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11 September 2020

Sean Riordan
Communications Group
The Australian Competition & Consumer Commission
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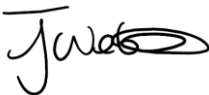
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Dear Sean

Further to our meeting on Wednesday 09 September 2020, please find our response to the ACCC inquiries into NBN access pricing and wholesale service standards consultation paper per your email dated 20 August 2020 via the ACCC Communication Information Network.

Should you have any further questions, please contact me directly via andrew.webster@team.aussiebroadband.com.au.

Warm regards,



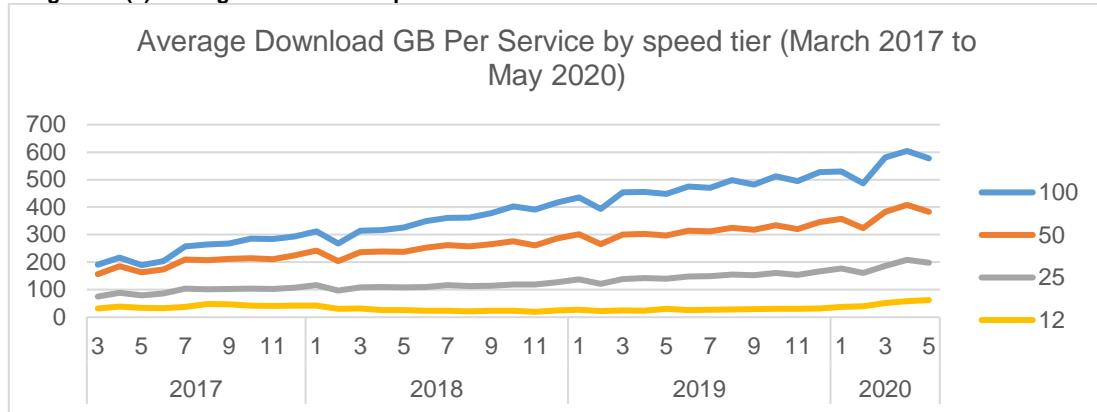
Andrew Webster
Head of Risk & Compliance

Part A – NBN Co Access Pricing Proposal

1. Do you consider that the contents of the proposed access arrangements on pricing will be beneficial to the long-term interests of end-users?

- We see the proposed reductions to entry-level pricing for the 12/1 Mbps product as a baseline for customers. This service is functional for foundation or core services of browsing and email as an example.
- We acknowledge and support the policy objectives of transitioning users from existing arrangements onto an NBN plan without being financially penalised with increased costs to receive a like-for-like service (speeds and pricing).
- In conjunction with the focus on 12/1 Mbps product, we stress the importance of a concentrated effort on the medium speed band including 50 and 100.
- We have observed the continual, increased usage across our customer base; this has been further magnified under the current COVID-19 pandemic.
- The projected impact from COVID-19 and its effect on the '*new normal*' including increased volume while working and schooling/ learning from home are expected to continue for the unseeable future.
- Moreover, the adoption of new ways of working within the community will likely see continued increased pressure on home networks/ connections as fewer employees return to the office on a full-time basis and modern working arrangements are defined.
- This has created a 'slipstream' event where *actual* usage is reaching *projected* use that is several years out.
- Image One (1) below depicts our internally held data for our customer consumption. Our data represents an increase in download consumption by 58% and 83% on 50 and 100 tiers respectively.
- While there has been a minor movement in the 12 tier; the growth and demand are clearly articulated with the 50 and 100 tiers.
- We recommend that once the 12/1 baseline is confirmed, we propose a review of all tiers, especially the 50 and 100 tiers (and inclusions). The review should include reconciliation against the fixed-line data usage data while taking into account the 'slipstream' effect that we've experienced during COVID-19.
- Importantly, we do not expect to see regression on download usage following the pandemic.

Image One (1) Average Download GB per Service



CVC

- Aussie continues to seek the removal of the CVC charges from NBN Co. per our previous submissions. We strongly believe that this is the only way to align the commercial construct of NBN Co. with market practices.

2. Are there any deficiencies or unforeseen consequences that would need to be addressed before the intended benefits of the proposed access arrangements on pricing could be realised?

- As cited above, in conjunction with the focus on 12/1 Mbps product, we stress the importance of a concentrated effort on the medium speed band.
- We have observed the continual, increased usage across our customer base, which has been magnified under the current COVID-19 pandemic.
- Establishing a baseline for the 12/1 will serve as an anchor for higher-speed products, and we agree that this will promote competitiveness and protect consumers migrating to the NBN.
- However, if CVC remains, it will become challenging to offer pricing certainty and service stability to customers. With existing small margins, RSPs will need to make commercial decisions that will impact the customer; either increased costs or reduced quality of services.
- If the CVC remains and we are required to continually find a problematic balance between customer service with minimal margins and overage expenses, this may result in RSPs opting out of the market. A reduction in competition is undesirable for the end-user.

3. Do you consider the proposed price-related access arrangements are reasonable having regard to the regulatory assessment framework?

- We reiterate our comments above and previous comments regarding the abolishment of the CVC. This will allow the move into a clearer and fairer pricing structure that provides confidence in the market and most importantly, the long-term interests of the end-user.

Part B – NBN Co Service Standard Proposal

- We have reviewed the information in Part B and are comfortable with the proposed inclusions.