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## Affordable broadband good news for Australian households

**New research from Accenture, commissioned by NBN Co and released today, offers new insights into customer perceptions on affordability of the nbn™ network and a comparison to both other countries and other utilities in Australia.**

Accenture's research analysed the relative affordability of Australian broadband when compared with a selection of peer countries with similar broadband products and average incomes per capita. In a comparison of 13 OECD countries, between FY18 and FY20, Australia saw the largest improvement in affordability and ranks sixth overall across comparable speed tiers.

The average weekly household spend on services over the **nbn™** network is only 1.1 per cent of household income, compared with water (1.3 per cent) and electricity (1.6 per cent)<sup>1</sup>. Of customers surveyed, more than 85 per cent reported no concerns with the affordability of their **nbn™** service, with the research indicating that Australians were more inclined to be concerned about the relative cost of other household essentials<sup>2</sup>.

Whilst the report's key finding is that broadband is largely affordable for most Australians, as part of NBN Co's continued commitment to reduce the affordability barriers that still remain for some, the company is this month excited to launch a new wholesale pricing rebate.

This new wholesale pricing rebate<sup>3</sup> is designed to help internet providers encourage additional eligible households in both regional and metropolitan areas across Australia to connect to the **nbn™** network.

From 1 September, NBN Co will be giving internet retailers access to a new monthly wholesale rebate when they connect eligible unconnected premises in the **nbn™** fixed-line and fixed-wireless network footprints that are Ready to Connect, but either never connected or have been inactive for greater than 18 months. The rebates will be paid over 6 or 18 months, depending on how long the relevant premises has been disconnected for. A separate campaign will be run for Sky Muster Plus connections.

**Jane McNamara, nbn consumer experience expert, said:**

"Given the fundamental role of connectivity in all areas of our lives right now, it's encouraging to know that broadband affordability isn't a concern for most Australians.

“We are aware though there are still those both on and off our network for whom access or affordability of **nbn**<sup>™</sup> services remain a concern, and we’re committed to continuing to work with the industry to address these barriers.

“Our new pricing rebate initiative launched this month is designed to support retailers to market their offers to the unconnected, helping reduce the affordability gap for unconnected households, across Australia, to help them benefit from access to high-speed broadband.

“We want to ensure unconnected Australians, especially those questioning whether they can afford the benefits of connectivity, are aware of the great deals in the market.”

It is not the first time NBN Co has supported internet retailers in connecting eligible unconnected households. Launched in August 2020, the “Illuminate” offer<sup>4</sup> provided a 50 per cent discount on the wholesale price of most Fixed Line and Fixed Wireless services, for a period of 12 months.

With recent and ongoing lockdowns in various states and territories across Australia, NBN Co has also been supporting internet retailers with COVID relief payments for additional data demands in July and August, and has committed to extending credit relief payments to internet retailers in September and October, should the same thresholds for increased data demand be exceeded.

NBN Co continues to work to improve broadband access and affordability and lift the digital capability of Australia. Previous initiatives have included releasing the [nbn Digital Capability Tool](#) to help customers understand their digital skills and how to advance them, launching a COVID-19 relief package to support remote learning for low-income families, and a \$50 million residential financial hardship package.

**Dr Andrew Charlton, Managing Director at Accenture Australia, said:**

“With Australians spending more time at home, bills for major household essential services may be at the forefront of personal finances.

“Our analysis of the customers surveyed has found that the current perception of the cost of services over the **nbn**<sup>™</sup> network is predominantly positive, especially with consumers spending more time online than ever before.”

“This research builds on previous research from Accenture which revealed customers derive \$1,920 in value from their service every year, more than twice what they currently pay for their service. This equates to \$15.7 billion in the total value that connected Australian households derive from the **nbn**<sup>™</sup> network per annum.”<sup>5</sup>

## Notes to Editors:

1. Notes from 'Consumer affordability of nbn services' prepared by Accenture and commissioned by NBN Co, September 2021. The average monthly cost of services over the nbn™ network is  $\$16.8 * 4.34 \text{ weeks} = \$73$ . Weekly average household income is rounded to nearest \$100. Weekly income is post tax and calculated using the five AU income tax bracket rates across the ABS income quintile groups. Only non-bundled fixed line nbn™ plans are used to calculate the average price of plans. SOURCES: ABS Household Financial Resources 2020, CanstarBlue, AEMC Residential Electricity Price Reports December 2020, NBN Co internal data, Accenture Strategy analysis.
2. Notes from 'Consumer affordability of nbn services' prepared by Accenture and commissioned by NBN Co, September 2021: Consumer sentiment survey of 2,420 respondents in March 2021, Accenture Strategy. Results are based on the survey question 'How would you rate the following in terms of affordability? nbn, Electricity, Gas, Water'.
3. New wholesale pricing initiative:
  - a. Under the new wholesale pricing initiative, retailers will be able to access the monthly \$15 wholesale rebate two ways:
    - i. A rebate for six months for each premises that is connected, where the relevant order was placed between 1 September 2021 and 28 February 2023, across most of the wholesale speed tiers, if these premises have been Ready to Connect but either never connected, or inactive, for 18 to 24 months (provided that the retailer has met the applicable baseline number of connections). Retailers opting in later will have shorter campaign periods.
    - ii. Retailers can also access the rebate from 1 September 2021 for 18 months, if they connect a premises that has been Ready to Connect but either never connected or inactive for more than 24 months, where the relevant order was placed between 1 September 2021 and 28 February 2023 (provided that the retailer has met the applicable baseline number of connections). Retailers opting in later will have shorter campaign periods. To assist retailers to identify unconnected or inactive locations, NBN Co will be releasing a refreshed list of Location Identifiers every month.
  - b. To help internet retailers support Australian households in regional and remote areas get connected, NBN Co will also be introducing two new satellite incentives to help accelerate connectivity.
    - i. From 1 September to 30 November 2021, retailers will have access to six months of rebates per eligible service of between \$10 and \$25 if they upgrade customers from Sky Muster to Sky Muster Plus, provided that the retailer has met the applicable baseline number of connections.
    - ii. NBN Co will also be initiating a separate campaign that is currently planned to run from 1 September 2021 to 28 February 2023, where retailers will have access to 12 months of rebates of between \$10 and \$25 per eligible service, if they reconnect premises to Sky Muster Plus which have been inactive for greater than 90 days.
4. Illuminate offer details:
  - a. In August 2020, NBN Co announced it was broadening its First Timers' (Illuminate) discount, which offers providers a 50 per cent discount on the effective wholesale charge of most nbn speed tiers for premises that have not connected to the network and have passed their disconnection date by more than six months or have disconnected after having an active service for and have been inactive for more than six months.
  - b. Under the Illuminate offer, internet providers were given access to a 50 per cent discount on the wholesale price of most fixed line bundles and Fixed Wireless for a period of 12 months. The offer also allowed internet providers to migrate existing Education Assistance customers onto the illuminate offer for a period of 12 months at the expiry of the COVID Education Assistance package, 15 January 2021.
5. 'The nbn effect: How the nbn™ network adds value to our lives', prepared by Accenture and commissioned by NBN Co, August 2021

## Resources:

- Case study and imagery available on request.

**ENDS**

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