

## Urgent need to address broadband affordability: ACCAN

NBN Co's proposed wholesale pricing changes are unlikely to meet the needs of consumers, according to the Australian Communications Consumer Action Network (ACCAN).

In September, [NBN Co released a consultation paper to the telco industry](#) that aimed to increase the number of households connected to the NBN. While the proposals outlined in this paper show that NBN Co is listening to ACCAN's concerns about the current wholesale pricing arrangements, there is still considerable work to be done to ensure that consumers' needs and expectations of their home broadband service are met.

"While we're pleased that NBN Co has acknowledged broadband affordability is an important issue for many Australians, we're concerned their proposals will not address this vital problem," said ACCAN CEO, Teresa Corbin.

"We know that there are approximately one million low income households who are at risk of not switching over to the NBN due to the cost of NBN broadband plans. Given the substantial threat this poses to digital inclusion in Australia, we need develop a concessional broadband service as soon as possible," explained Ms Corbin. "If we don't, Australians may be forced to substitute the NBN for mobile broadband, or go without a connection entirely."

ACCAN would like to see NBN Co offer the subsidised wholesale 50Mbps service for \$20 per month for households receiving income support, such as pensioners. This would allow telcos to sell plans to consumers for around \$30 per month.

The development of a product for transitory consumers, such as renters, is another positive idea proposed by NBN Co in their consultation paper. However, like the concessional product, there is no specific plan offered.

ACCAN will engage with NBN Co further on the development products to meet the needs of these consumers.

As Australia's voice for phone and internet users, ACCAN believes that NBN Co's proposed changes to the 12/1Mbps Entry Level Bundle do not go far enough to make the service attractive to either telcos or consumers.

The wholesale pricing of the 12/1Mbps has resulted in few telcos still offering this product to consumers. NBN Co's proposed changes to the ADSL-equivalent bundle may attract some telcos to sell the product to those who want a cheap, low-data broadband plan. However, the reality is that these plans would likely include data-caps and quotas to manage demand during busy periods.

"Australians now expect their home broadband plans to include unlimited data and no quotas; these plans would very likely be a step backwards" said Ms Corbin.

While the proposed revision of the 25Mbps bundle discount service would mean telcos pay less to NBN Co in the short-term, it's likely that as consumers use more and more bandwidth, additional usage costs will increase. This would ultimately mean higher NBN broadband prices for consumers.

ACCAN has praised NBN Co for publicly releasing a pricing consultation paper for the first time. A transparent and accountable consultation process for pricing and product design should be the norm moving forward.