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nbn[®] Industry Closure Paper Full Fibre Upgrade for Strata (Fibre Connect for Complex MDUs)

Aug 2023

Commercial-in-Confidence



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1. Introduction

1.1 About the nbn

NBN Co is a Government Business Enterprise, which has rolled out the **nbn** network and which is the default Statutory Infrastructure provider for broadband services in Australia. Eligible services provided over the **nbn** network are available on a wholesale only basis to carriers and retail service providers and are provided on a non-discriminatory basis.

This means that residents in buildings served by the **nbn** have access to a large range of competing retail providers.

1.2 Consultation Purpose

The purpose of this industry closure paper is to summarise industry feedback from the 'Fibre Connect for Complex MDU' build program consultation process. The intent is to consolidate questions and responses from participating respondents from Body Corporates, Strata Managers, Industry representatives and Retail Service Providers as **nbn** aim to launch the scale program in August 2023.

1.3 Document Audience

Some of the key audiences of this document are detailed below;

- **Body Corporates / Owners Committees** as the authorised representatives who are accountable for making key decisions on major and minor building works on the basis of Strata Manager recommendations (if applicable) and may be interested in upgrading their building under this build program;
- **Strata Managers** as the group advising and governing the body corporates / owners committees who may be interested in advocating for building upgrades with **nbn**;
- **Retail Service Providers** who want to understand the process of the build program and assist in proactively engaging their customers and enabling gigabyte services¹ post build activities;
- **Delivery Partners and other third parties** who may be interested in proactively engaging with authorised representatives to encourage building to upgrade to Fibre to the Premises (**FTTP**) as part of the program.

2. Details of Build Program

2.1 Eligible footprint and process

Summary of feedback

- Respondents were generally positive toward the proposal of whole of building fibre upgrades for Complex MDUs and agreed that **nbn** is best placed to engage directly with authorised representatives and industry bodies.

¹ Regardless of the retail service purchased, the actual wholesale download speeds delivered by **nbn** to retail service providers will be less than 1Gbps due to **nbn** equipment and network limitations. An end customer's experience, including the speeds achieved, depends on some factors outside our control (like equipment quality, software, and how a retail service provider designs its network).

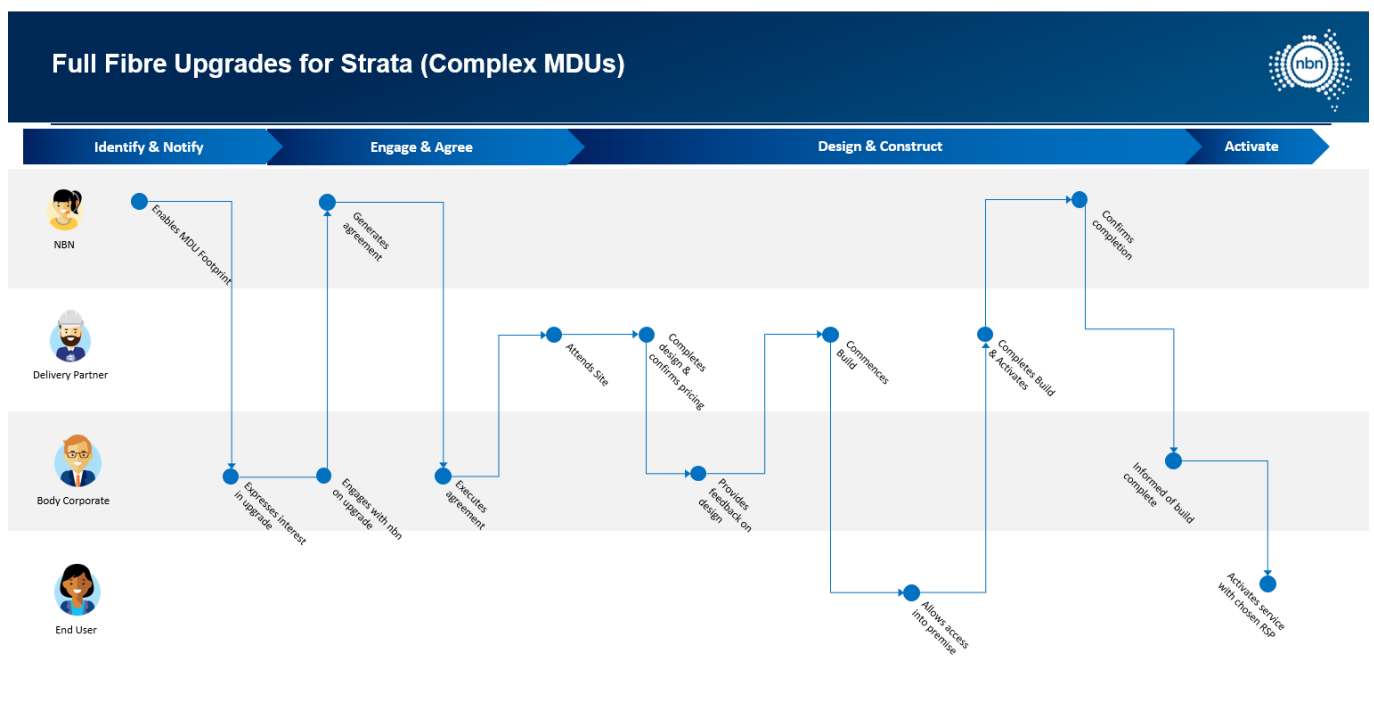
² A premises means each of the following where Serviceable; an addressable location currently used on an on-going basis for residential, business (whether for profit or not), government, health, or educational purposes



- Respondents provided feedback on the engagement process that enabled authorised representatives to be provided copies of an approved in building fibre design during the contract negotiation phase of the program.
- Respondents encouraged clear communications be established between **nbn**, the delivery partner, body corporates and residents to ensure all parties are aware of the role they play in the upgrade of buildings. Communicating and promoting the build and connection activities to ensure each party understand their role in connecting premises for FTTP was received as feedback.
- Comments were made by some retailers on the scalability of the COAT process and the potential delayed impact to their ability to support new orders on the upgraded fibre.

nbn position

The amended customer journey for Building Fibre Upgrades (Complex MDUs) is below;



The high-level process consists of;

1. **nbn** enables footprint to order a whole-of-building fibre upgrade
2. Body Corporate expresses interest and enters into an agreement with nbn to install fibre under which they agree to pay \$250 plus GST per premises
3. **nbn** Delivery Partners attend site, validate site design and confirm whether any additional installation costs apply
4. Body Corporate reviews and provides feedback on the design
 - a. If Body Corporate does not agree to the proposed design, they may withdraw from the build subject to the agreement terms and Break Amounts as relevant
5. If **nbn** seeks to increase the build costs and Body Corporate does not agree to this change, Body Corporate may terminate the agreement with no Break Amount.
6. **nbn** and Body Corporates inform end users / tenants / owners that building is now ready to connect

This process utilises improvements from the Phase 2 trial and summary feedback is below;



- **nbn** acknowledges the opportunity of alignment with other similar existing fibre upgrade programs such as Area Switch and Regional Co-Investment Program and will be utilising existing 'customer initiated' processes under the Change of Access Technology (COAT) program
- **nbn** will engage directly with authorised representatives (Body Corporates, Strata Managers etc) and enter into an agreement to upgrade all premises and building services within the building to fibre to the premise (FTTP) under an Area Switch Agreement comprising the Build Quote - Area Switch for Full Fibre Upgrade Strata and Terms and Conditions for Area Switch for Full Fibre Upgrade Strata.
- **nbn** will seek the Body Corporate's input in collecting the address information and **nbn** will verify the accuracy of the addresses during design & construct processes to increase the ease of connect for end users and accuracy of addressing for Retail Service Providers (RSPs)
- End users will remain on their existing service until they are ready to move to the FTTP service via a reconnect or transfer event or a mandatory disconnection activity occurs.

2.1.1 Notification of eligibility & progress

Summary of feedback

- Respondents encouraged broad communications on the role of each party from the Authorised Representative entering in the Area Switch Agreement through to the activate processes for End Users to ensure an ease of connection for an end user.
- Additional feedback was provided to encourage **nbn** to engage with Local Government Authorities to reach eligible owners corporations that have not appointed a Strata Manager.
- Respondents requested a view of potential volumes by technology to ensure a Forecast of premises by technology should be provided to RSPs. This will help RSPs understand the volumes to influence process and system investment to support technology changes for MDUs.
- Respondents requested further information about how RSPs and end customers would be kept up to date with build activities.

nbn position

- Interested authorised representatives have been able to register their interest from May 2023 via the nbn website at <http://www.nbn.com.au/upgradeyourbuilding>. Eligibility of premises within the program can be checked via the 'Check Your Address' function on the **nbn** website from August 2023.
- Existing customer-initiated change processes will be utilised in line with the existing COAT process. No new processes or APIs will be developed to classify eligibility to minimise impact to RSPs. The COAT process will be the key mechanism which notifies RSPs that a building has been flipped.
- Eligible premises within the Fibre Connect footprint will be communicated via the **nbn** website from August 2023 and will be released monthly. **nbn** reserves the right to release additional footprint (such as FTTB) into the build program as required.
- Eligible footprint will be released (i.e. available to order via the **nbn** website) from August through to December 2023 with cumulative eligible MDU volumes identified in the table below. Eligible MDUs include those that are nominally >5 premises and within the FTTC or FTTN eligible footprint. Note: these are estimates only and may change in future.
- **nbn** will continue to release eligible MDU premises in line with the overall Fibre Connect program and reserves the right to release additional footprint outside the program as required.



Footprint	Aug	Sept	Oct	Nov	Dec
FTTN	21k	74k	113k	175k	374k
FTTC	68k	139k	204k	216k	318k
				Total	692k

3. Pricing

Summary of feedback

- Respondents were generally positive about the proposed pricing structure of \$250 (plus GST) per premises for upgrades to FTTP within the building and these are undertaken on a 'whole of building' approach only.
- Some responses were received promoting the reimbursement of the cost to retailers for their transfer customers onto the new upgraded fibre.
- Clarity was requested around the definition of a 'premise' and whether this fee applies once to the whole building or to each individual unit.

nbn position

- **nbn** deems that the per premise fee aligns to each individual premise/unit/office/apartment, not once to the overall building. The total number of units plus applicable in-building connections (which align to nbn's Fair Use Policy), will equal the total amount required for payment by the Authorised Representative during the installation stages.
- From August 2023 **nbn** intends to launch with a \$250 per premise (+GST) cost for standard builds with a 'price confirmation' (PC) component to more complex builds. Please see the customer journey in Section 2 for further information.
- **nbn** reserves the right to review the per premises fee at any future point in time. For clarity, **nbn** will not have the right to change this fee during a build under a signed agreement.



4. Additional Responses

nbn recognises and appreciates the in depth feedback provided as part of the original Industry Consultation Paper and has listed additional feedback below with formal responses.

- RSPs have provided feedback that there is an interest in their ability to facilitate a whole of building fibre upgrade if their customer is also the building owner.
 - **nbn** response – the same process (above) can be leveraged in these scenarios to ensure the building owner enters into the agreement with **nbn** from launch in August. **nbn** will also consider additional opportunities for RSPs to lead these upgrades, on behalf of their customers and will engage with RSPs at the most appropriate time to seek input.
- The strata industry requested **nbn** provide sample documentation to be used by body corporates to streamline processes (such as draft special resolutions).
 - **nbn** response – **nbn** is not an expert as to what constitutes binding special resolutions for each body corporate/strata body. **nbn** understand model by-laws vary between states/territories and between body corporates/strata bodies. In addition, any templates **nbn** would produce would likely be caveated with wording that **nbn** cannot guarantee this document complies with the by-laws of each body corporate/strata body and must not be relied on in this manner. We are not sure this would achieve the outcome intended. Alternatively, **nbn** could potentially review existing example templates to recommend amendments and additional information which can help users of the templates. **nbn** could otherwise prepare information guides to address particular concerns and areas of confusion for implementing a Complex MDU build. **nbn** are happy to discuss alternatives and will engage with industry representatives further.
- Some retailers identified customers that require after hours work or elevated security requirements.
 - **nbn** response – **nbn**, via the Service Delivery Partners, will work proactively with key decision makers and building contacts to ensure any installation activities are coordinated in line with any security, HSE or other critical activities where appropriate.
- An RSP requested clarity on how this offer would work for data centres, location of equipment and any potential ongoing charges being potentially passed to an RSP.
 - **nbn** response – Whilst a some of the Fibre Connect footprint may encompass a data centre, **nbn** would recommend that RSPs should consult with their nbn representative to assist in delivering the most applicable product solution for the site in question.
- An RSP requested clarity and an integrated plan for **nbn**'s fibre upgrade products currently in market.
 - **nbn** response – in September 2021, a Fibre Build Channels webinar was run for RSPs to provide consolidated information on **nbn**'s overall fibre build landscape. For any questions beyond this content, RSPs should reach out to their **nbn** account team.
- The Strata Industry provided feedback on installation practices and any limitations the MDU currently has in place (such as adherence to fire safety concerns, heritage-listing etc)
 - **nbn** response – There is an expectation that MDUs will require specific quality standards implemented during the installation phase of the fibre upgrade. **nbn** works closely with Service Delivery Partners to ensure high quality installation practices are adhered to at all times and will engage with the customer site contact during the installation window.



5. Summary

nbn appreciates the feedback provided by industry and RSPs during the consultation period and look forward to commencing the scale build program in August 2023.

If you have any further questions, please contact nbnMDUtrial@nbnco.com.au