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Communications Markets and Advocacy
Australian Competition & Consumer Commission

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Dear ACCC Team

AGL Telecommunications and Southern Phone (**AGL**) welcomes the opportunity to make a submission regarding the latest NBN Special Access Undertaking Variation proposal dated 14 August 2023 (**August 2023 Proposal**) as part of the ACCC's ongoing consultation regarding NBN Co's application for variation of its Special Access Undertaking.

Our submission is enclosed.

It does not contain any confidential information.

Please do not hesitate to contact us if you have any questions in relation to this submission.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'D. Stewart', with a long horizontal flourish extending to the right.

Dean Stewart
Head of Telco Product Operations



AGL Telecommunications and Southern Phone (AGL) Submission

AGL understands the ACCC will take into account previous submissions to the ACCC regarding NBN Co's application for variation of its Special Access Undertaking, including AGL's submission dated 21 July 2023 as part of the consultation on the Floor and Ceiling – Modified Pricing Options Paper in July 2023.

We nevertheless seek to reemphasise our views regarding the following features of the latest NBN Special Access Undertaking Variation proposal dated 14 August 2023 (**August 2023 Proposal**) and related aspects.

1. Indicative timing of the SAU Variation

As previously stated, the timeframe suggested by nbn would result in two wholesale price changes within 6 months. We consider that would be inefficient.

Accordingly, we reiterate that the next periodic wholesale price change should be scheduled for 12 months after the implementation date. We observe that there is no need for nbn's wholesale price changes to align to financial years and, in fact, that there would be various efficiencies from these changing at a different time (given that many other processes align with the financial year, including in other industries such as energy).

2. Transitional relief for RSPs

As previously stated, AGL welcomes the transitional credit scheme proposed but considers it should be adjusted to prevent implementation costs disproportionately impacting smaller retailers.

We submit that the proposed fixed allocation of \$25,000 should be increased significantly in recognition of the unavoidable costs of implementation. We propose this should be increased to either \$100,000 or an amount that, in aggregate for all retail service providers, would represent at least half of the total transitional credits to be allocated under the scheme.

The costs of implementation are significant and still not adequately recognised in the current proposed fixed allocation of \$25,000. The costs of implementation are largely independent of the number of services in operation for a retailer. For example, significant work is required to update business processes, including billing, customer facing template communications and marketing material to align with the new pricing framework.

Adjustment to the approach to the allocation of transitional credits should not further delay the process of acceptance of the variation to the Special Access Undertaking as that process sits outside the scope of the August 2023 Proposal.