



Thursday, 20 June 2019

NBN Co consults with telcos to bring new nbn benefits to more Australians

- Releases industry-wide Wholesale Pricing Review Consultation Paper
- Seeks to balance industry economics with affordability and choice for customers
- Focus on making **nbn** more accessible to low-income earners and older Australians
- Lifts data inclusions within Bundle 100 to help RSPs improve customer experience
- Extends Dimension-Based Discounts to 30 June 2020 to provide market stability and certainty

With construction of the nbn™ network more than 80 per cent complete, **NBN** Co has stepped up efforts to deliver the benefits of fast broadband to more Australians and find new, cost-effective ways for Retail Service Providers (RSPs) to upgrade those already connected to higher speed plans.

NBN Co today released a Wholesale Pricing Review Consultation Paper to the more than 50 RSPs selling **nbn** plans to residential and business customers, and special interest groups such as ACCAN. The paper seeks industry feedback and suggestions on how new wholesale pricing and discount constructs may be used to encourage greater take-up of **nbn** services by under-represented, price-sensitive segments of the market such as low-income earners and older Australians.

Chief Customer Officer Residential at NBN Co, Brad Whitcomb, said: “We’re working collaboratively with Retail Service Providers (RSPs) to develop new **nbn** wholesale price and discount options and bundle discount inclusions that will deliver a better customer experience to more Australians, and meet their changing needs.

“As part of this process, we’ll be balancing the economics of our wholesale pricing structure with the commercial imperatives of RSPs, and the very reasonable expectations of residential and business customers around product affordability and choice. We want to work with RSPs to find solutions to bring the benefits of high-speed broadband to more customers, particular those for whom price is a major consideration.”

The Pricing Review Consultation Paper is seeking industry feedback on five key areas: lifting take-up in under serviced consumer segments; promoting higher speeds; improving support for RSPs in the face of increasing demand for broadband; creating a regular cadence for future pricing consultations; and making it simple and easy for RSPs to do business with **NBN** Co.

Mr Whitcomb said: “As part of our review, we will be seeking feedback on the pricing and discount constructs across our business. We want to provide RSPs with simple wholesale pricing bundle discounts, which will offer them greater flexibility to construct differentiated retail products to better service their customers’ needs.”



Following the last industry consultation in 2017, Mr Whitcomb said, **nbn** broadened its menu of pricing options and introduced its popular Bundles Discount program.

“Our Bundle Discount program was well received by RSPs and enabled them to pass on real benefits to customers in the form of higher speed plans at more affordable prices,” Mr Whitcomb said. “At the introduction of Bundle Discounts last July, we reduced the effective price for our 50Mbps wholesale speed from around \$60 to \$45, and the affordability of basic services was improved with the introduction of the \$22.50 Entry Level Bundle Discount.

“Today, 63 per cent of customers are on wholesales speed tiers of 50Mbps or above, which is up from 16 per cent in 2017. Customers on the wholesale speed tier of 50/20 can expect to receive actual download speeds in the range of 25-50Mbps. Our new consultation process seeks to deliver changes to the cost and delivery of **nbn** services to Australian customers, to deliver high quality services so no one gets left behind,” Mr Whitcomb said.

Research commissioned by **NBN Co** indicates that low-income households, older Australians, renters and single person households generally have a lower incidence of connection to the **nbn™** network.

“We are listening to customers and we are listening to the industry, and we are taking decisive action for the benefit of all Australians,” Mr Whitcomb said.

As part of **NBN Co**’s ongoing commitment to provide greater certainty and clarity to the industry, the company is today announcing a number of wholesale price-related changes that will take effect while the consultation is underway.

As part of its efforts to continue to improve the customer experience of the **nbn**, the company today revealed that it is considering the possible introduction of a new 100/20 wholesale product, among a number of other potential new wholesale product constructs. The new speed tier recognises that most residential customers download far more than they upload and a new product that prioritises download with an associated new wholesale bundle discount may help them to avoid paying a price premium for relatively high upload speeds that most customers do not use or require.

Lifting inclusions for Bundle 100 and extending Dimension-Based Discounts for RSPs (DBD-R)

NBN Co is increasing the wholesale Connectivity Virtual Circuit (CVC) or capacity inclusion for the Bundle 100 and above Discounts by 500Kbps, lifting included CVC from 2.5Mbps to 3Mbps. The cost of **nbn**’s Wholesale Bundle 100 Discount is unchanged at \$65 and the CVC inclusion change is effective from September 2019.

NBN Co is extending its existing Dimension-Based Discounts for RSPs until 30 June 2020 to provide cost-certainty to the industry as it works through the consultation process and develops longer term solutions for customers with low usage and low speed requirements.

“We felt it was important to provide certainty and stability to the market during the consultation period and the extension will provide us with sufficient time to engage with the industry, consider their feedback and implement any changes to our wholesale pricing constructs and data inclusions within our bundles.” Mr Whitcomb said.



Media enquiries

Greg Spears

Email: gregspears@nbngo.com.au

Mobile: 0406 315 014

Katherine Jimenez

Email: katherinejimenez@nbngo.com.au

Mobile: 0456 811 401



For further information, visit www.nbngo.com.au