



Agenda and meeting summary – NBN Regulatory Framework Working Group

Meeting date	2:00pm to 3:30pm, Thursday 26 August 2021
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#	Item
1	Welcoming remarks
2	Attendance and apologies
3	Proposed confidentiality and transparency arrangements
4	Working Group draft terms of reference
5	Working Group draft forward work program
6	Next meeting

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

Meeting summary

The Chair welcomed attendees and reiterated that the overriding objective of the working groups was to help NBN Co develop a special access undertaking (SAU) that would be acceptable to the ACCC and provide long term certainty for stakeholders. This working group will consider the overall regulatory framework and approach and bring the work of the other two working groups together.

The ACCC outlined the planned confidentiality and transparency arrangements for the working groups. The ACCC will circulate proposed confidentiality undertakings and other details before the next round of working group meetings.

The Terms of Reference were agreed. It was noted that the low income product would be considered in the Product and Pricing working group rather than this working group.

The Chair outlined four possible workstreams for this working group. Stakeholders broadly agreed with these proposed workstreams and noted that there would likely be significant interaction with the work of the other working groups.

The first workstream will consider the regulatory re-set process. This will include the process for undertaking regulatory re-sets, the scope of those re-sets and an appropriate length for each regulatory cycle. Stakeholders commented that it would be useful for working group members to understand how this process fits in with other instruments in the legislative hierarchy and what would be considered standard practice for regulatory re-sets in other regulated sectors, such as electricity. It

was agreed that a background paper on standard regulatory re-set processes, particularly referring to regulation in the electricity sector, would be prepared for the next working group meeting.

The second workstream will consider other commitments that should be contained in the SAU that would facilitate it operating as intended over time. These commitments could include rules, processes and powers to address matters that could arise within a regulatory period or are not well suited to periodic review as part of the regular re-set process. Stakeholders discussed some possible commitments that should be explored further, such as product development and withdrawal processes as well as transparency and reporting obligations. It was agreed that a group of participants would prepare some high level points to facilitate a discussion around transparency and reporting obligations at the next working group meeting.

The third work stream will consider quality of service in the context of a revised SAU. For example, what approach should the SAU adopt in respect of service standards and other quality indicators so that NBN Co and access seekers have clarity over the service levels that are to be delivered for the nominated products and price levels over a regulatory period. Stakeholders noted that service standards have mainly been considered in the process of wholesale broadband agreement (WBA) negotiations and agreed that this process should not seek to repeat those discussions. It was agreed that some participants would work on scoping out how service standards should be considered in the SAU, and how that would relate to the WBA process and NBN Co's obligations as the default Statutory Infrastructure Provider (SIP).

The fourth workstream will consider the interaction between the price constraints, revenue constraints and product quality/product specifications. It was noted that the other two working groups are separately considering the price and revenue constraints that should apply under a new SAU. This working group will consider how these constraints come together to form a cohesive regulatory framework. It was agreed that work needs to progress in the other working groups before further work is done for this work stream.

The action items for the next working group meeting are:

1. ACCC to progress the confidentiality arrangements
2. Participants to produce the following papers for discussion at the next working group meeting:
 - a. Background paper on standard regulatory re-set processes, particularly referring to regulation in the electricity sector.
 - b. Short scoping paper on quality of service in the context of the SAU, WBA and SIP processes and obligations.
 - c. Short paper with discussion points on transparency and reporting obligations that should be included in a varied SAU.