

Special Access Undertaking - Regulatory Information For the period ended 30 June 2014

Public Version

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The Chief Financial Officer NBN Co Limited,

Level 11, 100 Arthur Street North Sydney NSW 2060 Australia

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1.0 Basis of Preparation

This Special Access Undertaking (**SAU**) – Regulatory Information, which comprises the Statement of Capex, Disposals, Construction in Progress, Asset Lifetimes and Taxation Asset Lifetimes (Schedule 6), Statement of Operating Expenditure (Schedule 7), Statement of Interest Expense (Schedule 8), Statement of Revenue (Schedule 9), Statement of LTRCM and RAB items (Schedule 10), Expenditure Compliance Report (Schedule 12), Procurement Rules Compliance Report (Schedule 13) and Price Compliance Report (Schedule 14) (together referred to as the Schedules), has been prepared in accordance with principles of the NBN Co Regulatory Accounting & Allocation Manual (RAAM). The RAAM is established and maintained by management to assist it to discharge NBN Co's obligations under Schedule 1F of the NBN Co SAU.

From time to time, NBN Co transfers assets between categories to align with current business operations. Capital expenditure transfers for the 2014 financial year have been reversed within Schedule 6. Where capital expenditure additions have been transferred into different asset categories there is not considered to be a material difference in the useful lives and subsequent calculation of depreciation. For administrative ease, asset transfers which occurred in the years prior to 2014 have not been reversed and accordingly classification is as per the underlying records and financial statements of that year.

This SAU – Regulatory Information has been prepared from the underlying financial records which were the basis for the preparation of the NBN Co Limited General Purpose Financial Statements and has been presented in Australian dollars, and values are rounded to the nearest thousand dollars unless otherwise stated.

The SAU – Regulatory Information has been prepared based on Australian Accounting Standards, except as noted below where an "Alternate Accounting Treatment (**AAT**)" has been adopted.

1.1 Licenced Assets and Property Assets under Finance Leases

NBN Co accounts for its licenced assets for duct access, exchange access and dark fibre and aggregation nodes as finance leases over property, plant and equipment. This involves capitalising the finance leases, amortising the value of the leases over time and recognising a notional interest expense each year on the residual value of each lease. This accounting approach is inconsistent with the approach used in the Long Term Revenue Constraint Methodology (LTRCM), so for the purposes of the SAU – Regulatory Information, the payments for Licenced Assets and Property Assets under Finance Leases are brought to account on a cash basis and included within Operating Expenditure each year.

1.2 Migration Fees

NBN Co accounts for the payments of Migration Fees as part expense and part capitalised intangible Masset. The basis for the capitalisation and the accounting for the resulting intangible asset over time are inconsistent with the LTRCM. For the purposes of the SAU – Regulatory Information, the payment of Migration Fees will be brought to account on a cash basis and included within Operating Expenditure each year.

1.3 Assets received for Zero Consideration & Government Grants

Through its developer agreements with New Developments, NBN Co receives Pit and Pipe assets at no cost. Assets have also been received under Government Grants. These items are capitalised as assets with an equivalent deferred gain being recognised. The asset and the deferred gain are depreciated and brought to account into the profit and loss statement over the useful life of the asset. For the purposes of the Statement of Capex, Disposals, Construction in Progress, Asset Lifetimes and Taxation Asset Lifetimes (Schedule 6), the effects of these transactions are reversed such that the relevant assets are ascribed a zero Capital Expenditure value and no gain is recognised in revenue.

For corporate tax purposes, however, the value of assets received for zero consideration is treated as assessable income in the year in which NBN Co takes ownership of the assets, and results in tax depreciation over time. This tax treatment is reflected in the calculations underpinning the Statement of LTRCM and RAB items (Schedule 10).

1.4 Construction in Progress

NBN Co recognises in the carrying amount of an item of property, plant and equipment the value of assets in the course of construction. For the purposes of the SAU – Regulatory Information, consistent with the LTRCM, construction in progress is not allocated to items of property, plant and equipment or intangible assets, and is reported as an aggregate value as at the start and end of each Financial Year.

1.5 Inventory

For the purposes of the SAU – Regulatory Information, net increases in Inventory are included as additions to Capital Expenditure, while net decreases in inventory are included as disposals. Any write-offs of Inventory will be accounted for as Operating Expenditure. When Inventory is accounted for under an AAT it is treated as a non-depreciable asset.

1.6 Provisions

For the purpose of the SAU - Regulatory Information, provisions are omitted from Capital Expenditure and Operating Expenditure as they are estimates and do not necessarily represent a pending cash outflow.

Schedule 6 - Statement of Capital Expenditure, Disposals, Construction in Progress, Asset Lifetimes and Taxation Asset Lifetimes

For the period ended 30 June 2014

	Period 1 Jul 2013 - 30	Nov 2013	Period 1 Dec 2013 - 30) Jun 2014	FY 2014			
Asset Type (level 6 asset categories)	Capital Expenditure	Disposals	Capital Expenditure	Disposals	Capital Expenditure	Disposals	Asset Lifetime	Taxation Asset Lifetime
Code Description	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Years	Years
Total Network Assets	380,318		824,282		1,204,600	<u> </u>		

Schedule 6 - Statement of Capital Expenditure, Disposals, Construction in Progress, Asset Lifetimes and Taxation Asset Lifetimes

For the period ended 30 June 2014

	Period 1 Jul 2013 - 30	Nov 2013	Period 1 Dec 2013 - 30 Jun 2014		FY 2014			
Asset Type (level 6 asset categories)	Capital Expenditure	Disposals	Capital Expenditure	Disposals	Capital Expenditure	Disposals	Asset Lifetime	Taxation Asset Lifetime
Code Description	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Years	Years

-	Total Non Network Assets	115,415	- 270,862	- 386,276 -
AT 1.5	Inventory	3,750	1,896	5,646
-	Grand Total	499,483	- 1,097,040	- 1,596,522 -
		Period 1 Jul 2013 - 30 Nov 2013 Opening Value		Closing Value
-	Construction in Progress	\$'000 1,332,965	\$'000 1,764,143	2,221,088
	Reconciliation to NBN Co's Audited General Purpose Financial Statement			
	Capital Expenditure per SAU	499,483	1,097,040	1,596,522
T 1.1	Add reconciling items: Licensed Assets and Property Assets under Finance Leases	499,483	1,097,040	1,596,522
AT 1.1 AT 1.2	Add reconciling items:	499,483	1,097,040 38,540	1,596,522 67,251
AT 1.1 AT 1.2	Add reconciling items: Licensed Assets and Poperty Assets under Finance Leases Migration Fees			
AT 1.1 AT 1.2	Add reconciling items: Licensed Assets and Poperty Assets under Finance Leases Migration Fees			
AT 1.1 AT 1.2	Add reconciling items: Licensed Assets and Poperty Assets under Finance Leases Migration Fees			
AT 1.1 AT 1.2	Add reconciling items: Licensed Assets and Poperty Assets under Finance Leases Migration Fees			
AT 1.1 AT 1.2	Add reconciling items: Licensed Assets and Poperty Assets under Finance Leases Migration Fees			
AT 1.1 AT 1.2 AT 1.3 AT 1.3	Add reconciling items: Licensed Assets and Poperty Assets under Finance Leases Migration Fees Assets received for zero consideration			
AT 1.1 AT 1.2 AT 1.3 AT 1.4 AT 1.4 AT 1.6	Add reconciling items: Licensed Assets and Property Assets under Finance Leases Migration Fees Assets received for zero consideration	28.711	38,540	67.251
AT 1.1 AT 1.2 AT 1.3 AT 1.4 AT 1.4 AT 1.6	Add reconciling items: Licensed Assets and Poperty Assets under Finance Leases Migration Fees Assets received for zero consideration	28.711	38,540	67.251
AT 1.1 AT 1.2 AT 1.3 AT 1.4 AT 1.4 AT 1.6 AT 1.5	Add reconciling items: Licensed Assets and Property Assets under Finance Leases Migration Fee Assets received for zero consideration Construction in Progress (Movement) Provisions Leas reconciling items:	28,711 462,638	38,540 455,428	67.251 918.066
AT 1.1 AT 1.2 AT 1.3 AT 1.4 AT 1.4 AT 1.6	Add reconciling items: Licensed Assets and Property Assets under Finance Leases Migration Fiee Assets received for zero consideration Construction in Progress (Movement) Provisions Lease reconciling items: Inventory	28,711 462,638 (3,750)	38,540 455,428 (1,896)	67.251 918.066 (5,646)
AT 1.1 AT 1.2 AT 1.3 AT 1.4 AT 1.6 AT 1.5	Add reconciling items: Licensed Assets and Property Assets under Finance Leases Migration Fies Assets received for zero consideration Construction in Progress (Movement) Provisions Lease reconciling items: Inventory Total Capital Expenditure	28,711 462,638 (3,750) 2,318,590	38,540 455,428 (1,896) 2,340,071	67.251 918.066 (5,646) 4,658,661
AT 1.1 AT 1.2 AT 1.3 AT 1.4 AT 1.6 AT 1.5	Add reconciling items: Licensed Assets and Poperty Assets under Finance Leases Magnation Fees Assets received for zero consideration Construction in Progress (Movement) Provisions Less reconciling items: hventory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference: Non-current assets - Property, plant and equipment	28,711 462,638 (3,750) 2,318,590 2,318,590 P0, 100 Note 8 (a)	38,540 455,428 (1,896) 2,340,071	67.251 918.066 (5.646) 4.658.661 4.658.661 \$7000 4.370.129
AT 1.1 AT 1.2 AT 1.3 AT 1.4 AT 1.6 AT 1.5	Add reconciling items: Licented Assets and Property Assets under Finance Leases Magnation Fee Assets incolved for zero consideration Construction in Progress (Movement) Provisions Lease reconciling items: Internoty Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference: Non-current assets - Property, plant and equipment Non-current assets - Intangable assets	28,711 462,638 (3,750) 2,318,590 2,318,590	38,540 455,428 (1,896) 2,340,071	67.251 918.066 (5.646) 4.658.661 4.658.661 \$'000 4.370,129 286,52
AT 1.1 AT 1.2 AT 1.3 AT 1.4 AT 1.4 AT 1.6 AT 1.5	Add reconciling items: Licensed Assets and Poperty Assets under Finance Leases Magnation Fees Assets received for zero consideration Construction in Progress (Movement) Provisions Less reconciling items: hventory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference: Non-current assets - Property, plant and equipment	28,711 462,638 (3,750) 2,318,590 2,318,590 P0, 100 Note 8 (a)	38,540 455,428 (1,896) 2,340,071	67.251 918.066 (5.646) 4.658.661 4.658.661 \$'000 4.370,129 28.532 4.658.661
AT 1.1 AT 1.2 AT 1.3 AT 1.6 AT 1.5	Add reconciling items: Licented Assets and Property Assets under Finance Leases Magnation Fee Assets incolved for zero consideration Construction in Progress (Movement) Provisions Lease reconciling items: Internoty Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference: Non-current assets - Property, plant and equipment Non-current assets - Intangable assets	28,711 462,638 (3,750) 2,318,590 2,318,590 P0, 100 Note 8 (a)	38,540 455,428 (1,896) 2,340,071	67.251 918.066 (5.646) 4.658.661 4.658.661 \$'000 4.370,129 286,52
AT 1.1 AT 1.2 AT 1.3 AT 1.4 AT 1.6 AT 1.5	Add reconciling items: Licented Assets and Property Assets under Finance Leases Magnaton Fee Assets incolved for zero consideration Construction in Progress (Movement) Provisions Ease reconciling items: Inventory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference: Non-current assets - Total additions Determed Prodert Capital Expenditure Category hoursed prior to SAU commencement	28,711 462,638 (3,750) 2,318,590 2,318,590 P0, 100 Note 8 (a)	38,540 455,428 (1,896) 2,340,071	67.251 918.066 (5,646) (6,646) 4,658,661 4,658,661 \$000 4,370,129 28,532 4,658,661 Capital Expenditure
AT 1.1 AT 1.2 AT 1.3 AT 1.4 AT 1.6 AT 1.5	Add reconciling items: Licented Assets and Property Assets under Finance Leases Migration Fies Assets incerved for zero consideration Construction in Progress (Movement) Provision Construction in Progress (Movement) Provision Case mechanism is internetory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference: Non-current assets - Proteil additions Determed Prudent Capital Expenditure Camerad prior to SAU commencement Nourced point to SAU commencement Nourced point to SAU commencement Neurced points SAU commencement Neurced	28,711 462,638 (3,750) 2,318,590 2,318,590 P0, 100 Note 8 (a)	38,540 455,428 (1,896) 2,340,071	67,251 918,066 (5,846) 4,658,861 4,658,861 \$7000 4,370,129 288,532 288,532 4,658,867 Capital Expenditure \$7000
AT 1.1 AT 1.2 AT 1.3 AT 1.4 AT 1.6 AT 1.5	Add reconciling items: Licensed Assets and Property Assets under Finance Leases Migration Fiee Assets and Property Assets under Finance Leases Assets received for zero consideration Construction in Progress (Movement) Frovision in	28,711 462,638 (3,750) 2,318,590 2,318,590 P0, 100 Note 8 (a)	38,540 455,428 (1,896) 2,340,071	67,251 918,066 (5,846) 4,658,861 4,658,861 \$7000 4,370,129 288,532 288,532 4,658,867 Capital Expenditure \$7000
AT 1.1 AT 1.2 AT 1.3 AT 1.4 AT 1.6 AT 1.5	Add reconciling items: Licented Assets and Property Assets under Finance Leases Migration Free Assets and Property Assets under Finance Leases Assets received for zero consideration Construction in Progress (Movement) Frovision Construction in Progress (Movement) Frovision Cases reconciling items: Internory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference: Non-current assets - Property, plant and equipment Non-current assets - Total additions Desmed Proter Capital Expenditure Category Nourced prior to SAU commencement Experts Over SAU commencement Experts Over SAU commencement Feature SAU commencement Feat	28,711 462,638 (3,750) 2,318,590 2,318,590 P0, 100 Note 8 (a)	38,540 455,428 (1,896) 2,340,071	67,251 918,066 (5,846) 4,658,861 4,658,861 \$7000 4,370,129 288,532 288,532 4,658,867 Capital Expenditure \$7000
AT 1.1 AT 1.2 AT 1.3 AT 1.4 AT 1.6 	Add reconciling items: Licented Assets and Property Assets under Finance Leases Magnaton Fee Assets inconved for zero consideration Construction in Progress (Movement) Provisions Construction in Progress (Movement) Provisions Less reconciling items: Iventory Total Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference: Non-current assets - Total additions Deemed Prodet Capital Expenditure Category Ivacured prior to SAU commencement Non-current assets - Total additions Deemed Prodet Capital Expenditure Category Ivacured prior to SAU commencement New Co Sau Statilis Network Testing Arrangements Dease Ar	28,711 462,638 (3,750) 2,318,590 2,318,590 P0, 100 Note 8 (a)	38,540 455,428 (1,896) 2,340,071	67,251 918,066 (5,846) 4,658,861 4,658,861 \$7000 4,370,129 288,532 288,532 4,658,867 Capital Expenditure \$7000

Note: The SAU commenced on 13 December 2013, which does not align with standard accounting periods. To address this, NBN Co has accounted for SAU commencement as occuring 1 December 2013, being the closest period start to the SAU Commencement Date.

Schedule 6 - Statement of Capital Expenditure, Disposals, Construction in Progress, Asset Lifetimes and Taxation Asset Lifetimes

Accest Tung Nauel & second estimation	Capital Expenditure	Disposals	Asset Lifetime	Taxation Asset Lifetime
Asset Type (level 6 asset categories) Code Description	\$'000	\$'000	Years	Years
Teat Manual Acat				
Total Network Assets	671,800			

Schedule 6 - Statement of Capital Expenditure, Disposals, Construction in Progress, Asset Lifetimes and Taxation Asset Lifetimes

set Type (level 6 asset categories)		Capital Expenditure	Disposals	Asset Lifetime	Taxation A Lifetim
et Type (level 6 asset categories) le Description		\$'000	\$'000	Years	Liiotiin
Total Non Network Assets		358,323	<u> </u>		
f 1.5 Inventory		4,446			
Grand Total		1,034,569	-		
		Opening Value	Closing Value		
		\$'000	\$'000		
Construction in Progress		604,369	1,332,965		
Reconciliation to NBN Co's Audited General Purpose Financial Statement					
Capital Expenditure per SAU			1,034,569		
Add reconciling items: 1.1 Licensed Assets and Property Assets under Finance Leases					
1.2 Migration Fees			122,854		
1.3 Assets received for zero consideration			122,854		
			700.017		
1.4 Construction in Progress (Movement) 1.6 Provisions			766,017		
1.6 Provisions			766,017		
1.6 Provisions Less reconciling items:			766,017 (4,446)		
1.6 Provisions Less reconciling items: 1.5 Inventory Total Capital Expenditure			(4,446) 3,002,040		
1.6 Provisions Less reconciling items: 1.5 Inventory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement			(4,446) 3,002,040 3,002,040		
1.6 Provisions Less reconciling items: 1.5 Inventory Total Capital Expenditure			(4,446) 3,002,040 3,002,040 \$'000		
1.6 Provisions Less reconciling items: 1.5 Inventory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement	Non-current assets - Property, plant and equipment	Pg. 111 Note 12 (a)	(4,446) 3,002,040 3,002,040 \$`000 2,788,781		
1.6 Provisions Less reconciling items: 1.5 Invertory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference:	Non-current assets - Property, plant and equipment Non-current assets - Intangible assets	Pg. 111 Note 12 (a) Pg. 113 Note 9 (a)	(4,446) 3,002,040 3,002,040 \$'000 2,788,781 213,259		
1.6 Provisions Less reconciling items: 1.5 Inventory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement	Non-current assets - Property, plant and equipment Non-current assets - Intangible assets	Pg. 111 Note 12 (a) Pg. 113 Note 9 (a)	(4,446) 3,002,040 3,002,040 \$'000 2,788,781 213,259 3,002,040		
1.6 Provisions Less reconciling items: 1.5 Inventory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference: Non-current assets - Total additions Deemed Prudent Capital Expenditure Category	Non-current assets - Property, plant and equipment Non-current assets - Intangible assets	Pg. 111 Note 12 (a) Pg. 113 Note 9 (a)	(4,446) 3,002,040 3,002,040 \$'000 2,786,781 213,259 3,002,040 Capital Expenditure \$'000		
f1.6 Provisions Less reconciling items: 1.5 Intertory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference: Non-current assets - Total additions Deemed Prudent Capital Expenditure Category hourse prior to SAU commencement	Non-current assets - Property, plant and equipment Non-current assets - Intangible assets	Pg. 111 Note 12 (a) Pg. 113 Note 9 (a)	(4,446) 3,002,040 3,002,040 \$'000 2,788,781 213,259 3,002,040 Capital Expenditure		
11.6 Provisions Less reconciling items: 1.5 Invertory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference: Non-current assets - Total additions Deemed Prudent Capital Expenditure Category hoursed prior SAU commencement hoursed point SAU commencement	Non-current assets - Property, plant and equipment Non-current assets - Intangible assets	Pg. 111 Note 12 (a) Pg. 113 Note 9 (a)	(4,446) 3,002,040 3,002,040 \$'000 2,786,781 213,259 3,002,040 Capital Expenditure \$'000		
f1.6 Provisions Less reconciling items: Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference: Non-current assets - Total additions Deemed Prudent Capital Expenditure Category hcured point to SAU commencement Neurod point to SAU commencement Neurod Point SAU commencement Neurod Points KAU commencement	Non-current assets - Property, plant and equipment Non-current assets - Intangible assets	Pg. 111 Note 12 (a) Pg. 113 Note 9 (a)	(4,446) 3,002,040 3,002,040 \$'000 2,786,781 213,259 3,002,040 Capital Expenditure \$'000		
1.6 Provisions Less reconciling items: 1.5 Invertory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference: Non-current assets - Total additions Deemed Prudent Capital Expenditure Category Incured prior to SAU commencement Neurod post Automent Neurod post Automent Neurod post SAU commencement Neurod post SAU commencements Total Additions	Non-current assets - Property, plant and equipment Non-current assets - Intangible assets	Pg. 111 Note 12 (a) Pg. 113 Note 9 (a)	(4,446) 3,002,040 3,002,040 \$'000 2,786,781 213,259 3,002,040 Capital Expenditure \$'000		
1.6 Provisions Less reconciling items: 1.5 1.5 Intentiony 1.6 Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference: Desmed Prudent Capital Expenditure Category Incurred point to SAU commencement Incurred point SAU commencement Nework Provident Statements Tobits Arrangements Tobits Arrangements Test Reference Trial State	Non-current assets - Property, plant and equipment Non-current assets - Intanglible assets	Pg. 111 Note 12 (a) Pg. 113 Note 9 (a)	(4,446) 3,002,040 3,002,040 \$'000 2,786,781 213,259 3,002,040 Capital Expenditure \$'000		
7 1.5 Invertory Capital Additions per NBN Co's Audited General Purpose Financial Statement Deemed Prutent Reference: Deemed Prutent Capital Expenditure Category hourse dprior to SAU commencement Neurol Content Sabilitor Network Interim Transit Arrangements Telstra Arrangements Opto Arrangements Opto Arrangements Tasarrania Ta-Arangements Tasarrania Ta-Arangements Tasarrania Ta-Arangements Opto Arrangements Tasarrania Ta-Arangements Opto Arrangements Tasarrania Ta-Arangements Opto Arrangements Tasarrania Ta-Arangements Copto Arrangements Opto Arrangements Copto Arrangements Opto Arrangements Opto Arrangement	Non-current assets - Property, plant and equipment Non-current assets - Intangible assets	Pg. 111 Note 12 (a) Pg. 113 Note 9 (a)	(4,446) 3,002,040 3,002,040 \$'000 2,786,781 213,259 3,002,040 Capital Expenditure \$'000		

Schedule 6 - Statement of Capital Expenditure, Disposals, Construction in Progress, Asset Lifetimes and Taxation Asset Lifetimes

		Capital Expenditure	Disposals	Asset Lifetimes	Taxation Asse
set Type de l	(level 6 asset categories) Description	\$'000	\$'000	Years	Lifetime Ye
	Total Network Assets	125,335			
-	Total Non Network Assets	364,744			
			;	NA	
T 1.5	Invertory	12		NA	
T 1.5		12 490,091	-	NA	
T 1.5	Invertory	12 490,091 Opening Value	- Closing Value	NA	
AT 1.5	Invertory Grand Total	12 490,091 Opening Value \$000	Closing Value \$'000	NA	
T 1.5	Invertory Grand Total Construction in Progress	12 490,091 Opening Value	- Closing Value	NA	
T 1.5	Invertory Grand Total	12 490,091 Opening Value \$000	Closing Value \$'000	NA	
T 1.5	Invertory Grand Total Construction in Progress	12 490,091 Opening Value \$000	Closing Value \$'000	NA	
T 1.5	Invertory Grand Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU dad reconciling items:	12 490,091 Opening Value \$000	- Closing Value \$'000 604,369	NA	
T 1.5	Inventory Grand Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add reconciling items: Licereed Assets and & Property Assets under Finance Leases	12 490,091 Opening Value \$000	- Closing Value \$'000 604,369	NA	
T 1.5	Invertory Grand Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU dad reconciling items:	12 490,091 Opening Value \$000	- Closing Value \$'000 604,369	NA	
T 1.5	Inventory Grand Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add reconciling tims: Liceread Assets and & Property Assets under Finance Leases Migration Fees	12 490,091 Opening Value \$000	- Closing Value \$'000 604,369	NA	
T 1.5	Inventory Grand Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add reconciling tims: Liceread Assets and & Property Assets under Finance Leases Migration Fees	12 490,091 Opening Value \$000	- Closing Value \$'000 604,369	NA	
T 1.5	Inventory Grand Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add reconciling tims: Liceread Assets and & Property Assets under Finance Leases Migration Fees	12 490,091 Opening Value \$000	- Closing Value \$'000 604,369	NA	
T 1.5	Inventory Grand Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add reconciling tims: Liceread Assets and & Property Assets under Finance Leases Migration Fees	12 490,091 Opening Value \$000	- Closing Value \$'000 604,369	NA	
T 1.5	Inventory Grand Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add reconciling tims: Liceread Assets and & Property Assets under Finance Leases Migration Fees	12 490,091 Opening Value \$000	- Closing Value \$'000 604,369	NA	
T 1.5	Inventory Grand Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add reconciling tims: Liceread Assets and & Property Assets under Finance Leases Migration Fees	12 490,091 Opening Value \$000	- Closing Value \$'000 604,369	NA	
T 1.5	Inventory Grand Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add reconciling tims: Liceread Assets and & Property Assets under Finance Leases Migration Fees	12 490,091 Opening Value \$000	- Closing Value \$'000 604,369	NA	
T 1.5	Iventory Grand Total Construction in Progress Reconcilitation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Addr monniling items: Lornerad Assets and & Property Assets under Finance Leases Migration Fees Assets received for zeno consideration Construction in Progress (Movement)	12 490,091 Opening Value \$000	- Closing Value \$'000 604,369	NA	
F 1.5	Intentory Grant Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add reconciling items: Lecensed Assets and & Propenty Assets under Finance Leases Magration Fees Assets received for zero consideration Construction in Progress (Movement) Provisions	12 490,091 Opening Value \$000	Closing Value <u>\$000</u> 604,369 490,091	NA	
T 1.5	Intentory Grant Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add reconciling items: Lecensed Assets and & Propenty Assets under Finance Leases Magration Fees Assets received for zero consideration Construction in Progress (Movement) Provisions	12 490,091 Opening Value \$000	Closing Value \$000 604.369 490.091	NA	
T 1.5	Iventory Grand Total Construction in Progress Reconcilitation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Addr econcilitation to NBN Co's Audited General Purpose Financial Statement Construction in Progress of Normer Prinance Leases Migration Fees Assets received for zeno consideration Construction in Progress (Movement) Provisions Less reconcilitations:	12 490,091 Opening Value \$000	Closing Value <u>\$000</u> 604.369 490.091 - - - - - - - - - - - - -	NA	
T 1.5	Iventory Grant Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add reconciling items: Lecensed Assets and & Propenty Assets under Finance Leases Migration Flees Assets received for zero consideration Construction in Progress (Movement) Provisions Less reconciling items: Less reconcil	12 490,091 Opening Value \$000	Closing Value <u>\$000</u> 604.369 490,091 490,091 396,657 (12) 1,122,279	NA	
T 1.5	Inventory Grand Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add reconciling items: Locresed Assets and & Property Assets under Finance Leases Migration Frees Assets received for zero consideration Construction in Progress (Movement) Provisions Less reconciling items: Intervent Sets Mercion Construction in Progress (Movement) Provisions Less reconciling items: Intervent Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement	12 490,091 Opening Value \$000	Closing Value \$000 604.369 490.091 490.091 396.657 (12) 1,122.279 1,122.279	NA	
T 1.5	Inventory Grand Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Addreconciling items: Liceread Assets and & Property Assets under Finance Leases Migration Fies Assets received for zero consideration Construction in Progress (Movement) Provisions Lease reconciling jems: Iventory Total Expenditure Construction in Progress (Movement) Provisions Lease reconciling jems: Iventory Total Expenditure Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement NBN Co Annual Report Reference:	12 490.091 Opening Value \$000 234.677	Closing Value \$000 604.389 490.091 490.091 (12) 1,122,279 1,122,279 \$000	NA	
TT 1.5	Inventory Grand Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add reconciling items: Locresed Assets and & Property Assets under Finance Leases Migration Frees Assets received for zero consideration Construction in Progress (Movement) Provisions Less reconciling items: Intervent Sets Mercion Construction in Progress (Movement) Provisions Less reconciling items: Intervent Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement	12 490,091 Opening Value \$000	Closing Value \$000 604.369 490.091 490.091 396.657 (12) 1,122.279 1,122.279	NA	
T 1.5	hventory Grant Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Addr reconciliag items: Liceread Assets and & Property Assets under Finance Leases Migration Frees Assets received for zero consideration Construction in Progress (Movement) Provisions Less reconciling items: Interloy	12 490.091 Opening Value \$000 234.677 	Closing Value \$000 604.369 490.091 490.091 396,657 (12) 1,122,279 1,122,279 \$000 822,917 299,362	NA	
T 1.5	hentory Grant Total Construction in Progress Reconciliation to NNN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add reconciling items: Licensed Assets and & Property Assets under Finance Leases Migration Fies Assets received for zero consideration Construction in Progress (Movement) Provisions Less reconciling items: Less reconciling items: Total Capital Expenditure Capital Additions per NBIN Co's Audited General Purpose Financial Statement Total Capital Expenditure Capital Additions per NBIN Co's Audited General Purpose Financial Statement NNC o Annual Report Reference:	12 490.091 Opening Value \$000 234.677 	Closing Value \$000 604.369 490.091 490.091 	NA	
TT 1.5	hventory Grand Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Addr reconciling items: Licenced Assets and & Property Assets under Finance Leases Migration Fees Assets received for zeno consideration Construction in Progress (Movement) Provision Lease reconciling items: Internory Capital Expenditure Constructions per NBN Co's Audited General Purpose Financial Statement NBN Co' Annual Report Reference: Non-current assets - Total additions Demend Prudem Capital Expenditure Category	12 490.091 Opening Value \$000 234.677 	Closing Value \$000 604.389 490.091 490.091 (12) 1.122.279 1.122.279 \$000 822.917 299.362 1.122.279 Capital Expenditure	NA	
AT 1.5	hentory Grant Total Construction in Progress Reconcilitation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add mononling items: Licenced Assets and & Property Assets under Finance Leases Migration Fees Assets received for zeno consideration Construction in Progress (Movement) Provision Lease reconciling items: Lease reconciling ite	12 490.091 Opening Value \$000 234.677 	Closing Value <u>\$000</u> 604.369 490.091 490.091 (12) 1.122.279 1.122.279 1.122.279 1.122.279 1.122.279 29.362 1.122.279 Capital Expenditure	NA	
AT 1.5	Iventory Grant Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Add reconciliation in Progress (Movement) Provision Construction in Progress (Movement) Provision Less reconciling items: Total Capital Expenditure Constructions per NBN Co's Audited General Purpose Financial Statement NBC Co Annual Report Reference: Nan-current assets - Total additions Constructions per NBN Co's Audited General Purpose Financial Statement Non-current assets - Total additions Demed Proteint Capital Expenditure Capital Additions	12 490.091 Opening Value \$000 234.677 	Closing Value \$000 604.389 490.091 490.091 (12) 1.122.279 1.122.279 \$000 822.917 299.362 1.122.279 Capital Expenditure	NA	
AT 1.5	hvertory Grant Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capitel Expenditure per SAU Add monorling intern: Licensed Assists are Property Assets under Finance Leases Magnation Fees Assets received for zero considentation Construction in Progress (Movement) Provisions Less monorling items: herefory Total Capitel Expenditure Capitel Expenditure Capitel Additions per NBN Co's Audited General Purpose Financial Statement NN Co.nnual Report Reference: NN Co.nnual Report Reference: Total Capitel Expenditure Capitel Expenditure Capitel Additions per NBN Co's Audited General Purpose Financial Statement NN Co.nnual Report Reference: Total Capitel Expenditure Capitel Additions per NBN Co's Audited General Purpose Financial Statement NN Co.nnual Report Reference: Total Capitel Expenditure Capitel Additions per NBN Rov's Audited General Purpose Financial Statement NN Co.nnual Report Reference: Total Capitel Expenditure Capitel Additions Concurrent assets - Property, plant and equipment Non-current assets - Pro	12 490.091 Opering Value 3000 234.677 	Closing Value \$000 604.389 490.091 490.091 (12) 1.122.279 1.122.279 \$000 822.917 299.362 1.122.279 Capital Expenditure	NA	
AT 1.5	Inversory Grand Total Construction in Progress Reconcillation to NBN Co's Audied General Purpose Financial Statement Capital Expenditure per SAU Add reconcillation Add reconcillation Add reconcillation Construction in Progress (Movement) Provisions Construction in Progress (Movement) Provisions Construction in Progress (Movement) Provisions Capital Expenditure Capital E	12 490.091 Opering Value 3000 234.677 	Closing Value \$000 604.389 490.091 490.091 (12) 1.122.279 1.122.279 \$000 822.917 299.362 1.122.279 Capital Expenditure	NA	
AT 1.5	hverdoy Grand Total Construction in Progress Reconciliation to NBN Co's Audited General Purpose Financial Statement Capital Expenditure per SAU Agrid on Consignation Construction in Progress (Movement) Provision Construction in Progress (Movement) Provision Construction in Progress (Movement) Provision Case monoling tems: hverdoy Total Capital Additions Construction in Progress (Movement) Provision Case monoling tems: hverdoy Construction in Progress (Movement) Provision Case monoling tems: hverdoy Construction in Progress (Movement) Provision Case monoling tems: hverdoy Cas	12 490.091 Opering Value 3000 234.677 	Closing Value \$000 604.389 490.091 490.091 (12) 1.122.279 1.122.279 \$000 822.917 299.362 1.122.279 Capital Expenditure	NA	
T 1.5 T 1.7 T 1.1 T 1.1 T 1.2 T 1.3 T 1.4 T 1.6 T 1.5 T 1.5	Inversory Grand Total Construction in Progress Reconcillation to NBN Co's Audied General Purpose Financial Statement Capital Expenditure per SAU Add reconcillation Add reconcillation Add reconcillation Construction in Progress (Movement) Provisions Construction in Progress (Movement) Provisions Construction in Progress (Movement) Provisions Capital Expenditure Capital E	12 490.091 Opering Value 3000 234.677 	Closing Value \$000 604.389 490.091 490.091 (12) 1.122.279 1.122.279 \$000 822.917 299.362 1.122.279 Capital Expenditure	NA	

Schedule 6 - Statement of Capital Expenditure, Disposals, Construction in Progress, Asset Lifetimes and Taxation Asset Lifetimes

Type (level 6 asset categories)		Capital Expenditure	Disposals	Asset Lifetimes	Taxation Lifeti
Description		\$'000	\$'000	Years	
Total Network Assets		158,082			
TOTAL METMORY ASSets		156,062			
Total Non Network Assets		95,208	<u> </u>		
1.5 Inventory		1,660	-		
Grand Total		254,951	<u> </u>		
		Opening Value	Closing Value		
Association in Decement		\$'000	\$'000		
Construction in Progress		33,642	234,677		
Reconciliation to NBN Co's Audited General Purpose Financial Statement					
Capital Expenditure per SAU			254,951		
Add reconciling items: 1.1 Licensed Assets and Property Assets under Finance Leases					
1.2 Migration Fees					
1.3 Assets received for zero consideration					
1.4 Construction in Progress (Movement) 1.6 Provisions			201,035		
Less reconciling items: 1.5 Inventory			(1,660)		
Total Capital Expenditure			461,779		
Capital Additions per NBN Co's Audited General Purpose Financial Statement			461,779		
NBN Co Annual Report Reference:			\$'000		
	Non-current assets - Property, plant and equipment Non-current assets - Intangible assets	Pg. 64 Note 10 (a) Pg. 66 Note 11	207,667 254,112		
Non-current assets - Total additions		-	461,779		
			Capital Expenditure		
Deemed Prudent Capital Expenditure Category			\$'000		
Incurred prior to SAU commencement			254,951		
Incurred post SAU commencement:					
NBN Co Interim Satellite Network					
Interim Transit Arrangements					
Interim Transit Arrangements Telstra Arrangements					
hterim Transit Anargements Telstra Arrangements Optus Arrangements Tasamari Tri-Avas Serkotes Arrangements					
Interim Transit Arrangements Telstra Arrangements					

Schedule 6 - Statement of Capital Expenditure, Disposals, Construction in Progress, Asset Lifetimes and Taxation Asset Lifetimes

pe	level 6 asset categories)		Capital Expenditure	Disposals	Asset Lifetimes	
	escription		\$'000	\$'000	Years	
-	otal Network Assets		<u> </u>			
-	JTAI NETWORK ASSETS		<u>-</u>	<u> </u>		
-	otal Non Network Assets		7,602			
-			7,602			
1.5	Inventory		-	-		
3	irand Total		7,602	-		
			Opening Value \$'000	Closing Value \$'000		
-	Construction in Progress			33,642		
-						
	econciliation to NBN Co's Audited General Purpose Financial Statement					
	apital Expenditure per SAU			7,602		
1.1	dd reconciling items: Licensed Assets and Property Assets under Finance Leases					
1.2	Migration Fees					
.3	Assets received for zero consideration					
1	Construction in Progress (Movement)			33,642		
	Provisions			00,042		
	ess reconciling items:					
5	Inventory			-		
-	otal Capital Expenditure			41,245		
-	apital Additions per NBN Co's Audited General Purpose Financial Statement			41,245		
	NBN Co Annual Report Reference:			\$'000		
		Non-current assets - Property, plant and equipment Non-current assets - Intangible assets	Pg. 53 Note 7 (a) Pg. 54 Note 8	31,191		
_		Non-current assets - intangible assets	Fy. 54 NOIE 8	10,054		
-	Non-current assets - Total additions			41,245		
	reemed Prudent Capital Expenditure Category			Capital Expenditure \$'000		
	curred prior to SAU commencement			7,602		
	curred post SAU commencement:			1,302		
	NBN Co Interim Satellite Network Interim Transit Arrangements					
	Telstra Arrangements					
	Optus Arrangements Tasmania Tri-Area Services Arrangements					
	First Release Trial Sites Third Party Funded Network Changes					

Schedule 6 - Statement of Capital Expenditure, Disposals, Construction in Progress, Asset Lifetimes and Taxation Asset Lifetimes For the year ended 30 June 2009

	ype (level 6 asset categories)	Capital Expenditure	Disposals	Asset Lifetimes	Taxation As Lifet
de	Description	\$'000	\$'000	Years	Ye
	Total Network Assets		-		
	Total Non Network Assets				
AT 1.	.5 Inventory		-		
	Grand Total		<u> </u>		
		Opening Value \$'000	Closing Value \$'000		
	Construction in Progress	-	-		
	Reconciliation to NBN Co's Audited General Purpose Financial Statement				
	Capital Expenditure per SAU				
	Less Disposals per SAU				
: AT 1.	Add reconciling items: 1 Licensed Assets and Property Assets under Finance Leases				
	2. Migration Fees				
	.3 Assets received for zero consideration				
AT 1	4 Construction in Discourse (Munamore)				
	A Construction in Progress (Movement) Fravisions				
	.6 Provisions				
T 1.	.6 Provisions Less reconciling items:				
T 1.	E Provisions Less reconciling items: Therefore Therefore				
AT 1.	.6 Provisions Less reconciling items:	 			
AT 1.	16 Provisions Less reconciling items: 5 Inventory Total Capital Expenditure				
T 1.	E Provisions Less reconciling items: Therefore Therefore				
T 1.	16 Provisions Less reconciling items: 5 Inventory Total Capital Expenditure				
AT 1.	16 Provisions Less reconciling items: 5 Inventory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement				
T 1.	Provisions Less reconciling items: theretory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement Deemed Prudent Capital Expenditure Category Incurred pois to SAU commencement hourde pois to SAU commencement				
AT 1.	for Versions Less reconciling items: twentoy Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement Deemed Prudent Capital Expenditure Category heurod poir to SAU commencement				
AT 1.	Frovisions Less reconciling items: Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement Deemed Prudent Capital Expenditure Category Incurred pois to SAU commencement NBN Co' hermin Satellite Network Interim Tansik Arangements				
AT 1.	for Versions Less reconciling items: twentory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement Deemed Prudent Capital Expenditure Category hcurred prior to SAU commencement hcurred prior to SAU commencement				
4T 1.	Froxisions Less reconciling items: So twentory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement Deemed Prudent Capital Expenditure Category Incurred pois to SAU commencement NeW co therim Satellite Network Interim Tansi Arrangements Telsita Arrangements Telsita Arrangements Telsita Arrangements Telsita Arrangements				
AT 1.	for Versions Less reconciling items: twentory Total Capital Expenditure Capital Additions per NBN Co's Audited General Purpose Financial Statement Deemed Prudent Capital Expenditure Category hcurred prior to SAU commencement hcurred prior to SAU commencement				
AT 1.	6 Provisions Less reconciling items: 5 5 Iventory Total Capital Expenditure 6 Capital Additions per NBN Co's Audited General Purpose Financial Statement 6 Deemed Prudent Capital Expenditure Category 6 Incurred prior to SAU commencement 6 Incurred prior in Satelline Network 6 Information Transition Revents 7 Telstra Arrangements 7 Optas Arrangements 7 Tasamaria Tri-Area Services Arrangements 7 Optas Arrangements 7				

Schedule 7 Statement of Operating Expenditure

For the period ended 30 June 2014

Y Total \$'000 564,603 149,442 415,161	30 Jun 14 \$'000 295,468 118,269 177,199	30 Nov 13 \$'000 269,135 31,173 237,962	FY 2013 \$'000 214,862 60,148 154,714	FY 2012 \$'000 86,317 34,999 51,318	FY 2011 \$'000 15,483 10,710 4,773	FY 2010 \$'000 947 947 -	FY 2009 \$'000 - - -
564,603 149,442	295,468 118,269	269,135 31,173	214,862 60,148	86,317 34,999	15,483 10,710	947 947	\$'000 - - -
149,442	118,269	31,173	60,148	34,999	10,710	947	-
- ,	.,						-
415,161	177,199	237,962	154,714	51,318	4,773		
359,868	211,272	148,595	318,576	212,516	113,142	36,033	-
							139
							-
							-
							-
							-
							-
215,514	671,345	544,168	778,673	499,419	330,865	82,255	139
24,513	11,939	12,574	5,792	9,593	5,740	1,319	
135,375	300,418	134,957	197,174	73,941	19,231	206	-
222,909	147,017	75,892	63,713	6,143	-	-	-
28,208	1,108,025	620,183	1,010,114	589,054	355,837	83,781	139
28.208	1.108.025	620.183	1.010.114	589.054	355.837	83.781	139
	71,118 15,478 39,699 19,317 13,887 17,319 15,514 24,513 35,375 22,909 78,208	71,118 38,816 15,478 9,792 14,226 66,479 39,699 24,245 19,317 10,886 13,887 9,738 17,319 4,648 15,514 671,345 24,513 11,939 24,513 11,939 24,515 11,955 11,9	71,118 38,816 32,302 15,478 9,792 5,686 14,226 66,479 47,746 39,699 24,245 15,454 13,887 9,738 4,149 17,319 4,648 12,671 125,514 671,345 544,168 24,513 11,939 12,574 33,375 300,418 134,957 22,909 147,017 75,892 28,208 1,108,025 620,183	71,118 38,816 32,302 36,407 15,478 9,792 5,686 16,796 14,226 66,479 47,746 108,652 39,699 24,245 15,454 34,202 13,817 10,886 8,430 18,460 13,887 9,738 4,149 14,032 17,319 4,648 12,671 16,688 15,514 671,345 544,168 778,673 24,513 11,939 12,574 5,792 33,375 300,418 134,957 197,174 229,099 147,017 75,892 63,713 23,037 1,080,025 620,183 1,010,114	71,118 38,816 32,302 36,407 26,058 15,478 9,792 5,686 16,796 21,472 14,226 66,479 47,746 108,652 93,060 39,699 24,245 15,454 34,202 25,344 19,317 10,886 8,430 18,460 12,615 13,887 9,738 4,149 14,032 11,226 17,319 4,648 12,671 16,688 10,811 15,514 671,345 544,168 778,673 499,419 24,513 11,939 12,574 5,792 9,593 33,375 300,418 134,957 197,174 73,941 229,099 147,017 75,892 63,713 6,143 229,099 147,017 75,892 63,713 6,143 229,099 147,017 75,892 63,713 6,143 229,099 147,017 75,892 63,713 6,143 229,099 140,025 20,0183 1,010,114 589,054	71,118 38,816 32,302 36,407 26,058 66,827 15,478 9,792 5,686 16,796 21,472 54,082 14,226 66,479 47,746 108,652 93,060 52,465 39,699 24,245 15,454 34,202 25,344 13,348 19,317 10,886 8,430 18,460 12,2615 6,777 13,887 9,738 4,149 14,032 11,226 2,598 17,319 4,648 12,671 16,688 10,811 4,343 215,514 671,345 544,168 778,673 499,419 330,865 24,513 11,939 12,574 5,792 9,593 5,740 24,513 11,939 12,574 5,792 9,593 5,740 22,909 147,017 75,892 63,713 6,143 - 22,909 147,017 75,892 63,713 6,143 - 22,909 14,0107 75,892 63,713 6,143 - 28,0268 1,108,025 620,183 1,010,114 589,054 355,837	71,118 38,816 32,202 36,407 26,058 68,627 17,171 15,478 9,792 5,866 16,766 21,472 54,082 15,253 14,226 66,479 47,746 108,652 93,060 52,465 6,782 39,699 24,245 15,454 34,202 25,344 13,348 2,809 13,317 10,886 8,430 18,460 12,615 6,777 1,404 13,887 9,738 4,149 14,032 11,226 2,598 80 17,319 4,648 12,671 16,668 10,811 4,343 1,775 215,514 671,345 544,168 778,673 499,419 330,865 82,255 - 245,513 11,939 12,574 5,792 9,593 5,740 1,319 245,515 10,417 75,892 63,713 6,143 - - 22,909 147,017 75,892 63,713 6,143 - - - 22,909 147,017 75,892 63,713 6,143 -

Deemed Prudent Operating Expenditure Category	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Incurred prior to SAU commencement	544,168		544,168	778,673	499,419	330,865	82,255	139
Incurred post SAU commencement (note b)								
NBN Co Interim Satellite Network								
Interim Transit Arrangements								
Tasmania Tri-Area Service Arrangements								
First Release Trial Sites								
Telstra Arrangements								
Optus Arrangements								
Third Party Funded Network Changes								
Urgent or Unforeseen Network Issues								
Force Majeure								
Total - Deemed Prudent Operating Expenditure	721,367	177,199	544,168	778,673	499,419	330,865	82,255	139

Note a - Deemed prudent categories are as defined in the SAU. While deemed prudent categories only come into consideration for inclusion of Operating Expenditure in the ABBR from the SAU Commencement Date onwards. Operating Expenditure incurred in connection with each category is reported here for each Financial Year from the Cost Commencement Date onwards. This is to facilitate ready comparisons between the amount of Operating Expenditure incurred in connection with each deemed prudent category for each Financial Year from the Cost Commencement Date onwards. This is to facilitate ready comparisons between the amount of Operating Expenditure incurred in connection with each deemed prudent category for each Financial Year from the Cost Commencement Date onwards. This is to facilitate ready comparisons between the amount of Operating Expenditure incurred in connection with each deemed prudent category for each Financial Year from the Cost Commencement Date onwards. This is to facilitate ready comparisons between the amount of Operating Expenditure incurred in connection with each deemed prudent category for each Financial Year from the Cost Commencement Date onwards. This is to facilitate ready comparisons between the amount of Operating Expenditure incurred in connection with each deemed prudent category for each Financial Year from the Cost Commencement Date onwards. This is to facilitate ready comparisons between the amount of Operating Expenditure incurred in connection with each deemed prudent category for each Financial Year from the Cost Commencement Date on the cost Commencement Date onwards. This is to facilitate ready comparisons between the amount of Operating Expenditure incurred in connection with each deemed prudent category for each Financial Year from the Cost Commencement Date on the cost C

Note b - The SAU commenced on 13 December 2013, which does not align with standard accounting periods. To address this, NBN Co has accounted for SAU commencement as occurring 1 December 2013, being the closest period start to the SAU Commencement Date.

Schedule 8 Statement of Interest Expense

For the period ended 30 June 2014

	Current Year			Prior Years					
-	FY Total \$'000	30 Jun 14 \$'000	30 Nov 13 \$'000	FY 2013 \$'000	FY 2012 \$'000	FY 2011 \$'000	FY 2010 \$'000	FY 2009 \$'000	
Interest Expense	1		1	123	15			-	
Reconciliation to NBN Co's Audited General Purpose Financial Statement									
Add									
Licensed Assets and Property Assets - Interest Expense	221,430	146,728	74,701	62,400	5,164	-	-	-	
Unwinding of discounting associated with provisions	1,479	289	1,190	1,190	964	-	-	-	
Finance Costs per NBN Co's Audited General Purpose Financial Statement	222,909	147,017	75,891	63,713	6,143	-	-	-	

Schedule 9 Statement of Revenue

For the period ended 30 June 2014

	Current Year			Prior Years					
	FY14 Total \$'000	30 Jun 14 \$'000	30 Nov 13 \$'000	FY 2013 \$'000	FY 2012 \$'000	FY 2011 \$'000	FY 2010 \$'000	FY 2009 \$'000	
Telecommunication Revenue	59,970	42,882	17,088	16,451	1,924	-	-	-	
Other Revenue	988	745	243	373	19	-	-	-	
Revenue	60,958	43,627	17,331	16,824	1,944	-	-	-	
Reconcillation to NBN Co's Audited General Purpose Financial Statement Add Interest Income (where relevant) (note a)				48,989	60,163	32,616	3,947	-	
Total Revenue Per NBN Co's Audited General Purpose Financial Statement	60,958	43,627	17,331	65,813	62,107	32,616	3,947	-	
Total Revenue Per NBN Co's Audited General Purpose Financial Statement (note b)	60,958	43,627	17,331	65,813	62,107	32,616	3,947	-	

note a: In NBN Co's Audited Genereal Purpose Financial Statement for FY 2014 (as reported in NBN Co's 2013/14 Annual Report), Interest Income is not included in the calculation of Total Revenue. Therefore, the value of Revenue for FY 2014 (as determined in accordance with the SAU), is the same as the Total Revenue value as per NBN Co's Audited General Purpose Financial Statement. note b: For the purposes of this schedule, Total Revenue Per NBN Co's Audited General Purpose Financial Statement are those values published in NBN Co's Annual Report of the Financial Statement for FY 2013 is drawn from the 2012/13 Annual Report).

Schedule 10 Statement of LTRCM and RAB items

For the period ended 30 June 2014

			Prior Years						
		FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009		
	Units	Value	Value	Value	Value	Value	Value		
June Quarter CPI	Percentage	3%	2%	1%	4%	3%	1%		
Cumulative Inflation Factor	Index	100%	98%	96%	93%	90%	89%		
Risk Free Rate	Percentage	4%	3%	5%	5%	6%	7%		
Nominal Rate of Return	Percentage	7%	6%	9%	9%	9%	10%		
Corporate Tax Rate	Percentage	30%	30%	30%	30%	30%	30%		
Dividend imputation franking credits	\$'000	n/a	n/a	n/a	n/a	n/a	n/a		
Nominal Straight Line Depreciation	\$'000	307,909	169,021	60,026	1,284				
Nominal Tax Depreciation Expenses	\$'000	300,744	164,904	57,929	1,245				
Nominal Regulatory Depreciation	\$'000	260,417	152,267	56,862	1,014		-		
Opening RAB - Nominal	\$'000	1,574,878	700,852	261,506	7,601		-		
Closing RAB - Nominal	\$'000	2,901,139	1,574,878	700,852	261,506	7,601	-		
Opening RAB - Real	\$'000	1,612,525	726,286	280,613	8,411		-		
Closing RAB - Real	\$'000	2,901,139	1,612,525	726,286	280,613	8,411	-		
Annual Building Block Revenue Requirement	\$'000	1,682,853	1,014,452	599,379	335,534	82,255	139		
Unrecovered Costs	\$'000	1,621,895	997,628	597,435	335,534	82,255	139		
Opening ICRA - Nominal	\$'000	2,125,041	1,059,616	425,244	82,407	139	-		
Closing ICRA - Nominal	\$'000	3,898,154	2,125,041	1,059,616	425,244	82,407	139		
Opening ICRA - Real	\$'000	2,175,839	1,098,070	456,316	91,189	156	-		
Closing ICRA - Real	\$'000	3,898,154	2,175,839	1,098,070	456,316	91,189	156		
Carry Forward Revenue Adjustment	\$'000	n/a	n/a	n/a	n/a	n/a	n/a		
Regulated Revenue	\$'000	n/a	n/a	n/a	n/a	n/a	n/a		
Revenue Variation	\$'000	n/a	n/a	n/a	n/a	n/a	n/a		

Special Access Undertaking (SAU) Declaration – Statement by CFO

Statement by NBN Co's Chief Financial Officer

In my opinion, to the best of my knowledge and belief, I declare that:

- (a) The Regulatory Accounting & Allocation Manual (RAAM) has been appropriately updated to reflect changes in the business or structure of NBN Co and to meet the financial reporting requirements of the NBN Co Special Access Undertaking (SAU)
- (b) Schedules 6 to 9, Statement of Capex, Disposals, and Construction in Progress, Asset Lifetimes and Taxation Asset Lifetimes (Schedule 6), Statement of Operating Expenses (Schedule 7), Statement of Interest Expense (Schedule 8), Statement of Revenue (Schedule 9) as at 30 June 2014:
 - i. are prepared in accordance with the principles of the RAAM dated 30 June 2014;
 - ii. note 1; and
 - iii. have been reconciled with the audited financial statements.
- (c) Schedule 10 has been prepared in accordance with the reporting requirements of the SAU.

Chief Financial Officer Date 30 October 2014