OVERVIEW OF NBN'S REGULATORY PROPOSAL FOR FINANCIAL YEARS 2027–29

Replacement Module Application (RMA)
July 2025

NBN Co (nbn) acknowledges First Nations peoples and recognises their role as the Traditional Owners of the lands, waters and skies across Australia. The company is privileged to work across all corners of this vast country and pay our respects to all Elders past and present.

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DISCLAIMER

nbn is required to submit to the Australian Competition and Consumer Commission (ACCC) by 2 July 2025 a Replacement Module Application for the Regulatory Cycle commencing 1 July 2026, pursuant to nbn's Special Access Undertaking. The information in this document is provided solely for the purpose of nbn's Replacement Module Application and should not be relied upon for any other purpose. The forecasts and indicative estimates in this document are based on assumptions, are inherently uncertain and are subject to a range of risks such that actual performance may differ materially from those forecasts or indicative estimates. Any financial values relating to the period from FY31 onwards are indicative estimates / Management 'projections' only – they do not reflect an operational forecast and do not include the full potential capex requirements (or account for specific operational timing) to meet future customer demand and network lifecycle requirements over time.

nbn is a wholesaler. References to speeds or bandwidth profiles in this document are not to end customer speeds; they are wholesale layer 2 peak information rate (PIR) bandwidth provided to retail providers unless stated otherwise. An end customer's experience, including the speeds actually achieved over the nbn® network, depends on the nbn® network technology and configuration over which services are delivered to their premises, whether they are using the internet during the busy period, and some factors outside of nbn's control (like the end customer's equipment quality, software, chosen broadband plan, signal reception, or how their provider designs its network). Refer to nbn's website and the Wholesale Broadband Agreement for further information.

PURPOSE OF THIS DOCUMENT

nbn's purpose is to elevate Australia by connecting people and powering progress.

Through the delivery of reliable, fast, safe connectivity via the nbn® network, nbn drives new economic and social opportunities for the nation and helps uplift digital capability and inclusion for people across Australia.

This document provides a summary of the capital and operating plan and service standards nbn is proposing to implement for the Second Regulatory Cycle from 1 July 2026 to 30 June 2029 (Financial Years 27-29).

The sharing of this information, through nbn's Regulatory Proposal, called the Replacement Module Application (RMA), is part of a regulatory process. Following consultation with stakeholders, nbn is now submitting this RMA, which contains details on specified matters for FY27 to FY29, supporting information, models and documents to the independent Australian Competition and Consumer Commission (ACCC) for review.

The ACCC will consider feedback from interested parties and then make a final decision, called the Replacement Module Determination (RMD). A copy of the Regulatory Proposal and key supporting documents will be published by the ACCC on its website in due course.

This summary provides an outline of:

- The operating and regulatory context within which nbn operates and the network used to provide services.
- The Regulatory Proposal at a glance, noting the changing context, and the benefits the company expects to deliver for customers.
- How the company engaged with stakeholders to inform the development of the Regulatory Proposal.
- What nbn heard from stakeholders and how the company is responding to the feedback.
- Key elements of the Regulatory Proposal including service standards and expenditure.
- Key business risks relevant to the Second Regulatory Cycle and mitigating actions.
- How to have your say.

FOREWORD: ELLIE SWEENEY, CEO OF NBN CO

Ellie Sweeney
CEO of NBN Co

To elevate Australia by connecting people and powering progress

As Australia and the world navigate a period of significant digital change, telecommunications continues to play a foundational role. It supports how we work, learn, care for our health, connect with one another, and grow our economy. It contributes to our prosperity, our resilience, and our future.

At nbn, we see this as an opportunity to contribute meaningfully. The broadband industry in Australia is part of this transformation, and we are committed to supporting the infrastructure that enables it.

Since our inception in 2009, nbn has worked to enhance Australia's digital capability, inclusion, and literacy through connectivity. Our network now connects more than 8.6 million homes and businesses, thanks to the collective efforts of our teams and partners, leveraging fixed wireless, satellite, and fibre technologies. We understand that networks evolve, and so must we.

That's why we are investing in a network that is more reliable, more capable, and faster than ever before. We're doing this while maintaining a focus on affordability, uplifting customer experience, efficiency, productivity, and the expectations of our customers and communities.

We understand that the environment we operate in is changing. Technology is advancing rapidly, competition is intensifying, and customers have more choice than ever.

Our Replacement Module Application (RMA), submitted to the ACCC, is an important step in preparing for the next regulatory cycle of the Special Access Undertaking (SAU) from FY27 to FY29. It reflects stakeholder engagement with Retail Service Providers, consumer advocates, and customers—and we sincerely thank all who contributed to this RMA process.

We sought broad feedback on our proposed expenditure and service standards, and we are sincerely grateful to all who participated in the engagement between October 2024 and April 2025.

Looking ahead, we will continue to evolve our stakeholder engagement approach for subsequent Regulatory Cycles so we can further broaden and deepen how our key stakeholders can influence our future plans.

In the meantime, we welcome continued partnership with all stakeholders as we work collaboratively to support Australia's digital future.

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INTRODUCTION

ABOUT US

NBN Co (nbn) was established in 2009 as a Government Business Enterprise (GBE), wholly owned by the Australian Government. The principal responsibility of the company is to operate, maintain and continue to build and upgrade the National Broadband Network (nbn® network) in accordance with the Government's Statement of Expectations (SoE).

Under the Telecommunications Act 1997, nbn is the default Statutory Infrastructure Provider for high-speed broadband services in Australia.

nbn's purpose is to elevate Australia by connecting people and powering progress. The company aims to achieve its purpose by providing reliable, fast and affordable connectivity via wholesale broadband services which meet the current and future needs of Australian households, communities and businesses. Providing equitable access to affordable and reliable wholesale broadband services is essential in enabling access to key services all across Australia, including health services, employment and educational opportunities, and in supporting economic growth and promoting digital inclusion.

The company operates as a wholesale-only national broadband network provider, providing access to retail phone and internet companies (Retail Service Providers or RSPs)[1] that can supply broadband services to residential and business customers across Australia.

nbn remains committed to making its network accessible to more premises, increasing the availability of higher speeds and providing greater network capacity and reliability. The company is focused on delivering a customer experience that enhances user satisfaction and increases the adoption of nbn® services, enabling customers to reap the social and economic benefits of high-speed broadband.

THE NETWORK, CUSTOMERS AND SERVICES

nbn provides wholesale broadband services on open access terms to support the delivery of telecommunications services across the nation. nbn currently delivers wholesale broadband services to 8.63 million homes and businesses across Australia and the nbn® network is available to 12.56 million premises.[2]

Customers access broadband services by connecting to the nbn® network through RSPs. RSPs purchase wholesale broadband services from nbn to create and supply the retail broadband offerings they provide to their customers. RSPs innovate, design, develop, and price the retail products and services that customers buy and are also responsible for delivering many front-line customer services.

The nbn® network is an access network that runs to a customer's home or business from a local nbn Point of Interconnect[3] (POI). There are 121 POIs spread across all states and territories.

1. In this document, references to Retail Service Providers or RSPs include access seekers – a service provider who makes, or proposes to make, a request to take supply of a regulated telecommunication service supplied by nbn, including so the provider can be a wholesaler or retailer of nbn services.
2. These figures are at 31 May 2025.
3. Different arrangements apply for some of nbn's satellite services.

The nbn® network comprises several different access technologies that fall into three main categories:

FIXED LINE

Providing services to about 94 percent of active premises. This uses a physical line to connect a premises to the nbn network and transmit data. There are multiple ways of doing this:

Fibre to the Premises (FTTP)
where a customer premises is connected to the network using fibre all the way to nbn's point of interconnection. This is referred to as full fibre in this document

Fibre to the Curb (FTTC)
where a customer premises is connected to the network using copper to network equipment located in a pit in the street serving a handful of premises, and then full fibre to nbn's point of interconnection

Fibre to the Node (FTTN)
where a customer premises is connected to the network using copper to network equipment located in a street cabinet serving multiple premises, and then full fibre to nbn's point of interconnection

Fibre to the Building (FTTB)
for apartments or units where a customer's unit is connected using copper to equipment typically in the basement, and then full fibre to nbn's point of interconnection

Hybrid Fibre Coaxial (HFC)
where a customer premises is connected to the network using a combination of optical fibre and coaxial cables to reach a customer's premises.

The difference between each type of connection simply comes down to how nbn uses existing network technology to connect the nearest available fibre equipment (called a node) to a specific premises.

FIXED WIRELESS

connecting close to 5 percent of active premises. Radio signals, using hybrid 4G/5G technology are used to transmit data from a nbn transmission tower to and from a customer's premises.

SATELLITE

providing services to approximately 1 percent of active premises. Satellites transmit data between the customer premises and ground stations, with geographically targeted beams that cover Australia and surrounding islands.

Throughout financial year 2025, the company has continued to invest in the nbn® network and has promoted greater full fibre availability into more communities. Full fibre is now the pre-eminent technology in nbn's Fixed Line network. In FY25, the company completed its Fixed Wireless and Satellite Upgrade Program and nbn continues to prioritise investments in capacity and network capability to ensure a more reliable, faster and resilient network.

nbn's fibre upgrade program (Fibre Connect) is designed to significantly enhance the reliability and speed of internet services across Australia. This initiative aims to provide more robust and higher speed broadband connectivity, ensuring that households and businesses benefit from improved digital experiences and greater network performance.

FIBRE CONNECT

Like many critical infrastructure operators around the world, nbn is working to support the transition from legacy copper networks to a more reliable and stable, future ready full fibre network.

The company's fibre upgrade program, Fibre Connect, is aimed at enhancing the reliability and speed of internet services across Australia.

This initiative aims to provide more robust and high-speed broadband connectivity, so that households and businesses benefit from improved digital experiences and greater network performance. The program focuses on upgrading premises currently served by FTTN and FTTC to full fibre.

nbn has progressively made connection upgrades available to premises in eligible areas as the corresponding network rollout has been completed. In recent years, nbn has undertaken a significant program to upgrade and expand more of the network to be fibre ready. At the end of FY25 approximately 4.7 million homes and businesses across Australia in the FTTN and FTTC footprint have access to full fibre. And nbn is on track to expand this to 5 million premises by the end of 2025.

In January 2025, nbn announced it will upgrade the remaining FTTN network across Australia, backed by an equity investment from the Australian Government. This investment will benefit around 622,000[1] homes and businesses across the country, with more than half located in regional Australia.

It is expected that more than 95 percent of these homes and businesses will have the option to upgrade to nbn full fibre. The remaining premises require further design work to confirm the appropriate upgrade path.

The works to upgrade the network are expected to be completed by the end of 2030 while connections of individual premises to the upgraded network will also occur progressively and continue beyond 2030.

As a result of upgrading the remaining FTTN network to full fibre, by 2030 94 percent of nbn's Fixed Line network will be able to supply Gigabit speeds.

1. Changes in the exact footprint may occur over time as nbn rollout progresses.

RSPs either use their own transmission infrastructure or buy transmission services to carry data between each nbn POI and back to their own telecommunications networks. From there, they connect with other providers across Australia and link to the rest of the world.

nbn's networks

CORE AND TRANSIT NETWORK

121
Points of Interconnection (POIs)

1,000+
Fibre access notes

HFC NETWORK

~3,500
Optical Nodes

300+
cable modem termination services connecting all HFC access customers

FIXED WIRELESS NETWORK

345,000
square kilometre footprint

2,300+
Fixed Wireless (FW) towers

FIBRE NETWORK

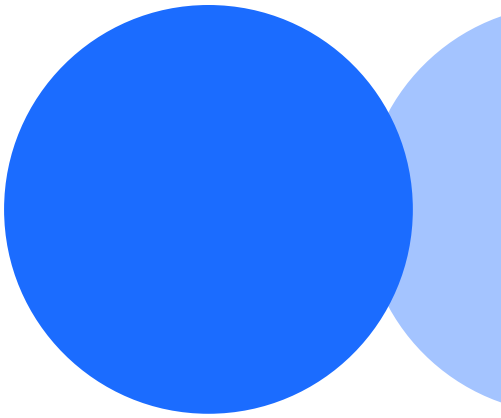
382,000 km+
of distribution and local fibre network

2,900+
Optical Line Terminals

SATELLITE

7.7m
square kilometres of satellite coverage from two geostationary satellites

10
satellite earth stations with a total of 24 satellite dishes across all sites



Over the first three quarters of FY25, the nbn® network delivered or enabled:

99.96 percent[1]
Average monthly network availability

87.5 Mbps[2]
Average wholesale download service speed

32.92 terabits per second
was the new peak traffic record set on 21 February 2025 – compared to 29.9 terabits per second during FY24, reflecting continued growth in demand over time.

1. Percentage of time the nbn® access network is available and operating. For this measure, the network is considered 'unavailable' during the time nbn is restoring services following the raising of a fault. It doesn't include periods where the network is unavailable due to operational outages for network upgrades and improvements or events beyond nbn's control.
2. Average wholesale service speed. Your experience, including the speeds actually achieved over the nbn® network, depends on the nbn® network technology and configuration over which services are delivered to your premises, whether you are using the internet during the busy period, and some factors outside of the company's control (like your equipment quality, software, broadband plans, signal reception and how your service provider designs its network). Speeds may be impacted by the number of concurrent users on nbn®'s Fixed Wireless network, including during busy periods. Satellite users may experience latency.

nbn's main wholesale broadband service for residential and business customers is nbn Ethernet, which is offered in a range of different speed tier options depending on the access technology.

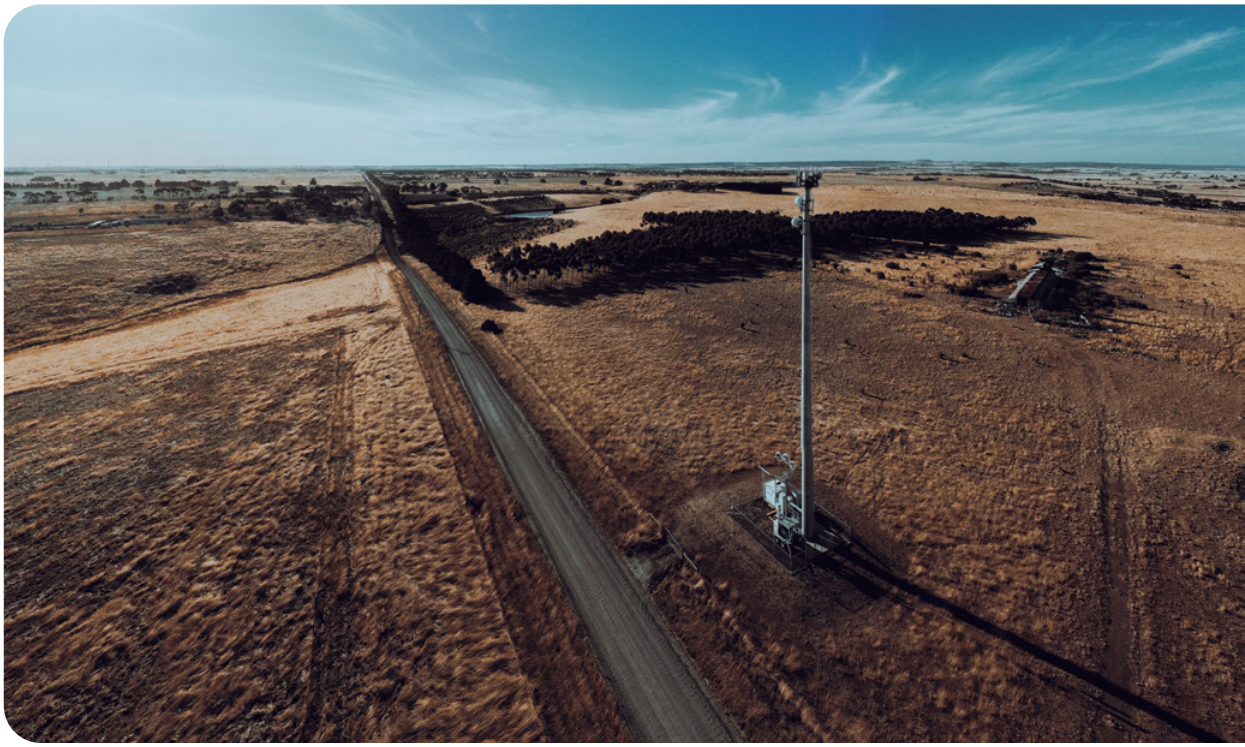
Australia-wide, the most popular speed tier is currently the 50 Mbps downstream with 43 percent of nbn wholesale broadband services on the 50/20 Mbps speed tier.[1] nbn's 100 Mbps downstream speed tier is the second most popular with 20 percent of customers on plans based on the wholesale 100/20 Mbps speed tier.[2]

There is a trend towards higher speed tiers and the number of services on plans with wholesale speeds of above 100 Mbps is forecast to increase to 48 percent by 30 June 2029, a significant increase from the current 8 percent at 30 June 2025 (estimated).

The acceleration of the nation's digital demand requirements is driving higher data traffic over the nbn® network. The company's analysis revealed that the average Australian household on the nbn® network downloads 10 times more than it did a decade ago, and this number is projected to double again by 2031. The average monthly data download per customer rose from 460 GB per month as at 30 June 2024, to 516 GB per month as at 30 June 2025 (estimated), resulting in an increase of around 12 percent.

Customer demand for data is driven by external factors such as the number of connected devices in homes (forecast to increase from 25 devices in 2025 to 40 devices in 2030) and business digitisation and is supported by nbn programs and initiatives such as Fibre Connect and Accelerate Great. The Accelerate Great initiative will increase the wholesale download and uploads speeds of the company's three highest residential speed products on FTTP and HFC (see overleaf). By the end of the next Regulatory Cycle, monthly download traffic is forecast to increase to 803 GB – more than double the levels observed in FY21, and nbn forecasts continued growth in average monthly downloads. nbn's investment in its networks provides greater capacity, improved reliability and unlocks access to high speeds for more Australian consumers.

nbn's prices for its services account for a large proportion of retail prices (ex-GST) paid by customers for broadband services in Australia. For example, in FY25 nbn's wholesale prices for the 50/20 Mbps and 100/20 Mbps speed tiers are estimated to account on average for 67 percent and 66 percent (respectively) of advertised retail prices (ex-GST) for broadband products based on those speed tiers.[3] The level and rate of increase of nbn's wholesale prices over time therefore have a significant impact on the affordability of retail broadband services in Australia.



1. This includes the 25/5 and 50/20Mbps speed tiers offered on nbn's FTTB and FTTN networks. Estimated proportion of services at the end of FY25.
2. A further 4 percent of services are on the 100/40 Mbps or 25-100/5-40 Mbps speed tiers which are priced higher and, being more symmetric as between the downstream and upstream speeds, are intended for business rather residential use. Estimated proportion of services at the end of FY25.
3. Based on average FY25 advertised retail prices to May 2025.

ACCELERATE GREAT

Across Australia, household data consumption has increased nearly tenfold over the past decade and is projected to double again within the next eight years. This surge isn't solely driven by streaming and downloads; it also encompasses the significant amount of data the country uploads to the cloud, including files, images, videos, and everyday digital services like paying for weekly groceries and shopping, online banking and utility payments, as well as telehealth, education and security.

Right now, most Australian homes have an nbn® plan which is based on a 50 Mbps wholesale download speed tier.[1]

In September 2024, nbn confirmed plans to accelerate the wholesale download and upload speeds of its three highest residential speed products on Fibre to the Premises (FTTP) and Hybrid Fibre Coaxial (HFC) to help set homes up for their future needs.

Prior to confirming these plans, the company engaged in a six-month consultation between May and September 2024 with RSPs, and made a number of adjustments taking on board industry feedback, ensuring that the most suitable and advantageous outcomes for all users were thoroughly considered.

With implementation scheduled for mid-September 2025, and in partnership with phone and internet providers, nbn's 'Accelerate Great' changes mean, that eligible customers in nbn's FTTP and HFC areas on a 50 Mbps plan can upgrade one speed tier higher than their current retail plan and automatically benefit from peak speeds being five times download speeds of up to 500 Mbps – that's 10 times faster than today's average.

By way of a further example, from September 2025, an nbn 100 plan (Home Fast on FTTP and HFC) will offer five times faster peak wholesale download speeds (500 Mbps) and double the peak upload speeds (50 Mbps). From September, nbn will also launch its first mass market multi-gig speed tiers offering wholesale peak speeds of 2000/200 Mbps on FTTP and 2000/100 Mbps on HFC on new consumer-focused speed tiers, and 2000/500 Mbps on a new business-focused speed tier.

There are no changes to the nbn® wholesale pricing of these speed tiers arising from these speed increases.

1. This includes the 25-50/5-20 Mbps speed tiers offered on nbn's FTTB and FTTN networks.

NBN IS SUBJECT TO ECONOMIC REGULATION

nbn operates in a regulated environment, which includes obligations overseen by the ACCC to ensure non-discriminatory access to its regulated services for all RSPs.

nbn's telecommunications services are subject to economic regulation by the ACCC under the SAU. The SAU seeks to promote the long-term interests of end-users[1] by governing the majority of nbn's prices, as well as certain non-price terms, and nbn's opportunity to recover its costs over time.

The SAU applies a modular structure, consisting of three primary modules that apply for different time periods (see figure 1 below):

- **Module 1** applied from the commencement of the SAU in 2013 to 30 June 2023 and set out the regulatory arrangement for the period where nbn was making substantial network investments in advance of being able to earn revenue sufficient to cover its costs, and where nbn was expected to earn more revenue over time as take-up and usage of its network increased.
- **Module 2** specifies the regulatory framework which applies for the period from 1 July 2023 to 30 June 2032. This module lays the framework by which nbn can transition to cost recovery by regulating nbn's price path as it moves towards a point of cost recovery.
- **Module 3** specifies a framework for setting the regulatory arrangements that will apply from 1 July 2032 until the end of the SAU. This module is less detailed than Module 2. This allows the ACCC more discretion in how it regulates nbn within the SAU framework, subject to a set of key principles for FY33 to FY40.

The SAU requires nbn to periodically submit a Regulatory Proposal called the RMA to the ACCC following stakeholder consultation.

The ACCC will consider nbn's Regulatory Proposal and will make a final decision called the RMD about those matters for the next Regulatory Cycle commencing on 1 July 2026. The SAU sets out specific criteria or rules for how to determine some matters and also requires that the ACCC take into account legislative criteria used in other telecommunications matters, which include the objective of promoting the long-term interests of customers and nbn's legitimate business interests.

In July 2024, the ACCC formally notified[2] nbn of the required timing for the RMA for the next Regulatory Cycle commencing on 1 July 2026, with the RMA due to be submitted to the ACCC on 2 July 2025. The RMA must include certain specific proposals:

- nbn's forecast expenditure and revenues for the next Regulatory Cycle as part of the Building Block Model;
- the service standards which will act as a regulatory benchmark for nbn in the next Regulatory Cycle, known as the Benchmark Service Standards;
- the speed tier that nbn proposes to be an Entry Level Offer under the SAU, which will be subject to a stricter individual price control, which limits price increases to being no higher than the rate of inflation or Consumer Price Index (CPI) and is included in the overall price regulation framework that applies to nbn[3];
- the length of the next Regulatory Cycle, which nbn proposes to be for the three years FY27-FY29.

1. Referred to as long-term interests of customers in the rest of this document.
2. ACCC, Replacement Module Application Notice, 2 July 2024, ACCC's notice | ACCC
3. Under the SAU, nbn's residential and business wholesale services are subject to a Weighted Average Price Control (WAPC).

A further issue that will be subject to review by the ACCC is the scope of what are defined to be Competitive Services, and therefore not price-regulated under the SAU, and whether there should be any re-categorisation of a product or service as either a Competitive Service or a Core Regulated Service[1].

Competitive Services are those where nbn faces significant competition from a range of different providers and technologies across its range of services. nbn's current Competitive Services are:

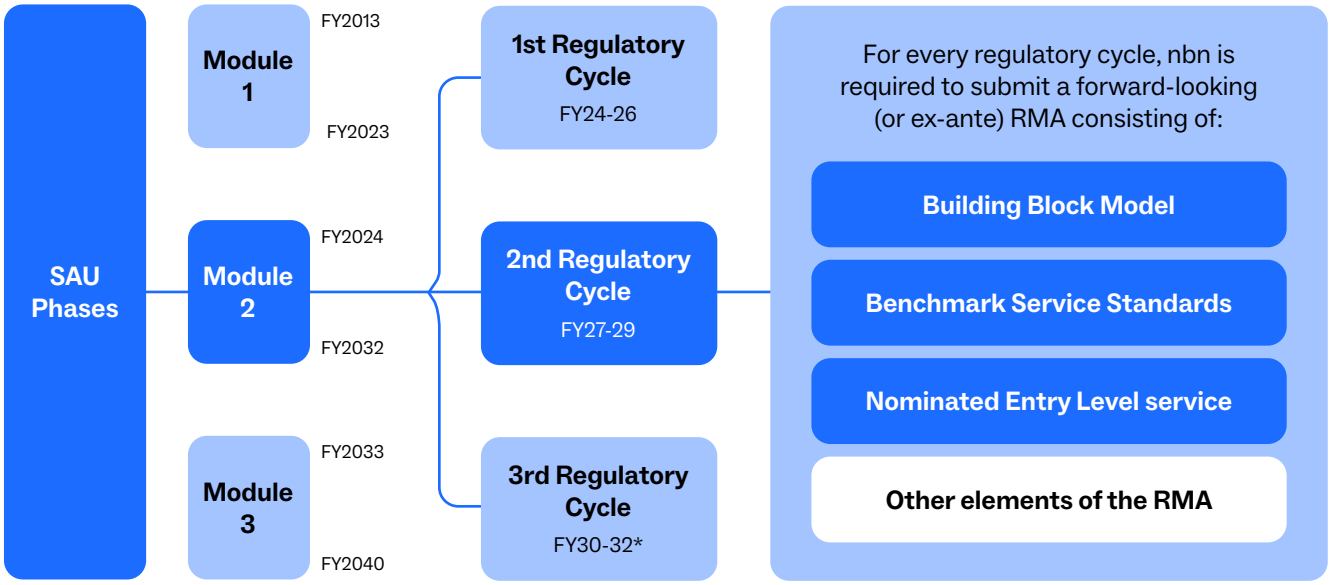
- Enterprise Ethernet – a broadband service supplied over a dedicated fibre optic cable from a business premises to nbn's fibre access node;
- Business Satellite Services – a satellite broadband service targeted at business customers (which nbn is planning to withdraw from supply on 31 December 2025); and
- Satellite Mobility for Large Commercial Passenger Aircrafts – a satellite access service that can be used to supply Wi-Fi services onboard passenger aircraft.

nbn's Competitive Services currently account for only around 3 percent of nbn's revenue.

To meet customers' expectations today and in the future, nbn will continue to incur new costs to continue to upgrade, maintain and invest in the nbn® network. For example, the company is on track to complete the fibre upgrade program by the end of 2025, which will enable 3.5 million homes and businesses served by FTTN, along with approximately 1.5 million premises served by FTTC, to upgrade to full fibre.

These investments are often long term in nature, and their benefits are realised over many years. Under the regulatory framework set out in the SAU nbn recovers the cost of these investments over the life of the assets, which can be up to 40 years.

Figure 1: SAU phases



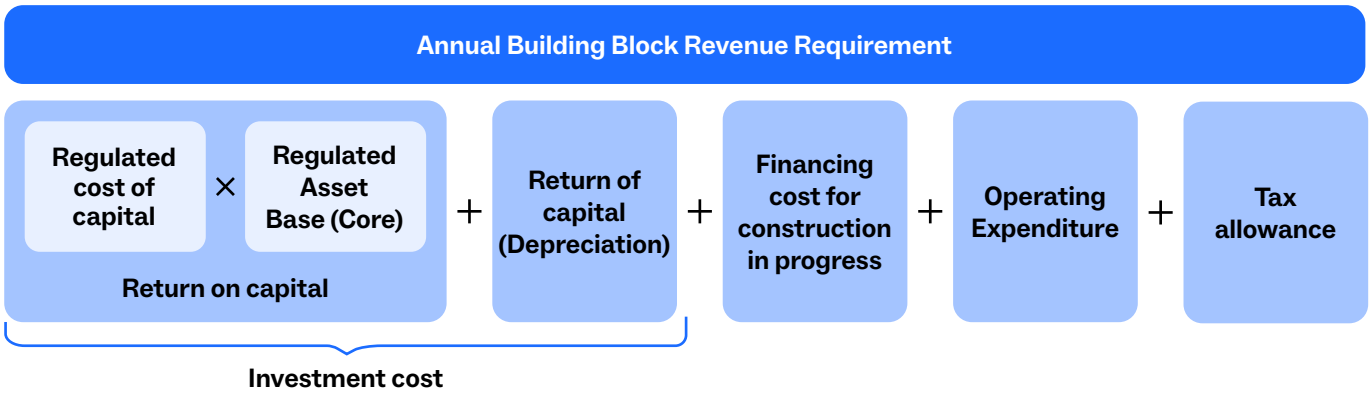
*nbn is proposing a three-year Second Regulatory Cycle as part of the RMA. The SAU provides for the ACCC to determine the length of the Second Regulatory Cycle in the Replacement Module Determination (RMD).

1. A Core Regulated Service is any product or service that is not a Competitive Service.

HOW THE COMPANY'S REGULATED COSTS ARE ESTIMATED

As part of nbn's SAU, nbn tracks and measures its costs annually using a Building Block Model (BBM). This model calculates a forecast of nbn's annual costs (Regulated Costs) that fit together as outlined and explained below.[1]

Figure 2: Calculation of nbn's Regulated Costs



The 'return on capital' reflects the efficient cost of financing nbn's investments and includes the costs of debt and equity. It is calculated by multiplying a regulated cost of capital by the value of nbn's **'Regulated Asset Base'**. The Regulated Asset Base is the value of all of the assets nbn uses in providing its services. This represents the value, after accumulated depreciation, of the company's past capital investments to provide services to its customers now and in the future.

'Return of capital' (equal to depreciation less the indexation of the Regulatory Asset Base for CPI each year), enables nbn to recover the value of an asset over its useful life. Under Building Block Model regulation, the Regulated Costs do not include the whole cost of capital expenditure in the year it is incurred – reflecting that the benefits of capital expenditure are realised over many years and the spending profile of capital expenditure can be lumpy. Instead, the cost of capital expenditure on an asset is smoothed over the economic life of the asset – with a portion of that cost being allocated to the Regulated Costs for each year of the asset life.

'Capital expenditure' is the investment required in the nbn network to deliver broadband services to nbn's customers. It includes costs of network build and upgrades, connections to the network, upgrading the capacity of the network, technology investment, AI and automation, and capitalised costs relating to facilities, supply (procurement), security and corporate services.

The **'financing costs for construction in progress'** is allowed for separately from the return on capital, as only assets that are 'in service' are included in the Regulated Asset Base.

'Operating expenditure' includes the costs to operate and maintain the network, labour and workforce costs, IT and software costs, and payments to retail service providers where nbn does not meet its service level commitments.

The **'tax allowance'** will only be relevant once nbn is in a tax-paying position, which won't be for some years.

nbn does not currently earn sufficient revenue from its wholesale prices to recover its Regulated Costs.

nbn is currently forecast to achieve cost recovery on its Core Regulated Services around 2032. This reflects the combined effects of forecast growth in take-up and usage of nbn's products and services, the inflation linked average wholesale price increases allowed under nbn's price regulation, and the company's continued focus on prudent and efficient investment decisions.

1. Under the SAU, regulated costs are referred to as Annual Building Block Revenue Requirement (ABBRR).

HOW THE COMPANY'S PRODUCTS AND PRICES ARE REGULATED

nbn's SAU regulates the prices nbn can charge across most of its regulated broadband services, with the price controls governing by how much these prices can change over time. Until the revenue nbn recovers from prices is greater than nbn's Regulated Costs, nbn can increase its wholesale prices on most services on average up to the rate of inflation.

During the period in which nbn transitions towards cost recovery, this form of price regulation sets the maximum average annual price increase that is allowed and allows revenue of a regulated company to vary with demand.

After this transition period, nbn's prices will be set by reference to the Regulated Costs and an annual drawdown on historical unrecovered costs defined in the SAU as the Initial Cost Recovery Account (ICRA) that the ACCC will determine in accordance with the SAU framework.

Under the SAU, in addition to the average prices for a basket of services being constrained by the rate of inflation, some of nbn's services are also subject to individual price controls.

Those individual price controls allow prices for nbn's main products on nbn's fixed line and fixed wireless networks (except a speed tier designated as an 'Entry Level Offer' or Sky Muster satellite services) to increase each financial year by the greater of the annual percentage change in CPI or up to 5 percent.

The SAU sets a stricter individual price control for a speed tier that is designated as an 'Entry Level Offer' for the relevant Regulatory Cycle, for which the price cannot increase by more than the rate of inflation each financial year. The Entry Level Offers for the Regulatory Cycle are proposed by nbn in its RMA and set by the ACCC in its decision.

The SAU also sets out a process that nbn must follow when developing new products or varying existing products within the scope of the SAU service description. It also sets out the process for withdrawing products, including components and features of products, which involves 12-24 months' notice (depending on the nature of the change) and includes a power for the ACCC to object to a product withdrawal.

BENCHMARK SERVICE STANDARDS

Customer experience on the nbn® network is paramount. The company is expected to meet retailer expectations, and to uphold the expectations for reliability and service quality that are collectively held by the millions of customers jointly served. Great experiences are underpinned by four things – reliability, speed, service and value. nbn is committed to continually enhancing each of these areas, through prudent investment in:

- Fibre, as well as the HFC, Fixed Wireless and Satellite upgrade programs and product improvements to elevate service quality and network resilience;
- Service initiatives that support customers' experiences on the nbn network and the value they derive from it. For example, nbn's Accelerate Great program which will deliver significantly faster wholesale download speeds on three of nbn's higher speed residential plans, ongoing public education, marketing campaigns and tools to help customers understand and optimise their plan selection and in-home setup, and by optimising operational processes and network outage management during upgrades.
- The service standards that nbn commits to deliver, including its Benchmark Service Standards.

Benchmark Service Standards prescribe the minimum service metrics and standards of performance that nbn is required to offer RSPs in its standard form supply contracts, allowing them to pass on equivalent or similar commitments to customers and providing confidence in the level of service they can expect to receive for specific wholesale broadband services. Service standards are made up of four components:

- Service levels – generally the time in which nbn is expected to complete a certain activity with respect to an individual service.
- Performance objectives – an aggregated measure of nbn's performance across the network on a monthly basis. These typically measure how frequently nbn meets designated service levels within a month.
- Rebates – rebates are payable in relation to certain missed service levels. RSPs are expected to pass on a fair value benefit of rebates to end customers for specific rebates.
- Corrective action – the steps that nbn is required to take when a performance objective is missed in a month.

In nbn's standard form supply contract with retailers (known as the Wholesale Broadband Agreement), nbn must meet or exceed service standards which are no less favourable than the Benchmark Service Standards.

The current Benchmark Service Standards for the First Regulatory Cycle were set as part of nbn's SAU Variation in October 2023. Those standards will be reviewed and set for the Second Regulatory Cycle through the Replacement Module process – with nbn proposing Benchmark Service Standards in its Regulatory Proposal and the ACCC then setting the Benchmark Service Standards in its RMD.

02

OUR REGULATORY PROPOSAL AT A GLANCE

nbn's Regulatory Proposal has been developed with input from a recently completed process of stakeholder engagement and is intended to strike a reasonable balance in meeting diverse customer expectations and also promoting the long-term interests of customers.

The stakeholder and customer feedback and insights nbn gathered through the engagement program informed the decision-making process that sits behind this Regulatory Proposal. Stakeholder and customer feedback formed one of a number of factors considered in nbn's business planning cycle and informed the development of the Regulatory Proposal.

From FY27 to FY29 (and beyond) nbn proposes to continue to invest in and operate the network in a prudent and efficient manner. Many aspects of nbn's current plans are driven by anticipated customer demand (for example, capacity upgrades on the nbn network) and the timing and scale of expenditure will be adjusted dynamically throughout the Regulatory Cycle in response to changes in demand.

KEY ELEMENTS OF NBN'S REGULATORY PROPOSAL

1. Duration of Second Regulatory Cycle: 3 years – FY27 to FY29

2. Building Block Model (BBM) and highlights

The Regulated Costs (or ABBRR) is forecast to decrease by 9.3 percent between the First and Second Regulatory Cycles after removing the effects of inflation.

Weighted Average Price Control to remain at CPI for the next Regulatory Cycle – nbn's revenue is forecast to recover building block costs from Core Regulated Services around FY32.

nbn proposes an average rate of return (or Weighted Average Cost of Capital, WACC) of 7.1 percent for the Second Regulatory Cycle. This is lower than the average rate of return of 7.5 percent for the First Regulatory Cycle.

Investment in satellite during the Second Regulatory Cycle provides access to new Low Earth Orbit (LEO) satellite products for the premises on the existing satellite network offering improved speed and performance (latency).

21.8 percent
reduction in gross capital expenditure in the Second Regulatory Cycle when compared to the First Regulatory Cycle, driven by relatively less expenditure on the fibre network rollouts as the company progresses through the Fibre Upgrade program.

6.5 percent
decrease in operating expenditure in the Second Regulatory Cycle when compared to the First Regulatory Cycle, driven by efficiencies in nbn's resourcing approach, and cost savings on assurance as nbn transitions customers on the copper network to more full fibre connections.

93 percent
of fixed line premises capable of speeds close to 2 Gbps (on FTTP and HFC) by the end of FY29, an increase of 3.8 percent from the end of FY26.

Leveraging existing investment in the Fixed Wireless network enables approximately 90 percent of the around 800,000 homes and businesses in the FW footprint to enjoy faster speeds compared to the experience before the upgrades.

By the end of FY29, 5.5m premises will be on or ready to order a FTTP connection, an increase of 376,000 premises from the end of FY26.

By the end of FY29, nbn will have delivered 2.5m upgrade connections, an increase of 1.2m connections from the end of FY26.

13.8 percent
reduction in total truck rolls[1] in the Second Regulatory Cycle when compared to the First Regulatory Cycle. This is primarily driven by the profile of Fibre Upgrade connections as the company progresses through the program. It also reflects reductions in service assurance truck rolls as a result of this program.

All financial figures above are expressed after removing the effects of inflation, relative to FY24, unless stated otherwise.

1. Truck rolls refers to the process where a delivery partner or internal technician is despatched to physically attend customer premises or network sites to undertake installation, maintenance, troubleshooting, or repair of nbn infrastructure.

3. Benchmark Service Standards

nbn is proposing to invest about $72 million over five years in new or elevated Benchmark Service Standards.

Changes proposed favourably impact over 90 percent of annual work order requests from RSPs.

14 service standards that are either improved or new, covering each part of the customer journey and three changes to associated rebates. This is inclusive of six improvements to the Benchmark Service Standards for the Second Regulatory Cycle which account for improvements in WBA services levels and rebates proceeding to implementation from July 2025.

4. Entry Level Offers

Entry Level Offers continuing as the 25/5 Mbps service on nbn's fixed line and fixed wireless networks, which restricts annual price increases on this speed tier to no greater than CPI.

5. No re-categorisation between Core Regulated Services and Competitive Services

Under the SAU, Core Regulated Services are all products and services supplied by nbn other than the Competitive Services.

nbn does not propose a re-categorisation of any product or service as either Core Regulated Service or Competitive Service in this RMA. This means that nbn is proposing from 1 July 2026 to have two Competitive Services, nbn Enterprise Ethernet and nbn Satellite Mobility for Large Commercial Passenger Aircrafts. The only change relative to the First Regulatory Cycle arises from the already announced product withdrawal of the nbn Business Satellite Service in December 2025.

CHANGING CONTEXT

nbn's Regulatory Proposal reflects the changing context within which services will be provided over time:

Customer expectations for internet performance including reliability, latency and speed continue to evolve, for example:

- Connected devices – increasing number of devices in homes and businesses, more data usage (both average and peak).
- Use cases – how and when Australian consumers and businesses leverage connectivity in their everyday lives continues to evolve, and as high bandwidth, real time, video applications continue to ramp up, including across education and health care, the nbn network needs to develop ahead of market demand.

nbn needs to evolve its products to stay relevant to customers in a market with increasing competition enabled by new technologies that give customers more choices than ever before:

- nbn is not a traditional utility – wireless broadband, alternative fixed networks and Low Earth Orbit (LEO) satellite are already having a substantial impact on the options customers have for connecting to the internet. nbn welcomes this competition and expects it to intensify over time to the benefit of end-users. Standing still is not an option in this environment. nbn must keep pace to fulfil its purpose.

Economic conditions continue to evolve, and within that the nature and value of connectivity services will be a consideration for customers. Since connectivity is now so critical for residential and business customers, and aligned with nbn's purpose, ensuring an entry-level broadband service is accessible for all Australians is paramount.

Extreme weather risk is also increasing. Some of nbn's network upgrades will help to improve network performance during extreme weather events and nbn is also ensuring that the company can recover quickly when outages occur.

Network simplification – the current nbn® network serves Australia well; for example, it was critical in helping the country get through the difficult Covid lockdowns when remote work and remote learning became the rule rather than the exception for most people. However, the nbn® network currently comprises seven access technologies and the path ahead will see that number reduce as nbn standardises and simplifies the network to deliver higher speed and reliability, scaling and timing investments in a prudent and efficient manner. However, this process will take some years, extending beyond the next Regulatory Cycle.

KEY BENEFITS OF OUR PROPOSAL FOR CUSTOMERS CONNECTED TO THE NBN

nbn is focused on delivering outcomes that promote the long-term interests of customers. The key customer benefits of nbn's Regulatory Proposal over FY27 to FY29 are summarised below.

The Proposal benefits from stakeholder engagement and improved communication, including 18+ hours of engagement with an independent Regulatory Proposal Forum, 50 customers participating in five meetings of an End User Panel, and over 75 hours of engagement with retailers and 13 submissions received on two consultation papers.

1

Delivering customer first outcomes

Improving service reliability and customer experience

- The proposed changes to benchmark service standards account for over 90 percent of annual work orders and benefit all parts of the customer journey.
- Further investments in improving customer experience and retention.

Unleashing the full potential of the nbn network

- nbn's Fibre Upgrade Program delivers more reliable and resilient services.
- Customers can expect to benefit from recent capacity upgrades to our Fixed Wireless networks, enhancing the performance of our HFC networks, and nbn's plans to offer better speed and lower latency satellite services provided over a future LEO satellite network.

Maintaining focus on affordable services

- Efficient investment which puts less pressure on future prices.
- Future annual wholesale price increases for most products and services will, on average, be no greater than CPI.
- Protecting budget-conscious customers via the 25 Mbps speed tier nominated as an Entry Level Offer.
- Following co-design with the industry, nbn is also reviewing potential basic connectivity propositions in 2025.

Enabling a continued focus on engagement and transparency

- nbn has an extensive strategic engagement function with dedicated resources in rural, regional and metropolitan areas, stakeholder relationship experts that work with all tiers of government, small and medium-sized businesses, peak industry and consumer bodies and people who are digitally excluded.

2

Elevating service quality and network resilience

Investing in service reliability

Proposed changes to benchmark services standards backed up by investment of over $70 million over five years.

Modernising our network

so that it delivers better performance and is more resilient in the event of natural disasters.

Investing in safety and security

so that nbn is prepared to defend against cyber threats.

Modernising the HFC network

with technology that supports speed, reliability and capacity, providing capability like full fibre.

Evolving our network and service management

by standardising customer and network processes across all technologies, and transitioning to a single real-time view of customer information.

Exploring upgrades to full fibre in certain circumstances

so that identified customers can experience faster and more reliable full fibre services without needing to upgrade to high speed nbn services.

3

Increasing efficiency and continuing to meet demand for services

Continuing to meet demand for new connections

and growth in capacity and fulfilling nbn's obligations as a Statutory Infrastructure Provider (SIP) for a significant portion of the country.

Reducing cost per premises

through several initiatives, including deployment of next generation network termination devices.

Reducing the volume of truck rolls

through investments in digitisation of field operations, AI and automation, as well as expansion of the internal field workforce.

Rationalising the number of delivery partners

is expected to result in cost and cost and productivity benefits.

Transitioning to LEO satellite services

will avoid further investment in legacy GEO satellite assets, prior to the retirement of nbn's Sky Muster satellites.

4

Improving digital inclusion with a key focus on Regional, Rural and Remote Communities

Investing in fibre upgrades benefits

More than 50 percent of the 622,000 homes and businesses expected to benefit from the FTTN upgrade are in regional areas.

Leveraging existing investment in the Fixed Wireless network

enables approximately 90 percent of the around 800,000 homes and businesses in the Fixed Wireless footprint to enjoy faster speeds.

Enhancing benchmark service standards

for customers served by the Fixed Wireless network.

Preparing for the transition to LEO satellite services

that will positively impact customers and communities in regional, remote and rural areas.

Continuing with Community Wi-Fi

for remote First Nations communities.

THE BENEFITS OF FULL FIBRE COMPARED TO LEGACY COPPER BASED FIXED LINE BROADBAND TECHNOLOGIES

Upgrades to full fibre deliver many positive customer outcomes, and commercial and sustainability benefits compared to legacy copper technologies

Improved reliability (number of faults per customer)

faults requiring a nbn technician attendance to resolve are less frequent on full fibre than on FTTC and FTTN. This benefits customers with improved reliability, and both RSPs and nbn with lower costs through reduced customer interactions and fault resolution. Furthermore, full fibre networks are more resilient to extreme weather events, with reduced prolonged outages and network restoration timeframes.

Improved availability (percentage of time service is available per customer)

fibre has substantially fewer short-duration service drop-outs (where the nbn network resynchronises with the customer premises device) with annual drop-outs for fibre less than 2 percent of the average drop-outs recorded on FTTN and FTTC.

Higher customer satisfaction

customers on fibre enjoy a better experience and have higher levels of satisfaction with their nbn service than those on copper-based FTTC and FTTN.

Higher speeds

fibre services are currently offered at wholesale download speeds close to 1,000 Mbps and will from September 2025 be offered at up to 2,000 Mbps. These services can in future be upgraded to up to 8,000 Mbps, available to 100 percent of the fibre footprint. FTTC and FTTN maximum attainable speeds are only 100 Mbps, with degradation occurring over time.[1]

Simpler for retailers

with customer take-up of full fibre services expected to be 70 percent by 2030, nbn will actively consider rationalising the number of technologies used by nbn to provide services, which will make it simpler for nbn and RSPs to develop, market and support products and services.

Improve efficiency by lowering operating costs

full fibre networks do not require certain electronic equipment to be located within the street, unlike legacy copper technologies with powered electronic nodes either housed in cabinets (FTTN) or within pits (FTTC). Full fibre is therefore significantly more cost efficient to maintain and operate.

Improved energy efficiency

related to operating costs, the total power consumption of full fibre networks is significantly lower than other fixed line technologies, with estimates that nbn will require approximately 60GWh less power on a full fibre network per annum.

Upgrades to fibre will ensure nbn can meet the evolving needs of Australian households and businesses by providing a future-ready network capable of reliably delivering high-speed broadband that is resilient to the physical effects of weather, more environmentally sustainable and that delivers a great overall customer experience.

1. Based on XGS-PON platform, including upgrades to customer premises equipment. Most of nbn's FTTP network is currently on the precursor GPON platform, or in the early stages of transitioning to XGS-PON. All speeds in this paper refer to layer 2 wholesale peak information rates, unless otherwise stated.

03

HOW NBN IS BUILDING ON ITS STRONG FOUNDATION OF STAKEHOLDER ENGAGEMENT

nbn has a long-standing commitment to engaging with customers, RSPs, industry and consumer advocacy groups. For the next regulatory period starting 1 July 2026, nbn has built on this foundation to further strengthen its approach to consultation.

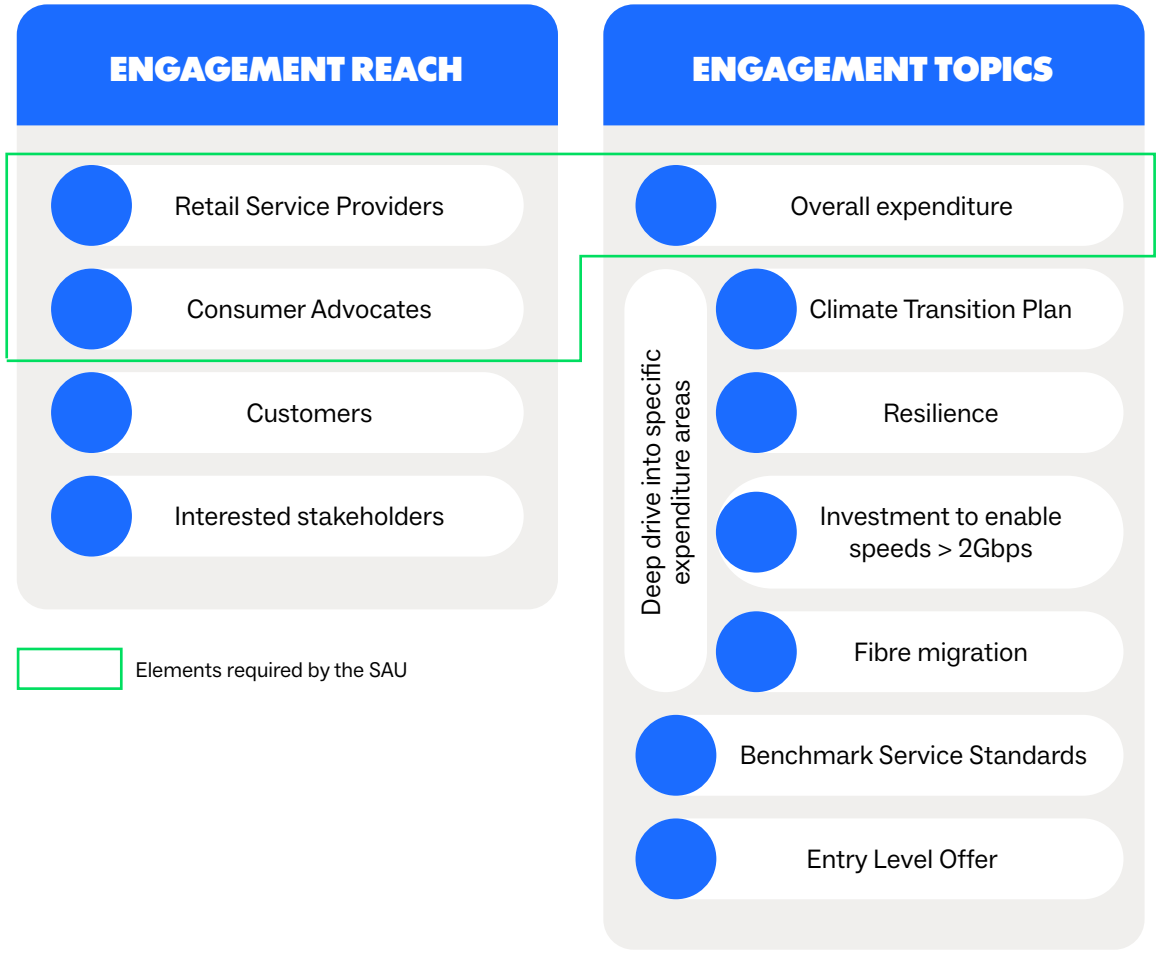
Consistent with its Special Access Undertaking (SAU), last varied in October 2023, nbn undertook a comprehensive and transparent engagement program to inform key aspects of the Regulatory Proposal including expenditure, benchmark service standards, and the Entry Level Offers.

This process is the first nbn Replacement Module Application under the new SAU framework, providing an opportunity to enhance its engagement framework.

In doing so, as shown in Figure 3 below, nbn went beyond its formal requirements by:

- engaging directly with customers, in addition to engaging with RSPs, industry and consumer advocacy groups, and
- seeking input on benchmark service standards and the Entry Level Offers, in addition to proposed expenditure.

Figure 3: RMA engagement scope

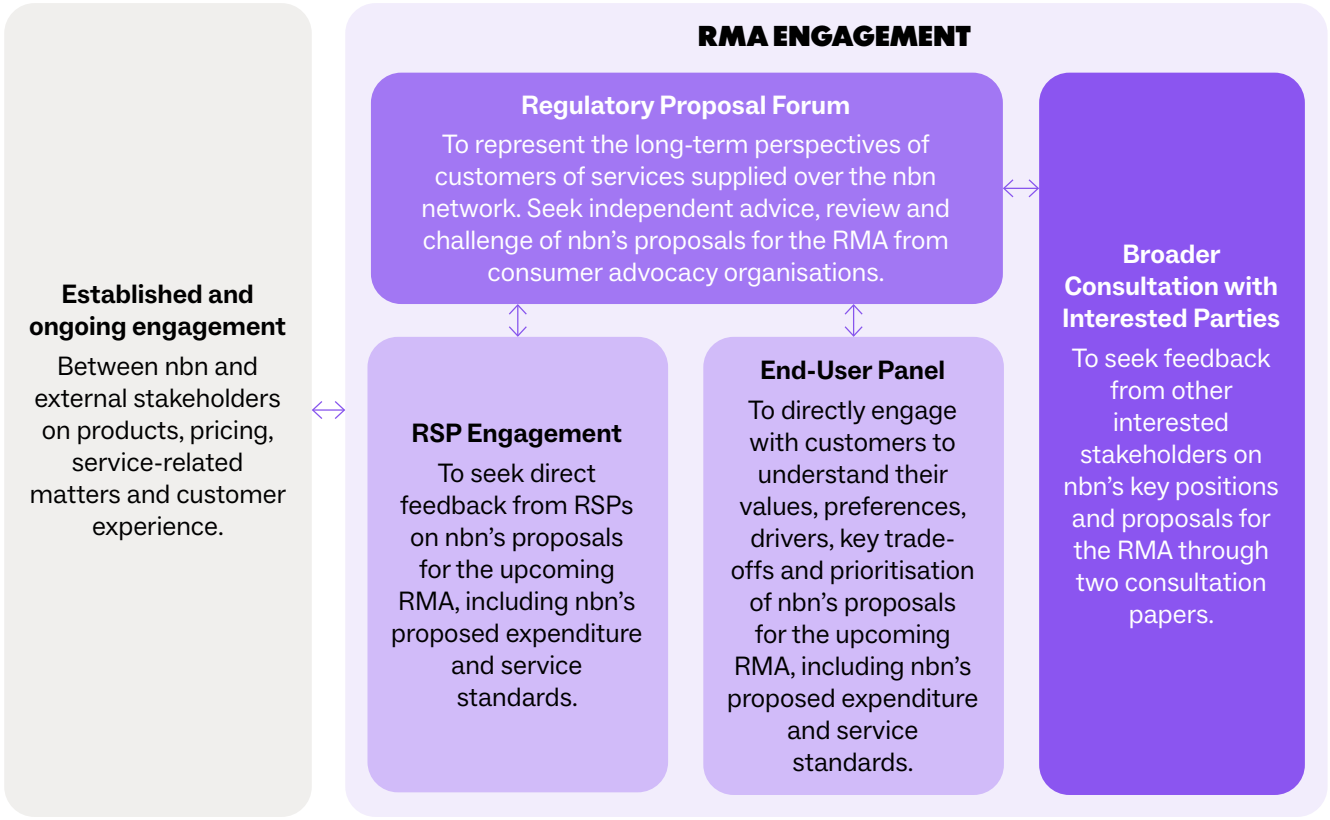


The company actively engages with stakeholders as part of its day-to-day operations, however, more formalised stakeholder engagement in the context of developing a regulatory proposal (consistent with engagement practices in other regulated infrastructure sectors) was a new process for nbn, and the telecommunications industry more broadly. As such, nbn looked to best practice in other regulated sectors to inform its approach. nbn's specific circumstances also influenced the design of the engagement program:

- Shorter regulatory cycles of three years, appropriate for competitive and faster paced technology-driven sectors like telecommunications, compared to other regulated sectors which typically have regulatory cycles of four to five years, limited the time available for engagement activities and the topics nbn could cover in depth with stakeholders. This in turn influenced the engagement techniques suited to the shorter timeframe.
- nbn is a national business delivering a variety of technologies across diverse geographical regions and communities. nbn designed its engagement program to be inclusive and representative of its customer base. The program primarily leveraged online platforms to enable participation from stakeholders across Australia, regardless of location.
- There is no clear link between nbn's prices and its annual building block costs in the short-term, and the way costs incurred during this Regulatory Cycle impact future prices is complex, given nbn's future pricing will also recover a portion of historical regulatory losses. Given the complexity of this interaction, and the limited time available for engagement activities, nbn chose not to test customer preferences based on the longer-term price impacts of proposed investments in the next Regulatory Cycle and instead to focus on a broader range of engagement topics, such as service standards and the Entry Level Offer.

Further details on nbn's RMA engagement can be found in the Stakeholder Engagement Report submitted to the ACCC.

Figure 4: Engagement activities



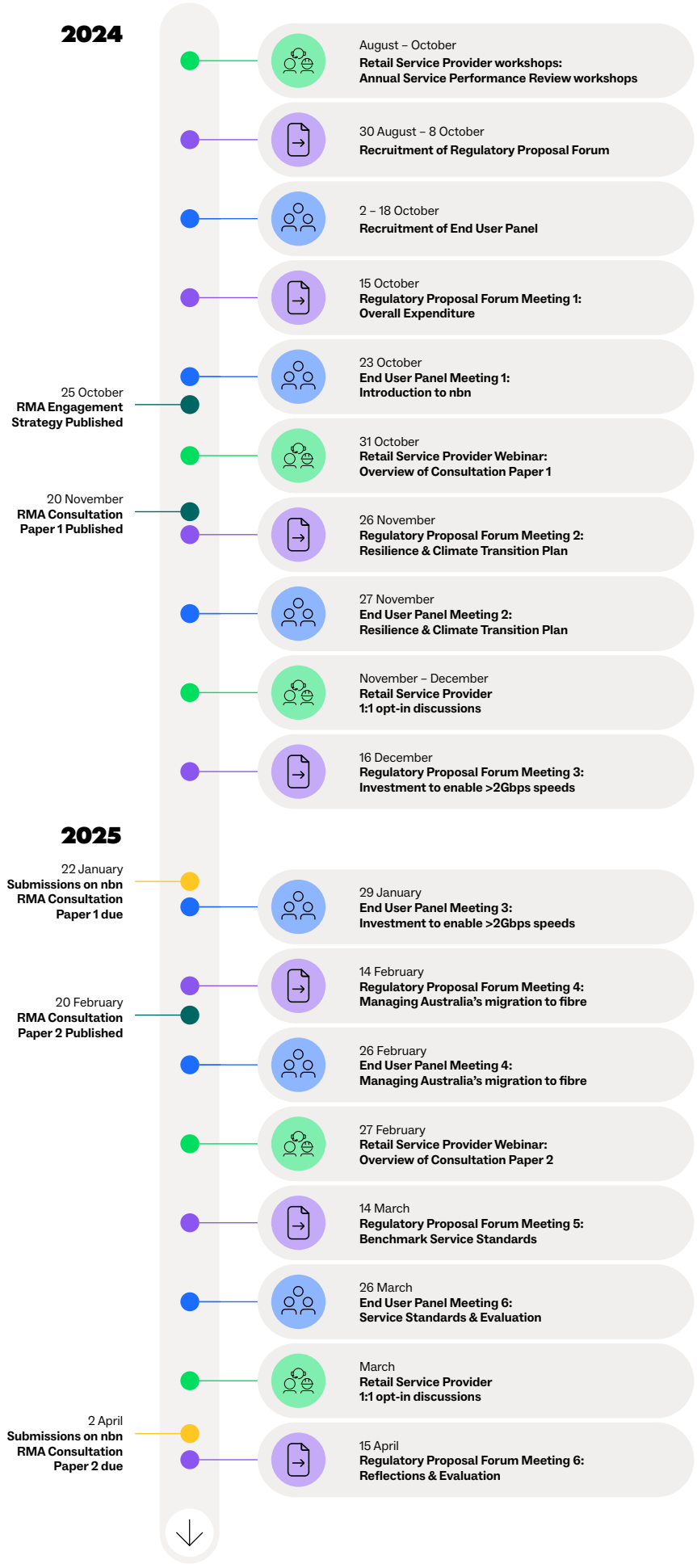
The RMA engagement program was developed and delivered in a staged series of interactions. nbn took an agile approach, with feedback from each engagement activity influencing the ongoing direction and design of the next engagement activity.

Figure 5: Inception to Implementation Journey

1. DISCOVERY	2. DESIGN & ESTABLISHMENT	3. EXPLORE	4. REFINE
Feb 2024 – Jul 2024	Jul 2024 – Oct 2024	Oct 2024 – Apr 2025	Apr 2024 – Jun 2025
A period of forward-planning to identify options and prepare nbn for the launch of the Regulatory Cycle.	Developing and refining the engagement approach for the Regulatory Cycle.	Exploration of key issues relating to nbn's forecast expenditure, benchmark service standards and the Entry Level Offer for the next Regulatory Cycle with each engagement channel to inform the development of nbn's RMA.	Developing and refining nbn's proposal using insights from the previous stage.

The stakeholder and customer feedback and insights nbn gathered through the engagement program informed the decision-making process that sits behind this Regulatory Proposal. Stakeholder and customer feedback formed one of a number of factors considered in nbn's business planning cycle and informed the development of the Proposal.

Figure 6: Overview of the engagement program



Regulatory Proposal Forum

8 members
6 meetings
4 additional informal sessions
18+ hours of engagement

End User Panel

~50 participants
5 meetings
10 hours of engagement

Retail Service Providers

26 Annual Service Performance Review Workshops
2 Webinars
8 1:1 meetings
72 hours of engagement

Broader Consultation

5 Submissions to Consultation Paper 1
8 Submissions to Consultation Paper 2

04

WHAT NBN HEARD FROM STAKEHOLDERS

As part of the RMA engagement process, nbn identified six overarching themes based on the feedback provided by customers and stakeholders.

Outlined below is what nbn heard from customers and stakeholders and how nbn is responding to each theme in its Regulatory Proposal.

Theme	What nbn heard	How nbn is responding
Affordability is important, particularly in the current context of cost-of-living pressures	Customers want to be able to access reliable internet services at an affordable price. Customers and consumer advocates were concerned about the potential bill impacts and price increases from nbn's Regulatory Proposal, and who might pay for these. Consumer advocates also noted the importance of ensuring affordable access to internet to avoid increasing the 'digital divide'.	nbn acknowledges the importance of long-term affordability of nbn services. For the next Regulatory Cycle, annual increases in weighted average prices for most of nbn's Core Regulated Services (covering around 97 percent of nbn's revenue) will continue to be capped at the rate of inflation. This will continue to be the case until nbn reaches cost-recovery. Additionally, for customers on lower speed tiers or those who are more budget conscious, the 25/5 Mbps speed tier is currently, and is proposed to be, the Entry Level Offer (ELO) service, which restricts the increase in the wholesale prices of this service to increase no more than the rate of inflation. nbn's proposed expenditure for the next Regulatory Cycle will prudently and efficiently balance its investments and operating activities to deliver the service performance levels at lowest sustainable cost levels to avoid undue upward pressure on long-term prices. This is driven by a strong focus on efficiency of capital investment, service delivery and efficiencies in nbn's resourcing approach. nbn aims to offer a range of broadband solutions that are relevant and accessible to all Australians. nbn's wholesale pricing is structured so it supports value for all customer types, budgets and situations, while making sure higher-speed plans are within reach for customers requiring faster broadband and greater volumes of data for work, health, education and entertainment. Improving social inclusion and equitable access to connectivity is at the heart of nbn's purpose. Affordability is one of the key dimensions of digital inclusion and is a complex issue that requires input and support from industry, consumer groups and governments. nbn continues to work in collaboration with governments, industry and key consumer advocacy groups to increase digital inclusion through several initiatives such as the implementation of the School Student Broadband Initiative on behalf of the Australian Government, implementation of Community-wide Wi-Fi for remote First Nations communities, and leading the Low-Income and Digital Inclusion Forum.

Theme	What nbn heard	How nbn is responding
Reliability of service and service quality are of highest importance to customers	All stakeholders noted consistently that reliability of service, and service quality were of the highest importance to customers. Customers and RSPs indicated they were supportive of many of nbn's future plans and noted this was contingent on not decreasing the reliability or quality of nbn's services. Customers and consumer advocates were aware of the growing risk that climate change induced weather events, such as bushfires and floods, pose to their internet connection and to community wellbeing.	nbn's Regulatory Proposal seeks to prudently and efficiently invest to deliver reliable services: • $2.4 billion[1] investment in the next Regulatory Cycle to expand the fibre network. This project starts in FY26 and is expected to be completed in FY31 with a total project cost of $3.8 billion and is expected to benefit approximately 622,000 homes and businesses. It is expected that more than 95 per cent of these homes and businesses will have the option to upgrade to nbn full fibre. The remaining five per cent require further design work to confirm the appropriate upgrade path. A full fibre connection is faster and more reliable than Fibre to the Node and enables access to nbn's fastest upload and download speeds. • $1.3 billion[1] to upgrade connections to full fibre for an estimated 1.2 million premises in FTTN and FTTC areas in the next Regulatory Cycle, enabling those premises to experience significant improvements in customer experience, driven by faster speeds and higher reliability. • maintaining the existing Service Standards applicable to each of its access technologies and proposing enhancements to service standards in relation to the full fibre, HFC and Fixed Wireless technologies.
Continue to focus on regional, rural and remote customers, particularly those on fixed wireless and satellite networks	While stakeholders supported nbn's plans and focus on fibre upgrades, consumer advocates and customers emphasised that nbn should also focus on regional, rural and remote customers, especially those on fixed wireless and satellite networks to ensure they are not left behind from a service quality and speed perspective. Members of the Regulatory Proposal Forum particularly emphasised connectivity challenges in rural and regional Australia and encouraged nbn to continue to invest in the fixed wireless and satellite networks to improve the experience for customers on those networks.	nbn is committed to delivering high speed and reliable broadband services to all Australians, whether in urban, rural, regional or remote areas. Regional Australia brings particular technical challenges because of Australia's vast geography, complex topography and low population densities. During the current Regulatory Cycle nbn's investments in Fixed Wireless continued to expand coverage and increased speed and capacity, supporting an improved user experience. In the next Regulatory Cycle, nbn's proposed investments in Fixed Wireless will continue to improve capacity to meet forecast demand on the network and support Benchmark Service Standards. Over 50 percent of the approximately 622,000 homes and businesses expected to benefit from the upgrade from FTTN are in regional areas. It is nbn's intention to offer wholesale LEO satellite broadband services to eligible customers within the nbn satellite serving area via participating RSPs. This is subject to nbn reaching a commercial supply agreement with a third-party LEO satellite provider. The expenditure associated with this is included in the RMA so that customers in regional, rural, and remote Australia can benefit from the faster speeds and lower latency associated with LEO satellite services, compared to the current Sky Muster service. nbn's proposed benchmark service standards maintains existing service standards for Sky Muster satellite customers while nbn prepares for Sky Muster retirement and a transition to LEO satellite services and introduces enhancements to Benchmark Service Standards for the Fixed Wireless network.

1. In FY24 dollars, removing the effects of inflation. This is referred to as Real dollars.

Theme	What nbn heard	How nbn is responding
Continue to invest in the HFC network to maintain service quality and customer experience	In addition to nbn's focus on fibre upgrades and improving fibre capabilities in the fixed line footprint, consumer advocates and RSPs noted that nbn should also ensure it continues to invest in the HFC network to maintain service quality and speeds that are comparable to the fibre experience.	Significant upgrades have been made to nbn's HFC network in the current Regulatory Cycle. HFC customers can now access the highest residential speed tiers and, alongside customers on full fibre, will be among the first that stand to benefit from the boost to nbn's highest speed residential products planned for September 2025. Investments proposed in the next Regulatory Cycle are focused on network upgrades to ensure that the network maintains its capability to deliver multi-gigabit services into the future, enabling nbn to meet growing customer demand. nbn's proposed operating expenditure for the next Regulatory Cycle enables regular maintenance, upgrades and service assurance to the HFC network to maintain the quality and reliability of service, similar to the fibre network.
Focus on efficient investment and processes	Stakeholders noted that nbn should continue to focus on efficiency, from an investment and process perspective. Members of the Regulatory Proposal Forum and RSPs highlighted the importance of nbn focusing on prudent and efficient investments, and maintaining long-term sustainability, noting this would also support affordability of nbn services. RSPs also noted efficient processes and interactions between nbn and RSPs can result in better customer experiences.	In delivering better customer experience nbn is committed to making prudent and efficient investments that deliver real outcomes for Australians, while ensuring the long-term financial sustainability of the network. nbn's expenditure governance underpins the company's efforts to ensure prudent and efficient expenditure across the business. It provides a structured approach to decision-making that will ultimately deliver benefits for nbn's customers and stakeholders and ensures the responsible management of resources. nbn uses a methodical, transparent process from the identification of investment needs through to the realisation of benefits, with appropriate checks and balances in its governance process. Beyond expenditure, nbn is also focused on simplifying and streamlining interfaces and interactions with retailers to deliver improved customer experience. nbn is reducing the complexity of its IT systems to simplify interfaces for retailers, streamlining processes and systems by adding advanced automated digital tools and processes, and leveraging data analytics for proactive maintenance and customer service enhancements.
Keeping customers and stakeholders informed	Stakeholders highlighted the importance of nbn keeping customers and stakeholders informed, to improve awareness of: • nbn plans and activities, such as highlighting nbn's resilience efforts; and • the benefits of nbn, such as educating customers on the benefits of fibre to support the fibre migration program and educating customers on the benefits of different speed tiers.	nbn's proposed operating expenditure includes $172.8 million over FY27 to FY29 (after removing the effects of inflation)[1] for marketing, advertising, customer marketing programs, customer insights and direct marketing to allow nbn to better understand, learn and communicate with its customers. It also enables nbn to inform customers of its plans, activities and the benefits of its service. In addition, nbn conducts customer surveys to assess customer experience and perspectives regarding nbn, and performing customer research to guide nbn's product development, customer communication and education initiatives. For example, based on feedback from retailers and customers, nbn is playing an active role to help inform customers about the most effective in-home set up, including the impact of in premises equipment on their broadband experience. This communication complements the information retailers provide their customers on the same issues.

1. In FY24 dollars, removing the effects of inflation. This is referred to as Real dollars.

05

KEY ELEMENTS OF OUR PROPOSAL

The Regulatory Proposal sets out the capital and operating plan and Benchmark Service Standards that nbn is proposing to deliver from 1 July 2026 to 30 June 2029 (FY27 to FY29) to continue to uplift digital capability and inclusion for people across Australia.

THIS SECTION OUTLINES:

- What this means for wholesale prices
- Forecast demand
- The company's forecast Regulated Costs (Building Block Model)
- Proposed Benchmark Service Standards
- Nominated Entry Level Offers.

WHAT OUR PROPOSAL MEANS FOR WHOLESALE PRICES

For the next Regulatory Cycle, annual increases in weighted average prices for most of nbn's Core Regulated Services (covering around 97 percent of nbn's revenue) will continue to be capped at the rate of inflation or CPI. This cap is also expected to continue in place for the subsequent Regulatory Cycle (FY30-FY32), with nbn only forecast to start recovering building block costs from Core Regulated Services around FY32.

Every year nbn publishes its annual wholesale price list as well as a three-year wholesale pricing roadmap which provides a degree of certainty and transparency to retailers and customers.

OUR DEMAND FORECAST

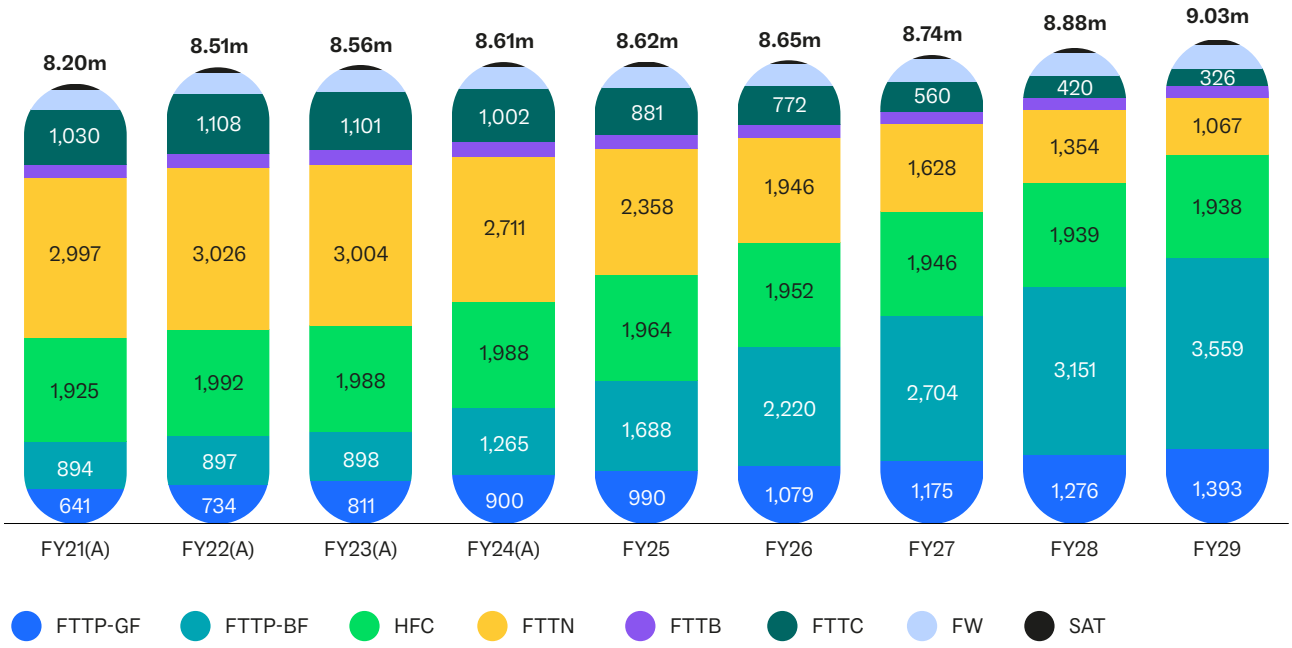
nbn's demand forecasts are a critical input into expenditure for the next regulatory cycle, highlighting where ongoing and future investment is required to ensure nbn's broadband services continue to meet consumer expectations and needs.

Demand forecasts for FY27-29 are based on a methodology that incorporates reasonable assumptions about key drivers of demand, utilises the best information available including historical data, and are determined taking into account current demand and economic conditions.

Demand for nbn services is forecast to increase over the next regulatory cycle and continue to grow over subsequent years despite increasingly competitive conditions. This increase in demand is primarily driven by:

- continued growth in the nbn customer base, alongside an expansion of the nbn footprint, primarily from new developments. nbn forecasts to have just over 9 million active premises by FY29, up from 8.6 million in FY2025.
- ongoing increased demand for connectivity and higher speed tiers.

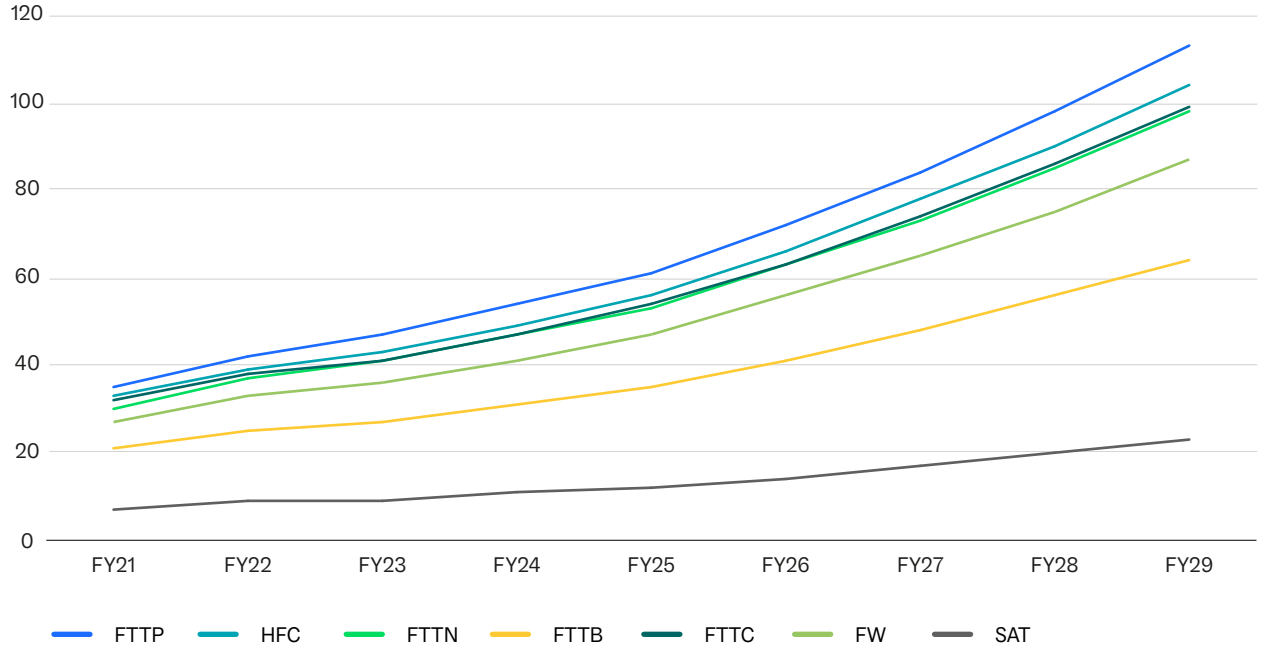
Figure 7: Actual and Forecast Active Premises (FY21-29) ('000 other than total)



GF refers to greenfield and BF means brownfield areas.

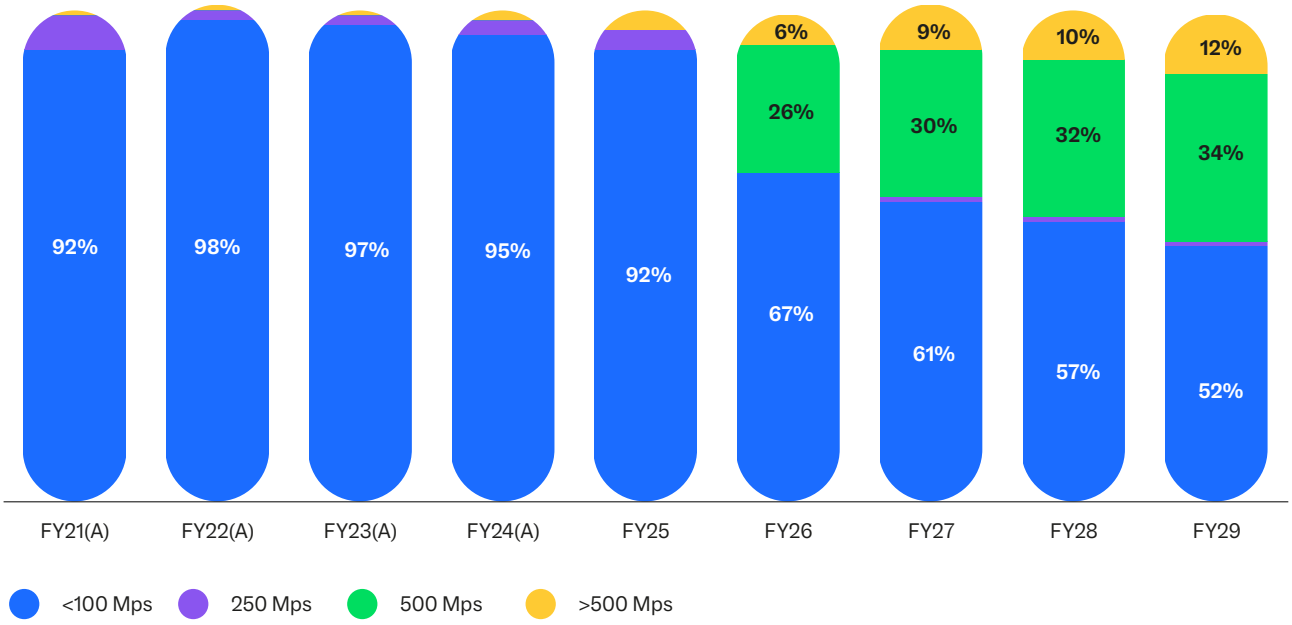
The increase in active services is largely driven by growth in first-time connections of new development and brownfield premises on the FTTP network. Over the next regulatory cycle, nbn forecasts a significant shift to FTTP from the FTTN and FTTC networks, supported by the Fibre Connect Program.

Figure 8: Actual and Forecast Traffic Downloads (FY21-FY29)



The growth in active premises is accompanied by an ongoing increase in the average monthly download traffic across all nbn networks. On average, monthly download traffic is forecast to increase from 516 GB in FY25 to 803 GB by FY29.

Figure 9: Actual and Forecast Speed Tier Mix (FY21-FY29)



The increase in monthly download traffic is reflected in changes to the nbn speed tier mix. In FY21, 92 percent of nbn services were on 100 Mbps or below. This is forecast to change significantly by the end of the next regulatory period, with almost half of nbn services forecast to be on speed tiers over 100 Mbps by FY29. The Accelerate Great initiative, alongside technology upgrades and increased demand for higher-speed products, is expected to increase fibre upgrade orders, driving an estimated 1.2 million fibre upgrades over the regulatory cycle.

This increase in demand is driving the need for nbn to continue to invest in its network to ensure customers continue to receive a broadband service that meets their expectations and needs, now and into the future.

OUR FORECAST REGULATED COSTS

All financial figures below are expressed after removing the effects of inflation, relative to FY24, unless stated otherwise.

nbn's Regulated Costs are representative of the annual costs nbn incurs to maintain and invest in the nbn® network to meet customer expectations today and in the future.

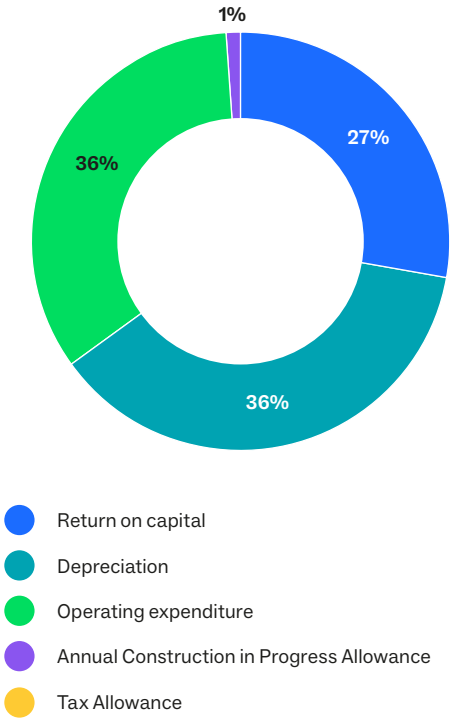
As part of tracking and measuring these Regulated Costs, nbn allocates its costs between two broad categories of services:

- Core Regulated Services – comprising the majority of nbn's services, which are generally subject to the price regulation framework (the WAPC), and other regulatory requirements under the SAU; and
- Competitive Services, which are generally subject to more competition and are not subject to the WAPC.

nbn calculates total Regulated Cost for its Core Regulated Services and Competitive Services, and a separate Regulated Cost for its Core Regulated Services. The Regulated Costs for Core Services are reflective of the revenue nbn would be permitted to recover from prices – if nbn were in a cost recovery position. This section sets out nbn's Regulated Costs for Core Services, referenced in this section as Regulated Costs.

nbn's Regulated Costs over the proposed three years of the Second Regulatory Cycle are forecast to decrease, in comparison to the First Regulatory Cycle, by 9.3 percent to $21.8 billion (or an annual average of $7.3 billion) after removing the effects of inflation.

Figure 10: Composition of nbn's Regulated Costs for Core Services in the Second Regulatory Cycle



The value of nbn's Regulated Asset Base (RAB) is forecast to decrease in the Second Regulatory Cycle, in comparison to the First Regulatory Cycle, by 6.7 percent after removing the effects of inflation. This reflects the net effect of nbn's ongoing substantial capital program to upgrade the network and the depreciation of existing assets.

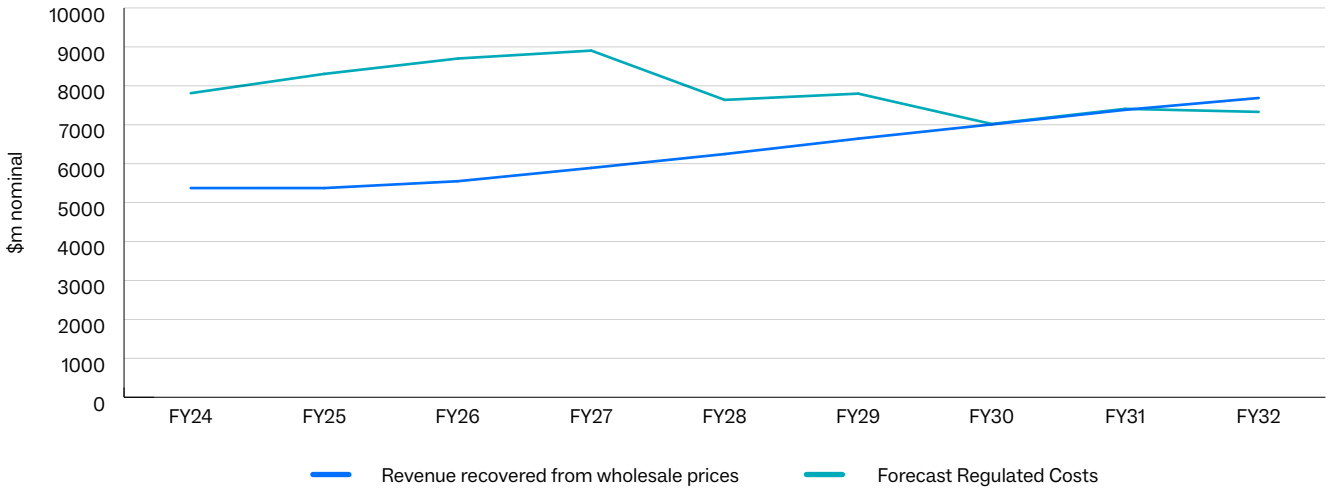
The depreciation for Core Services is forecast to decrease by 11.0 percent between the First Regulatory Cycle and the Second Regulatory Cycle after removing the effects of inflation.

The return on capital is forecast to decrease by 12.0 percent between Regulatory Cycles after removing the effects of inflation. This is driven by the decrease in the RAB (as described above, after removing the effects of inflation) and the decrease in the forecast of the regulated rate of return.

In comparison to the First Regulatory Cycle, nbn's Core Services operating expenditure is forecast to decrease by 5.0 percent in the Second Regulatory Cycle (after removing the effects of inflation). This is covered further below.

nbn's total Regulated Costs over the Second Regulatory Cycle are forecast to be $24.3 billion (or an average of $8.1 billion per annum), including inflation effects. As shown in Figure 11 below nbn's wholesale prices are forecast to under-recover this amount, but they are on a path to achieve cost recovery around 2032 after a substantial narrowing of the gap between revenues and costs in financial years 2032 and 2031.

Figure 11: nbn's cost recovery position (nominal $)



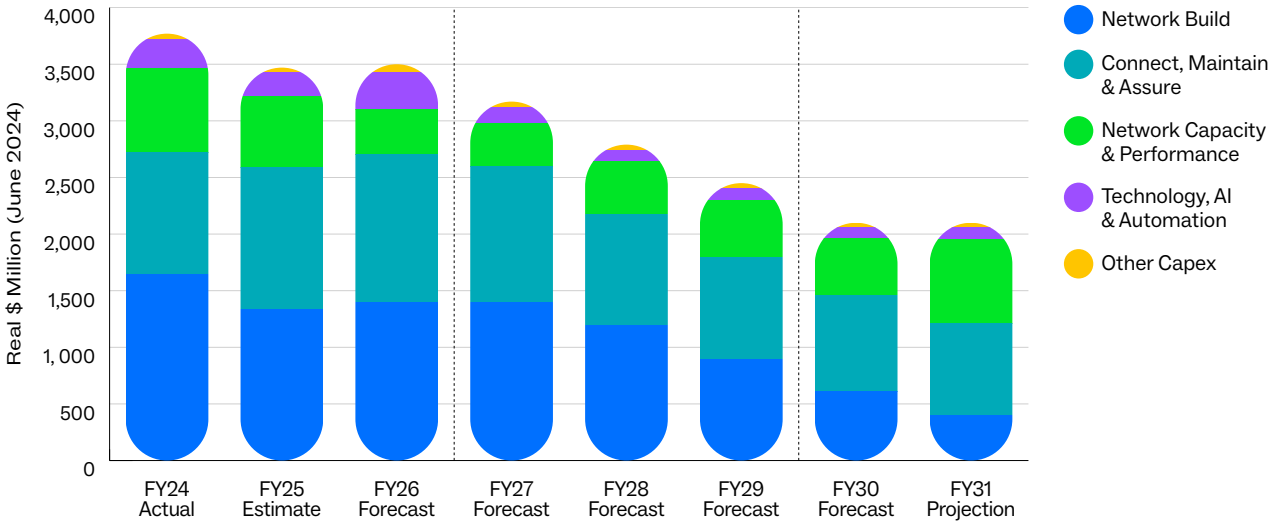
NBN'S FORECAST CAPITAL EXPENDITURE

Capital expenditure is the investment required in the nbn network to deliver broadband services to customers in accordance with the Government's Statement of Expectations 2022. The proposed capital expenditure looks to prudently and efficiently meet the increasing demands on the nbn® network and the expectations of customers, including:

- Growth in demand: the number of active premises on the nbn is forecast to grow by 5 percent between FY25 and FY29, driven by connections in new developments, the fibre upgrade program and the ongoing investment in capacity, speed, reliability and brand awareness that makes nbn's products competitive.
- Growth in demand for speed: customers' increased use of data, and increased number of connected devices is driving take-up of higher speed tiers. nbn's Accelerate Great initiative and marketing strategies are also expected to increase fibre upgrade orders and demand for higher speeds with customers on speeds greater than 100Mbps increasing from 33 percent in FY25 to 48 percent in FY29. This is supported by 94 percent of the nbn fixed line network being gigabit capable by FY30.
- An increase in reliability: nbn's stakeholder engagement highlighted that reliability is critical to customers. nbn intends to continue the fibre upgrade initiative, improve capability and capacity on the HFC network, and undertakes other critical investments leading to improved customer experience and retention.

During FY27-FY29, nbn proposes capital expenditure of $8.4 billion[1] to deliver broadband services to customers. This about 21 percent lower than the expected capital expenditure for FY24-FY26. The proposed capital expenditure meets customer and government expectations while balancing investment and affordability.

Figure 12: nbn's actual and forecast capital expenditure



Investment snapshot

$131 million
Overheads to support services

$345 million
For technology to support service delivery

$1.4 billion
To maintain network performance

$3.1 billion
For connecting customers and maintaining the network

$3.5 billion
For expanding network coverage

1. In real FY24 terms – that is removing the impact of inflation.

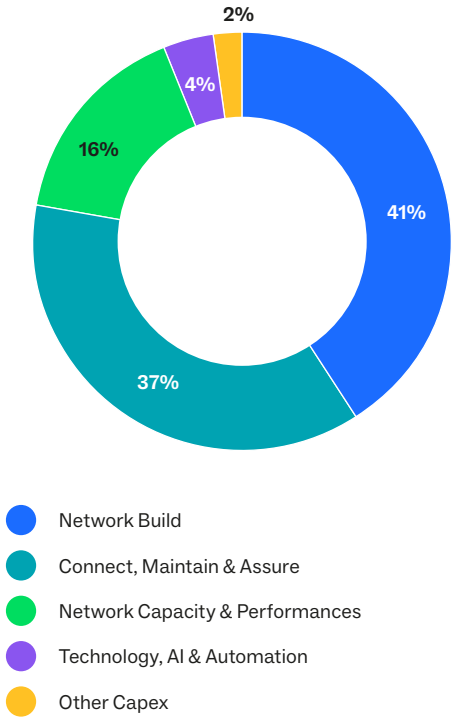
The key drivers of nbn's proposed capital expenditure for FY27-FY29 are:

- $2.3 billion for expanding the fibre network. The investment is expected to benefit around 622,000 homes and businesses, with more than 95 percent of premises having the option to upgrade from Fibre to the Node to Fibre to the Premises. More than 50 percent of these premises are in regional areas. A full fibre connection is faster and more reliable than FTTN and enables access to nbn's fastest upload and download speeds delivering better customer experience and improved service quality.
- $1.3 billion for upgrading connections to full fibre for 1.2 million premises, enabling those premises to experience significant improvements in customer experience and service quality, driven by faster speeds and higher reliability.
- $607 million to expand the nbn network into new developments, where nbn competes with other service providers to supply to the new development and is also subject to regulatory obligations requiring nbn to connect and supply broadband services to premises as a statutory infrastructure provider.

The forecasts also includes investment in the network capacity and performance across transit, HFC, fixed wireless , satellite and legacy copper networks, connections for first time and returning customers, technology investment, and capitalised corporate costs.

Despite the significant spend on expanding the nbn full fibre network and upgrading connections to full fibre in FY27-FY29, nbn will reduce average annual capital expenditure relative to the expected capital expenditure in FY24-FY26. This is driven by a strong focus on efficiency of service delivery, facilitated by key transformational initiatives that will be instrumental in delivering cost reductions over the forecast period.

Figure 13: nbn's forecast capital expenditure in the Second Regulatory Cycle



NBN'S FORECAST OPERATING EXPENDITURE

Operating expenditure represents the day-to-day costs of operating and maintaining the nbn® network. This expenditure is required to ensure the nbn network's reliability and service quality and includes expenditure such as essential activities for operating and maintaining the network, paying leases for equipment and land, and running necessary IT systems.

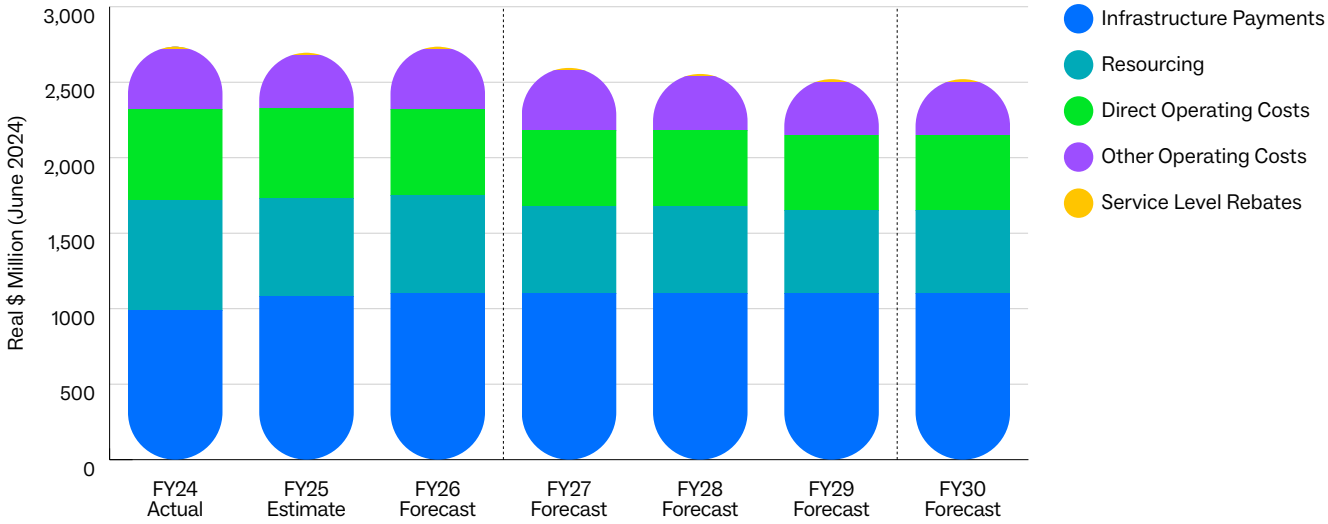
The company is committed to keeping operating expenditure in FY27-29 below the FY24-26 period. During FY27-FY29, nbn proposes operating expenditure of $7.9 billion to deliver broadband services to customers, which is 6.5 percent lower than expected operating expenditure for the FY24-FY26 period.

This is driven by efficiencies in nbn's resourcing approach, and cost savings on assurance activities as nbn manages the upgrades of customers on the copper network to the more resilient full fibre connections. For example, nbn's fibre upgrade program is forecast to reduce the number of assurance truck rolls by 16.4 percent contributing to a 41 percent ($102 million) reduction in Service Assurance operating expenditure in the Second Regulatory Cycle.

nbn's proposed operating expenditure for FY27-29 directly supports nbn to deliver on its customers priorities and enables:

- A reliable and high-quality service experience through regular maintenance, upgrades and service assurance on the nbn fixed line networks.
- The operation and maintenance of nbn's Fixed Wireless and Satellite networks to maintain the quality and reliability of service in regional and remote communities. This is predominately outsourced to delivery partners under competitively tendered contracts, which are regularly reviewed for efficiencies.
- Marketing, advertising, customer marketing programs, customer insights and direct marketing to allow us to better understand, learn and communicate to customers. This enables nbn to inform customers of its plans, activities and the benefits of its service.
- The leasing of a range of infrastructure from Telstra.

Figure 14: nbn's actual and forecast operating expenditure



$36.5 million
For payments to RSPs when nbn fails to meet contracted Benchmark Service Level commitments

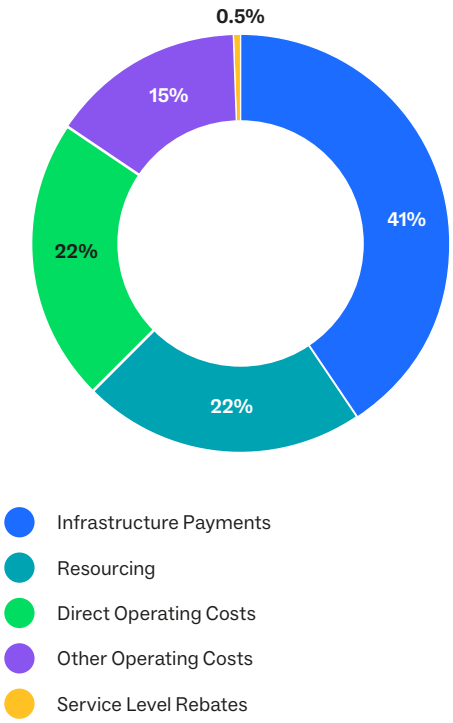
$1.2 billion
For other costs such as corporate costs, IT, software and marketing

$1.7 billion
For the costs associated with operating and maintaining the network

$1.7 billion
For total resourcing costs including the internal and extended workforce

$3.3 billion
For leasing equipment from Telstra

Figure 15: nbn's forecast operating expenditure in the Second Regulatory Cycle



The key drivers of nbn's proposed operating expenditure for FY27-FY29 are:

- $3.3 billion to continue to lease equipment from Telstra that is essential for operating the physical network such as ducts, exchanges and dark fibre. Under a long-term contract with nbn , Telstra indexes annual cost increases at the rate of inflation.
- $1.7 billion to employ the field workers and corporate workforce that, respectively, operate and maintain the network, respond to RSPs and customers when faults arise, and enable the company to operate effectively. nbn continues to invest in organisation simplification, data AI and automation and right sourcing to drive this cost down, and is forecast to be 19.2 percent lower in the Second Regulatory Cycle relative to the First Regulatory Cycle (FY24-26), aligned with the company's focus on efficiency.
- $897 million on network operating costs such as power, rental of power poles and land for the company's equipment, and spectrum licenses for nbn's Fixed Wireless networks.
- $540 million to assure, restore and maintain the network to maintain service quality. This includes proactively maintaining the network to ensure it does not deteriorate, inspecting and replacing equipment that reaches end of life cycle, and working with nbn's delivery partners to ensure the operation of nbn's Fixed Wireless and Satellite networks.
- $558 million on IT and software costs for support, cloud service fees and licenses for corporate applications as well as telecommunications, IT consumables and hardware maintenance.

PROPOSED BENCHMARK SERVICE STANDARDS

The Benchmark Service Standards prescribe the minimum standards of service quality and performance that nbn is required to offer RSPs in its standard form supply contracts, allowing them to pass on equivalent or similar commitments to customers and providing confidence in the level of service they can expect to receive for specific broadband services. Benchmark Service Standards are reviewed and set by the ACCC for each Regulatory Cycle.

The Benchmark Service Standard enhancements proposed for the second Regulatory Cycle are focused on the full fibre, HFC and Fixed Wireless technologies, reflecting nbn's investment in these technologies and the growing number of customers they're expected to serve, as customers transition off copper-based networks.

Specifically, the proposed package of 17 new or enhanced measures in nbn's Benchmark Service Standards are designed to:

POSITIVELY IMPACT 90 PERCENT OF ANNUAL SERVICE REQUESTS FROM RSPS

In calendar year 2024 nbn completed 12.8 million work order requests from RSPs. The proposed changes to BSS changes will have a direct impact on 90 percent of the work order requests from RSPs and represents the biggest change to nbn's service standards in more than five years.

ENABLING A BETTER CUSTOMER EXPERIENCE

Simplifying and improving committed upgrade timeframes for customer FTTP connection enables a better customer experience when customers first connect to the nbn, move home, or upgrade their service.

COVER ALL PARTS OF THE CUSTOMER JOURNEY

Providing enhanced confidence in the reliability of service connections and fault repairs, mitigating against repeat faults and appointments.

NETWORK PERFORMANCE

Enhancing RSP confidence in nbn's network capacity levels which affect speed performance at a more granular level, and further helping RSPs in setting accurate expectations for customers around the speed they can expect from the nbn network.

IMPROVING RESTORATION ON THE HFC AND FIXED WIRELESS NETWORKS

Providing RSPs and customers with greater confidence in restoration of services experiencing degraded performance on the HFC and Fixed Wireless networks.

REBATES

Providing annual adjustment of rebates, ensuring any price increases are accompanied by a corresponding increase in relevant rebates.

To accelerate the benefits, these changes include several that the company committed to implement ahead of the next regulatory period and during FY26:

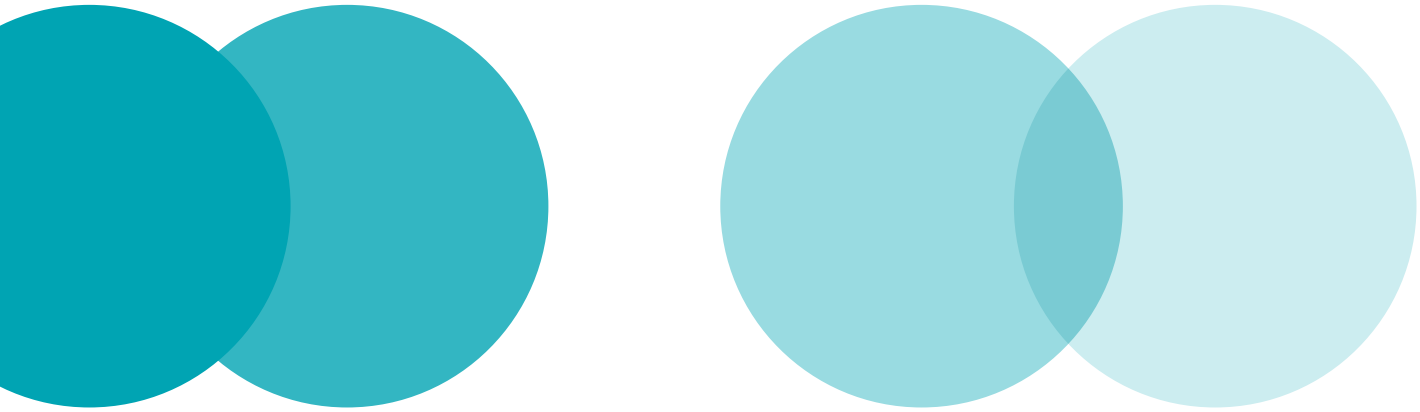
- uplift five Service Levels and some Performance Objectives for automated transactions;
- introduce an annual adjustment to specified Service Level rebates for nbn® Ethernet and nbn® Smart Places.

The company is also committing a mid-period review of the Benchmark Service Standards so that nbn can either make changes or improvements within the Regulatory Cycle, or inform the development of regulatory proposal for the FY30-32 period.

The proposed changes reflect extensive engagement with industry over the past 12 months, as well as industry feedback during the SAU Variation process and WBA5 consultation. In identifying potential improvements, nbn's proposed Benchmark Service Standards factors in the long-term interests of customers, stakeholder views on industry priorities, positive outcomes for RSPs and customers, and nbn's legitimate business interests (strategic and financial).

The proposed enhancements to Benchmark Service Standards are forecast to incur an additional total expenditure of circa $72 million over the five-year period FY26-FY30. nbn's proposed Service Standards will deliver a material uplift in relation to areas of the service experience that have been identified as a customer priority, while ensuring that additional investment in Service Standards is consistent with nbn's long-term investment strategy, and in the long-term interests of customers.

Through the stakeholder engagement process, the company objectively assessed a range of requests from RSPs that, after balancing a range of considerations, nbn is not proceeding with. The detailed submission from nbn explains the reasoning for this and how some of the changes proposed are better pursued through business-as-usual continuous improvements.



NOMINATED ENTRY LEVEL OFFERS

The SAU requires the RMA to nominate a speed tier on each of the fixed-line and fixed wireless networks as an Entry Level Offer for the Second Regulatory Cycle. The Entry Level Offer is designed to provide additional price certainty to RSPs and consumers through a stricter individual price control, which means that the price for the designated Entry Level Offers cannot increase by more than the percentage change in CPI each financial year.

Based on the selection criteria set out in the SAU, the Entry Level Offers for the Second Regulatory Cycle are proposed to be the 25/5 Mbps TC-4 speed tier on each of nbn's fixed line and fixed wireless networks.

The 25/5 Mbps speed tier meets the SAU selection criteria, including that it has a maximum download speed lower than the download speed of nbn's most ordered speed tier group in financial year 2025, namely the 50/20 Mbps speed tier. nbn also considers that the rationale for the selection of the 25/5 Mbps speed tier as part of the SAU Variation continues to apply.

Specifically, that it more reasonably meets growing consumer expectations in an increasingly competitive market, compared to the lower speed tier 12/1 Mbps.

Stakeholder feedback on nbn's proposed Entry Level Offers largely accepted the appropriateness of the 25/5 Mbps speed tier as the Entry Level Offer given the criteria set out in the SAU.

However, the feedback also emphasised the need for affordable access to the nbn network for different customer segments. The Entry Level Offer is only one element of the approach nbn takes to ensuring affordability of services for consumers.

nbn is committed to offering a range of connectivity solutions that are relevant and accessible.

The issue of affordability is, however, a complex one that requires input and support from industry, consumer groups and governments.

nbn recognises that it plays an important role, which is evidenced through a number of initiatives, including the Low Income and Digital Inclusion Forum (LIDIF), the School Students Broadband Initiative (SSBI), and Community Wi-Fi Program for remote First Nations communities. Following industry co-design, nbn is also reviewing potential 'basic connectivity' options to provide alternatives for customer segments who may be seeking alternative nbn connectivity options.

06

RISKS FOR THE PROPOSAL

The company's RMA, and the underlying business plan or forecast, faces key risks that are outlined below, together with the ways in which the company seeks to manage them.

Key risks	How nbn is managing these risks
Economic and other external factors Geo-political risks, such as conflicts, trade wars, and political instability, could significantly impact inflation, foreign exchange rates, access to capital and drive supply chain disruptions, adversely impacting cash flow performance. The business forecast includes the latest market outlook on interest rates, inflation and exchange rates.	The pricing framework established in the SAU Variation in 2023 links over 90 percent of the company's wholesale revenues to the rate of inflation, providing a mitigant against the inflationary environment.
Demand risk There is a risk that demand for nbn services is lower due to increasing competition, cost of living pressures, and lived customer experience not meeting expectations. This will also put pressure on forecasts revenues the company's path to recovery of the regulated costs may be delayed. Conversely, if consumers upgrade faster than expected, or demand for multi-gigabit services is earlier than forecast, this could result in network investment needing to be brought forward or require additional investment, putting pressures on the debt finances of the company.	The company manages activations risks through a muti-pronged approach, including targeted investments to make nbn services competitive, minimise churn, improving the value proposition of wholesale services, discounts and rebates to support retail marketing and competition, and take-up of nbn services. The company continues to focus on capital efficiencies and cash flow and debt management.
Technological change The discontinuation of FTTC/FTTN equipment manufacturing due to significant reductions in global demand, may bring forward the timing of equipment purchases or require accelerated network upgrades, resulting in changes to the planned debt levels.	nbn continues to assess the feasibility of reusing FTTN/FTTC equipment from the network as services upgrade to full fibre. Additionally, there is an opportunity to selectively migrate from legacy to new technology to reduce reliance on equipment-risk.
Opex higher than expected A large proportion of nbn's operating costs are associated with truck rolls and the business forecast includes assumptions on volume reductions through investments in field digitisation and automation.	Critical to the plan is the continued scaling of the internal field workforce and implementation of field partner transformation and digitisation initiatives, with assumed productivity and cost benefits, as well as ongoing optimisation of total resource costs.
Upgrade risk nbn forecasts over 2 million upgrades to full fibre and the financial and operating benefits from these upgrades. There is risk that customer experience during upgrades, or in home experience following an upgrade, is below customer expectations. There is also a risk that the costs of lead-ins (fibre into the home/premises) could be higher than forecast.	Optimising lead-in costs via targeted enhancements in cost control capability and reporting, continued execution of better installation processes and techniques, newer generation fibre optic cabling and connection equipment, utilisation of more economic network termination devices, and uplifting customer education on in-premises set-up.
Extreme weather beyond expectations In recent years there is an increase in extreme weather events and this trend is expected to continue. This could impact the reliability of services to customers and require additional expenditure. The business forecast assumes no contingency for the potential increased frequency of extreme weather events.	Full fibre services are less prone to outages and the impacts of extreme weather events. The company continues to manage the upgrade of services from copper-based to full fibre services. nbn maintains Temporary Network Infrastructure to provide network services in areas affected by natural disasters or other emergencies. nbn continues to develop and maintain its disaster and crisis management plans in collaboration with governments and RSPs to restore services to disaster affected communities as soon as possible.

07

HOW STAKEHOLDERS CAN HAVE THEIR SAY ON THIS PROPOSAL

This document provides a summary of nbn's Regulatory Proposal for the FY27-29 regulatory cycle. In particular the substantive plans for expenditure and benchmark service standards are important parts of this Proposal.

The detailed submission that nbn has submitted to the ACCC, including key supporting information, will be available at the ACCC's website in due course.

The ACCC will now assess nbn's RMA under the Special Access Undertaking (SAU) regulatory framework and the ACCC will publish a consultation paper and invite submissions from stakeholders.

The stakeholder feedback will be considered by the ACCC before it publishes its draft decision and the final decision.

GLOSSARY

This glossary provides plain English explanations of terms for reader guidance only. It is not intended to replace or override any legal definitions or obligations. For further information, detailed terms, and conditions, please refer to the applicable documentation available on the nbn website, including the Wholesale Broadband Agreement (WBA) and the WBA Dictionary.

Annual Building Block Revenue Requirement (ABBRR)	A forecast of nbn's annual costs and comprises different types of costs referred to as 'building blocks' which are calculated using the BBM. Also referred to as Regulated Costs in this document.
Australian Competition and Consumer Commission (ACCC)	The independent statutory authority that administers and enforces Australian competition and consumer law and regulates access to national infrastructure such as the nbn network, including pricing and key terms on which nbn supplies regulated telecommunications services.
Bandwidth	The maximum rate at which data can be transmitted over a network connection, typically measured in kilobits, megabits, or gigabits per second. References to speeds or bandwidth profiles in this document are not to customer speeds; they are wholesale layer 2 PIR bandwidth provided to RSPs unless stated otherwise.
Benchmark Service Standards (BSS)	A set of regulated Service Standards for nbn's wholesale broadband service. These include Service Levels, Performance Objectives, and any Rebates or Corrective Actions required if nbn does not meet these Service Standards. The SAU requires nbn include Service Standards in its SFAA that are no less favourable to RSPs than the applicable BSS.
Building Block Model (BBM)	A regulatory cost model used to forecast nbn's annual revenue requirements. It includes return on capital, depreciation, financing costs for construction in progress, operating expenditure, and tax allowance.
Capital Expenditure (Capex)	Investment in the nbn network and supporting systems to deliver or enhance broadband services. This includes costs associated with network build, upgrades, connections, capacity, expansion, technology automation, and capitalised corporate costs.
Competitive Services	nbn products that are not subject to price regulation under the SAU, which currently include Enterprise Ethernet, Business Satellite Services, and Satellite Mobility for Large Commercial Passenger Aircrafts.
Consumer Advocacy Group / Consumer Advocates	Organisations or individuals who represent and advocate for the interests of Australian telecommunications customers, including residential and small business customers.
Core Regulated Services	All nbn products and services that are subject to the SAU, excluding Competitive Services.
Corrective Action	The steps nbn is required to take when it does not meet a Performance Objective in a given month. Service Levels, Performance Objectives, Rebates, and Corrective Actions collectively make up Service Standards.
Customers / End Users	Individuals or businesses in Australia who use services delivered over the nbn network.
Download	The transfer of data from a remote source to a customer's device. Common examples include viewing webpages, retrieving emails, streaming videos or music, and downloading files. These activities may contribute to a user's data usage.
Entry Level Offer	The speed tier on each of nbn's fixed-line and fixed wireless networks that is subject to a stricter individual price control under the SAU. The price of this tier can only increase by up to CPI each year. As part of its RMA, nbn must propose an Entry Level Offer for the next Regulatory Cycle based on criteria set out in the SAU.
Fibre Migration (or upgrades)	The connection of premises originally designed for FTTN or FTTC to nbn's FTTP network under the Fibre Connect initiative.

Fibre to the Building (FTTB)	A fixed-line technology where fibre is run to the node within the communications room of a multi-dwelling unit, with the final connection to each unit made using the building's existing copper wiring.
Fibre to the Curb (FTTC)	A fixed-line technology where fibre is run to a distribution point unit located near the premises, and the final connection is made using the existing copper network.
Fibre to the Node (FTTN)	A fixed-line technology where fibre is run to a nearby street cabinet (node), and the existing copper network is used to connect the node to the customer's premises.
Fibre to the Premises (FTTP)	A fixed-line technology that runs fibre directly from the network to the customer's premises, providing high-speed broadband connectivity. This is referred to as "full fibre" in this document.
Financial Year (FY)	A 12-month period beginning 1 July and ending 30 June of the following year.
Financing Costs for Construction in Progress	Costs incurred by nbn in financing assets that are still under construction. These are accounted for separately from the return on capital, as only assets 'in service' are included in the RAB.
Fixed Line	A connection that uses a physical line (such as fibre or copper) to connect a premises to the nbn network. It includes access technologies such as FTTP, FTTB, FTTN, FTTC, and HFC.
Fixed Wireless	A connection that uses radio signals to transmit data between a premises and a transmission tower on the nbn network. This is typically used to serve premises in regional or remote areas.
Geostationary Earth Orbit (GEO) satellites	Satellites positioned approximately 36,000 km above the Earth's equator. These satellites appear stationary from the ground and provide wide coverage, typically used to provide satellite broadband services.
Gigabits per second (Gbps)	A way to measure how fast data moves over the internet, used to describe very high internet speeds. One gigabit is equal to 1,000 megabits.
Government Business Enterprise (GBE)	A Commonwealth entity that is governed by a board of directors and operates under commercial principles while being fully or partially government-owned. nbn is a GBE.
Hybrid Fibre Coaxial (HFC)	A fixed-line technology that uses a combination of optical fibre and coaxial cables to connect the nbn network to a customer's premises.
Latency	The time delay between the transmission and receipt of data, typically measured in milliseconds. Lower latency is generally associated with better network performance.
Layer 2	The part of the network that allows data to be transmitted between devices on a local network. nbn supplies a Layer 2 network to RSPs, who use it to deliver broadband services to customers.
Low Earth Orbit (LEO) satellites	Satellites that orbit the Earth at altitudes typically between 160 to 2,000 kilometres. The satellites can be used to supply satellite broadband services and offer lower latency due to their proximity to Earth.
Megabits per second (Mbps)	A way to measure how fast data moves over the internet, used to describe internet speed. One megabit per second means one million bits of data are transferred each second.
Operating Expenditure (Opex)	Costs associated with operating and maintaining the nbn network, including labour, IT systems, and performance-related payments to RSPs.
Peak Information Rate (PIR)	The maximum rate at which data can be transferred over the nbn network.
Performance Objective	An aggregated monthly measure of nbn's performance in meeting specified Service Levels. Service Levels, Performance Objectives, Rebates, and Corrective Actions collectively make up Service Standards.
Point of Interconnection (POI)	The physical location where traffic is exchanged between the nbn network and an RSP's network.

Rebates	Compensation payable by nbn for missed Service Levels. RSPs are expected to pass on a fair value benefit to customers where applicable. Service Levels, Performance Objectives, Rebates, and Corrective Actions collectively make up Service Standards.
Regulated Asset Base (RAB)	The value of all nbn assets used to provide services, calculated after accumulated depreciation. It reflects the company's past capital investments that support current and future service delivery.
Regulatory Cycle	A cycle of between three to five years, as determined in accordance with nbn's SAU, during which key regulatory settings apply.
Replacement Module Application (RMA) / Regulatory Proposal	The proposal nbn submits to the ACCC under the SAU, outlining nbn's plans for the next Regulatory Cycle. This includes proposed expenditure, service standards, Entry Level Offer, and length of the Regulatory Cycle. It must follow consultation with stakeholders and is assessed by the ACCC before being finalised as a RMD.
Replacement Module Determination (RMD)	The final regulatory decision made by the ACCC after assessing nbn's RMA, following public consultation and engagement.
Retail Service Provider (RSP)	A service provider that acquires wholesale broadband services from nbn and sells broadband services to customers on the nbn network. This includes both retailers and wholesale access seekers of nbn services.
Return of Capital	An amount (equal to depreciation less indexation of the RAB) that enables nbn to recover the value of an asset over its useful life.
Return on Capital	The efficient cost of financing nbn's investments over time. It includes the cost of both debt and equity, and is calculated by multiplying the WACC by the value of nbn's RAB.
Service Level	The standard timeframes and commitments for completing particular service-related activities. Service Levels may vary depending on technology type, activity, and location. Service Levels, Performance Objectives, Rebates, and Corrective Actions collectively make up Service Standards.
Service Standard	A standard relating to the service quality or performance of nbn's wholesale broadband service. These include Service Levels, Performance Objectives, and any Rebates or Corrective Actions required if nbn does not meet these Service Standards. The SAU requires nbn include Service Standards in its SFAA that are no less favourable to RSPs than the applicable BSS.
Special Access Undertaking (SAU)	The Special Access Undertaking given by nbn to the ACCC, as varied and accepted on 17 October 2023. The SAU is a key part of the regulatory framework governing prices and certain non-price terms on which nbn supplies wholesale services to RSPs.
Stakeholder	An individual, group, organisation, or political entity with a specific interest in the outcome of a decision, or that is affected by a policy, project, or proposition.
Standard Form of Access Agreement (SFAA)	The Standard Form of Access Agreement published on nbn's website for the purposes of section 152CJA of the Competition and Consumer Act 2010.
Statutory Infrastructure Provider	An entity that has a legal obligation to connect and supply high-speed broadband services to premises in their service area on request. nbn is the default Statutory Infrastructure Provider for Australia under the Telecommunications Act 1997.
Tax Allowance	An allowance included in the regulatory framework that enables nbn to recover future tax liabilities. This allowance will only become relevant once nbn is in a tax-paying position.
Weighted Average Cost of Capital (WACC)	The regulated rate of return which represents the efficient financing costs of a benchmark efficient entity with a similar degree of risk as that which applies to nbn. It is used to calculate the return nbn is allowed to earn on its investments.
Weighted Average Price Control (WAPC)	A price control mechanism under the SAU that limits the average annual price increase across most Core Regulated Services offered by nbn to a maximum percentage, tied to CPI.
Wholesale Broadband Agreement (WBA)	The contract that sets out the terms under which nbn supplies wholesale broadband products and services to RSPs.

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North Sydney NSW 2060

MELBOURNE
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Docklands Victoria 3008

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Cannon Hill Queensland 4170

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Perth WA 6000

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