



Media release

Thursday 22 October 2020

NBN Co launches new *Focus on Fast* campaign

Offers additional data inclusions and wholesale pricing rebates on higher speed tiers and extra CVC capacity credits to internet retailers

NBN Co is launching a campaign featuring new incentives for internet retailers to sell higher speed broadband plans to customers. The company is hoping to replicate the success of its 'Focus on 50' campaign, with its new 'Focus on Fast' campaign to help internet retailers encourage more customers to take-up higher speed plans that aim to deliver a better home internet experience.

At the start of the Focus on 50 campaign in late 2017, approximately one in six residential premises were on plans based on the 50/20 Mbps wholesale speed tier and above, and today more than 70 per cent of residential customers are on plans based on wholesale speed tiers of 50 Mbps or above¹. NBN Co has confirmed that 72 per cent of its fixed line network is currently capable of delivering download speeds of 100 Mbps¹ and the company estimates that its highest peak wholesale speed tiers of 500 Mbps to close to 1 Gbps² will be available on demand to an estimated 75 per cent of homes and businesses on the fixed line network by 2023³.

As part of the Focus on Fast campaign, NBN Co is working to bring forward the release of additional CVC data inclusions on its 100/40 Mbps, **nbn** Home Fast, **nbn** Home Superfast and **nbn** Home Ultrafast bundle discounts so they are available from 1 December 2020 for those retailers who enter into the fourth version of NBN Co's Wholesale Broadband Agreement (WBA4).

As a sales and upgrade incentive, NBN Co also proposes to offer wholesale pricing rebates to internet retailers⁴ from 1 February 2021, which will be applicable for up to six months. The rebates are being planned to effectively offer additional discounts to internet retailers for upgrades to the 50 Mbps speed tier and certain key bundle discounts, including 100/40 Mbps, **nbn** Home Fast, **nbn** Home Superfast and **nbn** Home Ultrafast plans.

These changes are in addition to NBN Co's proposed reduction in the effective charge of the 12/1 Mbps modified entry level bundle discount (mELB). The wholesale price of the 12/1 Mbps mELB will be reduced from \$27.40 to \$26.60 in October 2020, followed by further proposed reductions under WBA4 in December to \$24.70, and a final reduction in May 2021 to \$22.50.

To assist eligible internet retailers' transition to the additional data inclusions and pricing rebates, NBN Co will continue to essentially offer internet retailers some additional CVC capacity at no extra cost. The COVID-19 CVC Credit that has been available to internet retailers since March 2020 will start to taper from that offer's expiration on 30 November 2020.

When the COVID-19 CVC Credit offer expires on 30 November, NBN Co is planning to offer a transition credit to eligible internet retailers for two months. NBN Co will look at the amount by which an RSP's CVC charges set out in the invoice issued at the beginning of the September 2020 billing period exceed their respective CVC charges set out in the invoice issued at the beginning of the February 2020 billing period⁵. The transition credit will be 75 per cent of this amount in December 2020 and 50 per cent of this amount in January 2021. This will be applicable to fixed line, fixed wireless and Sky Muster satellite services.

NBN Co's tapering of COVID-19 CVC Credit offer to internet retailers recognises that peak data demand is returning to normal forecast levels of growth.

NBN Co will also enable internet retailers to transition away from the temporary COVID Sky Muster offer, which increased the wholesale peak download data offer from average 45 GB to average 90 GB, until 31 March 2021. This is intended to provide retailers with flexibility in how they implement the rollback of temporary COVID offers. This offer, which came into effect at the end of March, added 45 GB to the applicable fair use rolling four-week threshold for each standard Sky Muster service. From 1 April 2021, the Sky Muster satellite service will revert to the standard fair use policy threshold of 45 GB of wholesale download data on average per service across a rolling four-week period.

Earlier this year, NBN Co helped internet retailers to more efficiently purchase and distribute capacity to their respective customers on any speed tier at a national aggregate level as well as effective wholesale price reductions.

The combination of initiatives introduced by NBN Co throughout 2020 has contributed to an overall improvement in the download speeds experienced by most **nbn** customers. In August 2020, broadband monitoring company cable.co.uk released analysis based on over 364 million broadband speed tests, which showed an average drop in speed of 6.38 per cent across 114 countries that had lockdowns in place. Australia was one of only a handful of countries to improve its internet speed during lockdown, with a gain of 5.38 per cent.

NBN Co is planning to commence its annual wholesale pricing consultation with internet retailers in February 2021. The proposal is to issue its new rolling two-year wholesale pricing bundles discount roadmap under WBA4 at the conclusion of that process.

Detailed terms and conditions on this campaign, together with the incentives outlined above, are being worked through by NBN Co and will be made available to the industry soon. Some information may also be subject to change.

NBN Co Chief Customer Officer, Brad Whitcomb, said:

"We are pleased to support internet retailers and their customers during the pandemic as more people work, study and stream entertainment content at home. The **nbn** network continues to perform well and by offering the additional COVID-19 CVC Credit to internet retailers at no extra cost for nine months, we have provided an important shock absorber to the industry. This has given internet retailers time to adjust to growth in data demand.

“Increasing numbers of customers are choosing to upgrade to higher speed plans, and these measures provide additional value and incentives for retailers to help customers to upgrade to higher speed plans that may be better suited to their needs.

“Higher speed bundle discounts come with more CVC inclusions, which helps deliver improved performance for those customers while also adding to the pool of included CVC capacity that is available for retailers to utilise across their entire customer base.

“The offers we are working to introduce on 1 December 2020 play to the increasing strength and capabilities of the national broadband network to meet customer demand for higher speed services.

“To provide the industry with greater cost certainty over the critical summer holiday period, and to assist the transition to our new CVC inclusions and wholesale pricing rebates, we will continue to provide eligible retailers with some continued CVC financial support through December and January.

“The underlying trend that sees organic growth in data demand doubling every four years will require an industry-wide response, and we will commence our annual consultation with internet retailers early in 2021.”

ENDS

Notes to editors

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Focus on Fast rebate offer eligibility tiers**

nbn Wholesale Speed Tier	Current Bundle Discount	Offer 1: CVC Incl. 1 Dec 20 Offer 2: Focus on Fast Campaign dates: 1 Feb 21 – 31 Jul 21	Rebate on
Home Fast	\$58 3.75 Mbps	\$56^x (\$2 rebate X 6 months) 4.25 Mbps	First Time Connect, Service Transfer where the customer is upsold onto an eligible speed tier & Upsell of your existing nbn™ connected customers
100/40	\$65 3.75 Mbps	\$56^x (\$9 rebate X 6 months) 4.25 Mbps	
Home Superfast	\$68 4.75 Mbps	\$56^x (\$12 rebate X 6 months) 5.25 Mbps	
Home Ultrafast	\$80 5.75 Mbps	\$56^x (\$24 rebate X 6 months) 6.25Mbps	

<p>50/20* Wholesale speed tier</p>	<p>\$45 2.25 Mbps</p>	<p>\$37^x (\$8 rebate X 6 months) 2.25 Mbps From May 21 it will increase to 2.5Mbps [planned]</p>	<p>Service Transfer where the customer is upsold onto an eligible speed tier & Upsell of your existing nbn™ connected customers. New First Time Connections excluded</p>
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*Includes Fixed Wireless Plus

^x Wholesale bundle discount effective monthly charge

**Terms and conditions apply

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1 Your experience, including the speeds actually achieved over the nbn™ network, depends on the nbn™ access network technology and configuration over which services are delivered to your premises, whether you are using the internet during the busy period, and some factors outside nbn's control (like your equipment quality, software, broadband plan, signal reception and how your service provider designs its network). Speeds may also be impacted by the number of concurrent users on the nbn™ Fixed Wireless network, including during busy periods. Satellite end customers may also experience latency.

2 Regardless of the retail service you purchase, the actual wholesale speeds delivered by nbn's highest wholesale speed tiers of 500 to close to 1000 Mbps will be less than 1Gbps due to equipment and network limitations and the peak information rate may fall anywhere in this range. In addition, the HFC Home Ultrafast bandwidth profile downstream service provided to retail providers is a ranged profile with a maximum sustained information rate of 750Mbps. Reference to speeds are not end user speeds; they are wholesale layer 2 peak information rate bandwidth provided to retail providers. An end customer's experience, including the speeds actually achieved over the nbn network, depends on some factors outside our control (like equipment quality, software, and how your retail service provider designs its network) and the nbn technology used for your connection.

3 Wholesale speeds subject to the access technology by which the service is supplied.

4 NBN Co is a wholesaler and does not control costs charged by service providers. Customers should contact their preferred service provider to ask about their fees and charges.

5 The credit will be applied in December 2020 and January 2021 if total CVC charges for any given internet retailer in the September billing period exceed their respective CVC charges in the February billing period. The credit for December 2020 and January 2021 is not conditional on the retailer receiving a credit for the September 2020 billing period.