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Editor: Stan Beer

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NBN CO RELEASES NEW LOWER PRICING REGIME



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CommsWire/Telecommunications Editor: Stan Beer

Staff writers: Peter Dinham, Alex Zaharov-Reutt, Sam Varghese. Columnist: John de Ridder

Advertising: CEO and Editor in Chief, Andrew Matler: andrew.matler@itwire.com • Tel: 0412 390 000

LOWER PRICES, MORE DATA WITH NEW NBN WHOLESALE PLANS

NBN Co, the operator of the National Broadband Network, has announced a range of new wholesale bundles offering lower prices and more data inclusions, following what the Government says was an extensive industry consultation process.

Minister for Communications, Cyber Safety and the Arts, Paul Fletcher welcomed the announcement saying: “With this announcement, the effective wholesale price of data capacity across most bundles is now less than half its 2016 level.”

Minister Fletcher said that among NBN Co’s proposals are better value mid-tier bundles with increased data capacity - and the data inclusion for NBN Co’s most popular wholesale plan, the 50Mbps bundle, will increase while the wholesale price remains unchanged.

The company has also announced three new high-speed products which will launch in May next year, the fastest of which will offer speeds of up to 1Gbps.

Summary of outcomes from NBN Co Wholesale Pricing Review 2019:

- Significant wholesale bundle discounts, which include annual increases in data capacity inclusions for most discount bundles
- Ability for Retail Service Providers (RSPs) to share unused data capacity across all geographic areas associated with 121 Points of Interconnect (POIs)
- Plans to introduce an overhead allowance for the downstream component of most fixed line wholesale speed tiers, where possible, to assist RSPs to supply higher retail peak download speeds to customers
- Two-year discount bundle roadmap to provide RSPs with greater certainty on future wholesale prices and data capacity inclusions

NBNCo says the products will offer greater value for money, particularly when compared to existing higher speed bundles.

In addition, NBN Co has confirmed that for the first time it will provide greater data capacity provisioning on the majority of its wholesale products to help retailers provide faster speeds to their customers.

The changes are the result of NBN Co’s 2019 Wholesale Pricing Review, which involved extensive consultation with retail service providers and consumer groups.

It also follows an announcement made by the Federal Government in September that NBN Co would introduce a discounted entry level wholesale bundle to make broadband more affordable for around 500,000 budget conscious households.

“The introduction of the discounted entry level wholesale bundle has been successful in helping more Australians get online, with the take-up of the 12Mbps bundle more than doubling since the discount was introduced in October,” said Minister Fletcher.

| ELB Example Application | Included Capacity | Effective Charge | Additional usage charge | Additional CVC \$8/Mbps | Total effective wholesale charge |
|--------------------------|-------------------|------------------|-------------------------|-------------------------|--|
| Voice-only | 0.15Mbps | \$22.50 | - | - | \$22.50 |
| Voice and low data usage | 0.15Mbps | \$22.50 | - | - | \$22.50 |
| Voice & 500Kbps CVC | 0.15Mbps | \$22.50 | \$5.70 | 0.35Mbps | $\$22.50 + \$5.70 + (0.35\text{Mbps} * \$8) = \$31.00$ |
| Voice & 1Mbps CVC | 0.15Mbps | \$22.50 | \$5.70 | 0.85Mbps | $\$22.50 + \$5.70 + (0.85\text{Mbps} * \$8) = \$35.00$ |

Table 1 Modified Entry Level Bundle usage examples

| | Sep 19 | | Oct / Dec 19 | | May 20 | | Oct 20 | | May 21 | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Discount bundle ⁴ | Effective Charge | Inclusion (Mbps) | Effective Charge | Inclusion (Mbps) | Effective Charge | Inclusion (Mbps) | Effective Charge | Inclusion (Mbps) | Effective Charge | Inclusion (Mbps) |
| ELB with usage below 0.15Mbps | \$22.50 | 0.15 | \$22.50 | 0.15 | \$22.50 | 0.15 | \$22.50 | 0.15 | \$22.50 | 0.15 |
| ELB with usage above 0.15Mbps ⁵ | \$45.00 | 0.15 | \$28.20 (Oct) | 0.15 (Oct) | \$27.40 | 0.15 | \$26.60 | 0.15 | \$26.60 | 0.15 |
| B25 on fixed-line and fixed wireless | \$45 | 2 | \$37 (Dec) | 1.25 (Dec) | \$37 | 1.25 | \$37 | 1.25 | \$37 | 1.5 |
| B50 | \$45 | 2 | \$45 | 2 | \$45 | 2.25 | \$45 | 2.25 | \$45 | 2.50 |
| Wireless Plus | \$45 | 2 | \$45 | 2 | \$45 | 2.25 | \$45 | 2.25 | \$45 | 2.50 |
| Higher Speed Tier 1 (100/20) | - | - | - | - | \$58 | 3.75 | \$58 | 3.75 | \$58 | 4.25 |
| B100/40 | \$65 | 3 | \$65 | 3 | \$65 | 3.75 | \$65 | 3.75 | \$65 | 4.25 |
| Higher Speed Tier 2 (250/25) | - | - | - | - | \$68 | 4.75 | \$68 | 4.75 | \$68 | 5.25 |
| B250/100 | \$100 | 3 | \$100 | 3 | \$100 | 3.25 | \$100 | 3.25 | \$100 | 3.5 |
| B500/200 | \$130 | 3 | \$130 | 3 | \$130 | 3.25 | \$130 | 3.25 | \$130 | 3.5 |
| Higher Speed Tier 3 (up to 1000/50) | - | - | - | - | \$80 | 5.75 | \$80 | 5.75 | \$80 | 6.25 |

Table 2 nbn discount bundle charge and inclusion roadmap 2020-2021

Stan Beer and Peter Dinham

TELCOS MUST 'PLAY THEIR PART' IN NBN PRICING CHANGES: ACCAN

Australia's peak body for consumer representation in communications, the Australian Communications Consumer Action Network (ACCAN), says telcos must play their part if consumers are to benefit from changes to NBN Co's wholesale pricing and data capacity.

Changes [announced](#) on Tuesday by NBN Co will give telcos more flexibility in what they can offer their customers, starting with a reduction in the wholesale price of a modified 25Mbps service from December 2019.

ACCAN says that, importantly, the changes to 25Mbps services will affect both fixed line and fixed wireless plans, "which mean that households in both metropolitan and regional areas should be able to benefit from cheaper broadband and better options."

"However, this is entirely dependent on telcos passing the changes on to their customers," says ACCAN.

"While there is still more to be done, NBN Co's latest changes to their pricing and inclusions are a step in the right direction and demonstrates that the organisation recognises the important role that broadband plays in our everyday lives," said ACCAN Director of Policy, Una Lawrence.

"We will be monitoring the market to ensure these improvements are passed onto consumers once they come into play over the next 12 months, so NBN users get the full benefit."

Lawrence says ACCAN welcomes changes to the 12/1 Entry Level Bundle that will allow for greater flexibility when consumers exceed its low data capacity.

"The increase in take-up of NBN's cheapest broadband plan shows that people want to be connected to the NBN, but for some cost may be a serious barrier," Lawrence said.

"This reflects ACCAN's own work that has long highlighted the barrier of broadband affordability for low-income households. However, we know the 12/1 service won't meet the needs of many low income households, especially families, and urge NBN Co to develop a more suitable concessional higher speed service as a priority."

ACCAN has also welcomed the announced introduction of an AVC overhead allowance which it says should ease confusion amongst consumers who do not receive the branded speed of their NBN broadband plan.

"With this new overhead allowance, telcos would get a little extra data for each customer so that you will be more likely to get the full speed of your plan," Lawrence said.

"It's very confusing for consumers buying an NBN service sold as performing at a particular speed only to find that their service can't deliver at that level. Hopefully this change will improve that situation."

ACCAN says that, as the consumer voice for phone and Internet consumers, it will continue to work with NBN Co as part of their Wholesale Pricing Review 2019 Close-out Paper "to ensure that the promise of the NBN is made possible for all Australians."

Peter Dinham

II.NET PENALISED BY ACMA AFTER BAD NBN MIGRATION PROCESS

A poor NBN migration for a customer has resulted in TPG-owned RSP iiNet being censured by Australia's communications regulator and forced to take remedial action under threat of a potential \$10 million fine.

iiNet was acquired by top four telecommunications provider TPG in 2016 for \$1.4 billion, in a merger that raised a few eyebrows at the time over the potential lessening of competition in the marketplace.

The Australian Communications and Media Authority (ACMA) has directed iiNet to conduct an independent audit of its systems after a customer was left without Internet for more than three weeks during the process of moving to the NBN.

An ACMA investigation found iiNet failed to take reasonable steps to minimise the customer's phone and Internet disruption during the process.

ACMA Chair Nerida O'Loughlin said it is simply not acceptable for customers to be left in the dark with no Internet service while they are moving to the NBN.

"On this occasion iiNet have let this customer down, and they have fallen short of what consumers should be able to expect from their telco providers.

"Telcos must ensure customers who experience problems during their move to the NBN can still access a service while those issues are being fixed.

"Under ACMA rules, iiNet should have offered the customer an interim service while the issue was being fixed, and this didn't happen.

"Once we see the results of the audit we will monitor iiNet's progress to ensure this issue doesn't happen again," she said.

If iiNet fails to comply with the direction the ACMA may commence court proceedings seeking remedies such as injunctions and civil penalties of up to \$10 million.

The ACMA investigation found iiNet's actions breached the Telecommunications Service Continuity Standard and Service Migration Determination, which are part of a package of rules developed to protect consumers moving to the NBN.

Rules in relation to service continuity came into effect in September 2018 following ACMA research that found almost one in six households moving to the NBN was left without a working connection for more than a week. For almost one in 10 households, the interruption was for more than two weeks.

Enforcing these rules as consumers move to the NBN is an ACMA compliance priority for 2019-20. In June seven telcos were issued with infringement notices totalling \$88,200 for failing to provide adequate information about their NBN plans on their websites.

iiNet may apply to the Administrative Appeals Tribunal to review the ACMA's decision.

Stan Beer

AUSSIE BROADBAND REVENUE JUMP MAKES DELOITTE TECH FAST 50

Broadband retail service provider Aussie Broadband has achieved average revenue growth of 308% over the last three years to gain a listing as the only telecommunications provider in this year's Deloitte Technology Fast 50.

The company won 4th place in the leadership category and was also listed as #21 in the technology Fast 50 sector.



The awards were announced at a ceremony in Sydney on Monday night, with Aussie Broadband director Phil Britt (pictured on the right) saying that: "The award acknowledged that we have dramatically grown our market share and over the past 3 years," and "we are now the fifth largest provider of new NBN services in Australia."

The Deloitte Technology Fast 50 ranks Australia's fastest growing technology companies, based on their percentage revenue growth over the last three years (2017-19) - and to qualify, each company must have minimum cumulative revenues of \$8m over the period.

Britt said that a number of initiatives had contributed to the company's growth, including automated systems and Aussie Broadband's "strongly-held core values".

"Aussie Broadband was formed from a merger between Wideband Networks, started by myself and my business partner John Reisinger in the Latrobe Valley, and Westvic Broadband based in Warrnambool, back in 2008," he said.

"I firmly believe regional Victorian culture has played a strong role in our success, especially our awesome staff with their "no bullsh*t" approach. This award wouldn't be possible without them."

Deloitte Technology Fast 50 Lead Partner, Josh Tanchel, said:

"Simply making the 2019 Deloitte Technology Fast 50 Australia Awards is an achievement, but to be named among the top contenders in the Leadership category is a significant statement about the company,"

"Deloitte is proud to celebrate the achievements of Australia's brightest technology innovators and look forward to working with them as they grow in the future."

Peter Dinham

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For editorial contact Stan Beer- CommsWire Editor: 0418 516 720 - stan.beer@itwire.com
To subscribe or advertise contact Andrew Matler CEO : 0412 390 000 - andrew.matler@itwire.com