



**NBN Co Special Access Undertaking**  
**Long Term Revenue Constraint Methodology**  
**2017-18: Draft Determination**  
**and**  
**Price compliance reporting 2017-18**

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**Submission by Aussie Broadband**

**May 2019**

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## About Aussie Broadband

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Aussie Broadband is a small, high quality internet service provider based out of the Latrobe Valley in Gippsland, Victoria.

To date, we are the only ISP outside the big four to build a network to all 121 NBN POIs across Australia. We provide services via all NBN technologies other than satellite with a focus on a congestion-free, high quality network and all-Australian support.

We provide corporate and enterprise telco solutions under our sub-brand, Wideband Networks.

## Summary of submission

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This submission focuses on NBN's new Enterprise Ethernet product, including Telstra's concerns about NBN product cross-subsidisation.

Generally, Aussie Broadband is not averse to NBN's entry into the enterprise market, believing it to be a good thing for Australian businesses, and has urged the ACCC to consider its impact on competition pricing.

## NBN Enterprise Ethernet

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Aussie Broadband believes that NBN's entry into the enterprise market is a good thing for Australian businesses, and has urged the ACCC to consider its impact on competition pricing.

Considering Telstra's argument that NBN should be subject to higher levels of transparency and reporting, to address its concerns about cross-subsidisation, Aussie Broadband points out that this new product appears to be increasing competition, not eroding it.

Telstra has had an advantage in this area for a long time, particularly in outer metro and regional areas, thanks to its inherited resources but since the introduction of NBN's Enterprise Ethernet product, we have seen Telstra Wholesale significantly reduce its EA pricing, and also significantly reduce its number of charging zones to make it comparable with the NBN product.

The net effect of NBN's entry into the market is that it is providing competition and improved pricing for the end user – we would strongly urge the ACCC to consider this benefit.

Subjecting NBN to higher levels of transparency and reporting, to address Telstra's concerns about cross-subsidisation, would just create a more expensive product, which would be to the advantage of traditional providers. Aussie Broadband does not see cross-subsidisation as a substantial issue and we are comfortable with the level of information that NBN has provided to this report about the Enterprise Ethernet product.

Cross subsidisation is something that has occurred extensively in the industry and is common with vertically integrated telcos.