

21 July 2023

Sean Riordan
General Manager, Communications Markets and Advocacy
Infrastructure Division
Australian Competition & Consumer Commission (ACCC)

By email: nbn@accc.gov.au

Dear Sean,

**NBN Special Access Undertaking Variation: Pricing options consultation
[SEC=OFFICIAL] [ACCC-ACCCANDAER.FID3121688]**

Superloop welcomes the opportunity to provide this submission to the ACCC in relation to the **NBN Special Access Undertaking Variation: Pricing options** consultation.

Given the protracted amount of time of the SAU process, Superloop strongly advocates for an immediate increase in CVC for the industry whilst the SAU consultation continues. The industry continues to be adversely financially impacted as the ongoing SAU consultation continues. This will also minimise the likelihood of any retail price rises prior to the new SAU coming into force.

Our submission on the Modified Floor and Ceiling pricing proposal is based on two key pillars:

- Pricing considerations, including the preference to apply Option 2; and
- Further recommendations to better support the industry's transition to the new SAU.

Pricing considerations

Superloop prefers the Option 2 in the Modified Floor and Ceiling pricing proposal being offered by NBN:

- Option 2 should create a more competitive industry through improved CVC allocations and lower overage pricing. As challenger brands typically have consumers with higher data usage, Superloop strongly believes Option 2 will promote competitive pricing and market competition more generally benefiting the long term interests of end users (LTIE);
- In addition to recommending Option 2, we also recommend that the CVC allocation for Option 2 for the 12Mbps, 25 Mbps and 50Mbps plans be immediately increased to accommodate current excessive CVC overage charges and considerable ongoing increases in consumer data usage. This will result in a decrease in the likelihood and magnitude of near term retail price increases at times when end customers can least afford them.

Additionally, with regards to switching charges (individual AVC Service Transfers and Non-Infrastructure Transfers), Superloop recommends the immediate reduction of the \$5.00 charge

to \$1.50 (for both transfer types) including an annual glide-path on these costs to \$1.00 (FY25), \$0.50 (FY26) and then \$0.00 (FY26) to support the competitive market and LTIE.

Improve the industry's transition to the new SAU

In addition to recommending the Option 2 pricing proposal, we also recommend that the ACCC:

- Given the protracted process of nbn's SAU submission process, and subject to the ACCC's legislative powers, provide an interim SAU approval lasting at least 12 months incorporating the improved CVC allocations requested above. This will enable a more seamless industry transition, provide more cost certainty for the industry and reduce cost of living pressures for end users through 2024;
- Following the introduction of nbn national pooling, the new pricing option now requires further significant investment. The costs to smaller RSPs is not dissimilar to incumbent RSPs and the transition fund allocation should be reflective of that.
- With regards to the NBN transition fund, the allocation should be done in a way that helps the most impacted RSPs (through a transparent application model) and be targeted to improve competitive outcomes, and not simply based on the numbers of subscribers that each NBN RSP has at a point in time.

We welcome further feedback or comments from the ACCC.

Yours sincerely

Adam Foye

Head of Compliance, Risk and Regulatory