

TREASURY EXECUTIVE MINUTE

Minute No.

16 December 2010

Deputy Prime Minister and Treasurer

NBN CO CORPORATE PLAN – KEY FACTS AND UPDATES

Timing: By 17 December 2010, in time for your press conference on the National Broadband Network (NBN).

Recommendation: That you note the following briefing on the key facts in the NBN Co Corporate Plan (to be released tomorrow), as well as the updates that NBN Co has made to its Corporate Plan since the release of the NBN Co Business Case Summary on 24 November 2010.

Noted

Signature:/...../2010

KEY POINTS

[ss.22 and 34(3)]

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• [s.22]

• [s.34(3)]

1. On 25 November 2010, the Government introduced a Bill into Parliament to ensure that any companies choosing to build new fibre networks in competition with NBN Co must do so on comparable terms to NBN Co. This is intended to limit companies 'cherry picking' commercially attractive sites and undercutting NBN Co on price.

Throughout the Corporate Plan, but particularly on page 13, NBN Co indicates that for the network to be commercially viable, they consider that the Government needs to introduce protections in addition to the recently introduced Bill. We are not yet convinced that additional protections, such as a levy, are required at this time.

2. NBN Co is currently building the last mile of the network using a GPON network design. This has advantages in cost, but makes it difficult for future unbundling of NBN Co's wholesale business (that is, so that other wholesale providers could provide wholesale services on sections of the NBN). Unbundling is likely to enhance competition.

[s.34(3)]

- [ss.22 and 34(3)]

- [s.22]

Contact Officers:

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[s.22]

