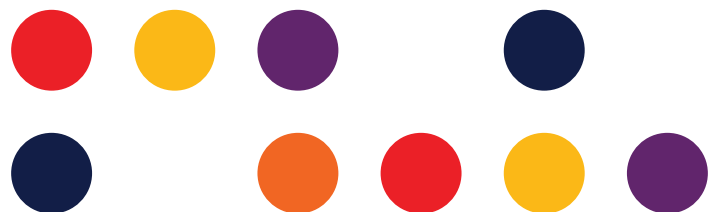


# Proposed variation to the NBN Special Access Undertaking

## ACCC

September 2023

Public submission



## Submission

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TPG Telecom welcomes the ACCC's consultation in relation to NBN Co's third attempt to vary its Special Access Undertaking since the ACCC's regulatory review began in mid-2021.

As the ACCC has observed, the current SAU variation proposal has already been the subject of extensive consultation and stakeholder engagement. The ACCC has stated it will consider previous submissions made in assessing the current SAU variation proposal. TPG Telecom has made submissions to previous ACCC consultations, including the pre-lodgement consultation process, and accordingly does not propose to repeat views already expressed.

The ACCC has indicated the SAU variation proposal appears to address remaining areas of its concerns, meaning it is almost certain the SAU will be accepted. In the circumstances, TPG Telecom supports the ACCC's intention to proceed to a final decision without issuing a draft decision.

TPG Telecom considers NBN Co's latest SAU variation is better aligned to the needs of consumers and retailers and will reflect an improvement in the regulation of NBN Co. However, we believe the SAU could have incorporated greater measures to ensure affordability of home broadband services for consumers, specifically the majority of NBN consumers on NBN50 services.

TPG Telecom remains concerned about the consumer impact of NBN Co imposing two consecutive price rises within a short period and believes NBN Co should forego the 1 July 2024 increase. This is a one-off mechanism which would strike an appropriate balance by minimising potential price shocks for consumers as industry transitions to new pricing arrangements, while NBN Co still retains an opportunity to reach efficient cost recovery over the remaining SAU term.

As the new pricing arrangements are adopted, TPG Telecom assumes the ACCC will closely monitor the impact of NBN Co's yearly price rises on the affordability of home broadband services. This can be achieved by the ACCC factoring NBN Co's yearly price increases into its consideration of retail price changes in the ACCC annual communications market report. This will ensure changes in retail prices are assessed within context, including as against increases at the wholesale level. This is crucial to ensure the right information is provided to consumers, as NBN Co's yearly price rises will mean consumers should expect to pay more for the same service or an inferior service.

After over 2 years of industry uncertainty, TPG Telecom is pleased the SAU variation process will soon conclude. While we consider the transitional credit amount is inadequate to meet increased overage costs due to NBN Co freezing CVC inclusions during the regulatory process, we recognise NBN Co's decision to increase the total amount of the transitional credit to address industry concerns.

TPG Telecom looks forward to the timely implementation of the SAU proposals in commercial agreements, which will finally provide industry with some certainty over the NBN's future regulation and price controls. The conclusion of this process will enable industry to now turn its focus to other policies and regulation to deliver better outcomes for consumers and support the growth of the Australian digital economy.