

Optus strikes agreement with NBN Co on HFC Network

Optus today announced it has reached agreement with NBN Co on the future of its Hybrid Fibre Coaxial (HFC) network to enable the accelerated roll-out of Australia's National Broadband Network (NBN).

Under the terms of the agreement, Optus will progressively transfer ownership of its coaxial cable and ancillary assets to NBN Co, while retaining ownership of strategic aerial fibre assets used to connect mobile base stations and business customers.

Optus will continue to supply services to customers using its HFC network in areas where the NBN is still to be built or customers have yet to be migrated. Customers will be progressively migrated to the NBN once NBN Co has integrated Optus' HFC network into the NBN.

The agreement will see Optus share spectrum within our coaxial network with NBN Co to enable it to offer services prior to taking ownership of the coaxial network and fully integrating it into the NBN.

Allen Lew, Optus Chief Executive Officer, said, "Optus has been a vocal advocate for fixed line competition for many years. The NBN offers the potential to provide more choice and competition for all Australians and puts us a step closer to creating a level playing field in Australia's retail broadband market. Anything that speeds up the rollout of the NBN and increases the size of the contestable national broadband market is good for innovation and competition."

"We now have clear agreement on incorporating Optus' HFC network into the NBN architecture. This can provide real benefits for all," Mr Lew said.

The effective value of agreement remains comparable to the value outlined in the 2011 Optus HFC Subscriber Agreement. The timing, nature and purpose of payments will vary under this agreement, although the effective outcome remains substantially the same.

These commercial arrangements recognise Optus' historical investment in its HFC network and the cost of providing services to customers using NBN infrastructure.

The revised agreement is conditional on ACCC approval and a ruling by the Australian Taxation Office.

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