilities	476	479
Total	476	479

As at	30 June 2024 \$m	30 June 2023 \$m
Non-current		
Lease liabilities	11,370	11,033
Total	11,370	11,033

The majority of the Company's lease liabilities relate to right-of-use licences to access Telstra's network infrastructure, including ducts, pits, exchange rack space and dark fibre network cables. The terms of these right-of-use licences are governed by the Revised Definitive Agreements (RDAs) with Telstra (refer to Note F1).

The Company also leases certain commercial properties, commercial vehicles, and wireless base stations with various terms that are due to expire within a range of between one and thirty years.

Lease payments generally comprise a base amount plus an incremental contingent rental amount based on movements in the Consumer Price Index (CPI) and periodic reviews to market-based levels.

Recognition and measurement under AASB 16 Leases

The Company recognises leases where the Company has the right to control the use of an identified asset for a period of time in exchange for consideration.


Leases in which the Company is a lessee

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company, except where the Company applies the practical exemption to not apply AASB 16 for leases of low-value assets.

Management considers low-value assets as those assets valued at less than \$10,000, with this assessment based upon the value of the asset when it is new. The payments for these low-value assets will be recognised as operating expenditure on a straight-line basis (or other systematic basis). For the year ended 30 June 2024, \$25 million (30 June 2023: \$23 million) has been recognised as operating expenditure in the profit or loss for lease arrangements that have been classified as low-value assets.

Right-of-use assets and lease liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate that are known at the reporting date
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.



The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently increased by the interest charged on the lease liability and decreased by lease payments made. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

After initial recognition, the lease liability is remeasured when there is a change in future lease payments. The lessee shall recognise the amount of any remeasurement of the lease liability as an adjustment to the right-of-use asset. The Company is exposed to potential future changes in variable lease payments that are based on an index or rate, such as payments linked to the CPI. Changes to these variable lease payments will result in a remeasurement of the lease liability (and corresponding adjustment to the right-of-use asset) using an unchanged discount rate at the date when these changes due to the movement in an index or rate become known.

If there is a lease modification, that does not result in a separate lease, then the lease liability is remeasured on the date of the lease modification by discounting the revised lease payments using a revised discount rate.

The Company applies judgement to determine the lease term for some lease contracts in which it is a lessee that include purchase, renewal or termination options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which affects the value of lease liabilities and right-of-use assets recognised.

Leases in which the Company is a lessor

The Company does not have significant leases where it acts as the lessor. Under AASB 16, the Company will continue to classify each lease as either an operating lease or a finance lease.

A lease will be classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term.

C. Our assets and liabilities (continued)

C8. Lease liabilities (continued)

Key estimates and judgements

Determination of whether a contract contains a lease

At the inception of a contract, the Company will assess whether the contract is, or contains a lease. The Company will recognise a lease where a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In making this assessment the Company primarily considers if there is an identified asset, who has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and who can direct how and for what purpose the asset is used throughout the period of use.

Determination of the net present value of a lease

A number of key estimates and judgements have been made in determining the net present value of applicable lease payments. In determining the net present value of a lease, the applicable lease payments are discounted using the interest rate implicit in the lease. Where this cannot be readily determined, a discount rate representing the estimated incremental borrowing rate at the commencement of the lease is used or at the date of any lease modification.

The incremental borrowing rate is the rate of interest the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Company determines the incremental borrowing rate based upon the rate at which NBN Co, as a stand-alone company, can borrow funds. When determining the incremental borrowing rate for a lease, consideration is given to the term of the lease, recent credit ratings for NBN Co, comparable market transactions and the nature of the assets being leased.

Determination of lease term

Extension and termination options are included in a number of leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Company.

For network infrastructure right-of-use licences with Telstra, the term of each right-of-use licence, of up to 35 years, does not include possible renewal as the exercise of such options was not considered reasonably certain at inception of the agreements and also at the balance sheet date. The renewal period being two options, each for ten additional years, which are exercisable by NBN Co.

C9. Borrowings and other financial liabilities

As at	30 June 2024 \$m	30 June 2023 \$m
Current		
Borrowings	5,302	2,109
Related party borrowings – Commonwealth loan	–	5,500
Total	5,302	7,609

As at	30 June 2024 \$m	30 June 2023 \$m
Non-current		
Borrowings	21,610	18,225
Total	21,610	18,225

NBN Co's borrowings consist of unsecured bank facilities, short-term promissory notes, Australian Medium-Term Note (AMTN) issuances, US144A/Reg S bond issuances, Euro Medium-Term Note (EMTN) issuances, private placements and related party borrowings issued under the loan with the Commonwealth Government. All of NBN Co's borrowings are fully drawn unless otherwise stated.

During the year ended 30 June 2024, the Company executed the following transactions in relation to its borrowings:

- Issued United States Dollars (USD) \$750 million and USD \$500 million US 144A/Reg S bonds under the Company's Global Medium-Term Notes (GMTN) Programme, with a 5-year and 10-year tenor respectively
- Issued Euro (EUR) 700 million and EUR 600 million Green EMTN's under the Company's GMTN Programme and Sustainability Bond Framework, with a 6-year and 10-year tenor respectively
- Issued an Australian Dollar (AUD) \$850 million Green Bond, with a 5-year tenor, under the Company's AMTN Programme and Sustainability Bond Framework
- Issued Great British Pound (GBP) 100 million and EUR 90 million private placements, both with a 12-year tenor, and a Hong Kong Dollar (HKD) 470 million private placement with a 10-year tenor
- Cyclical issuance of short-term promissory notes in AUD under NBN Co's Promissory Note Programme, which increased from \$2,000 million to \$4,000 million during the period. As at 30 June 2024, a total of \$3,213 million had been issued by the Company
- Renegotiated committed bank facilities for an additional \$50 million and partially terminated \$300 million of existing committed facilities, decreasing the Company's available committed bank facilities to \$10,900 million. \$61 million of existing drawn facilities were repaid during the period, reducing the total drawn balance to \$4,585 million as at 30 June 2024
- Increased the overdraft facility limit by \$100 million to \$350 million, which remains undrawn as at 30 June 2024.

The loan agreement with the Commonwealth Government had a fixed interest rate of 3.96 per cent per annum and was fully repaid during the period. This repayment was in line with the terms of the Commonwealth loan which stipulated that the loan had to be repaid in full by 30 June 2024.

All of NBN Co's bonds issued under both the AMTN Programme and GMTN Programme contain a dual-trigger change of control clause. In the event that a change of control of NBN Co occurs, which results in the credit ratings of NBN Co's bonds being downgraded to below investment grade or withdrawn, investors will have the right to require NBN Co to redeem all or a portion of their bonds at a redemption amount as specified in the applicable Pricing Supplement for that bond. The bonds also include a coupon step-up mechanism in the event of a change of control, which adjusts the rate of interest to reflect any reduction or withdrawal of the credit ratings assigned to NBN Co's bonds.

C. Our assets and liabilities (continued)

C9. Borrowings and other financial liabilities (continued)

Borrowings and related party borrowings consist of the following unsecured financial arrangements at 30 June 2024:

	30 June 2024		30 June 2023	
	Current \$m	Non-current \$m	Current \$m	Non-current \$m
Commonwealth loan	-	-	5,500	-
AMTN ¹	825	4,400	-	4,375
US144A/Reg S ²	824	6,494	-	5,347
EMTN ³	-	4,287	-	2,132
Private placements ⁴	-	2,260	-	1,825
Promissory notes	3,213	-	1,998	-
Bank facilities ⁵	200	4,385	-	4,646
Total principal amount of borrowings	5,062	21,826	7,498	18,325
Accrued interest	170	-	111	-
Fair value hedge adjustments	(12)	(581)	-	(747)
Foreign exchange movements	82	456	-	720
Fees and other adjustments	-	(91)	-	(73)
Total borrowings	5,302	21,610	7,609	18,225

1. Includes \$1,650 million in Green Bonds issued under the Company's AMTN Programme and Sustainability Bond Framework (30 June 2023: \$800 million).
2. Represents USD denominated 144A notes of USD \$5,250 million issued under the Company's GMTN Programme, measured at the hedged foreign exchange rate on the issuance date (30 June 2023: USD \$4,000 million).
3. Represents EUR denominated Green EMTN of EUR 2,650 million issued under the Company's GMTN Programme and Sustainability Bond Framework, measured at the hedged foreign exchange rate on the issuance date (30 June 2023: EUR 1,350 million).
4. Represents private placement issuances in Norwegian Krone (NOK) 3,750 million, USD \$50 million, EUR 90 million, HKD 1,370 million, GBP 150 million, Japanese Yen (JPY) 5,500 million, measured at the hedged rate on the issuance date, and AUD \$850 million (30 June 2023: NOK 3,750 million, USD \$50 million, EUR nil, HKD 900 million, GBP 50 million, JPY 5,500 million and AUD \$850 million).
5. The terms of certain bank facilities were modified during the year to 30 June 2024, extending the tenor and decreasing the overall facility limit by \$250 million.

The Company's nominal weighted average cost of issued and drawn debt, taking into account hedging activities and amortisation of associated fees, for the year ended 30 June 2024 is 3.24 per cent (30 June 2023: 2.89 per cent). All borrowings are repayable in full at the end of the contracted period.

Recognition and measurement

All loans are initially recorded at fair value, which typically reflects the proceeds received, net of directly attributable transaction costs. Establishment fees paid upon entering into loan facilities are recognised as transaction costs related to the loan to the extent that it is probable that some or all of the loan facility will be drawn down. In this case, establishment fees are deferred until the draw down occurs. If it is not deemed probable that some or all of the loan facility will be drawn down, then the fee is capitalised as a prepayment and amortised over the period of the related loan facility.

After initial recognition, all interest-bearing loans are measured at amortised cost, using the effective interest method. Loans that are in a designated fair value hedge relationship are adjusted for fair value movements attributable to the hedged risk. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Borrowings are derecognised when contractual obligations are discharged, cancelled or expired.

A reconciliation of movements in NBN Co's borrowings arising from financing activities has been shown in the table below.

Borrowings	30 June 2024 \$m	30 June 2023 \$m
Balance at 1 July	25,834	24,581
Net cash flows received	1,065	1,089
Accrued interest	59	39
Fair value hedge adjustments	154	(180)
Foreign exchange movements	(182)	289
Fees and other adjustments	(18)	16
Balance at 30 June	26,912	25,834

Net finance costs on borrowings

Net finance costs on borrowings primarily relate to interest charged on borrowings and related party borrowings.

For the year ended	Note	30 June 2024 \$m	30 June 2023 \$m
Interest on related party borrowings	H3	(213)	(224)
Interest on borrowings		(649)	(507)
Other finance charges ¹		(29)	(27)
Total		(891)	(758)

1. Other finance charges includes hedge ineffectiveness.

C. Our assets and liabilities (continued)

C9. Borrowings and other financial liabilities (continued)

Fair value of borrowings

At 30 June 2024, the carrying value and fair value of the Company's current and non-current borrowings (30 June 2023 comparative period excludes the Commonwealth loan) are as follows:

As at	30 June 2024		30 June 2023	
	Carrying value \$m	Fair value \$m	Carrying value \$m	Fair value \$m
Borrowings	26,912	26,644	20,334	19,776
Total	26,912	26,644	20,334	19,776

The difference between the carrying value and fair value reflects the movements in underlying market interest rates between settlement date and reporting date for the Company's borrowings. The fair value of the Company's borrowings are measured using Level 2 inputs (see page 198).

In the prior year, the Company determined that the carrying value of the loan from the Commonwealth of Australia was materially consistent with its fair value at the reporting date. The fair value was estimated using both observable and hypothetical unobservable inputs to determine a hypothetical cost of debt, which includes an estimate of an appropriate execution charge should this be replaced at the reporting date. Other assumptions are consistent with the terms of the loan.

In accordance with AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*, NBN Co is transitioning from Interbank Offered Rates (IBORs) to alternate Risk-Free Rates (RFRs). During the period, NBN Co transitioned the measurement of the fair value of its borrowings held in USD and GBP to reference RFRs as opposed to IBORs. This did not have a material impact on NBN Co's financial statements as at 30 June 2024. NBN Co will seek to transition to using RFRs for borrowings held in remaining currencies as the RFRs are considered to be a reliable market reference input.

C10. Provisions

As at	30 June 2024 \$m	30 June 2023 \$m
Current		
Employee benefits	168	195
Other provisions	24	20
Total	192	215

As at	30 June 2024 \$m	30 June 2023 \$m
Non-current		
Employee benefits	22	27
Other provisions	14	21
Total	36	48

Recognition and measurement

Provisions are recognised when:

- There is a present legal or constructive obligation to make a future sacrifice of economic benefits as a result of past transactions or events
- It is probable that a future sacrifice of economic benefits will arise
- A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Refer to Note D1 for employee benefits accounting policies.

D. OUR PEOPLE

This section describes employment and post-employment benefit expenses provided to our people.

D1. Employee benefits expenses

For the year ended	30 June 2024 \$m	30 June 2023 \$m
Defined contribution superannuation expense	(76)	(76)
Other employee expenses, net of capitalisation	(534)	(622)
Total	(610)	(698)

Recognition and measurement

Short-term employee benefit obligations

Short-term employee benefits comprise salaries and wages, including non-monetary benefits, short-term incentives and annual and long service leave that is expected to be settled within 12 months of the reporting date. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term employee benefit obligations

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using high-quality corporate bond rates at the reporting date with terms to maturity and currency to match, as closely as possible to, the estimated future cash flows. Remeasurement as a result of experience adjustments and changes in assumptions are recognised in profit or loss.

Post-employment benefits

The Company pays superannuation guarantee contributions into nominated defined contribution plans as advised by employees. Superannuation contributions are recognised as an expense as they become payable.

Termination benefits

Termination benefits are payable when employment is terminated, and an expense is recognised when the Company is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without likelihood of withdrawal.

Capitalisation of employee benefits expenses

Employee benefits expenses are capitalised and included in the cost of property, plant and equipment, and intangible assets upon initial recognition to the extent that they are directly attributable to constructing and bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

D2. Key management personnel

Disclosures relating to key management personnel are set out below:

For the year ended	30 June 2024 \$	30 June 2023 \$
Short-term employee benefits	(9,522,977)	(9,759,185)
Post-employment benefits	(278,309)	(261,972)
Long-term employee benefits	(298,989)	(27,213)
Total	(10,100,275)	(10,048,370)

The table above includes the remuneration of key management personnel during the period for which they acted as key management personnel only. Refer to the Remuneration Report for details of any payments made to employees of the Company after they ceased to be key management personnel.

E. OUR EQUITY

The Commonwealth of Australia and NBN Co had previously entered into an Equity Funding Agreement (EFA), whereby the Commonwealth of Australia provided assurances to the Company in relation to the provision of equity funding of \$29.5 billion until 30 June 2021. NBN Co entered into a subsequent EFA with the Commonwealth of Australia on 27 June 2023. Under the terms of the current EFA, the Commonwealth of Australia will provide up to \$2.4 billion in equity funding to NBN Co by 30 June 2026. The equity funding is to be used to enable an additional 1.5 million homes and businesses previously served by FTTN to be eligible for an upgrade to FTTP technology and will be provided to NBN Co as the program progresses, up to a maximum annual drawdown amount.

E1. Contributed equity

As at 30 June 2024, \$30.6 billion of the total available equity funding of \$31.9 billion from the Commonwealth of Australia had been provided to NBN Co under the terms of the EFAs (30 June 2023: \$29.8 billion). The equity funding provided to the Company for the year ended 30 June 2024 is as follows:

	Number of shares	Ordinary shares fully paid \$m
Balance at 30 June 2022	29,500,000,000	29,500
Equity injection	304,692,179	305
Balance at 30 June 2023	29,804,692,179	29,805
Equity injections	771,307,821	771
Balance at 30 June 2024	30,576,000,000	30,576

Recognition and measurement

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Transactions with the Commonwealth of Australia, as owner, that are designated as equity injections for the financial period, are recognised directly in contributed equity and do not form part of other comprehensive income in that financial period.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number and amounts paid on the shares held. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Capital risk management

The Company's objectives when managing capital are to safeguard the ability of the Company to continue as a going concern while maximising the return to the Commonwealth Government and maintaining an optimal capital structure. The capital structure of the Company consists of cash and cash equivalents disclosed in Note C1, borrowings disclosed in Note C9 and contributed equity.

Dividends declared

No dividends were declared or paid during the year (30 June 2023: nil).

E2. Other reserves

	Cash flow hedging reserve \$m	Cost of hedging reserve \$m	Total reserves \$m
Balance at 30 June 2022	909	26	935
Change in fair value of hedging instrument recognised in OCI	449	5	454
Reclassified from OCI to profit or loss ¹	(474)	-	(474)
Reclassified to the cost of property, plant and equipment	(9)	(2)	(11)
Deferred tax	11	(1)	10
Balance at 30 June 2023²	886	28	914
Change in fair value of hedging instrument recognised in OCI	(46)	(77)	(123)
Reclassified from OCI to profit or loss ¹	(228)	-	(228)
Reclassified to the cost of property, plant and equipment	2	-	2
Deferred tax	82	23	105
Balance at 30 June 2024^{3,4}	696	(26)	670

1. During the period, gains of \$45 million were released from the cash flow hedge reserve for discontinued hedges (30 June 2023: \$34 million).
2. During the prior period, certain interest rate swaps were renegotiated. This resulted in the de-designation of the related cash flow hedge relationships and a crystallised gain of \$150 million in the cash flow hedge reserve.
3. During the period, certain interest rate swaps were closed out before their end date. This occurred to align with NBN Co's updated Treasury Policy in relation to interest rate risk management. This resulted in the de-designation of the related cash flow hedge relationships and a crystallised gain of \$312 million in the cash flow hedge reserve.
4. As at 30 June 2024, gains of \$435 million relating to discontinued hedges remain in the cash flow hedge reserve (30 June 2023: \$168 million).

The cash flow hedging reserve represents the effective portion of gains or losses on remeasuring the fair value of qualifying derivative instruments, which have been designated into cash flow hedging relationships. The cost of hedging reserve represents changes in the fair value of the Company's derivative financial instruments attributable to movements in the foreign currency basis spread and time-value of future options.

The amount accumulated in the cash flow hedge reserve and cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the underlying expected future cash flows to which the hedge relates affect profit or loss.

F. OUR SIGNIFICANT CONTRACTUAL ARRANGEMENTS AND COMMITMENTS

NBN Co has entered into a number of contracts that will underpin the delivery and operation of the nbn[®] network. In addition to entering into contractual arrangements with Delivery Partners for the build of the network, NBN Co has entered into strategic agreements with Telstra and Singtel Optus that provide NBN Co with the required infrastructure to deliver fast broadband to the nation.

These strategic agreements are essential to NBN Co in regard to its ability to achieve its short and long-term objectives.

F1. Telstra Revised Definitive Agreements

On 23 June 2011, NBN Co and Telstra announced that binding agreements (the Telstra Definitive Agreements or the DAs) had been entered into for the rollout of the nbn[®] network. The DAs became unconditional following the satisfaction of conditions precedent including Telstra shareholder approval in November 2011 and ACCC acceptance of Telstra's Migration Plan and Structural Separation Undertaking in March 2012.

Following the completion of the 2013 Strategic Review, the Government provided NBN Co with a new Statement of Expectations under which the nbn[®] network rollout was to transition from a primarily FTTP model to a Multi-Technology Mix (MTM) model.

On 14 December 2014, NBN Co and Telstra announced they had renegotiated the DAs and entered into a number of new agreements to provide for the shift to a MTM network rollout (the Revised Definitive Agreements or the RDAs). The RDAs came into effect on 26 June 2015 after all conditions precedent were either satisfied or waived.

As with the DAs, the RDAs provide NBN Co access to certain Telstra network infrastructure including ducts, pits, lead-in conduits (ownership of lead-in conduits transfers to NBN Co), exchange rack space and dark fibre to facilitate the efficient rollout of the nbn[®] network. The RDAs also continue to require Telstra to progressively disconnect premises connected to its copper and Hybrid Fibre Coaxial (HFC) networks (subject to exceptions for certain copper-based services and pay-TV services provided over parts of the spectrum on the HFC network) as the nbn[®] network is rolled out.¹ Telstra will continue to be entitled to payments from NBN Co for disconnecting premises from its networks, and NBN Co continues to expense these payments.

In addition, the RDAs allow NBN Co to progressively take ownership of, and the operational and maintenance responsibility for, elements of Telstra's copper and HFC networks and use of those network elements where it represents the fastest and most cost-effective way to deliver fast broadband to homes and businesses. These copper and HFC network elements are being used as access technologies as part of the overall design of the MTM rollout.

The payment structure remains linked to the rollout of the nbn[®] network. Under the RDAs, once NBN Co starts acquiring the assets forming part of Telstra's HFC network, NBN Co has an obligation to continue to acquire all of Telstra's HFC network. In July 2016, NBN Co commenced the acquisition of assets forming part of Telstra's HFC network.

Under the RDAs, NBN Co has also agreed to reimburse Telstra for any direct, reasonable, substantiated and incremental (DRSI) costs incurred as a result of the move from the FTTP rollout to the MTM rollout, subject to certain exceptions. NBN Co is capitalising these costs as they are incurred.

As with the DAs, the estimated value of the RDAs is based on a range of dependencies and assumptions over the long-term life of the agreements. On a like-for-like basis, the estimated net present value payable to Telstra under the RDAs is equivalent to that under the DAs. The RDAs contain an arrangement relating to the nbn[®] network rollout cessation and related consequences for NBN Co. In addition, there are provisions relating to NBN Co's liability for performing work on Telstra's live networks (refer to Note H2).

On 26 March 2024, it was agreed between Telstra and NBN Co that the network rollout has passed certain milestones which removes Telstra's right to trigger the rollout cessation regime in the RDAs. At the same time, it was also agreed between NBN Co and Telstra to modify certain lease payments under the right-of-use arrangements within the RDAs (refer to Note C3).

1. Services provided over the nbn[®] network will replace phone and internet services provided over most of the existing landline networks, including copper and the majority of HFC networks within the fixed-line footprint. Services provided over existing fibre networks (including in-building, health and education networks) and some special and business services may not be affected.

F2. Optus HFC Subscriber Agreement

On 23 June 2011, NBN Co executed an agreement (the 2011 Optus HFC Subscriber Agreement) with Singtel Optus Pty Ltd and other Optus entities (Optus).

On 19 July 2012, the ACCC published a final determination granting authorisation of the 2011 Optus HFC Subscriber Agreement.

Under the terms of the 2011 Optus HFC Subscriber Agreement:

- Optus agreed to progressively migrate HFC customers to the nbn[®] network as it is rolled out. Optus agreed to a Fixed Line network preference in favour of NBN Co for residential and small business customers served by Optus' HFC network
- NBN Co agreed to make progressive payments to Optus based on the actual number of customers that migrate from its HFC network to the nbn[®] network.

On 14 December 2014, NBN Co and Optus announced they had signed agreements (the Revised HFC Subscriber Agreement) amending the 2011 Optus HFC Subscriber Agreement. On 19 September 2015, all of the conditions precedent to the Revised HFC Subscriber Agreement with Optus were satisfied. The Revised HFC Subscriber Agreement provides NBN Co with the option to acquire elements of Optus' HFC network where it is efficient and/or cost effective to do so, as part of the overall design and implementation of the MTM rollout.

The Revised HFC Subscriber Agreement continues to require Optus to progressively migrate HFC customers to the nbn[®] network as it is rolled out. The migration of Optus HFC customers to the nbn[®] network is now complete and there will be no further payments to Optus relating to the migration of customers.

F3. Commitments

Capital commitments

Total capital expenditure contracted for at the reporting date but not yet recognised in the Statement of financial position is as follows:

	30 June 2024 \$m	30 June 2023 \$m
Within one year	524	529
Later than one year but not later than five years	7	64
Later than five years	4	2
Total	535	595

Capital commitments include committed right-of-use and infrastructure ownership payments under the RDAs with Telstra, fixed-term commercial contracts and other ordered capital expenditure.

G. OUR FINANCIAL RISK MANAGEMENT

As a result of its ongoing business operations, the Company is exposed to a number of financial risks. This section sets out the nature, quantification and management of these financial risks.

Financial risk management objectives

The Company's risk management policy is to identify, assess and manage risks which are likely to adversely affect the Company's financial performance, growth and ability to continue as a going concern. In terms of financial risk management, the Company takes a risk-averse approach as it seeks to minimise risk, provided it is cost effective to do so.

The main risks arising from the Company's financial activities are market risks (interest rate risk and foreign currency risk), liquidity risk and credit risk.

Financial assets and liabilities

All of the financial assets and liabilities below are carried at amortised cost except for derivatives which are measured at fair value. Borrowings that are in a designated fair value hedge relationship are adjusted for fair value movements attributable to the hedged risk.

As at	30 June 2024 \$m	30 June 2023 \$m
Financial assets		
Cash and cash equivalents	54	41
Trade and other receivables	583	533
Derivative financial assets	1,116	1,635
Carrying amount of financial assets	1,753	2,209
Financial liabilities		
Trade and other payables	1,181	1,280
Lease liabilities	11,846	11,512
Derivative financial liabilities	485	319
Borrowings	26,912	20,334
Related party borrowings	-	5,500
Carrying amount of financial liabilities	40,424	39,945

Net interest income or expense from financial assets and liabilities

The net interest income or expense earned from financial assets and liabilities for the year ended 30 June 2024 was a net expense of \$1,831 million (30 June 2023: net expense of \$1,656 million).

Derivatives and hedging activities

The Company uses derivative financial instruments in the normal course of business in order to hedge exposures to fluctuations in interest rates and foreign exchange rates in accordance with the Company's financial risk management policies. The Company's policies allow derivative transactions to be undertaken for the purpose of managing risk and not for speculative trading.

The fair values, including accrued interest, of the Company's derivative instruments at 30 June 2024 are as follows:

	30 June 2024		30 June 2023	
	Current \$m	Non-current \$m	Current \$m	Non-current \$m
Assets				
Forward exchange contracts	-	-	2	-
Interest rate options	-	8	-	3
Interest rate swaps	65	747	32	1,388
Cross-currency interest rate swaps	129	161	28	179
Power purchase agreements	-	6	-	3
Total derivative assets	194	922	62	1,573
Liabilities				
Interest rate options	-	8	-	-
Interest rate swaps	1	93	13	81
Cross-currency interest rate swaps	24	359	18	207
Total derivative liabilities	25	460	31	288

Recognition and measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and if so, the nature of the item being hedged. Any derivative instruments that are not designated in a hedging relationship will have the subsequent fair value movement within each reporting period recognised in profit or loss.

Derivatives that are designated in a hedging relationship are designated as either:

- Cash flow hedges, being hedges of a particular risk associated with cash flows of recognised assets and liabilities and highly probable forecast transactions; or
- Fair value hedges, being hedges of the fair value of recognised assets or liabilities or a firm commitment.

At the inception of the hedging transaction, the Company documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, as to whether the derivatives used in hedging transactions have been, and will continue to be effective, in offsetting changes in either the fair value or cash flows of hedged items. When forward contracts are used to hedge forecast transactions, the Company generally designates the entire fair value of the forward contract as the hedging instrument. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months.

G. Our financial risk management (continued)

Derivatives and hedging activities (continued)

Cash flow hedge

Cash flow hedges are used by the Company to manage exposure to variability in expected future cash flows, which could affect profit or loss. Variability in expected future cash flows could arise from fluctuations in foreign exchange rates and interest rates on financial liabilities or highly probable forecast transactions, predominantly associated with NBN Co's foreign and domestic borrowings.

The Company uses interest rate swaps, interest rate and foreign exchange options, cross-currency interest rate swaps and forward exchange contracts to hedge against such fluctuations.

The effective portion of changes in the fair value of derivatives that are designated in a cash flow hedge relationship are recognised in other comprehensive income and accumulated in the cash flow hedge reserve within equity. The ineffective portion is recognised immediately in profit or loss within net finance costs.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. When the hedged forecast transaction results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued. Any cumulative gain or loss related to the hedging instrument existing in the cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in the cash flow hedge reserve is immediately reclassified to profit or loss, where applicable.

Fair value hedges

Fair value hedges are used by the Company to manage the variability in the fair value of foreign and domestic borrowings due to fluctuations in interest rates. The Company uses interest rate swaps and cross-currency interest rate swaps to hedge against such fluctuations.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss within net finance costs, together with any changes in the fair value of the hedged liability that are attributable to the hedged risk. Any gain or loss relating to the ineffective portion of a fair value hedge is recognised directly in the profit or loss within net finance costs.

If the hedge no longer meets the criteria for hedge accounting, it is discontinued. The adjustment to the carrying amount of a hedged item for which the effective interest method is used, is amortised to profit or loss within net finance costs over the period to maturity using a recalculated effective interest rate.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Hedge ineffectiveness may occur due to:

- The credit value/debit value adjustment on the hedging instrument not being matched by a similar adjustment on the hedged item
- Differences in critical terms between the hedging instrument and hedged item, including hedging instruments with a non-zero fair value at inception of the hedge relationship.

Offsetting financial assets and liabilities

Currently there is no right or basis to present any financial assets or financial liabilities on a net basis, other than interest receivable and payable on derivative financial instruments. As such, no financial assets or financial liabilities, other than those mentioned above, have been presented on a net basis in the Company's Statement of financial position at the end of the financial year.

Power Purchase Agreements

As at 30 June 2024, the Company had entered into the following renewable energy Power Purchase Agreements (PPAs):

- A solar PPA for a solar farm situated in West Wyalong, New South Wales. The solar farm is operational and is contracted for 10-year period which commenced in December 2023
- A wind PPA for AGL wind farm situated in Victoria. The wind farm is already operational and NBN Co has contracted to obtain offtake for a 6-year period from January 2025
- A solar PPA in June 2023 for a solar farm situated in Munna Creek Queensland. The solar farm is not yet operational and is contracted for a 10-year period from the commencement of commercial production, expected in the second half of 2025.

The PPAs are not physical electricity supply contracts. They operate as a 'contract for difference' (CfD), whereby the parties have agreed to a 'strike price'. If the electricity spot price is higher than the strike price, then the solar farm will pay the difference to NBN Co and vice versa if the spot price is lower than the strike price. The CfD is a derivative financial instrument and is required to be measured at fair value at each reporting date.

As at 30 June 2024, the derivative asset relating to the Company's PPAs was \$6 million (30 June 2023: \$3 million).

The PPAs are not designated into hedging relationships and therefore the fair value movements on the Company's PPAs are recognised in profit or loss as a gain/(loss) on derivatives measured at fair value through profit or loss.

G. Our financial risk management (continued)

Derivatives and hedging activities (continued)

Hedge Accounting

The impact of derivatives and hedging activities on the Company's financial position and performance is as follows:

Fair Value Hedges	30 June 2024		30 June 2023	
	Interest rate \$m	Total \$m	Interest rate \$m	Total \$m
Carrying amount of hedging instruments^{1,2}				
Derivative assets	-	-	-	-
Derivative liabilities	(613)	(613)	(758)	(758)
Fair value hedge adjustment				
Carrying amount of hedged item recognised in the Statement of financial position	(12,961)	(12,961)	(8,780)	(8,780)
Cumulative fair value adjustment on hedged item	593	593	747	747
Hedge effectiveness				
Change in value of hedging instrument used for calculating hedge effectiveness	(145)	(145)	191	191
Change in value of hedged item used for calculating hedge effectiveness	154	154	(180)	(180)
Hedge ineffectiveness recorded in profit or loss	9	9	11	11

Cash Flow Hedges	30 June 2024			30 June 2023		
	Foreign exchange \$m	Interest rate \$m	Total \$m	Foreign exchange \$m	Interest rate \$m	Total \$m
Carrying amount of hedging instruments^{1,2}						
Derivative asset	769	787	1,556	847	1,391	2,238
Derivative liabilities	(359)	(27)	(386)	(207)	-	(207)
Hedge effectiveness						
Change in value of hedging instrument used for calculating hedge effectiveness	182	417	599	(292)	52	(240)
Change in value of hedged item used for calculating hedge effectiveness	(182)	(413)	(595)	290	(51)	239
Hedge ineffectiveness recorded in profit or loss	-	4	4	(2)	1	(1)
Change in hedge reserves						
Change in value of hedging instrument recognised in cash flow hedge reserves	158	(112)	46	(266)	(183)	(449)
Change in value of the hedging instrument recognised in cost of hedge reserves	77	-	77	(6)	1	(5)
Amount reclassified from cost of hedge reserve to property, plant and equipment	-	-	-	2	-	2
Amount reclassified from cash flow hedge reserve to property, plant and equipment	(2)	-	(2)	9	-	9
Amount reclassified from cash flow hedge reserve to net finance costs for continued and discontinued hedges	(179)	407	228	290	184	474
Change in reserves for continued or discontinued hedges	54	295	349	29	2	31

1. Excluding accrued interest.

2. The carrying amount of the hedging instruments are grossed up to allow for the hedge designation methodology the Company applies when designating cross-currency interest rate swaps in fair value and cash flow hedges.

Foreign currency risk management

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk due to fluctuations in foreign exchange rates for certain transactions.

The carrying amount of monetary assets and liabilities for foreign exchange risk denominated in foreign currencies and notional cash outflows for derivatives that hedge foreign exchange risk, as expressed in Australian dollars, is as follows:

	30 June 2024						30 June 2023					
	\$m						\$m					
	USD	EUR	NOK	JPY	HKD	GBP	USD	EUR	NOK	JPY	HKD	GBP
Foreign exchange risk												
Trade payables	38	-	-	-	-	-	20	-	-	-	-	-
Borrowings	7,391	4,484	526	49	268	307	5,355	2,253	525	57	169	95
Total foreign exchange risk	7,429	4,484	526	49	268	307	5,375	2,253	525	57	169	95
Derivatives												
Foreign exchange options	133	-	-	-	-	-	31	-	-	-	-	-
Forward exchange contracts	38	-	-	-	-	-	89	-	-	-	-	-
Cross-currency interest rate swaps	7,386	4,437	583	61	262	286	5,416	2,132	583	61	171	93
Total derivatives hedging foreign exchange risk	7,557	4,437	583	61	262	286	5,536	2,132	583	61	171	93

The Company has entered into forward exchange contracts to hedge its exposure to currency risk in relation to highly probable forecast transactions which are denominated in foreign currency. The Company's strategy is to fully hedge all material contractually certain foreign currency exposures and to hedge highly probable material foreign exchange exposures on a sliding scale dependent upon the period of time until expected settlement.

In accordance with its risk management strategy, the Company enters into cross-currency interest rate swaps to mitigate the foreign currency exposure on all of its foreign currency denominated borrowings.

G. Our financial risk management (continued)

Foreign currency risk management (continued)

The maturity profile of the Company's derivatives that hedge foreign exchange risk are as follows:

	30 June 2024			30 June 2023		
	Within 1 year \$m	1 to 5 years \$m	Greater than 5 years \$m	Within 1 year \$m	1 to 5 years \$m	Greater than 5 years \$m
Cash flow hedges	995	4,367	7,823	120	2,757	5,699

As at 30 June 2024, the material currency pairs of cross-currency interest rate swaps designated in hedge relationships are receive USD/pay AUD, receive EUR/pay AUD and receive NOK/pay AUD with weighted average foreign currency rates of USD/AUD 0.72, EUR/AUD 0.62 and NOK/AUD 6.44 (30 June 2023: USD/AUD 0.75, EUR/AUD 0.63 and NOK/AUD 6.44).

The Company has not entered into foreign currency positions that are not supported by underlying purchasing transactions that are either certain or highly probable as to timing, quantum and currency.

Sensitivity analysis

Sensitivity analysis to exchange rate movements based on the valuation of material financial instruments at the end of the period is as follows:

	30 June 2024	30 June 2023
	Impact on post-tax profit and equity 30 June 2024 \$m	Impact on post-tax profit and equity 30 June 2023 \$m
Exchange rates (AUD/USD)		
+ 10 cents	(13)	(35)
- 10 cents	15	39
Exchange rates (AUD/EUR)		
+ 10 cents	(7)	1
- 10 cents	13	-
Exchange rates (AUD/NOK)		
+ 10 cents	(3)	(1)
- 10 cents	3	1

A sensitivity range of plus 10 cents and minus 10 cents has been selected as a reasonably possible shift in exchange rate movements based on the current and historical level of volatility.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk due to changes in market interest rates associated with interest-bearing cash and cash equivalents and long-term borrowings. Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument.

During the year, following the acceptance of the Special Access Undertaking by the ACCC, NBN Co updated its Treasury Policy in relation to interest rate risk management. The Company manages its risk by entering into fixed and floating rate borrowings and by entering into cross-currency interest rate swaps, interest rate swaps, and interest rate options to manage the interest rate exposure in accordance with the updated Treasury Policy.

	Notional Amount \$m	Notional swapped from fixed to floating \$m	Notional swapped from floating to fixed \$m	Net exposure to floating interest rate risk \$m
At 30 June 2024				
Floating rate debt portfolio	8,223	12,917	(14,174)	6,966
At 30 June 2023				
Floating rate debt portfolio	7,069	8,756	(13,734)	2,091

The proportion of debt exposed to floating rates prior to any hedging is 30.58 per cent (30 June 2023: 27.37 per cent). Following consideration of the effect of hedging the proportion of debt exposed to floating rates is 25.91 per cent (30 June 2023: 8.10 per cent).

The notional maturity profile of the Company's derivatives that hedge interest rate risk are as follows:

	30 June 2024			30 June 2023		
	Within 1 year	1 to 5 years	Greater than 5 years	Within 1 year	1 to 5 years	Greater than 5 years
Cash flow hedges	1,400	12,792	1,880	-	12,884	4,350
Fair value hedges	824	4,299	7,793	400	2,757	5,600

As at 30 June 2024, the weighted average fixed interest on interest rate swaps, interest rate options and fixed cross-currency interest rate swaps designated in hedge relationships is 2.30 per cent (30 June 2023: 1.65 per cent).

Sensitivity analysis

Sensitivity analysis to interest rate movements, based on the valuation of financial instruments at the end of the year is as follows:

	30 June 2024	30 June 2023
	Impact on post-tax profit and equity \$m	Impact on post-tax profit and equity \$m
Interest rates +100 basis points	320	391
Interest rates -100 basis points	(331)	(412)

Sensitivity analysis to interest rates moving +/- 100 basis points on variable rate borrowings that are not hedged is +/- \$49 million on post-tax profit (30 June 2023: +/- \$15 million).

G. Our financial risk management (continued)

A sensitivity range of plus 100 basis points and minus 100 basis points has been selected as a reasonably possible shift in interest rates based on the current level of interest rates and historical volatility.

Credit risk exposure

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. Counterparty exposure is measured as the total value of the exposures to all obligations of any single legal or economic entity (e.g. a group of companies). Credit risk is managed on a group basis. The Company manages its credit risk via Board approved policies that require a formal approval of new counterparties, credit limit monitoring by counterparty and ongoing monitoring and reporting to manage credit risk exposure. Credit risk arises from cash and cash equivalents and the net favourable position of derivative financial instruments, as well as credit exposures to Retail Service Providers.

The Company does not expect any significant losses from non-performance by any of these counterparties.

The Company's maximum exposure to credit risk at the end of the reporting period is the carrying amount of the financial assets as recorded in the Statement of financial position.

The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

	30 June 2024 \$m	30 June 2023 \$m
Trade receivables		
<i>Counterparties with an external credit rating</i>		
AAA	1	5
A-	244	261
B+	3	-
<i>Counterparties without an external credit rating¹</i>		
Group 1	6	5
Group 2	248	208
Group 3	8	8
Total	510	487
Cash at bank and short-term bank deposits		
AA-	54	41
Total	54	41
Derivative financial assets		
AA-	437	623
A+	481	698
A	192	277
A-	-	34
BBB	6	3
Total	1,116	1,635

1. Group 1 – new customers (less than six months).

Group 2 – existing customers (more than six months) with no defaults in the past.

Group 3 – existing customers (more than six months) with defaults in the past, subsequently remediated.

The Company did not have any material receivables that were past due or impaired at 30 June 2024 (30 June 2023: nil).

Liquidity risk management

Liquidity risk refers to the risk of encountering difficulties in meeting obligations associated with financial liabilities. Liquidity risk management is associated with ensuring sufficient funds are available to meet financial commitments in a timely manner and planning for unforeseen events which may curtail cash flows and cause pressure on liquidity. The Company's financial liabilities are trade and other payables, finance lease liabilities, and borrowings.

The Company measures and manages liquidity risk through the liquidity ratio and by forecasting liquidity and funding requirements for the next four years as a minimum, which is reviewed annually by the Board. In addition, the Company prepares and reviews a rolling monthly cash forecast. The risk of refinancing is reduced by ensuring that the Company's borrowings mature across different periods.

The total drawn and undrawn amounts across all available borrowings are included in Note C9.

Contractual maturities of financial assets and liabilities

Amounts shown in the table below illustrate the undiscounted cash flows for the remaining contractual maturities of financial assets and liabilities and the carrying value recorded in the Statement of financial position for NBN Co's financial assets and liabilities.

	Within 1 year \$m	1 to 5 years \$m	Greater than 5 years \$m	Total contractual cash in/(out) flows \$m	Carrying amount assets/ (liabilities) \$m
At 30 June 2024					
Non-derivatives					
Cash and cash equivalents	54	–	–	54	54
Trade and other receivables	583	–	–	583	583
Trade and other payables	(1,181)	–	–	(1,181)	(1,181)
Borrowings	(6,437)	(16,284)	(9,537)	(32,258)	(26,912)
Lease liabilities	(1,475)	(4,696)	(20,129)	(26,300)	(11,846)
Total	(8,456)	(20,980)	(29,666)	(59,102)	(39,302)
Derivatives					
Derivative financial assets	283	601	(14)	870	1,116
Derivative financial liabilities	(166)	(678)	(225)	(1,069)	(485)
Total	117	(77)	(239)	(199)	631
At 30 June 2023					
Non-derivatives					
Cash and cash equivalents	41	–	–	41	41
Trade and other receivables	533	–	–	533	533
Trade and other payables	(1,280)	–	–	(1,280)	(1,280)
Borrowings	(2,583)	(14,948)	(5,651)	(23,182)	(20,334)
Related party borrowings	(5,718)	–	–	(5,718)	(5,500)
Lease liabilities	(1,395)	(4,415)	(19,782)	(25,592)	(11,512)
Total	(10,402)	(19,363)	(25,433)	(55,198)	(38,052)
Derivatives					
Derivative financial assets	297	1,089	178	1,564	1,635
Derivative financial liabilities	(147)	(358)	(38)	(543)	(319)
Total	150	731	140	1,021	1,316

G. Our financial risk management (continued)

Fair value measurement of financial instruments

The Company uses the following fair value hierarchy for determining and disclosing the fair value of financial instruments.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs for the asset or liability are not based on observable market data (unobservable inputs).

Fair value of derivative assets and liabilities


The Company's derivative financial assets and liabilities are the only assets and liabilities carried at fair value in the Statement of financial position. The fair value of these instruments is determined using valuation techniques with observable market data, categorised as Level 2, other than the CfD derivatives within PPAs which are categorised as Level 3 as one of the key inputs, being the electricity forward prices, cannot be forecast (using observable market data) for the duration of the contract.

The changes in Level 3 derivative financial instruments for the year ended 30 June 2024 are shown in the table below:

	30 June 2024 \$m	30 June 2023 \$m
For the year ended		
Derivative financial assets		
Balance at 1 July	3	-
Change in fair value of PPA	3	3
Total	6	3

In accordance with AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2* (AASB 2020-8), NBN Co is transitioning from Interbank Offered Rates (IBORs) to alternate Risk-Free Rates (RFRs). During the period, NBN Co transitioned the measurement of the fair value of its derivatives held in USD and GBP to reference RFRs as opposed to IBORs. This did not have a material impact on NBN Co's financial statements as at 30 June 2024. NBN Co will seek to transition to using RFRs for derivatives held in remaining currencies as the RFRs are considered to be a reliable market reference input.

There has been no change in the valuation techniques applied and there were no transfers between hierarchy levels during the year.



Key estimates and judgements

Determination of the fair value of derivative assets and liabilities

There are several assumptions used in the determination of the fair value of the Company's derivative assets and liabilities, particularly in relation to the accounting for cross-currency interest rate swaps and the valuation of CfD derivatives within NBN Co's PPAs.

The Company's cross-currency interest rate swaps use a trifurcation methodology between fair value and cash flow hedges. The fair value of derivatives used for hedging is determined using forward exchange rates at the reporting date and the present value of the estimated future cash flows based on observable yield curves, which if move significantly can cause material movements in the fair value of derivatives recorded in the Statement of financial position.

The fair value of CfD derivatives with PPAs is determined using an electricity price forecasting model and inputs used include forecast electricity volumes, the electricity forward spot price, the contract period, the discount rate and the net position of the long-term generation certificates.

Fair value of other financial instruments (excluding lease liabilities)

The carrying amounts of NBN Co's other financial instruments, which are not measured at fair value, are materially consistent with their fair value as at the reporting date.

The fair value of the Company's borrowings have been disclosed in Note C9.

H. OTHER FINANCIAL INFORMATION

This section provides information on further disclosures required by the Australian Accounting Standards and the *Corporations Act 2001* (Cth).

H1. Income tax expense

For the year ended	30 June 2024 \$m	30 June 2023 \$m
(a) Income tax expense		
Deferred tax	(105)	(10)
Total	(105)	(10)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax	(1,071)	(1,109)
Tax at the Australian tax rate of 30% (2023: 30%)	321	333
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Current year tax losses not recognised	(242)	(242)
Temporary differences not recognised	(184)	(101)
Income tax expense	(105)	(10)
(c) Tax Losses		
Unused tax losses for which no deferred tax asset has been recognised	30,405	29,568
Potential tax benefit at 30%	9,121	8,870

Total temporary differences for which no deferred tax asset is recognised is primarily comprised of lease arrangements, provisions and accruals and deferred income.

The cumulative amount of unrecognised tax losses of \$30,405 million (30 June 2023: \$29,568 million) may be available to offset against future income tax assessments when the Company generates taxable income.

The Company has recognised a deferred tax expense of \$105 million for the year ended 30 June 2024 (30 June 2023: \$10 million). This relates to the recognition of deductible temporary differences as a deferred tax asset to offset a deferred tax liability created as a result of the movement in the cash flow hedge reserve and cost of hedging reserve, which is recognised directly in the reserves to which it relates (refer to Note E2).

Effective tax rate

The non-recognition of deferred tax assets for deductible temporary differences and tax losses has led to NBN Co having an Australian accounting effective tax rate (ETR) of 0 per cent (30 June 2023: 0 per cent). If deferred tax assets had been fully recognised for deductible temporary differences and tax losses, NBN Co's Australian ETR would have been 30 per cent.

The above ETR has been calculated on the basis of income tax expense divided by accounting profit, in accordance with the requirements of the Board of Taxation's Tax Transparency Code.

Recognition and measurement

The income tax expense or benefit for the period is the tax payable or receivable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax expense or benefit is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

H2. Contingent assets and contingent liabilities

Recognition and measurement

Contingent assets and contingent liabilities are not recognised in the Statement of financial position but are reported in this note. They may arise from uncertainty as to the existence of an asset or liability or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable, but not virtually certain and contingent liabilities are disclosed when the likelihood of settlement is greater than remote but not probable. The details of NBN Co's significant contingent assets and liabilities are set out below:

Telstra Revised Definitive Agreements

Under the Telstra Revised Definitive Agreements, NBN Co has a right to undertake copper, HFC and associated passive infrastructure pre-construction and construction works on Telstra's networks pre-asset transfer. NBN Co has indemnified Telstra against any loss or claim for death, personal injury or damage as well as contractual liabilities of Telstra to its customers arising as a result of NBN Co undertaking such works on Telstra's networks pre-asset transfer. To the extent that claims or damages could be reliably measured, adequate allowance has been made for resultant liabilities at the reporting date.

Legal action

As at 30 June 2024, NBN Co had no outstanding legal action that would materially impact the 30 June 2024 financial statements. However, from time to time, the Company may be subject to lawsuits or proceedings for which it may be required, either by law or based on its business judgement, to make payments to settle or otherwise resolve matters.

H. Other financial information (continued)

H2. Contingent assets and contingent liabilities (continued)

Contractual related claims and disputes

Various claims and disputes arise from time to time in the ordinary course of business. Where the resolution (if any) cannot be measured with sufficient reliability, no asset or liability for these claims or disputes is recognised.

To the extent a resolution for claims or disputes is probable and could be reliably measured, and in the case of an asset the resolution is virtually certain, adequate recognition in the Statement of financial position has been made at the reporting date. The disclosure of any further information about claims or disputes would be prejudicial to the interests of the Company.

H3. Related party transactions

Parent entity

The Company's ultimate parent entity and ultimate controlling entity is the Commonwealth of Australia.

Acquisitions

There were no acquisitions in the year.

Key management personnel

Disclosures relating to key management personnel are presented in Note D2.

Transactions with related parties

The following transactions occurred with related parties:

For the year ended	Note	30 June 2024 \$	30 June 2023 \$
Equity injections from NBN Co's Shareholder Departments			
Balance at 1 July		29,804,692,179	29,500,000,000
Equity injections during the year	E1	771,307,821	304,692,179
Balance at 30 June		30,576,000,000	29,804,692,179

For the year ended	Note	30 June 2024 \$	30 June 2023 \$
Loans from NBN Co's Shareholder Departments			
Balance at 1 July		5,500,000,000	6,375,000,000
Loans paid during the period	C9	(5,500,000,000)	(875,000,000)
Interest charged on Commonwealth loan		212,809,315	224,079,041
Interest paid on Commonwealth loan		(212,809,315)	(224,079,041)
Balance at 30 June	C9	-	5,500,000,000

For the year ended	30 June 2024 \$	30 June 2023 \$
Significant transactions with NBN Co's Shareholder Departments		
<i>Recognised in the Statement of profit or loss</i>		
Other revenue	39,648,750	472,744
Other operating income	128,744,084	122,722,185
<i>Recognised in the Statement of financial position</i>		
Other receivables	28,237,989	23,428,455
Contract liabilities	(15,796,009)	(34,888,027)
Other liabilities	(288,000,000)	(384,000,000)
<i>Recognised in the Statement of cash flows</i>		
Receipts from customers	18,729,056	22,431,456
Government grants received	29,762,224	25,276,800

During FY22, NBN Co received \$480 million grant funding from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts as part of the NBN Co Fixed Wireless and Satellite Upgrade Program, with NBN Co also contributing an estimated \$270 million of investment into the Program. NBN Co recognises grant income in profit or loss on a basis aligned to the expenditure incurred by the Company for which the grant is intended to compensate. For the year ended 30 June 2024, NBN Co had recognised \$96 million (30 June 2023: \$96 million) as other income and as at 30 June 2024, \$288 million had been recognised as a deferred gain (30 June 2023: \$384 million).

NBN Co has recognised grant income of \$29 million (30 June 2023: \$24 million) from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts on behalf of the Commonwealth Government under the Regional Broadband Scheme (RBS). The RBS was established by Government to ensure there are long-term sustainable funding arrangements in place to provide essential broadband services to regional, rural and remote Australians. As at 30 June 2024, NBN Co had accrued income for the RBS Levy of \$27 million (30 June 2023: \$23 million). NBN Co received \$25 million in cash payments during the year ended 30 June 2024 (30 June 2023: \$23 million).

NBN Co also received co-investment funding from the Commonwealth Government's Regional Connectivity Program (RCP) which is initially recognised as deferred revenue and released to other revenue as NBN Co completes the construction activity and satisfies the performance obligation under the contract. For the year ended 30 June 2024, NBN Co had recognised other revenue of \$40 million (30 June 2023: \$0.5 million) and \$15 million had been recognised as a deferred gain as at 30 June 2024 (30 June 2023: \$35 million). Cash payments received under the RCP, along with a number of small other individual grants received from NBN Co's Shareholder Departments have been included in the table above.

As per AASB 124 *Related Parties*, an entity is not considered a related party simply because they have a Director in common with NBN Co. There are instances where Non-Executive Directors of NBN Co also hold Director positions with entities that NBN Co enters into contractual relationships with on standard commercial terms.

H. Other financial information (continued)

H4. Remuneration of auditors

Under Section 98 of the PGPA Act, the Auditor-General is responsible for auditing the financial statements of NBN Co Limited. On 1 February 2024, the Australian National Audit Office (ANAO) reappointed PwC as contractors to the financial statement audit process.

NBN Co has engaged PwC on assignments additional to their contract auditor duties and may decide to continue to do so, where their expertise and experience with the Company is important and no potential conflicts of interest exist. All non-audit engagements are subject to prior approval by the CFO and the Chair of the Audit and Risk Committee. These are also subject to prior approval by the ANAO and having regard to their independence policies. The Directors are satisfied that the provision of advisory services by PwC did not compromise auditor independence requirements, having a specific regard to PwC's role as the contractor to the ANAO.

During the year, the following fees were paid or payable for services provided by the ANAO and PwC:

For the year ended	30 June 2024 \$	30 June 2023 \$
Australian National Audit Office		
Audit of annual financial statements	(2,499,224)	(2,708,790)
Review of half-year financial statements	(795,302)	(997,049)
Audit of NBN Co reporting for Whole of Government financial statements	(363,564)	(387,115)
Total remuneration for audit and other assurance services	(3,658,090)	(4,092,954)
PwC Australia		
Other assurance related services		
– <i>Environmental, Social, and Governance (ESG) assurance</i>	(388,000)	(753,810)
– <i>Regulatory audit and reviews</i>	(71,000)	(732,000)
– <i>Non-statutory audit and review in connection with the US debt raising</i>	(199,680)	(192,000)
– <i>Comfort letters issued in connection with the US debt raising</i>	(599,765)	(1,088,351)
– <i>Other services</i>	–	(50,000)
Total remuneration for other assurance related services	(1,258,445)	(2,816,161)
Total auditor's remuneration	(4,916,535)	(6,909,115)

H5. Other significant accounting policies


Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Significant financial assets are tested for impairment individually. The remaining financial assets are assessed in groups that share similar credit risk characteristics.

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost and contract assets (as defined in AASB 15 *Revenue from Contracts with Customers*). Loss allowances are deducted from the gross carrying amount of the financial asset and recognised in profit or loss. ECLs are based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the effective interest rate of the financial asset.

NBN Co has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



The provision rates are based on days past due for groupings of various customers with similar loss patterns (i.e. by geographic region, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions.

Foreign currency translation

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of financial position.

The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Interest income

The Company records interest income on an accruals basis. For financial assets, interest revenue is determined by the effective yield on the instrument.

Changes in material accounting policies

The Company has consistently applied the accounting policies to all periods presented in these financial statements.

New standards and interpretations available for early adoption

The Company adopted AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* and AASB 2021-6 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards* effective from 1 July 2023. These standards look to improve accounting policy disclosures by requiring entities to disclose their material accounting policies rather than their significant accounting policies, as well as clarify the distinction between accounting policies and accounting estimates. The adoption of these standards have not had a material impact on NBN Co's financial statement disclosures for the year ended 30 June 2024.

A number of other standards, amendments and interpretations were applicable for the first time from 1 July 2023 which have not had a significant or immediate impact on the Company's financial statements.

New standards and interpretations are also available for early adoption from 1 July 2024. The amendments to these standards are not expected to have a material impact on the Company's financial statements.

I. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since 30 June 2024 to the date of signing of this report that has significantly affected, or may affect:

- The Company's operations in future financial years
- The results of those operations in future financial years
- The Company's state of affairs in future financial years.



CONSOLIDATED ENTITY DISCLOSURE STATEMENT

NBN Co does not have controlled entities and is therefore not required by the Australian Accounting Standards to prepare consolidated financial statements. As such, Section 295(3A)(a) of the *Corporations Act 2001* (Cth) does not apply to the Company.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (1) The financial statements and Notes set out on pages 152 to 208 are in accordance with the *Corporations Act 2001* (Cth) and the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act), including:
 - (i) Complying with Australian Accounting Standards, the *Corporations Regulations 2001* (Cth) and other mandatory professional reporting requirements; and
 - (ii) Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date.
- (2) There are reasonable grounds to believe that NBN Co will be able to pay its debts as and when they become due and payable.
- (3) The Consolidated entity disclosure statement on page 207 is true and correct.

Note A confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.

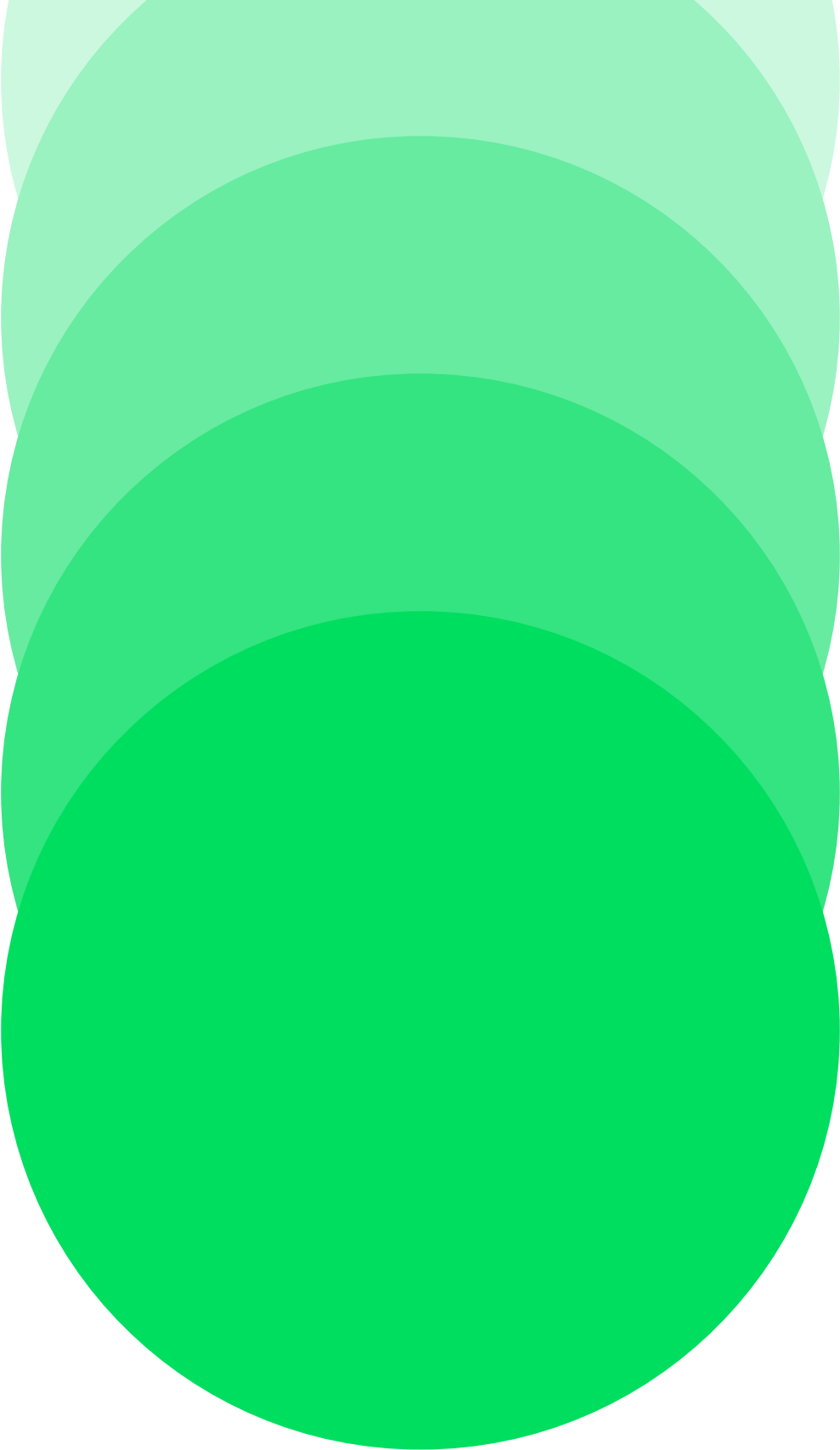
Signed in accordance with a resolution of the Directors.



Kate McKenzie
Chair
6 August 2024



Philip Knox
Interim Chief Executive Officer
6 August 2024



INDEPENDENT AUDITOR'S REPORT



Auditor-General for Australia



INDEPENDENT AUDITOR'S REPORT

To the members of NBN Co Limited

Opinion

In my opinion, the financial report of NBN Co Limited for the year ended 30 June 2024 is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of NBN Co Limited's financial position as at 30 June 2024 and its performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

The financial report of NBN Co Limited, which I have audited, comprises the following as at 30 June 2024 and for the year then ended:

- Statement of profit or loss and other comprehensive income;
- Statement of financial position;
- Statement of changes in equity;
- Statement of cash flows;
- Notes to the financial statements, comprising material accounting policy information and other explanatory information;
- Consolidated entity disclosure statement; and
- Directors' Declaration.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of NBN Co Limited in accordance with the auditor independence requirements of the *Corporations Act 2001* and the relevant ethical requirements for financial report audits conducted by me. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How the audit addressed the matter
<p>Accuracy and occurrence of telecommunications revenue</p> <p><i>Refer to Note B1 Revenue and other income</i></p> <p>NBN Co Limited reported telecommunications revenue of \$5,220 million for the year ended 30 June 2024.</p>	<p>To audit the accuracy and occurrence of telecommunications revenue, I performed the following procedures:</p> <ul style="list-style-type: none"> • evaluated the design, implementation and operating effectiveness of relevant manual, automated and IT general controls over NBN Co Limited's revenue processes. These include controls testing over selected

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<p>I consider that the recognition of telecommunications revenue is a key audit matter due to:</p> <ul style="list-style-type: none"> • the high volume of transactions; and • multiple information technology (IT) systems and tools utilised in the initiation, processing and recording of transactions, including the application of product pricing, credits, and rebates; and • price changes following the approval of the new Special Access Undertaking 	<p>interfaces between the key revenue systems and sample testing of key controls over pricing; and</p> <ul style="list-style-type: none"> • agreed a sample of telecommunications revenue transactions to supporting documents, such as evidence of ordering, billing and cash collection. As part of this sample test, I recalculated the price charged for each transaction and agreed it to the Wholesale Broadband Agreement that was in effect at the time of the transaction, including relevant credits and rebates.
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<p>Key audit matter</p> <p>Accuracy of property, plant and equipment capitalisation and depreciation expense</p> <p><i>Refer to the Note C3 'Property, plant and equipment'</i></p> <p>NBN Co Limited's property, plant, and equipment is the largest balance on the statement of financial position at year-end of \$35,452 million with depreciation expense for the year ended 30 June 2024 of \$2,753 million. The majority of NBN Co Limited's property, plant and equipment are network assets (\$35,278 million).</p> <p>Accuracy of property, plant and equipment capitalisation and depreciation expense is considered a key audit matter due to:</p> <ul style="list-style-type: none"> • the judgements involved which impact the carrying value of the assets, from the decision on whether to capitalise, determining when the assets are 'in service' and assessment of useful lives; and • the financial significance of property, plant and equipment to NBN Co Limited's financial position. 	<p>How the audit addressed the matter</p> <p>To audit the accuracy of property, plant and equipment capitalisation and depreciation expense, I performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> • obtained an understanding of NBN Co Limited's policies and methodology in capitalising costs, recognising additions and assessing useful lives, against the requirements of the Australian Accounting Standards; • agreed a sample of costs capitalised during the year to supporting documents and evaluated the appropriateness of the nature of activities capitalised; • tested the accuracy of a sample of 'in service' dates, which determine the commencement of depreciation, to source documentation showing when they were installed and ready for use; • reviewed the appropriateness of NBN Co Limited's useful lives assessment. This included an assessment of lives across all types of property, plant and equipment. In my evaluation I considered both the technological life and expected economic use of the associated assets, focussing specifically on network assets; and • re-performed the mathematical calculation of the depreciation expense using the applicable useful lives for a sample of property, plant and equipment.
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<p>Key audit matter</p> <p>Valuation of derivatives</p> <p><i>Refer to Note G 'Our financial risk management'</i></p> <p>As at 30 June 2024, NBN Co Limited had derivative financial instruments of \$1,116 million assets and \$485 million liabilities.</p> <p>NBN Co Limited has significant derivative financial instruments, specifically interest rate swaps and cross-currency interest rate swaps to hedge exposures to fluctuations in interest rates and foreign exchange rates. During the year, to align with the updated policy in relation to interest rate risk management, NBN Co Limited closed out certain</p>	<p>How the audit addressed the matter</p> <p>To audit the valuation of derivative financial instruments, I performed the following procedures:</p> <ul style="list-style-type: none"> • obtained an understanding of NBN Co Limited's policies and methodology in applying hedge accounting and assessed the appropriateness of the methodology and policies against the requirements of the Australian Accounting Standards; • obtained confirmations from third parties or performed alternative procedures to obtain evidence for the key terms of a sample of derivatives at balance sheet date; • assessed the appropriateness of the methodology and assumptions adopted by NBN Co Limited for a sample of
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Independent auditor's report (continued)

interest rate swaps before their end date, resulting in the de-designation of the related cash flow hedge relationships and crystallising a gain of \$312 million in the cash flow hedge reserve.

The accounting for derivative financial instruments is considered a key audit matter due to:

- the judgements involved in determining the fair value of the derivative financial instruments, including the application of appropriate models and assumptions, such as the forward interest rate curves and credit risks; and
 - the significant value of the hedged items and their corresponding derivative financial instruments and the complexity in applying hedge accounting (including the disclosure requirements) under the Australian Accounting Standards.
- derivatives to assess whether there was any evidence of error or bias in NBN Co Limited's calculation of the fair value of derivatives;
 - evaluated the hedge accounting designations and hedge relationship documentation considering the requirements of the Australian Accounting Standards for a sample of derivatives;
 - corroborated the termination of interest rate swaps to termination notices and bank statements. I also assessed the appropriateness of accounting treatment for the discontinued hedges; and
 - examined NBN Co Limited's assessment of the effectiveness of hedging instruments in offsetting changes in cash flows of hedged items. Where there are ineffective portions of hedging instruments, I have assessed whether that was appropriately recognised in the statement of profit or loss and other comprehensive income.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Directors' responsibility for the financial report

The directors of NBN Co Limited are responsible for the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct and in accordance with the *Corporations Act 2001*; and

for such internal control the directors determine is necessary to enable the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (b) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of NBN Co Limited to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate NBN Co Limited or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian

National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NBN Co Limited's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on NBN Co Limited's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause NBN Co Limited to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office



Rona Mellor PSM
Acting Auditor-General
Canberra
6 August 2024

INDEPENDENT ASSURANCE REPORT ON SELECTED NON-FINANCIAL (SUSTAINABILITY) METRICS



To the Board of Directors of NBN Co Limited

Independent Assurance Report on selected non-financial (sustainability) metrics in NBN Co Limited's Annual Report for the year ended 30 June 2024

The Board of Directors of NBN Co Limited (**NBN Co**) engaged us to perform a combination of assurance in respect of selected non-financial (sustainability) metrics (**Subject Matter Information**) in NBN Co Limited's Annual Report for the year ended 30 June 2024 (the **Annual Report**) in accordance with the NBN Co Sustainability metrics - Calculation methodology (the **Criteria**).

Subject Matter Information and Criteria

We assessed the Subject Matter Information against the Criteria. The Subject Matter Information needs to be read and understood together with the Criteria. The Subject Matter Information in Table 1 through 4 and the Criteria are set out below:

Limited Assurance Subject Matter Information – Table 1

Protected environment Performance Metrics for the year ended 30 June 2024	
Energy intensity (financial control)	7.76 kWh/TB
Emissions intensity (financial control: market-based)	4.88 kgCO ₂ -e/TB
Total scope 2 emissions (financial control: market-based)	228 ktCO ₂ -e
Total of selected Scope 3 emissions (financial control)	1,308 ktCO ₂ -e

Limited Assurance Subject Matter Information – Table 2

A safe, inclusive and engaged workforce Performance Metrics as at 30 June 2024	
Females in management	36.1%
Gender pay gap	-1.89%
Employee engagement	77%
Total Recordable Injury Frequency Rate (TRIFR)	4.21

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Limited Assurance Subject Matter Information – Table 3

Support greater use of the network Performance Metrics as at 30 June 2024	
Homes and businesses connected	8.61 million

Reasonable Assurance Subject Matter Information – Table 4

Protected environment Performance Metrics for the year ended 30 June 2024	
Total scope 1 and 2 emissions (operational control: location-based)	274 ktCO ₂ -e
Total energy consumed (operational control)	1,538,788 GJ

The Criteria against which we assessed the Subject Matter Information was prepared by NBN Co and the NBN Co Sustainability metrics - Calculation methodology is attached in Appendix A of NBN Co's FY24 Sustainability Data Book, which is published on NBN Co's website (Sustainability Reports section), as at the date of this report.

The maintenance and integrity of NBN Co's website is the responsibility of NBN Co Management. The work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information or Criteria when presented on NBN Co's website.

Our assurance conclusion and assurance opinion are with respect to the year ended or as at 30 June 2024 and do not extend to information in respect of earlier periods or to any other information included in, or linked from, the 2024 Annual Report.

Management's responsibilities

NBN Co's Management is responsible for the preparation of the Subject Matter Information in accordance with the Criteria. This responsibility includes:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring, evaluating and preparing the underlying Subject Matter Information;
- ensuring that those criteria are relevant and appropriate to NBN Co and the intended users; and
- designing, implementing and maintaining systems, processes and internal controls over information relevant to the evaluation or measurement of the Subject Matter Information, which is free from material misstatement, whether due to fraud or error, against the Criteria.

Our independence and quality control

We have complied with the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.



Our firm applies Australian Standard on Quality Management ASQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

Limited Assurance Subject Matter Information (Tables 1, 2 and 3)

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*. Those standards require that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Limited Assurance Subject Matter Information, described in Tables 1, 2 and 3, has not been prepared, in all material respects, in accordance with the Criteria, for the year ended or as at 30 June 2024.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

The procedures we performed in carrying out limited assurance over the Limited Assurance Subject Matter Information in Tables 1, 2 and 3 above were based on our professional judgement and included:

- Reviewing NBN Co's Criteria to ensure that it is appropriate for assurance and assessing the preparation and collation of the Limited Assurance Subject Matter Information against the Criteria;
- Enquiries of relevant staff responsible for preparing the Limited Assurance Subject Matter Information;
- Enquiries about the design of internal controls and systems used to collect and process the Limited Assurance Subject Matter Information;
- Where applicable, enquiries of third parties' responsibility for the preparation of data included in the Limited Assurance Subject Matter Information;
- Enquiries about the systems used by third parties to collect and process the Limited Assurance Subject Matter Information;
- Comparing the Limited Assurance Subject Matter Information to relevant underlying sources on a sample basis;
- Reconciling the Limited Assurance Subject Matter Information with underlying records;
- Undertaking analytical review procedures over data and obtaining explanations from management regarding unusual or unexpected amounts;



- Assessing the key assumptions of any material estimates made in preparing the Limited Assurance Subject Matter Information;
- Evaluating the appropriateness of the work performed by management's expert in relation to certain Scope 3 emissions, including their competence, capabilities and objectivity; and
- Evaluating the appropriateness of the key assumptions applied by management's expert in calculating the emission factors applied to certain Scope 3 emissions sources derived from Exiobase v3.3.16b using SimaPro software v9.5.0.0.

Our procedures did not include evaluating the suitability of design and operating effectiveness of control activities relating to SimaPro software v9.5.0.0 from which certain Scope 3 emission factors were sourced. Similarly, our procedures have not extended to testing the calculations contained within SimaPro software v9.5.0.0.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reasonable Assurance Subject Matter Information (Table 4)

Our responsibility is to express an opinion on the Reasonable Assurance Subject Matter Information in Table 4 based on the procedures we have performed and the evidence we have obtained. We have conducted our reasonable assurance in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*. Those standards require that we plan and perform this engagement to obtain reasonable assurance about whether the Reasonable Assurance Subject Matter Information in Table 4 has been prepared, in all material respects, in accordance with the Criteria for the year ended 30 June 2024.

A reasonable assurance engagement involves performing procedures to obtain evidence about the Subject Matter Information in Table 4. The nature, timing and extent of procedures selected depend on professional judgement, including the assessment of risks of material misstatement, whether due to fraud or error, in the Reasonable Assurance Subject Matter Information. In making those risk assessments, we considered internal control relevant to the NBN Co's preparation of the Reasonable Assurance Subject Matter Information. For the Reasonable Assurance Subject Matter Information in Table 4, in addition to those detailed above, assurance procedures undertaken included:

- Evaluating the design and implementation of controls relevant to the Reasonable Assurance Subject Matter Information; and
- Use of larger sample sizes for substantive tests undertaken on a sample basis.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.



Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or non-compliance may occur and not be detected.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time. In addition, greenhouse gas emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

In particular, in alignment with the GHG Protocol Corporate Accounting and Reporting Standard and as detailed by NBN Co's Management in the Criteria, the emission factors used in the calculation of certain Scope 3 greenhouse gas emissions were based on emission factors provided by a third-party provider using proprietary input output modelling methodology.

The limited assurance conclusion and reasonable assurance opinion expressed in this report have been formed on the above basis. The assumptions are laid out in more detail in the Criteria.

Limited assurance conclusion

Based on the procedures we have performed, as described under 'Our responsibilities' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Limited Assurance Subject Matter Information in Tables 1, 2 and 3, has not been prepared, in all material respects, in accordance with the Criteria for the year ended or as at 30 June 2024.

Reasonable assurance opinion

In our opinion, in all material respects, NBN Co has prepared the Reasonable Assurance Subject Matter Information in Table 4, in accordance with the Criteria for year ended 30 June 2024.

Use and distribution of our report

We were engaged by the board of directors of NBN Co on behalf of NBN Co to prepare this independent assurance report having regard to the Criteria specified by NBN Co and set out in this report. This report was prepared solely for NBN Co for providing a combination of limited and reasonable assurance in respect of the Subject Matter Information contained within its Annual Report for the year ended 30 June 2024.

We accept no duty, responsibility or liability to anyone other than NBN Co in connection with this report or to NBN Co for the consequences of using or relying on it for a purpose other than that referred to above. We make no representation concerning the appropriateness of this report for anyone other than NBN Co and if anyone other than NBN Co chooses to use or rely on it they do so at their own risk.



This disclaimer applies to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute and even if we consent to anyone other than NBN Co receiving or using this report.

PricewaterhouseCoopers

PricewaterhouseCoopers

Rosalie Wilkie

Rosalie Wilkie
Partner

Sydney
6 August 2024





REGULATORY REPORT

The Regulatory Report provides information on NBN Co's compliance with the applicable laws and regulations.

Reporting Requirements

NBN Co is subject to various reporting requirements including (but not limited to) the following:

- *Public Governance, Performance and Accountability Act 2013*
- *Corporations Act 2001*
- *Freedom of Information Act 1982*
- *Public Interest Disclosure Act 2013*
- *Superannuation Benefits (Supervisory Mechanisms) Act 1990*
- *Work Health and Safety Act 2011*
- *Environment Protection and Biodiversity Act 1999*
- *National Greenhouse and Energy Reporting Act 2007*
- *Workplace Gender Equality Act 2012 (Cth)*.

The Regulatory Reporting requirement index on pages 230 to 233 outlines where the relevant information is contained within this Annual Report.

Legislation

The National Broadband Network Companies Act 2011 (NBN Co Act) is a standalone law which establishes:

- NBN Co's ownership arrangements and wholesale supply mandate
- Certain line of business restrictions on NBN Co
- Provision of services are on an open and non-discriminatory basis
- A framework for access to telecommunications transmission towers owned or operated by NBN Co
- The framework for the eventual privatisation of NBN Co if certain events occur.

NBN Co ownership and structure

Under the NBN Co Act, the Commonwealth must retain ownership of NBN Co until at least the following events have occurred:

- The Communications Minister has declared that the nbn[®] network is treated as built and fully operational
- The Productivity Minister has tabled a Productivity Commission inquiry report in both Houses of Parliament
- The Parliamentary Joint Committee on the ownership of NBN Co has examined the Productivity Commission's report
- The Finance Minister has declared that conditions are suitable for NBN Co sale scheme and the declaration has taken effect.

Corporate Plan

In August 2023, NBN Co published the Corporate Plan 2024, which covers the reporting periods 2024 to 2027 inclusively. NBN Co has also prepared a draft Statement of Corporate Intent and Corporate Plan for Shareholder Ministers for the reporting periods 2025 to 2028.

The Corporate Plan 2024 contains information on NBN Co's financial and operational targets for the four year period commencing 1 July 2023 and ending 30 June 2027. Details of these targets, and NBN Co's measurement and assessment of its performance against the targets, have been excluded from this Annual Report on the grounds that the information is commercially sensitive to NBN Co.

ANAO Performance Audit

In FY24, the Australian National Audit Office (ANAO) issued a performance report (Report No.25 2023-24 Performance Audit National Broadband Network - Transition from Constructions to Operation) which concluded that NBN Co's strategies and arrangements to oversee and manage the transition from building to operating the National Broadband Network were largely effective.

Objective

The enduring purpose of NBN Co is to lift the digital capability of Australia by providing fast, reliable and secure broadband that enables Australia to seize the economic opportunities before it and service the best interests of consumers.

The Company will deliver services to meet the current and future needs of households, communities and businesses, and promote digital inclusion and equitable access to affordable and reliable broadband services.

To help achieve this objective, the nbn[®] network has been structured as a wholesale-only access network available on equivalent terms to access seekers.

Commonwealth Government policies

NBN Co's objectives are set by its Shareholder Ministers in a Statement of Expectations (SoE), which is supplemented from time to time by policy directives and correspondence. NBN Co's strategic direction is aligned with the Commonwealth Government's objectives for the nbn[®] network via the 19 December 2022 SoE, which also outlines the Government's commitments to increase access to faster, more reliable broadband.

The Government expects that NBN Co will upgrade and improve the nbn[®] network by increasing the proportion of premises with full fibre access, efficiently implementing upgrades to the Fixed Wireless network and improving satellite services and data allowances.

The Government also expects the Company to operate in an appropriately transparent manner and to take proportionate responsibility for the quality and continuity of service experienced by Retail Service Providers (RSPs) and end users.

The Government’s vision for NBN Co is that it operates on a commercial basis. NBN Co has been established as a wholly-owned Government Business Enterprise (GBE) and the Government will keep NBN Co in public hands for the foreseeable future.

NBN Co is also expected under the Government’s SoE to ensure that security and resilience issues are an integral part of its decision making and to take an active role in supporting the telecommunications sector security, as well as maintaining a relationship with security and law enforcement agencies.

Parliamentary oversight

Responsible Ministers

NBN Co has two Shareholder Ministers. As at the date of this report these were the Minister for Communications, the Hon Michelle Rowland MP, and the Minister for Finance, Senator the Hon Katy Gallagher.

Reporting requirements and transparency

As part of regular reporting to the Commonwealth Government and Parliament, NBN Co provides regular reporting to its Shareholder Ministers and the public in accordance with the Government’s requirement for a high degree of transparency. This includes monthly reports to Shareholder Ministers and half-yearly financial and operational updates.

Parliamentary and other Committees

During FY24, NBN Co appeared before the Environment and Communications Legislation Committee for Supplementary Budget Estimates in October and November 2023, Additional Estimates in February 2024 and May 2024 and Supplementary Budget Estimates in June 2024. NBN Co also appeared before the Senate Select Committee on Australia’s Disaster Resilience in March 2024. NBN Co lodged responses to 82 Indexed Questions on Notice for FY24, in addition to the questions answered during hearings.

During FY24, NBN Co lodged a number of ‘significant event notices’ with the Commonwealth Government in accordance with the *Public Governance, Performance and Accountability Act 2013*. No Ministerial directions were received by NBN Co during FY24 (FY23: nil).

Superannuation benefits

During FY24, NBN Co complied with all relevant guidelines and made no significant changes to superannuation arrangements for employees.

Work Health and Safety Act 2011

Our safety performance

In FY24, NBN Co’s LTIFR¹ for employees and contractors increased from 0.60 to 1.11.

Indicator	FY24	FY23
LTIFR ¹ – employees and contractors	1.11	0.60
LTIFR ¹ – employees	1.42	0.67
LTIFR ¹ – contractors	0.88	0.55

1. Lost Time Injury Frequency Rate (LTIFR) is the total number of lost time injuries per million hours worked. LTIFR includes work related injuries that relate to a NBN Co workplace or NBN Co activity undertaken by a NBN Co employee, contractor, or delivery partner (DP) that resulted in the injured person deemed medically unfit to work for at least one shift following the incident.

A total of 23 regulatory notifiable incidents were reported to Comcare (NBN Co’s safety regulator) in FY24 (3 NBN Co incidents, 20 Delivery Partner incidents). Where required, NBN Co provided Comcare with requested information and monitored actions to conclusion for all closed incidents. No regulatory improvement notices were issued by Comcare in FY24.

The Company conducts investigations in line with the NBN Co Safety and Wellbeing Incident and Investigation Management Standard. NBN Co’s Delivery Partners also conduct investigations in line with our HSE Incident Management Procedure for Contractors.

Refer to pages 62 to 71 for further information on NBN Co’s health and safety performance.

Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act)

As a Commonwealth GBE, NBN Co reports each year in compliance with Section 516A of the EPBC Act on the following matters:

- How the activities of NBN Co accorded with the principles of Ecologically Sustainable Development (ESD)
- The effect of NBN Co's activities on the environment
- Measures being taken to minimise the impact of activities by NBN Co on the environment and the mechanisms for reviewing and increasing the effectiveness of these measures.

Accordance with and contribution to Ecologically Sustainable Development

NBN Co's approach to sustainability 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.

There is an objective for each ESG theme within NBN Co's approach to sustainability. The Company's environmental objective is to operate a climate resilient, resource-efficient network and business, aligned with the latest climate science, which protects the natural environment and places of heritage value. Supporting the achievement of this objective was the FY23/24 Sustainability Program which includes key initiatives. NBN Co's Sustainability Governance Framework supports processes to review and increase the effectiveness of the Company's key initiatives, including performance monitoring and reporting. For further details on initiatives NBN Co undertook in FY24 to mitigate negative impacts on the environment, see the Protected Environment section of this Annual Report. NBN Co's environmental performance and key metrics are also outlined in the Protected Environment section of this Annual Report. During FY24, NBN Co did not receive any official cautions or prosecutions under any environmental or cultural regulations.

The National Strategy for Ecologically Sustainable Development (ESD) defines the goal of ESD as 'development that improves the total quality of life, both now and in the future, in a way that maintains the ecological processes on which life depends' and therefore references to the integration, precautionary, intergenerational, biodiversity and valuation ESD principles. NBN Co's commitment to ESD principles is demonstrated through its approach to sustainability, Environment Policy, and Environmental Management System. In FY24, NBN Co released a new Environment Policy, which outlines the Company's commitment to help protect and restore the environment, reduce its

carbon emissions and other environmental impacts, and adapt its network and business to ensure it remains resilient to the effects of climate change.

In FY24, the Environment Management System retained certification to *ISO 14001:2015 Environmental Management System*. Commitment to the ESD principles was demonstrated by:

- Evolving, operating and maintaining the nbn[®] network that aims to deliver access to high-speed broadband to all Australians. The network supports Australia's digital needs, playing an important role supporting the nation's social wellbeing, economic productivity and prosperity. The network can support innovation and benefit the health, education, employment and income of Australians. It also acts as a digital enabler for environmental value creation and protection including a lower carbon future (Integration and Intergenerational Principle)
- Implementing a company-wide Sustainability Approach and FY23/24 Sustainability Program, which includes key initiatives to support the achievement of ESG objectives. The 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 ESG themes creates and protects value for NBN Co and its stakeholders over the short, medium and long term (Integration Principle)
- Implementing energy efficient projects to reduce energy consumption and greenhouse gas emissions (Precautionary Principle)
- Implementing projects that support achievement of near-term emissions reduction targets set via the Science Based Targets Initiative (SBTi) (Precautionary Principle and Intergenerational Principle)
- Monitoring waste streams at NBN Co technical and operational facilities to identify improvement opportunities (Precautionary Principle)
- Developing a Circularity Framework and Strategy to leverage circular economy principles across the Company (Integration, Biodiversity and Valuation Principles)
- Finalising a Climate Transition Plan to support management of physical and transitional climate risks (Integration, Precautionary and Valuation Principle)
- Updating the Company's Environment Policy, which outlines NBN Co's commitments related to the environment and climate change, to guide business activities and decision-making, in line with those commitments (Integration and Biodiversity Principle).

Climate Action in Government Operations APS Net Zero 2030 emissions reporting

APS Net Zero 2030 is the Government's policy for the Australian Public Service (APS) to reduce its greenhouse gas emissions to Net-Zero by 2030, and transparently report on its emissions. As part of the Net-Zero in Government Operations Strategy¹, non-corporate Commonwealth entities, corporate Commonwealth entities and Commonwealth companies are required to report on selected greenhouse gas emissions.

The *Greenhouse Gas Emissions Inventory* presents greenhouse gas emissions over the FY24 period. Results are presented on the basis of Carbon Dioxide Equivalent (CO₂-e) emissions. Greenhouse gas emissions have been calculated in line with the Australian Public Service Emissions Reporting Framework², consistent with the Whole-of-Australian Government approach as part of the APS Net Zero 2030 policy.

2023-24 Greenhouse gas emissions inventory – location-based method

The table below provides NBN Co's greenhouse gas emissions in line with the Australian Public Service Emissions Reporting Framework for FY24.

Emission Source	Scope 1 tCO ₂ -e	Scope 2 tCO ₂ -e	Scope 3 tCO ₂ -e ⁵	Total tCO ₂ -e
Electricity (Location-Based Approach)	N/A	268,524	30,807	299,331
Natural Gas	-	-	-	-
Solid Waste	N/A	N/A	125	125
Refrigerants ³	-	-	-	-
Fleet and Other Vehicles	4,752	N/A	1,168	5,920
Domestic Commercial Flights ⁴	N/A	N/A	4,894	4,894
Domestic Hire Car	N/A	N/A	127	127
Domestic Travel Accommodation	N/A	N/A	674	674
Other Energy	579	N/A	143	722
Total	5,331	268,524	37,939	311,794

2023-24 Electricity greenhouse gas emissions

Emission Source	Scope 2 tCO ₂ -e	Scope 3 tCO ₂ -e	Total tCO ₂ -e
Location-based electricity emissions	268,524	30,807	299,331
Market-based electricity emissions ⁶	256,783	31,547	288,330

	Percentage of electricity use
Total renewable electricity	22.0%
Mandatory renewables ⁷	18.7%
Voluntary renewables ⁸	3.3%

National Greenhouse and Energy Reporting Act 2007

NBN Co is subject to the reporting requirements under Section 19 of the *National Greenhouse and Energy Reporting Act 2007*. The Act requires Australian businesses to annually report on its greenhouse gas emissions, energy consumption and energy production.

- <https://www.finance.gov.au/government/climate-action-government-operations/aps-net-zero-emissions-2030>
- <https://www.finance.gov.au/government/climate-action-government-operations/commonwealth-emission-reporting/australian-public-service-net-zero-emissions-reporting-framework>
- Reporting on refrigerants is aligned to NGER Act thresholds and optional for 2023-24. NBN Co did not use refrigerants in FY24 that exceed the minimum threshold for reporting under NGER Act 2007.
- Includes Radiative Forcing.
- Selected Scope 3 emissions are reported in line with APS Net Zero 2030 emissions reporting requirements. For full Scope 3 emissions results for FY24 see Protected Environment section of this Annual Report and FY24 Sustainability Data Book on the Company's website.
- Reported using an operational control boundary.
- Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.
- Voluntary renewables reflect the large-scale generation certificates surrendered by NBN Co and the jurisdictional renewable power percentage (ACT only).

NBN Co will submit its final, externally assured report, for FY24 energy and greenhouse gas emissions data to the Clean Energy Regulator by October 2024.

Freedom of Information report

Subject to relevant exemptions from release, the *Freedom of Information Act 1982* (FOI Act) gives members of the public a general right of access to documents held by Australian Government agencies, Ministers and Government Business Enterprises, such as NBN Co. In addition to the general exemptions under the FOI Act, Parliament has determined that documents relating to NBN Co's commercial activities are exempt from the operation of the FOI Act. Similar exemptions operate for other Commonwealth businesses, and research and other organisations, such as Australia Post, CSIRO and Comcare.

During FY24, NBN Co received 53 new FOI requests, carried forward 3 from FY23, finalised 48 requests under the FOI Act and will carry over 8 FOI requests into the next financial year.

Those applications were processed as follows:

Granted in full	2
Granted in part	-
Access refused	12
No documents held	3
Application withdrawn	31

The Office of the Australian Information Commissioner (OAIC) initiated one review concerning NBN Co's FOI determinations or FOI processes in FY24.

Four OAIC reviews were still pending at the end of FY24, while three Information Commissioner Reviews took place in FY24. Of these, two were withdrawn and as at 30 June 2024 one is on appeal to the Administrative Appeals Tribunal, which is the only review or appeal at the Administrative Appeals Tribunal that NBN Co is subject to regarding FOI matters in FY24.

How to make FOI requests

NBN Co recognises that information is a vital and an invaluable resource, both for the Company and for the broader Australian community. NBN Co promotes a pro-disclosure culture, with the goal of creating an organisation that is open, transparent and accountable. As such, a large amount of information is freely available on NBN Co's website.

To make an FOI request, applicants should apply in writing and:

- Specify that documents are being sought for the purposes of the FOI Act
- Provide a postal or email address where correspondence can be sent. A telephone number will also help in case further information is required
- Describe as clearly as possible the information being sought, including any reference numbers or details that may assist in identifying specific material.

FOI applications can be emailed to:

FOIofficer@nbnco.com.au

Or posted to:

FOI Officer NBN Co Limited
Level 13, 100 Mount Street
North Sydney NSW 2060

Information publication scheme

Part 2 of the FOI Act requires Commonwealth Government agencies, Ministers and certain GBEs to establish an Information Publication Scheme (IPS). As a GBE, NBN Co is required to adhere to the IPS provisions and outline the Company's obligations to provide the Australian community with access to information regarding the Company's operations, activities and other matters.

In addition to publishing a broad range of information on the website, NBN Co has published its IPS Plan, which explains how the Company implements and administers its IPS. This may be found at the following: <https://www.nbnco.com.au/corporate-information/about-nbn-co/freedom-of-information/information-publication-scheme>

While section 7(2) and section 7(3A) of the FOI Act exempts NBN Co from releasing information relating to its commercial activities, NBN Co regularly releases information about its operations on a proactive basis. NBN Co's objective is to continue along this path without compromising its commercial, business or operational objectives, or those of its business partners.

NBN Co welcomes input from the community regarding its IPS, along with suggestions regarding information that the Company might consider publishing. In that regard, please forward any comments or suggestions to the FOlofficer@nbnco.com.au. If NBN Co is unable to publish the information requested, NBN Co staff will be in contact to discuss the reasons that the information was unavailable. NBN Co will also endeavour to provide other options regarding information that may be available.

Privacy and access to personal information

Under the *Privacy Act 1988* individuals have, subject to certain exceptions permitted by law, a right to request access to their personal information. For further information, please refer to NBN Co's Privacy Policy, available on the Company's website.

Individuals may apply for access to their personal information held by NBN Co by writing to:

Privacy Officer
NBN Co Limited
Level 13, 100 Mount Street
North Sydney NSW 2060
Or email to: privacyofficer@nbnco.com.au

Other matters

During FY24, other than required by law, no reports on NBN Co were notified to NBN Co by any of the Commonwealth Ombudsman, Office of the Australian Information Commissioner or Australian Securities and Investment Commission.

During the course of the year the Australian National Audit Office issued a performance report (Report No.25 2023–24 Performance Audit National Broadband Network – Transition from Construction to Operation) which concluded that overall that strategies and arrangements to oversee and manage the transition from building to operating the national broadband network were largely effective, with three recommendations being noted for management attention.

Workforce statistics

Paragraph 28E(ga) of the PGPA Rule requires the publication of statistics on the number of employees of the Company (with reference to ongoing and non-ongoing employees), at the end of the reporting period and the previous reporting period, in relation to each of the following:

- full-time employees
- part-time employees
- gender
- location.

NBN Co's workforce statistics on a head count basis are provided in the tables below

All ongoing employees (2023-24)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	
NSW	916	4	920	485	21	506	-	-	-	6	-	6	-	-	-	1,432
QLD	343	-	343	170	6	176	-	-	-	5	-	5	-	-	-	524
SA	95	1	96	28	-	28	-	-	-	-	-	-	-	-	-	124
TAS	30	-	30	7	1	8	-	-	-	-	-	-	-	-	-	38
VIC	1,383	7	1,390	614	16	630	1	-	1	8	-	8	1	-	1	2,030
WA	119	1	120	36	3	39	-	-	-	-	-	-	-	-	-	159
ACT	25	-	25	6	1	7	-	-	-	1	-	1	-	-	-	33
NT	10	-	10	4	-	4	-	-	-	-	-	-	-	-	-	14
External	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Territories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2,921	13	2,934	1,350	48	1,398	1	-	1	20	-	20	1	-	1	4,354

All non-ongoing employees (2023-24)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	
NSW	5	-	5	5	-	5	-	-	-	10	-	10	-	-	-	20
QLD	-	-	-	1	-	1	-	-	-	-	-	-	-	-	-	1
SA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TAS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIC	5	-	5	5	-	5	-	-	-	19	6	25	-	-	-	35
WA	-	1	1	-	-	-	-	-	-	3	-	3	-	-	-	4
ACT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Territories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	10	1	11	11	-	11	-	-	-	32	6	38	-	-	-	60

All ongoing employees (2022-23)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	
NSW	1,036	5	1,041	546	27	573	-	-	-	4	-	4	1	-	1	1,619
QLD	298	1	299	170	5	175	-	-	-	4	-	4	1	-	1	479
SA	89	1	90	23	1	24	-	-	-	-	-	-	-	-	-	114
TAS	27	-	27	4	1	5	-	-	-	-	-	-	-	-	-	32
VIC	1,596	10	1,606	640	22	662	-	-	-	7	-	7	1	-	1	2,276
WA	103	1	104	28	1	29	-	-	-	-	-	-	-	-	-	133
ACT	20	-	20	4	2	6	-	-	-	-	-	-	-	-	-	26
NT	6	-	6	5	-	5	-	-	-	-	-	-	-	-	-	11
External	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Territories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,175	18	3,193	1,420	59	1,479	-	-	-	15	-	15	3	-	3	4,690

All non-ongoing employees (2022-23)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	
NSW	6	-	6	11	-	11	-	-	-	15	-	15	-	-	-	32
QLD	-	-	-	1	-	1	-	-	-	4	-	4	-	-	-	5
SA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TAS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIC	9	-	9	5	-	5	-	-	-	18	-	18	-	-	-	32
WA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ACT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Territories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	15	-	15	17	-	17	-	-	-	37	-	37	-	-	-	69

REGULATORY REPORTING REQUIREMENTS INDEX

For the year ended 30 June 2024

Section	Subject	Location	Pages
Public Governance, Performance and Accountability Act 2013 (PGPA Act)			
s. 97	Financial Report	Financial Report	150-209
	Directors' Report	Directors' Report	14-109
	Auditor's report	Independent auditor's report	210-213
Corporations Act 2001			
s. 295	Financial statements	Financial Report	152-155
	Notes to financial statements	Financial Report	156-206
	Directors' declaration	Directors' declaration	208
s. 298 – s. 300	Directors' Report	Directors' Report	14-109
s. 301 and s. 308	Audit of annual report and auditor's report	Independent auditor's report	210-213
Public Governance, Performance and Accountability Rule 2014 (PGPA Rule)			
28E	Contents of Annual Report		
28E (a)	The purposes of the company as included in the company's corporate plan for the reporting period.	Regulatory Report	222
28E(aa)	The results of a measurement and assessment of the company's performance during the period, including the results of a measurement and assessment of the company's performance against any performance measures and any targets included in the company's corporate plan for the period.	Directors' Report	14-90
28E (b)	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers.	Regulatory Report	223
28E (c)	Any directions given to the entity by a Minister under the company's constitution, an Act or an instrument during the reporting period.	Regulatory Report	223
28E (d)	Any government policy order that applied in relation to the company during the reporting period under section 93 of the Act.	Regulatory Report	223
28E (e)	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under the company's constitution, an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the company during the reporting period under section 93 of the Act.	Not applicable	Not applicable
28E (f)	Information on each director of the company during the period.	Directors' Report	97-102
28E (g)	An outline of the organisational structure of the company (including any subsidiaries of the company).	Financial Report	202
28E (ga)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics of full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location	Regulatory Report	228-229

Section	Subject	Location	Pages
28E (h)	An outline of the location (whether or not in Australia) of major activities or facilities of the company.	Directors' Report	14-109
28E (i)	Information in relation to the main corporate governance practices used by the company during the reporting period.	Corporate Governance Statement	129-148
28E (j), 28E (k)	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision-making process undertaken by the directors of the company for making a decision to approve the company paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions.	Not applicable	Not applicable
28E (l)	Any significant activities or changes that affected the operations or structure of the company during the reporting period.	Directors' Report	109
28E (m)	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the company.	Regulatory Report	Not applicable
28E (n)	Particulars of any report on the company given by:		
	(i) the Auditor-General; or	Independent auditor's report	i: 210-213
	(ii) a Parliamentary Committee; or	Regulatory Report	ii-v:227
	(iii) the Commonwealth Ombudsman; or	Regulatory Report	
	(iv) the Office of the Australian Information Commissioner; or	Regulatory Report	
	(v) the Australian Securities and Investments Commission.	Regulatory Report	
28E (o)	An explanation of information not obtained from a subsidiary of the company and the effect of not having the information on the annual report.	Not applicable	Not applicable
28E (oa)	Information about executive remuneration	Remuneration Report	110-127
28E (ob)	The following information about the audit committee for the company:		
	(a) a direct electronic address of the charter determining the functions of the audit committee;	Corporate Governance Statement	137
	(b) the name of each member of the audit committee	Corporate Governance Statement	137
	(c) the qualifications, knowledge, skills or experience of each member of the audit committee;	Directors' Report	97-102
	(d) information about each member's attendance at meetings of the audit committee;	Directors' Report	103
	(e) the remuneration of each member of the audit committee.	Corporate Governance Statement	137
28E (p)	An index identifying where the requirements of this section and section 28F (if applicable) are to be found.	Regulatory index	230-233

Section	Subject	Location	Pages
28F	Disclosure requirements for Government Business Enterprises		
28F (1)(a)(i)	An assessment of significant changes in the company's overall financial structure and financial conditions.	Directors' Report	84-90
28F (1)(a)(ii)	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial condition.	Directors' Report	91-96
28F (1)(b)	Information on dividends paid or recommended.	Directors' Report	109
28F (1)(c)	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations.	Not applicable	Not applicable
28F (2)	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise. However, information may be excluded if the directors of the government business enterprise believe, on reasonable grounds, that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise. The annual report must state whether such information has been excluded.	Not applicable	Not applicable
Work Health and Safety Act 2011			
Sch 2, cl 4(2)(a)	Initiatives taken during the year to ensure the health, safety and welfare of workers who carry out work for the entity.	Directors' Report	62-71
Sch 2, cl 4(2)(b)	Health and safety outcomes (including the impact on injury rates of workers) achieved as a result of initiatives mentioned under clause 4(2 a) or previous initiatives.	Directors' Report	62-71
Sch 2, cl 4(2)(c)	Statistics of any notifiable incidents of which the entity becomes aware during the year that arose out of the conduct of businesses or undertakings by the entity.	Directors' Report	62-71
Sch 2, cl 4(2)(d)	Any investigations conducted during the year that relate to businesses or undertakings conducted by the entity, including details of all notices given to the entity during the year under Part 10 of the <i>Work Health and Safety Act 2011</i> .	Directors' Report	62-71
Sch 2, cl 4(2)(e)	Such other matters as are required by guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit.	Directors' Report	62-71
Environment Protection and Biodiversity Conservation Act 1999			
s. 516A(4) and (6)	Report on the implementation of the Ecologically Sustainable Development program within NBN Co including social, economic, culture and environmental performance.	Regulatory Report	224

Section	Subject	Location	Pages
<i>Superannuation Benefits (Supervisory Mechanisms) Act 1990</i>			
s. 6(1)(b)	Report on establishment and operation of the superannuation arrangement under which the benefits are provided.	Regulatory Report	223
<i>The Freedom of Information Act 1982</i>			
s. 93	Provide information to the Information Commissioner (IC).	Regulatory Report	226
<i>National Greenhouse and Energy Reporting Act 2007</i>			
s. 19	<p>Report to be given to the Regulator:</p> <p>(1) A corporation registered under Division 3 of Part 2 must, in accordance with this section and in respect of each financial year mentioned in subsection (2) provide a report to the Regulator relating to the:</p> <p>(a) greenhouse gas emissions;</p> <p>(b) energy production;</p> <p>(c) energy consumption.</p> <p>from the operation of facilities under the operational control of the corporation and entities that are members of the corporation's group, during that financial year.</p> <p>(2) A report under subsection (1) is required for:</p> <p>(a) the corporation's trigger year (within the meaning of subsection 12(1) or (3)); and</p> <p>(b) any financial year in which the corporation is registered at the end of that year.</p>	The Regulatory Report contains FY24 greenhouse gas emissions and energy consumption data which was subject to reasonable external assurance and will be submitted to the Clean Energy Regulator by October 2024.	225

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North Sydney NSW 2060

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