

SAU Response from Kinetix Networks

Executive Summary

As per the latest update from nbn dated 4th July 2023 nbnco provides the last of the pricing options for the consideration of plans with a access bandwidth of 50Mbps or lower. The plan options introduced assist in managing the costs with the floor ceiling approach and offer a transitional relief for RSPs also.

Kinetix Networks believes that option 2 with the entry price of \$50 ex-gst is our preferred option, however this needs to ensure it is coupled with the CSA overage waiver of 700Mbps (first stated in the WBA5 Consultation paper 8th Nov 2022) as nbn has now identified that national pooling is no longer an option. Kinetix would prefer that the \$50 ex-gst price point for a CVC less product, however with the overage waiver of 700Mbps believes this covers the risk for smaller providers and coupled with the increase of the CVC allowance to 3.5Mbps provides the most risk coverage of any product presented in our opinion.

Coupled with the option 2, nbnco has advised that daily reports will be available via a daily CSV file, we would note that this is a very archaic approach and would like to ensure nbnco provides this information via an consumable API, this will assist smaller providers to easily ingest the information required and model data appropriately.

Kinetix Networks would like to see that the transitional relief have a preference to smaller providers with a base of at least \$50k being provided.

Kinetix Networks is pleased with the outcomes so far for relief on the NNI fee structure proposed to support smaller providers, one aspect still not appropriately addressed is that of a payment plan option for the NNI setup fees. In the past it is understood that nbn has provided financial support to at least one RSP with the amortisation of NNI setup fees, Kinetix would like to see this offered to all RSP's as part of a support offering which will enable more connectivity especially with more high speed plans being introduced that a 1Gbps NNI simply can not support.

Detailed Submission

Low Bandwidth Options

Following our previous comment that the pricing proposed in the SAU is an increase from the current bundled pricing whilst actually offering less in return, this can be shown through the following table.

Speed Tier	Revised SAU Proposal	Current TC-4 Bundle (1 Sep 2022)
12/1 Broadband	\$24.40 (0 Mbps inclusion)	\$22.50 (0.15 Mbps inclusion)
25/5 and 25/10	\$26.00 (0 Mbps inclusion) Equivalent to \$38.80 with 1.6Mbps inclusion at \$8 per Mbps	\$37.00 (1.6Mbps inclusion)
50/20	\$50.00 (2.5 Mbps inclusion)	\$45.00 (2.5Mbps inclusion)

Table 1

The new proposed options consider a new floor price of \$48, \$49 and \$50 with varying CVC overage charges, following discussions with nbn if the CSA overage waiver of 700Mbps as first proposed in the WBA5 Consultation paper on the 8th Nov 2022 is now supported (since the removal of National pooling as stated in the recent floor/ceiling proposal), Kinetix would support Option 2, whilst a transition to CVC less products are made.

Kinetix sees that the 700Mbps of CSA Overage waiver is a good balance to protect against spikes in the low plan utilisation and ensure that the smaller providers are able to be competitive in the larger market whilst maintaining a measure of risk protection from users that exceed usage in a month on POI's with a low number of sub 50Mbps plans.

API's

nbnco has identified that a daily CVC file would be sent out daily, this creates an administrative issue for smaller providers, the standard approach for nbn should be to provide RESTful API's for all features of their platform so they can be consumed via a process, where manual intervention is required this leads to slower performance and limits the ability of providers to make informed decisions in the best time window possible. We would urge nbn to ensure all relevant performance data associated with the change are made available via an API.

Transitional Relief Credit

We commend nbnco on the decision to make a transitional relief credit available to RSPs and whilst we see that a logical approach is to look at the number of services, we also believe that a base should be set on this support to ensure small providers are able to work on optimising systems relevant to this change and need to invest reviewing the proposed changes associated with the SAU and performing commercial arrangements. We would like to see a base for RSPs around \$50 to 75k to support efforts that have been made to consider options work invested in working out how we would work with the new proposed structures nbnco has put forward.

NNI's

The capital cost for the setup fees associated with an NNI connection are not able to be easily amortised through a loan structure as this does not provide a product for financial security. Nbn has previously provided in our understanding to another RSP a financial payment plan for NNI connections. We would like to see this option extended to other RSP's to allow for new direct NNI's to be established to cater for the higher speed plans. Whilst

we believe that the structure of the NNI's particularly in the CBD marketplace should be reviewed/consolidated a payment plan option providers RSP's with an CAPEX friendly option.

WBA Release Schedule

At the most recent meeting, nbn requested a preference for when WBA5 should be released, we believe that the new plans should be offered as soon as possible possibly via a WBA4 extension. This has wide support from the RSP's so any mechanism to bring the new plan options to market sooner should be explored by nbn.

For WBA5 our preferred date is 1 Jan 2024 or sooner.

James Howell

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