



Update on ACCC assessment of NBN Co's SAU variation

The purpose of this note is to provide an update on the ACCC's consideration of NBN Co's proposed variation to its special access undertaking (the SAU Variation).

In June 2017, NBN Co submitted a revised SAU variation to the ACCC. The main purpose of the revised SAU variation is to incorporate the three additional technologies under the multi-technology mix (MTM) model – fibre-to-the-node (FTTN), fibre-to-the-building (FTTB) and hybrid fibre coaxial (HFC) – into the SAU. Among other things, it is proposed to extend the existing SAU price terms to these MTM services.

In assessing the SAU variation, the ACCC must consider whether it is reasonable and in the long-term interests of end-users to vary the SAU, including whether to apply SAU price terms to MTM services.

The ACCC is aware that NBN Co is currently consulting with its customers about the pricing of its services. This consultation includes consideration of alternatives to the current pricing model. The ACCC welcomes this move and encourages industry members to work with NBN Co during this consultation. An industry-led solution on pricing that meets the objectives of NBN Co and its customers will lead to better outcomes for consumers.

While NBN Co's pricing consultation process is separate to the SAU variation, it is a matter that the ACCC considers is relevant to its consideration of the SAU variation. To allow NBN Co and its customers the opportunity to consider these pricing issues, the ACCC has decided not to proceed to make a decision on whether or not to accept the SAU variation at this point in time.

The ACCC will review the progress of the pricing consultation in December 2017. The ACCC notes that if NBN Co decides to change the pricing model, it will be necessary for it to submit a new variation to the SAU for the ACCC's consideration. If no change to the pricing model is necessary, the ACCC will then decide whether to accept or reject the SAU variation that has been submitted.

In the meantime, the ACCC will continue to consult with industry about certain non-price matters within the SAU variation so that the ACCC will be in a position to finalise the process when a position has been reached in relation to NBN Co's pricing consultation.

The ACCC will not seek to exercise any regulatory interventions while NBN Co's pricing consultation remains ongoing. This includes the ACCC's ability under the SAU to initiate a price review for services covered by the SAU and any other powers under Part XIC to make regulatory determinations on NBN Co's prices.