



## Agenda and meeting summary – NBN Product and Pricing Working Group

Meeting date	2:00pm to 3:30pm, Thursday 12 August 2021
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#	Item
1	Welcoming remarks
2	Attendance and apologies
3	Proposed confidentiality arrangements
4	Proposed transparency arrangements
5	Working Group draft terms of reference
6	Working Group draft forward work program
7	Next meeting

**Next meeting scheduled for: 2:00pm to 3:30pm, Thursday 9 September 2021**

### Meeting summary

The Chair welcomed attendees and reiterated that the overriding objective of the working group was to help NBN Co develop a special access undertaking that would be acceptable. It would also be important that the revised SAU provide long term certainty for stakeholders.

The ACCC outlined the planned confidentiality and transparency arrangements for the working groups. Some participants spoke to the benefit of the arrangements allowing for consultation with subject matter experts within their organisations.

The Terms of Reference were agreed. It was noted that as the working group progressed there was potential for its broad objectives to be further developed or refined.

NBN Co provided a brief summary of the key responses to its pricing consultation paper, which focused on issues associated with CVC charges, the relationship between prices to costs of supply, and the specification of an appropriate entry level product and price.

The group agreed to initially focus its work program on developing two product and pricing models and an agreed set of principles, or scorecard, against which to assess them. One model involves flat rate charges while the other retains some volumetric components. The group will commence work on developing these product and pricing models, with a 'notional' value for the average revenue per user requirement used as a working assumption until more detailed estimates are available. These more detailed estimates may be provided by the separate working group investigating revenue controls and a building block model.

The working group expressed interest in understanding the proportional split of the NBN cost base between costs that are relatively fixed and those that scale with additional network utilisation to assist in this work. The working group also expressed interest in keeping each product and pricing model at a simple and straightforward level, while maintaining support for retail differentiation.

One participant outlined certain issues that should be addressed, including the removal of CVC charging, the design of more open access products and pricing to meet retail needs, measures to ensure the delivery of the product quality that consumers expect, and the need to appropriately address discounting practices. Certain aspects of the current supply arrangements regarding FTTN services were also identified as a priority area for reform.

Participants volunteered to produce a number of papers for consideration at the next working meeting, covering:

- (1) Scorecard/assessment criteria for the product and price constructs developed
- (2) Initial drafts of each of the proposed product and pricing models (focusing on what product features and tariff items would make up a good product construct)
- (3) The incremental cost of adding network capacity and how this relates to total cost to supply
- (4) An initial draft outline of price control measures.