



Media Release

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NBN Co responds to industry views on Special Access Undertaking

Revised approach to regulation of wholesale access to network

NBN Co today welcomed the release by the ACCC of an overview of the revised approach that the company is developing for the long term regulation of its services via a Special Access Undertaking (SAU). This revised approach is in response to feedback provided by NBN Co's customers and the ACCC as part of the ongoing consultation process on the SAU lodged with the ACCC in December 2011.

Feedback received to date has focused on the nature and extent of ACCC oversight over the 30 year term of the SAU, and the level of certainty provided to access seekers (telcos and internet service providers) as compared to the level of flexibility provided to NBN Co.

Jim Hassell, NBN Co Head of Product Management and Industry Relations, said: "NBN Co acknowledges the significance of the feedback from the ACCC and industry, and has revised its approach accordingly. This is consistent with how we have engaged with industry on a range of issues over the past two years, and reflects that as a wholesale-only provider, we need to develop solutions that will work for our customers as well as for NBN Co.

"What doesn't change in the revised approach is our commitment to maintain the affordability of our prices. The approach continues to lock-in the prices of key products for five years, maintains price controls over all products, and in addition now confirms NBN Co's intention to decrease the price of the Connectivity Virtual Circuit (CVC) as demand increases."

The revised SAU approach strikes a better balance between providing certainty on NBN Co's long term cost recovery arrangements and flexibility for the other regulatory terms to evolve as required over time. It also ensures a more explicit role for the ACCC in assessing the reasonableness of NBN Co's proposals at regular intervals throughout the SAU's term.

NBN Co is continuing to consult with the ACCC on the detailed provisions and formulation of the SAU, and will be seeking the ACCC's approval of its revised approach in coming months. NBN Co intends providing industry with updates on its revised approach as the SAU is further developed.

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