



Update

Property & Projects

29 July 2010

National Broadband Network and New Property Projects

“High speed broadband is becoming a critical utility service like water, electricity and gas. We want to see people in new estates getting access to superfast broadband as soon as possible” – Senator Stephen Conroy

Fibre Deployment Bill

On 18 March 2010, the Federal Government introduced the *Telecommunications Legislation Amendment (Fibre Deployment) Bill 2010 (Fibre Deployment Bill)* into the Parliament to create a legislative framework to support the rollout of the National Broadband Network (NBN). In addition, subordinate legislation has also been proposed to bring this new legislative framework into full operation.

One of the key provisions of the Fibre Deployment Bill is that it will permit the Minister for Broadband, Communications and the Digital Economy to specify, in the relevant subordinate legislation, the property developments, or classes of development, in which:

- fixed lines which are installed to building lots and/or units will need to be optical fibre; and
- fixed line facilities, such as conduits and pits, which are installed will need to be ‘fibre-ready facilities’.

It is proposed that the subordinate legislation will provide that in those classes of developments captured by the fibre-ready requirement, the installation of fibre would also be required where:

- the development over its life will have 200 or more building lots and/or units; and
- fibre could be installed at a price of \$3000 (including GST) or less per building lot or unit, which includes the price of backhaul.

The Government's aim is to have the legislative framework in place from 1 January 2011. The question of when the fibre connection and fibre-ready requirements will take practical effect is yet to be determined. This very important issue will be addressed by the relevant subordinate legislation. The Government is currently proposing that the relevant “trigger event” regarding fibre connection and fibre ready requirements will be at the subdivision and development approval stage of the planning approval process. This issue is to be considered further in the coming months with input from the relevant state and territory governments.

New developments – the role of NBN Co

On 20 June 2010, NBN Co and Telstra announced that they had entered into a Heads of Agreement for the rollout of the NBN. In support of that agreement the Government indicated that it would progress public policy reforms to support the transition to the NBN.

The Government has determined that from **1 January 2011** NBN Co will act as a wholesale provider of last resort in new developments constructed within, or adjacent to, NBN Co's long term fibre footprint. NBN Co will arrange for the installation of fibre infrastructure in the development. Developers and property owners will be required to cover the costs of trenching and ducting.

Telstra will not be required to provide infrastructure in new developments, however, it must provide standard telephone services when retail services are not offered by another service provider. These arrangements will not prevent developers from using other companies to rollout fibre networks in new developments, but such networks will need to comply with the technical specifications of the NBN and be operated on an open access basis.

NBN Co's role will apply regardless of whether the Fibre Deployment Bill is passed by Parliament, although the Government has indicated that it is committed to seeing the Bill passed.



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