



## Media release

Wednesday 31 August 2022

# NBN Co to extend Wholesale Broadband Agreement (WBA4) with retailers, starts consultation on new agreement to reflect revised SAU proposal

NBN Co today released details of a proposed extension to its current Wholesale Broadband Agreement (WBA4) with Retail Service Providers (RSPs) and issued a consultation paper to start discussions on a new Wholesale Broadband Agreement (WBA5), which is scheduled to come into effect in mid-2023.

The extension, known as WBA4+, includes a bridging offer, which forms part of the company's ongoing focus on improving the **nbn**<sup>®</sup> network and overall customer experience, while providing additional support and certainty to RSPs. The offer will precede the significant reductions in wholesale pricing that NBN Co has proposed for inclusion in its revised Special Access Undertaking (SAU).

The bridging offer will cover the period after 30 November 2022, when the current Wholesale Broadband Agreement (WBA4) is due to expire, until the new SAU has been accepted by the ACCC and implemented via a new Wholesale Broadband Agreement (WBA5).

In parallel with the WBA4+ bridging offer, the company has released its WBA5 Consultation Paper, which will focus on seeking feedback on how to engage with RSPs to ensure the effective operational implementation of a new SAU. The parallel consultation process is intended to ensure the significantly modified wholesale pricing and commitments of the new SAU can be ready for implementation via WBA5 by the target date of 1 July 2023.

As previously announced, NBN Co is preparing a new SAU variation proposal that reflects the recent changes in the policy landscape and operating environment. The ACCC will review the company's new SAU Variation once submitted in October 2022, and it is expected that the ACCC will commence consultation shortly thereafter to enable the process to be finalised by early 2023.

As part of its revised SAU Variation proposal, and in addition to the previous commitment to remove CVC (capacity) charging and introduce AVC-only pricing for the **nbn** Home Fast (100 Mbps) and above wholesale speed tiers by 1 July 2023, NBN Co has proposed a firm timeframe for the complete removal of CVC charges and the introduction of AVC-only pricing across the 12, 25 and 50 Mbps wholesale speed tiers by 1 July 2026.

It has also proposed significant wholesale price reductions to AVC-only pricing on key higher speed tiers by 1 July 2023; reduced wholesale bundle charges or additional data inclusions on 12, 25 and 50 Mbps wholesale speed tiers; the introduction of a Weighted Average Price Cap (WAPC) that will initially cap the company's overall pricing on average at CPI; further limitations on drawdown of the Initial Cost Recovery Account (ICRA); setting benchmark service standards for each regulatory period, with ACCC oversight, and the automatic expiration of the SAU before 2040 if a future Government relinquishes control of NBN Co.

## NBN Co General Manager Wholesale Supply, Jane Witter, said:

“We are pleased to propose the WBA4+ bridging offer enhancements, which offer greater certainty to internet retailers and customers. The bridging offer is an important step towards a new SAU that will reflect the changes in the policy landscape and operating environment.

“Many of these RSP and customer benefits are enabled by the substantial investments and improvements we have made to our products, systems and processes during the term of WBA4.

“We appreciate the discussion and feedback that was provided during our recent engagement with the Australian Competition and Consumer Commission, RSPs and consumer advocacy groups at the recent ACCC Industry Forum on NBN Co’s proposed SAU Variation.

“We look forward to engaging in further consultation with the ACCC and industry in the weeks ahead and, once we have lodged our new SAU Variation proposal in October 2022, we will continue to work towards a new Wholesale Broadband Agreement.”

## Wholesale Broadband Agreement (WBA4+) Bridging Offer:

The WBA4+ bridging offer spans four key financial and quality measures, and has been designed to address industry feedback and contractually reflect recent improvements to NBN Co’s products, systems and processes, including:

1. Financial measures
2. Fixed Wireless quality measures
3. Service level and systems improvements
4. Operational improvements

A variation agreement covering the WBA4+ bridging offer changes will be provided to RSPs in the coming weeks.

### Financial measures

#### 1. Extend discounts, credits and rebates

NBN Co proposes to extend selected discounts, credits and rebates to align with the new WBA4+ expiry date. Full terms outlined in the bridging offer to RSPs.

#### 2. Waive RSPs’ liabilities in respect to lost Network Connection Devices (NCDs)

NBN Co proposes to waive its right to recover from RSPs any replacement costs of unaccounted for **nbn**-supplied equipment during the stocktake period from 1 July 2019 to 30 June 2021.

### Fixed Wireless quality measures

#### 3. Defer Wireless Fair Use Policies (FUP)

NBN Co proposes that it will not seek to apply service reductions in respect of RSP breaches of upload and download data limits set out in the **nbn**<sup>®</sup> Ethernet (Wireless) Fair Use policy before 31 March 2023.

#### 4. Increase the Wireless download data threshold by 25 per cent

As noted in the item above, once the relevant thresholds in the FUP are exceeded, NBN Co may apply a service reduction to intensive applications on an AVC TC-4 wireless service that exceeds 400 GB download usage in a calendar month. The company proposes to increase this monthly data usage threshold by 25 per cent from 400 GB to 500 GB.

## Service level and systems improvements

### 5. Improve service level for access component modification

NBN Co must currently meet a one business day service level for access component modification (no attendance at premises required) and a performance objective of 90 per cent or more. In addition, the company has an operational target for access component modifications of six hours. The company proposes to improve the service level for access component modification from one business day to within four business hours, and the operational target from six hours to one hour.

### 6. Improve service level for CVC modification

NBN Co must currently meet a one business day service level for CVC modification and a performance objective of 90 per cent or more. The company proposes to improve the service level for CVC modification from one business day to within four business hours.

### 7. Introduce performance objectives for availability of the CV&T sandpit

NBN Co currently makes available to RSPs a Certification, Verification and Testing (CV&T) environment in which RSPs can test their IT development against **nbn**-published B2B specifications before production deployment. RSPs also use this environment for their ongoing IT changes to conduct regression tests prior production deployment. NBN Co proposes to introduce a performance objective for the availability of the CV&T environment of 99 per cent during business hours.

### 8. Commit to an outage-free weekend per month for the NPIS

NBN Co may conduct works on the **nbn**<sup>®</sup> Platform Interfacing Service (NPIS) by triggering outages during weekends to minimise disruption to RSPs and customers. The company proposes to commit to not conduct any outages on the NPIS for at least one weekend per month. This does not apply to NPIS preventative maintenance outages and emergency outages.

## Operational improvements

### 9. Provide rebates to RSPs even for services impacted by Force Majeure Events (natural disasters) from October 2022 to May 2023, inclusive

A natural disaster, which constitutes a Force Majeure Event (FME), an event outside of NBN Co's reasonable control, is treated as an 'excluded event'. As a result, service levels, performance objectives and operational targets do not apply, and commercial rebates do not accrue, for the period and to the extent that NBN Co's ability to perform a relevant activity is adversely affected by an excluded event.

As NBN Co implements improvements in its operational processes for managing FMEs, for the coming disaster season the company proposes to pay rebates to RSPs even if the network's ability to perform is impacted by a natural disaster FME.

The company proposes to pay rebates to RSPs for a failure to meet its connections, missed appointments or service fault rectification service levels, even if its ability to perform the relevant activities is adversely affected by a natural disaster. This is proposed to apply for activities between October 2022 and May 2023, inclusive, and the total rebates payable by NBN Co to all RSPs for natural disaster FMEs will be limited to \$500,000 per FME and \$2 million in total during that period.

### 10. Improve the process for managing FMEs by providing RSPs with more granular information about services impacted

NBN Co currently provides RSPs with information including geographical information setting out the areas that have been impacted by a Force Majeure Event. By 31 October 2022, the company proposes to provide to RSPs with more granular data pertaining to the locations and services impacted during a Force Majeure Event.

## ENDS

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