



2022
Corporate Plan



Legal Notice

The Corporate Plan 2022 has been prepared by NBN Co Limited (NBN Co) for its shareholder ministers, the Hon Paul Fletcher MP and Senator the Hon Simon Birmingham (Shareholder Ministers) as required by the *Public Governance, Performance and Accountability Act 2013 (Cth)* (PGPA Act) (in particular section 95(1) (b) of the PGPA Act), the *Public Governance, Performance and Accountability Rule 2014 (Cth)* (PGPA Rule), the Commonwealth Government Business Enterprise Governance and Oversight Guidelines (January 2018) (GBE Guidelines) and Australian Government policy as communicated to NBN Co by the Commonwealth from time to time (together, Reporting Obligations).

This Corporate Plan has been prepared for the 2021–22 financial year (FY22) and covers the reporting periods FY22 to FY25.

This Corporate Plan was authorised for publication in August 2021, and was made available on NBN Co's website on 31 August 2021.

Glossary

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

Disclaimer

This plan contains various projections, high-level estimates and other forward-looking information (Estimates).

These Estimates are based on the best considered professional assessment of present economic and operating conditions, present Commonwealth Government policy, and a number of assumptions regarding future events and actions, which, at the date of this document, are expected to take place.

The Estimates involve known and unknown risks, uncertainties and other factors beyond control that may cause NBN Co's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the Estimates.

While the Estimates are based on the best considered professional assessment, the Management team and officers (as defined in the Corporations Act) of NBN Co do not give any guarantee or assurance to any third party that the results, performance or achievements expressed or implied by the Estimates will actually occur, and the Estimates should not be relied on or considered to be a representation of what will happen by any third party.

Other than required according to Reporting Obligations, NBN Co and its officers have no obligation to update the Estimates based on circumstances, developments or events occurring after the publication date of this document.

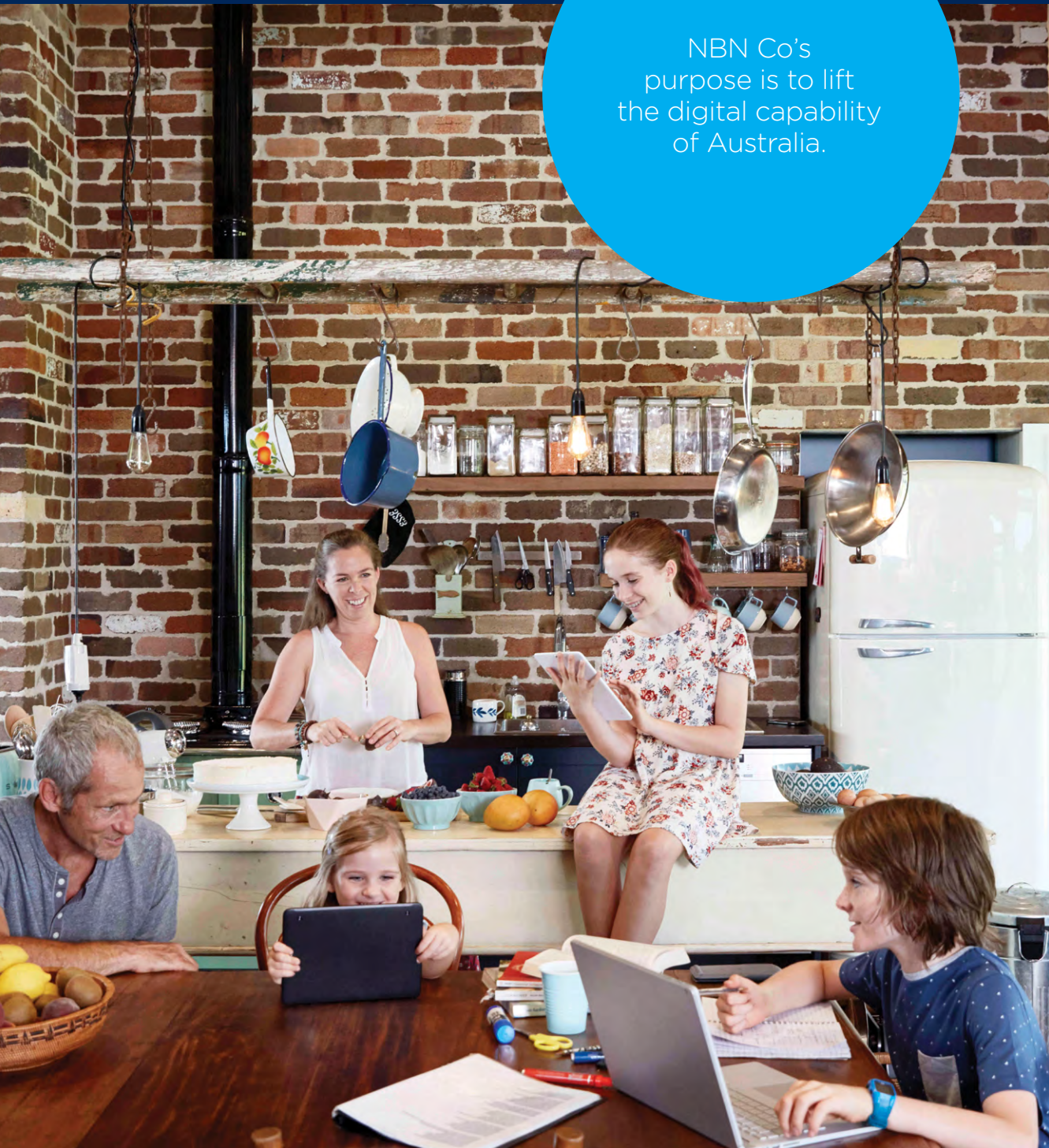
Management and the Board do not give any guarantee or assurance that the results, performance or achievements expressed or implied by such Estimates will actually occur.

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Purpose and strategy

NBN Co's
purpose is to lift
the digital capability
of Australia.



About NBN Co

NBN Co is committed to responding to the digital connectivity needs of all Australians, working with industry, governments, regulators and community partners, to lift the digital capability of Australia.

As a Government Business Enterprise (GBE), the principal responsibility of NBN Co is to build and operate the National Broadband Network (**nbn**[™] network) in accordance with the Commonwealth Government's Statement of Expectations, 31 August 2021¹.

The Company's key objective is to support Australia's digital economy by creating opportunities for communities, governments and industry to drive digital adoption and innovation.

In addition to building and operating a network that is reliable, fast, resilient and secure, NBN Co is committed to meeting the current and future broadband needs of households and businesses, including in regional Australia, fostering productivity and innovation, and supporting the nation to be a leading digital economy and society.

As the network wholesaler, NBN Co provides access to all Retail Service Providers (RSPs) on a non-discriminatory basis. This approach is intended to level the playing field in the Australian telecommunications industry, enhancing competition and innovation, and providing greater choice for customers² across the country. It is through RSPs that customers connect to the **nbn**[™] network for access to high-speed internet.

NBN Co is delivering high-speed broadband to customers across Australia over an area of more than seven million square kilometres. Working in collaboration with industry partners, NBN Co is committed to connecting Australian homes and businesses so they can access the positive social and economic benefits that fast broadband enables.

1 <https://www.nbnco.com.au/corporate-information/about-nbn-co>

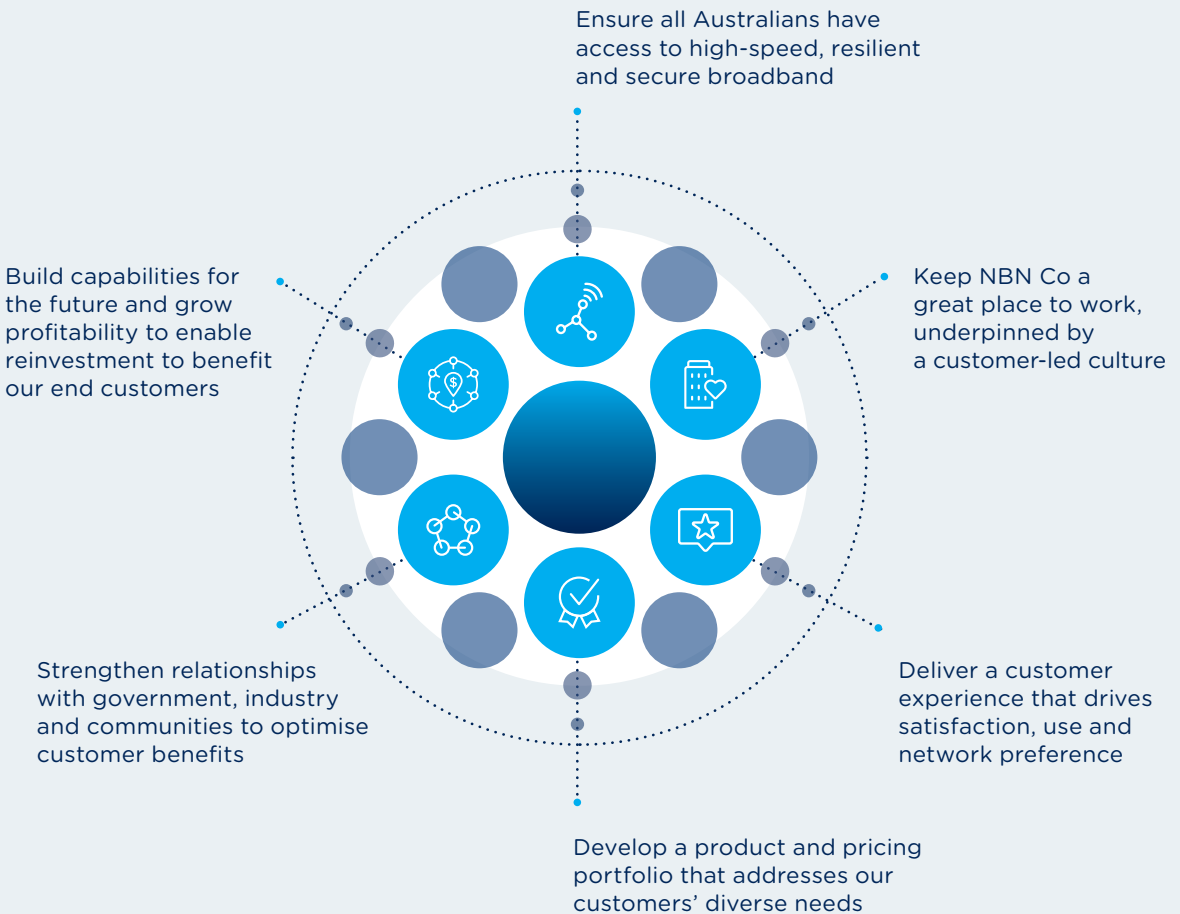
2 Final downstream customers to NBN Co's Retail Service Providers (RSPs).

Purpose, strategy and values

Our purpose

To lift the digital capability of Australia.

Our strategy is underpinned by six strategic pillars:



Our values

Our values underpin the way in which we act and behave. They describe what is important to us and guide us on how we think and interact with our customers, each other, and our communities.

We are one team

Respect each other, we create an inclusive environment
Put team above yourself, recognise one another's contribution to create an even greater outcome
Better together, share ideas and resources across the Company, partner effectively with industry

We are fearless

Listen, really listen, invite feedback and ask 'why' to genuinely understand
Speak up, knowing it's safe and expected to call things out, share bold ideas
Trust and empower each other to make decisions and get things done

We deliver

Start by asking, 'would this make a positive difference for our customers?'
Set high expectations, accept accountability and honour our commitments
Strive and adapt, being innovative and always finding solutions to achieve excellence

We care

Uphold the safety and wellbeing of each other and ourselves
Lead with purpose, do the best for our communities
Be curious, there's always something to learn so together we can grow

Chairman and Chief Executive Officer's message

The need for reliable, fast, resilient and secure broadband has never been greater for the homes, businesses and people of Australia.

Whether it is providing access to new markets for businesses, allowing school children in rural areas to connect to online learning, or ensuring the vital lines of communication in times of disaster are open and accessible – NBN Co is here to support the nation and lift the digital capability of Australia.

Having completed the initial build¹ of the **nbn™** network and following the declaration that it be treated as built and fully operational by Minister for Communications, Urban Infrastructure, Cities and the Arts, the Hon Paul Fletcher MP, in December 2020, NBN Co has embarked on the next stage of its evolution to continually enhance this critical communications asset on behalf of the Commonwealth Government for all Australians.

Last year we announced a \$4.5 billion commitment to advance the reach and capability of our network; to enhance the digitisation of Australian businesses; and deepen connectivity support for rural and regional communities.

Importantly, the increased capability that these investments will build into our network, and the social and economic benefits they will unlock for Australia, closely align with the objectives of the new Statement of Expectations released by the Commonwealth.

Operating a high-performing network for the benefit of customers, no matter where they are located in Australia, while also fostering competitive and efficient markets, has always been among our highest priorities.

We also remain deeply committed to meeting the current and future broadband needs of households and businesses across Australia, fostering productivity and innovation, and supporting the nation on its journey to becoming a leading digital economy.

As we have done in the past, we will continue to work closely with the Commonwealth to fulfill these strategic objectives and the important telecommunications policy goals that will help lift the digital capability of Australia.

COVID-19 response

While the impacts of COVID-19 and the Delta strain create ongoing challenges for our communities, NBN Co has continued to invest in its network so it can meet the demands of increased use and reliance on the critical services enabled by broadband access. We moved quickly and decisively towards the end of 2019 and early 2020 to respond to the growing threat of COVID-19 reaching Australian shores.

Our data scientists and network engineers studied data consumption patterns in other countries, conferring with international counterparts, particularly in Italy and the UK, to understand the quantum of additional demand that could be expected when a nation goes into, and stays in, lockdown.

Through good planning and prior investment, the **nbn™** network was already dimensioned to exceed the nightly peak busy hour throughput requirements and we routinely planned for periods of exceptionally high traffic.

Nevertheless, we accelerated additional capacity planning and investment. We knew we would be in it for the long haul. We limited non-essential maintenance to minimise scheduled, planned outages to maintain network availability as much as possible. We worked closely with the telecommunications industry, key stakeholders and industry groups. When the time came, we were ready.

In mid-March 2020, we responded to a shift in Australia's internet usage patterns as more people worked, studied, shopped and streamed more content from home. We waived additional wholesale capacity charges of up to 40 per cent for an initial term of three months, but as the crisis grew and persisted, we extended again and again – ultimately until the

¹ For further details on the initial build, refer to footnote 1 on page 13.

end of January 2021 because it was the right thing to do.

The network was tested and it passed with flying colours. We have been proud to support the nation, when the nation most needed a fast, strong, reliable and resilient network, and we are continuing to invest in the digital backbone of our great nation.

Network investment update

While the investment we unveiled last year was revolutionary in many ways, this year's Corporate Plan is marked by the evolution and progress of our network investment plan to deliver better broadband, improved customer experience, and greater connectivity to more Australians than ever before.

Since announcing that plan, we have made great progress and are pleased to confirm we remain on track to make our highest wholesale speed plans available, on a customer demand basis, to up to 75 per cent of homes and businesses (including more than 850,000 in regional areas) on the fixed-line network by 2023.

To coincide with the release of this Corporate Plan, we have revealed the latest list of suburbs and towns where an additional 300,000 homes and businesses will benefit from the extension of fibre deeper into communities.

The release of this latest tranche means more than 1.4 million premises have now been identified in the Fibre-to-the-Node (FTTN) network to undergo local fibre network enhancements allowing them to become eligible for Fibre-to-the-Premises (FTTP) services.

Of those premises currently identified, some 548,000 homes and businesses are in the design phase, with construction work commencing on more than 135,000 premises to enable the greater capability promised by our network investments.

As part of this upgrade program, we awarded construction contracts to Delivery Partners with a total value of approximately \$1.1 billion. Importantly, this work is helping to stimulate job creation and retention through new build activities that would otherwise have scaled down at the end of our initial build¹.

We have also made considerable progress in our Hybrid Fibre Coaxial (HFC) network enhancement program. This program has seen the proportion of HFC customers able to access NBN Co's higher wholesale speed plan – **nbn**TM Home Ultrafast – increase from 7 per cent in May 2020, to 90 per cent today.

From a total fixed-line network perspective, and in less than a year, the proportion of customers now able to access our Ultrafast plans has doubled to 40 per cent and is climbing higher every month.

With thanks to our employees, and industry construction partners, we are incredibly pleased with the progress we have made to date. But we know we still have much to do to fulfil this plan while also striving to connect more homes and businesses to the benefits made possible by the **nbn**TM network.

The investments we are pursuing as part of our Corporate Plan will not only have positive impacts on the delivery and capability of Australia's telecommunication services – they will improve network performance and customer satisfaction, decrease ongoing maintenance costs, improve the customer offering for retailers, and increase the value of this critical infrastructure for the nation.

Evolving for the future

We know these investments will also repay the nation in social and economic dividends because we have all already experienced the microcosm of the digitally-enabled world this will bring to reality.

Thanks to broadband connectivity, homes, schools and businesses have been able to stay connected and productive during the rolling lockdowns that millions of Australians have experienced since COVID-19 disrupted our way of life.

While tragic in so many ways, COVID-19 has also shown us how absolutely vital it is to have reliable, resilient, fast and secure broadband networks to preserve our social fabric and economic prosperity.

Having access to broadband has allowed people to work and remain productive from their homes; it has enabled a new crop of entrepreneurs to connect to new markets; it has meant those without the access to traditional modes of healthcare or education can now gain the benefit of those services from remote and rural locations.

Of course, the economic opportunity and social support made possible by broadband access is not limited to what we can do in our homes with internet connectivity.

Thanks to increases in digital tools and services we have also seen less congestion on the roads, which has resulted in less pollution in our city centres. And we have seen dramatic changes in the way cities and towns are being designed, with broadband infrastructure now rightfully sitting alongside water, electricity and gas utilities as essential services.

Customer experience and industry collaboration

Having glimpsed what our digital futures will look like, it is absolutely necessary that the telecommunications industry, governments, and communities now work together to bring the social and economic benefits of broadband access to more Australian homes and businesses.

For us at NBN Co, our role in enabling this transition extends beyond building and operating the **nbn**[™] network. It means being a Company that collaborates well with other businesses.

As a wholesaler we have a unique responsibility to provide a reliable, resilient and secure service that is valued by consumers and businesses alike. But to be truly successful at this, we must also enable the nation's internet providers to be as successful as they can.

For us at NBN Co, this means being an efficient wholesaler that works closely with our retail partners to drive unnecessary cost out of the industry.

Working with industry and regulators, we need to increasingly develop products and pricing that are more modular, flexible and simple, so together we can meet the diverse needs of customers, whether they be small or large businesses, individuals or large families.

It means being proactive in spotting and resolving network issues, lowering barriers to entry and creating diagnostic tools that pinpoint and fix what is wrong before customers even know a problem exists.

At its simplest, becoming a more efficient wholesaler is about being able to pinpoint the drivers of customer pain and cost in our industry, and working together to ensure we can eliminate these drivers.

Doing so will ensure that together we enable more Australians to participate in the digital opportunities made possible by broadband access.

This is something we remain committed to over this Corporate Plan period. And although we have made strong progress over the past financial year towards this goal, we recognise there is always more to do to improve customer service, to address negative consumer sentiment, and in doing so enhance overall customer satisfaction.

Financial performance

Just as it is important for us to stay focused on customer needs and experience, we must continue to grow our business into a sustainable operation so we have the means to reinvest in the network, improve service and deliver the benefits of this asset to all who depend on it for business, education and entertainment.

While the network was declared built and fully operational in December 2020, we have not stopped when it comes to bringing the benefits of broadband to more homes and businesses.

In the 12 months to 30 June 2021, more than 933,000 residential and business premises were activated on the **nbn**[™] network, with 8.2 million premises connected to the network at the end of the financial year.

Despite the challenges brought on by COVID-19 in the past year, we have also continued to meet and exceed the key financial targets we set in our Corporate Plan 2021.

This includes significant revenue growth of 21 per cent to \$4.6 billion in FY21, and earnings before interest, tax, depreciation and amortisation (EBITDA) of \$1.35 billion.

Over the next 12 months we expect to build on these strong results and will target annual revenue and other income in FY22 of between \$5 billion to \$5.2 billion and EBITDA in the range of \$3 billion to \$3.2 billion.

Building these solid financial foundations remains an important goal for us as it will provide the long-term flexibility we need to continue to invest in the network, and the customer products and services that will allow Australian homes and businesses to thrive in an increasingly digital world.

Meeting these financial ambitions to enable reinvestment also means we can continue to build a business that is not just valued by its customers, but also its investors.

The quality of our assets and the investments we are pursuing over this Corporate Plan period have been recognised by the support we have received through bank facilities and debt capital markets as we continue to execute our funding strategy.

To date, we have now raised more than \$14.5 billion in bank and capital markets debt. These transactions have served as market validation of our long-term credit profile and is a testament to the strong financial foundations that have been set for this business and the long-term outlook on NBN Co's ability to create socio-economic value for the nation.

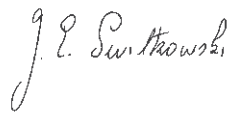
They have also allowed us to repay \$7.8 billion of our Commonwealth Government loan, of which \$11.7 billion remains.

Lifting the digital capability of Australia

In the digital world where change is constant and rapid, being a static observer is never enough. This is why we are investing in this network today, and it is why we will continue to invest in it for Australia's future.

We know we will face challenges as we work to enhance the reach, capability and value of this network. But at NBN Co, we believe great businesses are defined by how they respond to challenges.

Over more than a decade, the employees of NBN Co, our Delivery Partners and the telecommunications industry have overcome countless challenges to position the **nbn**[™] network as the nation's digital backbone. By working together we will again rise to new challenges, and in overcoming them, we will share in the successes that lifting the digital capability of Australia will unleash for us all.



Dr Ziggy Switkowski AO
Chairman




Stephen Rue
Chief Executive Officer



FY21 Highlights

The **nbn**[™] network
declared built and
fully operational



8.2m

Premises
connected

12m

Premises Ready to
Connect (RTC)





75%

Customers on a 50Mbps plan or higher¹

\$1.35bn

EBITDA²

\$4.6bn

Revenue

1 In this metric, '50Mbps (download) wholesale speed plan' includes wholesale plans available to RSPs with download speeds of 50Mbps and 25-50Mbps.

2 EBITDA is defined as earnings before interest, tax, other income, depreciation and amortisation.

Australia's digital backbone

The **nbn**[™] network is creating long-term value for Australians by enabling greater productivity, economic prosperity and social connectivity.



As Australia's digital backbone, the **nbn**TM network provides the infrastructure and services to enable Australian homes and businesses to participate in the many social and economic benefits that reliable, fast, resilient and secure broadband enables.

Network scale

After completing the initial build¹ of the **nbn**TM network in FY20, NBN Co passed the important milestone of being declared built and fully operational by Minister for Communications, Urban Infrastructure, Cities and the Arts, the Hon Paul Fletcher MP, in December 2020. While the network is accessible to almost 12 million premises with 8.2 million active customers, NBN Co will continue its network rollout to homes and businesses as new premises are built around Australia.

Having completed its FY21 construction objectives, the Company will continue to connect new homes and businesses that require access to fast, reliable and secure broadband. NBN Co also remains committed to connecting the remaining 11,000 complex installations. These premises include difficult to reach homes and businesses, new development sites, and heritage and culturally significant sites.

The Company has already successfully connected many of these premises but expects there will always be a small number of premises that, due to land access and permission issues, may not be able to be connected within expected timeframes.

Network investments

Over this Corporate Plan period, NBN Co will continue to invest in the next evolution of the **nbn**TM network. These investments will increase the nation's access to the technologies and infrastructure that will underpin Australia's transition to a smarter, digitally-enabled economy.

Last year, the Company unveiled the next phase of investment in the **nbn**TM network: a \$4.5 billion commitment to make the highest **nbn**TM wholesale speed plans available in more areas across Australia and to advance the capability, reach and value of this critical asset for the nation.

The network investment plan has three components:

- network upgrades to make NBN Co's highest wholesale speed plans available, as demand arises, to up to 75 per cent of households and businesses in the fixed-line network by 2023 (and up to 68 per cent in the total network)
- a package of initiatives to collaborate with industry to help deliver enhanced digital capabilities for businesses across Australia supporting innovation, productivity and growth
- the creation of a dedicated fund to co-invest with governments or local councils to continue to enhance broadband services for Australia's regional and remote communities.

¹ NBN Co's build completion commitment was that all standard installation premises in Australia are able to connect to the **nbn**TM access network as at the build completion date. This excludes premises in future new developments which will be an ongoing activity for the Company beyond the build completion date. It also excludes a small proportion of premises defined as 'complex connections' - which includes properties that are difficult to access, culturally significant areas and heritage sites - where connection depends on factors outside NBN Co's control such as permission from Traditional Custodians, and where network construction to allow such premises to connect will be an ongoing activity of NBN Co.

The targeted and demand driven nature of these investments is expected to drive a commercially attractive return on investment, building on the network investments that NBN Co has made to date.

These investments will also increase network performance, customer satisfaction and improve long-term cost efficiencies to enable further reinvestment in the future.

NBN Co and its partners commenced work on the network investment plan as soon as it was announced in September 2020. These investments are also helping stimulate job creation and retention through new build activities that would otherwise have scaled down at the end of NBN Co's initial build¹.

According to analysis by economics firm AlphaBeta, commissioned by NBN Co, these network investments will help create an estimated 25,000 direct and indirect jobs over this Corporate Plan period. The investments are also estimated to add \$6.4 billion annually to the economy from 2024, of which \$1.5 billion will flow into Australia's regional economies.

Network investment progress

Since the release of Corporate Plan 2021, NBN Co has made the following progress on its network investment plan:

- Identified 1.4 million FTTN premises eligible for FTTP upgrades. Of these premises identified, some 548,000 homes and businesses are in the design phase and 138,000 have been released for construction work
- Awarded construction contracts to Delivery Partners with a total value of approximately \$1.1 billion as part of FTTN upgrade program
- Upgraded the HFC network with additional capacity and capability to make **nbn**[™] Home Ultrafast plans available to 90 per cent of premises within the HFC footprint
- Reviewed the technology, processes and contract models for lead-ins to ensure a seamless customer experience for on-demand upgrades of Fibre-to-the-Curb (FTTC) and FTTN premises to FTTP
- Created 284 **nbn**[™] Business Fibre Zones enabling access to CBD pricing by RSPs for business-grade broadband services
- Opened the application process to local and state governments seeking to co-invest in regional broadband upgrades benefiting residents, businesses and communities in their states
- Engaged RSPs on products, pricing, service levels and co-design of processes for high-speed tiers to ensure industry support.

¹ For further details on the initial build, refer to footnote 1 on page 13.

Making our highest wholesale speed plans available to more Australians

NBN Co remains on track to make its highest wholesale speed plans available to up to 75 per cent of households and businesses in the fixed-line network by 2023 (and up to 68 per cent in the total network). This plan is being achieved through the following network upgrade initiatives:

- building fibre deeper into parts of the FTTN and FTTC footprints, enabling premises to move to a FTTP service when they order a higher speed plan. This is not a forced migration and construction of fibre into the home will be linked to demonstrated demand from households
- upgrading capacity on the HFC network to enable access by more customers on this network to NBN Co's higher wholesale speed plans.

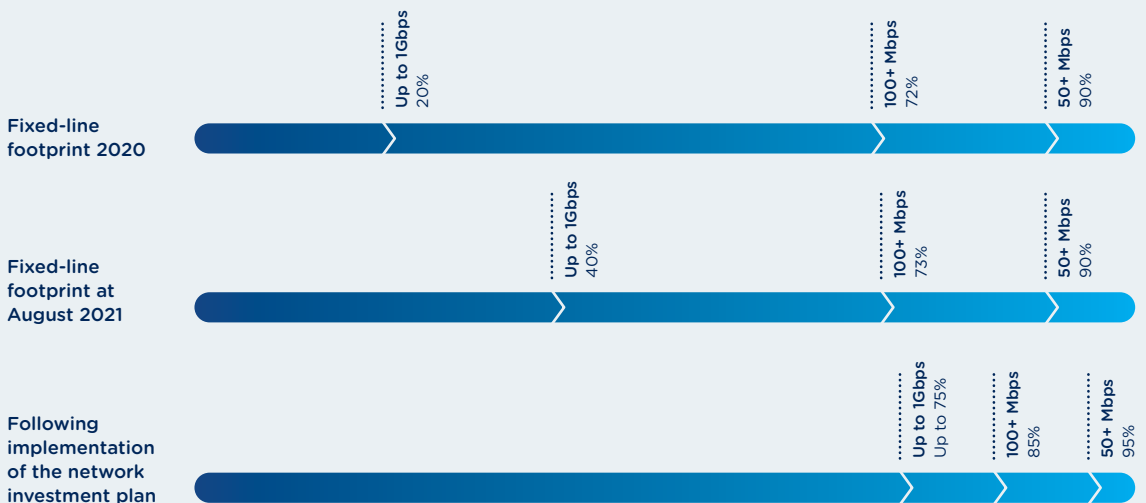
FTTN upgrades

The FTTN to FTTP network upgrade program has been designed to enable up to two million premises to access the wholesale download speed tier of up to 1Gbps (nbn™ Home Ultrafast) on demand.

This fibre-deepening program re-uses the Distribution Fibre Network (DFN) that was deployed as part of the original FTTN build, which means NBN Co builds the Local Fibre Network (LFN) and only completes the lead-in to premises when an order is placed for a higher speed tier. This allows NBN Co to prioritise investment to meet customer demand.

NBN Co's selection criteria for the FTTN to FTTP upgrade program is based on areas where the Company anticipates strong demand for higher speeds; where it can deploy with speed and agility; where it can provide maximum benefit to the most customers; and where its investment is most likely to spread and multiply economic activity across the nation.

Total nbn™ fixed-line premises in Australia - Download speeds potentially available



NBN Co expects to initiate a small-scale launch to enable the first customers to place orders with RSPs for fibre lead-ins and higher speed services in eligible areas in late 2021.

Eligibility

- NBN Co has proposed that premises served by FTTN in eligible areas will need to order a plan based on wholesale speed tiers of 100/20 megabits per second (Mbps) or higher to qualify for a full fibre upgrade
- customers will be able to order higher speed tier services across selected parts of the FTTN footprint by the end of 2021
- there is no plan to force migration onto the FTTP upgrade. The existing FTTN network will continue to service customers who remain on this network.

FTTC upgrades

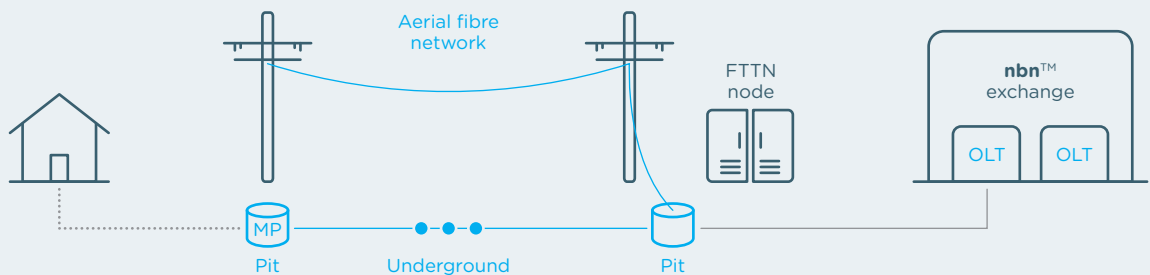
NBN Co has implemented new plans to deliver its highest wholesale speed tiers in the FTTC footprint to ensure more homes and businesses can access the speed and capability achieved through deeper fibre deployment.

The Company will now deliver its on-demand, full fibre upgrade program to single-dwelling units in the FTTC footprint, which aims to improve customer experience and help generate a greater return on investment.

Using FTTP as the upgrade path for higher speeds in the FTTC footprint provides a range of advantages when considering long-term costs, operational cost savings through IT simplification, and consistency with the Company’s objective to deepen fibre deployment across its network.

Physical build scope

Customer	Lead-ins	LFN ¹	DFN ²	Exchange
Scope	Lead-ins installed on-demand	LFN to FTTP multi-port in scope	Use existing DFN to FTTN node	Upgrade Exchange equipment as needed



1 Local Fibre Network.
 2 Distribution Fibre Network.

Eligibility

- NBN Co has proposed that premises served by FTTC will need to order a plan based on wholesale speed tiers of 250Mbps or higher to qualify for a full fibre upgrade
- customers will be able to order higher speed tier services across selected FTTC footprint in 2022. The entire 1.5m premises currently served by FTTC will be available for the on-demand upgrades by the end of 2023.

HFC upgrades

The HFC upgrade program will provide access to NBN Co's higher wholesale speed plan, **nbn**TM Home Ultrafast, across the full HFC footprint of 2.5 million premises by the end of 2023.

All of the 2.5 million premises in the HFC footprint can access wholesale download speed tiers of up to 250Mbps, and around 90 per cent of HFC premises can access **nbn**TM Home Ultrafast.

In addition to uplifting the speed capability of NBN Co's HFC network, the Company's engineering teams continue to improve the resilience and reliability of the network through the implementation of new and enhanced network support platforms.

Connecting new developments

NBN Co is committed to being the first choice provider of broadband services to new residential and business premises as they are built around Australia.

The Company works directly with property developers, as well as their consultants and builders, through a specialised, national team of delivery and deployment specialists.

NBN Co supports and welcomes all property developers, irrespective of the size, scale or location, to apply via the Company's public website or through the 'New Developments Portal' to commence the process for **nbn**TM network deployment in their property development.

The Company provides a range of delivery processes that are tailored to the varied nature of property developments. Simple projects – where no new pit or pipe needs to be constructed – are eligible for an automated delivery process. Larger and more complex projects – including where new pit or pipe needs to be constructed or new network infrastructure needs be deployed – are managed by NBN Co's expert teams and partners to ensure on-time performance is achieved, delivery is proactively managed, and single points of contact are available.

NBN Co is continually optimising its delivery processes to ensure they are as efficient and effective as possible. The Company continues to listen to the feedback of property developers, consultants and builders, and is taking steps to preserve and amplify key elements of its delivery processes that are valued by the industry.

Lifting the digital capability of Australian businesses

Working in partnership with RSPs, NBN Co established a multifaceted package of initiatives to support business innovation, productivity and growth.

The centrepiece of this investment included the creation of 240 **nbn**TM Business Fibre Zones across Australia.

In August 2021, NBN Co increased the number of these precincts with the creation of 44 new **nbn**TM Business Fibre Zones that will deliver premium business-grade fibre to an additional 60,000 eligible businesses premises across Australia.

Together, these 284 Business Fibre Zones will deliver high-speed fibre to 850,000 business premises across the country. Importantly, 112 of these zones are located in regional areas where they will provide business-grade fibre access to more than 300,000 eligible business premises.

The launch of the **nbn**TM Business Fibre Zones has enabled RSPs to order Enterprise Ethernet for business premises within these regions at CBD pricing. Additionally, if an RSP signs up for a three-year Enterprise Ethernet plan, there is a \$0 upfront connection cost¹.

This initiative is helping to level the business playing field so small and medium businesses can access the advantages of bandwidth intensive applications such as online collaboration and cloud-based tools.

In addition to the 284 established zones, NBN Co has also created a \$50m co-investment fund to engage state governments and local councils to create future Business Fibre Zones.

Supporting regional and remote Australia

Delivering broadband services across Australia and supporting communities to get the best out of their **nbn**TM connections remains core to NBN Co's purpose.

In September 2020, NBN Co established a \$300 million co-investment fund to further enhance broadband services for regional and remote households, businesses and communities.

Over this Corporate Plan period, the Regional Co-Investment Fund aims to:

- improve broadband services for Australia's regional, rural and remote communities
- strengthen relationships with government, industry and communities to optimise customer benefits
- provide immediate economic stimulus through infrastructure enhancements
- and help regional and rural communities realise the socioeconomic benefits that access to high-speed broadband can unlock.

The primary focus of the Fund is to uplift digital capability in regional and remote areas, outside capital cities, that are served by NBN Co's Fixed Wireless or Satellite infrastructure, by increasing the number of premises that can access technologies that support higher speeds.

If the full allocation of funds is not used for co-investment in the initial funding round, NBN Co may make any remaining funds available for co-investment in one or more subsequent funding rounds. Details of any future funding rounds will be determined at a later stage.

¹ NBN Co is a wholesaler and does not control costs charged by RSPs. Customers should contact their preferred RSP to ask about availability, and any fees and charges that may be applicable. These pricing offers are not available for most premises in the **nbn**TM Fixed Wireless or Satellite footprints or for most premises which have complex connections - further costs are likely to apply to these premises.

Connecting First Peoples communities

NBN Co's vision for reconciliation is centred on deepening relationships with First Peoples communities, connecting and creating opportunity, and guiding positive outcomes by lifting the digital capability and unlocking the social and economic benefits of the **nbn**TM network for First Peoples.

The Company launched its fourth Reconciliation Action Plan (RAP) in 2020 with an increased emphasis on connecting more communities, delivering customised product offerings and educational programs to lift digital literacy.

During FY21, key achievements under RAP IV included:

- connecting over 50 remote communities where there is a First Peoples presence, to enable ongoing connectivity during COVID-19 restrictions
- collaborating with key government and peak industry bodies to improve telehealth capabilities and digital capability for indigenous arts centres
- launching Liakukana Connect, an internal network to bring NBN Co's First Peoples' employees together and support mentoring and leadership growth opportunities
- launching the LAKUN team, which consists of internal action owners and champions from different business units, to build awareness around the Company's reconciliation journey and support NBN Co in delivering on its First Peoples strategy and RAP actions
- celebrating NAIDOC and National Reconciliation week with daily events, including the launch of our fourth RAP and an inaugural Welcome to Country performed at our North Sydney offices.

Over this Corporate Plan period NBN Co will focus on the Company's staff and their reconciliation journey, continuing efforts to increase employee awareness and engagement and continue to connect communities safely, lifting digital capability and unlocking social and economic benefits of the **nbn**TM network.

Fixed Wireless and Sky MusterTM Satellite investments

NBN Co's Fixed Wireless and Sky MusterTM Satellite networks continue to play a vital role connecting Australians across regional and rural parts of Australia.

While NBN Co faces unique challenges traversing the vast Australian distances and harsh environments, the Company remains committed to investing in, and innovating these networks to further improve performance and customer experience.

Over this Corporate Plan period, NBN Co will continue to optimise the performance, capacity and resilience of its Fixed Wireless and Sky MusterTM Satellite networks within its finite spectrum and resource limitations.

Regional Broadband Scheme

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

NBN Co has invested significantly in its Fixed Wireless and Satellite networks which continue to deliver economic and social benefits to regional communities.

As at 30 June 2021, NBN Co has incurred capital expenditure of approximately \$5 billion on these networks. From a total operating cost perspective, these networks are loss making and have been historically funded via an internal cross-subsidy from NBN Co's fixed-line networks.

Under the RBS, telecommunications providers that own or are responsible for fixed-line networks capable of providing NBN comparable services are required to pay a monthly contribution to help fund the cost of providing high-speed broadband to regional communities.

However, as NBN Co is the major fixed-line network operator in Australia, the Company continues to pay around 95 per cent of total cost of connecting Australians via its Fixed Wireless and Satellite networks.

Network resilience and performance

The **nbn**[™] network plays a critical role in keeping communities connected, schools active, businesses operational and the nation productive.

Restoring and providing the essential communication services that families rely on to stay in contact with each other and emergency services during the bushfires, floods and cyclones that regularly impact Australia, will always remain the Company's highest priority during these events.

The **nbn**[™] network is supporting 50Mbps download speeds to 90.45 per cent of the fixed-line footprint and 25Mbps to 98.55 per cent of all premises.

NBN Co remains committed to having in place ongoing proactive and reactive programs to resolve the remaining lines including the progressive end to co-existence and the ongoing network assurance program.

Where a particular premises may not receive 25Mbps, there are a number of reasons for this including coexistence with legacy services during a transitional period, in-home wiring issues, environmental and operational factors, and other network issues.

Operating a live network requires ongoing maintenance to address issues that arise over time. A small proportion of the network may be performance affected at any given time. NBN Co provides transparency on service performance and makes assurance processes available for RSPs to troubleshoot and if necessary, report and resolve issues within the **nbn**[™] network.

Investing in resilience

In FY21, NBN Co responded to the challenges of climate change and improved the resilience of its network.

Over this Corporate Plan period, NBN Co will continue to invest in resilience initiatives including:

- introducing a network health scorecard to provide a stronger measure of resilience and recovery at a network, customer and geographic level
- developing real-time proactive monitoring for key network break points to identify intervention opportunities to prevent or limit network disruptions
- working on the power dependency and resilience of the **nbn**[™] network. This includes trialling and introducing improved power resilience for network assets, and also the identification of power network hotspots where the Company can work directly with commercial power providers to improve the resilience of the power network
- maturing NBN Co's network asset lifecycle management with programs to improve how and when the Company replaces network and facilities equipment, including batteries.

Emergency response and community communications

To ensure NBN Co can support communities in times of need, the Company continues to invest in its resilience and preparedness activities.

This includes:

- investing in temporary network infrastructure to expedite network recovery
- satellite network infrastructure redundancy to support customers affected by significant commercial power outages.

The work NBN Co is undertaking to build a more resilient network and expand its support capability will remain a focus over this Corporate Plan period and will continue to evolve over time.

Cyber security

The **nbn**™ network is a critical piece of national communications infrastructure, and ensuring it remains secure and resilient at all times remains the Company's highest priority. NBN Co has a dedicated Chief Security Officer and Security Group that works closely with Australia's national security agencies including the ACSC (Australian Cyber Security Centre) and ASD (Australian Signals Directorate) to prepare against any potential security threats. NBN Co's dedicated and experienced cyber security team works closely with all the Company's business units in terms of security practices, planning and resourcing. As part of this, every NBN Co employee is made aware of their individual responsibility to uphold cyber security best practice.

The team pursues an aggressive threat identification and mitigation program to protect against external actors. The Company remains ever vigilant, constantly monitoring and seeking to improve our threat prediction, detection and protection levels. Enterprise wide cyber education and training is a key element in ensuring that all NBN Co employees understand their individual responsibility in protecting this critically important asset.



CASE STUDY

Supporting local communities in their time of need

Through Western Australia's Tropical Cyclone Seroja, and the devastating floods that impacted the east coast of Australia, NBN Co supported communities and worked closely with emergency services, Australian Defence Force, power utility providers, and RSPs.

nbn™ Local – the community engagement arm of NBN Co's Regional Development & Engagement (RDE) business unit – continues to play a critical role in supporting local communities and ensuring they can get the broadband connectivity they need to stay connected to the online world.

During times of disaster **nbn™ Local** teams were deployed in satellite-enabled Road Muster trucks to provide affected communities access to broadband, charging facilities for mobile phones, information on weather, bushfire warnings and news, along with entertainment for children of displaced families.

In many cases, these measures provided the only connectivity available for affected communities to access critical information and get in contact with loved ones in the immediate aftermath of these disasters.

The important role NBN Co plays in keeping communities connected in times of disaster was recognised in December 2020 when the Company secured funding provided by the Australian Government's Strengthening Telecommunications Against Natural Disasters (STAND) package to increase the number of temporary emergency network services.

NBN Co, in partnership with the Government, has now deployed five Road Muster trucks, 12 transportable, fly-away satellite kits and plans to deploy up to 2,000 community Wi-Fi or business **nbn™ Satellite Services** at nominated evacuation centres and emergency services organisations across the nation.

This included the launch of the first **nbn™ Disaster Satellite Service** in Namadgi, Australian Capital Territory, boosting the support offered to communities and emergency services personnel during and in the aftermath of emergency events, such as bushfires and floods.

This service will be expanded to other areas and provides a back-up communications connection using satellite technology during an emergency event, providing free full satellite broadband functionality, including Wi-Fi and video streaming.

Community support and network performance through COVID-19

The enduring effects of COVID-19 have led to a major change in the way homes consume and use their broadband connection.

With more people working and learning from home, there has been an increased reliance on telecommunications operators to ensure their networks remain resilient, secure and engineered to meet future demand.

Continued investment in the **nbn**TM network has allowed extra capacity to be brought on line quickly to meet much higher demand and increased reliance on broadband connectivity.

NBN Co provided three main measures to respond to the challenges presented by COVID-19:

1. Offering up to 40 per cent additional Connectivity Virtual Circuit (CVC) capacity to RSPs at no additional charge.
2. Doubling the average data download limits on Sky MusterTM Satellite services to help ensure those in rural and regional Australia can stay connected.
3. Financial assistance packages to help RSPs connect low income households with home schooling needs, support emergency and essential services and assist small and medium businesses and residential customers facing financial hardship.

As lockdowns increasingly spread across the nation due to the resurgent Delta strain, NBN Co again introduced credit relief to eligible RSPs.

An additional \$5.2 million credit relief payment was made available to reduce retailers' additional wholesale data costs brought on by the incremental increase in usage during the peak evening entertainment hours, and to help to ensure they do not fall short of their customers' data demands during the recent lockdowns. The Company also committed to make further COVID relief credit payments to retailers for August and September 2021.

NBN Co will continue to collaboratively work with RSPs to support customers data needs through the impacts of COVID-19 and help ensure they have access to the digital tools and services they need to stay connected.

While Australians depend more than ever on broadband connectivity for their online needs, the **nbn**TM network continues to perform incredibly well. The investments made to date in the **nbn**TM network, coupled with the investments over this Corporate Plan period, will continue to place the network in a strong position to meet Australia's future data demand.

Customers and industry

NBN Co's ability to create value for Australians is underpinned by the strong and collaborative relationships it has with its customers, the industry and the communities it serves.



Customer experience

As NBN Co works and invests to lift the digital capability of Australia, it will maintain its focus on meeting the current and future broadband needs of residential and business customers.

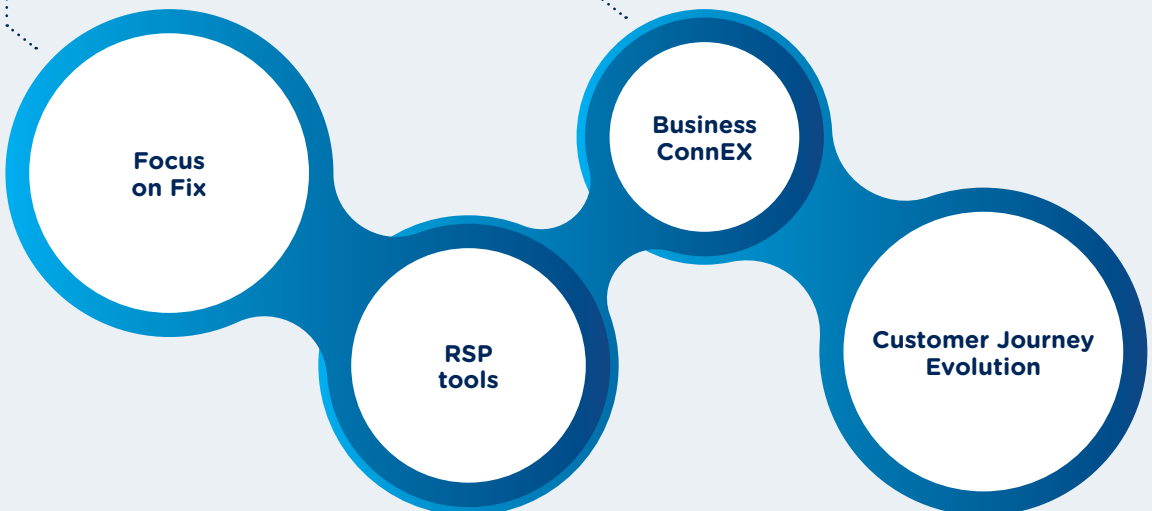
NBN Co maintains a company-wide focus on improving customer experience from connection to daily use, the reliability of the network, and the rapid resolution of any service incidents.

Over this Corporate Plan period NBN Co will pursue a range of key initiatives, in collaboration with industry and regulators, to ensure customers get the best service and experience from their **nbn™** connection.

NBN Co will also continue to evolve its approach to outage management, including end-to-end communication management with the industry to support customers in the event of planned and unplanned network outages.

Work with RSPs to discover and develop a range of insights and data to identify key areas of customer dissatisfaction in the assurance process, with solutions scoped and prioritised with industry for delivery.

Uplift the service experience of micro, small and medium businesses connecting to the **nbn™** network.



Develop and deliver tool sets and data feeds to help RSPs better support customers, including network, service delivery, and operational diagnostics and data.

Implement the optimal experience for customers upgrading or transitioning to an **nbn™** service. This will consider the future requirements of customers to ensure that NBN Co's service delivery, in collaboration with industry, is meeting expectations and anticipating future shifts and requirements.

NBN Co remains committed to improving customer experience to ensure the full benefits of the **nbn**[™] network can be realised.

NBN Co's customer experience strategy sets clear expectations for the Company to meet as customers are connected, as well as improving their everyday experience and ensuring any issues are resolved promptly.

The Company continues to publish its Transparency Dashboard which provides regular updates on the growth in connections, fault numbers, restoration timeframes, and the level of congestion on the network. These metrics are published monthly and can be found online at: <https://www.nbnco.com.au/corporate-information/about-nbn-co/updates>.

Making it easier to deal with NBN Co

In its Corporate Plan 2021, NBN Co announced investments to simplify its IT systems, reduce hardware and software complexity, and move the Company towards software defined networks.

NBN Co's digital roadmap sets out how the Company is simplifying technology systems architecture to develop improved interactions with RSPs, enable better service for customers, and support its company-wide business simplification.

NBN Co has made solid progress against its three-year digital roadmap strategy in FY21. This includes:

- decreasing the number of applications on the NBN Co platform by 10 per cent
- removing duplicate processes from the Company's technology system architecture
- commencing consolidation of **nbn**[™] portals onto one platform to reduce the number of touch points for RSPs to improve order, trouble ticket and assurance processes for industry partners
- reducing the hours of systems downtime per month due to planned and unplanned outages
- improving service workflow for RSPs by publishing APIs, thereby enabling better access to **nbn**[™] system and assurance tools.

Over the next two years, NBN Co expects to accelerate its IT transformation strategy, with a focus on introducing new functionality and more efficient systems to streamline interactions with industry partners. It is expected these will potentially reduce costs for the industry, while also improving overall customer experience.

The Company will also look to reduce the number of systems and associated licensing and support costs, as well as improve the way NBN Co uses data to make business decisions.

Industry engagement

A successful and sustainable NBN Co depends on a telecommunications industry that can connect with customers and provide the services they need to thrive in a digital economy.

NBN Co is committed to ongoing consultation and collaboration with RSPs and regulators, to ensure both the industry and NBN Co can succeed together.

Wholesale Broadband Agreement

NBN Co transitioned RSPs to a new two-year Wholesale Broadband Agreement (WBA4) on 1 December 2020.

The key service enhancements in WBA4 include:

- lower entry-level prices and greater pricing certainty and simplicity for RSPs
- stronger service delivery and performance rebates that will flow through to affected customers in many cases
- substantial improvements to the fix experience, including new commitments to fix key speed and stability issues
- new accountabilities – for NBN Co and for RSPs – that aim to drive better customer experience outcomes

- better support for RSPs where they need NBN Co's help to manage their customers
- removal of costs and complexities from the NBN Co supply chain.

Supporting creation of great value retail and business plans

As part of NBN Co's ongoing commitment to industry collaboration, the Company conducted its 2021 Pricing Review Consultation, which was open to all RSPs.

As a result of these consultations, NBN Co added more value to the two-year Bundles Roadmap, increased Connectivity Virtual Circuit (CVC) inclusions across most wholesale bundles discounts, increased inclusions in the Business Bundles discounts and brought forward inclusions for the 250/100 Mbps speed tier.

NBN Co is also proposing to improve industry predictability around data usage by introducing a 'soft cap' on variable charges for eligible retailers.

In light of the industry's request to implement future changes to pricing construct as soon as possible and the ACCC's preference to engage directly with retailers and other stakeholders on a sustainable, long-term pricing framework, NBN Co initiated a Special Access Undertaking (SAU) variation process that is also serving as the vehicle for further consultation on long-term pricing reform.

The SAU is part of the regulatory framework that underpins sustainable investment in the **nbn**[™] access network, and a competitive telecommunications industry.

In June 2021, NBN Co released its SAU 2021 Variation Discussion Paper to RSPs and consumer advocacy groups to commence its engagement with industry on key changes it proposes to make to the SAU.

NBN Co's proposed Variation covers three areas:

1. To enable NBN Co to implement long-term pricing options that respond to feedback from RSPs in the 2021 Pricing Review.
2. The inclusion of Multi-Technology-Mix technologies not included in the 2013 SAU - FTTC, FTTN, FTTB and HFC.
3. Targeted modification to other terms in the SAU.

Responding to industry feedback for greater cost certainty, simplicity and value, NBN Co is proposing three long-term pricing options for consideration, of which two include 'Access Virtual Circuits (AVC)-only' wholesale pricing constructs. One option is a flat 'AVC-only' pricing model, while the other proposes the removal of the CVC charges for wholesale speed tiers offering download speeds of 100 Mbps and above. The third option includes a 25 per cent reduction in the overage rate from \$8 to \$6 and some rebalancing from variable charges to fixed charges.

All three options substantially address many of the concerns that have been expressed by RSPs and provide a pathway to delivering a sustainable long-term pricing framework that supports the industry and meets the future digital needs of Australians.

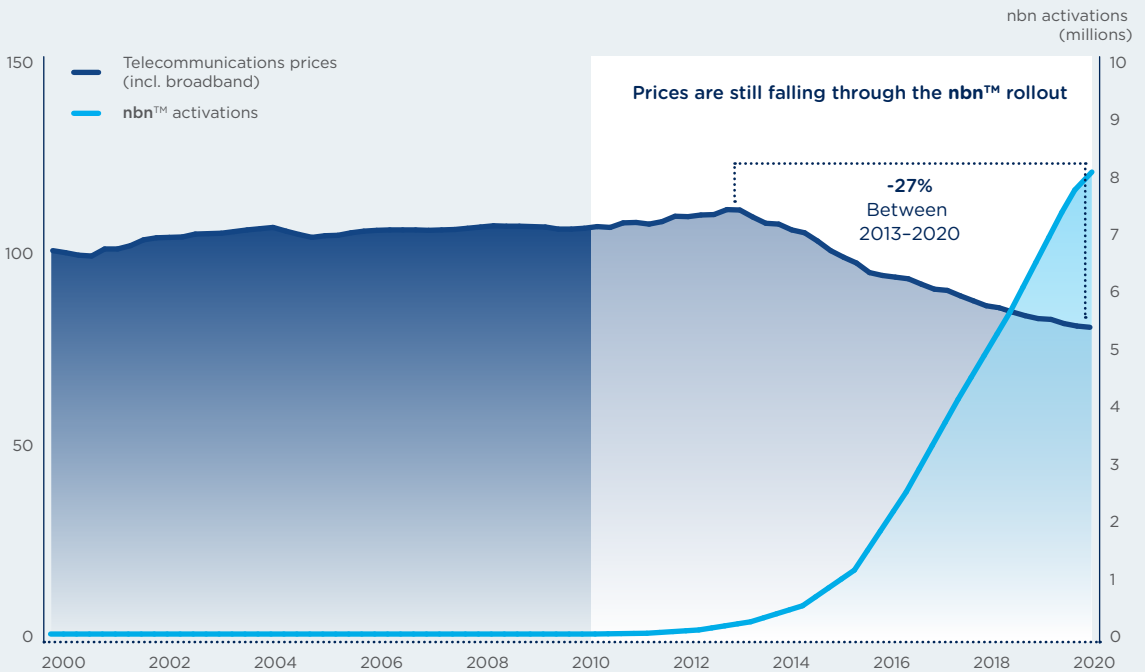
Consumer affordability

NBN Co is committed to providing excellent service at wholesale price points that suit the varying needs of all Australians - from individuals and large families, to small businesses and enterprises with global aspirations.

New research from consultancy firm Accenture, commissioned by NBN Co, found that the price for telecommunications services has significantly reduced as the rollout of the nbn™ network increased.

The research shows that since 2000, there has been a 20 per cent decline in the cost for an equivalent broadband and telecommunications service, when considering the average prices paid by households in this time period. In that same 20-year period, the average cost of a basket of consumer goods for Australians has increased by 60 per cent, while other essential household utilities, like electricity and water, have on average increased by 159 per cent and 158 per cent respectively.

Consumer price index for telecommunications (including broadband, index rebased 2000 = 100)



Change in telecommunications price shown (-27%) is between December 2013 and December 2020. SOURCE: ABS 6401.0 Consumer Price Index, Australia, TABLE 7. CPI: Group, Sub-group and Expenditure Class, Weighted Average of Eight Capital Cities; National Broadband Network - Rollout Information; Accenture Strategy Analysis; NBN Co. internal data.

This drop in telecommunications prices has been even more dramatic over the last seven years, with the research showing a 27 per cent reduction since 2013, which coincides with the rollout of the **nbn**[™] network starting to gather pace.

The research also found that Australians spend, on average, more per week on electricity (\$25) and water (\$21) compared to only \$16.80 for services over the **nbn**[™] network.

On the global stage, retail pricing for **nbn**[™] services also compares favourably in terms of affordability.

In its research, Accenture looked at relative purchasing power and income levels in a study across 2,800 broadband plans from 13 OECD countries, and found Australia was the sixth most affordable market.



Environmental responsibility

NBN Co's capacity to create value is built on an efficient and resilient network that minimises the Company's environmental footprint and promotes responsible use of natural resources.



NBN Co is committed to building a sustainable business that makes positive contributions to communities, protects cultural heritage, and respects the natural environments in which it operates.

Resource efficiency

Over this Corporate Plan period, NBN Co will continue to proactively manage its energy use and emissions impact.

The Company has in place a carbon reduction target that aims to reduce greenhouse gas emissions by a cumulative total of 91 kT (equivalent to 5,000 households) over a three-year period resulting in a 15 per cent reduction in the Company's FY23 forecast emissions.

Established in FY20, this three-year program includes **nbn**[™] network energy efficiency projects and sourcing renewable power.

NBN Co is on track to meet this target and key highlights of this program during FY21 include:

- signing NBN Co's first renewable power purchase agreement
- installation of more than 1,000 LED lights across Transit Aggregation Nodes and Depots (TANDs)
- installation of additional solar panels on NBN Co facilities
- turning off more than 17,000 line cards in the **nbn**[™] network which is saving over 2GWh of electricity use per annum.

NBN Co's Sustainability Program has progressed the development of a post-FY22 long-term carbon reduction target and implementation plan.

In FY22 the implementation plan for the long-term carbon reduction target will address energy efficiency opportunities in the **nbn**[™] network and set a plan for increased renewable energy purchasing.

Protecting the environment

NBN Co values the environment and communities in which it operates and is committed to reducing the Company's environmental impact at its offices and facilities, and through supporting field teams and Delivery Partners in their works.

As part of its ongoing efforts to reduce waste, in FY21 NBN Co:

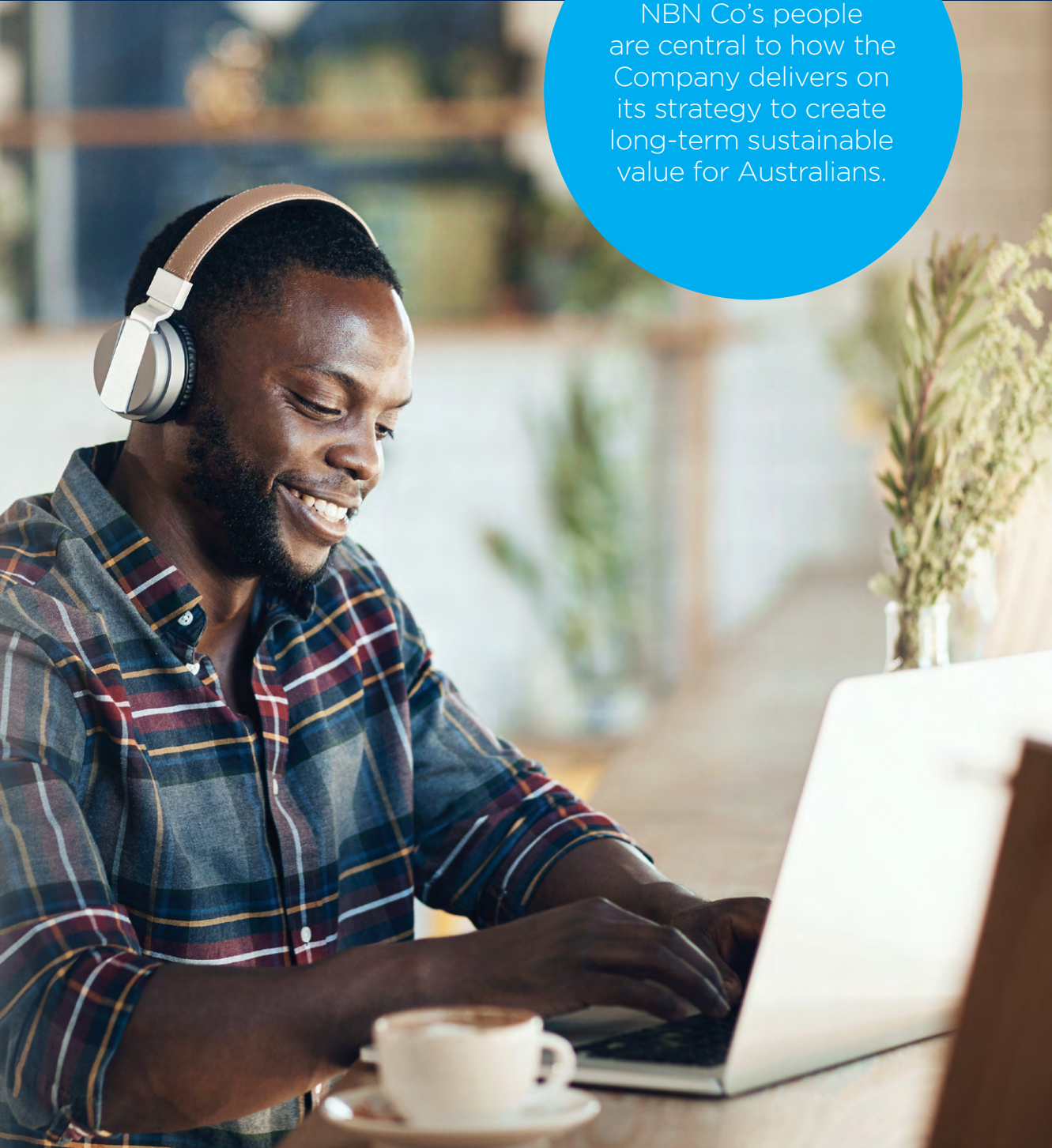
- conducted waste audits to identify further waste diversion opportunities
- established e-waste collection services in corporate offices
- delivered refreshed environment protection, land access, heritage and stakeholder engagement training to internal field employees and Delivery Partners.

Over this Corporate Plan period NBN Co will continue to develop and implement new initiatives to reduce its environmental impact including:

- implementing a program to divert flexible soft plastics from landfill
- working with Delivery Partners under new contract arrangements to meet environmental protection requirements for field operations
- auditing strategic Delivery Partners to verify the controls for primary environmental issues such as Asbestos Containing Material disposal and sediment control from civil works.

Safety and inclusion

NBN Co's people are central to how the Company delivers on its strategy to create long-term sustainable value for Australians.



NBN Co continues to build capability, diversity, and a values-led company culture to deliver on its purpose to lift the digital capability of Australia.

Employee engagement

While NBN Co's employees have always felt great pride in what they do, the Company's efforts to support the nation through natural disasters and the COVID-19 pandemic have reinforced its purpose which was reflected in a strong employee engagement score.

NBN Co's 2021 employee engagement survey, conducted in June 2021, achieved a participation rate of 91 per cent, and an engagement score of 76 per cent. This was a significant achievement given the complexity of leading through a transformation and workforce change during the COVID-19 pandemic.

Over this Corporate Plan period, NBN Co remains focused on achieving employee engagement scores that place the Company in the top quartile of Australian companies.

NBN Co continues to invest in strategic workforce planning, including external benchmarking, to identify the critical skills (including cyber security, network and software technologies) it needs to evolve its workforce and to meet the objectives it has set over this Corporate Plan period.

Diversity and inclusion

NBN Co is committed to the promotion of diversity and inclusion among its employees in the workplace and in the community.

In addition, NBN Co continually strives to foster an environment that celebrates diversity in which all employees have a sense of belonging, connection to the Company's purpose and commitment to its values.

NBN Co is focused on five pillars that strengthen its Diversity and Inclusion strategy across the organisation:



NBN Co demonstrates its commitment to these areas of demographic focus through publicly declared commitments in its fourth Reconciliation Action Plan (RAP) and first Accessibility and Inclusion Plan.

The Company also participates in the Australian Workplace Equality Index (AWEI), an external benchmarking tool for LGBTQ+ inclusion. In May 2021, NBN Co was awarded a Gold ranking, putting the Company in the top 10 per cent of reporting employers in Australia.

Objectives and targets for female representation

NBN Co is working towards achieving gender equality throughout the organisation.

Measure	Objective	Targets FY22-FY25
Female representation in management ¹	Increase representation of women in management roles	Increase representation from 33% in FY21 to 40% by FY25
Employee engagement	Increase engagement of women to equal to, or greater than, that of NBN Co-wide engagement	Equal engagement of males and females
Female representation in graduate intake	Maintain female representation in graduate intake	Maintain 50% female representation

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

NBN Co has a strong commitment to pay equity at point of hire and throughout an employee's career, including undertaking comprehensive gender pay equity analysis through the annual remuneration review process.

Health and safety

The physical and mental health and safety of its people remains NBN Co's first priority.

While NBN Co has seen improvement in incident and injury rates since FY18, safety challenges still exist. To address these in FY21, Delivery Partner health and safety governance was strengthened, injury awareness and prevention campaigns implemented, safe work procedures reviewed, along with training and skills assessments for internal field workforce staff. Processes are in place to monitor compliance with the HSE Critical Risk Controls and COVID-19 precautions and compliance remains consistently high.

To continually improve health and safety performance, NBN Co's priorities going forward will include further collaboration with Delivery Partners to reduce incidents and injuries, as well as new and further prevention and response strategies to reduce psychosocial hazards at work.

The Company will also embed new work health and safety consultative arrangements that have been co-designed with Health and Safety Representatives to enhance worker participation in health and safety decision-making.

Sustainable financial growth

Well-governed management of capital from NBN Co's shareholders and lenders underpins the Company's ability to deliver long-term sustainable financial performance through ethical business practices.



Financial performance

Over this Corporate Plan period, NBN Co will remain focused on growing revenue and profitability on an annual basis, generating free cash flows and targeting value accretive investments that enhance network and business performance.

Sustainable long-term financial growth is essential to enable reinvestment in the network to meet future customer demand; to meet debt and contractual lease obligations; and to generate a modest return on the Australian taxpayers' investment in the Company.

When measuring financial performance NBN Co is focused on growing revenue and EBITDA.

Following strong financial performance in FY21, NBN Co is targeting annual revenue and other income in FY22 of between \$5 billion to \$5.2 billion and EBITDA in the range of \$3 billion to \$3.2 billion. Beyond FY22, the Company will continue to be focused on growing its revenue base, focusing on core revenue streams (i.e. residential, business and developers) while exploring value-adding adjacencies. In order to deliver on NBN Co's long-term revenue objectives, the Company will continue to execute its network investment plan over this Corporate Plan period.

From a cost perspective, the Company will continue to target operational transformation initiatives to lower its cost base and further deliver customer experience benefits.

Capital management

Until recently, NBN Co's capital structure was a combination of equity and debt funding from the Commonwealth Government in the form of \$29.5 billion of equity and a \$19.5 billion loan.

As the Company continues to evolve into a mature, customer-led operating business, over the past 18 months it started to diversify its sources of funding. In order to finance the repayment of the Commonwealth loan by 30 June 2024 and to execute the investments outlined in this Corporate Plan, NBN Co is planning to raise a total of approximately \$27.5 billion of external debt by June 2024 plus additional working capital facilities.

In the first half of FY21, NBN Co secured its inaugural credit ratings, with Moody's Investor Service assigning an 'A1' credit rating and Fitch Ratings assigning a rating of 'AA'. These ratings have assisted the Company to confidently enter negotiations with debt markets as it progresses its refinancing strategy.

To date, the Company has raised in excess of \$14.5 billion in bank and capital markets debt.

To complete the remaining financing task by FY24, NBN Co will look to raise further debt from local and global capital markets over the next three years. NBN Co expects this funding task to be achievable based on its investment grade credit rating, the strong outcomes in recent financing transactions and overall favourable debt capital market conditions for infrastructure borrowers like NBN Co.

Governance and transparency

Corporate governance

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 Board 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.

Over the Corporate Plan period 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. NBN Co's Corporate Governance Statement outlines key aspects of the Company's corporate governance framework and practices, and is available at <https://www.nbnco.com.au/corporate-information/about-nbn-co/governance/corporate-governance-framework>.

Transparency in disclosures

NBN Co recognises that information is an invaluable resource to support transparency and accountability with the Company's stakeholders.

To strengthen ESG (Environmental, Social and Governance) disclosures, NBN Co published its first Sustainability Report in January 2021. To inform disclosures and reporting, the Company is guided by recognised global sustainability reporting frameworks and standards such as the Task Force on Climate-related Financial Disclosures (TCFD), Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) Telecommunications Services Sustainability Accounting Standard. The Company will also report on its contribution to relevant United Nations Sustainable Development Goals (SDGs) in its FY21 Sustainability Report.

NBN Co is also committed to reducing the risk of modern slavery in its operations and supply chains. In March 2021, NBN Co released its first Modern Slavery Statement. This report aligns with the transparent and accountable foundations that underpin NBN Co's sustainability reporting, and the Company's ambitions to always protect the rights and wellbeing of individuals and the environment.

Forward-looking estimates

Historically, NBN Co has included within its Corporate Plan forward-looking estimates of core operational and financial metrics beyond a 12-month horizon.

However, since commencing activity in local and global debt capital markets, the Company has come under a new suite of obligations and limitations. This means NBN Co must ensure it complies with certain regulatory requirements and guidelines in respect to market disclosures.

These requirements and guidelines include limiting market disclosures to only historical information and limited forecast information.

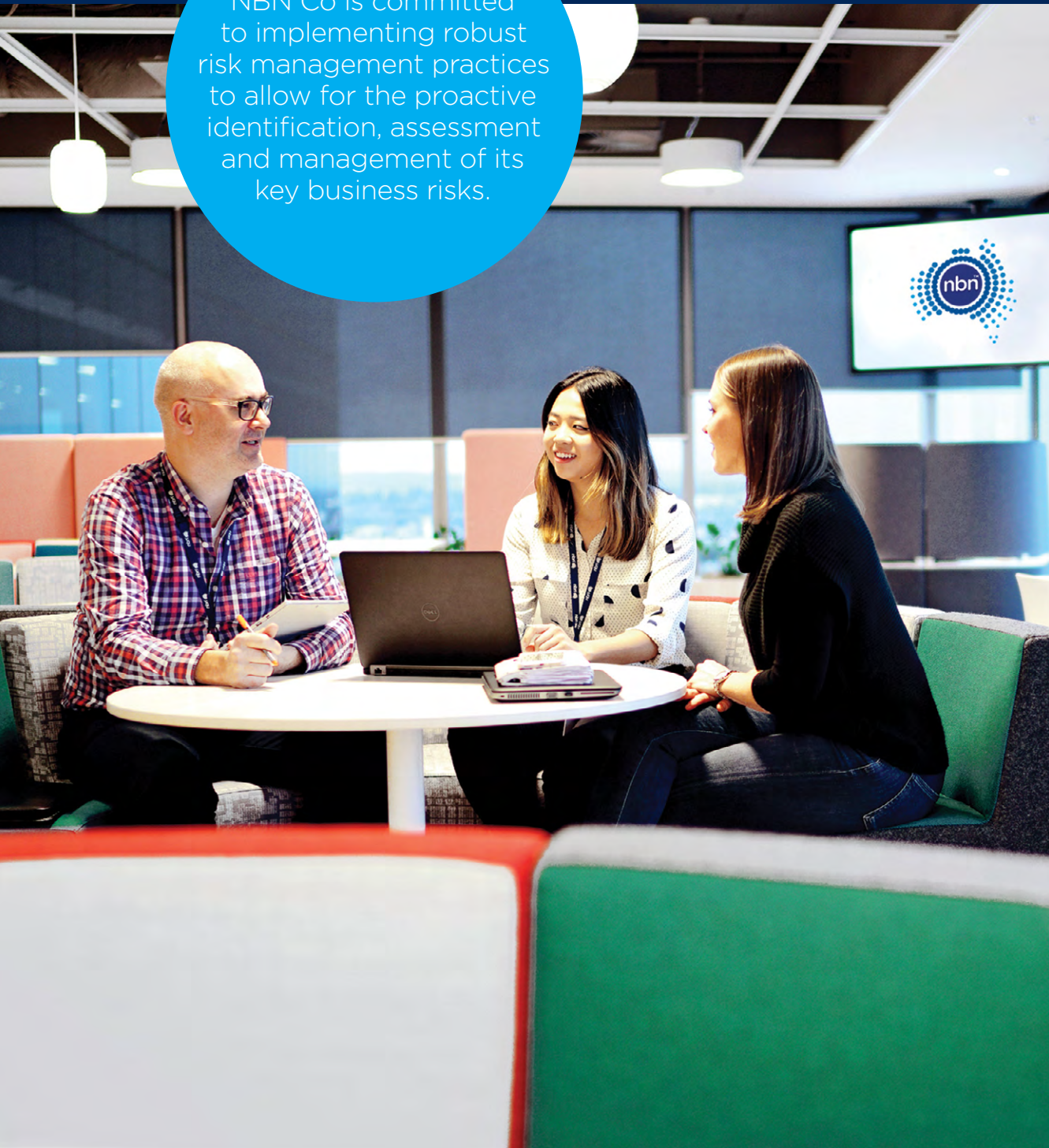
As a result, to ensure NBN Co complies with the applicable regulatory requirements and guidelines, forward-looking financial estimates included within this plan have been limited to a 12-month period.

Moving to a 12-month financial outlook will facilitate access to debt markets while also minimising potential risk of liability to investors or jeopardising the interests of Australian taxpayers or NBN Co's customers.

While forward-looking estimates will be limited to a 12-month period, NBN Co remains committed to applying best practice reporting practices similar to ASX-listed companies, including the publication of half and full year financial reports, remuneration reports and operational updates.

Risk management

NBN Co is committed to implementing robust risk management practices to allow for the proactive identification, assessment and management of its key business risks.



NBN Co's commitment to robust risk management practices has been outlined in its Board approved Risk Management Policy. NBN Co's Risk Management Standard underpins and supports the implementation of the Risk Management Policy by defining the risk management approach, methodology and processes enabling NBN Co to manage the risk (or uncertainty) to achieving its business objectives. NBN Co's Risk Management Policy and Risk Management Standard have been developed in accordance with ISO 31000:2018 Risk Management - Guidelines. NBN Co's Board and Executive Committee have approved the Company's risk appetite, which is a key element of NBN Co's Risk Management Policy.

Overview of risks

As NBN Co continues to execute its transformation from network-build capabilities to be a customer-led wholesaler with a competitive cost base, digitally-enabled processes and simplified technology environment, the risks have evolved to focus on topics central to being a mature operating business including health, safety and engagement of the Company's people, investing and evolving the network to meet the needs of Australians, maintaining a positive customer experience, and preserving public trust and social license to operate.

Key corporate risks

	Key corporate risks	Supporting our strategic pillars
Security	Ensuring the security of NBN Co's people, information and critical infrastructure	
Network performance and evolution	Maintaining network performance and stability while augmenting and scaling the network to support a digitally dependent future	
Resilience	Ensuring resilience of NBN Co's network, business operations and systems	
Health, safety and engagement	Managing the health and safety of employees, contractors, customers and the public while continuing to ensure NBN Co remains a great place to work	
Customer experience	Managing relationships and dependencies with channel partners to enable a positive customer experience and uplift sentiment in the market	
Competition	Responding to infrastructure competition and wireless substitution (including 5G) with competitive products	
Regulatory and compliance	Managing expanding regulatory obligations that may impact cost base and underlying revenue	
Trust and social licence	A conduct, governance or compliance failure impacting customer, community and stakeholder trust and social license to operate	
Supply chain	Responding to continued global supply shocks impacting on NBN Co's supply chain and the Company's ability to forecast accurately	
Transformation	Executing company-wide transformation while maintaining operational commitments	
Funding	Ability to secure, optimise and manage financing arrangements	

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