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## Media release

# NBN Co launches new Wholesale Broadband Agreement focused on speed and reliability

NBN Co will implement a new Wholesale Broadband Agreement (WBA5) with Retail Service Providers (RSPs) on 1 December 2023.

The new, three-year agreement reflects the wholesale price terms of the Special Access Undertaking (SAU) Variation accepted by the Australian Competition and Consumer Commission (ACCC) in October 2023. It follows more than two years of detailed consultation involving the ACCC, RSPs, consumer advocacy groups and **nbn**.

The agreement will see significant reductions in the wholesale prices of entry level and higher speed tiers. It supports fast internet speeds and improved cost certainty for retailers and customers.

WBA5 introduces more than 40 separate improvements for RSPs and customers over the previous agreement, most notably the implementation of flat-rate wholesale prices with the immediate removal of CVC (capacity) charges for the **nbn**® Home Fast (100 Mbps) and above<sup>1,2</sup> wholesale speed tiers.

For light internet users, **nbn** has created a 12/1 Mbps Basic Bundle, which has been discounted by \$10 to be available for a wholesale price of \$12. The company's 25/5 Mbps product has been discounted by \$11 and will be available for a wholesale price of \$26.

The 50/20 Mbps product will see a \$5 wholesale price increase to \$50, however, **nbn** has incorporated greater value into the plan with a 34 per cent increase in included data.

As a result of the overall reduction in wholesale prices and lower average price per gigabit of data supplied to RSPs across all speed tiers, **nbn** expects its Average Revenue Per User (ARPU) to remain flat in FY24.

So far 38 RSPs, including Australia's largest internet retailers, have signed up to the WBA5 contract. The agreement supports greater long-term regulatory predictability for retailers, customers and **nbn** and sets out a range of measures aimed at delivering a better customer experience on the **nbn**® network.

The company thanks RSPs and acknowledges their positive, constructive and collaborative response to the development of the SAU Variation and WBA5 contract. The company continues to work with all remaining RSPs to formalise their respective agreements.

To assist RSPs with some of the costs associated with usage growth and transitioning **nbn**® Ethernet TC-4 services to the new pricing construct, **nbn** has provided a total of \$20 million in transitional credits to retailers, as well as an additional \$3 million Reseller Development Fund.

## Jane van Beelen, Chief Legal and Regulatory Affairs Officer at NBN Co, said:

"Our new wholesale prices will see significant reductions in the prices of our entry level and higher speed tiers, this year.

"Five out of six of our most popular wholesale residential plans will drop in price, this year, and the one that will go up (**nbn**50 – from \$45 to \$50) will include 40 per cent more data. As a result of the significant reductions in the wholesale cost of data across all speed tiers any increases in wholesale prices are less than the current or forecast annual inflation rate this fiscal year and over the next two fiscal years.

"With customers' data demand doubling every five years, the new wholesale price structure is designed to provide more price and cost certainty to retailers, which will in turn promote competition.

"Our wholesale prices have resisted inflation and have not increased in real terms over the last ten years despite the fact that most of our input costs have been subject to inflation.

"We have committed to provide the industry with long-term price certainty and make twice yearly adjustments to our data inclusions on the entry level and mid-speed tiers to account for customers' growing data demands.

"Our new wholesale pricing framework will limit future wholesale price rises and afford **nbn** the opportunity to earn sufficient revenue to continue investing in the network to deliver faster speeds and more data capacity to customers now and in the years ahead.

"Our ongoing investment in network capability will enable up to 10 million premises to access close to gigabit<sup>3</sup> speeds by the end of December 2025, and our new wholesale price structure will lower the cost for retailers to provide the highest speeds the network is capable of delivering."

**ENDS**

### Important notes:

1. An end customer's experience, including the speeds actually achieved over the **nbn** network, depends on some factors outside **nbn**'s control (like equipment quality, software, and how a retail service provider designs its network) and the **nbn** technology used for the connection. For **nbn** Fixed Wireless, speeds may also be impacted by the number of concurrent users on the nbn Fixed Wireless network, including during busy periods. For nbn Satellite, end customers may also experience latency.
2. Not all providers offer plans based on the full range of wholesale speed tiers.
3. Regardless of the retail service you purchase, the actual maximum wholesale download speeds delivered to service providers will be less than 1 Gbps due to nbn equipment and network limitations. Your experience, including the speeds actually achieved, depends on some factors outside our control (like customer equipment quality, software, and how your provider designs its network) and the nbn technology used for your connection.

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