

Media Release



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ACCC outlines process to finalise NBN Co's Special Access Undertaking

Clarity provided on the remaining issues for refinement

NBN Co welcomes today's draft decision by the ACCC on NBN Co's Special Access Undertaking (SAU) as it sets out a clear path towards a final SAU, providing certainty for industry and NBN Co.

The ACCC's draft decision on the SAU is the necessary and anticipated next step in the iterative process of developing the new regulatory framework for the operation of the National Broadband Network.

NBN Co Head of Regulatory Affairs and Industry Analysis, Caroline Lovell said: "We appreciate that the ACCC has a challenging task in balancing the views of a range of stakeholders in order to achieve a framework that is in the long-term interests of end users. We will continue to engage with industry and the ACCC as the remaining issues are resolved to ensure that an appropriate balance is achieved.

"Importantly, the draft decision indicates the ACCC is minded to accept fundamental elements of the Special Access Undertaking," Ms Lovell said.

These elements include:

- The long-term commitments not to raise prices above CPI-1.5%;
- A flexible, modular SAU, with different timeframes for different matters within a 27-year framework;
- The opportunity for NBN Co to recover its prudently incurred costs over the term of the SAU including a reasonable return on its investment; and
- The initial pricing for products, which allow a smooth transition from existing telecommunications network.

The SAU also contains a commitment to freeze the wholesale price of NBN Co's key consumer and business products until mid 2017 and to peg any future price rises to below the rate of inflation, which is a major feature of the undertaking.

"At the same time, the ACCC identifies the last remaining issues for refinement, and potential solutions in respect of these issues, for NBN Co to finalise the SAU," Ms Lovell said.

The ACCC's draft decision is accompanied by a consultation paper, seeking submissions to assist the ACCC to draft a variation notice.

NBN Co remains committed to working with the ACCC and industry to finalise the Special Access Undertaking as soon as possible now that the ACCC has undertaken its detailed analysis.

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