



SENATOR THE HON MATHIAS CORMANN
Minister for Finance and the Public Service

SENATOR THE HON MITCH FIFIELD
Minister for Communications and the Arts

Dr Zygmunt Switkowski AO
Chairman
NBN Co Limited
Level 40, 360 Elizabeth Street
MELBOURNE VIC 3000

Dear Dr Switkowski

We are writing in our capacity as Shareholder Ministers following the publication of NBN Co Limited's (NBN Co) 2019-22 Corporate Plan. The Government has considered the Plan, including an independent financial review of NBN Co's 2019-22 Integrated Operating Plan and an associated review undertaken by Shareholder Departments.

s 47G, s 47C

In order to ensure open and timely communication, we propose to establish regular meetings at a variety of levels with the Board and company to receive feedback on key decisions and risks. We propose to meet with you twice yearly. Meetings with your executive team will also be formalised, with our Secretaries writing to Mr Rue with details. These meetings would be in addition to the annual Strategy Day required under the GBE Guidelines.

Shareholder Ministers and Departments will still require the NBN Co Board to provide timely notifications, to keep us updated on significant developments.

We look forward to working with you and your board to solidify arrangements for a robust associated reporting framework to achieve the successful delivery of this significant national infrastructure project.

Kind regards

Mathias Cormann
Minister for Finance and the Public Service

Mitch Fifield
**Minister for Communications and
the Arts**

NBN CO LIMITED: as at 17/12/18

<u>NAME</u>	<u>GENDER</u>	<u>POSITION</u>	<u>FT/PT</u>	<u>STATE OF RESIDENCE</u>	<u>DATE APPOINTED</u> <i>(previous term/s in italics)</i>	<u>EXPIRY DATE</u> <i>(previous term/s in italics)</i>
Mr Stephen RUE	M	Executive Director	FT	NSW	01.09.18	31.08.21
Dr Zygmunt (Ziggy) SWITKOWSKI	M	Chairman & Director <i>Chairman & Director Executive Chairman</i>	PT FT PT	VIC	03.10.16 03.10.13 <i>02.04.14</i> <i>03.10.13</i>	02.10.19 <i>02.10.16</i> <i>01.04.14</i>
Mr Patrick FLANNIGAN	M	Director	PT	VIC	11.11.16 <i>11.11.13</i>	10.11.19 <i>10.11.16</i>
Ms Shirley IN'T VELD	F	Director	PT	WA	02.12.18 <i>02.12.15</i>	01.12.21 <i>01.12.18</i>
Mr Michael MALONE	M	Director	PT	NSW	20.04.16	19.04.19
Mr Justin MILNE	M	Director	PT	NSW	11.11.16 <i>11.11.13</i>	10.11.19 <i>10.11.16</i>
Mr Drew CLARKE	M	Director	PT	ACT	22.08.17	21.08.20
Dr Kerry SCHOTT	F	Director	PT	NSW	06.10.18 <i>06.10.15</i> <i>28.09.15</i> <i>28.09.12</i>	05.10.21 <i>05.10.18</i> <i>05.10.15</i> <i>27.09.15</i>
Ms Zoe MCKENZIE	F	Director	FT PT	VIC	01.07.18	30.06.21

Gender balance

Males: 6 (67%)

Females: 3 (33%)

Geographic balance

NSW: 4

VIC: 3

SA: 0

NT: 0

WA: 1

QLD: 0

TAS: 0

ACT: 1

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Australian Government

Department of Communications and the Arts

MEETING BRIEF

PDR ID:	EC18-001577
Subject:	Meeting with Ziggy Switkowski
Attendees:	Ziggy Switkowski, Chair, NBN Co Board Rosemary Huxtable, Secretary, Department of Finance Andrew Jagers, A/g Deputy Secretary, Department of Finance Meghan Quinn, Deputy Secretary, Department of Treasury Richard Windeyer, Deputy Secretary, Department of Communications and the Arts
Date and Time:	Wednesday 19 December 3:00-4:00PM
Location:	Your office at the Department of Communications and the Arts

Key Issues:

- Dr Ziggy Switkowski, Chair of the NBN Co Limited Board (NBN Co) is scheduled to meet with yourself and your Shareholder Department counterpart Ms Rosemary Huxtable, Secretary of the Department of Finance, regarding the National Broadband Network (NBN). Deputy Secretaries from your Department, the Department of Finance and the Department of the Treasury will also be in attendance.
- No agenda has been set for this meeting. Background on some key issues you may wish to raise are provided in this brief. ^{s 47G} [REDACTED]
- Ms Meghan Quinn, Deputy Secretary at the Department of Treasury will join the meeting at 3:30PM.

^{s 47G, s 47C} [REDACTED]

Contact Name: ^{s 22} [REDACTED]

Position: [REDACTED]

Contact Number: ^{s 22} [REDACTED]

Branch/Section: Shareholder Team, Broadband Implementation

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Background/Issues:

You may wish to raise the upcoming expiry of the term of an NBN Co Board member and

s 47G, s 47C

NBN Co Board membership

Mr Michael Malone's term is due to expire next year on 19 April 2019. s 47G, s 47C

The current Board membership and composition is at **Attachment A**.

The Board is currently at capacity, with all nine positions filled. The Board only requires three members to operate. Mr Malone is currently completing his first term on the NBN Co Board, which he commenced on 20 April 2016.

Improved governance arrangements

s 47G, s 47C

Prime Minister and Shareholder Ministers agreed to improve the governance arrangements with NBN Co, including enhanced transparency and reporting.

As a result, Shareholder Ministers expect to write to Dr Switkowski shortly (**Attachment B**) requesting:

- bi-annual meetings between the NBN Co Board and Shareholder Ministers.

s 47G, s 47C

We note that this joint letter has been signed by Minister Cormann, and is currently with Minister Fifield for his consideration.

It is also proposed that you write to the NBN Co CEO to establish bi-monthly meetings between you, and quarterly meetings at the CFO and FAS level. A Minute has been provided to you with a proposed draft of this letter (EC18-001354).

Consumer experience

s 47G, s 47C

s 47G, s 47C



s 47G, s 47C



Jason Ashurst
A/g Assistant Secretary
Broadband Implementation

~~PROTECTED Sensitive~~

Australian Government

Department of Communications and the Arts

FOR: Minister Fifield
cc: Mike Mrdak, Richard Windeyer

Date of event: 14 December 2018

MEETING BRIEF

Meeting Details

Stephen Rue, CEO of NBN Co Limited (NBN Co) is scheduled to meet with you for your regular meeting regarding the National Broadband Network (NBN).

Event/Meeting title	NBN Co CEO regular meeting
Day & date of event	<u>Friday 14 December 2018</u>
Time of event	9:45 AM
Location	via videoconference

Issues

- An agenda is at **Attachment A**.
- The following items will be discussed:
 1. General business and rollout update (Stephen Rue)
 2. Follow-up from the CEO forum
 3. Business Bundles SME ^{s 22}
 4. Media update ^{s 22}
 5. Other business
- Key messages and background for items 1-4 are provided in this brief. In addition to the general update under item 1, you may wish to raise with Mr Rue:

^{s 47G, s 47C}

Attendees

Stephen Rue, ^{s 22}

Mike Mrdak, Richard Windeyer, Andrew Madsen and Jason Ashurst

Approved by:
Jason Ashurst
A/g Assistant Secretary, Broadband
Implementation
13 / 12 / 2018

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Key points

FTTC

§ 47G, § 47C

[Redacted]

HFC

§ 47G, § 47C

[Redacted]

Fixed wireless

- The fixed wireless rollout continues to progress with services available to over 626,000 premises and over 261,000 active premises (as at 22 November).

§ 47G, § 47C

[Redacted]

- (See separate brief on NBN Co's planned fixed wireless update on 18 December – MS18-001414.)

§ 47G, § 47C

[Redacted]

Pricing and congestion

- NBN Co has successfully assisted retailers to transition over 3.2 million customers onto bundled products, whilst maintaining relatively stable congestion levels over this period. § 47G, § 47C

[Redacted]

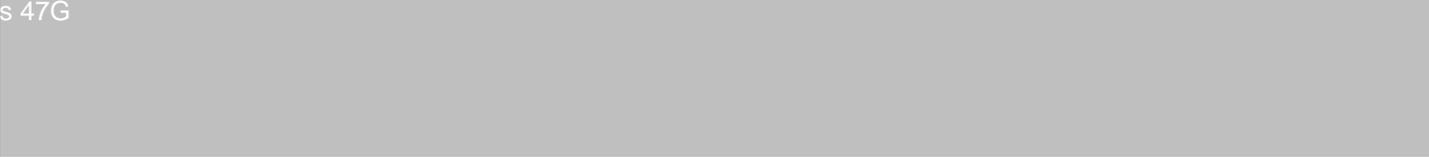
- § 47G, § 47C

[Redacted]

s 47G, s 47C



s 47G



s 47G, s 47C



Background

s 47G, s 47C



s 47G



s 47G, s 47C

Fixed wireless

Release of Fixed Wireless Plus

NBN Co plans to announce the release its new Fixed Wireless Plus product on 18 December – refer to MS18-001414 for details.

s 47G, s 47C

On 28 November 2018 Ms Nerida O’Loughlin, Chair of the Australian Communications and Media Authority (ACMA), wrote to you recommending a limited extension of the geographic areas currently licensed to NBN Co under apparatus licences. Some extension is necessary to enable NBN Co to continue operating its towers (some of which are very close to the current licence boundary but service customers outside the boundary). The ACMA has recommended the boundaries be extended where necessary to ensure that existing services can continue operating ^{s 47C}

On 1 November 2018 NBN Co was issued apparatus licences over the 15 MHz of guard bands in the 3.4 GHz band, bringing NBN Co’s apparatus holdings in the band to 75 MHz.

s 47C

s 47G, s 47C, s 42

Pricing and congestion

NBN Co’s October Monthly progress report indicated average network bandwidth congestion had reduced to 34 minutes per week per premises. This is down from 38 minutes in September 2018, compared with 5 hours and 9 minutes per week in October 2017.

s 47G, s 47C

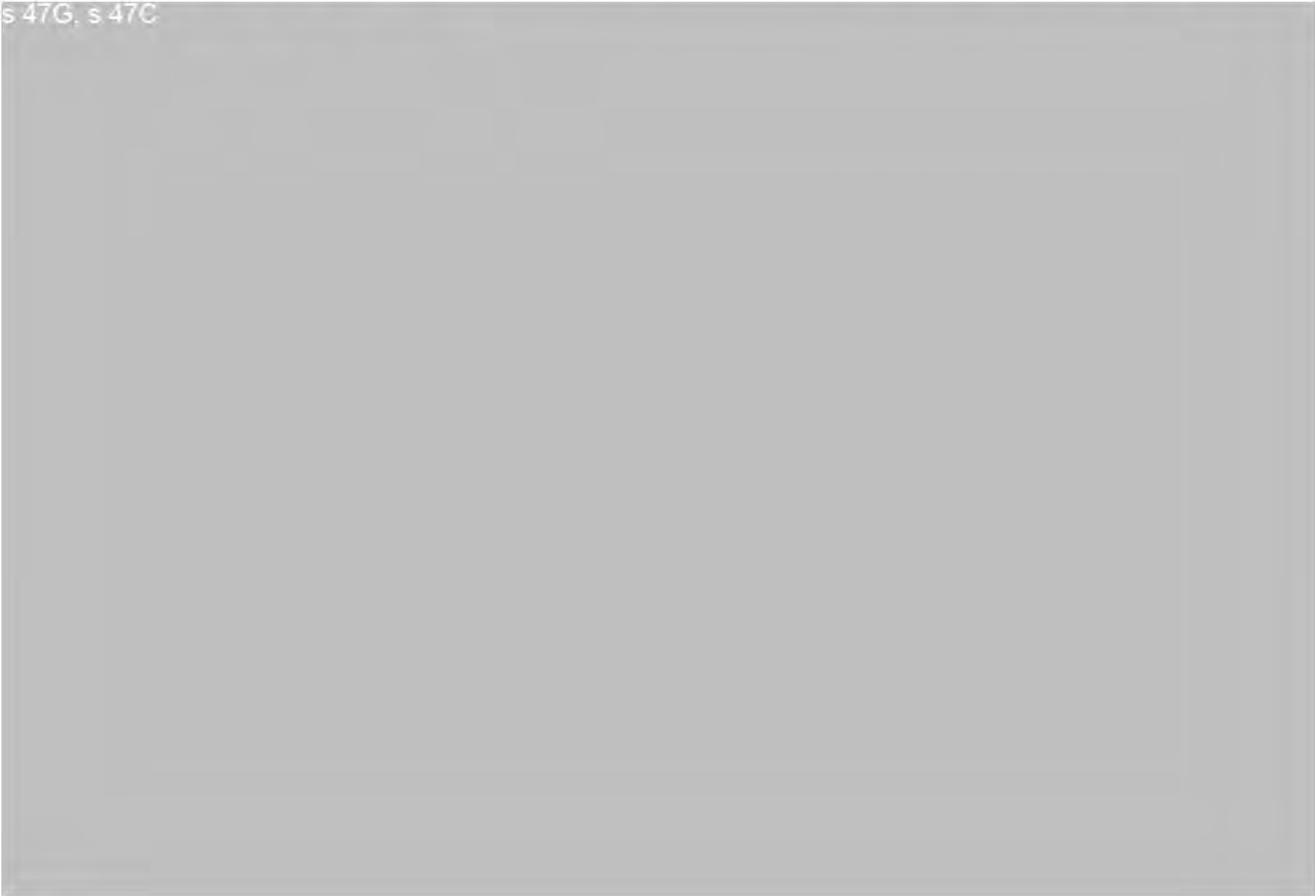


NBN Co's first quarter results demonstrate the company's continuing solid performance and ongoing growth in rolling out the network. Over the first quarter of 2018-19, NBN Co's revenue reached \$620 million. This represents an increase of 53 per cent compared to the same period in 2017-18.

Key points

- You hosted a forum on the NBN Consumer Experience on 22 November in Sydney, with CEOs and other senior representatives from Telstra, Optus, Vocus, TPG, NBN Co and Communications Alliance in attendance. ACMA and ACCC attended the initial part of the forum.
- You may wish to thank Mr Rue for his attendance and participation, and note with Mr Rue the following issues raised at the forum:

s 47G, s 47C



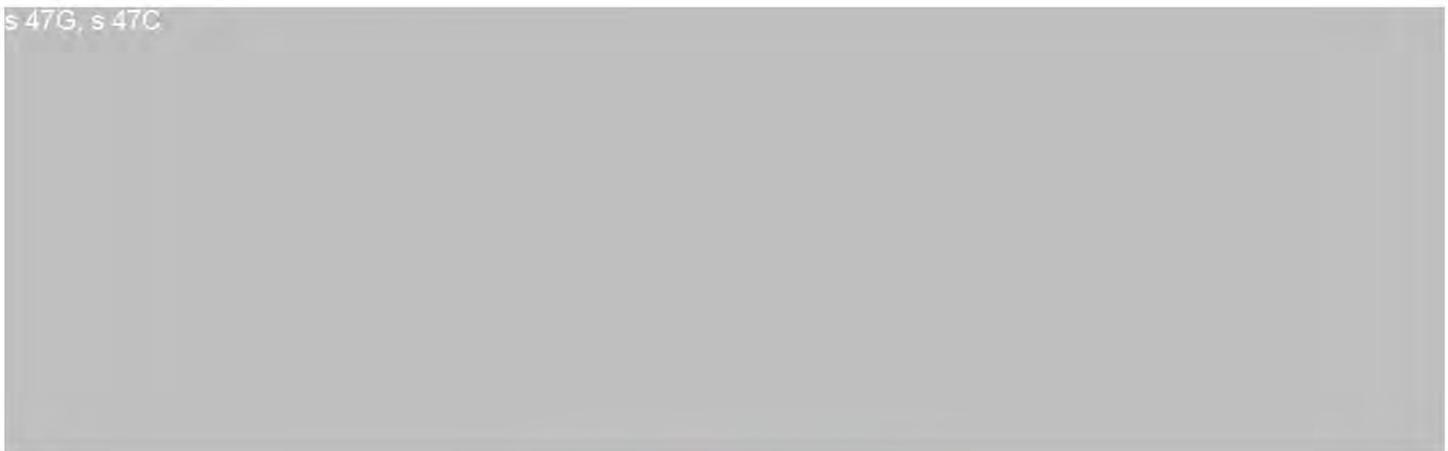
Consumer Safeguards Review

Part B (reliability of services) consultation process

- The discussion paper for Part B (reliability of services) is out for consultation, with submissions due 18 January 2019. s 47G, s 47C



s 47G, s 47C



s 47G, s 47C

Part A (redress and complaints handling) – update on implementation

- The report for Part A (redress and complaints handling) was released on 15 November. If asked, the Department is working with the Telecommunications Industry Ombudsman (TIO), ACMA and Communications Alliance to progress the recommendations within their respective remits.

Key points

- NBN Co released a number of business bundles to the market on 10 December.
- The bundles combine different speed and traffic classes with enhanced service levels (for example, faster restoration of services), in order to provide businesses with better supported service at prices that are discounted when compared with buying the components separately.
- The business bundles complement other measures the company has taken to attract and support business end users, such as the introduction of the Business Operations Centre and the introduction of Telecommunications Extension Contracts and Enterprise Ethernet.
- NBN Co has indicated that these bundles are aimed at making enhanced service levels available to any-sized business.

s 47G, s 47C

Background

NBN Co has introduced new wholesale discount bundles over the fixed line network, to help improve customer experience and better meet the demands of businesses. The business bundles combine access to high speeds, committed bandwidth and premium service levels in a discounted charge in a move designed to deliver significant savings for retail providers.

The wholesale discount bundles include:

- 50/20Mbps optimised for smaller businesses;
- 100/40Mbps with support for multiple phone lines for medium-sized businesses;
- symmetrical committed speeds of 20/20Mbps and a 100/40Mbps peak information rate; and
- symmetrical committed speeds of 50/50Mbps and a 250/100Mbps peak information rate for data-intensive and multi-site organisations.

Each of the discount bundles includes a minimum 12 hour enhanced service level agreement with 24/7 support between NBN Co and retailer as well as bandwidth which incrementally increases with higher bundles.

In August 2018, the company launched a new Business Operations Centre to help provide specialist technical support and recently began a trial of premium business-grade appointments to help increase certainty of appointment times and reduce disruption to day-to-day operations.

Key points

NBN Co have undertaken or have planned the following media activities over recent weeks:

- Tasmania: Enterprise Ethernet First Customer (Friday 7 December)
- Business Bundles (Monday 10 December)
- Fixed Wireless Product Update (Tuesday 18 December)